

2023

Sustainability Report



CPF-way



Three Benefits to sustainability



Adapt to change



Speed & Quality



Innovativeness



Simplification



Integrity, Honesty & Reciprocity



Catalog

✓ About this report

Report contents	02
Compilation Principles	02
Report publication time and cycle	02
Boundaries and Scope	03
Report assurance	03
Feedback	03
Message from the Chairman	04

Chapter 1

✓ About CPE

1.1 Company Overview	07
1.2 Corporate Governance	13
1.3 Financial Performance	16
1.4 Regulatory Compliance	17

Chapter 2

✓ CPE's Sustainability Blueprint

2.1 Sustainable Governance	19
2.2 Major theme analysis	20
2.3 Stakeholder engagement	22
2.4 Responsive to the United Nations Sustainable Development Goals	23

Chapter 3

✓ Prospect CPE "Corporate Governance"

3.1 Business Strategy	25
3.2 Development Plan	26
3.3 Risk Management	27

Chapter 4

✓ Eat at CPE "Product Safety"

4.1 Food Safety Management System	31
4.2 Responsible Supply Chain	36
4.3 Quality Responsibility	40

Chapter 5

✓ Trust CPE "Customer Service"

5.1 Customer Satisfaction	45
5.2 Customer Privacy	49

Chapter 6

✓ Happiness CPE "Employee Care"

6.1 Human Rights and Caregiving	51
6.2 Development and Evaluation	60
6.3 Safety and Health	63
6.4 Care and Support	67

Chapter 7

✓ Sustainability at CPE "Environmental Accountability"

7.1 Sustainable Environmental Management Strategy	72
7.2 Identification of Climate Change Risks and Opportunities	74
7.3 Sustainable Energy Resource Management	77
7.4 Emissions and Pollution Prevention	84
7.5 Compliance with environmental regulations	88

✓ Appendix

Appendix 1: GRI Standards Index Comparison Table	89
Appendix 2: Climate-related Information Index Table for Listed Companies	93
Appendix 3: Comparison Table of the Disclosure Items that are Required to Strengthen, as stipulated in Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies	94
Appendix 4: The Enhanced Disclosure Information and Summary of Subject Matter Assured based on Paragraph 1, Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies"	95
Appendix 5: Accountant's Limited Assurance Report	99

About this report

Report contents

Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (hereinafter referred to as the Company, CPE or we) aspires to become the leader in the agricultural, livestock, and food processing industries. We are committed to the principles of “safety, freshness, and deliciousness”, and offer a diverse range of products to meet consumer needs, allowing customers to eat with confidence and enjoy healthy food. As we pursue sustainable development, we are also driven by a sense of gratitude, working to give back to society. This report outlines CPE’s concrete actions and initiatives in the economic, environmental, and social domains, highlighting our unwavering commitment to sustainable development.

Compilation Principles

This report was prepared in accordance with the Global Reporting Initiatives (GRI) GRI Standards, 2021 edition. The financial report data in the CPE chapter of the report is sourced from the annual shareholder meeting report or financial statements audited by an accountant. Non-financial performance data is derived from self-assessment and statistics, compiled in accordance with GRI standards and indicator requirements, with the statistical data based on internationally accepted indicators. When the disclosed quantitative indicators carry special meanings, they are explained through annotations.

Report publication time and cycle

This is the 10th sustainability report published by CPE, which discloses the company’s performance on key sustainability topics in 2023 (from January 1 to December 31, 2023). The report is published annually. To ensure the completeness and comparability of the information, some information may be traced back to 2021 or extended to 2024. If any information has been re-edited, it will be noted in the text or tables of each chapter, along with an explanation.

Current released version: Released in August 2024

Previous released version: Released in September 2023, revised in December 2023





Boundaries and Scope

This report focuses on the operations of Charoen Pokphand Enterprise (Taiwan) Co., Ltd., and does not cover its reinvestment business. However, the information provided in each chapter reflects the notes in the scope of the data tables included. For detailed information on the group’s organization, please refer to page 189 of the 2023 Annual Shareholder Meeting Report. Please refer to the “Summary of Subject Matter Assured” in the appendix for details on the boundaries and scope of the assurance items.

Report assurance

The company appointed PricewaterhouseCoopers (PwC) to perform a limited assurance engagement on selected indicators, in accordance with the Standards on Assurance Engagements No. 3000 “Assurance Cases of Non-Historical Audits or Reviews of Financial Information” issued by the Accounting Research and Development Foundation of the Republic of China. The assurance report can be found in the appendix of this report.

Feedback

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Message from the Chairman

C.P. Group has been steadily expanding its agricultural, livestock, and food businesses for decades, with the goal of becoming a “Kitchen of the World”. Today, the company is one of the largest providers of animal feed, poultry, livestock, aquaculture, and meat processing globally. As a leading player in the agricultural and livestock sector, our group deeply recognizes that the recent spate of natural disasters has been driven by human disruption of the ecological environment. Since 2008, the company has been fully dedicated to driving the sustainable development of enterprises. Beyond just improving efficiency and generating profits, the company has also committed to upholding corporate social responsibility and reducing its environmental impact.

The Group Chairman further proposed the central idea of three benefits - “benefiting the country, benefiting the people, and benefiting the enterprise”. All employees are required to promote policies that simultaneously consider economic, corporate social responsibility, and environmental protection, and fully implement the concept of protecting consumer food safety and health. The group has established a dedicated SHE (Safety, Health, Environmental) department to provide comprehensive training, drive initiatives, and track progress. With the support of the group’s shareholders and the collective efforts of the directors, management levels, and all employees, the group has been recognized with multiple awards for sustainable enterprises in Thailand and Southeast Asia.

Over the past few years, CPE Taiwan has been committed to aligning with the group’s policies and driving the adoption of various innovative technologies to enhance production efficiency. In 2023, through the collective efforts of all employees, the company achieved an impressive after-tax earnings per share of NT\$ 7.70, reflecting its strong operational performance. In recent years, the company has newly built and expanded full plant-based feed production lines and drug-free feed production facilities in Kaohsiung and Taichung, respectively. Additionally, to address the current insufficient production capacity to meet market demand, and to align with the government’s development policy of technicalizing and modernizing agricultural and livestock industry, as well as to address global environmental concerns about feed cross-contamination and food safety issues, the company has also commenced construction of a new AI-automated, drug-free feed factory in February 2018. This new facility aims to supply safe feed to the domestic livestock industry and provide consumers with healthy and safe meat products, thereby fulfilling the company’s corporate social responsibility. In terms of corporate governance, the Board of Directors has added 3 independent professional directors and established an audit committee to oversee the company’s operations and finances, in order to protect the maximum interests of shareholders.

In recent years, Taiwan has seen a surge in environmental and worker safety awareness, with food safety becoming an extreme priority for the government and public. As a leading agricultural and livestock company in Taiwan, CPE Taiwan will continue to make investments and implement ISO 45001 this year, aiming to improve efficiency, protect worker safety, and reduce environmental pollution.

Food safety is a top priority globally. Our company ensures our products meet the food safety standards and provides consumers with safe, fresh, convenient, and high-quality protein-based meat products. We have implemented rigorous systems such as CAS, ISO 22000, and HACCP, and maintain strict quality control and complete traceability across our entire supply chain - from raw material sourcing to production, storage, and distribution.

Recalling 2023, after the epidemic, people shifted their consumption focus to related services such as catering, tourism, leisure and entertainment. As the catering market is facing an optimistic recovery, related industries have increased their efforts to stock up on basic ingredients and beverages. In addition, the scale of food exhibitions and wedding and funeral celebrations continues to expand, as well as the return of international tourists to Taiwan, which will help boost the shipment momentum of various types of food and souvenirs. On the other hand, in response to consumers’ changing dietary habits, food companies are actively stimulating end consumption by adjusting raw material formulas; strengthening co-branding strategic cooperation or innovating packaging and flavors; and developing health-oriented products to seize safe eating business opportunities. However, in an inflationary environment, people’s purchasing power for non-essential food is suppressed, and the normalization of the epidemic has reduced the purchase of long-lasting dry food. Therefore, it is estimated that the sales value of the food industry will show a slowdown in growth in 2023.



In 2023, the Company has shown progress on various business indicators compared with the previous years, including production and marketing cost control, breeding management, livestock breeding rates, breeder egg production rates, brand management, physical marketing channels, strengthened R&D and production of food processing, e-commerce channel development, etc.

Envisioning 2024, our country's food industry is booming, as the proportion of nuclear family and dual-income families increases, restaurant and hotel spending is expected to increase in total household consumption expenditure, in addition, the government is actively seeking international tourists, targeting high-end customer groups and large tour groups, the tourism market is expected to recover steadily, creating an optimistic business environment for the food industry.

The expected moderate growth in private consumption and the increase in the proportion of people dining out are favorable for stimulating the downstream catering industry's expansion. Chain groups are still actively pursuing a multi-brand strategy. Additionally, the rise of environmental sustainability awareness has driven more catering operators to increase the procurement of local ingredients, boosting the visibility of food orders. Given the trend of smaller household sizes, in addition to an expected increase in dining out frequency, consumers have also increased their consumption of ready-to-eat convenience products. This will prompt food manufacturers to develop smaller-sized products with diverse cooking methods to meet the dietary needs of small families or singles, and to focus on health-oriented food, upgrade product functions, and enhance consumption experiences to cater to the changes in people's dining habits in the post-pandemic era. Furthermore, as poultry and livestock farms undergo modernization rebuilding and the cold chain system continues to improve, the risk of animal diseases is expected to decrease, product shelf life can be extended, and sales rates can rise, thereby strengthening the competitiveness of our country's food products in both domestic and international markets.

Regarding raw material costs, global climate change and the El Niño phenomenon are expected to impact food production, increasing the pressure on procuring major food ingredients. Additionally, stricter environmental regulations and the public's heightened concern for food safety have led to higher related investment costs, resulting in an overall rise in economic costs.

CPE Taiwan will take a cautious approach, implementing relevant strategies to stabilize operations and pursue growth. We aim to turn the crisis into an opportunity by aligning investments with local economic development, environmental sustainability, and creating a mutually beneficial situation.

Finally, on behalf of the company's directors, management levels, and all employees, I would like to express our heartfelt gratitude to our shareholders, customers, communities, business partners for various businesses, and banks for their continued support. We will continue to work with the C.P. Group to strive to become the "Kitchen of the World", and we are committed to making our best efforts to improve corporate governance. CPE Taiwan also aspires to become an advanced and sustainable enterprise that fulfills its corporate social responsibility and maintains a balanced ecological environment.

Chairman

鄭武樾

Willis Cheng



Chapter 1



About CPE

- 1.1 Company Overview
- 1.2 Corporate Governance
- 1.3 Financial Performance
- 1.4 Regulatory Compliance



Major theme	Regulatory Compliance
Significance, policy, and pledges	CPE considers compliance with laws and regulations as the foundation for the company's sustainable operations. Through a robust regulatory compliance mechanism, the company reduces the risks of compensation liabilities and fines, and also builds a positive trusted relationship with the government, the public, and other relevant stakeholders. By introducing systems such as ISO and establishing policies on food safety culture, occupational safety and health, and the environment, the company actively manages food hygiene and safety, labor safety, and environmental aspects to ensure compliance with laws and regulations and build trust with society.
Objective	1. Obtain and maintain international certifications such as CAS, HACCP, ISO 9001, and ISO 22000 to ensure food hygiene and safety. 2. Implementing employee education training as well as management policies can help reduce the number of non-compliance incidents.
Action plan	1. By implementing ISO 22000 and ISO 9001 management systems, CPE identified the environmental regulations and compliance obligations. 2. By providing employee off-site training and investing in equipment, the company aims to enhance its self-inspection capabilities. 3. Regularly monitor changes in regulations and use the company's internal audit mechanism to ensure compliance with legal requirements. 4. When a regulatory violation occurs, CPE will immediately launch a review and improvement mechanism to prevent such incidents from happening again.
Evaluation mechanism and annual performance	Maintain international certifications including CAS, HACCP, ISO 9001, and ISO 22000.
Complaint mechanism	Customer complaints handled in real-time through the company website, 0800 customer service hotline, written complaints, Facebook fan page, and Line group, with dedicated personnel.



Performance Highlights in 2023

- ✔ The Board of Directors achieved a high attendance rate of 98% in 2023
- ✔ The Audit Committee achieved a high attendance rate of 100% in 2023
- ✔ The Remuneration Committee achieved a high attendance rate of 100% in 2023



1.1 Company Overview

Company Name	Charoen Pokphand Enterprise (Taiwan) Co., Ltd.
Employee headcount	2,383 people (as of December 31, 2023)
Time of establishment	August 22, 1977
IPO time	July 27, 1987 (stock code 1215)
Chairman	Willis Cheng
General Manager	Thong Chotirat
Headquarters location	17F., No. 87, Songjiang Rd., Taipei City
Capital	NT\$ 2,947,901 thousand
Country of Operation	Taiwan (This report covers only Charoen Pokphand Enterprise (Taiwan) Co., Ltd., and does not include information on its domestic and overseas subsidiaries)

✔ CPE currently operates two main business divisions, agriculture and livestock business, as well as meat processing business:

Business Division	Classification	Factory	Location
Agricultural and livestock business	Feed	Kaohsiung Plant	Kaohsiung City Yongan Industrial Park
		Taichung Plant	Taichung City Harbor Related Industrial Park
		Yunlin Plant	Yunlin County Douliu Industrial Park
	Breeding poultry farm	Office	Nantou County Nangang Industrial Park
	Breeding Swine Technology and Biological Center	Office	Guanmiao District, Tainan City
Meat processing business	Fresh meat processing	Nantou Slaughterhouse	Nantou County Nangang Industrial Park
	Food processing	Nantou Processing Plant 1	Nantou County Nangang Industrial Park
		Nantou Processing Plant 2	Nantou County Nangang Industrial Park

✔ Business activities



In 2023, our company produced approximately 820,000 tonnes of animal feed, primarily focused on products for chickens, pigs, and ducks, accounting for around 15% of the overall market. The main customers are self-operated farms, contract farms, and the company's own farms. The primary market is central Taiwan, accounting for about 64% of sales, with the southern and northern regions making up 26% and 10% respectively. To meet the environmental and health trends, the company provides safe and secure feed products for the domestic breeding industry. We had set up a feed factory in Douliu City, Yunlin County, with an initial monthly production capacity of 20,000 tonnes. The factory has officially started two-shift production in 2023, now capable of producing over 10,000 tonnes per month.

The CPE Breeding Poultry Farm and Breeding Swine Technology and Biological Center uses advanced techniques to raise high-quality poultry and livestock, supplying fresh broiler products and hog products. The estimated quantities of CPE's biological assets as of December 31, 2022 and 2023 can be found on page 151 of the 2023 Annual Shareholder Meeting Report.

Fresh broiler products

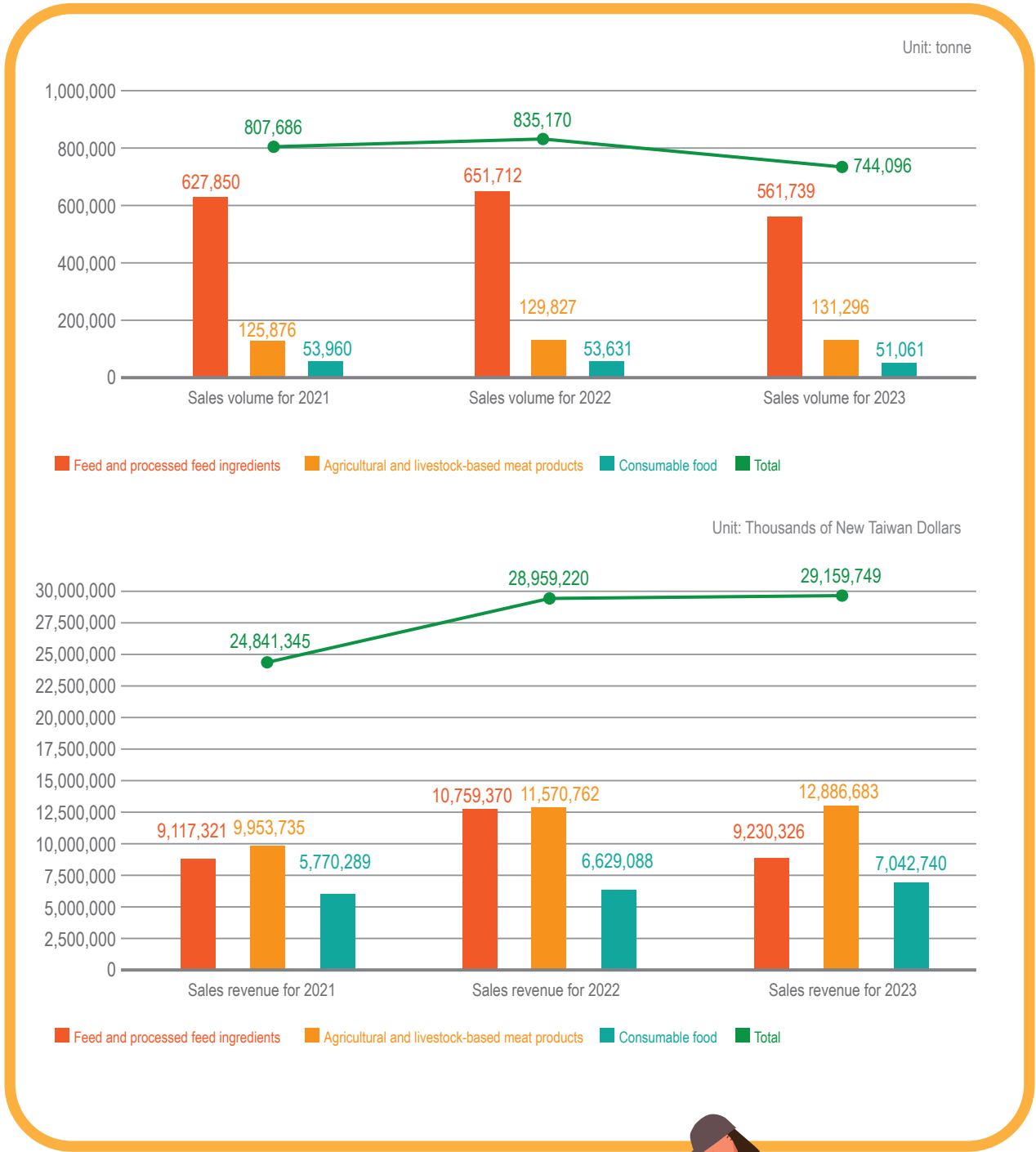
CPE is the first company in Taiwan to introduce broiler electric slaughtering equipment. Through years of hard work, we have integrated the operations from contract production of feed, breeding poultry, chicken poultry to broiler slaughtering. This vertical integration strategy has allowed them to strictly control quality and reduce production costs. The current electric slaughter capacity is approximately 160,000 birds per day, and the total electric slaughter volume is projected to be around 42 million birds in 2023.

