



2023

MAYWUFA COMPANY LTD.

Sustainability Report



Contents

	<u>Page</u>		<u>Page</u>
0 ‧ Introduction		4 ‧ Employee Care	
About This Report	1	4.1 Talent Attraction and Retention	67
Message from Management	3	4.2 Talent Development and Training	71
Introduction of MAYWUFA	9	4.3 Human Rights	73
Key Sustainability Performance	17	4.4 Workplace Safety and Health	74
1 ‧ Sustainability Strategy		5 ‧ Environmental Sustainability	
1.1 Sustainable Development Framework	20	5.1 Climate Change Action	81
1.2 Sustainable Development Strategy	21	5.2 Energy and Greenhouse Gas Management	84
1.3 Stakeholders and Material Topics	26	5.3 Water Resource Management	88
2 ‧ Ethical Governance		5.4 Waste and Air Pollution Management	89
2.1 Corporate Governance	36	5.5 Sustainable Supply Chain	91
2.2 Ethical Management	41	6 ‧ Social Responsibility	
2.3 Regulatory Compliance	42	6.1 Social Responsibility and Value Creation	93
2.4 Tax Policy	45		
2.5 Risk Management	47		
2.6 Information Security and Customer Privacy	50		
3 ‧ Product Innovation		7 ‧ Appendix	
3.1 Research and Development Innovation	53	GRI Standards Content Index	97
3.2 Product Quality and Safety	59	Index of the Guidelines for Listed Companies in Preparing and Reporting Sustainability Reports	108
3.3 Customer Relations	64		

INTRODUCTION

ABOUT THIS REPORT

Welcome to read MAYWUFA '2023 Annual Sustainability Report' (hereinafter referred to as the 'Report') which is the first edition issued by MAYWUFA COMPANY LTD IN 2024(hereinafter referred to as 'MAYWUFA,' 'the Company,' or 'we') We adopt an open and transparent approach to share our achievements and vision on sustainability issues to all stakeholders. This report covers a broad range of topics, including product quality and safety, regulatory compliance, information security, economic performance, occupational health and safety, talent attraction and retention, energy and greenhouse gas management, R&D innovation, customer relationship management, and sustainable supply chain practices. We pledge to uphold our vision and demonstrate our commitment to sustainable development, helping stakeholders understand our ongoing efforts toward this goal.

Reporting Period

This report primarily discloses MAYWUFA's sustainability commitments and specific performance outcomes in the areas of Economy , Governance, Environment, People and Human Rights for the 2023 fiscal year (January 1, 2023, to December 31, 2023). To ensure completeness of the sustainability practices, some content includes data from 2022.

Publication Date for year 2023 Report: August 2024

Expected Publication Date for year 2024 Report: August 2025

Report Scope

This report discloses data from January 1, 2023, to December 31, 2023. Economic and financial performance information reflects consolidated group performance, prepared in accordance with the International Financial Reporting Standards (IFRS) and presented in New Taiwan Dollars (NTD). Environmental performance indicators are disclosed for the Yangmei Plant, while social performance indicators primarily cover MAYWUFA's operations in Taiwan, including the Taipei headquarters, Taichung and Kaohsiung offices, and the Yangmei Plant. Other invested business are not included in the scope of this report; any information outside of Taiwan will be specifically noted in the respective chapters.

Reporting Framework

This report followed and referenced the following standards:

Issuing Organizations of the Standards	Adopted Standards
Global Reporting Initiative, GRI	GRI Universal Standards 2021
Taiwan Stock Exchange, TWSE	Guidelines for the Preparation and Reporting of Sustainability Reports by Listed Companies
United Nations, UN	Sustainable Development Goals, SDGs

This report is prepared in accordance with the GRI Universal Standards 2021 issued by the Global Reporting Initiative (GRI), the Guidelines for the Preparation and Reporting of Sustainability Reports by Listed Companies issued by the Taiwan Stock Exchange, and the United Nations Sustainable Development Goals (UN SDGs). The disclosed financial data is based on the 2023 consolidated financial statements, which has been audited by a certified public accountant.

Report Review Statement

The data and information in this report were collected by the department heads convened by the Chairman's office, focusing on domestic and international economic, governance, environmental, and social sustainability issues. Various channels were used to understand the concerns of different stakeholders. Through discussions and analysis, significant topics affecting the company were identified. Based on these topics, management policies and performance data were collected to compile the sustainability report, which was then presented to the Board of Directors. The report is made available to stakeholders through public channels according to the publication schedule.

Principles and Guidelines for Report Preparation

MAYWUFA collects key international economic, environmental, and social issues, and through analysis, identifies topics of concern for stakeholders. The company's operational strategy is also considered in this process. Relevant departments are invited to discuss and filter the important issues, presenting the results of these actions in this report.

Contact Information

In support of environmental sustainability and to fulfill our corporate social responsibility, this report is published in both Chinese and English electronic format and is available on MAYWUFA website. If you have any questions or suggestions regarding this report, please feel free to contact us.

Unit: Sustainability Development Coordination Team

Email: service@maywufa.com.tw

Phone: +886-22713-6621 #2158

Address: 5F, No. 167, Fuxing North Road, Songshan District, Taipei City

Sustainability Development Section: <https://www.maywufa.com.tw/>

Message from the Chairman

Crafting the Development Blueprint for Maywufa Healthcare Group

In 1976, at the age of 28, I founded Taiwan Maywufa® (the predecessor of Maywufa Healthcare Group) and established a factory in the Taoyuan Youth Industrial Park. We successfully developed and launched our own brand, "Maywufa®," with a series of products including hair dye, shampoo, and conditioner.

Since the establishment, I have always adhered to the business strategy of "embracing change and pioneering with stability," continuously innovating and expanding. In 2011, we were awarded as one of top 100 brands in Taiwan across various industries by the Ministry of Economic Affairs for the event of 100th anniversary of the founding of the Republic of China. 'MAYWUFA®' is the only brand selected in this field.

While managing the business, I have also been actively involved in government public affairs, representing the business community by offering suggestions to the government, promoting economic prosperity, protecting the rights of small and medium-sized enterprises, and actively addressing the issues of youth entrepreneurship in pursuit of social well-being. I have also continued to dedicate to public welfare, giving back to my community, particularly in my hometown of Donggang, Pingtung, where I implement the philosophy of "taking from society, giving back to society."

I graduated from the Department of Pharmacy at Kaohsiung Medical University, and have always had a passion and sense of mission for the pharmaceutical industry, which is dedicated to saving and benefiting people. With the stable growth of my primary business, I expanded into the pharmaceutical and biotechnology fields, establishing PhytoHealth Co., Ltd. (4108) and AmCad Biomed Co., Ltd. (4188). Maywufa Healthcare Group is a key player in the large health industry. The "Maywufa®" products are dedicated to providing consumers with a pleasant and comfortable experience, improving their quality of life. PhytoHealth Co., Ltd. is a global leader in botanic new drugs, having developed the world's only prescription drug for treating Cancer-Related Fatigue (CRF), benefiting cancer patients. AmCad Biomed Co., Ltd. has developed several world-first AI-driven innovative medical devices, addressing diseases such as thyroid tumors and obstructive sleep apnea. These innovations improve the accuracy and convenience of detection, motivate the diagnosis, and help people detect diseases early to receive precise treatment.

With the ever-changing economic situation, we must keep pace with the times and engaged in lifelong learning. To support this, the company established the EMBA Inspirational Club, providing opportunities for mid-to-senior executives to continue their education, engage in cross-disciplinary learning, and stay updated of the latest information and market trends.

"Gratitude" is also one of the unwavering principles for sustainable business management. I have always firmly believed that "the more one acknowledges gratitude, the more one benefits," which aligns perfectly with the current ESG (Environmental, Social, and Governance) philosophy—pursuing "shared prosperity" with all stakeholders. This concept has evolved, gradually expanding

the scope of stakeholders from shareholders, employees, and communities to include the broader environment and supply chain.

In the face of a rapidly changing environment, the company has always adhered to the goal of "keeping pace with the times and staying ahead," continuously improving corporate governance.

We build long-term trust relationships with all stakeholders in a steady and grounded manner. Our efforts are focused on expanding the influence of Maywufa, creating sustainable value for society in the long run.

Founder and Chairman of Maywufa Healthcare Group Lee Chen-Chia



Message from the Vice Chairman

Responsible for corporate governance, Involving in strategic decision-making, communication and integration.

Amid the rapid changes in the global environment, society, and economy, businesses sustain significant social responsibility. We firmly believe that companies must also take responsibilities toward environmental sustainability and employee welfare while pursuing profitability. Only by benefiting all stakeholders can a business truly achieve success and sustainability.

Commitment and Strategy for Sustainable Development

As a leading brand in the hair care and biotech-pharmaceutical industries, we actively implement sustainable development while pursuing sales growth. We strive to enhance our Environmental, Social, and Governance (ESG) performance by integrating sustainability strategies into our daily operations. By adopting international sustainability management frameworks and strengthening climate governance mechanisms, we are committed to protecting the environment and creating a sustainable future.

Maywufa Green Factory, completed in 2024, marks a significant milestone in the company's sustainable operations. It will achieve dual certifications for Good Manufacturing Practices (GMP) in cosmetics and the Green Building Label, ensuring both product quality and environmental energy efficiency. This underscores our unwavering commitment to environmental sustainability.

Maywufa has always adhered to high social responsibility (CSR). Since 2016, the company has been compiling CSR reports. In 2022, we established the "Sustainability Development Task Force," led by senior management, to coordinate various sustainability initiatives and oversee the company's sustainability strategies. The task force reports project execution outcomes to the Board of Directors annually. This year, Maywufa issued its first Sustainability Report for 2023, outlining short-, mid-, and long-term strategic plans to comprehensively advance its goals. Moving forward, the company will continue to issue these reports every year.

Corporate Governance and pursuing happiness in the workplace

We have established a comprehensive and effective governance framework to protect shareholder rights, enhance Board functionality, and implement stringent information security and privacy protection measures, ensuring operational transparency and reliability. To foster a happy working environment, we encourage employees to develop exercise habits by sponsoring marathon registrations, organizing running courses, and planning hiking trips. These initiatives are complemented by corporate health check-ups to raise employee health awareness and well-being.

Social Responsibility and Community Engagement

As a biotechnology group venturing into new drugs and intelligent medical devices, we continue to support medical education to enhance the clinical treatment quality of healthcare professionals. We also collaborate with patient associations and NGOs to provide accurate and comprehensive

health education, fulfilling our corporate responsibility and assisting patients in their recovery. Additionally, we have long been concerned about the issue of declining birth rates. In 2023, we organized 14 "Mammy Classes" to offer new parents more practical resources, getting a strong support for them during pregnancy and the postpartum period.

"Integrity, reciprocity, and courtesy" have been the core values of Maywufa for nearly half a century, fully aligned with the principles of ESG. We will continue to uphold the principle of integrity in our operations, consistently creating sustainable value. We sincerely thank all stakeholders who support and care about Maywufa. We will continue to improve and strive to make a greater impact on society, and try our best to attain a sustainable future.

Vice Chairman and CEO of Maywufa Healthcare Group
Lee Yi-Li



Message from the General Manager

Formulate and execute various business plans based on market conditions and competitive dynamics

In the wake of the profound impact of the COVID-19 pandemic, consumer habits have undergone significant changes. Guided by our business philosophy of "winning through learning, succeeding through change," we ventured into the e-commerce sector a decade ago. During the pandemic, we demonstrated exceptional resilience, achieving outstanding results despite the downturn in the brick-and-mortar retail market.

Market Leadership and Digital Innovation

Since its establishment in 1976, Maywufa has been dedicated to becoming the "Hair Care Expert for Asians." The company focuses on the research, development, production, manufacturing, and marketing of shampoo and hair dye products tailored for Asian hair and scalp. This commitment has positioned Maywufa as a benchmark enterprise with a fully integrated industrial model.

Through the continuous efforts of all employees, Maywufa's "White- to- Black Hair Dye " and "Color Hair Dye " have long maintained the number one market share in the hair dye market. According to research published by the global market research authority KANTAR, our full range of haircare products has also earned the distinction of top brand in market share in Taiwan.

Facing the challenges of an ever-changing external environment, we adhere to our business philosophy of "adapting to change with change," continuously pursuing innovative development while maintaining stability. This approach allows us to consolidate and further expand our market leadership. Strengthening our digital capabilities, we successfully launched our own e-commerce platform, which, combined with our robust offline presence, has delivered exceptional revenue performance post-pandemic.

Additionally, leveraging the company's strong R&D and production capabilities, we have partnered with leading domestic retailers to co-develop and sell exclusive products. This collaboration cultivates our relationships, fosters mutual success, and further strengthens our market competitiveness.

Environmental Protection and Green building factory

For the global goal of achieving net-zero carbon emissions by 2050, we have conducted a comprehensive assessment of greenhouse gas emissions within Maywufa's daily operations and supply chain and set specific carbon reduction targets. We are committed to promoting green manufacturing by using biodegradable materials, reducing resource waste and waste generation, and advancing the recycling and reuse of packaging materials. Our aim is to reduce greenhouse gas emissions and water usage by over 3% annually, ensuring the creation of lasting sustainable value for society in the future.

Following the framework of the Task Force on Climate-related Financial Disclosures (TCFD), we identify short-, mid-, and long-term risks and opportunities and conduct financial impact analyses.

This approach enhances the company's resilience over the medium to long term and optimizes operational management, ensuring that we maintain the capability for steady development when facing future challenges.

Looking ahead, we firmly believe that only by fully integrating sustainability strategies into our daily operations and strategic planning can build the resilience needed to navigate an ever-changing world and achieve benefits for all stakeholders.

General Manager of Maywufa Company Limited

Lai Yu-Ju



INTRODUCTION OF MAYWUFA

Company Profile

Maywufa Healthcare Group originated from Maywufa Company Limited, founded in 1976. In 1998, the company expanded into the pharmaceutical and biotechnology sector, investing in the establishment of Phytohealth Corp. In 2008, it further diversified by founding Amcad Biomed Corp., with all three companies being publicly listed or traded on the stock exchange. In 2018, Maywufa acquired Broadsound Corp., marking a new chapter in the biotechnology industry. The Group focuses on "own-brand products and channels," "biotech drug development," "innovative medical devices for detection," and "high-end ultrasound-compatible alternative probes and detection systems," paving the way for new advancements in the biotech field.

Company Name	Maywufa Company Limited
Headquarters Location	5th Floor, No. 167, Fuxing North Road, Songshan District, Taipei City, Taiwan
Capital Amount	1,329,152(Unit: New Taiwan Dollar (Thousands))
2023 Annual Revenue	1,293,853(Unit: New Taiwan Dollar (Thousands))
Stock Ticker Symbol	1731
Number of Employees	192 employees (as of December 31, 2023)
Main Products/Services Description	Sales of hair care, skin care, and personal hygiene products; sales of pharmaceutical products.
Geographical Locations of Products/Services	The primary sales regions are Taiwan and Asia.

Products and Markets

Maywufa is a manufacturer of hair care products, with its main products, including hair care, skin care, cleansing and pharmaceutical products. Its own hair care brand, Maywufa®, has been honored as one of Taiwan's "Top 100 Brands" by the Ministry of Economic Affairs, making it the only hair care brand to receive this honor.

Maywufa® and COLORFUL® are market-leading brands in the white-to-black and color hair dye segments, respectively. According to the global market research firm Kantar, Maywufa shampoo products have ranked first in market share in Taiwan. The company operates its own virtual channels and collaborates with major physical retailers and e-commerce platforms to create a comprehensive consumer goods distribution network.

In addition, the company has a professional pharmaceutical marketing team that represents the French skincare brand Mustela®, specializing in maternal and baby skin care products. The company is also actively promoting the self-developed products of Phytohealth and Amcad Biomed, implementing the strategy of "Phytohealth and Amcad for R&D; Maywufa for Marketing."

<p>Hair care, skin care, and Cleansing products.</p>	<p>The hair dye products continue to maintain its market leadership in the white hair coverage through a strategic brand approach, ensuring steady growth. For color dye sector, brand upgrades and the introduction of trendy new colors help sustain market dominance and drive sales momentum.</p> <p>In the hair and body care segment, consumer-favorite fragrance series continue to capture market attention, particularly with limited-edition IP collaborations in shampoos, maintaining strong sales performance. Leveraging robust research and development capabilities, the company has launched products such as INNEX®, Oriental Herb®, IngreLux®, and ibubble®, aligning with market trends and securing consumer favor, generating high praise in online discussions and positive feedback.</p> <p>The premium hair care brand SAHOLEA® has won several international beauty awards, including the "Monde Selection" World Quality Award in Belgium and the "The Veggie Awards" in the UK, earning recognition for its brand strength and professional image in delivering high-quality and perfect results.</p> <p>The maternity and baby skin care brand Mustela® continues to launch specialized products for various skin types. The brand has won multiple "Popular Product" awards, and through both online and offline promotions, as well as recommendations from doctors, it remains widely used and recommended by obstetrics and pediatric departments and maternity centers, continuing to develop steadily despite the low birth rate.</p>
<p>Pharmaceutical products.</p>	<p>The company endeavors promoting the new product Phytohealth Oraphine®, increasing product exposure and brand awareness through major medical conferences and exhibitions. The focus is on securing product procurement in medical centers and healthcare institutions. The product has already been listed into medical centers and has secured procurement agreements with multiple healthcare institutions.</p> <p>To enhance the usage of Phytohealth PG2® Injection, the company partnered with major medical associations and healthcare institutions in 2023 to organize 40 large-scale continuing education courses and seminars. The pharmaceutical marketing team also held over 400 product briefings, expert seminars, and roundtable discussions, along with 10 patient education events. These medical and academic promotional activities reached over 500 healthcare professionals, with more than 12,500 attendees, while the patient education events engaged over 70,000 participants.</p>

Cerebrolysin® injection has successfully been listed into major hospitals. As the demand for stroke and traumatic brain injury treatments, we have organized several academic seminars and expert meetings, fostering collaboration between large hospitals and primary care institutions to exchange experiences. This effort enhances the concept of "early use and prolonged use" through successful case studies.

AmazPower® is positioned as a pharmaceutical-grade health supplement, marketed through hospital channels to increase professional recommendations from healthcare providers and builds a positive reputation among patients. The strategy integrates PG2®, offering complementary benefits to attract new patients and drive sales growth.

Value Chain

Maywufa Company Limited has a complete and integrated industry value chain, which serves as a framework for evaluating its sustainability efforts and outcomes. The company continuously optimizes each link in the chain to create value, enhance influence, and reduce negative impacts.

Research and Development:

We have a professional research and development team specializing in hair dye and personal care products. They continuously explore new formulations and technologies to develop safer and more popular products that meet consumer needs.

Manufacturing :

With advanced manufacturing equipment and professional technology, we efficiently produce hair dye and personal care products while strictly controlling product quality to ensure that every product meets standards and customer expectations.

Marketing :

With years of extensive experience and optimization capabilities, we promote our products to target customer through either traditional or innovative channels by strategies. This approach strengthens relationships with existing customers while expanding our reach to attract new ones, helping to establish the brand image, increase product visibility, and increase market share.

Sales :

Through a professional sales team, we closely monitor market dynamics, communicate effectively and promptly with customers. This enables us to adjust sales strategies efficiently, driving sales momentum and ensuring sales performance and market position.



Participation in Associations and Guilds

As a leading brand in the industry, Maywufa has long been actively involved in various associations and external initiatives, maintaining close and open communication with the industry, government, and academic sectors. In 2023, Maywufa participated 19 associations, taking on key roles and actively engaging in various meetings and events, advocating for the sustainable development of Taiwan's small and medium-sized enterprises (SMEs) and the biotech pharmaceutical industry. At the same time, we collaborate with industry peers to leverage our collective influence, drive industry innovation, and promote sustainable development, positioning ourselves as a pillar of the industry and a forward-thinking force.

Item number	Names of Associations and Organizations	Strategic Significance	Membership Status
1	Chinese National Association of Industry and Commerce, Taiwan	To establish connections with domestic and international business entities and organizations, to enhance mutual understanding and cooperation, promote economic development, and advance the growth of industry and commerce.	Executive Director, Member of the Youth Affairs Committee, and Member of the Biotechnology and Medical Industry Research Committee.
2	Chinese Professional Management Association	To disseminate and exchange business management experiences and knowledge, promote scientific management, enhance corporate operational efficiency, support economic development, and provide management services.	Director
3	Taipei Import and Export Commercial Association	To strengthen industry consensus, propose policy recommendations, advocate for member rights, and actively assist businesses in exploring	Executive Director

Item number	Names of Associations and Organizations	Strategic Significance	Membership Status
		global market opportunities.	
4	National Association of Small and Medium Enterprises, Taiwan	To promote the development of small and medium-sized enterprises (SMEs), serve as a communication bridge between SMEs and the government, assist in improving the business environment, foster communication and collaboration, and support the growth of SMEs	Chairman
5	Junior Chamber International Taiwan Foundation for Ten Outstanding Young Persons	Expand the organization of the 10 Outstanding Youth Volunteer Team to promote cross-school youth exchanges and establish cross-strait and international youth dialogue platforms.	Executive Director
6	General Association of Chinese Culture	Continuously enhance and solidify Taiwan's cultural strength; actively promote cultural exchange and cooperation across the Taiwan Strait; and strengthen Taiwan's cultural engagement with the international community.	Advisory Committee Member
7	Chinese Institute of Management Science	Enhance the level of management science and technology domestically by integrating the strengths of academia, industry, and government institutions, thereby promoting economic growth and development.	Member
8	China Youth Salvation Corps	With a focus on social care, promote youth empowerment initiatives and public welfare. Advocate lifelong learning to enhance quality of life. Encourage volunteer service and the concept of learning through entertainment. Foster a fulfilling life through experiential learning and social engagement.	Member
9	Kaohsiung Medical University Global Alumni Association	Fostering alumni camaraderie, actively participating in national and social development, exchanging academic insights, and enhancing the honor of the alma mater as its core mission.	Member
10	Taiwan Cosmetic Manufacturers Association	Survey, statistics, research, development and improvement of the cosmetics industry at home and abroad, investigation and assistance of raw material sources, survey, statistics and	Member

Item number	Names of Associations and Organizations	Strategic Significance	Membership Status
		promotion of production and distribution, and contact and promotion of technical cooperation.	
11	Taipei District Department Store Manufacturers Association	Member information exchange, expanding business performance, and reducing accounts receivable risks.	Member
12	Taoyuan City Industrial Association	Coordinate the relationships among various industries in the city to enhance common industrial interests, plan industrial improvements and promotion, and promote economic development.	Member
13	Taoyuan City Young Lion Industrial Zone Industry Advancement Association	Promote joint affairs and welfare measures for manufacturers, foster friendship, strengthen unity, and enhance mutual support to collaboratively advance the development of manufacturers.	Member
14	Taipei City Western Medicine Distributors Association	To keep public health, introduce the latest and highest quality medicines and related information from abroad to improve the country's pharmaceutical standards. Assist government health and trade authorities in revising and implementing relevant regulations, establishing direct and bilateral communication channels between the government and industry players. Prevent the entry of counterfeit and substandard medicines, both domestic and international, into the domestic market. Assist and participate in the formulation of pharmaceutical regulatory policies by the government. Actively engage in social welfare activities to create a positive social image for the industry. Advocate and protect the legitimate rights and interests for industry peers.	Member
15	Taiwan Women Directors' Association	Assist enterprises in increasing the representation of female directors in decision-making roles and establishing a comprehensive	Executive Director

Item number	Names of Associations and Organizations	Strategic Significance	Membership Status
		database of female directors as a symbol of leadership. Encourage members to participate as international speakers in global organizational events, serving as opinion leaders. Organize seminars and forums to raise public awareness of policy issues and drive substantial social impact.	
16	Chinese Independent Directors Association	Enhance communication and professional capabilities among independent directors; strengthen their expertise to improve corporate governance quality and operational performance, thereby increasing visibility in capital markets. Assist business leaders and independent directors in effective communication to establish efficient board operations. Promote a well-defined independent director system emphasizing independence, rationality, and diversity. Provide training and advanced courses for independent directors to meet corporate demand for qualified talent. Submit concrete recommendations to the government to foster a robust independent director system and enhance corporate governance practices.	Member
17	Chinese Corporate Governance Association	Advocate corporate governance by offering training programs for directors and supervisors, evaluating and advising services on governance systems, board performance assessments, and the publication of professional books. The association adheres to the Corporate Governance Principles of the Organisation for Economic Co-operation and Development (OECD) and is committed to establishing a robust corporate governance framework in Taiwan, aiming for alignment with international standards.	Member
18	Chinese Credit Risk Management	Facilitate member information exchange to reduce account receivable risks.	Member

Item number	Names of Associations and Organizations	Strategic Significance	Membership Status
	Association		
19	World Chinese Women Entrepreneurs Association	<p>Unite global Chinese businesswomen to contribute collective expertise and address global issues. Leverage the World Chinese Business Women Association's platform to build interpersonal networks, share experiences and resources, and develop leadership and management skills.</p> <p>Enhance the status of Chinese businesswomen in global economic competition and advocate for their rights. Promote international cultural exchange and economic collaboration, actively participating in international affairs.</p>	Member

Economic Performance

In 2023, Maywufa continued to cultivate on the hair care product industry. From a financial perspective, Maywufa's capital in 2023 was NT\$1.329 billion, with revenue reaching NT\$1,293.853 thousand, a 5.27% growth compared to the previous year. For more details regarding the production, sales, and profitability of Maywufa's key products, please refer to page 89 of the company's 2023 annual report.