Hog

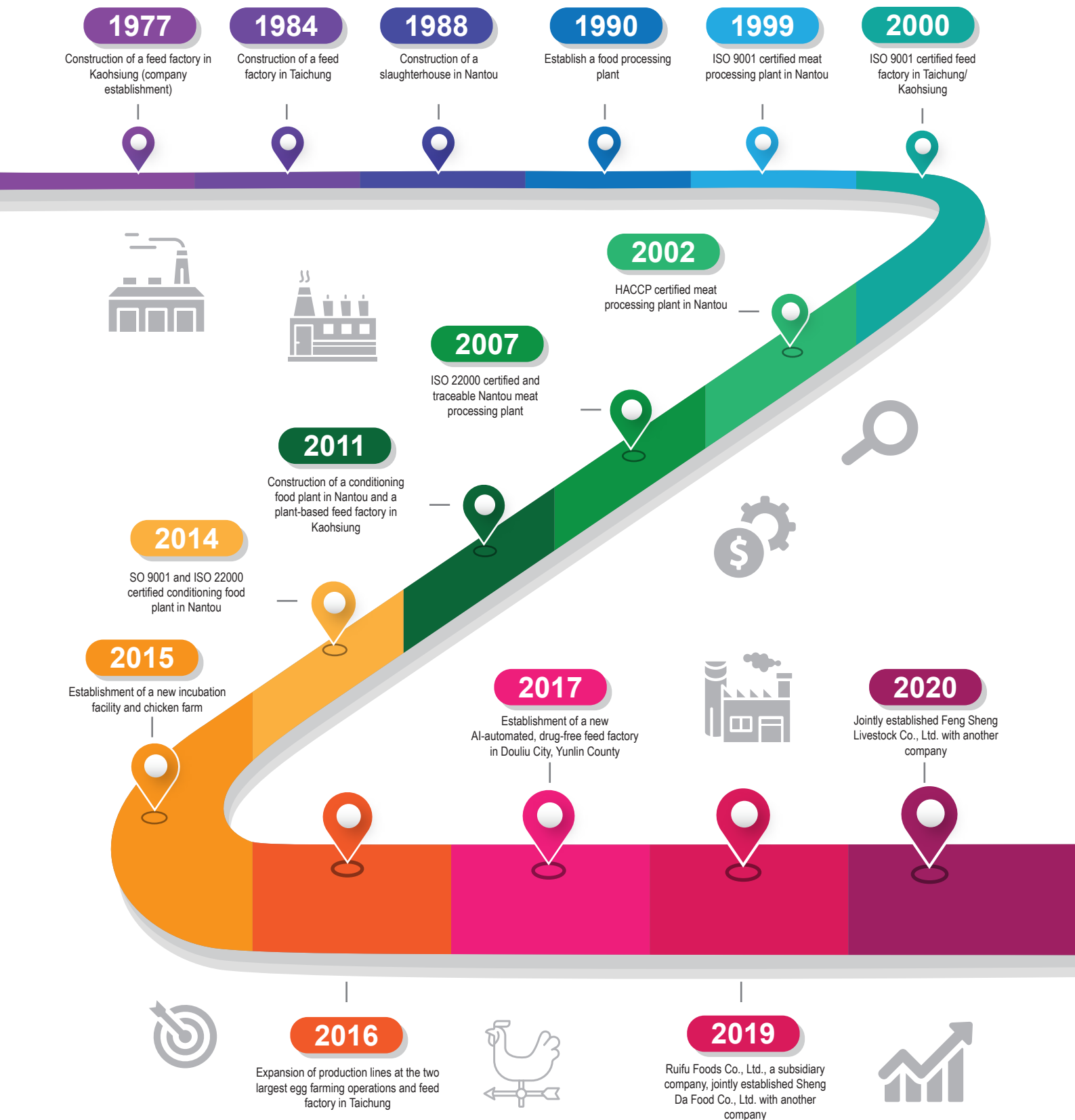
CPE integrates the operations from contract production of feed, breeding swine, pork swine. This vertical integration strategy has allowed them to strictly control quality and reduce production costs. According to data from the National Animal Industry Foundation, the auction volume of hogs in the Taiwanese market in 2023 was approximately 5,788 thousand hogs, a decrease of around 388 thousand hogs compared to the volume of about 6,176 thousand hogs in 2022.



CPE has long been proactively developing an end-to-end service from farm to table. Beyond selling fresh chicken and pork, the company has also dedicated itself to developing processed chicken and some pork products, such as ready-to-eat salad chicken breasts, boneless Taiwanese fried chicken, black pepper crispy chicken nuggets, braised pork knuckles, and European-style roasted ribs, which have been widely distributed in traditional markets, supermarkets, convenience stores, and the catering industry across Taiwan. The company's main products are processed chicken items, which are the leading brand in the market.



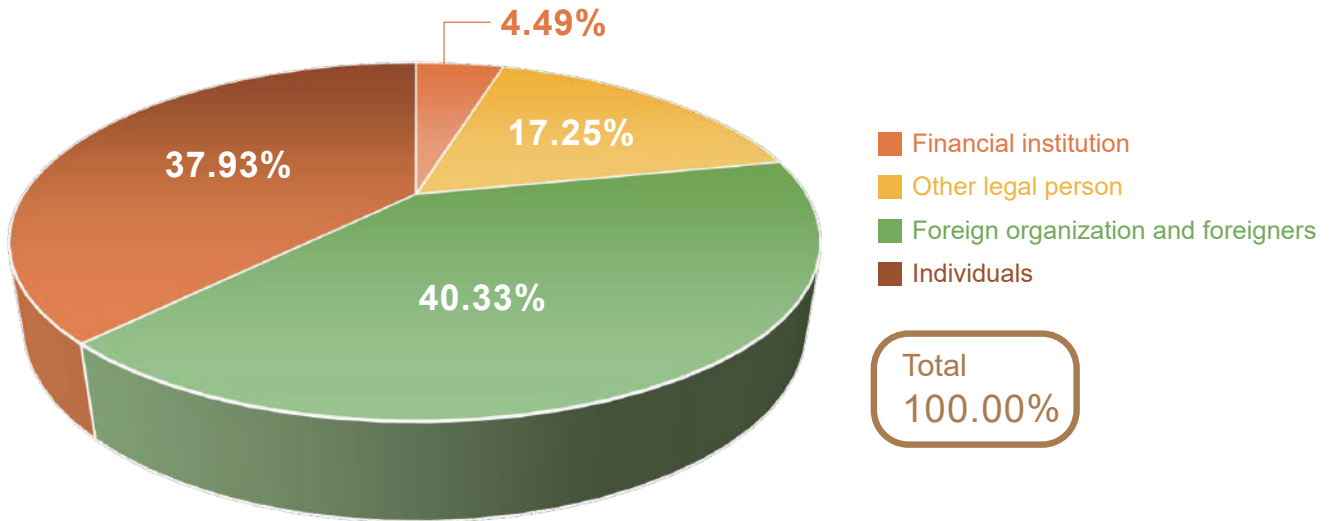
✔ Significant Milestones



✓ Legal form of organizational ownership

The main shareholders of CPE are foreign institutions, foreigners and individuals, holding 118,861,108 shares (40.33%) and 111,828,062 shares (37.93%) respectively. As of April 27, 2024, the total number of issued and outstanding shares is 294,790,098.

✓ Shareholder structure shareholding ratio



✓ Involvement in public and professional associations

As a leading player in Taiwan's agriculture and livestock industry, CPE collaborates closely with related sectors, actively participating in domestic industry public and professional associations. Through mutual exchange and cooperation, they stay up-to-date on the latest market trends and are able to adapt accordingly.

No	Participating in public and professional associations	Date of joining	Rules from regulatory principles or other initiatives	Identity
1	Taiwan Feed Industry Association	1978	This association aims to improve and develop the feed industry in order to advance the shared interests of the industry.	Chairperson
2	Taiwan Corn Industry Association	1979	This association aims to coordinate industry relationships, advance shared interests, and plan for the improvement and promotion of industry, in order to drive economic development.	Executive directors, directors, supervisors
3	Kaohsiung City Yongan Industrial Park Manufacturers Association	1981	Facilitate emotional exchange among companies, and promote awareness of government policies and regulations.	Member
4	Taichung City General Industrial Association	1984	Implement joint initiatives and welfare measures in Taichung City to foster emotional connections among manufacturers and provide education training support.	Member
5	Nantou County Industrial Association	1990	The purpose is to uphold the rights of employers, coordinate labor-management relations, improve the industrial structure, and promote the development of the industrial economy.	Member
6	Nantou County Nangang Industrial Park Nankang Manufactures Association	1990	Implement joint initiatives and welfare measures in the city to foster emotional exchange among manufacturers, cultivate a sense of unity for the city, and jointly work towards the city's prosperity and development, including promoting relevant government policies and regulations.	Member
7	Chinese National Association of Industry and Commerce	1991	This association aims to connect with domestic and international businesses and their associations, foster mutual understanding, and strengthen cooperation. It also works to support national policies, promote economic development, and advance the industrial and commercial sectors.	Member
8	Kaohsiung City New Feed and Animal Medication Trade Association	1991	Assist the government in implementing policies, guiding members in their business operations, advocating for industry rights, and providing social services.	Member
9	Taiwan Poultry Processing Association	1993	Promote the local production of excellent quality electric poultry meat, provide high-quality, safe and hygienic poultry meat and processed products, and fulfill the responsibility of caring for the broad consumer public.	Chairperson, directors

No	Participating in public and professional associations	Date of joining	Rules from regulatory principles or other initiatives	Identity
10	Taiwan Stock Affairs Association	1995	Assist publicly traded companies in understanding the practical application of securities-related laws and regulations, and enhance communication and advocacy with the securities regulatory authorities.	Member
11	Nantou County Entrepreneurs Exchange Association	2003	Share and exchange management experiences and knowledge across companies, to research and improve business management practices, and help promote the implementation of government policies.	Member
12	Taiwan Poultry and Hatchery Associations	2004	Coordinate relationships with industry peers, promote mutual interests, and plan for the improvement and advancement of the industry, in order to drive economic development.	Supervisor
13	Poultry Association Republic of China	2006	Enhance the competitiveness of the poultry industry, ensure environmental protection, produce high-quality, safe, and sanitary poultry products, safeguard consumer rights, establish a new industry image, and promote the sustainable development of the poultry industry.	Member
14	Taichung City Harbor Related Industrial Park Manufacturers Association	2008	Assist in disseminating and implementing government policies, coordinate relationships among various manufacturers to promote mutual interests and rights, and engage in social service activities.	Member
15	Kaohsiung City General Industrial Associations	2013	Assist the government in implementing policies, guiding members in their business operations, advocating for industry rights, and providing social services.	Member
16	Chinese Meat Association	2016	This non-profit association was established by law to research and promote the exchange of meat technology, as well as the development of the meat industry, aiming to assist members in enhancing their knowledge of meat production and sales, and to improve the management and quality of the meat industry.	Member
17	Taiwan Frozen Food Processors Association	2021	This association was established to conduct investigation, statistic, research, and improvement of domestic and international industries, as well as to promote advancements in manufacturing techniques and provide skills training for industry employees. By fully cooperating with the government's policy to completely eradicate foot-and-mouth disease, allowing Taiwan to become a disease-free area as soon as possible, our industry members can overcome their operational challenges and create new opportunities.	Directors
18	Association of Chain and Franchise Promotion, Taiwan	2022	The service aims to promote mutual exchange and growth among companies, facilitating the sharing of experience among franchisees, absorbing new knowledge, and leveraging the support of experts and the government to foster the healthy development of the chain business.	Member

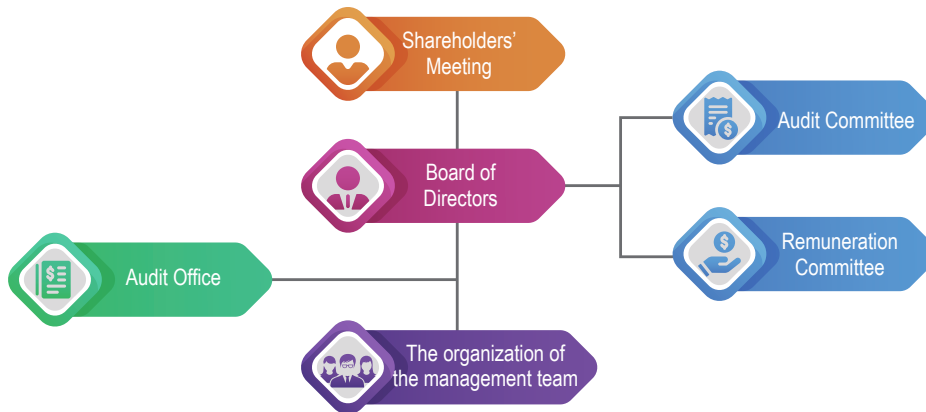
Note: Membership qualifications are not for strategic purpose.



1.2 Corporate Governance

To establish a sound corporate governance system, CPE has referenced the “Corporate Governance Practice Principles for TWSE/TPEX Listed Companies”. In November 2019, the Board of Directors resolved to establish, and in May 2021, the Board of Directors approved the “Corporate Governance Practice Principles”. This has enabled the company to build an effective corporate governance framework that protects shareholder rights, strengthens the Board of Directors’ functions, and respects stakeholder rights. It has also enhanced information transparency and disclosure. CPE held an investor conference on November 29, 2023 to provide an update on the company’s operations to stakeholders. Additionally, we closely track the domestic and international corporate governance system, and continuously review and improve the corporate governance system to enhance its effectiveness. The Corporate Sustainability Development Committee reported the status of the 2022 Sustainability Report to the Board of Directors on August 7, 2023.

✔ Corporate Governance Structure



✔ Board of Directors

CPE has a board of directors consisting of 8 members, including 5 general directors and 3 independent directors, with a term of 3 years. The current Board of Directors has established an audit committee and a remuneration committee as functional committees. Their operations are respectively conducted in accordance with the “Regulations for Board of Directors Meetings” amended and approved by the Board in March 2024, the “Organizational Regulations of the Audit Committee” approved by the Board in March 2024, and the “Organizational Regulations of the Remuneration Committee” amended and approved by the Board in May 2020. In 2023, the Board of Directors convened for 8 meetings, with an actual attendance rate of 98%.

✔ The purpose of the Board of Directors

- 01 Appoint and oversee the management levels to ensure the internal control is effective.
- 02 Review and oversee the company’s management decisions, financial objectives, and operational plans, while shaping the company’s future development direction.
- 03 Diligently execute business in line with laws, regulations, Articles of Association and shareholder resolutions, and monitor and assess the Board of Directors’ resolutions.

CPE has a nomination system for the selection of its directors and independent directors, who are then elected by the shareholders’ meeting. The Chairman does not hold the position of General Manager concurrently. CPE has formulated a policy on the diversity of the Board of Directors in accordance with Article 20 of the “Corporate Governance Practice Principles”. The nomination and selection of Board members follows the Company’s Articles of Association and relevant laws and regulations, using a candidate nomination system. Candidates who are evaluated by the responsible unit as meeting the qualification requirements are submitted to the Board of Directors for review and approval, and then included in the slate of candidates for election by the shareholders’ meeting. The qualifications and experience required of directors include not only meeting legal requirements, but also having held senior positions in well-known domestic and international companies, and possessing diverse backgrounds in fields such as agriculture, management, finance, and auditing, with sufficient professional expertise and diversity. For details on the educational backgrounds, professional expertise, compensation, and attendance of each board member, please refer to pages 10 - 12 and 14 - 17 of the 2023 Annual Shareholder Meeting Report. The Annual Shareholder Meeting Report can be downloaded from Market Observation Post System or the shareholder section on the company’s website.

Shareholder section



The remuneration of the Company's directors and managers is determined based on Article 31 of the Company's Articles of Association, which states that "the remuneration of the Chairman and Directors shall be set by the Board of Directors, taking into account their level of participation and contribution to the Company's operations, as well as domestic and international industry standards" and Article 29-1 "If the company generates a profit in the current year, it shall allocate no less than 1% of that profit as employee compensation". The compensation of directors and managers is closely tied to the company's operational results and performance. Each year, it is determined based on performance indicators (the company's operation results, based on the financial indicators, such as achievement rates of revenue, pre-tax profit, and after-tax profit targets) and non-financial indicators (such as compliance and operational risk management for major deficiencies in their respective departments). The remuneration of independent directors is set based on market conditions, mainly as a fixed amount for transportation expenses. The compensation for the General Manager and Deputy General Manager is also a fixed salary, determined based on their performance contributions and with reference to domestic and international salary levels. CPE also places great emphasis on managing conflicts of interest, and has revised the rules of procedure for its Board of Directors in accordance with the regulations of the Financial Supervisory Commission. According to the "Regulations for Board of Directors' Meetings" revised and approved by the Board of Directors in March 2024, directors with a personal or corporate interest in the matters to be discussed must explain the important details of the interest. If there is a risk of harm to the company's interests, the director must not participate in the discussion and voting, and must recuse themselves from the discussion and voting, and cannot act as a proxy for other directors to exercise their voting rights.

✔ Audit Committee

Effective on June 17, 2015, the company has established an "Audit Committee", comprising all independent directors, to replace supervisor, aiming at assisting the Board of Directors in fulfilling its responsibilities and overseeing the quality and integrity of the company's accounting, auditing, financial reporting procedures and financial controls. In addition to following the organizational regulations, the main responsibilities of the Audit Committee are to exercise their powers in accordance with Article 14-5 of the Securities and Exchange Act, and to assist the Board of Directors in enhancing the quality of overseeing the company's accounting, financial reporting, and internal control operation procedures. The Audit Committee convened 6 meetings in 2023, with a 100% actual attendance rate among its members.

✔ Remuneration Committee

CPE established a Remuneration Committee on December 12, 2011, in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded in the Securities Firm Premises". The committee's role is to professionally and objectively assess the company's compensation policies and systems for directors and managers, and to provide recommendations to the Board of Directors to inform their decision-making. The members of the Remuneration Committee are appointed by the Board of Directors, and at least one independent director must be involved. The Remuneration Committee is composed of three independent directors, and all members possess the requisite professional qualifications and independence as stipulated in the Remuneration Committee Charter. The Remuneration Committee convened 3 meetings in 2023, with a 100% actual attendance rate among its members.



✔ The collective wisdom of the highest governing entity

To continuously enhance the directors' professional expertise, legal and sustainability literacy, we arrange various courses for their regular training every year. In 2023, the directors completed a total of 71 training hours, averaging 8.88 hours per director. This fully meets the recommended training hours for directors and supervisors of listed and OTC companies. The training covered topics such as regulatory compliance, industry trends in the livestock sector, sustainable finance and net-zero emission policies, as well as ESG trends and strategies, among other current affairs. For more information on the continuing education activities and other details about the members of the Board of Directors, please refer to pages 23 to 24 of the 2023 Annual Shareholder Meeting Report.

✔ Performance evaluation of the highest governing entity

To implement corporate governance and enhance the function of the Board of Directors, CPE passed a resolution at the Board meeting on November 1, 2019 to establish the "Regulations for Performance Evaluation of the Board of Directors". Starting from 2020, the Board of Directors and individual directors will be regularly evaluated through self-assessment or peer review for the previous year, and the evaluation results will be reported to the Board of Directors and used as a reference for the remuneration and re-nomination of individual directors. The scope of the Board of Directors' performance evaluation should include both individual Board members and functional committees, in order to enhance the comprehensiveness and effectiveness of the evaluation, in accordance with the amendment to Article 37 of the Corporate Governance Practice Principles for TWSE/TPEX Listed Companies. On August 9, 2021, the Board of Directors revised the performance evaluation method and included the functional committees in the scope of the evaluation.

Evaluation period	From January 1, 2023 to December 31, 2023	
Evaluation perspective	Evaluation method	Evaluation content
The Board of Directors as a whole	Internal self-evaluation of the Board of Directors	A. Involvement in the company's operations B. Enhance the quality of decision-making by the Board of Directors C. Composition and structure of the Board of Directors D. Appointment and Ongoing Training for Directors E. Internal control
Individual directors	Self-assessment of the directors	A. Understanding the company's objectives and purpose B. Understanding the duties of Directors C. Involvement in the company's operations D. Managing internal relationships and communication E. Expertise and Ongoing Training for Directors F. Internal control
Functional Committees	Internal self-evaluation of the Board of Directors	A. Involvement in the company's operations B. Understanding the duties of Functional Committee C. Enhancing the decision-making quality of the Functional Committee D. The composition of Functional Committee and selection of members E. Internal control



1.3 Financial Performance

The global economy faced significant uncertainties in 2023, with the ongoing Russia-Ukraine conflict and volatile international energy and food prices leading to rising global inflationary pressures. This impacted consumer purchasing power. In this challenging environment, CPE has proactively made progress in various areas, including production and sales cost control, breeding management, breeding poultry and livestock rearing and feeding rates, breeding chicken egg production rate, brand management, physical channel marketing, and R&D for food processing as well as expansion of e-commerce channels. As a result, all operational indicators have improved compared to previous years. Despite the impact of the COVID-19 pandemic, the company has managed to deliver an impressive after-tax earnings per share of NT\$ 7.70, thanks to the dedicated efforts of all its employees. As a major food company, CPE maintains a diligent and competitive spirit, focusing on raising healthy poultry and swine, as well as producing high-quality eggs. We continuously strive to improve product quality and develop new products, always prioritizing freshness and nutrition. While driving the company's economic performance, CPE never loses sight of its core mission to ensure food safety and promote consumer health.