Financial Information

Unit: NT\$ Thousand

Category	Item	2023
Generated Economic Value	Operating Revenue	1,293,853
Distributed Economic Value	Cost of Goods Sold	446,702
	Employee Salaries and Benefits (Operating Expenses)	155,477
	Distribution of Dividends to Shareholders	146,207
	interest on Borrowings	3,257
	Payments to governments	42,649
	Community Investment	2,969
	Total	797,261
Retained Economic Value		496,592

KEY SUSTAINABILITY PERFORMANCE

Corporate Governance	<ul style="list-style-type: none"> ● Implemented sustainable governance principles through the Sustainable Development Coordination Team. ● Held 5 board meetings with an attendance rate of 89.23%, and the board's self-assessment performance score reached 96.74 points. ● Directors' average training hours were 7.1 hours, exceeding the annual statutory requirement of 6 hours. <p>No incidents of corruption, anti-competition, anti-trust, or monopoly occurred, and there were no violations of laws and regulations in environmental, social, and economic areas.</p>
Customer Value	<ul style="list-style-type: none"> ● No incidents of customer privacy breaches or leakage of customer personal information. ● Customer satisfaction survey score reached 82.1 points. <p>By the end of 2023, a total of 7 global patents were granted, and 610 global trademarks were approved.</p> <ul style="list-style-type: none"> ●
Employee Care	<ul style="list-style-type: none"> ● No incidents of violations of human rights policies or discrimination. ● The average proportion of female employees was 73.82%, and the average proportion of female supervisors was 50%. ● In 2023, a total of 341 participants attended internal and external training courses, with a total of 1,747 training hours, and the average training hours per participant was 9.01 hours.

Social Welfare	<ul style="list-style-type: none"> ● Sponsored major medical organizations. In 2023, a total of 40 large-scale clinical continuing education courses and seminars were held. ● Actively organized patient seminars, with 10 patient education events held in 2023, reaching a cumulative total of over 70,000 participants.
Environmental Sustainability	<ul style="list-style-type: none"> ● Introduce the Climate-related Financial Disclosure (TCFD) framework, establish a climate governance framework, and identify climate risks and opportunity factors related to operations. ● All the lights in the Yangmei plant were replaced with LED lights. ● The Yangmei plant has been built to comply with and obtained certification for ISO 22716, Good Manufacturing Practice (GMP) for Cosmetics. ● In 2023, the Ministry of the Interior approved the "Candidate Green Building Certificate" for the new construction of the Yangmei plant, of which the investment amount of the "green building" is about NT\$6.18 million.

AWARDS AND RECOGNITIONS

-- 《Enterprise》 --

Corporate governance evaluation ranking: ranked in Top 2-10% (among listed companies with a market value under NT\$5 billion)

Awarded the "Best Exclusive Partner, Personal Care" at the Watsons Health & Beauty Awards. The exclusive distributor for France's Mustela in Taiwan, awarded the 2023 Best CSR Changes Award.

-- 《Products》 --

iBubble[®] won the "Annual New Star Award" in Hair Dye at the Watsons Health & Beauty Awards! Herbology won the "Annual New Star Award" in Shampoo & Conditioner at the Watsons Health & Beauty Awards!

SAHOLEA[®] net balance won the "Best Sales" award in Shampoo & Conditioner at the Watsons Health & Beauty Awards!

SAHOLEA[®] won the "Monde Selection World Quality Award" and the "The Veggie Awards" in the UK!

Maywufa[®] Herbal Color Cream on the 2023 UK "in the 2023 UK Creamwion World Quality Award" and the "The Veggie Awards" in the UK!uty Awards!ard Product".

Maywufa[®] Perfume Shampoo won the 2023 UK "Asia Global Makeup Awards, Best Shampooa

IngreLux[®] won the 2023 US Beauty Innovation Awards "Best Shampoo of the Year" Award.

Maywufa[®] Pure Selection Won the 2023 "The Veggie Awards" Bronze Award in the UK!

Mustela[®] won the "Mommy & Baby mombaby" Annual Excellence Award for Stretch Mark Products, Baby Moisturizer, Baby Bath Products, and Baby Sun Protection Products. Additionally, the Pregnancy Skin Oil was awarded the prestigious Professional Evaluation Award by experts from the fields of Obstetrics and Gynecology, Pediatrics, and Dermatology!



The 2023 "The Veggie Awards" Bronze Award in the UK



The "Best CSR Changes 2023" award for Best Corporate Social Responsibility Transformation

CHAPTER 1: SUSTAINABLE STRATEGY

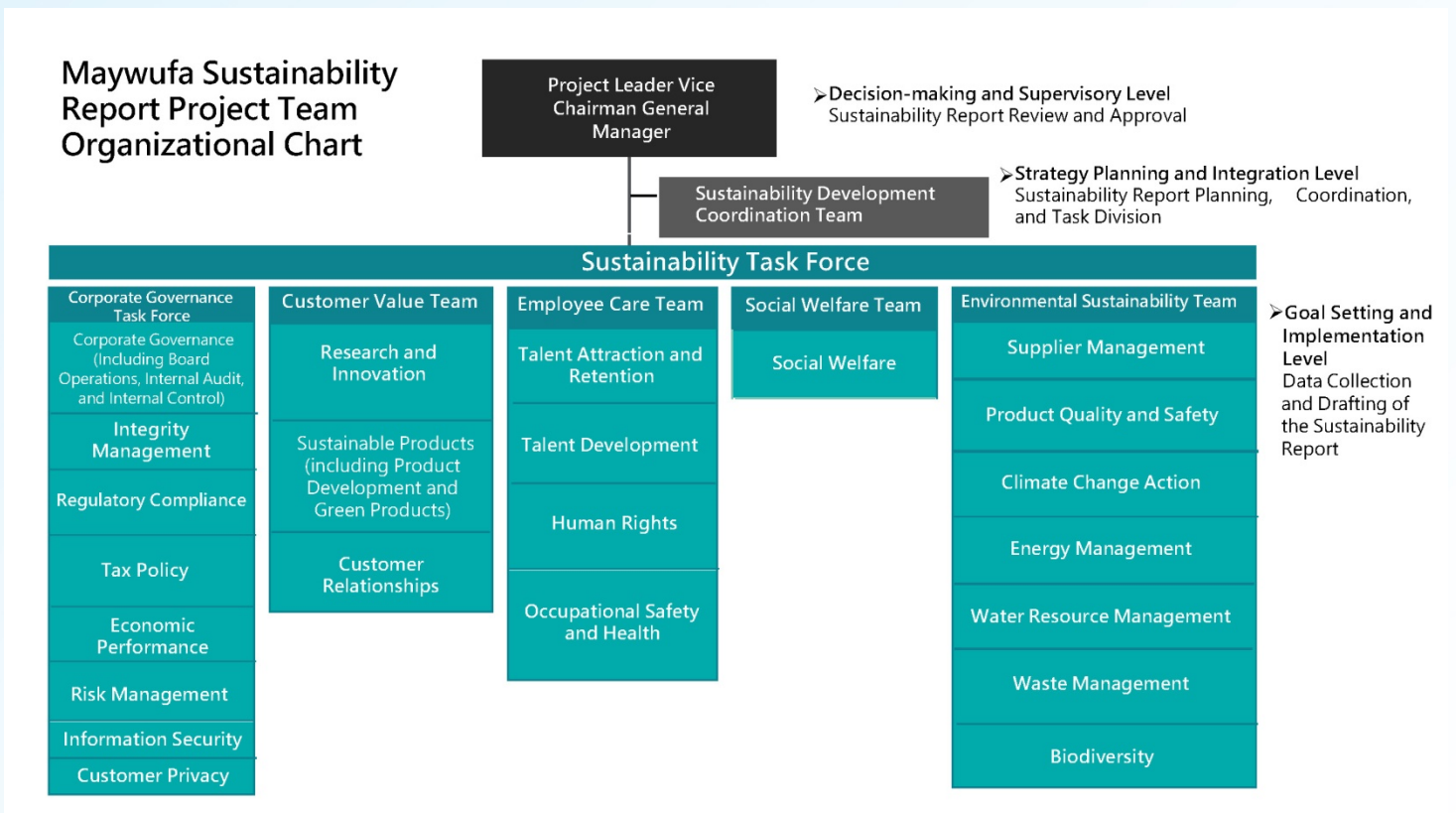
1.1 SUSTAINABLE DEVELOPMENT FRAMEWORK

Organizational Structure of the Sustainable Development Coordination Team

To enhance its sustainability momentum and performance, Maywufa established the Sustainability Development Coordination Team in 2022. This task force assists the company and the entire group in addressing issues related to environmental, social, and corporate governance (ESG). It provides regular reports to the board of directors and actively integrates group resources, enhances communication with various stakeholders, and elevates the company's influence and value.




The task force works by setting objectives, formulating execution strategies, driving project implementation, evaluating related departmental KPIs, and reviewing and optimizing results. It continually embeds the concept of sustainable management into Maywufa's corporate culture and daily operations.



The Sustainable Development Coordination Team is led by the Vice Chairman and CEO as project leaders. Dedicated sub-teams are formed for each aspect, including corporate governance, environmental sustainability, customer value, employee care, and social welfare. Specialized personnel are assigned to handle strategic planning and coordination, ensuring that all aspects of sustainability cover the key dimensions of ESG.














1.2 SUSTAINABLE DEVELOPMENT STRATEGY







Major Development Goals

Strategic Focus Areas	Major issues	Policy and Management	2023 Performance	Short-term Goals (2024)	Mid- to Long-term Goals (2030)	Corresponding to SDGs
Governance and Economic Aspects	Product Quality and Safety	Establish a comprehensive quality management system and safety standards, including quality control and safety assurance at every stage, from raw material procurement to production, manufacturing, transportation, distribution, and after-sales service.	<p>Production (Batch) Order Completion Rate = 99.68% per month; Delivery Achievement Rate = 98.40% per month; Product Inspection Errors = 0 case per month;</p> <p>Organized a consensus meeting to update clinical treatment guidelines for cancer-related fatigue, improving the medical quality of cancer fatigue treatment;</p> <p>Sponsored the Taiwan University Academic Development Foundation to enhance academic development and cultivate outstanding talent.</p>	<p>Production (Batch) Order Completion Rate ≥ 95% per month; Delivery Achievement Rate ≥ 97% per month; Product Inspection Errors ≤ 3 cases per month.</p>	<p>Production (Batch) Order Completion Rate ≥ 99% per month; Delivery Achievement Rate ≥ 99% per month; Product Inspection Errors ≤ 3 cases per month.</p>	  

Strategic Focus Areas	Major issues	Policy and Management	2023 Performance	Short-term Goals (2024)	Mid- to Long-term Goals (2030)	Corresponding to SDGs
	Regulatory Compliance	<p>Establish internal control systems and related operating procedures in accordance with the Internal Control Guidelines for Publicly Listed Companies.</p> <p>Implement quality control processes and standard operating procedures to ensure that product quality and safety comply with relevant regulatory standards.</p>	<p>In addition to strictly complying with relevant laws and regulations set by the government and regulatory authorities, our company has not encountered any major violations. The completion rate for compliance personnel training is 100%.</p> <p>Pharmaceutical products are developed and manufactured following the operational procedures set by the Food and Drug Administration (FDA), the Pharmaceutical Affairs Act, and other relevant regulations.</p>	<p>No major violations have occurred, and the completion rate for compliance personnel training is 100%.</p> <p>Pharmaceutical products are developed and manufactured in accordance with the operational procedures established by the Food and Drug Administration (FDA), the Pharmaceutical Affairs Act, and other relevant regulations.</p>	<p>No major legal violations have occurred, and the completion rate for compliance officer training is 100%.</p> <p>Pharmaceutical products are developed and manufactured in accordance with the operational procedures established by the Food and Drug Administration (FDA), the Pharmaceutical Affairs Act, and other relevant regulations.</p>	
	Information Security	<p>The IT department coordinates the development and implementation of information security and protection policies, risk management, and compliance audits. It ensures internal adherence to information security guidelines, procedures, and regulations.</p>	<p>The availability of critical servers reached 100%, with no unexpected service interruptions.</p> <p>Network connection availability was 99.93%, with no incidents of system intrusion or data destruction.</p> <p>Data backup restoration testing achieved a 100% success rate.</p>	<p>Critical server availability annual KPI > 99.9%;</p> <p>Network connection availability annual KPI > 99.9%;</p> <p>Data backup restoration testing availability annual KPI = 100%.</p>	<p>Critical server availability annual KPI > 99.9%;</p> <p>Network connection availability annual KPI > 99.9%;</p> <p>Data backup restoration test availability annual KPI = 100%.</p>	

Strategic Focus Areas	Major issues	Policy and Management	2023 Performance	Short-term Goals (2024)	Mid- to Long-term Goals (2030)	Corresponding to SDGs
	Economic Performance	Establish a comprehensive operational and financial strategy covering the company's operational status, financial performance, operating costs, market development, and investment gains and losses, while implementing effective management measures.	Based on operational needs, plan the allocation and fundraising of both short-term and long-term funds to ensure smooth capital management and meet the company's operational requirements. Throughout the year, foreign currency payments did not result in unfavorable exchange losses, achieving the annual KPI target. Monthly overdue receivables collection and tracking resulted in an accounts receivable bad debt rate of 0.20% (achieved the annual KPI target), with effective payment and credit management in place.	Monthly overdue receivables collection and tracking resulted in an accounts receivable bad debt rate of <0.5% (achieving the annual KPI target), with effective payment and credit management in place.	Monthly overdue receivables collection and tracking resulted in an accounts receivable bad debt rate of <0.2% (achieving the annual KPI target), with effective payment and credit management in place. Additionally, the promotion of medical collaboration projects and training for healthcare professionals were successfully implemented.	  
	Corporate Governance	The company has established a Corporate Governance Practice Code, stipulating that the composition of the Board of Directors should consider diversity. It formulates basic qualifications and a diversification policy of professional knowledge and skills based on its operations, business model, and development needs, alongside its internal control system and related procedures.	The Board of Directors' performance evaluation self-assessment questionnaire resulted in an average score of 96.74 points after individual assessments by each director. There were no deficiencies found in internal audits, and no violations occurred.	The Board of Directors' performance evaluation self-assessment questionnaire achieved an average score of over 97 points. In internal audit, no deficiencies, and no violations.	The Board of Directors' performance evaluation self-assessment questionnaire achieved an average score of over 98 points. In internal audit, no deficiencies, and No violations.	  

Strategic Focus Areas	Major issues	Policy and Management	2023 Performance	Short-term Goals (2024)	Mid- to Long-term Goals (2030)	Corresponding to SDGs
	Research and Development Innovation	Continuously develop products with competitive advantages, enhance product quality and customer satisfaction, and strengthen brand value and corporate image.	Launch new product projects annually; in 2023, R&D expenditures accounted for more than 1% of revenue.	Launch new product projects annually; in 2024, R&D expenditures will account for more than 1.3% of revenue.	Launch new product projects annually, with R&D expenditures accounting for more than 1.5% of revenue.	 
	Customer Relationship Management	Communicate product and service information with customers to understand their needs, enhance product and service quality, maintain customer relationships, and improve satisfaction by providing excellent and efficient customer service.	Customer complaints (Product Complaint and Tracking Report) = 0 cases per quarter; Customer satisfaction survey = 82.1 points per year.	Customer complaints (Product Complaint and Tracking Report) ≤ 3 cases per quarter; Customer satisfaction survey ≥ 85 points per year.	Customer complaints (Product Complaint and Tracking Report) ≤ 2 cases per quarter; Customer satisfaction survey ≥ 90 points per year.	
	Sustainable Supply Chain	Establish a comprehensive supplier management system, incorporating sustainability into the procurement policy. Require suppliers to adhere to principles of integrity, environmental protection, and labor rights, and prioritize the purchase of eco-labeled products to support green procurement.	Obtain the assurance report from the accountant on the reduction of packaging materials for on line shopping.	Complete the annual reduction report to the Environmental Protection Administration's Resource Recycling and Management Department.	Promote the green economy and ensure sustainable consumption and production patterns; drive cross-industry collaboration models to integrate energy resources for effective recycling and utilization.	 

Strategic Focus Areas	Major issues	Policy and Management	2023 Performance	Short-term Goals (2024)	Mid- to Long-term Goals (2030)	Corresponding to SDGs
Social Aspects	Occupational Safety and Health	Establish occupational health and safety management measures, systems, and plans, including workplace safety maintenance, occupational hazard risk management, employee health management programs, health check-ups, and health promotion activities, to enhance the overall health and safety of employees.	The disability injury severity rate (referred to as "severity rate," SR) = $0 \times 1,000,000 / 355,290 = 0$.	The disability injury severity rate (referred to as "severity rate," SR) = 0.	The disability injury severity rate (abbreviated as "severity rate," SR) = 0.	
	Talent Attraction and Retention	Create a work environment of mutual respect and friendly support, to empower our employees, making Maywufa a long-term employer of choice where everyone can contribute their talents.	Employee turnover rate = 16.8%.	Employee turnover rate < 15%.	Employee turnover rate < 13%.	  
Environmental Aspects	Energy and Greenhouse Gas Management	Implement carbon footprint accounting or use renewable energy, and set reduction targets and strategies to track emissions accurately. This will help identify opportunities for reduction, improve energy efficiency, and comply with regulatory requirements.	The total reduction in greenhouse gas emissions from Scope 1, Scope 2, and Scope 3 is approximately 141.481 metric tons, representing a 9.65% reduction.	The total reduction in greenhouse gas emissions from Scope 1, Scope 2, and Scope 3 is approximately 150 metric tons, representing a 10% reduction.	The total reduction in greenhouse gas emissions from Scope 1, Scope 2, and Scope 3 is approximately 180 metric tons, representing a 12% reduction.	 

1.3 STAKEHOLDERS AND MATERIAL TOPICS

Stakeholder identification process

Maywufa follows the AA1000 Stakeholder Engagement Standard (SES) to identify seven key internal and external stakeholder groups, including government and regulatory authorities, customers, employees, media, investors, suppliers, and communities and non-profit organizations, as the primary communication targets for 2023.

To further assess the impact of various sustainability issues, the company distributed surveys to stakeholders. A total of 202 valid responses were collected from both internal and external stakeholders. Based on the impact assessment results, the company determined the engagement methods for each group. The results of stakeholder identification and the assessment of the impact of material issue were reviewed by the CEO before being reported to the Board of Directors. This ensures that the highest management level is fully aware of the company's operations' economic, environmental, and social (including human rights) impacts. Through this analysis and review mechanism, the effectiveness of the stakeholder engagement process is assured.

Stakeholder Communication Frequency and Key Communication Outcomes in 2023

Stakeholders	Key focus on material issues	Communication methods / frequency	2023 Annual Communication Results
Government and regulator authorities	<ul style="list-style-type: none"> ● Regulatory compliance ● Occupational health and safety ● Information security 	<ul style="list-style-type: none"> ● Participate policy discussions and seminars organized by regulatory authorities periodically. ● Comply with regulatory supervision and audits. ● Visit regulatory authorities to establish direct communication opportunities. ● The contact person is the spokesperson (Accounting Manager): Mr. ZhangTel: (02) 2713-6221 ext. 2163 Email: jinten.chang@maywufa.com.tw 	All matters required by regulatory authorities are reported and announced on time.
Customer Relations	<ul style="list-style-type: none"> ● Talent attraction and retention ● Information security ● Customer relationship management 	<ul style="list-style-type: none"> ● Press releases, advertisements, and social media: Irregularly published to provide customers with multiple communication channels, including service hotlines, a customer complaint hotline, and a website feedback page. ● Monthly marketing meetings are held to establish customer care mechanisms and conduct customer satisfaction surveys Customer service hotline: 0800-521-536 Customer service email: service@maywufa.com.tw 	<ol style="list-style-type: none"> 1. We have 440,000 followers on Facebook, 155,000 friends on Line, and 24,000 followers on Instagram. 2. The company actively participates in relevant social welfare activities and, to improve the quality of healthcare professionals and promote patient welfare, collaborates with major medical associations and healthcare institutions. Activities include academic annual meetings, clinical education courses, expert seminars, product briefings, roundtable discussions, and patient education events, benefiting over 80,000 healthcare professionals and patients.

Stakeholders	Key focus on material issues	Communication methods / frequency	2023 Annual Communication Results
Employees	<ul style="list-style-type: none"> ● Talent attraction and retention ● Economic performance ● Information security 	<ul style="list-style-type: none"> ● Internal website or internal email announcements: announce various employee benefits, Welfare Committee information, important company operations news, training course information, annual performance management updates etc, periodically. ● Actively interact with employees and maintain good relationships by collecting feedback through the employee suggestion mailbox. ● Labor-management meetings: Held every 3 months. Contact person:HR department, Chairman's office: Mr. Liu Tel: (02) 2713-6221 ext. 2105 Email: tino.liu@maywufa.com.tw 	<ol style="list-style-type: none"> 1. More than 80 internal announcements regarding employee benefits, important company operations update, and training-related information. 2. A total of 341 participants and 572.5 hours of internal and external education and training throughout the year.
Media	<ul style="list-style-type: none"> ● Sustainable products ● Talent attraction and retention ● Climate change action 	<ul style="list-style-type: none"> ● Actively engage in two-way communication with the media to convey the company's management philosophy and the effectiveness and safety of its products Contact person: Public Affairs Department: Mr. Ni Tel: (02) 2713-6621 ext. 2116 Email: allan.ni@phytohealth.com.tw 	There were more than 20 news exposures.
Investors	<ul style="list-style-type: none"> ● Research and development innovation ● Regulatory compliance ● Customer relationship management 	<ul style="list-style-type: none"> ● News exposure / major announcements: Immediate release and publication of important information via media and the public information observation station, including corporate governance, significant business developments, and operational performance, which are of interest to shareholders and investors. ● An annual shareholders meeting is held, and an annual report is published. ● At least one domestic institutional investor briefing and online earnings conference is held each year, with international earnings calls organized irregularly. ● A shareholder services and investor relations contact is provided for two-way communication. ● Domestic and international institutional analysts are hosted periodically. Contact person:spokesperson (Accounting Manager): Mr. Zhang Tel: (02) 2713-6221 ext. 2163 Email: jinten.chang@maywufa.com.tw 	<ol style="list-style-type: none"> 1. A total of 30 major announcements and disclosures in both Chinese and English. 2. A joint institutional investor briefing was held on November 28, 2023. 3. Hosted visits from multiple domestic and international institutional analysts.
Suppliers	<ul style="list-style-type: none"> ● Regulatory compliance ● Information security ● Talent attraction and retention 	<ul style="list-style-type: none"> ● Actively invite suppliers to sign the Integrity Management Commitment letter.. ● Communicate with relevant suppliers before signing contracts, based on business needs. Contact person: Audit Department ,Board of Directors: Ms. Zhang Tel: (02) 2713-6621 ext. 2219 Email: vicky.chang@maywufa.com.tw 	Continue to promote the signing of the Integrity Management Commitment letter by suppliers, achieving a 100% signing rate among major suppliers.

Stakeholders	Key focus on material issues	Communication methods / frequency	2023 Annual Communication Results
Community and non-profit organizations	<ul style="list-style-type: none"> ● Integrity management ● Customer relationship management ● Risk management 	<ul style="list-style-type: none"> ● Actively participate in various public associations in the long term to gain the latest information and efficient management policies, infusing diverse perspectives, and strengthen corporate governance and risk management. <p>Continue to sponsor major medical organizations and patient groups to enhance quality of care by healthcare professionals and patient welfare, while also fostering customer relationships.</p>	<ol style="list-style-type: none"> 1. Sponsored the China Productivity Center (CPC), helping enterprises to cope with new competition with innovative thinking. 2. Sponsored the Taiwan Neurotrauma and Critical Care Society symposium, improving clinical medical applications for long-term rehabilitation care after brain injury. 3. Sponsored the Ten Outstanding Young Persons Foundation, encouraging youth to pursue excellence in their careers. 4. Sponsored the Taiwan Women on Boards Association, assisting to cultivate and connect more female leaders of the new era. 5. Sponsored 2023 Taichung International Comprehensive Breast Cancer Symposium (TICBCS), enhancing the quality of healthcare for breast cancer treatment. 6. Sponsored the "OneSong Orchestra" to support the promotion of music & culture. 7. Sponsored the Early Keyboard Arts Association, promoting Taiwan's early keyboard music environment. 8. Sponsored the Taiwan University Academic Development Foundation, enhancing academic development. 9. Sponsored the Gao Xing Alumni Table Tennis Association, promoting sports culture and a healthy lifestyle.

Note: For more information, please refer to the Maywufa Stakeholder Section.

Materiality Analysis Process

To further understand the impact of various issues on the company's operations and the level of concern from stakeholders, Maywufa referred to the updated GRI Standards (2021), industry characteristics, issues considered by peers and benchmark companies, and evaluated sustainability topics relevant to the company. For the first time, the company adopted the "Double Materiality" principle to conduct a materiality analysis of sustainability issues. The process follows the four-step materiality identification of the GRI: Material Topics 2021, inviting senior management and internal and external stakeholders to assess, based on the "level of concern" regarding sustainability topics, and the "impact level" of these issues on the company's operations and ESG (Environmental, Social, and Governance) sustainability development. This assessment

aims to identify if the issues have a significant impact on Maywufa and its stakeholders, facilitating the subsequent disclosure of sustainability performance on identified material topics, formulation of management policies, and regular tracking and adjustment of action plans.

Finally, after comprehensive evaluation of the impact on "company value" and "economic, environmental, and social (including human rights)" dimensions, the internal leadership discusses and reaches a consensus to decide on the 11 material topics for 2023. The process and identification results are as follows:



Define seven types of stakeholders	Double Materiality Analysis	Draw a double materiality matrix diagram
Following the five principles of the AA1000 Stakeholder Engagement Standard (SES) – <i>Responsibility, Influence, Tension, Diverse Perspectives, and Dependency</i> – seven key internal and external stakeholder groups were identified through the distribution of stakeholder questionnaires.	Inviting seven stakeholder groups and internal teams, the "Double Materiality" principle was applied to conduct a materiality analysis of sustainability issues, evaluating the degree of impact as follows: Financial Materiality: The impact on organizational value. Impact Materiality: The impact on economic, environmental, and social factors (including human rights).	Rank the annual key topics based on the results of the double materiality matrix and visualize them in a matrix diagram.
Consolidation of 20 Sustainability Topics	Distribute Impact Assessment Questionnaire	Identify 11 Material Topics
By referencing international sustainability frameworks and standards (GRI Standards), industry characteristics, and domestic and international peer practices, 10 governance and economic topics, 5 social (including human rights) topics, and 5 environmental topics were identified.	Invite internal senior executives and internal and external stakeholder groups to complete the impact assessment questionnaire.	Based on the positive and negative impact assessment, rank the key topics for the year and further develop tracking and management strategies to effectively address the concerns of stakeholders.

2023 Material Topics	
Governance and Economic Issues	Product Quality and Safety
	Regulatory Compliance

	Information Security
	Economic Performance
	Corporate Governance
	Research and Development Innovation
	Customer Relationship Management
	Sustainable Supply Chain
Human Rights (Including Human Rights) Issues	Occupational Health and Safety
	Talent Attraction and Retention
Environmental Issues	Energy and Greenhouse Gas Management

Impact Management of Material Topics

Classification of Material Topics	Material Topics	Impacts and Materiality Description	Value Chain Impact Hotspots			Corresponding to GRI Specific Topics	2023 Management Performance (Please refer to the following sections)
			Suppliers	Maywufa Operations	Customers		
Governance and Economic Issues	Product Quality and Safety	Establish a comprehensive product quality management system and safety standards, covering all aspects from raw material procurement, production manufacturing, transportation and distribution, to after-sales service. This includes implementing quality control processes and standard operating procedures to ensure that product quality and safety comply with relevant regulations and standards. Conversely, the absence of quality and safety control procedures could lead to product recalls, compensation lawsuits, damage claim, and other risks, resulting in significant financial losses and damage to the company's reputation.	●	●	●	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling	3.2 Product Quality and Safety

Classification of Material Topics	Material Topics	Impacts and Materiality Description	Value Chain Impact Hotspots			Corresponding to GRI Specific Topics	2023 Management Performance (Please refer to the following sections)
			Suppliers	Maywufa Operations	Customers		
	Regulatory Compliance	The overall compliance record of the organization, as well as compliance with specific laws or regulations, ensures that there are no violations of the law and no penalties. Compliance can involve accounting and tax fraud, corruption, bribery, competition, products and services offered, or labor issues such as discrimination in the workplace. This includes compliance with international declarations, conventions and provisions, as well as national, subnational, regional and local regulations. Conversely, a lack of compliance could expose a company to legal litigation, resulting in fines, damages, or financial losses and operational risks due to business interruption.	●	●	●	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling	2.3 Regulatory Compliance
	Information Security	Enhance information security and protect trade secrets, including rigorously maintaining internal information security, conducting information security audits, and managing security equipment to prevent risks such as system failures or confidential data leaks. In addition, provide comprehensive security protection for personal data, privacy, and business information generated or provided by customers, ensuring that third parties cannot access such private information without the consent of customers. Conversely, leakage of company or customer data may lead to the exposure of trade secrets or violations of personal data protection regulations.	●	●	●	GRI 418: Customer Privacy	2.6 Information Security and Customer Privacy

Classification of Material Topics	Material Topics	Impacts and Materiality Description	Value Chain Impact Hotspots			Corresponding to GRI Specific Topics	2023 Management Performance (Please refer to the following sections)
			Suppliers	Maywufa Operations	Customers		
	Economic Performance	Develop a comprehensive operational and financial strategy addressing the company's operational status, financial performance, operating costs, market development, and investment profits and losses, with effective management measures. Good economic performance can create value and revenue for the company in the long term and steadily. On the contrary, the company may face financial difficulties, which could potentially lead to operational disruptions.	●	●		GRI 201: Economic Performance	About Maywufa
	Corporate Governance	Establish an effective corporate governance framework to maintain the efficient operation of the board of directors and various functional committees. By enhancing board member professionalism and diversity, and introducing mechanisms such as linking compensation to performance, strengthen governance and protect shareholder interests, gaining customer support and trust. Conversely, the rights of shareholders and other stakeholders may not be protected, making it difficult for them to trust the company's decisions and ultimately reducing the company's competitiveness.	●	●		GRI 205: Anti-corruption GRI 206: Anti-competitive behavior; GRI 405; Diversity and Equal Opportunity	2.1 Corporate Governance

Classification of Material Topics	Material Topics	Impacts and Materiality Description	Value Chain Impact Hotspots			Corresponding to GRI Specific Topics	2023 Management Performance (Please refer to the following sections)
			Suppliers	Maywufa Operations	Customers		
	Research and Development Innovation	Research and innovation have a significant impact on the company. It helps the company maintain a competitive advantage, improve product quality and customer satisfaction, respond to market changes and potential risks, while enhancing brand value and corporate image. These are key factors in promoting the company's long-term development and value creation. On the contrary, if the products are not continuously improved or constant upgrade of formulation, or if the company fails to launch competitive products, it may lead to a decline in market position and market share, resulting in losses.		●	●	Indicators, self defined	3.1 Research and Development Innovation
	Customer Relationship Management	Communicate product and service information with customers, understand their needs to enhance product and service quality, maintain customer relationships, and improve satisfaction by providing good and efficient customer service. Establishing good relationships with customers will bring positive economic performance to the business; conversely, a significant decrease in customer loyalty will impact the company's revenue.		●	●	Indicators, self defined	3.4 Customer Relationship

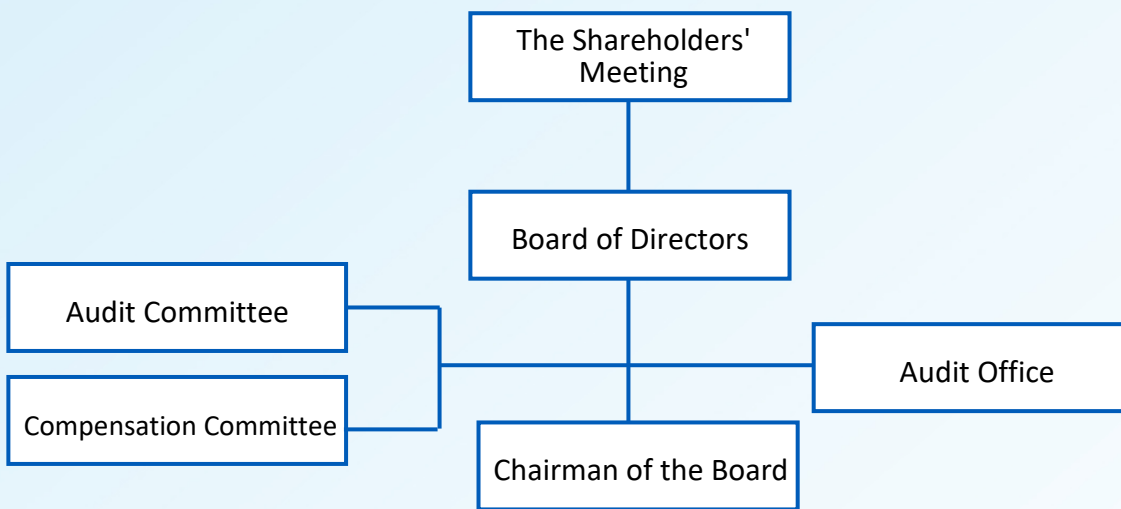
Classification of Material Topics	Material Topics	Impacts and Materiality Description	Value Chain Impact Hotspots			Corresponding to GRI Specific Topics	2023 Management Performance (Please refer to the following sections)
			Suppliers	Maywufa Operations	Customers		
	Sustainable Supply Chain	Establish a comprehensive supplier management system (including new supplier selection, evaluation, and auditing procedures), integrate sustainability into the procurement policy, and require suppliers to adhere to principles of integrity, environmental protection, and labor rights. Additionally, prioritize the purchase of environmentally certified products to support green procurement. On the contrary, if suppliers lack sustainability auditing mechanisms, it may lead to the procurement of high carbon-emission products or expose the company to fraud and human rights risks from suppliers, resulting in related penalties.	●	●		GRI 204: Procurement Practices	5.5 Sustainable Supply Chain
Human Rights (Including Human Rights) Aspects	Occupational Health and Safety	Establish occupational health and safety management measures, systems, and plans, including workplace safety maintenance, occupational hazard risk management, employee health management programs, health check-ups, and health promotion activities to enhance employee's health and safety. On the contrary, failure to do may result in occupational accidents and illnesses.	●	●		GRI 403: Occupational Health and Safety	4.4 Occupational Health and Safety

Classification of Material Topics	Material Topics	Impacts and Materiality Description	Value Chain Impact Hotspots			Corresponding to GRI Specific Topics	2023 Management Performance (Please refer to the following sections)
			Suppliers	Maywufa Operations	Customers		
	Talent Attraction and Retention	The company's care and welfare measures for employees, such as group insurance, benefits beyond legal requirements, and effective labor-management communication channels, can attract more talent to join. Additionally, retention measures such as promotion systems, bonus schemes, and retirement plans encourage talent to stay with the company. Conversely, the company may face challenges in attracting top talent and retaining existing employees.	●	●		GRI 401: Employment Relationships GRI 405: Diversity and Equal Opportunities	4.1 Talent Attraction and Retention
Environmental Aspects	Energy and Greenhouse Gas Management	By implementing carbon accounting or using renewable energy, and setting reduction targets and strategies, the company can effectively monitor emissions and identify opportunities for reduction, thereby improving energy efficiency. This also ensures compliance with regulatory requirements and meets the carbon reduction demands of the supply chain. On the other hand, if the company fails to manage energy and carbon emissions properly, it may result in greenhouse gas emissions that do not meet regulatory standards, or underperformance compared to industry peers, leading to increased energy costs, higher taxes, and damage to the company's brand image.		●		GRI 302: Energy GRI 305: Emissions	5.2 Energy and Greenhouse Gas Management

CHAPTER 2: ETHICAL GOVERNANCE

2.1 CORPORATE GOVERNANCE

Maywufa is committed to establishing an effective corporate governance framework, safeguarding shareholders' rights, enhancing the functionality of the board of directors, respecting stakeholders' interests, and improving information transparency. These principles guide the company as it gradually implements various systems and measures, continuously enhancing the quality and effectiveness of corporate governance. This effort aims to fully implement the spirit of corporate governance, thereby maximizing shareholder value and ensuring the long-term sustainability of the business. The company's Chairman, Chen-Chia Lee, is responsible for the company's strategic planning, construction, promotion, and long-term development.



2.1.1 Board Composition and Operations

Board Composition and Diversity

The company has a board of directors consisting of 9 to 13 members, with a term of 3 years. The nomination and selection of all directors follow the provisions of Article 17 of the company's articles of incorporation, with candidates nominated for election, and re-election allowed. The current board term runs from May 26, 2023, to May 25, 2026. The board currently comprises 13 directors, including 4 independent directors, representing approximately 30.77% of the board. The independence of the directors complies with the relevant regulations of the "Rules for the Establishment of Independent Directors in Public Companies and Their Compliance Matters." For details on the director selection process, please refer to the company's website.

The company pays a great attention on gender equality in the composition of its board of directors. Currently, the board includes 3 female directors and 1 female independent director, with the proportion of female directors (including independent directors) reaching 30.77%. In accordance with Article 20, Paragraph 3 of the company's "Corporate Governance Best Practice Principles,"

the company has developed a diversity policy for the board, ensuring a broad range of professional backgrounds, including management, pharmacy, finance, accounting, medical doctors, and pharmacists. This diversity in expertise and knowledge across various industries and academic fields provides the board with a multifaceted perspective, contributing significantly to the enhancement of the company's operational and management performance.

Detailed information about the board members, including their education and professional backgrounds, concurrent positions in other companies, attendance records, and other relevant details has been disclosed on the company's website and in the annual report.

The implementation of board diversity is outlined in the following table:

Core elements of diversity Director Name	Gender	Industry experience			Professional expertise			
		Biotechnology and Medical Industry	Finance and banking	Business management	Doctor	Pharmacist	Financial Accounting	Risk Management
Lee Chen-Chia Chairman	M	✓		✓				✓
Lee Yi-Li Vice Chairman	F	✓	✓	✓			✓	✓
Lee I-Lin Director	F	✓	✓	✓			✓	✓
Lai Yu-Ju Director	M	✓	✓	✓			✓	✓
Chen Wen-Hwa Director	M	✓		✓		✓		✓
Lee Yu-Chia Director	M	✓		✓				✓
Lee Bi-Jen Director	F	✓		✓				✓
Liu Wen-Cheng Director	M	✓	✓	✓			✓	✓
Yu Chang-Min Director	M	✓	✓	✓			✓	✓
Chen Hui-Yiu Independent Director	M	✓		✓				✓
Ou Shu-Fang Independent Director	F	✓		✓	✓			✓
Chang Hung-jen Independent Director	M	✓		✓				✓
Lin Chi-Feng Independent Director	M		✓	✓			✓	✓

Board Operations

The board of directors meets at least once every quarter. In 2023, the board held 5 meetings, with an average attendance rate of 89.23%. The board is the highest governance unit of the company, responsible for overseeing and strengthening management functions. Board members are tasked

with monitoring the management team's compliance with laws, enhancing information transparency, and providing strategic guidance on major decisions based on their own experience. This helps avoid losses from erroneous policies, establishes good ethical practices, and ensures corporate responsibility, which supports sustainable business operations and protects shareholder interests. The management team regularly reports to the board on company operations, development strategies, and other significant issues (e.g., material issues, stakeholder communication), maintaining smooth and effective communication channels with the board. To fulfill its supervisory role, the board follows the "Rules of Procedure for Board Meetings of Publicly Listed Companies" and has established its own "Board Meeting Guidelines." Article 16 of the guidelines specifies the obligation to avoid conflicts of interest and to ensure sound governance. In 2023, all meetings were conducted in compliance with legal requirements. For more details on the board's operations, please refer to the company's 2023 annual report.

Functional Committees

Maywufa has established functional committees such as the Audit Committee and the Remuneration Committee, both composed of independent directors. The primary responsibility of the Audit Committee is to assist the board in overseeing the company's compliance with the Company Law, Securities and Exchange Act, and other relevant regulations. It helps the board improve the quality of the company's accounting, financial reporting, and internal control processes. In 2023, the committee held 4 meetings, with an average attendance rate of 92.86%. To strengthen corporate governance and improve the executive compensation system, the company has set up a Compensation Committee. This committee operates with due diligence and integrity, fulfilling its duties and submitting recommendations to the board for discussion. In 2023, the Compensation Committee held 3 meetings, with an average attendance rate of 100%. For more details on the operations of the functional committees, please refer to the company's 2023 annual report, pages 36 and 49.

Board Training and Development

The company assists directors in arranging refresher courses from time to time on economic, environmental and social corporate governance issues related to operations, as well as in line with the development of sustainability issues. These refresher courses include sustainable development action plans, international climate change trends and practices etc., so as to enhance the diversification functions of directors. In 2023, the total hours of director training amounted to 73 hours. Based on feedback from the annual self-assessment of board performance, we have strengthened the operation of the board, each committee, and communication with the management team to better understand the characteristics and risks of the industry in which the company operates. For detailed information on director training in 2023, please refer to page 73 of the company's 2023 annual report.

2.1.2 Performance Evaluation and Remuneration Policy

Performance evaluation of the Board and functional committees

Maywufa has established a board performance evaluation system to enhance the function of the board and operational efficiency. An annual performance evaluation is conducted at the end of each year, and the evaluation is carried out by an external professional independent organization or an external team of experts every three years as necessary. The scope of the evaluation includes the overall board performance, individual directors, and the functional committees.

The performance evaluation criteria for functional committees should include at least the following five aspects:

1. Involvement in the company's operations.
2. Understanding of the functional committee's responsibilities.
3. Improve the quality in the decision-making of the functional committee.
4. Composition of the functional committee and selection of its members.
5. Internal control.

The performance evaluation criteria for individual directors should include at least the following six aspects:

1. Understanding of the company's goals and objectives.
2. Awareness of directors' responsibilities.
3. Involvement in the company's operations.
4. Management of internal relationships and communication.
5. Professional qualifications and continuous education of the board member.

The performance evaluation criteria for the company's board of directors include the following five aspects:

1. Involvement in the company's operations.
2. Improvement of the quality of decision making of board.
3. Composition and structure of the board.
4. Selection and continuous education of board members.
5. Internal control.

The results of 2023 evaluation are as follows:

1. After the self-assessment questionnaire of the board of directors' performance appraisal, the average score is 96.74 points.
2. After the self-assessment questionnaire of the individual director performance appraisal, the average score is 96.89 points.
3. The Audit Committee performance self-assessment questionnaire, after each committee member's self-assessment and weighted calculation, received an average score of 98.33 points based on the valid questionnaires. After the self-evaluation of performance appraisal of the Audit Committee, the average score is 98.33 points.
4. The Remuneration Committee performance self-assessment questionnaire, after each committee member's self-assessment and weighted calculation, received an average score of 97.73 points based on the valid questionnaires. After the self-evaluation of performance appraisal of the Remuneration Committee, the average score is 97.73 points.

The performance evaluation results of the Board of Directors, individual directors, and functional committees indicate that the directors attending the shareholders' meeting is less than half of all directors, and some board members had less understanding of the company, the management team, and the industry. In the future, the company will comply with regulations to ensure that the directors attending the shareholders' meeting make up more than half of all directors and will provide industry-specific characteristics and risk information to help directors understand these aspects. Additionally, for the parts that need improvement in the Audit Committee and Remuneration Committee, we will make efforts to implement. The company looks forward to its Board of Directors, individual directors, and functional committees further enhancing their roles and leading the company to a higher level of corporate governance.

The above performance appraisal was reported to the Board of Directors on February 27, 2024.

Statistics on the diversity of governance units

Category	Type	Headcount	Proportion (%)
Gender	Female	4	30.77%
	Male	9	69.23%
Age	Under 30 years old	0	0.00%
	30-50 years old	3	23.08%
	Above 50 years old	10	76.92%
Total		13	

Director Remuneration Policy

Directors' Remuneration Policy - Article 4:

Regulations for the Payment of Directors' Remuneration: Salary, Expenses for Professional practices, Remuneration.