Unit: Thousands of New Taiwan Dollars

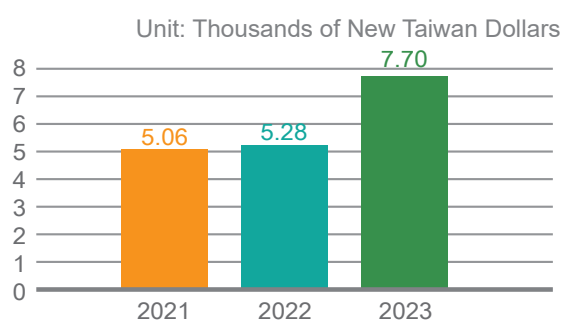
Composition	Explanation	2021	2022	2023
Generation of direct economic value		23,350,042	26,994,036	27,328,260
Operating revenue	Net Sales	23,272,864	26,895,450	27,235,093
	Income from interest, dividends, rents, and royalties (Note 2)	70,810	89,208	78,062
	Income from sale of assets (tangible/intangible)	6,368	9,378	15,105
Distribution of direct economic value		23,193,218	26,217,362	26,102,540
Operating cost	Costs incurred from operating activities (Note 3)	19,539,956	22,779,666	22,024,161
Salaries and benefits for employees	Wages, bonuses, awards, and employee benefits (pension, insurance)	1,988,834	2,032,712	2,176,880
Payment to the fund provider	Interest costs, dividend payments, preferred stock dividends	1,278,482	935,367	1,219,460
Governmental Interactions	Taxes (excluding deferred taxes) and penalties	382,802	467,335	675,960
Community investment	Donation, sponsoring, investing	3,144	2,282	6,079
Retention of economic value (generation of direct economic value - distribution of direct economic value)		156,824	776,674	1,225,720

Note 1: Except for the information on government interactions and community investment systems, which is obtained from the company's accounting system, the other financial information for 2021 - 2023 is summarized from the individual financial statements prepared in accordance with international accounting standards.

Note 2: Refers to the interest income, other income, and dividends received as reported in the entity's income statement and cash flow statement for the year.

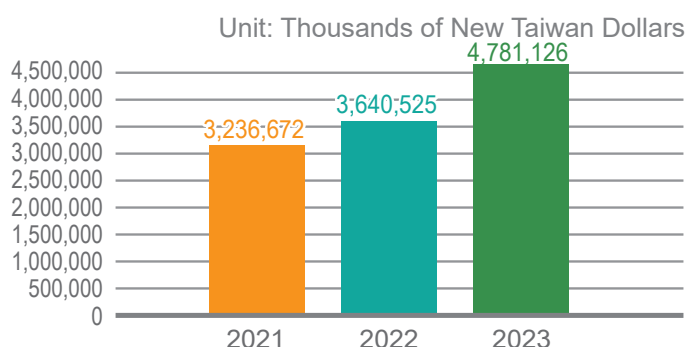
Note 3: Refers to the sum of the operating cost, operating expenses, and current income tax from the annual individual income statement, minus employee salaries and benefits, government interactions, and community investments.

After-tax earnings per share



Note: It is calculated by dividing the Earnings per Share attributable to common shareholders in each year by the weighted average number of outstanding shares for that year.

Net Operating Profit



Note: Summary of individual financial statements adopting International Accounting Standards for the period 2021 - 2023.

Chapter 2



CPE's Sustainability Blueprint

- 2.1 Sustainable Governance
- 2.2 Major theme analysis
- 2.3 Stakeholder engagement
- 2.4 Responsive to the United Nations Sustainable Development Goals



Major theme and stakeholder engagement

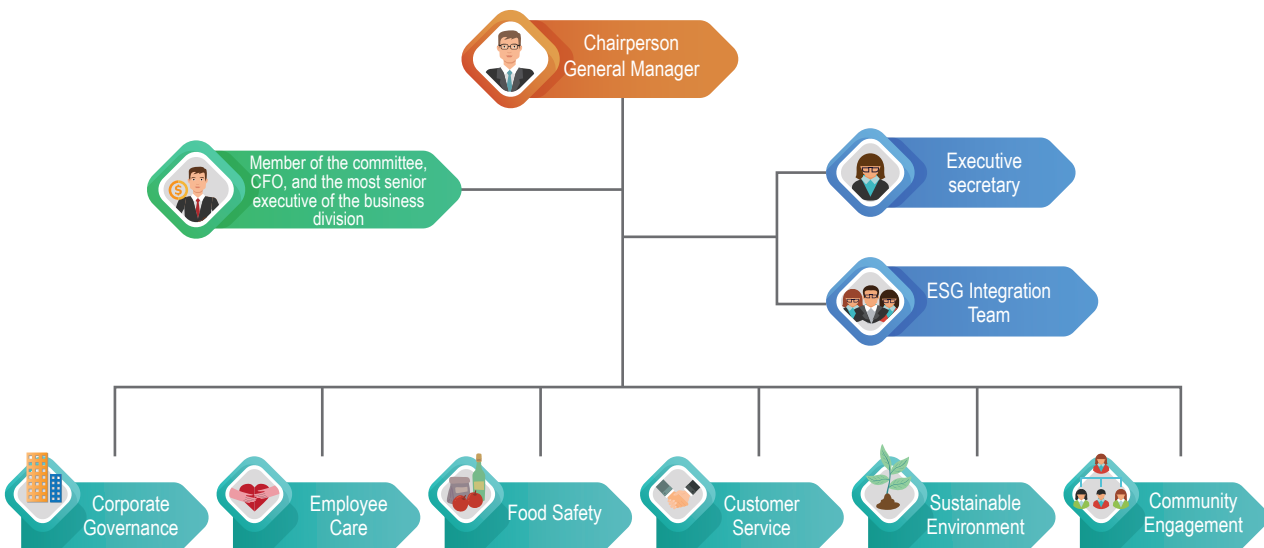
The “Kitchen of the World” has been the long-standing vision of the C.P. Group, embodying the principles of sustainable operations and management across economic, environmental, and social dimensions. We diligently listen to and address the needs of our stakeholders, jointly creating sustainable impact. At the same time, we also echo the six major visions of the CPF Way proposed by the C.P. Group:

The Six Major Visions and Response Chapters of the CPF Way



2.1 Sustainable Governance

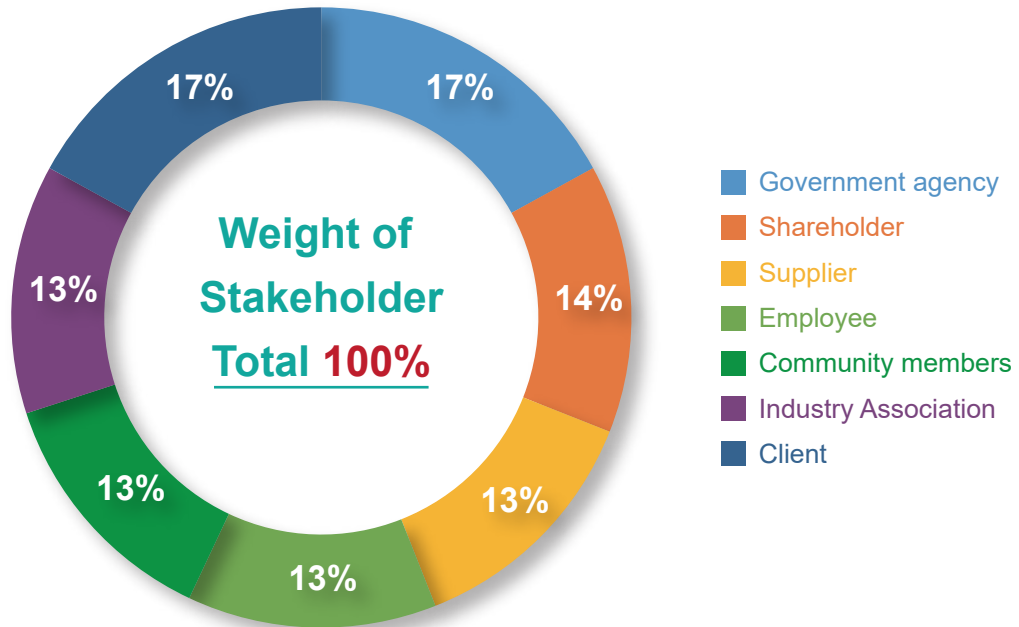
To effectively manage the company’s sustainable development, CPE established the “Corporate Social Responsibility Committee” in February 2015, which was later renamed the Corporate Sustainability Development Committee in 2022. The general manager serves as the chairman, and the top executives of each business unit and the CFO are members. This committee is leading the company’s sustainability efforts from the highest level, demonstrating CPE’s strong commitment to corporate sustainability. The committee has an executive secretary, and the executive secretary has set up the ESG Integration Team (previously known as the CSR Integration Team), which was renamed in 2022. The Corporate Sustainability Development Committee has established six working groups based on the GRI Standards framework, covering corporate governance, employee care, food safety, customer service, sustainable environment, and community engagement, as shown in the image:



Under the leadership of the ESG Integration Team, each working group tracks and manages their respective sustainability issues, while the Integration Team continues to engage in internal and external communication and integration. With the help of external consultants, the company evaluates and tracks the risks and performance of the company’s sustainability-related issues, and regularly promotes the progress to the Corporate Sustainability Development Committee and the Board of Directors, in order to enhance sustainability governance, strengthen the company’s competitiveness, and realize the management philosophy of “benefiting the country, the people, and the enterprise”.

2.2 Major theme analysis

CPE is committed to listening to the voices of its stakeholders. It establishes various communication channels to understand and address the concerns of different stakeholders. Adopting the principle of “entities or individuals, both internal and external, that are influenced by or have an influence on CPE”, the company reviewed the daily operations of the various working groups under the Corporate Sustainability Development Committee to identify the diverse stakeholders that may be involved. Through group discussions, the weighted importance of each stakeholder was determined based on the degree of mutual impact on the company’s economic, social, and environmental dimensions, and they were classified into 7 main stakeholder groups as shown in the figure below:



In 2023, the major themes were identified based on the GRI Standards 2021 version, which involved three main steps:

✔ Step 1, Collection and Review of major themes

After a comprehensive review of international sustainability standards and guidelines (such as the GRI Standards and the UN Sustainable Development Goals [SDGs]), as well as industry trends both domestically and globally, the ESG Integration Team evaluated and selected 16 relevant sustainability topics based on CPE’s mission, vision, and sustainability development strategy.

✔ Step 2, Sort and Identify

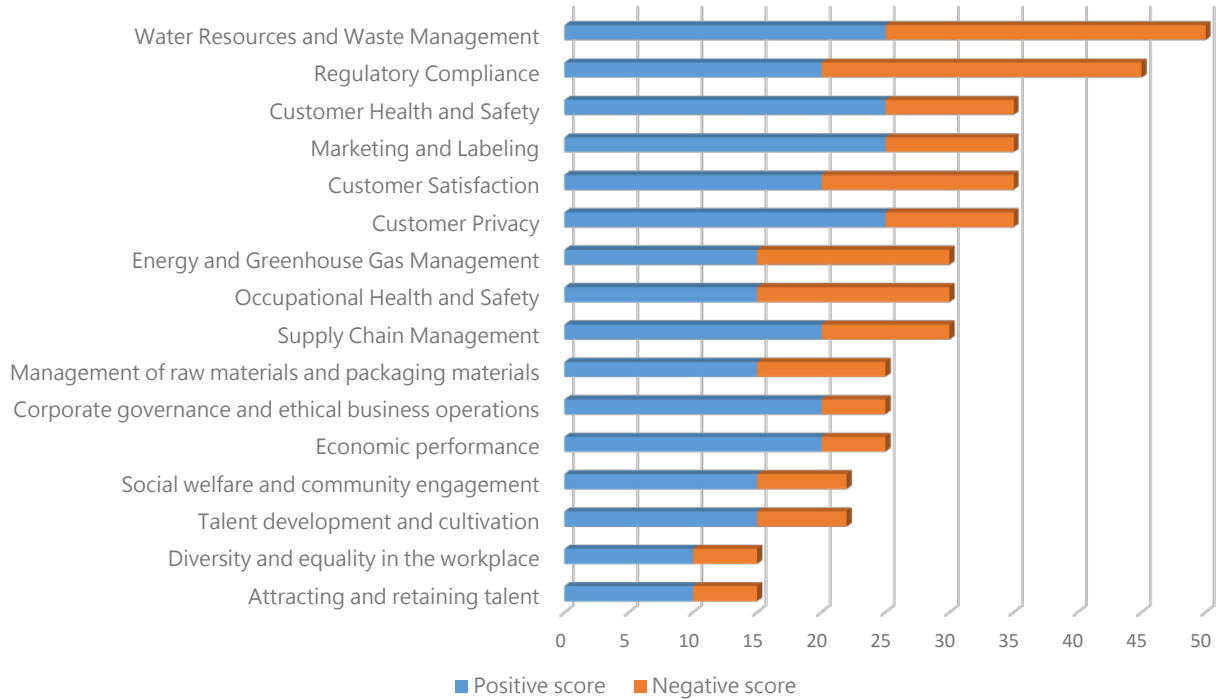
The company conducted an internal survey involving its management levels and issue-responsible units to assess the potential positive and negative impacts of 16 sustainability topics on the company. The results were then compiled and presented in a major theme matrix, ranking the degree of impact of each sustainability topic on the company.

✔ Step 3, Verify

Following internal management levels discussions, 6 major themes were identified. The 2023 Sustainability Report outline was then developed based on these major themes, aligning with the corresponding GRI standards.

In summary, we have identified the following 6 major themes for 2023:

✔ CPE 2023 ESG Theme Analysis



The ESG Integration Team further evaluates the identified major themes, examining their completeness, the scope and boundaries of their impacts in and out of the organization, and the corresponding GRI-specific topics.

Major theme	Impacting the boundary		GRI Disclosure Items	Response section
	In the organization	Out of the organization		
Customer Health and Safety	A	B,C,D,F,G	GRI 416 Customer Health and Safety	Eat at CPE [Product Safety]
Marketing and Labeling	A	B,C,D,F,G	GRI 417 Marketing and Labeling	Eat at CPE [Product Safety]
Customer Satisfaction	A	G	N/A	Trust CPE [Customer Service]
Regulatory Compliance	A	B,C,E	GRI 2-27 Compliance with laws and regulations	About CPE
Water Resources and Waste Management	A	B,E	GRI 303 Water and Effluents GRI 306 Waste	Sustainability at CPE [Environmental Accountability]
Customer Privacy	A	G	GRI 418 Customer Privacy	Trust CPE [Customer Service]

Note 1: The major theme for 2023 is a continuation of the major theme from 2022.








Note 2: In the organization: A. CPE (including its headquarters, feed factory, slaughterhouse, and food processing plant) and its employees.

Out of the organization: B. Government agency, C. Shareholders, D. Suppliers, E. Community members, F. Industry association, G.

After the report is finalized, the Corporate Sustainability Development Committee and the ESG Integration Team will conduct a final review to ensure the ESG information is accurately and appropriately presented. Additionally, the identified major themes and stakeholder feedback will serve as important references for next year's report.

2.3 Stakeholder engagement


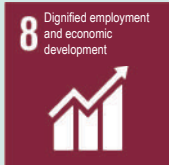

CPE places great importance on engaging with its stakeholders, believing that establishing effective communication channels with them is crucial for the company's sustainable operations. The topic of interest of each stakeholder and the ways in which they are engaged are as follows:

Stakeholder group	Topic of Interest	Deliberative process and frequency
 Government agency	<ul style="list-style-type: none"> ● Water Resources and Waste Management* ● Energy and Greenhouse Gas Management ● Management of raw materials and packaging materials ● Customer Health and Safety* ● Marketing and Labeling* ● Regulatory Compliance* ● Corporate governance and ethical business operations 	<ul style="list-style-type: none"> ● Meetings on regulations (Irregular) ● Circulation of official documents (Irregular) ● Factory visits (Irregular)
 Shareholder	<ul style="list-style-type: none"> ● Economic performance ● Customer Health and Safety* ● Marketing and Labeling* ● Customer Satisfaction* ● Corporate governance and ethical business operations ● Energy and Greenhouse Gas Management ● Management of raw materials and packaging materials 	<ul style="list-style-type: none"> ● Shareholders' Meeting (Annual) ● Company website (Irregular)
 Supplier	<ul style="list-style-type: none"> ● Customer Health and Safety* ● Marketing and Labeling* ● Customer Privacy* ● Regulatory Compliance* ● Supply Chain Management ● Energy and Greenhouse Gas Management ● Management of raw materials and packaging materials 	<ul style="list-style-type: none"> ● Contact via telephone, email, and contact for visit (irregular) ● Placing orders and negotiating prices (twice a week) ● Supplier Evaluation and Audit (Annual) ● Customer satisfaction survey (Semi-annual to annual) ● Feedback on abnormal quality and customer complaints (Irregular) ● R&D related information exchange (Irregular)
 Employee	<ul style="list-style-type: none"> ● Occupational Health and Safety ● Diversity and equality in the workplace ● Talent development and cultivation ● Attracting and retaining talent 	<ul style="list-style-type: none"> ● Employee suggestion box (Irregular) ● Complaint and interview of the supervisor (Irregular) ● Internal meeting (Monthly)
 Community members	<ul style="list-style-type: none"> ● Regulatory Compliance* ● Social welfare and community engagement ● Corporate governance and ethical business operations ● Supply Chain Management 	<ul style="list-style-type: none"> ● Contact via telephone, email, and contact for visit (irregular)
 Industry Association	<ul style="list-style-type: none"> ● Regulatory Compliance* ● Occupational Health and Safety ● Customer Health and Safety* 	<ul style="list-style-type: none"> ● Business Meeting (Weekly) ● Directors and supervisors meeting (Weekly or quarterly) ● Grain Information (Monthly) ● General Meeting (Annual)
 Customer	<ul style="list-style-type: none"> ● Customer Health and Safety* ● Marketing and Labeling* ● Customer Privacy* ● Customer Satisfaction* ● Energy and Greenhouse Gas Management ● Management of raw materials and packaging materials 	<ul style="list-style-type: none"> ● Phone contact (Irregular) ● Survey on Farmers' Harvest Results (Monthly) ● Visiting and surveying customers (More than twice a month) ● Technology department service exchange (Monthly)

Note: * indicates that the major themes are identified by CPE in 2023.

2.4 Responsive to the United Nations Sustainable Development Goals

CPE actively responds to the 17 Sustainable Development Goals (SDGs) issued by the United Nations in 2015, aiming to leverage the company's resources and influence to implement the principles of sustainability in addressing Taiwan's economic, environmental, and social challenges. Leveraging its core expertise in agriculture and livestock business and meat processing business, the company continues to contribute back to society.

SDGs	Corresponding SDGs Detailed Targets	Current status of CPE
 <p>Ending Hunger</p>	<ul style="list-style-type: none"> ● Detailed Target 2.1 ● Detailed Target 2.2 ● Detailed Target 2.3 ● Detailed Target 2.4 	<ul style="list-style-type: none"> ● Implement rigorous food safety management procedures to provide consumers with safe, hygienic, healthy, and high-quality products. ● Inheriting the C.P. Group's philosophy, the goal is set to "Enhance product quality and food safety from the supply chain", thereby increasing food accessibility to reduce inequality and improve public health. ● Collaborate with small and medium-sized farmers to raise livestock, assisted them in upgrading their feeding equipment and environment, which successfully improved their farming performance. ● Boost the local rural economy in Taiwan through "local sourcing", using seasonal local ingredients to ensure product freshness, and reduce the carbon footprint of importing raw materials via air, sea, and land transportation.
 <p>Employment and economic development</p>	<ul style="list-style-type: none"> ● Detailed Target 8.3 ● Detailed Target 8.5 ● Detailed Target 8.8 	<ul style="list-style-type: none"> ● Promote innovative business communication models that integrate technology, such as food processing factories launching e-commerce channels like Line, Facebook, official websites, and fan pages, feed factories increasing Skype-based order models, and continuously engage in technical exchanges and effective communication with customers. ● Create a positive and fulfilling work environment where every employee feels a sense of belonging to the company and can achieve personal growth, thriving together with CPE. ● Prioritize occupational safety, actively implements an optimized occupational safety system, and is committed to safeguarding the safety and health of employees. Develop occupational safety and health policies and safety and health work rules based on OHSAS18001.
 <p>Responsible Consumption and Production</p>	<ul style="list-style-type: none"> ● Detailed Target 12.2 ● Detailed Target 12.4 ● Detailed Target 12.5 	<ul style="list-style-type: none"> ● Adopt a vertically integrated business model that spans the industry's up-stream, mid-stream, and down-stream - with a complete supply chain from livestock farming, slaughtering, and processing to food service operations. This approach helps minimize the environmental impacts of the supply chain, production processes, and transportation. ● The organization has established "Environmental Safety Management Operation Control Guidelines" and an "Environmental Policy" to manage its resources, wastewater, waste, chemicals, and noise. It has also invested heavily in the procurement of environmental protection equipment. ● Establish a dedicated unit to operate, maintain, and improve equipment for controlling the various types of pollution, including exhaust gases, wastewater, and waste.



Chapter 3



Prospect CPE “Corporate Governance”

- 3.1 Business Strategy
- 3.2 Development Plan
- 3.3 Risk Management





Performance Highlights

- ✓ No incidents of bribery or corruption were reported in 2023
- ✓ Insure property and business interruption insurance to ensure that asset losses caused by the sudden changes of climate change can receive reasonable compensation and reduce operational risks



3.1 Business Strategy

Guided by the principle of “Benefiting the country, benefiting the people, and benefiting the enterprise”, CPE has made regulatory compliance the foundation for sustainable development, and operates with integrity as its guiding principle. The company is committed to transparent operations, prioritizing shareholder interests, and establishing a robust corporate governance structure.

To ensure that employees understand the company’s culture of integrity, CPE provides internal training for all new hires, where the company’s “Code of Integrity” is introduced. The company also has established Chinese, English, and Thai “Employee Handbook” to serve as the basis for employee behavior and actions. The “Employee Handbook” stipulates that if an employee is found to have engaged in private business dealings, misappropriation of funds, bribery, or receiving commissions, and the allegations are verified or there is concrete evidence, they may be terminated without prior notice. Furthermore, in 2023, CPE insured 398 employees with “Employee Honesty Insurance”. The insured employees include finance personnel, on-site accountants, sales staff, HR personnel, and factory cashiers, with each employee insured for an amount of NT\$ 12 million. This is to safeguard the company against any losses resulting from the dishonest acts (such as robbery, theft, burglary, fraud, or misappropriation) of the insured employees, whether acting individually or in collusion.

To ensure open upward communication channels, CPE has installed suggestion boxes in each of its factories to allow employees to report issues and file grievances. The company’s website also has a stakeholder section with a complaint hotline. Additionally, in March 2016, we established a “Code of Ethical Conduct” and “Employee Code of Conduct” for our directors, supervisors, and employees, as well as a “Whistleblower System Regulations” in November 2019, to foster a corporate culture of integrity and healthy development, and to ensure the legal rights and interests of whistleblowers and those accused. The company did not detect any incidents of bribery or corruption in 2023.

In terms of consumer rights protection, we ensure food safety through rigorous product quality management and complete traceability across the entire supply chain, from raw material procurement to production, storage, and distribution. This allows us to provide consumers with high-quality meat products that are safe, hygienic, convenient, healthy, and competitively priced.

Stakeholder Contact Person



3.2 Development Plan

✓ Short-term business development plan:

- ✎ In response to the government’s policy to modernize and technologize the agriculture and livestock industry, the most advanced AI-automated, drug-free feed factory is being built in Douliu City, the agricultural capital of Yunlin County, Taiwan. This facility aims to meet global environmental standards and address the issues of cross-contamination and food safety in the feed industry.
- ✎ Introduce C.P. Group’s state-of-the-art wet pad enclosed breeding equipment and breeding technology, ushering Taiwan into a new milestone of high-tech automation.
- ✎ Implement a vertically integrated and standardized approach to managing laying hen to ensure a reliable supply of eggs.

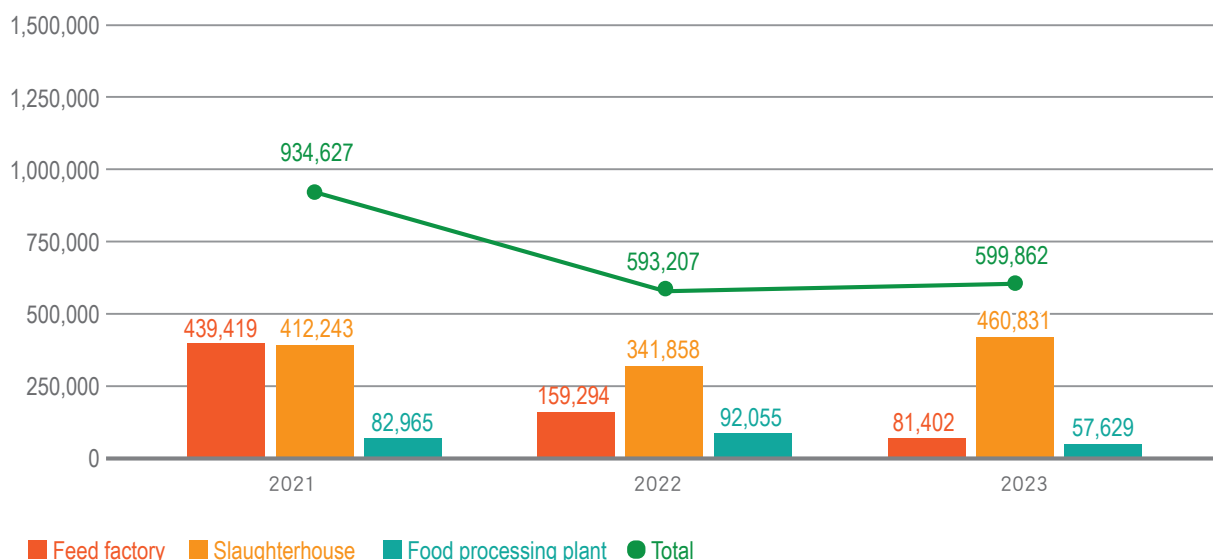
✓ Long-term business development plan:

- ✎ By introducing C.P. Group’s world-class technology and the most advanced equipment, the breeding, livestock farming, feed, and level of meat processing technologies will be significantly upgraded.
- ✎ Guided by the management philosophy that “No biosafety means no food safety”, we uphold rigorous quality control across the entire supply chain - from raw material sourcing, manufacturing, storage, to product export and distribution - and maintain comprehensive traceability, ensuring food safety and delivering consumers the safest, healthiest, most convenient, hygienic, affordable, and high-quality protein meat products.
- ✎ Continuously strengthen the existing brand cultivation and channel marketing strategy, while developing new e-commerce channels.

To continue providing consumers with more high-quality products and to increase the overall capacity and efficiency of the company, CPE is making substantial capital investments, aiming to leverage the replacement and updating of various assets to drive overall performance growth:

✓ Major capital investments over the past three years

Unit: Thousands of New Taiwan Dollars









Besides maintaining and improving the existing factory facilities, we have been investing in the construction of an AI-powered automated, drug-free feed factory in the Yunlin Industrial Park since February 2018, and have further increased investment in this new factory in 2020. This new factory is expected to significantly reduce labor costs, improve product quality, and increase the company’s revenue and market share. The plant obtained approval from the Yunlin County Government for a test driving plan in August 2022 and has started production within the scope of the plan.

3.3 Risk Management

CPE Taiwan follows its risk management framework, which includes its headquarters in Taipei, feed factories, slaughterhouses, and food processing facilities within the scope of risk management. The company's Board of Directors, management levels, and all employees are jointly involved in implementing and promoting this comprehensive risk management system. In addition to complying with relevant domestic laws and regulations, we also proactively identify, analyze, assess, monitor, respond to, report on, and improve various potential risks that may arise within the scope of our business operations, based on their risk characteristics and impact levels. This is to ensure the achievement of the company's strategic objectives while effectively maintaining and controlling the relevant potential risks.

✔ The CPE risk management organization and the units responsible for implementing each aspect of risk management are as follows:

Risk type	Responsible unit	Risk management approach
 Strategy and operational risk	The various business divisions Finance and Accounting Department	Formulation of investment and operation plans and risk assessment in advance Regular monitoring and analysis of operational performance afterwards
 Credit and Legal Risk	The various business divisions Legal Affairs Office/Audit Office	Establish and implement a credit control system The Credit Committee analyzes the changes and implements appropriate responsive policies Manage and address potential risks
 Financial and liquidity risk	Finance Department	Develop strategies and indicators based on relevant laws, policies, and market changes Regularly analyze and assess relevant risks, and implement appropriate measures to reduce them
 Market Risk	The various business divisions Technology Group/R&D Group	Analysis of domestic and international related industries, business environment, group policies, and applicable laws and regulations and other changes Develop appropriate responsive policies and conduct analysis and evaluation to mitigate potential future risks A cross-departmental crisis management team, composed of supervisors from various units, effectively manages and addresses the crises and risks that have occurred or may arise
 Biological stock insurance	C.P. Group Thailand	To improve the quality of raw materials from the source and establish excellent quality, CPE has set up its own hatchery and farm. However, there are still natural, market, and quality safety risks in livestock farming. To ensure risk reduction, the Thai parent company has taken out a unified biological stock insurance
 Climate change risk	Corporate Sustainability Development Committee	Assemble a TCFD team comprising relevant department personnel. Regularly analyze and assess relevant risks, and implement appropriate measures

To ensure the soundness, reasonableness, and effectiveness of the risk management mechanism, the CPE Audit Office is responsible for investigating and evaluating the company's internal control mechanism and various management systems. Based on the risk assessment results, it formulates the annual audit plan, implements it according to the risk assessment model, and assists the company's various units in reviewing risk items, improving operations, and managing risks to increase organizational value.

In recent years, the global climate change situation has been rapidly worsening, with hurricanes, heavy snowstorms, and droughts becoming the norm and posing significant economic risks that governments and enterprises around the world must address. Taiwan has also been heavily impacted by extreme weather events such as high temperatures, droughts, and heavy rainfall. Given this, CPE has been deeply concerned about the potential financial impact of climate-related risks on its operations, including the price volatility of major feed ingredients like corn and soybeans due to extreme weather, as well as the possibility of damage to its production facilities from natural disasters, all of which could affect the company's business.

Our parent company, the C.P. Group Thailand Group, has been exporting food products to Europe for years. In order to comply with European regulations, the parent company has long strengthened its operational risk management in response to climate change. In addition to establishing standards for the structure and fire protection of facilities (factory, farm, etc.), the company has obtained comprehensive and sufficient insurance coverage for various assets (including inventory, biological assets, fixed assets and commercial movable property), as well as public liability and business interruption insurance, to reduce operational losses. Our company has also joined the group's global insurance program, ensuring that any asset losses from events like floods or typhoons can be reasonably compensated and operational risks can be mitigated.

We carefully assess the risks posed by climate change, while safeguarding the environment, we also seek to identify the potential opportunities arising from climate change. We boldly face these challenges and continually innovate (for detailed information on the identification of climate change risks and opportunities, please refer to 7.2).

Chapter 4



Eat at CPE “Product Safety”

- 4.1 Food Safety Management System
- 4.2 Responsible Supply Chain
- 4.3 Quality Responsibility



Major theme	Customer Health and Safety
Significance, policy, and pledges	CPE is committed to the management philosophies of “No biosafety means no food safety” and “Benefiting the country, benefiting the people, and benefiting the enterprise”. They work diligently to protect the food safety and nutritional health of consumers from up-stream to down-stream. We have a “Policies on Food Safety Culture” that establishes our food management system across three main pillars: a food safety management system, a responsible supply chain system, and a quality improvement program. This allows us to enhance product quality and ensure customer health and safety, which we consider a core part of our company’s competitive advantage.
Objective	By vertically integrating the agriculture, livestock, and food industries, and implementing strict food safety management policies, we ensure the quality of our products to provide consumers with safe, hygienic, healthy, and high-quality products, in order to fulfill the group’s vision of becoming the Kitchen of the World and the ideal of benefiting the country, benefiting the people, and benefiting the enterprise.
Action plan	<ul style="list-style-type: none"> ◆ Food Safety Management System: The food safety management system is designed based on the quality management system certifications used in the domestic and international food industry, as well as the legal regulations set by the competent authorities. The primary goal is to safeguard food safety and prevent the introduction of hazardous substances into the products. ◆ Responsible supply chain system: The established management system for food raw material and packaging suppliers and contracted farmers aims to control the supply chain from upstream raw materials to downstream traceability. This helps build good interaction and a shared vision with suppliers, ensuring product quality and establishing a sustainable supply chain system. ◆ Quality Improvement Proposal: Conduct a comprehensive review and ongoing management mechanism of the company’s products, by examining past activities and records, as well as considering external industry trends and regulatory changes, to ensure compliance with relevant laws and regulations on product and service health safety, and to propose a comprehensive management plan to enhance the company’s product quality.
Evaluation mechanism and annual performance	<p>System authentication:</p> <ul style="list-style-type: none"> ◆ In 2023, the company’s meat processing business provided a total of 10,579 person-times of training, comprising 9,467.9 hours of external independent institutions, competent authorities, and internal education training on food hygiene, safety, and quality. ◆ In our 2023 food safety curriculum planning, we continued to emphasize food protection, focusing on enhancing the basic-level employees’ understanding of this concept. We provided training on topics such as personnel hygiene practices, food allergens, food protection, HACCP, critical control points, and chemical usage. A total of 5,938 employees participated in these sessions, which amounted to 3,408.4 training hours. <p>Safety inspection:</p> <ul style="list-style-type: none"> ◆ In 2023, the company invested a total of NT\$ 23,764,940 in the quality assurance department, covering expenses such as salaries, external inspections, and pharmaceutical consumables. This amount represents 0.08% of the company’s individual net operating revenue for 2023. <p>Customer audit:</p> <ul style="list-style-type: none"> ◆ To ensure food safety, we start from the source. In 2023, we actively cooperated with our customers and conducted 20 factory audits to ensure product quality. <p>Product Development and Innovation:</p> <ul style="list-style-type: none"> ◆ The “Saltwell Chicken Breast” product won the 2023 Fun Food Taiwan Award.
Complaint mechanism	Information from the official website, contact information on the product packaging

Major theme	Marketing and Labeling
Significance, policy, and pledges	CPE is committed to providing consumers with transparent and clear information about their products through detailed food labeling, as they prioritize consumer health and safety. During the product development stage, we also verify and comply with the “Standards for Specification, Scope, Application and Limitation of Food Additives” issued by the Ministry of Health and Welfare, in order to ensure comprehensive and timely control of additives.
Objective	<ul style="list-style-type: none"> ◆ Ensure the product packaging meets the legal requirements set by the government. ◆ Provide consumers with transparent and publicly available information on food additives, as well as the precise sourcing of product ingredients, with a Kitchen of the World mission to become the most trusted consumer choice.
Action plan	<ul style="list-style-type: none"> ◆ Establish a “Packaging Design Operating Standard” and ensure that the product packaging labeling information complies with government regulations. ◆ Since 2018, CPE has voluntarily uploaded public inspection reports of its fresh meat products to the Ministry of Health and Welfare’s mandatory tracing system, ensuring it continues to provide customers with safe, fresh, and delicious products for a more reassuring shopping experience. ◆ Conduct research on clean label product manufacturing technology to reduce the use of additives, with a planned investment of NT\$ 2 million in research funds. ◆ Introduce Thai food conditioning technology to develop a series of products for various national cuisines, with a planned investment of NT\$1.5 million in research expenses.
Evaluation mechanism and annual performance	<p>Traceability and Tracking Management:</p> <ul style="list-style-type: none"> ◆ In 2023, the CPE meat processing business uploads manufacturing data to the Ministry of Health and Welfare’s “Food Traceability Management Information System (Mandatory Tracing)”, which represents 95.19% of all manufactured meat product categories. ◆ In 2023, the meat processing business conducted 17 product recall simulation exercises, successfully tracing the product batch numbers to the next-stage distributors or customers and completing the recalls within the required timeframes outlined in the Procedure.
Complaint mechanism	Customer complaints handled in real-time through the company website, 0800 customer service hotline, written complaints, Facebook fan page, and Line group, with dedicated personnel.



Performance Highlights

- ✓ The “Saltwell Chicken Breast” product won the 2023 Fun Food Taiwan Award
- ✓ The company has certified 158 suppliers, with 59.21% of its annual procurement volume coming from products that meet ISO 22000 management system certification, and 61.73% from products that meet HACCP certification
- ✓ The meat processing business participated in a total of 9,467.9 hours of internal and external food hygiene, safety, and quality-related education training
- ✓ The proportion of locally procured chickens and ducks is as high as 86.61%



✓ Quality assurance



Safe, fresh, and convenient



Buy with confidence, eat with peace of mind



Eating healthy, eating intelligently

CPE has long focused on its core businesses of agricultural and livestock and food, with its main products being feed and processed feed ingredients, as well as agricultural and livestock-based meat products and various meat processing products. The company has established a vertically integrated business model, covering the up-stream, mid-stream, and down-stream from feed manufacturing, livestock and poultry breeding, electric slaughtering, fresh refrigerated meat, to meat processing. The agricultural and livestock-based meat products and various meat processing products produced by the meat processing business are directly supplied for consumer consumption. We strictly control the product quality, adopt the most rigorous quality management process, and ensure the safety of the supply chain raw materials, in order to provide consumers with safe, hygienic, healthy, and high-quality products.

✓ Customer Health and Safety

Technological innovation

- ◎ Research and development of new products
- ◎ Production Output Rate Report

Leading in Quality

- ◎ Process defect rate
- ◎ Health management
- ◎ Abnormal Form

Customer satisfaction

- ◎ Customer complaint
- ◎ Annual Satisfaction Survey
- ◎ Supply Fulfillment Rate

Sustainable operation

- ◎ Education and training
- ◎ Departmental expenses
- ◎ Sales Target Achievement Rate
- ◎ New customer development
- ◎ Occupational Safety Incident

✓ Award-winning information

CPE adheres to the three principles of benefiting the country, benefiting the people, and benefiting the enterprises, and continually innovates to develop into the “Kitchen of the World”. It continues to develop healthy and tasty food products that meet customer needs, and has also received market recognition, such as the product “Saltwell Chicken Breast”, which won the “Fun Food Taiwan Award” at the “FUN FOOD TAIWAN” event organized by the Industrial Development Administration of the Ministry of Economic Affairs in 2023, with the three core values of “Clean High-Value”, “Design Experience”, and “Convenient Sustainability”. In the future, we will continue to invest in research and development to refine our manufacturing technology for clean-label foods, offering consumers a wider range of healthier dietary choices.



4.1 Food Safety Management System

CPE has 5 major production sites. The total weight of products sold at the company’s main production facilities in 2023 was 562,942 tonnes. We have developed our food safety management system (hereinafter referred to as the food safety system) based on the food safety policy of the CPF Group, the regulations of the local authorities in Taiwan, and the food industry’s self-regulatory standards. The food safety system comprises three main components: system authentication, safety inspection, and traceability and tracking management:



✓ System authentication

At CPE, we are committed to ensuring that every aspect of our production process, from livestock farms and water usage to feed and additives, medication, cleaning and disinfection agents, vehicles, equipment, packaging materials, and storage and transportation facilities, meets the international quality standards. We are actively pursuing relevant domestic and international quality assurance system certifications for the food industry. Apart from obtaining the ISO 9001 quality management system certification since 1999, the company became the first meat processing plant in Taiwan to obtain the Dutch RvA HACCP certification in 2002, and later obtained the ISO 22000 Certification of Compliance for Food Safety and Hygiene Management System in 2007. In 2023, we have continued to meet the qualifications of domestic CAS factories with risk levels, and have maintained the implementation of our food safety management system. Every

six months, our HACCP team reviews and confirms the system, and convenes a cross-functional food safety committee meeting involving R&D, production, laboratory, quality assurance, and procurement departments. In these meetings, we discuss improvements to food hygiene, safety, and quality, such as hazard analysis and management processes. This system covers 100% of our food product categories.

We conduct regular audits for each certification system to ensure that CPE maintains standards above the requirements of these systems and regularly renews its certifications. Our meat processing business's ISO 9001 and ISO 22000 certifications are accredited by the independent third-party organization, Food Safety Institute. In 2023, this organization made 7 improvement suggestions during their on-site audit, and we developed corresponding corrective actions within three months. Additionally, to ensure the effectiveness of our food safety and hygiene management system, along with its improvement, we hold management review meetings every year to analyze discrepancies between our quality safety management objectives and actual performance, and the relevant improvement strategies and their suitability are evaluated. In 2023, 91.37% of the company's total meat product production volume was from ISO 22000-certified meat product processing operations. However, some conditioning foods and meatball products were excluded from the certification scope due to their relatively low production volumes. Our ongoing goal is to obtain international system certifications for all our products, and we strive to align our food safety and quality with global standards.