The total amount of directors' compensation is allocated based on the company's annual profit as follows:

The allocation of directors' remuneration shall be allocated in accordance with the provisions in the company's "Articles of Incorporation." After being submitted to the Compensation Committee and Board of Directors for approval in the first quarter, the distribution amount is decided based on several factors, including:

- The "Performance Evaluation Reports of the Board of Directors, Individual Directors, and Functional Committees"
- The number of board meetings attended by each director
- Each director's involvement and contribution to the company's operations.

The disbursement is carried out in the third quarter. For more detailed information on the remuneration policy, please refer to the company's 2023 Annual Report.

Additionally, directors are provided with a monthly transportation allowance.

Signing Bonus or Recruitment Incentive	Currently, there is no provision for signing bonuses or recruitment incentives.
Severance Pay	Severance pay is implemented in accordance with applicable laws and regulations.
Reclamation mechanism	No recovery mechanism established.
Retirement Benefits	Retirement pay is provided in accordance with legal regulations.
Linkage with ESG	Economic, environmental, and social issues arising from business operations are delegated to senior management by the Board of Directors. When necessary, senior management will report the progress and actions taken to the Board of Directors.

2.2 ETHICAL MANAGEMENT

2.2.1 Procedures for Ethical Management and Guidelines for Conduct

Maywufa has established the "Corporate Governance Best Practice Principles" and appointed a corporate governance officer to provide governance advice to the Board of Directors or the CEO. The officer also assists in handling the affairs related to board and shareholders' meeting and regularly reports the status of integrity in business operations to the board every year, aiming to protect the rights of shareholder and strengthen Board functions.

Maywufa adheres to the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Code of Ethical Conduct." The governance team monitors regulatory developments and updates governance and integrity-related policies as needed. The goal is to establish a corporate culture of integrity and promote the sound development of the company. Maywufa implements integrity management through internal training and agreements with suppliers.

All directors and managers are required to sign the "Statement of Compliance with Ethical Management Policies." We hold training on the Ethical Corporate Management Best Practice Principles every year and provide employees a whistleblowing channel to promptly report issues to management.

Maywufa strictly requires suppliers to adhere to the "Supplier Code of Conduct" and regularly communicates through the supplier management platform. The company strengthens policies on business secrets and anti-corruption, prohibiting commercial bribery, threats, kickbacks, or accepting and condoning illegal methods for unfair competition. Suppliers are expected to follow integrity practices to prevent any dishonest business practice and protect mutual interests. Maywufa operates with integrity from the top management to grassroots employees.

2.2.2 Overview of the Employee Code of Conduct

The company has established the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Code of Ethical Conduct," which clearly prohibit unethical practices such as bribery, offering or accepting improper benefits, providing illegal political donations, engaging in unfair competition, making improper charitable donations or sponsorships, disclosing trade secrets, and insider trading. Preventive measures and education have been implemented.

The "Code of Ethical Conduct" and the reporting and grievance system have been communicated to all employees via the company website and internal announcements. Additionally, the anti-corruption training is included in the orientation program for new employees.

New employees are required to sign an "Integrity and Integrity Commitment," emphasizing their obligation to comply with the "Labor Contract," "Employee Regulations," and the "Ethical Corporate Management Best Practice Principles," as well as their duty to maintain confidentiality regarding the company's business secrets.

No corruption incidents occurred in 2023. A total of 5 board members, accounting for 38% of all

directors, received training on integrity management and anti-corruption in 2023. Anti-corruption courses were included in the new employee training, with a total of 34 employees receiving this training in 2023.

Anti-Corruption Policy Communication and Training

Target Audience	Employees		Total
	Managers	Non-managers	
Number of people trained	0	34	34
Training Participation Rate	0	20.0%	100%
Number of people communicated with	22	170	192
Communication Participation Rate	100%	100%	100%
Total number of people in this category	22	170	192

2.2.3 Whistleblowing system

According to the company's "Procedures for Ethical Management and Guidelines," to encourage internal and external personnel to report unethical or improper behavior, a reward may be granted based on the severity of the reported incident. Internal personnel who falsely report or maliciously accuse others will be subject to disciplinary action, and those with serious violations will be dismissed.

The company has established and announced an internal independent whistleblowing mailbox and hotline on the company's website and intranet, or has entrusted an external independent organization to provide whistleblowing channels for both internal and external personnel. No incidents of violations of ethical business practices occurred in 2023.

2.3 REGULATORY COMPLIANCE

2.3.1 Regulatory Compliance Process and Implementation

In 2023, the company established a comprehensive regulatory compliance management process, which includes:

1. Internal Control and Evaluation:

The audit unit initiates the internal control and cyclical processes. Each department conducts a regulatory compliance check and evaluate with a checklist. This includes proactive monitoring of the latest laws and passed bills through resources like the "Legislative Yuan Legal System," as well as passive subscriptions to the weekly "Law Source," "National Regulations Database" e-newsletter, and "Intellectual Property Office - News Briefs" to stay updated on legal news, regulations, interpretations, and rulings. Further analysis is conducted as necessary to assess the potential impact of regulatory requirements on company operations by the audit unit.

2. Internal Policies and Procedures:

The responsible departments are advised to develop corresponding internal policies and operating procedures to ensure compliance with all regulatory requirements.

3. Employee Training and Awareness:

Responsible departments are notified to participate in seminars and online courses hosted by competent authorities regarding regulatory updates, such as annual seminars on pharmaceutical, medical device, cosmetics, and food regulations and case studies on advertising violations. This enhances regulatory compliance awareness and encourages employees to self-regulate and avoid violations.

4. Regulatory Compliance Check and Monitoring:

Maintain a compliance checklist to assist responsible departments in reviewing regulatory changes, monitoring compliance, and ensuring continuous implementation. An annual report is presented to the management team.

Overall, the company's compliance management in 2023 is operating well, with no significant violations found.

2.3.2 Anticompetitive behavior and antitrust litigation cases

In 2023, the company did not encounter any litigation cases related to anticompetitive practices or antitrust issues. The company values fair competition and the order of the free market, adhering to relevant regulations. In the future, we will continue to raise awareness among employees regarding fair trade and competition laws to prevent such issues from arising.

2.3.3 Penalty Incident

In 2023, the company had one penalty incident related to violations of product advertising and promotions.

The company defines significant violations as follows: intentional or aggravated negligence leading to violations of core protective laws, such as significant environmental pollution, corruption or fraud, occupational accidents causing the injury or death of three or more people

Major violations that cause large-scale social impact include incidents result in mass casualties or significant property damage, which attract widespread social attention or negative publicity.

Violations that cause significant damage to business operations include those that result in large fines, losses, or severe damage to the company's reputation and brand image.

The judgment of individual cases is based on the potential impact on the company's finances, operations, shareholder interests, or stock price, and the likelihood that rational investors' decisions may be influenced (i.e., whether it meets the threshold of significant information disclosure), and whether the amount of fines or losses has reached more than 20% of the company's total assets or revenue.

The company did not pay any fines related to 2022 incidents in 2023.

2.3.4 Internal Whistleblowing Mechanism or External Reporting Channels

The company has a comprehensive internal whistleblowing mechanism, where employees can report illegal or non-compliant behavior via phone, email, or other means. External parties can also file complaints through the company website or other channels. Both internal and external reporting channels are the same. In 2023, the company didn't receive any internal whistleblowing reports.

Responsible Unit: Chairman's Office

Employee Communication/Reporting Hotline: Mr. Liu / (02) 2713-6221 ext. 2105

Email: tino.liu@maywufa.com.tw

Penalties in 2023

Item Number	Types of Violations	Date of Correspondence from Competent Authority	Occurrence Date	Competent Authority	Summary	Regulation (if applicable)	Corrective Actions	Additional Information
1	Marketing and Communications Related	July 25, 2023	Public Complaints on April 28, 2023, and June 8, 2023	Taipei City Government Department of Health	Cosmetic Advertising Phrases Involving Misleading Claims	Article 10, Paragraph 1 of the Cosmetics Hygiene and Safety Act	Upon investigation, it was found that issue involved online advertorials for a brand represented by agency. Upon receiving the complaint notification, the company immediately requested the removal of the content to ensure compliance with regulations. Due to website optimization, while the publication dates were regularly updated, some articles or user testimonials were overlooked and had not been revised to comply with the regulatory requirement. The company has reminded employees to refer to the "permissible claims" provided by the competent authority when drafting product copy. Moving forward, the company will more thoroughly review and update	N/A

Item Number	Types of Violations	Date of Correspondence from Competent Authority	Occurrence Date	Competent Authority	Summary	Regulation (if applicable)	Corrective Actions	Additional Information
							advertisements, ensuring that outdated promotional content is removed. °	

Statistics on Violation				
Item Number	Types of Violations	Event Type	Number of Events	Total
1	Marketing Communications	Fines (or Penalties)	1	1
		Warning	0	
		Violation of Voluntary statute	0	

2.4 TAX POLICY

Maywufa Company Limited upholds the values of sustainable business practices and continuous corporate innovation. Within the framework of international tax governance, the company actively pursues the most efficient tax burden to ensure the rights and interests of shareholders. At the same time, it assumes a reasonable tax burden in the countries where it operates, giving back to society and fulfilling social responsibilities.

2.4.1 Tax Commitment and Policy

- (1) Comply with the "Base Erosion and Profit Shifting (BEPS)" action plan and related guidelines published by the Organization for Economic Cooperation and Development (OECD), ensuring that related-party transactions comply with conventional trading principle.
- (2) All investment structures and transaction models must comply with economic substance and legitimate business purposes, without aiming to evade taxes, and must not engage in inappropriate tax arrangements.
- (3) Major operational decisions must comply with relevant laws, regulations, and rules, and assess tax risks carefully based on the operating environment.
- (4) Financial reporting must be fully disclosed according to relevant regulations, and tax information must be disclosed in compliance with applicable laws, ensuring transparency through public channels.
- (5) Adhere to the tax laws and legislative spirit of each operating location, ensuring timely tax payments and fulfilling the corporate social responsibility of paying taxes.
- (6) Establish mutual respect and good communication with tax authorities based on trust, information transparency, and regulatory compliance.

(7) Tax personnel strengthen tax governance capabilities through internal and external training, specialized research, or participation in seminars and continuous education.

2.4.2 Tax Governance and Risk Management

Tax administration and management are entrusted to the accounting supervisor, with the accounting department being the responsible unit for various tax operations and risk management. The department reports significant tax issues to the General Manager, and once approved, ensures the smooth operation of tax governance. Additionally, the company strengthens tax governance expertise through professional services from external tax advisory firms. To effectively manage tax risks, when there are doubts about the application of tax laws, the company actively communicates and consults with local tax authorities to reduce the risk of tax issues arising from misinterpretation of regulations. By identifying, assessing, and responding to tax laws, the company appropriately measures, manages, and controls tax risks.

2.4.3 Communication of Stakeholders on Tax Issues

Communication Targets	Communication Methods and Effectiveness
Taipei National Taxation Bureau, Songshan Branch, Ministry of Finance	The issues of incorrect buyer invoice numbers, erroneous taxpayer identification numbers, and discrepancies in the summary of discount amounts were resolved after communication with the officers. Relevant supporting documents were provided, and the issues with the business tax filing reconciliation were cleared.
Taipei National Taxation Bureau, Songshan Branch, Ministry of Finance	There's a discrepancy between the quantity accepted by the customer and the original shipment invoice. The customer requested a reissuance of the invoice. However, the original invoice had already been declared and tax paid, a special report was required to refund the output tax from the original invoice due to the cross-period nature. After communication and clarification with the officer, the special tax refund was successfully completed, meeting the customer's needs.
Ministry of Finance, Taipei National Tax Administration, Corporate Income Tax Division	There's ambiguity regarding the "eligible year" definition for the investment tax credit for smart machinery. After contacting and discussing with the section chief of the Corporate Income Tax Division, the relevant doubts about the deductible year under the regulation were clarified.

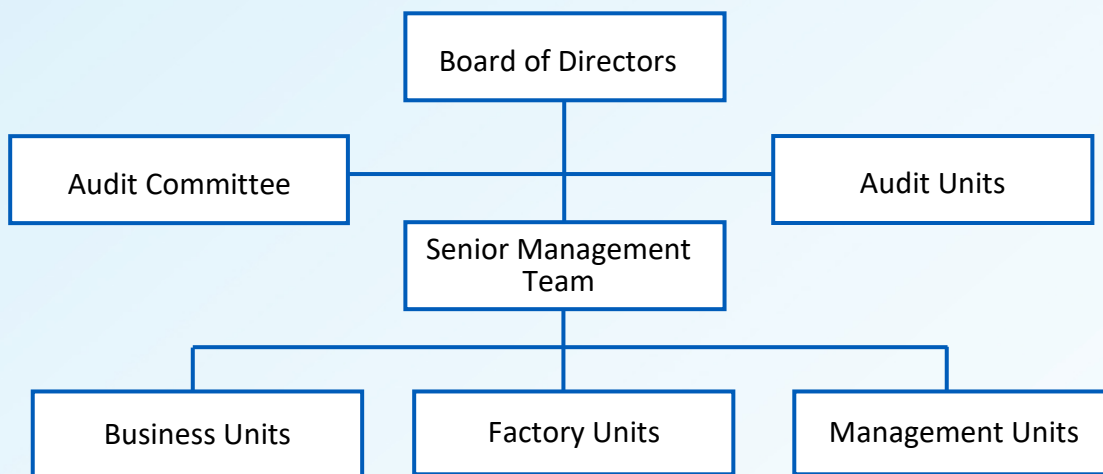
2.5 RISK MANAGEMENT

2.5.1 Risk Management Culture

The organization structure of Maywufa risk management including the Board of Directors, Audit Committee, senior management, internal audit unit, business units, factory operations, and management units.

The "Risk Management Policy and Procedures" have been developed, covering processes such as risk identification, risk measurement, risk monitoring, risk reporting and disclosure, and risk response. These processes aim to manage operational risks effectively by taking appropriate measures.

The internal audit unit reviews existing or potential risks in various operations to draft a risk-oriented annual audit plan and reports regularly to the Board of Directors on the implementation of risk management activities.



2.5.2 Risk Management Procedures

Identify the Risk: The initial step is to identify the risks that the business is exposed to in its operating environment.

Analyze the Risk: Once a risk has been identified we need to analyze the nature and scale of each business and operation and the level of risk tolerance of the company, and determine the operational risk measurement standard.

Monitor and Review the Risk: Each unit should continuously monitor the risks associated with its respective operations and propose corresponding countermeasures.

Risk report and disclosure: The risk management procedures and implementation results are fully documented and reported to the Board of Directors on a regular basis.

Risk Response: All units should take appropriate actions to respond to the risks they may face.

2.5.3 Risk Management Policy

The risk management issues for 2023 are as follows:

Risk items	Risk explanation	Mitigation measures
Operational risk	Product Quality Risk, Occupational Safety and Health Risk	To ensure stable and smooth production operations, the company is committed to developing new suppliers and contractors, maintaining the stability of raw materials, and improving responsiveness to unexpected supply disruptions. In line with future development, a modern cosmetics manufacturing green factory that meets the "Good Manufacturing Practice (GMP)" and "EEWH Green Building Label" standards is under construction, ensuring safety and progress. There were no operational risks (such as material shortages or improper production scheduling), product quality risks, or occupational safety incidents this year. Also no penalties from labor inspections by the government, nor has any infectious disease caused factory shutdowns that affected normal operations.
Financial risk	Capital, Currency, and Credit Risks	Based on operational needs, the company plans short-term and long-term capital allocation and fundraising to ensure smooth fund management, meeting business requirements while controlling financial risks. Idle funds are utilized in compliance with regulations and yield at least the fixed deposit interest rate. The net exchange loss from foreign currency payments for the year does not exceed 0.5% of operating profit (achieving the annual KPI target), ensuring effective exchange rate risk management. Monthly overdue accounts collection and tracking are conducted, with the accounts receivable bad debt ratio maintained at less than 0.5% (achieving the annual KPI target), ensuring comprehensive payment and credit management.
Strategic risk	Risk related to operational strategies and control objectives	Each responsible department applies risk control to formulate the company's operational strategy and annual budget, discusses investment directions and business performance, tracks and manages the achievement of the set goals, and reviews and improves accordingly. The internal control system and related management procedures are handled in accordance with the company's internal control guidelines, and the internal control system and its effectiveness are regularly reviewed by the board and management, with timely suggestions for improvements provided.
Hazard risk	Hazard Identification	Hazard identification and risk assessment are carried out to reduce risk of hazards. Implementing safety and health education and training, improve on-site equipment protection. Effectively preventing the spread of COVID-19 and flu epidemics, encourage employees to continue getting vaccinated, and inviting medical institutions to administer flu vaccines to employees at the company.
Legal risk	Risk of violation of relevant regulations	Ensure compliance with laws and regulations, with no violations or penalties. Intellectual property is registered in a timely manner, and contracts are reviewed to avoid

Risk items	Risk explanation	Mitigation measures
		inadequately addressed clauses, negligence, or other factors that could lead to financial, business, or reputational risks for the company.
Cybersecurity risk	In the event of a cybersecurity incident in an automated (intelligent) factory, it may disrupt production and operations, and could also lead to the leakage of confidential information	The company conducts an annual inventory of information systems, equipment, and network connections, analyzing risk sources and assessing risk levels. For high-level risks, improvement measures are implemented to ensure the confidentiality, integrity, and availability of corporate data, minimizing the impact of security incidents (such as data leaks or system failures) on company operations and reputation. Key server availability is 100% (achieving the annual KPI target of >99.9%), with no unexpected service disruptions; network connection availability is >99.93% (achieving the annual KPI target of >99.9%); no system intrusions or data destruction; data backups has been restored and tested to achieve 100% availability (achieving the annual KPI target >100%); antivirus software is 100% installed before providing computers to employees (achieving the annual KPI target of >100%); confidential data stored on computers is automatically encrypted by the system.

2.5.4 Business Continuity Plan

With the goal of business continuity, Maywufa continues monitoring and investing resources to manage risks that may affect the company's operations, both internally and externally. The Business Continuity Plan (BCP) is a key component of this management strategy, helping the company maintain acceptable levels of operation and continue critical business activities during incidents. Regular drills and risk management exercises are conducted annually for events such as fires, earthquakes, chemical spills, infectious diseases, and raw material shortages. Moving forward, the company will continue to strengthen its BCP capabilities to address various scenarios. In accordance with fire safety regulations, a qualified fire safety manager is designated, who is responsible for conducting regular fire safety inspections and submitting reports to fire authorities. The fire safety manager also prepares workplace protection plans and organizes fire drills for employee self-defense. Two fire drills were held in 2023, on April 21st and October 31st, with guidance from fire authorities.

To mitigate potential losses and risks in the event of system damage, the company ensures rapid recovery of business operations. A complete backup of servers is performed weekly, and a full-scale disaster recovery drill for the company's IT systems is conducted every year. The disaster recovery drill for the information system was held on August 15th, 2023.

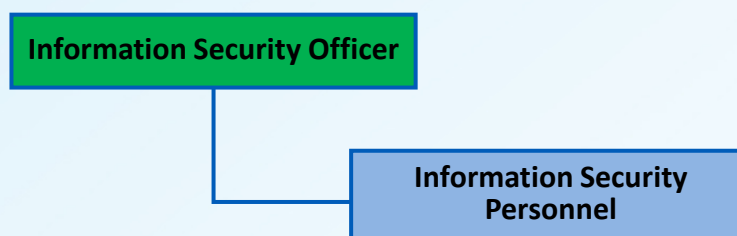
2.6 INFORMATION SECURITY AND CUSTOMER PRIVACY

2.6.1 Information Management Framework

Information Security Risk Management Framework

To strengthen the company's information security management and ensure the security of data, systems, and networks, and in accordance with the revised internal control guidelines announced by the Financial Supervisory Commission for publicly listed companies, the company has established a dedicated information security unit. The unit is responsible for coordinating the formulation, implementation, risk management, and compliance audits of information security policies.

The information security unit is led by the head of the IT department, who serves as the Chief Information Security Officer (CISO), and is supported by several IT personnel who serve as dedicated information security staff:



2.6.2 Key Points of Information Security Protection

Information Security Management Plan

We adopt the P.D.C.A (Plan-Do-Check-Act) cycle management, going through the stages of Planning, Execution, Checking, and Corrective Action to continuously improve and maintain critical information systems, ensuring the confidentiality, integrity, and availability of information. This reduces information security risks, prevents operational losses to the company and its customers, and ensures the sustainable development of the business.

Item	Specific management measures
Firewall protection	Set up firewall to monitor and control network traffic, block or allow data connections based on security rules, paired with an IPS intrusion prevention system to detect and prevent network attacks and suspicious activities.
User access control mechanism	Monitor and manage employees' network usage to ensure security and productivity. This includes restricting access to inappropriate or irrelevant websites, filtering malicious software, logging on line activities, setting traffic limits, and managing bandwidth. Through these measures, it can reduce information security risks, safeguard data security, and improve work efficiency.
Antivirus software	Protect the company's network and devices from viruses, malware, and other cyber threats. It provides real-time monitoring, regular scanning, and automatic updates to ensure the system is always with the latest security protection, preventing data leaks and cyber-attacks, and enhancing overall information security.

Item	Specific management measures
Operating system updates	Configure Windows automatic updates through groupware policies, ensuring company computers automatically download and install the latest security updates, drivers, and feature updates, ensuring system security and stability.
Email security management	Spam and phishing filtering, anti-malware attachment scanning, TLS encrypted message transmission, data leakage prevention, and mandatory two-step authentication.
Data backup mechanism	Follow the 3-2-1 backup principle to ensure data reliability and security. Set daily snapshots and backups of important information systems and databases, and stored offsite.
Full system backup and redundancy for critical systems	Hourly storage snapshots are synchronized to offsite storage, and weekly full server backups are performed.
Disaster recovery drills	Key company systems undergo an annual disaster recovery drill, simulating actual disaster scenarios to test backup and restoration processes. After the drill, results are evaluated to confirm the system's successful recovery, and any issues found during the process are improved to ensure system reliability, data integrity, and recovery capabilities.
Personal data protection	To strengthen protection of customer personal data, customer personal data in the orders is automatically blocked by a program after 14 days to prevent unauthorized access and leakage. Ensure that sensitive information is only accessible within the necessary time frame, enhancing personal data security.
System vulnerability patching	Every month, refer to the vulnerability alert announcements of National Information Security Institute to assess the degree to which company systems are affected by vulnerabilities and promptly apply patches.
Information security awareness campaigns	Conduct annual information security and personal data protection advocacy to raise employee awareness. The advocacy content includes the latest threat trend analysis, case sharing, and best practice guidance, ensuring that all employees understand and comply with the company's information security policies, effectively protecting customer data and company information.

Information Security Management Policy

The company has established an information security policy aimed at protecting the confidentiality, integrity, and availability of critical personal and company data. By enhancing information security management, we ensure the safety of data, systems, equipment, and networks. We are committed to creating a reliable information environment, deploying innovative information security technologies, and implementing information security management measures.

Information Security Risk Assessment and Execution

The company conducts an annual inventory of information systems, equipment, network connections, and other resources, analyzing potential risk sources. Based on the scope of impact, severity, availability of alternatives, and frequency of occurrence, risks are assessed and categorized into high, medium, and low risk levels. Mitigation measures are implemented for high-level risks to ensure the confidentiality, integrity, and availability of corporate data, and to reduce

the impact of security incidents (such as data breaches or system failures) on company operations and reputation.

Emergency Notification Procedure

The company has established an emergency notification procedure to respond to information security incidents. When an information security incident occurs, it is immediately reported to the dedicated information security unit, which assesses the incident type, identifies the issues, and takes immediate corrective actions while maintaining records to minimize the potential impact on the company's operations and reputation. In 2023, there were no infringements of customer privacy or leakage of customer personal data.

CHAPTER 3: PRODUCT INNOVATION

3.1 RESEARCH AND DEVELOPMENT INNOVATION

3.1.1 Research and Development Innovation Management

As a leading brand in the industry, we continue to innovate in sound operations to consolidate our market leadership.

Our innovation and research strategy focuses on market research, product innovation, diversified product portfolios, and excellence in quality. Through continuous market insights and technological breakthroughs, we are committed to providing safe products that meet relevant regulatory standards. We constantly expand our product line to satisfy the needs and preferences of different consumer groups, while insisting on product quality to earn consumer trust and enhance brand loyalty.

The amount of R&D investment in the past three years, the percentage of R&D investment in turnover, and the number of R&D personnel			
Unit: NT\$ Thousand	2021	2022	2023
Revenue	1,272,246	1,229,113	1,293,853
R&D Investment	14,812	17,904	17,454
R&D Investment as a Percentage of Revenue	1.16%	1.46%	1.35%
Number of Employees Engaged in R&D	8	8	8

We have set clear short-term and long-term goals for innovation and R&D.

Short-term goal (2024): We will continue to actively develop new hair dye products with the Maywufa® brand, introducing new hair dyeing modes and concepts. At the same time, we will extend the existing Colorful® brand's with new color series to both physical stores and e-commerce channels, while expanding the Maywufa® hair care brand and product extensions to meet the diverse needs of consumers.

Long-term strategy (2030): We will focus on strengthening the development of new products, particularly mid-to-high-priced segments, and differentiating products across channels to ensure they stand out in the market. This will further consolidate and enhance the brand's leadership position in the market.




Short, Mid, and Long-term R&D Innovation Goals

Topic	Short-term goal (2024)	Long-term strategy (2030)
Continuous R&D	Develop new Maywufa® hair dye products, extend the existing Colorful® brand's with new color series to both physical and e-commerce channels. Expand the Maywufa hair care brand and product line to meet the needs of a wide range of consumers.	Strengthen the development of new products, focusing on mid-to-high priced products, and implement channel differentiation.

The R&D achievements in 2023 were substantial, with the Maywufa brand launching a variety of hair dye and multi-functional hair care products, such as Maywufa[®] Herbal Color Cream, Maywufa[®] Oriental Herb Series, ibubble[®], Maywufa[®], Maywufa Colorful Series, IngreLux[®] Series, SAHOLEA[®], Purification liquid Series, INNEX[®], Botanical Rejuvenation Series, BlackVerse Series, Herbalism Series, Artemisia sandalwood strong luck series, among others, have been well-received in the market, achieving excellent results.

In the selection of raw materials, we extensively use international renowned manufacturers (such as BASF, TRI-K, etc.) and materials with international certification marks to ensure stable quality of raw materials. The design of formulas is based on the principle of maintaining consumers' healthy scalp and skin. In response to SDG 3 (Health and Well-Being), Maywufa is committed to using safe and natural ingredients during formula design and technical development, avoiding animal testing. We prioritize local raw materials or natural, eco-certified ingredients to avoid negative impacts on consumers, the environment, and biodiversity. Examples include:


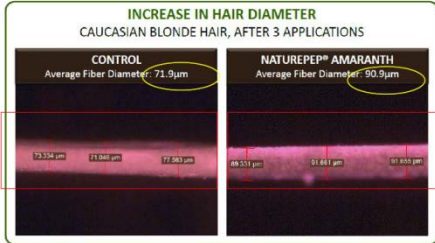

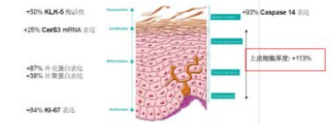
<p>Brand:SAHOLEA[®] Launched in 2021.</p> <p>Series name:Qualitative evolution caffeine</p> <p>Items: Scalp Deep Pre-Wash Purifying Liquid / Volumizing Hair Strengthening Shampoo / Volumizing Peptide Hair Nourishing Lotion</p>	
	<p>Product Features: Contains caffeine and amaranth natural peptides to strengthen hair roots and prevent fragile hair strands from breaking, providing complete protection. Infused with obsidian mineral ingredients, rich in trace elements, the formula helps retain moisture and keeps hair smooth without frizz.</p> <p>Eight Additive-free: SLS, SLES, Silicones, Artificial Dyes, Parabens, Estrogen, Alcohol, Animal experiments.</p> <p>Major Ingredients: Caffeine, Obsidian, NaturePep Amaranth, Fifteen Amino Acids.</p>
	<p>Dermatologist Recommended: Professional scalp care, restoring voluminous hair from purification to nourishment, offering comprehensive protection for your scalp and hair.</p> <p>Suitable for Hair Types:</p> <ul style="list-style-type: none"> ● Normal hair ● Thin and flat hair ● Fragile hair prone to breakage ● Sensitive scalp

 <p>頭皮淨化液 深層潔淨</p>	<p>Scalp Deep Pre-Wash Purifying Liquid</p>	<p>Added with naturally certified Japanese cedar bud extract, this product deeply cleanses the scalp, gently purifies scalp keratin, and nourishes from the roots. It strengthens hair roots, gently regulates scalp oil secretion, rescues damaged hair, and adds volume and bounce to your hair. Key Ingredient: Cedar Bud Extract</p>
 <p>洗髮精 豐盈蓬鬆</p>	<p>Volumizing Hair Strengthening Shampoo</p>	<p>Added with naturally certified hydrolyzed rice protein and hydrolyzed wheat protein, this product uses small molecules with high permeability to replenish hair with rich nutrients, restoring strength and elasticity while making the hair fuller and more lustrous. Key Ingredients: Hydrolyzed Rice Protein, Hydrolyzed Wheat Protein</p>
 <p>胜肽養髮液 強健髮根</p>	<p>Volumizing Peptide Hair Nourishing Lotion</p>	<p>The "Hair Care Little Brown Bottle" saves damaged hair, adding volume and creating a fuller, more lifted look. Key Ingredients: Organic Certified Ginger Root Extract: Stimulates the scalp and strengthens hair roots, enriching hair strands. Nano Hyaluronic Acid & Glycyrrhetic Acid: Prevents scalp dryness, soothes discomfort, and provides hydration and repair. Key Components: Organic Ginger Root Extract, Nano Hyaluronic Acid, Glycyrrhetic Acid Derivative</p>
<p>Third-Party Certification Reports: Microbial, Heavy Metal, and SGS Testing – Free from Paraben Preservatives.</p>		

Quality Evolution Caffeine Raw Material Information

In selecting raw materials, we strive to choose international renowned manufacturers (such as BASF, TRI-K, etc.) and materials with international certification marks to ensure quality assurance.

Ingredients	Manufacturer	Ingredient Features
Caffeine Powder	BASF	German hair caffeine strengthens fragile hair roots and improves scalp protection
AC Obsidian Extract	Active Concepts	Natural mineral energy, trace elements, moisturizing and repairing.

NaturePep Amaranth	TRI-K	<p>Ecocert natural certification, non-GMO statement, ISO 16128 97.5%.</p> <p>NaturePep® Amaranth - 尾穗莧籽萃 (胜肽) (天然認證)</p> <p>為一種使用於頭髮護理的天然肽產品。透過技術從植物中剪取小肽片段，具有更加的滲透力，可由內而外增加頭髮纖維的直徑，使頭髮更豐盈、濃密、光澤，亦增強了頭髮結構的完整性，使頭髮更強韌，並降低外在環境或機械損傷的風險。</p>  
Gatuline Renew	GATTEFOSSE	<p>Ecocert natural certification, US QAI organic certification, ERI 360°SILVER, no pesticides/heavy metals/animal-derived ingredients declaration, manufacturing process flowchart.</p> <p>頭皮淨化液-溫和代謝角質 深層潔淨</p> <p>日本柳杉芽萃取 (ECOCERT天然認證)</p> <p>角質更新+肌膚修護</p>  <div style="display: flex; justify-content: space-around;"> <div data-bbox="735 1037 1038 1261"> <p>作用机理</p> <p>Gatuline® Renew 重建年轻美丽的肌肤</p> <ul style="list-style-type: none"> 加速成熟皮肤自然缓慢的细胞更新过程 作用于整个表皮，从基底层到角质层 增加角质细胞蛋白 (ATP) 生产，并且促进对于适当的表皮重建必不可少的全过程，包括增殖、分化和脱落 增加关键性的细胞生物合成，提高角质细胞的凝聚力 <p>因此，健康有活力的表皮层厚度明显增加</p> <p>确保皮肤屏障功能完全恢复</p> <p>最佳保湿成分含量 和 更好的自我保湿</p> </div> <div data-bbox="1054 1037 1390 1261"> <p>作用机理</p> <p>总结</p> <p>Gatuline® Renew 促进表皮更新的所有重要步骤，并且加速皮肤屏障功能的恢复。</p>  </div> </div>
Hydrolyzed Rice Protein	TRI-K	Ecocert natural certification, non-GMO declaration, free from animal-derived ingredients, gluten-free, cruelty-free.
Hydrolyzed Wheat Protein	BASF	COSMOS natural certification.
GINGER- ECO	PROVITAL	Ecocert Organic Certification, ALA Certification, No Animal experiments, Non-GMO, Palm Oil-Free Declaration.
Sodium Hyaluronate	Kewpie Corporation	Korea / Japan / China Patents.
Dipotassium Glycyrrhetinate	Fanzhi	ISO 16128 100%

3.1.2 Intellectual Property Management Intellectual Property Management Policy

To enhance its industry leadership and protect its achievements of advanced technology, the

company established an intellectual property system in 2007 and received the honor of being certified under the Taiwan Intellectual Property Management System (TIPS). Awarded a certificate by the Ministry of Economic Affairs, the company became the first and only biotechnology demonstration cluster in the nation to get this certification. By establishing a comprehensive intellectual property operation model, we not only safeguard the company's operational freedom but also strengthen competitive advantages and leverage intellectual property to drive corporate profitability.

The company has established the "Intellectual Property Management Regulations" and the "Patent Infringement Handling Procedures," strictly adhering to the confidentiality of trade secrets. Employees are prohibited from inquiring about or collecting internal trade secrets, trademarks, patents, copyrights, or other intellectual property unrelated to their duties, and from disclosing such information to others. Confidentiality agreements (Non-Disclosure Agreements, or NDAs) are signed with suppliers and customers. Additionally, the company has formulated the "Internet Usage and Confidential Document Management Regulations" and the "BI Business Intelligence Usage Management Regulations" to protect trade secrets. A task force, composed of senior executives, was appointed to implement the TIPS management framework and principles through steps such as diagnosing the current situation, setting policy goals, planning and establishing system documentation, building an intellectual property database, conducting education and training sessions, promoting policies and regulations, drafting strategic blueprint reports, and performing internal evaluations.

The Benefits of Implementing the Taiwan Intellectual Property Management System (TIPS)

Items	Before Implementation	After Implementation
Intellectual Property Management System	Management of R&D Project Plans and Results.	Comprehensive intellectual property management is carried out by integrating aspects, such as R&D project planning and results, patents/trademark management, document control, and auditing.
Intellectual Property Data Retrieval	There is no procedure for patent application data retrieval prior to submission.	Establishing an intellectual property data retrieval procedure, which can be used as a method and basis for data retrieval prior to patent application.
Patent Infringement Incident	There is no experience or management procedure related to patent infringement cases	Adding a patent infringement incident handling procedure to prevent potential infringement events in the future, and establishing standard response procedures and principles.
Patent/Trademark Management	There is no systematic management of trademarks/patents.	Consolidate ongoing and obtained trademarks/patents for regular maintenance.
Patent Application and Achievement Utilization Reward System	There is no related reward system to encourage the creation and utilization of intellectual property.	Establishing a patent application and achievement utilization reward system to encourage R&D and new patent applications, as well as the utilization of the company's intellectual property to generate revenue.

Implementation of Intellectual Property Management System:

The company has reported intellectual property-related matters in the business report at the board of directors meeting in the first quarter of each year and has implemented improvement measures based on the directors' suggestions. Since its establishment, the company has actively implemented the intellectual property management plan. The main actions in recent years are as follows:

- In 2007, the company completed the establishment of the intellectual property management system and obtained certification under the Taiwan Intellectual Property Management System (TIPS) in the same year.
- Starting in 2008, the company gradually completed the implementation of the intellectual property management system.
- In line with the revisions in intellectual property-related laws and regulations, the company updated the relevant provisions concerning intellectual property rights in the labor contracts signed by new employees.

Current intellectual property portfolio and achievements are as follows:

1. Patents: As of the end of 2023, a total of 7 patents have been granted worldwide.
2. Trademarks: As of the end of 2023, a total of 610 trademarks have been granted worldwide.

Number of Patents held by the Group from 2021 to 2023

Number of Patents held by the Group in the Past Three Years			
Items	2021	2022	2023
Number of Patent Applications in the Year	0	2	0
Number of Patents Granted in the Year	0	2	0
Cumulative Number of Patents Granted	10	7	7
Summary of Key Patents of the Year		M628003 Double-Tube Dye Bottle Structure Utility Model D219698 Double-Tube Dye Bottle Design	

Note: The payment of patent fees has been temporarily postponed as there is no immediate need for market launch in the short term.

3.2 PRODUCT QUALITY AND SAFETY

3.2.1 Product Quality Management

Quality Commitment

Full Participation: We believe that quality is not just the responsibility of a single department, but the responsibility of all employees in the company. Without the collective involvement of all departments in the operation of the quality system, it is impossible to achieve perfect product quality.

Customer Satisfaction: We rely on customer orders for our survival, and customer satisfaction is the guarantee of our continued existence. Therefore, we are committed to improving the quality of our products and services in order to achieve customer satisfaction.

Compliance with Regulations: Our products comply with current regulations according to their product type, and meet the quality requirements set by these regulations.

Product and Service Quality Management Framework

Design and Development of Products and Services:

Our company has established a Product Design and Development Management Procedure to ensure the effective output of design and development. New product designs and developments undergo a comprehensive process, from initial design and development to review, validation, trial feedback, and preparation for mass production.

Product Quality and Safety Monitoring:

The entire process from production to being placed on shelves, is subject to strict quality control.

1. Strict Selection of Suppliers:

All manufacturers producing our products are strictly selected to ensure they meet our safety and quality standards.

2. New Product R&D:

Each product formula undergoes strict testing and evaluation to ensure it meets the specific regulatory requirements of each target market. Product descriptions on packaging are also thoroughly verified.

3. Production Process:

Additional product tests are conducted during production to ensure we consistently deliver high-quality, safe products to our customers.

4. Post-Market Surveillance:

We actively listen to customer feedback, as it is invaluable to us. We monitor online reviews of our products and invite customers to share their opinions periodically.

Established "Incoming Material Inspection Management Procedure," "Finished Product Inspection Management Procedure," "Supplier Management Procedure," "Customer Feedback Management Procedure," "Organizational Risk Management Procedure," and decided through internal audits

and management reviews. The General Manager holds a management meeting within two weeks after the annual internal audit, to review the company's quality management system and ensure its continuous applicability, appropriateness, and effectiveness, and alignment with the company's strategy. The proportion of products manufactured in-house at Maywufa that undergo quality management is 100%.

Product Hazardous Substance Inspection

We manage raw materials and components from the source of production, monitor the manufacturing process, and ensure quality assurance of finished product. The testing items for raw materials and components include properties, pH, viscosity, acid value, saponification value, microbiological content, and other tests. Throughout the manufacturing process, we monitor compliance with production specifications and procedures, and conduct random inspections of products to ensure product quality at each production process. The major products subjected to harmful substance testing include shampoo, body wash, conditioner, hair dye, and hair treatment. Before the finished products are shipped out, they undergo random testing to ensure they meet product specifications. Each batch of finished products is tested for microbiological content. The first batch of new products undergoes testing for heavy metals, microorganisms, preservatives, formaldehyde, and methanol by third-party according to product claims and channel requirements. Testing is conducted on a certain ratio of samples to determine whether the batch is acceptable or not. In 2023, the percentage of major products tested for harmful substances was 100%.

List of Quality Management Systems and Certifications

Quality Management Systems and Certifications	
ISO 22716 - Good Manufacturing Practices (GMP) for Cosmetics	ISO 22716 : 2007(Certificate Validity Date:2026-08-16)
ISO 9001 - Quality Management Systems	ISO 9001 : 2015(Certificate Validity Date:2026-08-16)



Product Safety and Labeling

Product labeling is a key element in protecting consumer rights and health. The "Regulations for Changes in Labeling and Packaging of Specific Purpose Cosmetics" have been established, which specify that "it is formulated in accordance with the relevant cosmetic announcement regulations of the Republic of China, including but not limited to the Consumer Protection Act, the Fair Trade Act, and the related cosmetic product packaging and labeling regulations set by the Ministry of the Interior, the Ministry of Health and Welfare, and the Food and Drug Administration." This ensures that the product ingredients, manufacturing, labeling, and advertising comply with regulatory requirements. In 2023, there were no violations regarding health and safety, information, or labeling regulations related to products and services. Any violations in marketing communication events are detailed in CH2.3.

3.2.2 Sustainable Products

Green Product Design Concept and Goals

Maywufa hair dye series has received the SNQ National Quality Mark, ensuring both "quality" and "safety." It is also the first hairdressing factory in the country to pass the ISO 22716 Good Manufacturing Practice (GMP) certification. The product quality meets the requirements of Taiwan Food and Drug Administration. In addition, we continuously adapt to market trends and consumer demands, striving to develop new high-quality products. We are committed to developing green materials and fulfilling our corporate responsibility to protect the earth, ensuring environmental sustainability. Through process optimization, we actively implement energy reduction measures, choose high energy-efficiency equipment, and reduce energy consumption in both our business operations and products. Furthermore, we aim to expand the use of renewable energy to optimize energy efficiency.

In 2021, SAHOLEA[®] was honored with several prestigious awards, including the Silver Award at the MONDE SELECTION World Quality Selection, and were shortlisted for the "Pure Beauty Global Beauty Oscars." Additionally, we won the Gold and Silver awards at the "ASIA 2021 Global Makeup Awards," the Silver Award at the "Muse Design Awards," and the Gold Award at the "Global Green Beauty Awards," among other recognitions.

In 2022, SAHOLEA[®] received the Bronze Award for "Best Natural Shampoo" at the Global Green Beauty Awards.

Maywufa[®] Herbal Color Cream series, won the "Best Haircare Gold Award" at the 2023 UK Global Makeup Awards and the "Best Natural Haircare Bronze Award" at the 2023 UK Global Green Beauty Awards.

Green Packaging Materials

In terms of green manufacturing, efforts are made to reduce unnecessary resource waste, seek waste reduction, and develop recycling technologies. In the upstream and downstream supply

chain, there is a collaborative effort to recycle and share packaging materials. Additionally, the company tests the use of recycled materials with low impact on the environment to maximize the benefits of the circular economy.

The company has implemented the following practices for e-commerce packaging, No materials containing Polyvinyl Chloride (PVC) are used, Corrugated paper boxes, cardboard products, and molded paper products have a recycled paper content of over 90%, Plastic packaging, including bags and cushioning materials, has a recycled content ratio of over 25%. In 2023, all packaging materials received certification from suppliers (including proof of recycled material sources and the proportion of recycled content). For 2024, the company aims to reduce e-commerce packaging material usage by 25%.

The use of raw materials for the company's products

Category	Raw Material Items	Usage (Unit: Metric Tons)
Total Raw Material Quantity	Raw Materials: 557 items Materials: 1,291 items	Raw Materials: Approximately 1,274 tons Materials: Approximately 49 million pieces
Type	Raw Materials: Fragrances, extracts, intermediates, preservatives, cationic conditioning agents, colloids, oils, surfactants, active ingredients. Materials: Plastics, paper, stickers, aluminum tubes.	
Source	Procured Externally	

Future Development Plans and Goals

To address climate change, we are actively investing in energy-saving and green energy products, focusing on minimizing the environmental damage in the overall production process. By adopting new technologies and replacing old equipment, we aim to improve energy conversion efficiency and prevent resource waste during production.

In addition to complying with government regulations, in response to consumers' demand for hair care products with unique functions and diverse fragrances, Maywufa plans to invest over 900 million NTD in the construction of a cosmetics GMP-certified intelligent factory in Yangmei. This new factory will obtain both the "International Cosmetics GMP Certification" and the "Green Building Label." It will feature an automated intelligent warehousing system to increase capacity and quality, helping the company meet its strong business development capabilities and the fast-changing consumer market. Furthermore, in line with carbon reduction goals, the factory design includes water retention, shell energy-saving, air conditioning, and lighting efficiency measures to meet daily energy-saving targets. The product bottles will gradually change to eco-friendly materials, incorporating Environmental, Social, and Corporate Governance (ESG) into investment decisions.

Low pollution, low greenhouse gas emissions, and resource recycling: In addition to reducing waste emissions, we are also using new technologies and machines to recycle waste materials.

Protecting natural resources: The Company is applying its technology and resources to environmental conservation actions, such as increasing biodiversity and reducing carbon

footprints. We continue to enhance the depth and breadth of our sustainable products, strengthen communication with stakeholders, and leverage our core influence to co-create a better sustainable future.

3.3 CUSTOMER RELATIONS

3.3.1 Customer Commitment

Customer Service Strategy:

We always prioritize customer service, valuing every customer's suggestions and feedback regarding our products and services. Through activities such as customer service, mother and child exhibitions, and in-store services, we engage in face-to-face interactions to understand customer needs in-depth. This is a crucial part of Maywufa's operations.

For customer or consumer feedback, we mainly conduct customer satisfaction surveys through the Consumer Service Center and customer service hotlines, as well as through complaint statistics and surveys sent during events. This helps us continually understand consumer and customer expectations and opinions about products, which serves as a reference for quality improvement and service enhancement.

For the pharmaceutical channel, the customer service strategy is to ensure stable supply and provide prescription drugs and high-quality health products approved by health authorities. After the products are launched, we hold seminars and expert experience-sharing sessions to ensure that users understand the characteristics of the drugs and their application (indications, usage, possible side effects, etc.). For drug complaints (AE/PQC), we establish internal SOPs in accordance with drug safety monitoring, serious adverse drug reaction reporting, and other related regulations, safeguarding patient medication safety and health.

We comply with pharmaceutical marketing regulations and collaborate with medical institutions and medical associations to organize seminars. Through healthcare professionals' lectures on new pharmaceutical knowledge and clinical experience sharing, we convey accurate medical information and work with clinical staff to improve disease treatment and patient quality of life. For health products, we establish product webpages and Line groups, providing consumers with one-stop access to accurate health knowledge and product characteristics. Additionally, we have professional nutritionists as product customer service representatives, offering health education and product consultation. For complaints, we have established comprehensive internal SOPs for customer complaints.