In recent years, the food industry has faced frequent food safety crises. The professional expertise of food safety among employees is a crucial defense mechanism in addressing these incidents. In 2023, the meat processing business of our company provided 10,579 person-times of training, comprising 9,467.9 hours of external independent institutions, competent authorities, and internal education training on food hygiene, safety, and quality. In our 2023 food safety curriculum planning, we continued to emphasize food protection, focusing on enhancing the basic-level employees' understanding of this concept. We provided training on topics such as personnel hygiene practices, food allergens, food protection, HACCP, critical control points, and chemical usage. A total of 5,938 employees participated in these sessions, which amounted to 3,408.4 training hours.

Safety inspection

Raw materials and food inspection are crucial mechanisms for strengthening our food safety. At our Nantou facility, we have established a Quality Assurance Department, which comprises the Quality Control Division, Control Division, and a Laboratory. The Quality Control and Control Divisions oversee the inspection of our production processes, while the Laboratory is responsible for testing all raw materials and products from our slaughterhouse, meat processing plant, and conditioning food plant. The testing covers areas such as food microbiology, food allergens, and veterinary drug residues. In 2023, we conducted 18,669 microbiology tests, 121 food allergen tests, and 5,626 veterinary drug residue tests. In 2023, the overall inspection pass rate was high, with only 70 cases of non-compliance due to Salmonella in fresh poultry and livestock meat. However, as Salmonella is not heat-resistant, it is killed when heated at 60°C for 20 minutes, so there is no risk to processed products. In addition to conducting tests for food microbiology and veterinary drug residues, we also voluntarily perform food allergen testing to provide our customers with comprehensive safety inspection information, showcasing CPE's persistent dedication and efforts to safeguard food safety.

For personnel training, this laboratory dispatches staff to attend relevant courses organized by accredited inspection agencies like SGS, Food Safety Institute, and the National Animal Industry Foundation, in order to strengthen their inspection skills and knowledge. Additionally, the laboratory participates in proficiency testing in food microbiology, organized by TAF (Taiwan Accreditation Foundation)-accredited providers such as Super Laboratory and Food Safety Institute, and achieved satisfactory results in 2023 for tests on Staphylococcus aureus, Salmonella, total viable count, coliforms, E. coli, Enterobacteriaceae, and Listeria. The same year, the laboratory also participated in a blind sample test on total viable count, organized by the National Animal Industry Foundation's "Strengthening CAS Meat Product Marketing, Certification Management and Traceability Inspection Entrusted Project", and received a satisfactory result.

In recent years, Taiwan has faced a growing number of food safety issues. To address this, our laboratory has adopted the microbiological testing methods announced by the Ministry of Health and Welfare, and actively sought out internationally recognized food testing technologies such as AOAC and MicroVal for food microbiology testing technologies. This has not only strengthened our testing capabilities and functions, but also ensures that the raw materials and products used by our company meet the required standards, thereby safeguarding food safety.

In 2023, the company invested a total of NT\$ 23,764,940 in the quality assurance department, covering expenses such as salaries, external inspections, and pharmaceutical consumables. This amount represents 0.08% of the company's individual net operating revenue for 2023.

2023 Laboratory Self-Inspection Standards List

Inspection item		Inspection standard (Note)
Food microbiology	Total viable count	<ul style="list-style-type: none"> ◆ The "Sanitation Standard for Frozen Foods" published by the Ministry of Health and Welfare ◆ The "Sanitation Standard for Microorganisms in Foods" published by the Ministry of Health and Welfare
	E. coli	
	Coliforms	
	Staphylococcus aureus	

Inspection item		Inspection standard (Note)
Food microbiology	Enterobacteriaceae	<ul style="list-style-type: none"> ◆ The "Quality Meat Certification Standard" developed by the Taiwan Premium Agricultural Products Development Institute (CAS) ◆ Customer requirements specification
	Listeria	
	Salmonella	
	Bacillus cereus	
	Fungus (factory settle plate)	<ul style="list-style-type: none"> ◆ The "Quality Refrigerated Conditioning Foods Certification Standard" developed by the Taiwan Premium Agricultural Products Development Institute (CAS)
Veterinary drug	Antibiotics	<ul style="list-style-type: none"> ◆ The "Standards for Veterinary Drug Residues" published by the Ministry of Health and Welfare
	Comprehensive antibiotics	

Note: The inspection standard is determined by reference to the latest version of the document announced at the time of the inspection.

2023 Laboratory Self-Inspection Items and Results Summary

Test case	Inspection item (Note 1)	Inspection frequency and 2023 inspection pass rate
Food microbiology domain		
Fresh meat and livestock products	<ul style="list-style-type: none"> ◆ Total viable count* ◆ E. coli* ◆ Coliforms* ◆ Staphylococcus aureus ◆ Salmonella 	Daily random sampling from the production lines and product items, with a 96.88% pass rate. The main reason for non-compliance was the detection of 70 positive cases of Salmonella bacteria in broiler chickens, whole chickens, free-range chickens, and whole ducks throughout the year.
Processed product	<ul style="list-style-type: none"> ◆ Total viable count* ◆ E. coli* ◆ Coliforms* ◆ Staphylococcus aureus ◆ Salmonella ◆ Enterobacteriaceae ◆ Listeria 	Daily random sampling from the production lines and product items, with a 100% pass rate.
Incoming inspection (including purchased raw materials and seafood)	<ul style="list-style-type: none"> ◆ Total viable count* ◆ E. coli* ◆ Coliforms* ◆ Staphylococcus aureus ◆ Salmonella 	Random sampling based on the manufacturer's purchase frequency, with a 100% pass rate.
Incoming inspection (Material)	<ul style="list-style-type: none"> ◆ Total viable count* ◆ E. coli* ◆ Coliforms* ◆ Bacillus cereus 	
Equipment and personnel coating	<ul style="list-style-type: none"> ◆ Total viable count* ◆ E. coli ◆ Coliforms ◆ Salmonella 	Equipment, personnel coating, and factory settle plate samples are taken weekly at slaughterhouses, meat processing plants, and conditioning food plants, with a 100% pass rate.
Factory settle plate	<ul style="list-style-type: none"> ◆ Total viable count* ◆ Fungus* 	
Packaging materials	<ul style="list-style-type: none"> ◆ Total viable count* ◆ E. coli* ◆ Coliforms* 	Weekly random testing, with a 100% pass rate.
Residual drugs		
Before slaughter for chicken, free-range chicken, duck; after slaughter for fresh poultry	<ul style="list-style-type: none"> ◆ Antibiotics* (Note 2) ◆ Comprehensive antibiotics* (Note 3) 	The testing is conducted at the farm level. All poultry from the farms must pass drug residue testing before being allowed to be slaughtered. The drug residue test pass rate for the fresh poultry meat after slaughter is 100%.
Incoming inspection (Fresh meat and livestock products)		Random sampling based on the manufacturer's purchase frequency, with a 100% pass rate.

Note 1: The "*" items are mandatory inspections, while the other inspection items are randomly sampled.

Note 2: The inspection items include aminoglycosides, tetracyclines, and β-lactams.

Note 3: The inspection items depend on the contents of the rapid test reagent, covering a wide range of antibiotic classes such as β-lactams, cephalosporins, macrolides, tetracyclines, sulfonamides, aminoglycosides, quinolones, polypeptides, and others, totaling 60 items.

2023 Laboratory Self-Inspection Items and Results Summary

Inspection items	Basis of inspection method	The Third Public Justice Agency	Inspection items	Inspection volume for 2023
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Food microbiology domain

<ul style="list-style-type: none"> ◆ Total viable count ◆ E. coli ◆ Coliforms ◆ Staphylococcus aureus ◆ Salmonella ◆ Bacillus cereus ◆ Listeria 	<ul style="list-style-type: none"> ◆ Methods Announced by the Ministry of Health and Welfare ◆ Methods Announced by the Environmental Analysis Laboratory, the Ministry of Environment (water quality) 	<ul style="list-style-type: none"> ◆ Food Safety Institute ◆ SGS ◆ Intertek ◆ Eurofins Scientific ◆ National Animal Industry Foundation ◆ Eurofins Summit Tsiande 	<ul style="list-style-type: none"> ◆ Fresh meat products ◆ Processed product ◆ Equipment coating 	<ul style="list-style-type: none"> ◆ Fresh products (including seafood): 31 cases ◆ Processed product: 113 cases ◆ Equipment coating: 167 cases ◆ Water quality: 5 cases
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Residual drugs in meat

<ul style="list-style-type: none"> ◆ Multiple veterinary drug residues in 48 items ◆ Nitrofurantol metabolites ◆ Chloramphenicol ◆ Tetracycline ◆ Hormones ◆ β-Lactam antibiotics ◆ Analysis of multiple residues of pesticides with anti-parasitic activity ◆ Roxarsone ◆ Analysis of multiple residues of antibiotics and their metabolites in 16 items ◆ Ionophore coccidiostats ◆ Ractopamine ◆ Aminoglycosides ◆ Nicarbazine ◆ Others 	<ul style="list-style-type: none"> ◆ Methods Announced by the Ministry of Health and Welfare 	<ul style="list-style-type: none"> ◆ Food Safety Institute ◆ SGS ◆ Intertek 	<ul style="list-style-type: none"> ◆ Fresh meat products ◆ Processed product 	<ul style="list-style-type: none"> ◆ Fresh products: 79 items in total <ul style="list-style-type: none"> a. Domestic fresh chicken meat: 40 cases b. Imported fresh chicken meat: 6 cases c. Duck meat: 8 cases d. Others: 25 cases ◆ Processed product: 16 cases
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Food chemistry domain

<ul style="list-style-type: none"> ◆ Preservatives ◆ Maleic acid ◆ Volatile basic nitrogen ◆ Melamine ◆ Heavy metal music ◆ The Eight Major Nutrition Labeling ◆ Others 	<ul style="list-style-type: none"> ◆ Methods Announced by the Ministry of Health and Welfare ◆ Methods Announced by the Environmental Analysis Laboratory, the Ministry of Environment (water quality) 	<ul style="list-style-type: none"> ◆ Food Safety Institute ◆ SGS ◆ Intertek ◆ Eurofins Summit Tsiande ◆ Eurofins Scientific ◆ JTS 	<ul style="list-style-type: none"> ◆ Processed product ◆ Fresh raw material (domestic, imported) ◆ Water quality ◆ Packaging materials ◆ Materials, oil for frying, and other products 	<ul style="list-style-type: none"> ◆ Processed product: 175 cases ◆ Fresh raw materials (domestic, imported, and seafood): 16 cases ◆ Water quality: 3 cases ◆ Materials, oil for frying, and other products: 10 cases ◆ Glycerol ester of wood rosin: 3 cases
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Outsourced inspection pieces and pass rate:

In the field of food microbiology domain: A total of 31 pieces of fresh chicken meat, 113 pieces of processed products, and 167 pieces of equipment coating were inspected, with a 100% pass rate.

In the field of residual drugs in meat: A total of 79 pieces of fresh products and 16 pieces of processed products were inspected, with a 100% pass rate.

In the field of food chemistry: A total of 175 pieces of processed products, 16 pieces of fresh raw materials (domestic, imported, and seafood), and 10 pieces of materials, oil for frying, and other products, a total of 3 water quality, including 3 items of glycerol ester of wood rosin, with a 100% pass rate.

Other monitoring domains:

Proactively submit samples for testing in response to current food safety issues related to meat products and the inspection items announced by the Ministry of Health and Welfare.

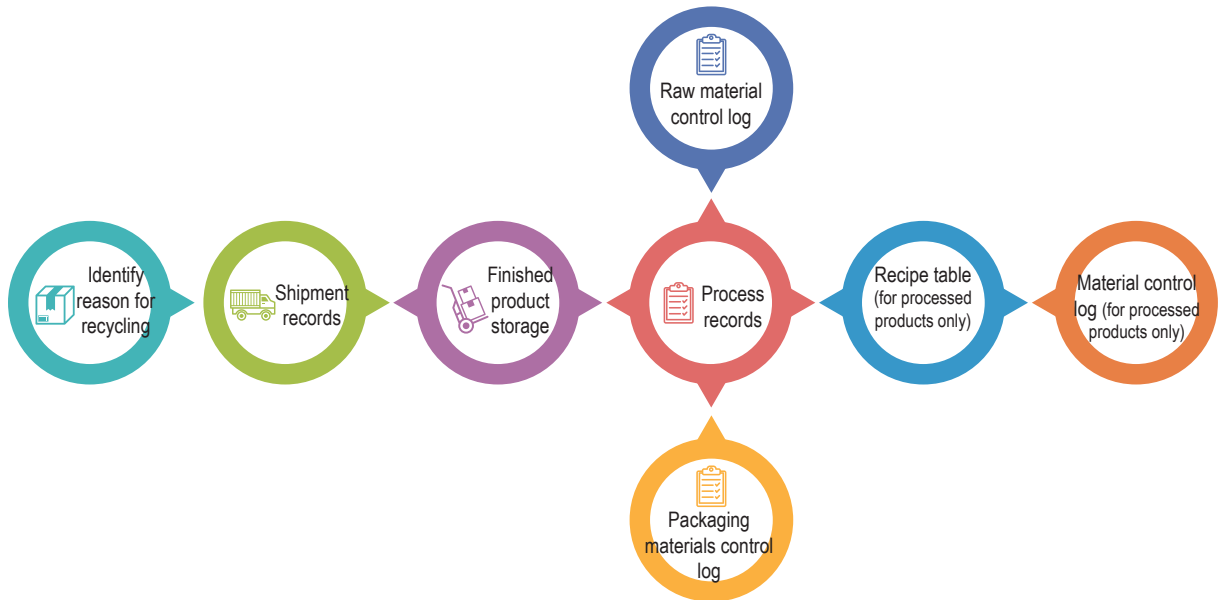
Traceability and tracking management

The CPE meat processing business establishes a written or electronic traceability and tracking system that tracks the upstream suppliers of raw materials and the downstream customers of its products, using procedures such as shipment records, finished product storage, process records, and raw material acceptance. In 2023, the CPE meat processing business uploads manufacturing data to the Ministry of Health and Welfare’s “Food Traceability Management Information System (Mandatory Tracing),” which represents 95.19% of all manufactured meat product categories. The relevant responsible units are as follows:

	Quality Assurance Department	Manufacturing Department	Procurement Department	Storage Department	Sales Department	Customer Service Department	Research and Development Department	Factory Supervisor in Nantou
Reason for recycling	◎	○			◎			○
Shipment records				◎		○		
Finished product storage		◎		◎				
Process records	◎	◎						
Recipe table		○					◎	
Management of raw materials and packaging materials	◎	◎	○	◎				

◎ Organizer ○ Co-organizer

Besides requiring the responsible units at each stage to complete their assigned tasks and internal control forms according to the complete procedure, we have also established standard traceability procedures for processed and fresh products:



The company’s processing of raw materials for processed products is complex, with a large number of suppliers. The meat processing business has established a “Product Identification, Traceability and Recall Destruction Management Procedure” to ensure that the products can be properly identified and traced at each stage of the quality cycle. If a product quality issue arises during shipment and sale, the defective products can be effectively and quickly recalled and destroyed, protecting the health and rights of consumers. The company requires that product recall simulation exercises be conducted twice annually. This is done to demonstrate the traceability of the product’s packaging materials and raw materials using the product batch number. Taking into account the customers’ needs in 2023, the meat processing business conducted 17 product recall simulation exercises, successfully tracing the product batch numbers to the next-stage distributors or customers and completing the recalls within the required timeframes outlined in the Procedure.

4.2 Responsible Supply Chain

Establishing a sustainable supply chain system has long been a goal of CPE. By building long-term, stable partnerships with suppliers, and implementing effective communication, collaboration, and auditing improvement mechanisms, the company integrates sustainable development principles into its supply chain. This not only reduces operational risks for the company and its business partners, but also enhances the overall resilience of the business in the face of environmental changes, and creates shared value, expanding the company's sustainable influence. From the production process perspective, we can categorize the main suppliers as:



Supplier of raw materials:
Fresh meat products are the raw material source for all of CPE's product lines. We have different supplier audit standards for different product items to ensure the raw materials meet our required quality. In 2023, the company has a total of 108 raw material suppliers.



Supplier of materials:
The suppliers of CPE's products that are involved in seasoning, quality enhancement, fried chicken powder, and additives are all part of CPE's material supply chain. While material suppliers are not the primary components of our products, they significantly impact the flavor and quality of CPE's final offerings. Therefore, we take proactive measures to manage our material suppliers. In 2023, the company has a total of 103 material suppliers.



Supplier of packaging materials:
We rely on this supplier for a variety of packaging materials used for our products. The packaging materials play a crucial role in preserving the quality, appearance, and quality of the products. Particular focus is placed on the packaging materials that come into direct contact with food, as CPE actively manages this aspect. In 2023, the company has a total of 57 packaging material suppliers.

In 2023, the company has 268 raw material, material, and packaging material suppliers (note), all of which are key partners in the CPE's steady growth process. We actively communicate and collaborate with these suppliers to provide high-quality and safe products. Based on domestic and international certification systems, as well as CPE's product quality requirements, we have developed a supplier management policy that consists of three main components: supplier selection, collaboration, and audit:



Note: This data covers suppliers across multiple categories, for example, suppliers that provide both raw materials and materials -calculated as 2 companies.




Supplier Selection Mechanism

To ensure that all suppliers meet the appropriate level and standards, we have established a selection mechanism for new suppliers. This ensures that all additives and raw materials used by the suppliers in their production process comply with national food regulations, and that they can provide a complete analysis of the chemical composition of any chemicals and controlled materials. To maintain product quality and consumer health and safety, we prioritize collaborating with certified suppliers (such as those holding CAS Taiwan Premium Agricultural Products, GMP, HACCP, ISO 22000, ISO 14001 certifications).

In addition to internal audits and guidance, we actively support the government's implementation of HACCP certification for food businesses. When procuring, we prioritize suppliers with such certifications. We communicate with our suppliers to help them obtain certifications like ISO 22000, ISO 9001, and HACCP. We track the proportion of our raw materials, materials, and packaging materials that come from certified suppliers. Going forward, we will require our suppliers to continue increasing their certification rates, and gradually phase out suppliers without the certifications. In 2023, the number of certified suppliers reached 158, with the related certified procurement amount accounting for 77.26% of the total procurement. Of this, procurement of products that are ISO 22000 management system and HACCP certified make up 59.21% and 61.73% of the total procurement, respectively. The company only works with suppliers who have obtained ISO 22000 or FSSC 22000 certification for the specialized frying oil used in the meat processing business. Furthermore, the procurement of FSC-certified packaging materials accounts for 27.38% of the total packaging materials, demonstrating the company's requirements and commitment to quality of suppliers.

Unit: New Taiwan Dollar

	Certification Item	Number of certified suppliers in 2023	Procurement amount from certified suppliers in 2023
Global Certification	ISO 22000	123	1,054,844,881
	HACCP	114	1,099,618,591
	ISO 9001	43	445,491,564
	FSSC	31	197,716,330
	FSC	7	90,994,160
National Certification	CAS	20	113,494,145
	GMP	4	93,076,355

Percentage of procurement transactions with certified suppliers	2021	2022	2023
 Raw material	63.55%	63.79%	69.24%
 Material	73.45%	76.92%	79.48%
 Packaging materials	96.74%	96.95%	96.10%

Calculation definition: Raw material certification amount/raw material procurement amount

To promote the local economy of Taiwan, drive the development of local industries, and reduce carbon emissions from the importing of raw materials, CPE has worked closely with local farmers to use seasonal and local ingredients, ensuring product freshness. By utilizing our automated fresh poultry slaughterhouse for electric poultry processing, we have achieved an integrated process of raising and slaughtering chickens and ducks. In 2023, the proportion of locally sourced chickens and ducks reached 86.61%. CPE will continue to focus on product quality, food safety, and consumer health, and will contribute to the prosperity of the local economy through local sourcing.

Raw material procurement category	Procurement volume (kg) in 2023	Percentage
Local chickens and ducks	89,902,486	86.61%
Imported chicken meat	13,902,432	13.39%
Total	103,804,918	100%

✓ Supplier Partnership Mechanism

Through maintaining a good interactive and communication platform with procurement and R&D personnel as well as suppliers, CPE is able to share the latest market trends, regulatory requirements, and process improvement information in a timely manner. In developing raw materials for new products, we have also established a “New Supplier Evaluation and Management Procedure” on this exchange platform as a selection mechanism, conducting document reviews and on-site assessments. For our long-term trading suppliers, we conduct irregular supplier sampling inspections and audits annually to evaluate their compliance with relevant laws, regulations, and standards, and urge them to make improvements, thereby effectively managing supplier risks and working with them to provide consumers with high-quality, hygienic, healthy, and safe products.