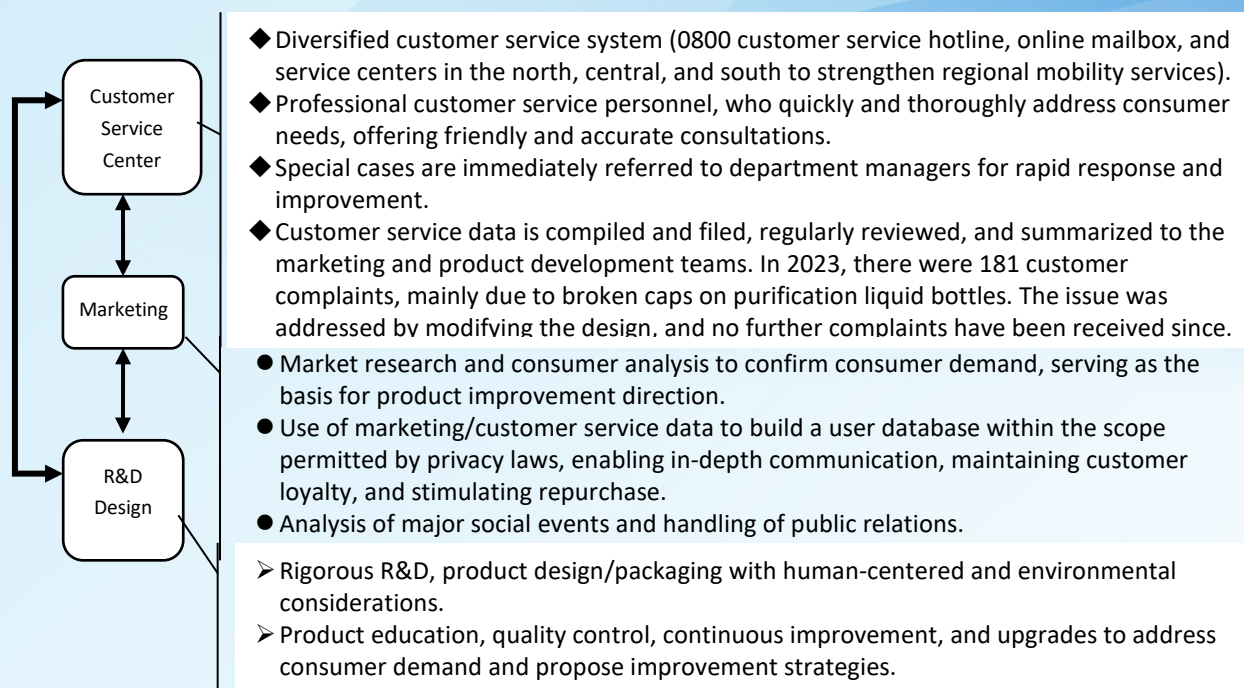
Customer Purchase Channels:

We have local channels such as Watsons, Cosmed, Poya, Costco, Carrefour, Baby store, Pharmacy, and medical institution, etc.; meanwhile, we also have online channels such as Shopee, 91APP, Shoptime, momo shopping network, etc.

3.3.2 Customer Communication Management

Circular Customer Communication Channels

Consumer products adopt a meticulous and interconnected service process, from product development and marketing to backend customer service, all of which are the foundation for maintaining customer satisfaction and loyalty.



The pharmaceutical division handles customer complaints regarding pharmaceutical products (AE/PQC) by adhering to regulations such as drug safety surveillance and reporting of severe adverse drug reactions. Internal SOPs have been established to safeguard patient safety and health. Customer and consumer feedback is highly valued, as it provides important and valuable information for the company. In addition to following regulatory guidelines for collecting feedback on medical products and services, the company uses multiple channels to understand and respond to customer and consumer needs and suggestions, ensuring continuous improvement and optimization of market and product service management.

In 2023, the company received 6 pharmaceutical complaints: 5 related to product damage and 1 product broke by hospital personnel

All cases were handled in compliance with pharmaceutical regulations, following the standard return and exchange process, and relevant employees were trained in packaging procedures.

Customer Satisfaction

The customer satisfaction is primarily divided into categories such as "service," "quality," and "delivery time." These are further categorized by distribution channels to better understand customer needs. The overall score is 82.1 points, demonstrating Maywufa's relentless efforts to meet customer demands.

Additionally, in terms of customer satisfaction in the pharmaceutical sector, the satisfaction of

health food with the patient association's courses, lecturers, and venue arrangements was from 80% to 94%. At the same time, feedback from customers on Line group services and product functions has been widely positive. Medical education seminars for pharmaceutical products conducted via online surveys have gathered feedback to understand the needs and suggestions of healthcare professionals. The suggested educational topics are incorporated into the seminars for further improvement. Survey results show that over 95% of responses were rated as "very satisfied" or "satisfied." Specifically, healthcare professionals rated the "overall course," "course content," and "lecturer professionalism" with 100% satisfaction in the "very satisfied" and "satisfied" categories.

CHAPTER 4: EMPLOYEE CARE

4.1 TALENT ATTRACTION AND RETENTION

4.1.1 Human Resources Development

Total number of employees in 2023 was 192, with a gender distribution of 26% male and 74% female. The majority of employees, 44%, are aged between 30 and 50 years old. All employees are locally hired, with 86% of them working in the operational areas of the branch locations (Taipei, Yangmei, Taichung, and Kaohsiung). In 2023, the company maintained stability in its workforce, recruiting 29 new employees, resulting in a recruitment rate of 15.2%. However, 32 employees left the company, with a turnover rate of 16.8%. Regarding diversity indicators, the company employs 1 person with a disability and 2 indigenous employees.

Number of employees

Type	Female	Male	Total number
Number of Employees	142	50	192
Number of Permanent Employees	0	0	0
Number of Temporary Employees	0	0	0
Number of Employees Without Guaranteed Hours	0	0	0
Number of Full-Time Employees	141	50	191
Number of Part-Time Employees	1	0	1

Note: The number of employees is based on those employed as of December 31, 2023. As of December 31, 2022, the total number of employees was 189.

Non-employee workers

Type	Number of People	Main Work Content	significant change in the number of employees compared to the previous year
Contractor	The number of staff for cleaning is 1, and for security, it is also 1.	Cleaning/Security service	No change

Employee Diversity

Various Employee Classifications	Type	Number of People	Percentage (%)
Gender	Female	142	73.82
	Male	50	26.18
Age	Under 30 years old	16	8.33
	30-50 years old	127	66.15
	50 years old and above	49	25.52
Race / Nationality	Non-Indigenous	190	98.95
	Indigenous	2	1.05
	Foreigner	0	0.00
Total		192	100

Other Diversity Indicators	Number of People	Percentage (%)
Employment with Disabilities	1	0.52
Employment of Minority Groups (Indigenous People)	2	1.05

New employees

Category	Type	Number of People	Percentage (%)
Gender	Female	24	17
	Male	5	10
Age	Under 30 years old	7	44
	30-50 years old	20	16
	50 years old and above	2	4

Note: New employee rate = Total number of new employees for the year / Total number of employees as of December 31st of the same year.

Resigned Employees

Category	Type	Number of People	Percentage (%)
Gender	Female	17	12
	Male	15	30
Age	Under 30 years old	3	19
	30-50 years old	23	18
	50 years old and above	6	12

Notes:1.Resigned employees include both voluntary and involuntary separations.

2.Turnover rate = Total number of resignations in the year / Total number of employees as of December 31st of the year.

3.Number of Employee is calculated based on employees active on December 31, 2023.

The proportion of local residents employed as senior management

The proportion of local hires in management positions (As of 2023/12/31)	Taiwanese natives	From other countries	The ratio of local hires in senior management positions
Number of Senior Management Personnel	5	0	100%

Note: Senior management refers to executives at the level of Deputy General Manager and above.

Proportion of Local Residents

Local hire employment (As of 2023/12/31)	Local Residents (Employees Registered as Taiwanese Natives)	Employees from Other Countries or Regions	Percentage of Local Hires
Taipei (Northern Taipei & Keelung)	65	17	79%
Taoyuan City	82	7	92%
Taichung City	10	1	91%
Kaohsiung City	8	2	80%
Total Number of Employees	165	27	86%

4.1.2 Remuneration Policy

1. System Establishment - For all salary-related cyclical operations, the Human Resources department establishes procedural guidelines and is responsible for oversight and supervision. The relevant procedures refer to the company's internal guidelines, including "Human Resource Planning Operations," "Staffing Requirement Operations," "Internal Promotion Operations," "External Recruitment Operations," "New Employee Appointment Operations," "Pre-employment Training Operations," "On-the-job Training Operations," "Performance Evaluation Operations," "Salary Operations," and "Employee Welfare Operations."
2. Fixed Salary - Based on needs and in reference to "Human Resource Planning Operations" and "Salary Operations," a salary system is designed to establish a standard compensation structure for the company.
3. Variable Salary - Employee performance is managed, with an associated bonus system, and bonuses are distributed based on the company's annual earnings.
4. In addition, to enhance corporate governance and strengthen the remuneration management function of Board of Directors, and to assist in the execution and evaluation of the company's overall remuneration and welfare policy, the company established a "Remuneration Committee" on December 28, 2011. The committee follows the principle of good management to fulfill its duties.

Total remuneration and the rate of change for the year

Total Annual Compensation Ratio	Total Annual Compensation Change Ratio
11.85 : 1	0.77 : 1

Note:1. Annual Total Remuneration Ratio = The annual total remuneration of the highest-paid individual in the organization / The median annual total remuneration of all employees (excluding the highest-paid individual).

2. Annual Total Compensation Change Ratio = The percentage increase in the annual total remuneration of the highest-paid individual in the organization / The percentage increase in the median annual total remuneration of all employees (excluding the highest-paid individual).

Year	Total number of employees (excluding managers)	Median Annual salary (in NTD)	Average Annual salary (in NTD)
2022	174	585,000	664,000
2023	172	614,000	721,000

Note:1. The details regarding managers can be found on page 32 of the annual report.

2. Remuneration includes both salary and bonuses.

Female-to-Male Basic Salary and Compensation Ratio

Employee Type	Ratio	
	Female	Male
Supervisor	0.90	1
Non-supervisor	0.82	1

Note: "Supervisors" are defined as section chief or above.

4.1.3 Employee Benefits

Maywufa provides comprehensive employee benefits, a comfortable work environment and convenient facilities, along with a well-structured leave system. The company offers superior insurance coverage, including labor and health insurance, along with group insurance and accident insurance for all employees. It also provides a corresponding retirement plan, company bonuses, and health care services, which include regular health checkups, sponsorship of sports events, and on-site occupational health services to monitor employees' physical and mental health.

The Employee Welfare Committee, consisting of both labor and management representatives selected by the company, meets quarterly to organize diverse employee activities. It also offers subsidies and welfare, working alongside the company to prioritize the physical and mental well-being of employees.

In line with gender equality principles, Maywufa allows employees to apply for parental leave after six months of employment. The right to apply for parental leave is non-discriminatory based on gender, job position, or work area. Employees can apply for leave until their youngest child turns 3, with a maximum duration of two years. In 2023, one employee applied for parental leave, taking six months in total.

Maywufa also implements a maternity health protection program to ensure the health and safety of pregnant employees. The company offers wedding and childbirth gifts, and encourages eligible female employees to participate in cervical smear tests and mammography, promoting prevention over treatment.

To provide a supportive environment for working mothers, Maywufa has set up private, warm, and bright nursing rooms equipped with dedicated breast milk storage refrigerators. Each mother has a private space with professional consultation and health education services, fostering a friendly workplace environment for parents.



Arranging for healthcare personnel to visit the company and conduct health checks for employees.

Benefits Provided to Full-Time Employees

Item Number	Benefits	Details of Benefits
1	Insurance	Labor Insurance, Health Insurance, Group Insurance, and Accident Insurance
2	Parental Leave	Pregnancy, Maternity, and Parental Leave
3	Retirement	We have established an employee retirement plan in accordance with the Labor Standards Act. The pension amount is 6% of the insurance and paid in a designated account, in compliance with the Labor Retirement Reserve Fund regulations
4	Company Gifts	Holiday Gifts / Birthday Gifts
5	Health Care	Employee Health Check-ups, On-Site Occupational Health Care, and Marathon Registration Fee Subsidy
6	Family Care	Marriage, Birth Gifts, and Funeral Condolences
7	Work Rewards and Others	Employee Dining Area, Year-End Party, and Employee Purchase Plan for Company Products

Parental Leave Statistics

Item	Female	Male	Total
2023 Total Number of Employees Who Took Parental Leave	10	1	1
2023 Total Number of Employees Who Applied for Parental Leave	1	0	1
2023 Number of Employees Who Were Expected to Return After Parental Leave (A)	2	0	2
2023 Number of Employees Who Actually Returned After Parental Leave (B)	2	0	2
2022 Number of Employees Who Actually Returned After Parental Leave (C)	3	0	3
2022 Number of Employees Who Returned After Parental Leave and Worked for a Full Year (D)	2	0	2
Return Rate % = B/A	100%	—	100%
Retention Rate % = D/C	67%	—	67%

4.2 TALENT DEVELOPMENT AND TRAINING

4.2.1 Talent Development System

One of the key strategic goals of the company is organizational and talent development. To promote the stable development of the organization and improve employee quality, we continuously recruit outstanding talents while strengthening training and development. We systematically provide all employees with the necessary training and resources to enhance their skills, knowledge, and attitudes, and keep track of their work status in real-time. Regular reviews of organizational development priorities and the effectiveness of talent development are also important measures we take.

4.2.2 Education and Training

Our company values employee education and training and has established an "Education and Training Management Policy." The Human Resources department conducts orientation for new employees on a quarterly basis, while each business unit regularly organizes internal training

sessions to enhance product knowledge and sales skills. The company holds monthly inspirational meetings for managers to cultivate their problem-solving and analytical abilities. Additionally, as needed, employees are sent to external industry seminars to improve their professional expertise and competitiveness. In 2023, all internal and external courses were conducted with a total of 341 participations, 1,747 training hours, and a total training expenditure of NT\$177,600. [See the attached table below for details.]

The average training hours per employee per year

Trainee Statistics	Supervisor		Non-Supervisor		Total
	Female	Male	Female	Male	
Total Training Hours	242	595.5	570.5	339	1,747
Total Number of Employees in this Category	12	10	132	38	192
Average Training Hours per Employee	20.17	59.55	4.32	8.48	9.01

Courses		Total Number of Participants	Total Training Hours	Expenditure (TWD)
Internal Training	General Education Management Leadership New Employee Pre-Employment Training	273	1,225	54,000
External Training	Professional Skills General Education Business Strategy	68	522	123,600

Training Topic	Course	Format	Number of Participants
Professional Skills	SA Risk Assessment and Master Database Query Practice	Physical	3
	Cosmetic Technology	Physical	12
	Procurement Professional Skills	Physical	2
General Education	Labor Safety Regulations	Physical	27
	Legal liability for employee fraud and internal control and internal audit practices	Physical	1
Business Strategy	ESG-related	Physical	17
	Corporate Governance Evaluation	Physical	1
	Enterprise Resource Planning (ERP) Software Course	Physical	1
	Financial Statement Preparation	Physical	5
Management & Leadership	Manager Inspirational Meeting	Physical	236
New Employee Pre-service Training	Orientations	Physical	34

External Training		
Training Courses	Number of Applicants	Number of Participants
Cosmetic Technology	8	8
Labor Safety and Health Regulations	8	8
ESG (Environmental, Social, and Governance)	6	6
Legal Responsibilities of Employee Fraud and Practical Internal Control and Auditing	1	1
Procurement Professional Skills	2	2
Financial Statement Preparation	5	5
Latest Corporate Governance Development and Evaluation Review	1	1

4.2.3 Performance Appraisal

To promote labor-management interaction and communication, Maywufa has established an employee performance evaluation system. Every year, individual performance indicators and competencies are assessed, and continuous feedback is provided to achieve goals. Supervisors use the system for evaluations and talent management, with all performance records serving as the foundation for training and development. Through comprehensive performance management, the organization's goals, individual objectives, and talent development are closely aligned, collectively enhancing corporate performance. For employees with poor performance, the company will provide focused improvement plans to increase their efficiency. In 2023, 100% of Maywufa employees, regardless of rank or gender, completed their performance evaluations.

The percentage of employees regularly undergoing performance and career development reviews

Performance Review Statistics	Supervisor		Non-Supervisor		Total
	Female	Male	Female	Male	
Number of employees undergoing performance and career development reviews	10	12	132	38	192
Total number of employees in that category	10	12	132	38	192
Percentage	100.00%	100.00%	100.00%	100.00%	100.00%

4.3 HUMAN RIGHTS

Our company values the safety, health, and dignity of all employees, adhering to relevant labor regulations and international human rights conventions, such as the Labor Standards Act, Occupational Safety and Health Act, and Gender Equality in Employment Act. We plan to conduct human rights risk identification and assessments in the future, and conduct comprehensive human

rights due diligence in accordance with international human rights conventions, including the UN Guiding Principles on Business and Human Rights.

We support the Universal Declaration of Human Rights (UDHR) and commit to adhering to international human rights standards, including the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and the UN Global Compact's Ten Principles. We are dedicated to respecting and treating all employees with dignity.

The company does not have any collective bargaining agreements, but we have established a Code of Conduct and provide complaint channels in accordance with laws such as the Gender Equality in Employment Act and the Prevention of Sexual Harassment Act to safeguard employees' rights and ensure a work environment free from discrimination and harassment. In 2023, there was no discrimination incidents reported.

The company holds labor-management meetings on a quarterly basis to establish effective communication channels with employees, focusing on their rights and ensuring full discussion and communication on key meeting topics. In 2023, there were no employee complaints submitted through the company's complaint box or to the HR department.

We also have a robust internal whistleblowing mechanism, where employees can report illegal or unethical behavior via phone, email, or other channels. External parties can also submit complaints through the company's website or other methods. In 2023, there were no internal whistleblowing incidents.

Responsible Unit: Chairman's Office

Employee Communication/Reporting Hotline: Mr. Liu / (02) 2713-6221 ext. 2105

Email: tino.liu@maywufa.com.tw

4.4 WORKPLACE SAFETY AND HEALTH

4.4.1 Workplace Safety and Health

We are committed to fulfilling our corporate social responsibility by ensuring the work conditions, health, well-being, and equality of our employees, while complying with relevant laws and best practices. The following are our main measures in occupational safety and health:

To protect the personal safety of all employees, the factory has designated a certified fire prevention manager, developed fire protection plans in accordance with laws and regulations, regularly inspects fire safety equipment's and conducts safety checks on fire evacuation facilities and equipment in public buildings, and reports to the competent authority. In accordance with the "Occupational Safety and Health Law" and related laws and regulations, the "Occupational Safety and Health Work Code" and "Occupational Safety and Health Management Plan" have been

established. The factory has set up occupational safety and health units, management staff and first aid personnel in accordance with the law.

4.4.2 Environmental Protection and Occupational Safety and Health Committee

To implement Maywufa's occupational safety and health policies at the Yangmei plant and improve operational risk management and safety performance, we have established the Environmental Protection and Occupational Safety and Health Committee. This committee is headed by the plant Director who serves as the management representative and chairperson. It also includes six labor representatives, elected from various departments, ensuring that labor representatives account for 50% of the total members. The committee holds quarterly meetings and can call emergency meetings when necessary the committee discusses various safety, environmental, and fire-related matters, such as setting goals, reviewing and coordinating plans, and making recommendations. The results are submitted to the General Manager for approval and implementation. In 2023, the committee reviewed and published eight procedures and management methods for implementation.

4.4.3 Occupational Hazard Identification

The workflow and hazard characteristics of the main working sites of Yangmei Plant are divided according to the characteristics of the department as follows:

Office Area – Administrative Personnel (Occupational Safety Office, Procurement, and General Affairs), Work Nature: Primarily seated tasks involving computer-based administrative and clerical duties. Potential Hazards: Ergonomic Risks: Musculoskeletal discomfort possibly related to prolonged sitting or repetitive use of a mouse/keyboard, affecting wrists, shoulders, and neck. Psychological Risks: Stress potentially caused by internal and external communication and coordination.

On-Site Work Area (Production Department, Quality Assurance Department, Research & Development Department, Storage & Transport Department, Pharmaceutical Logistics, and Engineering Department), Work Nature: Tasks are carried out in standing, walking, and seated postures.

Hazard Characteristics of On-Site Operations by Department:

- Production Department: Automated raw material processing from feeding → filling → packaging → shipping. Potential physical hazard: Pinch or entanglement injuries. Potential ergonomic hazard: Repetitive tasks may cause upper limb musculoskeletal discomfort.
- Quality Assurance Department: Product sampling testing. Potential physical hazard: Burns. Potential ergonomic hazard: Repetitive tasks may cause upper limb musculoskeletal discomfort.
- Research and Development Department: The hazards associated with front-end formulation laboratory may include physical hazard (such as risk of burns) and chemical hazard (Exposure to

chemicals or organic solvents in laboratory or raw material operations, potentially through inhalation or skin contact).

- Storage and Transport Department: Daily handling of finished goods.
- Potential ergonomic hazard: Musculoskeletal discomfort due to frequent product handling.
- Pharmaceutical Logistics: Seated computer work, applying product labels, and packing. Potential ergonomic hazard: Repetitive tasks may cause upper limb musculoskeletal discomfort.

4.4.4 Accident Investigation Process

According to the relevant provisions of the Occupational Safety and Health Act, when an occupational accident occurs in the workplace, necessary emergency and rescue measures should be taken. It shall also carry out investigation, analysis and make records in conjunction with labor representatives, so as to reduce the probability of recurrence of the accident by confirming the facts and circumstances, identifying the causes and deciding on corrective actions. In addition, in order to effectively manage and track the accident, the accident unit must submit an accident investigation report and improvement countermeasures. The accident report can only be closed after the approval of the top supervisor of the plant.

4.4.5 Occupational Safety and Health Education and Training

Maywufa actively works to reduce accident rates by not only conducting legally required new employee training and regular on-the job training but also expanding the scope of safety management. The company focuses on hands-on training for high-risk tasks to ensure compliance with regulations and standards. Through these training courses, Maywufa aims to strengthen hazard awareness among all employees, foster a culture of safety and health, and integrate safety into daily practices. The ultimate goal is to achieve a "zero accidents; zero workplace injuries" safety environment.

External Training: Each year, Maywufa plans refresher training for employees such as supervisors handling organic solvents, specific chemicals, boiler operators, and forklift operators. These training sessions focus on the latest legal requirements related to certifications and regulations, ensuring that all involved personnel are updated and implement these standards in their work.

Internal Training: Regular on-the-job training is conducted, including practical exercises and case sharing. By engaging in real-world practice and discussing relevant case studies, the entire workforce is encouraged to integrate safety and operational knowledge into their day-to-day tasks.

New Employee Training



On-the-Job Training



Confined Space Operations



Emergency Evacuation Drills

Occupational Safety and Health Worker Training

Training Participants	Training Category	Course Name	2023 Annual Training Performance	
			Headquarters	Factory and Logistics Center
Employee	General Occupational Safety Training	Occupational Safety and Health Education Training for new recruits.	3 sessions / 34 participants	3 sessions / 19 participants
		Occupational Safety and Health Promotion Meetings for in-service Employee	3 sessions / 34 participants	7 sessions / 111 participants
		Confined Space Hazard Prevention	3 sessions / 34 participants	1 session / 6 participants
	Fire and First Aid Training	Fire Drill	1 session	1 session
		Fire Prevention Management Education and Training	1 session	1 session
		AED and CPR Education and Training	NA	1 session
		Education and training for special operation supervisors	NA	10 people

		(External Training)		
--	--	---------------------	--	--

4.4.6 2023 Occupational Accident Statistics

Employee Occupational Injury

Item	Male	Female	Total
Total Workdays (Days)	11,260	33,152	44,412
Total Work Hours (Hours)	90,080	265,210	355,290
Total Work Hours (= Number of Employees * Total Workdays * Total Work Hours)	90,080	265,210	355,290
Number of Recordable Occupational Injuries	0	0	0
Number of Serious Occupational Injuries (Excluding Deaths)	0	0	0
Casualty by Occupational Injuries	0	0	0
Rate of Recordable Occupational Injuries	0	0	0
Rate of Serious Occupational Injuries (Excluding Deaths)	0	0	0
Rate of casualty by Occupational Injuries	0	0	0

Occupational Injuries of Outsourced Production Line Workers

Item	Male	Female	Total
Total Workdays (days)	906	1,672	2,578
Total Working Hours (hours)	7,249	13,374	20,623
Total Working Hours (= Number of Employees * Total Workdays * Total Working Hours)	7,249	13,374	20,623
Number of Recordable Occupational Injuries	0	0	0
Number of Serious Occupational Injuries (excluding fatalities)	0	0	0
Casualty by Occupational Injuries	0	0	0
Recordable Occupational Injury Rate	0	0	0
Serious Occupational Injury Rate (excluding fatalities)	0	0	0
Fatal Occupational Injury Rate	0	0	0

Note: Outsourced production line personnel refer to employees of manpower dispatch companies.

4.4.7 Workplace Safety and Employee Care

Maywufa highly concerns the physical and mental health of its employees. Since 2023, the company began partnering with on-site health service organizations to provide regular health consultations from professional medical staff. Additionally, the company holds health promotion events and activities periodically. Employee health check-ups are conducted regularly, with office employees undergoing these exams every three years and factory employees receiving annual health examinations.

In 2023, Maywufa conducted hazard identification for the working environment and provided

special care for pregnant employees, including maternal protection. During flu season, the company provided flu vaccination campaigns and regularly posted mental and physical health information on bulletin boards, ensuring a healthier workplace environment.

The company has established various health and safety plans, including the "Abnormal Workload-Induced Disease Prevention Plan," "Human Factor Hazard Prevention Plan," "Maternal Health Protection Plan," "Work Adaptability Assessment Plan for Middle-Aged and Older Workers," and "Abnormal Workload-Induced Disease Prevention Plan." Additionally, Maywufa organized running coaching sessions, inviting professional coaches to teach proper running techniques, warm-up exercises, and sports concepts, encouraging employees to stay active together.



To care for the health of employees, healthcare professionals are arranged to visit the company and administer flu vaccinations.



To cultivate a habit of exercise, a running training course was organized to teach the correct running posture.

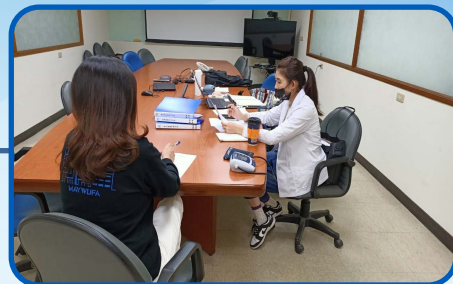
Employee health check-up and Health Risk Management

Maywufa Yangmei Plant, exceeding the requirement by regulation, conducts annual employee health check-ups along with comprehensive assessments through questionnaires, focusing on abnormal work load and musculoskeletal pain evaluation. Based on these evaluations, employees are categorized for health management. In 2023, 87 colleagues underwent general health check-ups, 51 employees were listed for health management. On-site nurses and physicians provided health education and follow-up care.

Health Check-up



On-site Healthcare Consultation



Health promotion and Management

Maywufa values the safety and health of its employees. In addition to conducting regular health check-ups and tiered management, the company also provides on-site occupational health services and physicians. At the Yangmei plant, the on-site occupational health service is provided once a month, while the medical services are provided twice a year. These services include consultations on "workload assessment and management, hazard prevention, maternity health protection, and workplace violence prevention." Additionally, health information such as "Eat More to Lose Weight, Reject Fat," "Unlawful Aggression Awareness," and "Depression Support" is occasionally posted on bulletin boards to promote mental and physical well-being.

Maywufa also encourages employees to engage in public welfare and sustainable activities, with a focus on building good exercise habits. The company aims to help employees attain a work-life balance. For this, the company fully sponsors employees' participation in the Standard Chartered Marathon, covering the registration fee to encourage everyone to get moving!

Health Promotion Activities

Item	Theme	Activity Description	Participants
Health Promotion Activity	Running Coach Sessions	Arrange for a coach to teach the correct running posture and sports concepts.	20 people
Health Promotion Activity	Full Sponsorship for Marathon Registration	Full sponsorship for colleagues participating in the Standard Chartered Marathon.	42 people

CHAPTER 5: ENVIRONMENTAL SUSTAINABILITY

5.1 CLIMATE CHANGE ACTION

In response to the risks posed by climate change, regulations and agreements are getting stringent worldwide. We not only identify the operational risks associated with climate change but also reference the Task Force on Climate-related Financial Disclosures (TCFD). The company integrates four core disclosure areas—“Governance,” “Strategy,” “Risk Management,” and “Metrics and Targets”—into its operational management. Additionally, we also disclose governance performance in sustainability report, aiming for stakeholders to understand the impacts of climate change-related risks and opportunities, as well as the corresponding measures taken.

Governance

The Maywufa Sustainable Development Coordination Team is led by the Vice Chairman and convenes senior executives from various units. It helps the Board of Directors provide advice and reports on matters related to the company's involvement in environmental, social, and corporate governance issues. This includes addressing the financial impacts and other risks or opportunities arising from climate change. The team aims to assist the Board in effectively managing related risks, integrating group resources, enhancing communication with stakeholders, and improving corporate value and influence.

Strategy

The primary role of the company's Sustainability Development Task Force is to gather internal information on risks and opportunities, taking into account both transition and physical risks. For potential events, the team provides risk analyses, including the financial impact, the timing of the impact, the affected entities within the value chain, and the likelihood of risk occurrence. Tailored action plans are then developed for different risk scenarios. The goal is to enhance Maywufa's capacity to adapt to climate risks, ensuring the organization can effectively address the challenges posed by climate change.

Risk Management

The company's operations are minimally affected by global climate change and the greenhouse effect. However, as responsible global citizens, all employees in our offices and factories work together to reduce the environmental impact of our business activities. In addition to adhering to relevant domestic and international regulations, we continuously set self-imposed requirements to align with industry trends and fulfill corporate social responsibilities.

By adopting the framework for climate-related financial disclosures, we analyze international climate trends and industry-relevant topics, identifying physical and transition risks and opportunities through the following process:

1. Gathering Climate Risk and Opportunity Topics: Based on climate change trends and industry-

specific concerns, we identify issues including climate changes, policy and regulatory shifts, market trends, and technological developments. These factors may have potential impacts on Maywufa's business operations and financial performance.

2. Identifying Significant Climate Risks: Through interviews with various departments, we compile all potential climate-related risks and opportunities that could impact Maywufa's operations. This includes evaluating the impact to assets, supply chains, operations, and market position, and recognizing potential opportunities of transition.
3. Analysis of Financial Impacts: In accordance with TCFD guidelines (Task Force on Climate-related Financial Disclosures), we conduct financial analyses to disclose our understanding of and responses to climate change-related risks and opportunities. This includes evaluating the degree of financial impact, risk management strategies and goals, and projecting risks and opportunities over different time horizons.
4. Develop countermeasures: For each identified risk and opportunity, we further propose corresponding countermeasures. These measures aim to mitigate risks and leverage feasible opportunities to achieve our objectives. Additionally, we regularly review and assess the effectiveness of our management efforts, monitoring the implementation and tangible outcomes of our measures, and making necessary adjustments in a timely manner.

Climate Risks, Opportunities, and Mitigation Measures

No.	Risk/Opportunity	Risk Issue/Opportunity Factor	Description	Impact Dimensions			Mitigation Measures
				Risk/Opportunity Category	Risk Issue/Opportunity Factor	Risk/Opportunity Description	
1	Risk	Extreme Changes in Rainfall Patterns	Extreme rainfall in Taiwan may impact water quality stability, disrupting production.	Revenue decrease	Business plan delays, operation disruptions	Loss of existing customers, negative perception from investors	Implement water resource management and conservation plans to improve water usage efficiency; take precautionary measures in response to heavy rain warnings.
2	Risk	Policies and Regulations	The "Climate Change Response Act" may impose carbon fees in the future.	Cost increase	Increase in raw material prices	Decreased market demand	Continuously evaluate the challenges and changes brought by carbon fee regulations
3	Risk	Increase in Raw Material Costs	Climate change may increase the cost of raw materials, impacting operations.	Cost increase	Increase in raw material prices	Loss of existing customers, reduced market demand	Manage sources of raw materials from related industries.
4	Opportunity	Green Product Development	Develop eco-designed products to reduce environmental damage.	Revenue increase	Improve energy efficiency	Strengthen competitiveness, enhance brand reputation	R&D department develops low-carbon products.

5	Opportunity	Technology	Aligning with the low-carbon transition trend, production equipment needs gradually be replaced with energy-efficient or renewable energy equipment	Asset revaluation appreciation	Improved operational efficiency, increased energy efficiency	Strengthen competitiveness, enhance brand reputation	Construct a green factory that meets cosmetics GMP standards, upgrade or replace existing equipment, introduce high-energy-efficiency systems, and optimize operations with intelligent monitoring.
---	-------------	------------	---	--------------------------------	--	--	---

Indicators and Targets

Maywufa is committed to green operations, energy management, and green building initiatives. We are constructing a green factory that meets cosmetic GMP standards, upgrading or replacing existing equipment, and introducing high-energy-efficiency devices and intelligent monitoring systems to enhance energy efficiency and optimize operations management. Regarding climate change adaptation, we conduct annual greenhouse gas assessments to monitor the organization's carbon emissions and set carbon reduction targets. We will continue investing in environmental protection expenditures and energy-saving measures.

In the future, Maywufa will conduct further analysis and exploration of various risks and opportunities to develop strategies for the next phase. We will also strengthen the integrity of information disclosures, including the financial impacts of relevant risks and opportunities on operations, revenue, or expenses. This will help investors and stakeholders gain more comprehensive understanding of the risks and opportunities the company may encounter, as well as the corresponding financial impacts.

5.2 ENERGY AND GREENHOUSE GAS MANAGEMENT

5.2.1 Energy Management

Energy Management Strategy

The company's factory has completed the construction and obtained the certification for ISO 22716, Good Manufacturing Practices (GMP) for cosmetics. Through process improvements, we actively promote various energy reduction measures, select high-energy-efficient and energy-saving equipment, reduce energy consumption for both the company and its products, and expand the use of renewable energy to optimize energy efficiency.

In green manufacturing, we focus on reducing unnecessary resource waste, seeking waste reduction and recycling technologies, and working with our value chain partners on packaging material recycling. Additionally, we are committed to testing the use of recycled materials with low environmental impact, maximizing the benefits of a circular economy.

The cosmetics GMP factory under construction in Yangmei is planned to meet the standards set by the Ministry of Economic Affairs' Industrial Development Bureau for green factories, and we intend to apply for the Green Factory Label upon completion. The new building project for the Yangmei factory obtained the "Candidate Green Building Certificate" from the Ministry of the Interior on February 24, 2023. Among the investments for green building, approximately NT\$6.18 million was allocated, including items such as roof insulation, rainwater filtration systems, and irrigation piping. The green building assessment met the 2019 version of the factory-level green building standard, with a total of 9 indicators (energy savings in daily operations 0.80, energy savings in HVAC system 0.42, energy savings in lighting system 6.24, green transportation index 0.90, CO2 reduction in the building 2.00, water resource index 5.00, indoor air quality management 1.50, sound environment index 2.00, light environment index 3.35, ventilation and air exchange index 5.00, and indoor materials index 1.50). The total score met the standard for factory green buildings, contributing to our responsibility as a global citizen for the Earth.

Energy-saving Measures in 2023: In 2023, we completely renewed the lighting tubes in the production area, resulting in an energy saving of approximately NT\$30,000.

	Types of Light Tubes	Wattage (W)	Total Units	Total Wattage of Light Tubes (W)	Wattage Saved per Hour (W/H)	Energy Saved per Hour (KW/H)	Daily Energy Savings (9 hours/day)
Before Improvement	T5	28	358	10,024	4296	4.3	38.7
After Improvement	LED	16	358	5,728			

Note: 38.7 * 200 days * 4 NTD/kWh = 30,960 NTD

Energy-saving Measures in 2023: Boiler Efficiency Improvement

Current Situation: The pressure settings of the smoke tube boiler were adjusted, and the startup/shutdown intervals were increased, resulting in improved boiler combustion efficiency and a fuel usage reduction of 2-4%.

Expected Savings: This measure is expected to save 2.15 metric tons of fuel annually, amounting to a savings of NT\$17,200 per year.

Note: The current annual fuel usage is 50 metric tons. The expected annual benefit is calculated as:
 $50 * 4.3% * 8,000 \text{ NTD/metric ton} = 17,200 \text{ NTD}$.

Energy Usage

Category	Unit	2022	2023
Purchased Electricity (General)	kWh	1,588,772	1,665,574.4
	GJ	5719.58	5996.07
Gasoline	Liters	102,732	-
	GJ	3,354.28	-
Diesel	Liters	2,309.8	49,053.8
	GJ	81.22	1724.85
Total Energy Consumption	GJ	9155.08	7720.92

Note 1: Energy Heat Value: Calorific value of purchased electricity: 3,600 GJ per million kWh. The conversion coefficients are based on the "Greenhouse Gas Emission Coefficients Management Table 6.0.4 Edition" by the Ministry of the Environment. The coefficients for imported natural gas, gasoline, diesel, and liquefied natural gas are 9,000 kcal/m³, 7,800 kcal/L, 8,400 kcal/L, and 6,635 kcal/L, respectively.

Note 2: Each kcal is calculated as 4.186 kJ.

Note 3: The purchased electricity shall be subject to the electricity bill. Natural gas and liquefied petroleum gas are based on the payment bill or procurement details. Gasoline and diesel are based on tank scale readings or purchase invoices.

Note 4: The energy used in 2023 is from non-renewable sources. There was no use of purchased coal, natural gas, or renewable energy in either 2022 or 2023.

Energy Intensity in 2023

Internal Energy Consumption	Unit	Value
Total Energy Consumption (Numerator)	Gigajoules (GJ)	7720.92
Total Production Output (Denominator)	Metric Ton (ton)	2,069
Energy Intensity (Numerator/Denominator)	Gigajoules per Metric Ton (GJ/ton)	3.73
Energy Types Covered in the Numerator:		Electricity

Note: The statistics scope includes Maywufa's headquarters, factories, logistics centers, and service centers in Taichung and Kaohsiung.

5.2.2 Greenhouse Gas Emissions Management

Greenhouse Gas Management Strategy

In response to the global trend of carbon reduction and to fulfill corporate social responsibility, our company is committed to the following actions:

1. Effectively manage and monitor greenhouse gas emissions.
2. Propose greenhouse gas reduction plans.
3. Implement greenhouse gas reduction measures.

Proactively increase the use of green energy.

Reduction Targets and Achievement

In 2023, our company achieved a reduction of approximately 141.48 metric tons of greenhouse gas emissions, a 9.65% decrease. This met the annual reduction target of about 3%, primarily through improvements in the production process at the factory, active energy-saving measures, and reductions in water usage. We are actively working towards further reductions in greenhouse gas emissions, water usage, and waste through comprehensive management and control, as well as applying for the green factory certification upon the completion of the factory construction. Our environmental costs account for about 1% of company's output value, and in response to the year-on-year expansion of the output value, we have built a green factory that complies with the Good Manufacturing Practices (GMP) for cosmetics. In addition, we will continue to invest in environmental protection and energy-saving measures, aiming for annual reductions of over 3% in greenhouse gas emissions, water usage, and waste generation.

Greenhouse Gas Emissions

Item	Unit	2022	2023	2023 Emissions Proportion
Scope 1 (Direct) Emissions	Metric tons CO ₂ e	430.81	211.74	15.98%
Scope 2 (Indirect) Emissions	Metric tons CO ₂ e	786.44	824.46	62.21%
Total Scope 1 & Scope 2 Emissions	Metric tons CO ₂ e	1217.25	1036.20	78.19%
Revenue	NT\$ Million	1245.10	1300.72	-
Greenhouse Gas Emissions Intensity	Metric tons CO ₂ e / NT\$ Million	1.96	1.59	-
Scope 3 (Other Indirect) Emissions	Metric tons CO ₂ e	249.42	289.00	21.81%
Total	Metric tons CO ₂ e	1466.67	1325.20	100.00%

Note 1: The statistical scope includes the headquarters, factory and logistics center, Taichung Service Center, and Kaohsiung Service Center.

Note 2: The emission coefficient is based on the "Greenhouse Gas Emission Coefficient Management Table, Version 6.0.4" published by the Ministry of the Environment. The electricity emission coefficient is based on the 2022 electricity emission coefficient of 0.495 kg CO₂e/kWh, as announced by the Ministry of Economic Affairs' Energy Bureau. The Global Warming Potential (GWP) values are based on the 2021 IPCC Sixth Assessment

Report. The greenhouse gases considered include CO₂, CH₄, N₂O, HFCs, and NF₆.

Note 3: Greenhouse gas emissions intensity is calculated based on the total emissions from Scope 1 and Scope 2. The method for aggregating Scope 1 and Scope 2 emissions uses the operational control approach.

Note 4: The verification categories are 1 to 4. The types of greenhouse gas emissions in Scope 1 and Scope 2 include CO₂, CH₄, N₂O, and HFCs. Scope 3 includes categories 3 and 4, accounting for emissions from employee commuting, upstream emissions from electricity and water used by the organization, and indirect greenhouse gas emissions from waste disposal generated by products used by the organization.

Benefits of Implementation of Intelligent Logistics process

After the introduction of intelligent logistics for process improvement, the time spent on raw material inventory checking and account deduction was reduced by one-third, and the material movement distance was halved. Additionally, the time spent waiting for information was completely eliminated, resulting in an annual benefit of NT\$668,000.

Note: Saves 83 minutes per receipt. The estimated annual benefit is calculated as: 83 minutes * 161 receipts per month * labor cost of \$250 * 12 months = \$668,150 (based on the implementation rate of 90% as the estimated benefit).

5.3 WATER RESOURCE MANAGEMENT

Water Resource Management Strategy

Maywufa’s office and factory water supply is sourced from municipal water. In 2023, the total water withdrawal amounted to 202.65 million liters. To assess the water stress situation in the operational locations, the company uses the water risk assessment tool developed by the World Resources Institute (WRI), known as the Aqueduct Tool. This method helps identify water stress conditions at the water withdrawal points of the factory, and it was determined that the location of the plant is located in a low water stress area.

In 2023, the water storage capacity of the new plant will reach 375 cubic meters. Based on the current water consumption for production and daily usage, totaling 55 tons per day, the water tower can supply water for 6-7 days in the event of a water shortage.

The pure water system’s production ratio was adjusted from the current 1:1 to 1.05:0.95 based on water quality conditions. The current pure water production capacity is 25 tons per day, and the adjustment will result in savings of 37.5 tons per month and 450 tons per year.

The water used for our offices and factories comes from tap water, with a total water intake of 202.65 million liters in 2023. 2023 Water consumption decreased by 1,098.48 metric tons and decreased by 1.75%

Unit: Million Liters

Item		2022					2023				
		Headquarters	Factory and Logistics Center	Taichung Service Center	Kaohsiung Service Center	Total	Headquarters	Factory and Logistics Center	Taichung Service Center	Kaohsiung Service Center	Total
Water Intake	Tap Water Intake	120.37	61.57	0.52	0.04	182.50	142.71	59.06	0.74	0.14	202.65
	Total Water Intake	120.37	61.57	0.52	0.04	182.50	142.71	59.06	0.74	0.14	202.65
Discharge Volume	Discharged Water to Third Parties	0.00	8.27	0.00	0.00	8.27	0.00	8.51	0.00	0.00	8.51
	Total Discharge Volume	0.00	8.27	0.00	0.00	8.27	0.00	8.51	0.00	0.00	8.51
Water Consumption	Total Water Consumption	0.52	53.31	0.52	0.04	54.39	208.90	50.56	0.74	0.14	211.16

Note 1: Tap water intake is based on water bills, and discharge volume is primarily based on reports submitted to the government.

Note 2: All tap water is sourced from Taiwan Water Corporation, with the water quality being freshwater ($\leq 1,000$ mg/L Total Dissolved Solids).

Note 3: From 2022 to 2023, there were no severe water shortage events; Maywufa has not used surface water, groundwater, or seawater.

Wastewater Quality Management

Maywufa's factory and logistics center regularly monitor the quality of discharged wastewater. Depending on the characteristics of the industrial process and local regulatory requirements, different water quality standards are applied. The company prioritizes the management of substances being discharged according to local regulations, and all water bodies are approved discharge destinations by the government.

The wastewater from the Yangmei factory and logistics center is treated at the Sewage Treatment Plant of Taoyuan Youth Industrial Park before being discharged into Shezi Creek.

Operational Sites	Water Quality Management
Yangmei factory	Daily monitoring of COD in the effluent and real-time monitoring of the effluent's pH value are conducted. Additionally, an accredited laboratory approved by the Ministry of Environment is commissioned to sample and analyze the effluent quality every six months.
	Effluent quality is tested twice a month by the wastewater treatment plant, in accordance with the "Industrial Zone Sewage Discharge Standards."

Effluent Water Quality Monitoring-Yanmei Plant

Item	Sewage Plant Limit	2023	Remarks
pH Value (Hydrogen Ion Concentration Index)	5–9	7.1	Meets Standard
Total Suspended Solids (TSS) (mg/L)	480	59.3	Meets Standard
Chemical Oxygen Demand (COD) (mg/L)	640	449	Meets Standard
Biochemical Oxygen Demand (BOD) (mg/L)	400	253	Meets Standard
True Color	400	27	Meets Standard
Ammonia Nitrogen	100	10.2	Meets Standard

5.4 WASTE AND AIR POLLUTION MANAGEMENT

5.4.1 Waste Management

To effectively manage business waste, the company has actively reviewed and planned its waste disposal processes over the past two years. This includes the sorting, collection, storage, management, and disposal of waste, ensuring compliance with environmental laws for waste removal, treatment, and reuse. Although the amount of waste has increased, this is seen as a temporary adjustment, and the company is confident that through proper management, it will move towards its reduction goals.

The total weight of waste increased by 14.5 metric tons, a 19.87% increase. Currently, all waste is non-hazardous, and is handled by external waste disposal contractors for off-site treatment. Through thorough management, control, and with the goal of applying for the Green Factory Certification upon completion of the new plant, the company aims to reduce greenhouse gas emissions, water usage, and waste generation year by year.

The company actively promotes the 100% recycling and repeated reuse of cardboard boxes. The

long-term goal is to extend this practice to all suppliers and customers. Additionally, the company has set up waste sorting in public areas and conducts irregular campaigns to enforce resource recycling.