Document review:

New supplier companies must provide factory registration certificates, business registration, and other documents to prove they are a legitimate factory. They must also have inspection reports, production history, product hazard analysis, and other relevant data prepared. Additionally, in accordance with the Food Safety and Sanitation Management Act, the suppliers must be verified to have completed the food business operator platform registration.

On-site assessment:

Except for special cases such as annual total transaction amount not exceeding NT\$ 20,000, annual transactions less than 5 times, refusal of on-site assessment, industry peer, not in direct contact with the product, and small-scale suppliers not applicable to the quality audit scoring table, which suppliers conduct incoming inspections for quality control, and other miscellaneous procurement suppliers, such as those providing on-site equipment, supplies, and office materials, are excluded from the evaluation, all raw material suppliers, packaging material suppliers, and contract manufacturers of production plants, traders, and distributors that are used in or directly contact the product must be included in the assessment list. If a vendor not included in the annual assessment experiences severe quality issues that impact product quality and safety, they should be evaluated for a spot check or included in the on-site assessment for the following year.

Ability Coaching:

After on-site assessment, unqualified suppliers are temporarily suspended from cooperation. We also analyze the actual situation of suppliers and provide guidance. After implementing the guidance mechanism, they are evaluated as qualified suppliers, and their quality is gradually improved year by year.

✓ Supplier Assessment Mechanism

We have referenced the “Subcontractor Evaluation and Management Procedure” established by the Procurement Department, and in 2023 we conducted on-site assessment of suppliers for the meat processing business, focusing on four key areas: supply capability, quality management, technical capability, and pricing. Additionally, the Quality Assurance Department carried out detailed audits on the raw materials and on-site quality management. Suppliers of all poultry and pork products under the poultry and pork business undergo drug residue testing in the laboratory to ensure quality. Since 2018, we have also incorporated the assessment of our suppliers’ implementation of social responsibility into our declaration and evaluation processes. We consider whether suppliers have integrated the spirit of social contribution and care into their corporate culture, and transformed it into concrete actions that give back to society in various themes and ways. We hope that our suppliers will not only meet the standards of social ethics, legal and public requirements in their operations, but also put the company’s sustainable management practices into action in a practical way, covering economic, environmental, and social aspects.

✓ Quality management audit items



The evaluation is typically conducted once every two years. A score of 80 or above on the on-site assessment is considered passing, with 80% of the score coming from the quality management assessment. If the subcontractor fails to improve after receiving guidance, their qualification may be revoked upon approval by the supervisor. In 2023, we evaluated 25 suppliers on-site, which represented 9.3% of the suppliers in our meat processing business. All of the raw material and packaging material suppliers evaluated met our qualification standards. All poultry and pork products processed at the slaughterhouse by the poultry and pork business in 2023 were found to be free of drug residues. All suppliers assessed this year have met our qualification standards. To better address consumers’ growing concern for food safety, we will continue to strengthen our supplier assessment mechanism to ensure that the products we produce align with the C.P. Group’s core food safety principles.

In addition, supplier management policy is also one of our main focuses going forward. Besides optimizing our existing supplier audit mechanism, we will continue to seek out safe and high-quality raw material sources, implement source-level management, and uphold the strictest standards to safeguard consumer interests.

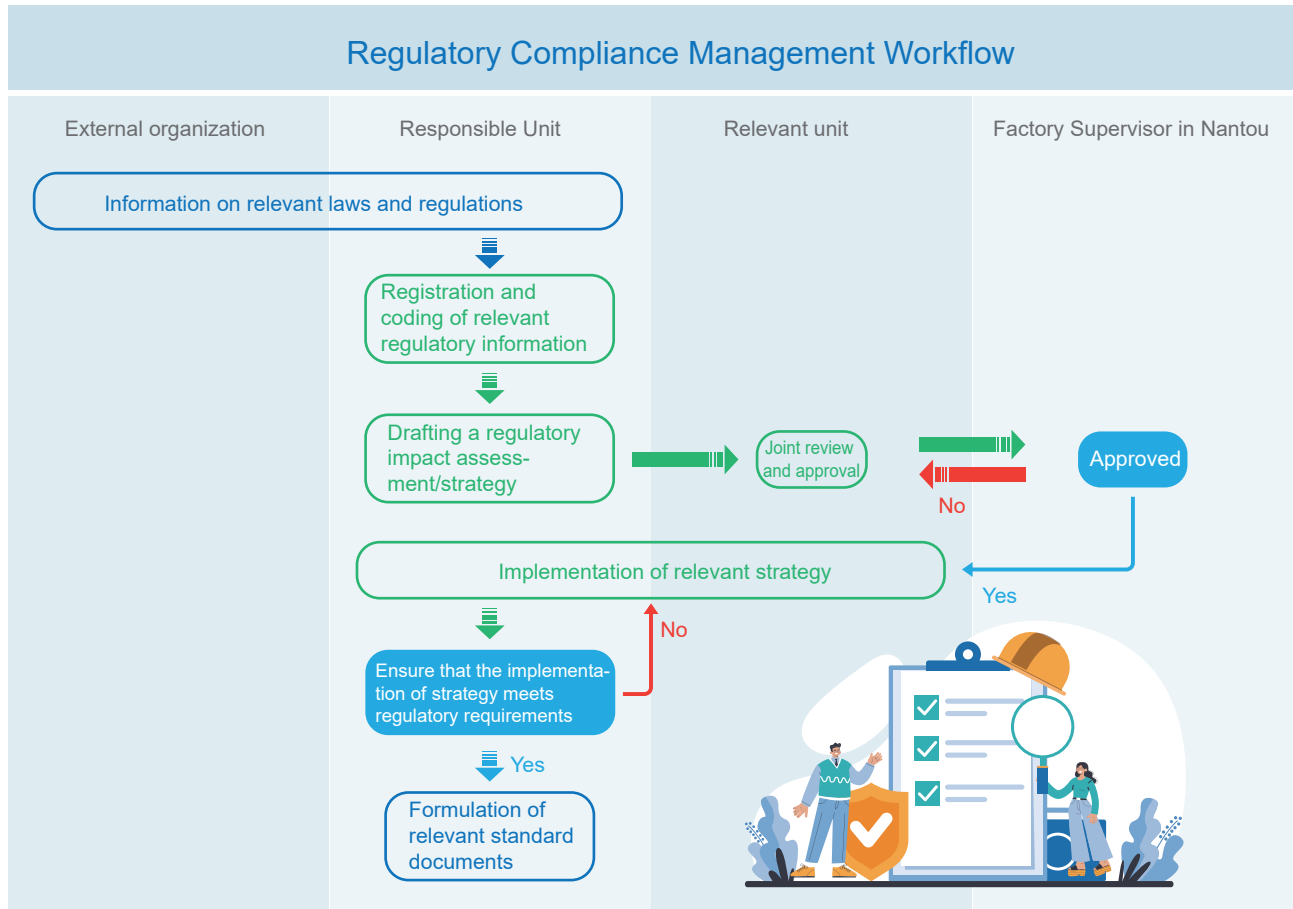


4.3 Quality Responsibility

Faced with changes in the external environment and regulations, in addition to establishing regular systems, enterprises must maintain a high degree of flexibility to withstand the impact of such changes. The company should also build a compliance system for laws and policies to ensure that our products meet the latest food safety, marketing, and labeling regulations, thereby safeguarding the health and safety of consumers. Violations of laws or CPE's internal policies are the key areas we focus on actively preventing and improving.

✓ Adherence to legal and regulatory requirements

In order to enable each responsible unit to effectively evaluate the impact of relevant laws and regulations, promptly detect and strengthen the capability to respond to quality and food safety issues, we have established the following procedure for regulatory compliance assessment:



We should adhere to the food safety and sanitation management laws and regulations and the related enforcement rules, as well as the good hygiene practice guidelines, published by the Food and Drug Administration. The company did not experience any product recalls or fines in 2023.

✓ Marketing and Labeling

During the product development stage, CPE also verifies and complies with the "Standards for Specification, Scope, Application and Limitation of Food Additives" issued by the Ministry of Health and Welfare, in order to ensure comprehensive and timely control of additives. Therefore, all CPE products purchased by consumers comply with government regulations for food additives. Additionally, we have developed a "Packaging Design Operating Standard". The R&D personnel ensures that the product packaging labeling follows government regulations, clearly indicating the product contents, nutrition information, and other details. They also include allergen information as per customer requirements. To provide customers with more timely and accurate product information, the meat processing business ensures that 100% of the fresh meat products delivered to its direct customers are affixed with inspection and quarantine labels, enabling these customers to utilize a comprehensive tracing system to confirm the exact origin of the products. Since 2018, CPE has voluntarily uploaded public inspection reports of its fresh meat products to the Ministry of Health and Welfare's mandatory tracing system, ensuring it continues to provide customers with safe, fresh, and delicious products for a more reassuring shopping experience.

✔ Customer audit

In addition to establishing strict safety control mechanisms for the source of raw materials, quality inspection, and product labeling, we also actively collaborate with the supplier audits of our channel customers. This includes confirming specifications, standards, and product inspection reports, as well as accompanying random on-site food safety audits of the production facilities. We thoroughly inspect the factory's environmental sanitation, process controls, pest management, raw material controls, and traceability, and only proceed with cooperation and product listings once we confirm compliance. To ensure food safety, we start from the source. In 2023, we actively cooperated with our customers and conducted 20 factory audits to ensure product quality. In addition to the factory sanitation evaluation, we also construct a comprehensive food safety protection network through the contractual requirements of our channel customers regarding compliance with labor laws, environmental protection, and other corporate social responsibility provisions.

Chapter 5



Trust CPE “Customer Service”

5.1 Customer Satisfaction

5.2 Customer Privacy



Major theme	Customer Satisfaction
Significance, policy, and pledges	The C.P. Group has set its sights on becoming a “Kitchen of the World”. In addition to maintaining the launch of high-quality products, the company also strives to provide excellent services tailored to market trends and customer needs, thereby establishing strong customer partnerships. The company has established a “Customer Complaint Handling Procedure” as a standard operating procedure, enabling prompt resolution and improvement of customer issues. Additionally, we also irregularly engage in technical exchanges and innovative communication activities with our customers, where through various interactive sharing sessions, we work towards mutual progress and growth. The Nantou meat processing plant, Taichung feed factory, and Kaohsiung feed factory conduct annual customer satisfaction surveys. They analyze the survey results and use them as a basis for developing improvement plans for the next year, with the goal of providing higher-quality services that better meet customer needs.
Objective	Increase customer satisfaction rate
Action plan	<ul style="list-style-type: none"> ◆ Establish a “Customer Complaint Handling Procedure” as a standard operating procedure, enabling prompt resolution and improvement of customer issues. ◆ The Nantou meat processing plant, Taichung feed factory, and Kaohsiung feed factory conduct annual customer satisfaction surveys. They analyze the survey results and use them as a basis for developing improvement plans for the next year. ◆ In response to the COVID-19 pandemic, if poultry farms require veterinary services, a new remote diagnostic method has been developed. For example, when a customer’s chicks experience unusual deaths, the customer or a sales person can perform a necropsy on the dead chicks. Through video conferencing, the veterinary personnel can remotely diagnose the symptoms and provide the customer with a treatment plan or medication and preventive measures, in order to deliver customer service.
Evaluation mechanism and annual performance	<ul style="list-style-type: none"> ◆ The meat processing plant collected 68 satisfaction questionnaires, while the feed factory collected 450 satisfaction questionnaires. ◆ The satisfaction survey results for the meat processing plant exceeded 92%; the overall satisfaction for the Taichung feed factory was 86%; and all satisfaction survey results for the Kaohsiung feed factory surpassed 95%. ◆ A customer of the Taichung feed factory raised breeding poultry. Due to the construction of a new farm, the company collaborated with them on chicks and breeding poultry, increasing their livestock and feed usage, resulting in a mutually beneficial arrangement.
Complaint mechanism	Customer complaints handled in real-time through the company website, 0800 customer service hotline, written complaints, Facebook fan page, and Line group, with dedicated personnel.

Major theme	Customer Privacy
Significance, policy, and pledges	The C.P. Group has set its sights on becoming a Kitchen of the World. In addition to maintaining high-quality products, the company is also seeking to better understand and cater to customer needs, aiming to establish stable and close collaborative relationships. As digitization is trendy, information security has become a critical priority for modern enterprises. CPE places great emphasis on information security protection, including the maintenance of personal data and the confidentiality of business secrets, in order to maintain good relationships with customers and preserve its reputation.
Objective	<ul style="list-style-type: none"> ◆ Ensure that all employees clearly understand and strictly adhere to the obligation to protect customer confidential information. ◆ Prioritize protecting customer privacy, maintaining the company’s strong industry reputation, and fostering trust-based partnerships with customers.
Action plan	<ul style="list-style-type: none"> ◆ The company has a “Employee Code of Conduct” in Chinese, English, and Thai that requires employees to strictly adhere to the obligation of protecting customers’ confidential information. ◆ For the feed factory’s formula, we have a customized and confidential formula for each customer, which we carefully guard to protect the customer’s formula data. ◆ For the meat processing plant, we have signed a confidentiality agreement with the customer and take all measures to prevent the customer’s confidential information from being disclosed to any third party.
Evaluation mechanism and annual performance	<ul style="list-style-type: none"> ◆ In 2023, there were no verified complaints of CPE violating customer privacy or losing customer data. ◆ By the end of 2023, 100% of current employees will have signed the personal data usage consent form.
Complaint mechanism	Customer complaints handled in real-time through the company website, 0800 customer service hotline, written complaints, Facebook fan page, and Line group, with dedicated personnel.



Performance Highlights

- ✓ The satisfaction survey results for the meat processing plant exceeded 92%; the overall satisfaction for the Taichung feed factory was 86%; and all satisfaction survey results for the Kaohsiung feed factory surpassed 95%
- ✓ In 2023, the online sales volume of conditioning food products reached a high of nearly 617.49 tonnes
- ✓ In 2023, there were no verified complaints of CPE violating customer privacy or losing customer data



The C.P. Group has set its sights on becoming a “Kitchen of the World”. In addition to maintaining the launch of high-quality products, the company also strives to provide excellent services tailored to market trends and customer needs, thereby establishing strong customer partnerships. Customer feedback is the crucial foundation for CPE’s ongoing improvement. We have a robust customer service management mechanism, collaborating closely with customers to attentively listen to consumer suggestions and perspectives. By incorporating external feedback and internal review, we employ rigorous quality control processes to deliver safe, healthy, hygienic, and convenient products to the public.

To cater to customer needs, CPE has established effective communication channels. At the end of each year, the Sales Department drafts a service plan for the following year, which includes setting annual business goals and analyzing customer and market demands. After approved by the sales supervisor, it is submitted to factory managers for approval and then distributed to respective units for implementation of relevant service management. Service management is divided into three main components: pre-sales, in-sales, and after-sales services.

✓ Nantou Meat Processing Plant

Stage	Pre-sales service	In-sales service	After-sales service	Other custom service
Service content	Sales gather customer requirements, discuss the product feasibility with the R&D contact person, and communicate the business conditions such as payment terms, product information, delivery time, and business holiday schedules as part of the preparatory work	Placed a large order after sampling the product	Regularly conduct customer satisfaction surveys to gather feedback, which will serve as a basis of corrective and preventive measures, the review and improvement, as well as the development of the next year’s service plan	Establish a service plan based on the specific needs of each customer
Activity planning	<ul style="list-style-type: none"> ◆ Product launch announcement ◆ Key customer presentation ◆ Factory visits and sampling activity ◆ Attend a food trade show 	<ul style="list-style-type: none"> ◆ New product marketing showcase ◆ Guidance for demonstrating channel products ◆ Three major festival sampling activity ◆ Promotional campaign 	<ul style="list-style-type: none"> ◆ Consumer service helpline ◆ Market research visit ◆ Assist channel merchants in listing and displaying products 	<ul style="list-style-type: none"> ◆ Customer Service Center ◆ Customized product ◆ Flexible and Mobile Delivery

✓ Feed factories located in Kaohsiung, Yunlin, and Taichung

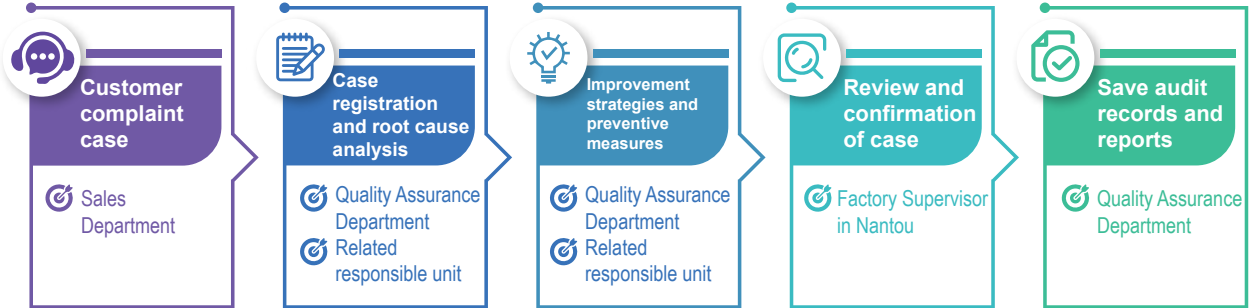
Feed promotion, including information on common disease prevention, feeding guidelines, and formula techniques.

The Nutrition Formula Department organizes seminars, provides education training for sales personnel, develops custom formulas, collects field data, and offers technical services.

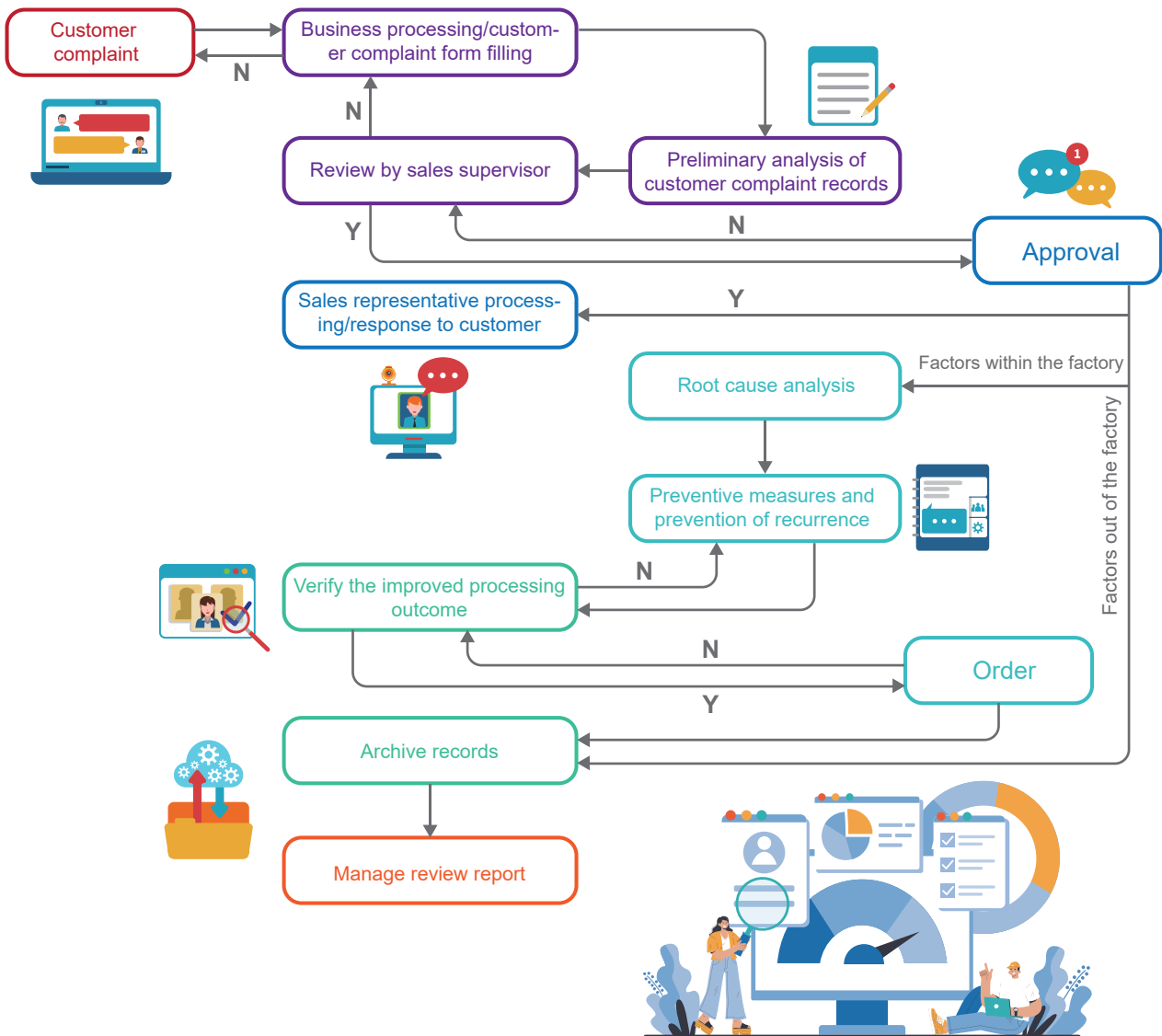
The Veterinary Service Department provides updates on disease prevention, hosts workshops, and offers on-farm disease prevention and clinical services.