Year	Waste (Metric Tons)		
	Hazardous	Non-Hazardous	Total
2022	0	72.97	72.97
2023	0	87.47	87.47

Total Waste and Disposal Methods

Unit: Metric Tons

Waste Classified by Composition				
Waste Composition		Waste Generation	Disposal/Transfer of Waste(Recycling)	Direct Disposal (Incineration)
Non-hazardous waste	General household waste	48.17	0.00	48.17
	General waste generated by business activities	33.50	0.00	33.50
	Waste plastics (recycled)	5.80	5.80	0.00
	Total amount	87.47	5.80	81.66

Note: All waste is handled by a qualified third-party waste management service provider.

5.4.2 Air Pollution Control

The emissions from the production process primarily consist of hot air, along with volatile organic compounds (VOCs) derived from isopronapal used as raw materials. According to internal standards, gas emissions are collected via centralized pipelines, passed through waste gas treatment equipment for adsorption, and then discharged, ensuring compliance with regulatory requirements. When generators are used in the factory, nitrogen oxides (NOx) and sulfur oxides (SOx) may be produced due to combustion emissions. However, generators are only activated in emergencies (such as power outages), and are therefore not listed as major emission sources. To achieve environmental reduction goals, Maywufa implements continuous monitoring and regular maintenance for air pollution control, optimizing reduction management. The goal is to reduce environmental impact and continue decreasing emissions of volatile organic compounds (VOCs).

Air Pollutant Emissions

Unit: Kilograms

Items	2022	2023
Nitrogen Oxides (NOx)	115.00	115.00
Sulfur Oxides (SOx)	0.87	0.87
Volatile Organic Compounds (VOCs)	2054.62	2083.99
Other (Particulate contaminants)	0	0

Prevention of Air Pollution

Operating Location	Item	Description	Estimated Benefits
Yangmei Plant	Wet Scrubber	Air pollution control equipment, which absorbs gases through the gas-liquid interface, transferring dissolved substances to the liquid phase.	Qualified emissions

5.5 SUSTAINABLE SUPPLY CHAIN

Supplier Management Policy

For the raw materials and packaging materials required for products, the procurement unit follows the "Supplier Management Guidelines" to select qualified and excellent suppliers through fair, reasonable, and efficient supplier management. This ensures a stable supply of raw materials and packaging materials with high quality, reduces costs, and enhances product competitiveness. Suppliers are required to comply with relevant regulations such as environmental protection, occupational health and safety, and labor rights. We evaluate suppliers' compliance every year. If a supplier violates corporate social responsibility policies and causes significant adverse environmental and social impacts, the company may terminate the contract. If a supplier violates laws and regulations and fails to improve promptly, the company may terminate the contract. The contracts signed with suppliers include a "Statement of Integrity Management" that strictly requires company employees and business partners to refrain from directly or indirectly offering, promising, requesting, or receiving bribes, commissions, hospitality, kickbacks, improper gifts, or other improper benefits in business activities.

Overview of the Supply Chain

In terms of supply chain management, suppliers are long-term partners of Maywufa. The company works together with suppliers to create a stable, mutually beneficial partnership. In its operations, the company not only ensures the quality, delivery time, and price of supplier products but also shoulders corporate social responsibility by reducing environmental impact, creating economic and social benefits, and focusing on important issues such as environmental protection, human rights, and workplace safety. Moving forward, the company will continue to develop green materials, fulfill its corporate citizenship responsibility to protect the planet, and ensure sustainable environmental development.

Main Source of Raw Material Supply

Unit: Thousand New Taiwan Dollars

Item	Taiwan	Overseas	Total
Total Procurement Amount	1,131,862	89,998	1,221,860
Local Procurement Ratio	93%		

Local definition: The supplier's company registration is in Taiwan.

Supply Chain Management

Before signing an agreement with suppliers, Maywufa evaluates and communicates with suppliers to understand their current status, and requires them to sign the "Statement of Integrity Management." Once partnered, annual audits and evaluation are implemented to maintain ongoing communication and ensure smooth supply chain operations.

To ensure the implementation of sustainability issues in the supply chain, Maywufa issues a "Supplier Questionnaire" each year, asking suppliers to perform a self-assessment. The results of the self-assessment are used as a basis for sustainability risk management and as a reference for guiding the supply chain's sustainability. Currently, the questionnaire does not consider social and environmental aspects, but in the future, these factors will be taken into account. Based on the self-assessment results and annual procurement amounts, a selection of suppliers will undergo on-site audits.

Communication of Supplier Anti-Corruption Policies in 2023

Target	Supplier		
	Taiwan	Overseas	Total
Number of Business Partners Communicated	117	6	123
Total Number of Business Partners	117	8	125
Communication Ratio	100%	75%	98.40%

2023 Supplier Evaluation Results

Total Number of Trading Providers	Number of Suppliers Audited	Number of New Suppliers (Suppliers with at least one transaction in 2023)
125	81	10

CHAPTER 6: SOCIAL WELFARE

6.1 SOCIAL WELFARE AND VALUE CREATION

Social Engagement Strategy

Maywufa, headquartered in Taiwan, actively promotes public welfare services to improve the quality of care provided by healthcare professionals. The company's Pharmaceutical Division has long collaborated with major medical organizations in Taiwan, such as the Taiwan Society of Cancer Palliative Medicine, the Taiwan Stroke Society Annual Conference, and the International Breast Cancer Society, to jointly organize academic annual meetings, clinical medical continuing education courses, seminars, and expert forums. In 2023, over 800 medical academic promotion events were held, providing education and training for nearly 20,000 healthcare professionals, supporting medical education, and enhancing the quality of medical research and clinical care in Taiwan.

The company also regularly holds media press conferences and patient education seminars, inviting experts such as doctors, nurses, and pharmacists from the field of public health to share prevention and health knowledge. In 2023, the patient education campaigns reached more than 60,000 people.

Additionally, Maywufa has long been concerned about the severe issue of declining birth rates. In 2023, the company organized two massage classes and 14 parenting courses, offering practical resources to new parents and providing solid support during pregnancy and postpartum to ensure a smoother journey for parents.

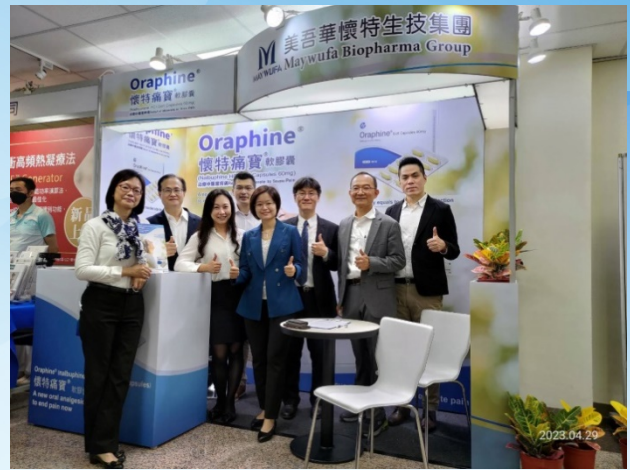
Summary of Service Program		
Promoting the Concept on Cancer-Related Fatigue		
Objective	Maywufa has long been dedicated to advocating for the rights of patients suffering from cancer-related fatigue. The company continues to enhance the clinical treatment quality provided by healthcare professionals, as well as providing patients and their families with health education and care knowledge.	
Mission	Healthcare Providers	Patients
	Enhance medical and clinical quality for healthcare professionals.	Provide patients with comprehensive health education and knowledge during their cancer treatment, promoting both physical and mental well-being.
Strategy	<ol style="list-style-type: none"> 1. Work with relevant healthcare activities to promote accurate health education concepts (medical seminars and conferences). 2. Collaborate with healthcare professionals to produce necessary educational resources. 	<ol style="list-style-type: none"> 1. Organize patient support groups and collaborate with NGO organizations. 2. Make educational materials on cancer-related fatigue.

<p>2023 Achievements</p>	<ol style="list-style-type: none"> 1. Collaborated with relevant societies to publish the updated "Clinical Treatment Guidelines for Cancer-Related Fatigue," enhancing healthcare providers' comprehensive understanding of the condition. 2. Held nearly 500 academic promotional events with over 12,500 healthcare participants. 	<ol style="list-style-type: none"> 1. Published the updated "Clinical Treatment Guidelines for Cancer-Related Fatigue," promoting the concept of health education and reaching over 500 cancer patients. 2. Organized 10 patient support meetings, covering more than 70,000 participants.
--------------------------	--	--



Actively organize related activities and publish the guidelines, fully promoting education information on cancer-related fatigue.

Summary of Service Program		
Commitment to Reduce the Addiction of Painkiller		
Purpose	Maywufa Company is dedicated to assist healthcare professionals in improving clinical expertise for managing " Acute moderate to severe " pain, while actively providing patients and their families with health education.	
Mission	Healthcare Providers	Patients
	Improve medical and clinical quality.	Provide sufficient health education on "acute moderate to severe pain," promoting both physical and mental well-being, while reducing the risk of painkiller addiction and ensuring smoother post-surgery recovery.
Strategies	Collaborate with relevant healthcare activities to promote correct health education concepts (medical seminars and conferences).	Invite doctors to share accurate concept of painkiller with the public.
2023 Achievements	Hosted nearly 95 medical academic promotional events with over 1,300 healthcare participants.	<ol style="list-style-type: none"> 1. Published multiple health education articles to communicate with the public. 2. Held one event inviting specialist doctors to share accurate information on pain and painkiller.



For "acute moderate to severe" pain, accurate health education information is conveyed through organizing seminars and exhibitions.

Summary of Service Plan		
Treatment and Rehabilitation of Patients with Brain Health Impairment		
Purpose	Maywufa has long been dedicated to supporting patients who are affected by strokes or brain trauma. The company continues to allocate resources in medical education and health education for these patients.	
Mission	Healthcare Providers	Patients
	Enhance the medical and clinical quality of healthcare professionals.	Provide patients and their families with comprehensive health education knowledge regarding stroke and brain trauma, both for prevention and rehabilitation.
Strategy	Collaborate with relevant medical events to promote accurate information (medical seminars and medical conferences).	Organize patient meetings to promote accurate health education.
2023 Achievements	Held nearly 200 medical academic promotion events, with more than 4,000 healthcare participants.	Held 1 patient meeting, with over 300 participants.

Summary of Service Plan		
Providing New Parents with Comprehensive and Accurate Care Information		
Purpose	Maywufa has long been concerned with the issue of low birth rates. Every year, the company organizes multiple "mama classrooms" and related courses to serve as a solid support during pregnancy and postpartum periods.	
Mission	Provide new parents with comprehensive and accurate health care information; to ensure they can feel easier during pregnancy, childbirth, and parenting.	
Strategy	Invite expert speakers to share relevant knowledge.	
2023 Achievements	<ol style="list-style-type: none"> 1. Organized 2 massage workshops to help pregnant women relax their muscles and alleviate stress. 2. Organized 14 "mama classrooms" to assist new parents in learning about infant and prenatal skin care. 	



Organized "mama classrooms" and other activities to promote accurate skin care concepts for both mothers and babies.

Appendix

Sustainability Information Disclosure Following

GRI Standards Content Index Table

Statement of Use	Maywufa Company LTD. has reported content in accordance with the GRI Standards for the period from January 1, 2023, to December 31, 2023.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	No applicable GRI Sector Standards were published during the reporting period.

Indicator	Disclosure Requirement	Report Section	Description	Page
GRI 2: General Disclosures 2021				
Organization and Reporting Practices				
2-1	Organization Details	About Maywufa	—	9
2-2	Entities Included in the Report	About Maywufa	—	9
2-3	Reporting Period, Frequency, and Contact Information	About This Report	—	1
2-4	Restatement of Information	Appendix	No restatement of information this year	—
2-5	External Assurance/Verification	Appendix	No external assurance/verification this year	—
Activities and Workers				
2-6	Activities, Value Chain, and Other Business Relationships	About Maywufa		9
		3.1 Research and Development Innovation		53
		5.5 Sustainable Supply Chain		91

2-7	Employees	4.1 Talent Attraction and Retention		67
2-8	Non-Employee Workers	4.1 Talent Attraction and Retention		67
Governance				
2-9	Governance Structure and Composition	2.1 Corporate Governance		36
2-10	Nomination and Selection of the Highest Governance Body	2.1 Corporate Governance		36
2-11	Chair of the Highest Governance Body	1.1 Sustainable Development Framework,		20
		2.1 Corporate Governance		36
2-12	Role of the Highest Governance Body in Overseeing Impact Management	1.1 Sustainable Development Framework		20
2-13	Impact Management Responsibility	1.1 Sustainable Development Framework		20
2-14	Role of the Highest Governance Body in Sustainability Reporting	1.1 Sustainable Development Framework		20
2-15	Conflict of Interest	2.1 Corporate Governance		36
2-16	Communication of Key Material Events	1.3 Stakeholders and Material Topics		26
2-17	Collective Knowledge of the Highest Governance Body	2.1 Corporate Governance		36
2-18	Performance Evaluation of the Highest Governance Body	1.1 Sustainable Development Framework,		20
		2.1 Corporate Governance		36

2-19	Compensation Policies	2.1 Corporate Governance, 4.1 Talent Attraction and Retention	36 67
2-20	Compensation Decision-Making Process	2.1 Corporate Governance	36
2-21	Annual Total Compensation Ratio	4.1 Talent Attraction and Retention	67
Strategy, Policy, and Practices			
2-22	Statement on Sustainable Development Strategy	Message from the Management	3
2-23	Policy Commitments	2.2 Ethical management, 4.3 Human Rights	41 73
2-24	Inclusion of Policy Commitments	1.1 Sustainable Development Framework	20
2-25	Procedures for Remediating Negative Impacts	3.3 Customer Relationships	64
2-26	Mechanisms for Seeking Advice and Raising Concerns	2.2 Ethical Management	41
2-27	Regulatory Compliance	2.3 Regulatory Compliance	42
2-28	Memberships in Trade Associations	About Maywufa	9
Stakeholder Engagement			
2-29	Stakeholder Engagement Policy	1.3 Stakeholders and Material Topics	26
2-30	Collective Bargaining Agreements	4.3 Human Rights	73

Indicator	Disclosure Requirement	Report Section	Explanation	Page
Material Topics				
GRI 3: Material Topics 2021				
3-1	Process for determining material topics	1.3 Stakeholders and Material Topics		26
3-2	List of material topics	1.3 Stakeholders and Material Topics		26
Product Quality and Safety				
3-3	Major Topic Management	1.2 Sustainable Development Strategy		21
		1.3 Stakeholders and Material Topics		26
417-1	Product and Service Information and Labeling Requirements	3.2 Product Quality and Safety		59
Compliance				
3-3	Major Topic Management	1.2 Sustainable Development Strategy		21
		1.3 Stakeholders and Material Topics		26
416-2	Incidents of Non-compliance with Health and Safety Regulations for Products and Services		2023 Maywufa did not experience any related incidents.	—
417-2	Incidents of Non-compliance with Product and Service Information and Labeling Regulations		2023 Maywufa did not experience any related incidents.	—

Indicator	Disclosure Requirement	Report Section	Explanation	Page
417-3	Incidents of Non-compliance with Marketing Communications Regulations	2.3 Regulatory Compliance		42
		3.2 Product Quality and Safety		59
Information Security				
3-3	Major Topic Management	1.2 Sustainable Development Strategy		21
		1.3 Stakeholders and Material Topics		26
418-1	Confirmed Complaints of Violating Customer Privacy or Losing Customer Data	2.6 Information Security and Customer Privacy		50
Economic Performance				
3-3	Management of Material Topics	1.2 Sustainable Development Strategy		21
		1.3 Stakeholders and Material Topics		26
201-1	Direct Economic Value Generated and Distributed by the Organization	About Maywufa		9
201-3	Defined Benefit Obligations and Other Retirement Plans	4.1 Talent Attraction and Retention		67
201-4	Financial Assistance from the Government	Appendix	Maywufa did not receive any financial assistance from the government in 2023	—
Corporate Governance				
3-3	Management of Material Topics	1.2 Sustainable Development Strategy		21
		1.3 Stakeholder and Material		26

Indicator	Disclosure Requirement	Report Section	Explanation	Page
		Topics		
205-2	Communication and Training on Anti-Corruption Policies and Procedures	2.2 Ethical Management		41
205-3	Confirmed Corruption Incidents and Actions Taken	2.2 Ethical Management		41
206-1	Legal Actions on Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices	2.2 Ethical Management		41
405-1	Diversity in Governance and Employees	2.1 Corporate Governance		36
		4.1 Talent Attraction and Retention		67
Occupational Safety and Health				
3-3	Management of Material Topics	1.2 Sustainable Development Strategy		21
		1.3 Stakeholder and Material Topics		26
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	4.4 Workplace Safety and Health		74
403-3	Occupational Health Services	4.4 Workplace Safety and Health		74
403-4	Worker Participation, Consultation, and Communication on Occupational Safety and Health	4.4 Workplace Safety and Health		74
403-5	Training on Occupational Safety and Health	4.4 Workplace Safety and Health		74

Indicator	Disclosure Requirement	Report Section	Explanation	Page
403-6	Worker Health Promotion	4.4 Workplace Safety and Health		74
403-7	Prevention and Mitigation of Occupational Safety and Health Impacts Directly Related to Business Relationships	4.4 Workplace Safety and Health		74
403-9	Occupational Injuries	4.4 Workplace Safety and Health		74
Talent Attraction and Retention				
3-3	Major Topic Management	1.2 Sustainable Development Strategy		21
		1.3 Stakeholder Engagement & Material Topics		26
401-1	New Employees and Employee Turnover	4.1 Talent Attraction and Retention		67
401-2	Benefits Provided to Full-Time Employees (Excluding Temporary or Part-Time Employees)	4.1 Talent Attraction and Retention		67
401-3	Parental Leave	4.1 Talent Attraction and Retention		67
405-1	Diversity of Governance Bodies and Employees	2.1 Corporate Governance		36
		4.1 Talent Attraction and Retention		67
405-2	Female to Male Basic Salary and Remuneration Ratio	4.1 Talent Attraction and Retention		67
Energy and Greenhouse Gas Management				
3-3	Material Topic Management	1.2 Sustainable Development		21

Indicator	Disclosure Requirement	Report Section	Explanation	Page
		Strategy 1.3 Stakeholders and Material Topics		26
302-1	Energy Consumption Within the Organization	5.2 Energy and Greenhouse Gas Management		84
302-2	Energy Consumption Outside the Organization	5.2 Energy and Greenhouse Gas Management		84
302-3	Energy Intensity	5.2 Energy and Greenhouse Gas Management		84
302-4	Reduction of Energy Consumption	5.2 Energy and Greenhouse Gas Management		84
305-1	Direct (Scope 1) Greenhouse Gas Emissions	5.2 Energy and Greenhouse Gas Management		84
305-2	Energy Indirect (Scope 2) Greenhouse Gas Emissions	5.2 Energy and Greenhouse Gas Management		84
305-3	Other Indirect (Scope 3) Greenhouse Gas Emissions	5.2 Energy and Greenhouse Gas Management		84
305-4	Greenhouse Gas Emission Intensity	5.2 Energy and Greenhouse Gas Management		84
305-5	Greenhouse Gas Emission Reduction	5.2 Energy and Greenhouse Gas Management		84
Research and Development Innovation				
3-3	Material Topic Management	1.2 Sustainable Development Strategy		21

Indicator	Disclosure Requirement	Report Section	Explanation	Page
		1.3 Stakeholders and Material Topics		26
Customer Relationship Management				
3-3	Material Topic Management	1.2 Sustainable Development Strategy		21
		1.3 Stakeholders and Material Topics		26
Sustainable Supply Chain				
3-3	Material Topic Management	1.2 Sustainable Development Strategy		21
		1.3 Stakeholders and Material Topics		26
204-1	Proportion of Procurement Expenditure from Local Suppliers	5.5 Sustainable Supply Chain		91
205-2	Communication and Training on Anti-Corruption Policies and Procedures	5.5 Sustainable Supply Chain		91

Indicator	Disclosure Requirement	Report Section	Explanation	Page
General Topics				
Economic Indicators				
GRI 202: Market Presence 2016				
202-2	Proportion of Local Employees in Senior Management	4.1 Talent Attraction and Retention		67
GRI 207: Tax 2019				

Indicator	Disclosure Requirement	Report Section	Explanation	Page
207-1	Tax Policy	2.4 Tax Policy		45
207-2	Tax Governance, Control, and Risk Management	2.4 Tax Policy		45
207-3	Stakeholder Engagement and Management on Tax Issues	2.4 Tax Policy		45
Environmental Indicators				
GRI 303: Water and Effluents 2018				
303-2	Management of Impacts Related to Discharge	5.3 Water Resource Management		88
303-3	Water Withdrawal	5.3 Water Resource Management		88
303-4	Water Discharge	5.3 Water Resource Management		88
303-5	Water Consumption	5.3 Water Resource Management		88
GRI 306: Waste 2020				
306-2	Management of Significant Impacts from Waste	5.4 Waste and Air Pollution Management		89
306-3	Generation of Waste	5.4 Waste and Air Pollution Management		89
306-4	Waste Disposal and Transfer	5.4 Waste and Air Pollution Management		89
306-5	Direct Waste Disposal	5.4 Waste and Air Pollution Management		89

Indicator	Disclosure Requirement	Report Section	Explanation	Page
Social (including Human Rights) Indicators				
GRI 404: Training and Education 2016				
404-1	The average number of training hours per employee per year	4.2 Talent Development and Training		71
404-3	Percentage of employees who undergo performance and career development reviews on a regular basis	4.2 Talent Development and Training		71
GRI 405: Diversity and Equal Opportunity (2016)				
405-2	The ratio of basic salary and total remuneration of women to men, calculated for each employee category in significant operations.	4.2 Talent Development and Training		71
GRI 406 : Non-Discrimination 2016				
406-1	The number of confirmed incidents of discrimination and corrective actions taken by the organization.	4.3 Human Rights		73

Index Table: Taiwan Stock Exchange "Regulations on Listed Companies' Preparation and Reporting of Sustainability Reports"

Article 4-1 of the Operational Guidelines, which focuses on Climate-Related Information for Listed Companies

No.	Item	Report Section/Description	Page Number
1	Describe how the board and management oversee and govern climate-related risks and opportunities.	5.1 Climate Change Action	81
2	Describe how identified climate risks and opportunities affect business operations, strategy, and finances in the short, medium, and long term.	5.1 Climate Change Action	81
3	Describe the impact of extreme climate events and transition actions on financials.	5.1 Climate Change Action	81
4	Explain how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	5.1 Climate Change Action	81
5	If scenario analysis is used to assess resilience to climate risks, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts used.	Not Yet Implemented	—
6	If a transition plan is in place for managing climate-related risks, describe the plan and the indicators and goals used to identify and manage physical and transition risks.	Transition Plan Not Yet Established	—
7	If internal carbon pricing is used as a planning tool, describe the basis for setting the price.	Internal Carbon Pricing Not Yet Implemented	—
8	If climate-related targets are set, describe the activities covered, the greenhouse gas emission scopes, the planning period, annual progress, and if carbon offsets or Renewable Energy Certificates (RECs) are used to meet the targets, provide details on the source and amount of offsets or RECs.	Targets to be Defined in the Future	—
9	Include the greenhouse gas inventory, assurance status, reduction targets, strategies, and specific action plans (also included in Sections 1-1 and 1-2).	5.2 Energy and Greenhouse Gas Management	84



MAYWUFA COMPANY LTD.

Maywufa Official Website



Maywufa Beauty Mall