5.1 Customer Satisfaction

In order to enhance the quality of customer service, meet customer needs, and improve the company's image, we have established a "Customer Complaint Handling Procedure" to address customer complaints and concerns:



When a customer complaint arises, we proactively communicate and coordinate with the customer, provide a prompt response, and thoroughly review the matter to prevent similar incidents from happening again. The relevant complaint process is outlined below:



✓ Technical and innovative communication

CPE actively engages with customers through various channels to share our quality management expertise, technology, and address any customer queries on animal feeding. We regularly invite customers to tour our advanced manufacturing facilities and production lines, continuously striving to improve ourselves and create a mutually beneficial partnership with our customers.

- ✎ Regularly, usually quarterly, meet with customers to discuss their needs, as well as recent plans to introduce new equipment, technology, or technical exchanges with the parent company in Thailand, and explore opportunities to integrate these into actual products;
- ✎ The customer visits the factory periodically to discuss the manufacturing process and identify any areas that may require improvement or adjustment;
- ✎ Discuss in advance the recent announcements or expected regulations and the actual response measures taken by the factory;
- ✎ Discuss the development of the product with the customer, and perform market research on the target product in the stores;
- ✎ Regularly sample the products on the shelves to verify their stability, then optimize and upgrade the products for launch;
- ✎ Develop new products in accordance with the “Design Control Procedure” to better align the product design with customer requirements.

We highly value our customers’ feedback, and to facilitate better and more effective communication, CPE offers a range of customer engagement channels:



To provide customers with more convenient and efficient services, we have been promoting innovative business models that integrate technology, such as the food processing plant starting online sales through channels like Line, Facebook, official website, and fan page since 2016. The total sales volume reached nearly 617.49 tonnes in 2023. The feed factory has adopted a new approach where customers place orders through Skype. In 2023, this Skype-based ordering method has become the dominant practice at the Kaohsiung and Taichung factories, accounting for 79% and 86% of their total annual orders, respectively.

✓ Satisfaction survey

One of the crucial foundations for the company’s sustainable operations is to listen to customer feedback, improve product quality, and establish long-term, mutually beneficial partnerships with customers. “Improving customer satisfaction” has always been the guiding principle for the entire sales team. By continuously improving various customer satisfaction indicators, the company can increase overall sales volume, maintain stable operations, and invest in developing high-quality and diverse products and services to meet consumer demand, thereby achieving the goal of operating a Kitchen of the World.

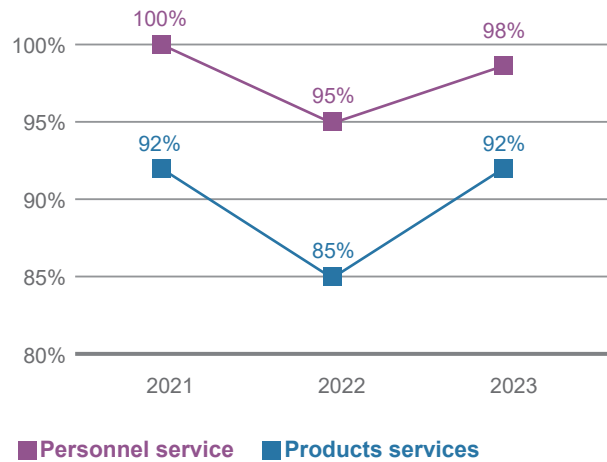
Meat processing plant

The CPE meat processing plant conducted a satisfaction survey focused on two key areas: product service and personnel service. The survey offered five response options: 1-2 points (poor), 3 points (good), 4 points (excellent), and 5 points (best). The Nantou food processing plant has 16 business areas, with 7 traditional sales channels. The number of sampled customers in each sales area is determined by the proportion of customers in that area to the total number of customers across all areas. For the other channels, the sales representatives in each area randomly selected from the customers they served that year to conduct the survey. The actual number of questionnaires collected in 2023 was 68.

Survey item

Major	Detail	
Products services	Product quality	Packaging
	Delivery date	Popularity
	Freight volume	Promotional coordination
	Price	Convenience
	Standards	Flavor and taste
Personnel service	Service attitude	Professional expertise
	Personnel image	Customer complaint resolution
	Service process	Collaborate with market development
	Professionalism	Market information source

Results of a satisfaction survey with meat processing plant



Note: The satisfaction percentage is calculated by adding the percentages of “Best” and “Excellent” responses from the questionnaire.

The CPE meat processing plant conducted an annual survey on personnel service and product service satisfaction indicators. The survey results were analyzed, with a focus on the items that scored relatively low. Based on this analysis, training courses for the next year were planned, with the aim of further improving overall and balanced customer satisfaction. The analysis results for 2023 are as follows:

- In the area of products services: The customer is dissatisfied with the price, delivery quantity, and delivery date, which are all identified as areas for improvement. The plan is to address these issues by focusing on new product development, as well as improving delivery quantity forecasting and on-time delivery performance.
- In the area of personnel services: The company needs to improve the education and training of its staff, as well as strengthen their customer complaint handling skills. Additionally, it is necessary to enhance the capabilities of the sales personnel.

To address the previous issues, CPE has implemented the following customer satisfaction improvement measures:

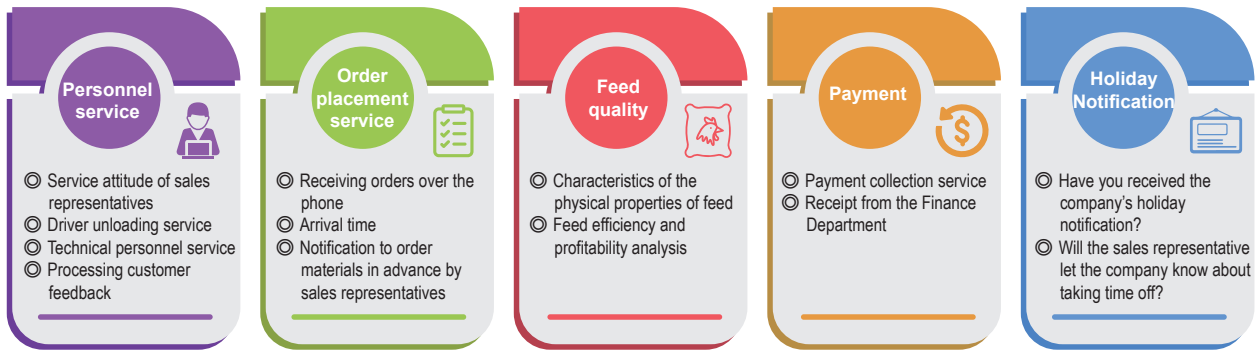
- Continuously require to make a weekly sales demand forecast every Tuesday to help the production center plan the production schedule better and improve the customer’s issues with delivery quantity shortages and delayed deliveries.
- The company requires each sales region to discuss the previous month’s market information and dynamics during the monthly departmental meetings. This is done to stay up-to-date with market trends and conditions. This enables the company to provide customers with more timely and accurate information for reference, as well as develop new products that meet market expectations.
- Increase the frequency of customer visits to enable timely and comprehensive resolution of customer complaints or customer requirements.
- Each business area should consult customers on their preferences for new product flavors, and based on this, propose the development of new products that allow customers to participate, thereby increasing their affinity towards the company.

✓ Feed factory

CPE's feed factories in Kaohsiung and Taichung regularly conduct customer satisfaction surveys note, with 5 options ranging from "very satisfied", "satisfied", "neutral", "dissatisfied" to "very dissatisfied". In addition, the Kaohsiung and Taichung factories have also set targets for customer complaint cases, aiming to keep the monthly number below 2 for self-improvement in order to provide better service to customers.

Note: The 2023 Yunlin feed factory's products were manufactured and sold through the Kaohsiung and Taichung feed factories, so no independent customer satisfaction survey was conducted.

✓ Feed factory survey item



The Kaohsiung feed factory has 5 departments and 17 business areas. Each quarter, 5 customers are randomly selected from each business area, and the sales representatives provide the customers with forms to fill out. A total of 330 forms have been collected over the course of the year. Analyzing the five major satisfaction surveys in 2023, including personnel service, order placement service, feed quality, payment, and holiday notification, all achieved an outstanding level of more than 95%. We aim to keep enhancing our service quality in order to deliver even better service to our customers.

✓ Survey results on customer satisfaction with the Kaohsiung feed factory

Survey Option	2021	2022	2023
Personnel service	99%	94%	97%
Holiday Notification	99%	92%	96%
Order placement service	99%	93%	96%
Payment	99%	92%	95%
Feed quality	97%	91%	97%

Note: The satisfaction percentage is calculated by adding the percentages of "satisfied" and "very satisfied" responses from the questionnaire.

| Sharing of customer cooperation relationships |

A customer of the Taichung feed factory raised breeding poultry. Due to the construction of a new farm, the company collaborated with them on chicks and breeding poultry, increasing their livestock and feed usage, resulting in a mutually beneficial arrangement.

The Taichung feed factory randomly selects 10 customers each month and has the sales representative visit them to have the customers fill out forms. This process is repeated all year, resulting in a total of 120 completed forms, all of which have been collected. The overall satisfaction rate for various items at the Taichung feed factory in 2023 was 86%, combining the "satisfied" and "very satisfied" categories. Our goal is to continuously enhance our services and provide customers with an even more satisfactory experience.

✓ Survey results on customer satisfaction with the Taichung feed factory

Survey Option	2021	2022	2023
Overall satisfaction	82%	79%	86%

| Sharing of customer cooperation relationships |

In response to the COVID-19 pandemic, if poultry farms require veterinary services, a new remote diagnostic method has been developed. For example, when a customer's chicks experience unusual deaths, the customer or a sales person can perform a necropsy on the dead chicks. Through video conferencing, the veterinary personnel can remotely diagnose the symptoms and provide the customer with a treatment plan or medication and preventive measures, in order to deliver customer service.

5.2 Customer Privacy

✔ Confidentiality Obligation

According to the CPE's "Employee Code of Conduct", which is defined in Chinese, English, and Thai, employees are required to respect each other's personal privacy, and not to spread rumors or make defamatory statements. Employees must exercise caution in managing any matters or confidential information they become aware of through their work duties, and are prohibited from disclosing such information to others or using it for purposes other than their work, even after leaving the company. The confidential information includes the company's personnel and customer data and personal information, inventions, business secrets, technical data, product designs, manufacturing professional expertise, financial and accounting information, intellectual property rights, and any other non-public information that could be exploited by competitors or cause harm to the company or its customers if disclosed.

✔ Feed formulation management

CPE has strict control over the customization of feed formulas, maintaining a technical formulation unit and a dedicated plant management team for this purpose. If a customer not associated with a particular formula requests that feed be prepared according to their formula, the customer service staff will immediately reject their order and promptly notify the customers who own that formula, assuring them that the company has not disclosed the confidential formula information and make them feel at ease.

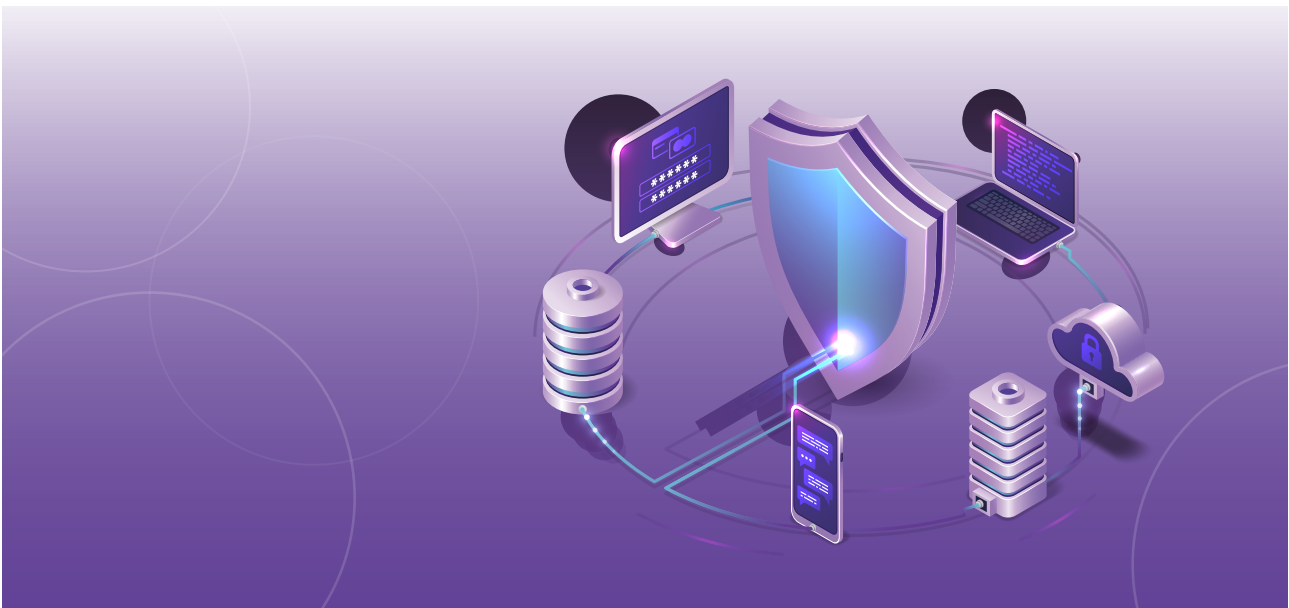
✔ Confidentiality Agreement for Meat Processing

CPE places utmost importance on the confidentiality of its customers' information. To safeguard the interests of both parties and comply with the customer's requirements, a confidentiality agreement has been signed, which explicitly outlines the following terms:

- ✎ Strictly maintain the confidentiality of the customer's contract information and take all necessary measures to ensure that the confidential information is not disclosed to any third party in any way.
- ✎ The norms apply to the company's managers, directors, employees, agents, partners, representatives, as well as appointed lawyers, accountants, and financial advisors.

✔ Privacy protection for individuals

CPE also places great importance on personal data protection and obtains written consent from individuals before collecting, processing, and using their personal data. Furthermore, given that some Thai employees within CPE are unable to read Chinese, a bilingual Chinese-Thai version of the personal information consent form has been specially provided for Thai staff to sign. The company's personal data use consent form clearly outlines the purpose of collecting, processing, and using personal data, the categories of data collected, the period and area of use, and the method of collection. It also states that the individual has the right to request the data use unit to inquire, read, copy, supplement, and correct the content of personal data, as well as to stop the collection, processing, use, and deletion of personal data. By the end of 2023, 100% of current employees will have signed the personal data usage consent form.



Chapter 6



Happiness CPE “Employee Care”

- 6.1 Human Rights and Caregiving
- 6.2 Development and Evaluation
- 6.3 Safety and Health
- 6.4 Care and Support





Performance Highlights in 2023

- ✔ Employing persons with disabilities at a rate exceeding the legal requirement by 1.3 times
- ✔ In 2023, 4 employees were selected as model workers in Nantou County
- ✔ The company invested NT\$ 4,068,830 in community public welfare initiatives in 2023



Employees are CPE’s most valuable partners. We are dedicated to building a workplace environment that feels like a family, where every employee can have a strong sense of belonging and achieve personal growth at CPE. We provide our employees with comprehensive care and development opportunities, as well as a safe and healthy work environment. We actively participate in social care and assistance together with our employees, allowing the company and employees to support each other and grow together. We establish our human resource management, development and growth mechanism from the following four perspectives, and review and adjust it regularly:



6.1 Human Rights and Caregiving

✔ Employment policy

Upholding the principles of respect for diversity and employee rights, CPE actively promotes workforce diversity and equal opportunity. Through a comprehensive employee code of conduct, the company ensures that it does not discriminate or treat employees differently based on factors such as gender, race, religion, political affiliation, sexual orientation, job level, nationality, or age. CPE is committed to maintaining a healthy and safe work environment in collaboration with its employees, and prohibits any sexual harassment or other violent, threatening, and intimidating behaviors, in order to provide employees with equal opportunities for employment and career development.

Our company’s employment policy prohibits the hiring of individuals under the age of 16. For domestic employees, we verify their identity documents. Foreign workers must obtain certification from the local government before being hired. The security personnel we employ have also signed contracts that clearly define their legal scope of work, and there have been no incidents of human rights violations. No human rights violations occurred in 2023.

As of December 31, 2023, CPE had a total of 2,383 employees in Taiwan ^{note}, with a male-to-female ratio of 1.19:1. Full-time employees accounted for 60% of the total workforce, and all employees were employed on a full-time basis, with no part-time employees. The statistics are categorized by gender, region, employment contract, and employee type as follows:

Note: The work nature of outsourced manpower is non-production related, such as security guarding, maintenance and repair of electrical and mechanical equipment, and general maintenance tasks. Since outsourcing contracts typically focus on the work items rather than the manpower, it is more difficult to track the number of personnel involved, so they are not included.

✓ By gender and type of employment contract

	Male	Female	Total	Proportion
Full-time	891	529	1,420	60%
Temporary	404	559	963	40%
Total	1,295	1,088	2,383	100%

✓ By region and type of employment contract

	Taipei	Taichung	Nantou	Kaohsiung	Total
Full-time	62	141	977	240	1,420
Temporary	0	37	799	127	963
Total	62	178	1,776	367	2,383

Note: The 2023 personnel and labor safety reporting for the Yunlin plant is currently being handled by the Taichung plant, so the data is temporarily combined and disclosed together with the Taichung plant.

✓ By employee type

Employee type ^{note}	< 30 years old		30 - 50 years old		> 50 years old		Total	Proportion
	Male	Female	Male	Female	Male	Female		
Executive manager	0	0	7	4	33	4	48	2%
Middle manager	3	1	103	26	55	23	211	9%
Junior manager	25	29	106	54	8	15	237	10%
Entry level staff	233	163	595	614	127	155	1,887	79%
Total staff count	261	193	811	698	223	197	2,383	100%

Note: Executive managers include the general manager, deputy general managers, and assistant managers. Middle managers include managers, section chiefs, and directors. Junior managers include team leaders, group leaders, and management associates. Entry level staff include sales, planning, accounting, and other logistic administrative personnel

CPE employs a diverse workforce, including people of various nationalities and indigenous employees. We also protect the equal employment opportunities of disadvantaged groups. In hiring people with physical and mental disabilities, we not only comply with the relevant laws and regulations of the "People with Disabilities Rights Protection Act", but also exceed the legal quota by 1.3 times. We aim to create a diverse, inclusive and respectful workplace culture, and consider this an important factor in maintaining the company's competitiveness:

 The proportion of local residents employed in senior management levels

Occupation	Nationality	Number of local residents	Proportion
Executive manager	Taiwan	34	71%
	Thailand	12	25%
	Others	2	4%
Middle manager	Taiwan	195	92%
	Thailand	16	8%

Occupation	Nationality	Number of local residents	Proportion
Junior manager	Taiwan	156	66%
	Thailand	81	34%
Entry level staff	Taiwan	1,021	54%
	Thailand	866	46%

Executive manager: According to the previous ESG report, both first-level and second-level managers are included.

 Diversity in the workplace

Employee type	Male	Female	Total	Proportion of total staff count
Indigenous people	4	10	14	1%
Persons with disabilities	21	10	31	1%
Non-native	406	569	975	41%
General staff	864	499	1,363	57%
Total	1,295	1,088	2,383	100%

In 2023, we hired 771 new employees, representing a 32.35% increase in our workforce. During the same period, 588 employees resigned, accounting for a 24.67% turnover rate. The analysis of the main reasons for employee turnover indicates that local employees had difficulty adapting to the work environment, and recruitment challenges contributed to a slightly higher turnover rate. Besides, we employ a number of foreign workers, and in accordance with Article 52 of the Employment Services Act, the employment of foreigners to perform the work specified in Subparagraphs 1 to 7 and 11, Paragraph 1 of Article 46 of the same Act is permitted for a maximum of three years. As a result, our foreign employees often have fixed-term contracts with our company according to the laws, leading to frequent turnover of new and departing staff.

 Total number and proportion of new employees

Gender	Total number and proportion of employees	Age	Taipei	Taichung	Nantou	Kao-hsiung	Total
Male	2,383	< 30 years old	2	5	137	17	161
		30 ~ 50 years old	1	11	190	30	232
		> 50 years old	0	1	10	4	15
Female		< 30 years old	5	0	101	4	110
		30 ~ 50 years old	2	0	220	11	233
		> 50 years old	1	0	17	2	20
Total	32.35%		11	17	675	68	771

Note: The 2023 personnel and labor safety reporting for the Yunlin plant is currently being handled by the Taichung plant, so the data is temporarily combined and disclosed together with the Taichung plant.

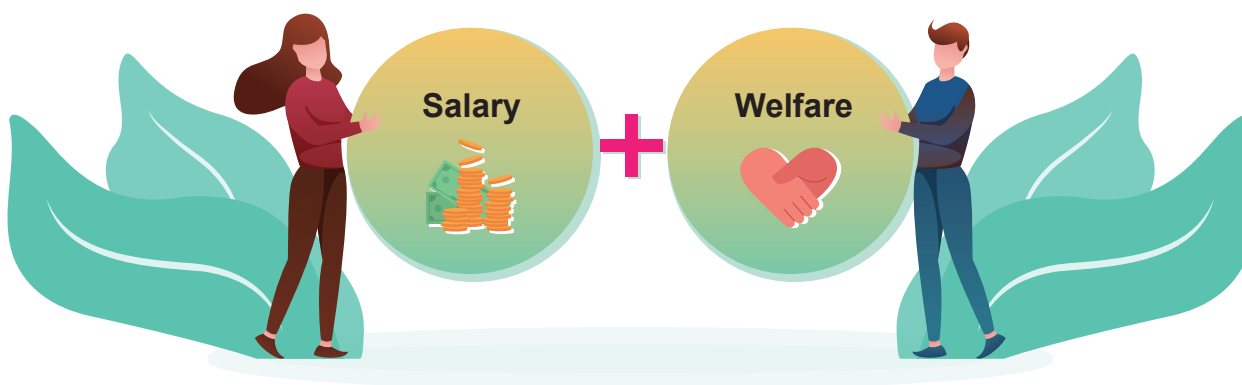
✔ Total number and proportion of departing staff

Gender	Total number and proportion of employees	Age	Taipei	Taichung	Nantou	Kaohsiung	Total
Male	2,383	< 30 years old	1	3	72	16	92
		30 ~ 50 years old	0	14	130	21	165
		> 50 years old	1	3	23	8	35
Female		< 30 years old	0	0	42	2	44
		30 ~ 50 years old	3	2	184	6	195
		> 50 years old	2	1	51	3	57
Total	24.67%		7	23	502	56	588

Note: The 2023 personnel and labor safety reporting for the Yunlin plant is currently being handled by the Taichung plant, so the data is temporarily combined and disclosed together with the Taichung plant.

✔ Compensation and benefits

CPE provides its employees with comprehensive compensation and benefits, covering both salary and welfare aspects



✔ Salary

Our salary package includes a base salary and a field work allowance. Adjustments are made based on the company's performance reviews, and we also give the quarterly performance bonuses as well as a year-end bonus. We offer our entry level staff salaries that exceed the statutory minimum wage, enabling them to work with peace of mind. As of the end of December 2023, the basic monthly salary for CPE's employees across different regions ranges from 1 to 1.42 times the prevailing minimum wage in Taiwan, with the average employee salary being NT\$ 777 thousand^{note}; and average employee benefits amounting to NT\$ 900 thousand per person^{note}. At the same time, we adhere to the principle of equal pay for equal work in accordance with International Labor Organization Convention No. 100. Salaries are determined based on the nature of the work, performance, position, and years of service, without any differentiation in compensation due to gender.

Note: The average salary and employee benefits, excluding directors' compensation.

In order to empathize with the hard work of our employees, we will share the company's operating results with them. The average annual welfare benefit per employee will increase by 1% compared to the previous year, and the salary growth rate will also be 1%. Additionally, as per Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the number of non-managerial full-time employees is 2,085, with an average salary of NT\$ 712 thousand and a median salary of NT\$ 563 thousand.

Unit: Thousands of New Taiwan Dollars

Annual	Number of full-time employees who are not in management positions	Total payroll of full-time employees who are not in management positions	Average number of full-time employees who are not in management positions	Median salary of full-time employees who are not in management positions
2021	2,558	1,482,166	579	497
2022	2,251	1,497,311	655	508
2023	2,085	1,485,060	712	563
Difference compared to the previous year	-166	-12,251	57	55

Note: "Non-managerial full-time employees" is defined as an employee who does not qualify as a manager under the definition provided in letter No. 920001301 from the Securities and Futures Commission (3)*, Ministry of Finance, and who works the standard hours set by the company.

-Ratio of basic salary to local minimum wage

Region	Taipei		Taichung		Nantou		Kaohsiung	
	Male	Female	Male	Female	Male	Female	Male	Female
Entry level staff	142%	113%	102%	105%	100%	100%	109%	102%
(Statutory) Minimum wage for entry level staff	26,400							

Note: The 2023 personnel and labor safety reporting for the Yunlin plant is currently being handled by the Taichung plant, so the data is temporarily combined and disclosed together with the Taichung plant.

-Ratio of base salary and compensation for gender

Region	Taichung		Nantou		Kaohsiung	
	Male	Female	Male	Female	Male	Female
Executive manager	111%	100%	106%	100%	113%	100%
Middle manager	111%	100%	103%	100%	102%	100%
Junior manager	113%	100%	102%	100%	97%	100%
Entry level staff	98%	100%	101%	100%	106%	100%

Note 1: The Taipei headquarters did not conduct further analysis on the compensation ratio due to the significant difference in the number of male and female employees. The Kaohsiung plant does not have any female executive managers.

Note 2: The 2023 personnel and labor safety reporting for the Yunlin plant is currently being handled by the Taichung plant, so the data is temporarily combined and disclosed together with the Taichung plant.

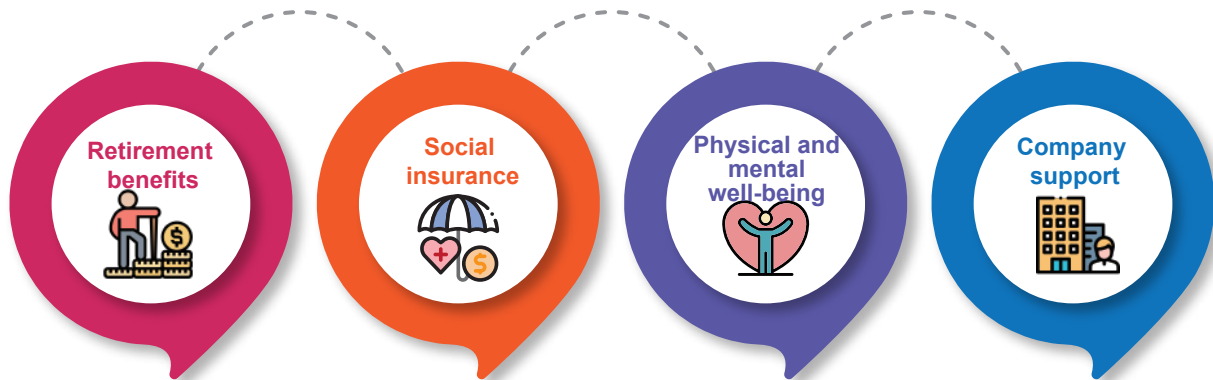
-Employee benefits expenses

	Amount of 2022	Amount of 2023
Payroll expenses	1,716,048	1,847,315
Benefits expenses	230,470	242,289
Pension contribution expenses	49,690	50,007
Total	1,996,208	2,139,611

	Amount of 2022	Amount of 2023
Year-end employee headcount	2,221	2,378
Average benefits expenses per person	899	900
Benefits expenses growth rate	1%	1%
Salary adjustment percentage	1%	1%

✓ Welfare

For welfare, CPE provides comprehensive and diverse care for our employees through four key areas: retirement benefits, social insurance, company support, and physical and mental well-being. This allows our employees to focus on developing their careers with us in long-term with peace of mind and confidence.



✓ Retirement benefits

With regard to retirement benefits, CPE has established retirement policies in accordance with the “Labor Standards Act” and the “Labor Pension Act”, and provides the required pension contributions and payouts. Based on the “Labor Standards Act” and the “Labor Pension Act”, we have set aside the following retirement preparation funds and pensions:

-Retirement preparation fund set aside in accordance with the “Labor Standards Act”

Pursuant to the provisions of the “Labor Standards Act”, CPE has established a defined benefit retirement scheme that applies to the service years of all regular employees prior to the implementation of the “Labor Pension Act” on July 1, 2005, as well as the subsequent service years of employees who opted to continue under the Labor Standards Act after the implementation of the “Labor Pension Act”. Qualified employees are entitled to pension benefits calculated based on their years of service and the average salary earned in the six months prior to retirement. The company contributes 8% of the total monthly salaries of employees to an employee retirement fund, which is then managed by the Labor Pension Supervisory Committee and deposited into a dedicated account at the Bank of Taiwan in the name of Committee.

-Pension contributed in accordance with the “Labor Pension Act”

Since July 1, 2005, CPE has operated a defined contribution retirement scheme in accordance with the “Labor Pension Act”. 6% of the employee’s monthly salary is contributed to their individual account at the Bureau of Labor Insurance for pension. Pursuant to the aforementioned regulations, CPE recorded an expense of NT\$ 50,007 thousand in 2023.

✓ Social insurance

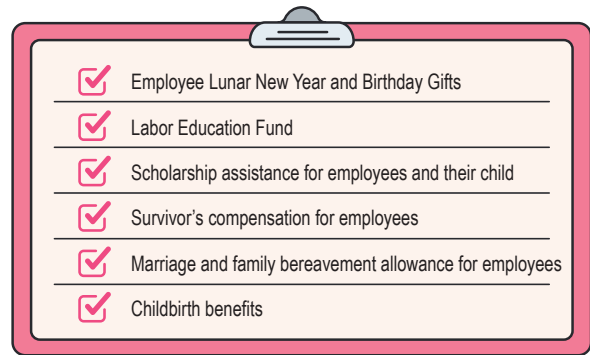
CPE insures its employees under the Labor Insurance Act that has been in effect since January 1, 2009. The insurance covers employees’ maternity, illness, disability, retirement, and death, with the premiums based on the industry and salary grade of each employee.

Apart from the Labor Insurance Act, we also comply with the National Health Insurance Act amended on June 29, 2011, by contributing 60% of the insurance premiums based on the salary grade of each employee, which covers their medical expenses, injuries, and maternity incidents. In addition to the legally required social insurance, we have also taken out a group accident insurance policy with an insurance company to provide our employees with peace of mind in the event of an accident.

✓ Company support

We consider our employees as partners and family members. As such, we provide appropriate support or assistance during the important life stages of our employees, allowing them to feel the company’s care and concern for them. The support and assistance we provide is as follows:

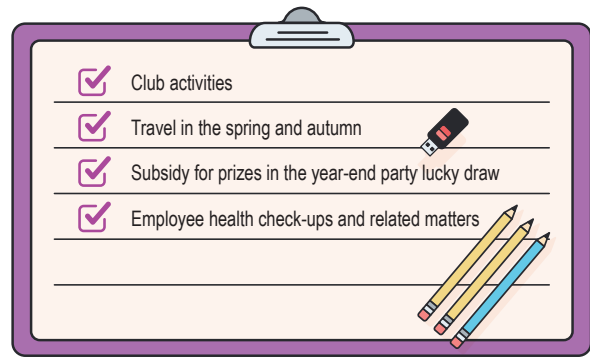
Supplementary item	Number of applicants	Amount (New Taiwan Dollar)
Scholarship (first semester)	86	163,500
Scholarship (second semester)	85	166,000
Fellowship (first semester)	275	429,800
Fellowship (second semester)	271	422,800
Total	717	1,182,100



Physical and mental well-being

We believe that our employees deserve a balanced life beyond their work. Therefore, in addition to providing financial assistance, we have designed and invested in a variety of welfare programs that cater to the physical and mental well-being of our staff. Our goal is to create a caring and supportive environment where our colleagues at CPE can feel the warmth and concern of the CPE family through these diverse activities and initiatives.

Supplementary item	Number of applicants	Amount (New Taiwan Dollar)
Recreation Allowance	1,831	907,750
Company trip (spring)	2,098	2,073,000
Company trip (autumn)	2,321	2,407,000
Total	6,250	5,387,750



Furthermore, as our foreign employees make up a significant portion of CPE's workforce, we must pay extra attention to caring for these colleagues who have come from far away. We empathize with the hardship they face working away from home, and strive to create a safe and comfortable work environment that makes our foreign employees feel at ease and content. We have a two-pronged approach to caring for our foreign employees - addressing both their workplace and daily life:

Workplace

We display our warnings and slogans in both Mandarin and Thai at our sites. We also have a complaint and communication mailbox for our foreign employees, allowing them to communicate directly with their supervisors. Regarding the social welfare system for foreign employees, we treat them on an equal footing with local employees by enrolling them in labor and health insurance as required by law. This ensures that our foreign colleagues at CPE can also benefit from Taiwan's social welfare protections. Additionally, we clearly stipulate the statutory working hours and overtime pay conditions in the employment contracts of our foreign employees.

Daily life

The employment contract we have stipulated states that CPE is obligated to provide foreign employees with reasonable quality meals and accommodation, and cover the transportation costs for them to come to Taiwan and return to their home countries upon the expiration of their contracts. In addition, to accommodate the cultural differences of our foreign employees, we also organize local festival activities, such as New Year celebrations and Songkran festivals for Thai migrant workers. This allows the participating Thai employees to alleviate their homesickness by engaging in soccer and volleyball matches, enjoying Thai cuisine, and fostering a joyful atmosphere that promotes opportunities for Thai employees to gather and celebrate together.



2023 New Year's event for migrant workers

In accordance with the Labor Standards Act, we enable eligible male and female employees to apply for parental leave. In 2023, a total of 13 employees utilized this parental leave benefit. Eight employees who took parental leave have returned to work this year, with a return-to-work rate of 89%, indicating CPE's commitment to supporting employees in balancing their work and family responsibilities. The following table summarizes the employees' applications for parental leave in 2023:

✓ Statistics on unpaid parental leave and returning to work after leave

Item	Number of male	Number of female	Total
Employees who are entitled to apply for unpaid parental leave in 2023	21	15	36
Employees who applied for unpaid parental leave in 2023	4	9	13
Estimated returning to work after unpaid parental leave in 2023	2	7	9
Actual returning to work after unpaid parental leave in 2023	1	7	8
Actual returning to work after unpaid parental leave in 2022	2	5	7
Employed for 12 months after returning to work following parental leave in 2022	1	4	5
Return-to-work rate ^{Note 1}	50%	100%	89%
Retention rate ^{Note 2}	50%	80%	71%

Note 1: Return-to-work rate = the actual number of employees who returned from unpaid parental leave / the expected number of employees who would return from unpaid parental leave.

Note 2: Retention rate = the number of employees who returned to work after parental leave and remained employed for 12 months in the previous period / the actual number of employees who returned to work after unpaid parental leave in the previous period.

✓ Labor-Management Communication

CPE highly values the opinions and rights of its employees, considering them to be a critical factor in the CPE's progress. In accordance with the Labor Standards Act, Article 83, we have established labor-management councils at our production sites in Nantou, Taichung, and Kaohsiung. The labor representatives make up 50% of the total council members, and the councils convene quarterly as the formal platform for engaging with our employees. During the meeting, CPE will provide the labor representatives with a detailed report on the current operational status of the company and its various factories, and will listen to the opinions and feedback from the labor side. The suggestions and proposals made by the employees will also be thoroughly discussed and responded to.

	Taichung	Nantou	Kaohsiung
Total number of council members	10	12	10
Number of labor representatives	5	6	5
Total employee headcount	178	1,776	367
Proportion of labor representatives in the total council membership	0.5	0.5	50%
Proportion of labor representatives in the total workforce	2.8%	0.3%	1.4%

Note: Currently, the personnel and labor safety reporting for the Yunlin plant is managed and compiled by the Taichung plant, so the Yunlin plant information is no longer separated.

In addition to labor-management councils, we have set up opinion mailboxes in each of our factories as a direct channel for employees to voice their concerns. These mailboxes can only be accessed by senior HR managers, who will maintain the confidentiality of the complainant's identity. The HR managers will then discuss the issue with the relevant managers and work to resolve it, providing the solution back to the employee who filed the complaint.

In 2023, the HR unit did not receive any employee complaints, and the opinion mailboxes in each of our factories did not receive any employee feedback. Additionally, there were no labor disputes, strikes, or shutdown. We will continue to work hard to understand and listen to the needs of our employees. We will strengthen the communication channels in each of our factories and prominently display and inform employees about the opinion mailboxes. In addition to the confidential complaint mailbox, we also encourage the heads of each department to maintain open communication channels with their employees. Employees can directly communicate their issues with the responsible heads, who should actively respond to their concerns.

CPE also complies with relevant labor laws and regulations. For cases that do not meet the requirements, we actively carry out improvements, with the following explanations and improvement measures:

Unit: New Taiwan Dollar



Breach of regulations	Date of punishment	Overview of the content	Improvement Plan	Fine amount
Paragraph 2, Article 32 of the Labor Standards Act	2023/08/14	Working hours exceeded legal limits	Improve and enhance the promotion in accordance with the Labor Standards Act	80,000
Paragraph 2, Article 32 of the Labor Standards Act	2023/03/24	Working hours exceeded legal limits	Improve and enhance the promotion in accordance with the Labor Standards Act	70,000
Paragraph 1, Article 36 of the Labor Standards Act	2023/02/14	Workers are not given a day off within 7 days	Improve and enhance the promotion in accordance with the Labor Standards Act	50,000
Paragraph 1, Article 12-1 of the Occupational Safety and Health Management Regulations and Paragraph 1, Article 23 of the Occupational Safety and Health Act	2023/07/27	Workers on the production floor are at risk of slipping and falling due to a slippery floor, as the company has failed to properly identify, assess, and control the hazards in the work environment or in the operation as required by regulations.	When cleaning, meat crumbs and water are produced. All colleagues are informed about this and they are required to be extra cautious, take firm steps, slow down their pace, thoroughly wipe and clean the floor to avoid any hazards.	60,000
Paragraph 1, Article 57 of the Occupational Safety and Health Facilities Regulations and Paragraph 1, Article 6 of the Occupational Safety and Health Act	2023/06/12	Regarding the cleaning of residue in the extruder barrel, there was a risk of workers getting caught and pulled in, but the extruder was not stopped during the operation.	The company has conducted education training on preventing entrapment in March and May 8th, and will continue to strongly promote this to ensure employees clearly understand the work procedures and prevent accidents from occurring.	120,000
Paragraph 1, Article 57 of the Occupational Safety and Health Facilities Regulations and Paragraph 1, Article 6 of the Occupational Safety and Health Act	2023/03/01	Regarding the operation of removing leek segments that clogged the vegetable cutting machine, there was a risk of workers being cut, but the machine was not stopped.	Enhance education training for safety operations	60,000
Paragraph 1, Article 57 of the Occupational Safety and Health Facilities Regulations and Subparagraph 1, Paragraph 1, Article 6 of the Occupational Safety and Health Act	2023/02/06	Regarding the operation of cleaning the material on the cutting machine's conveyor belt shaft, there was a risk of workers being harmed, but the conveyor belt was not stopped.	Install protective covers to prevent accidental touch and enhance safety awareness.	100,000



6.2 Development and Evaluation

✓ Development and training

CPE believes that employee growth can drive the company's growth, so they place great importance on employee advancement and development. In 2023, they have planned a series of training courses on management and professional skills, tailored for different roles and levels, to focus on developing the key capabilities required for each level. The courses will also be regularly reviewed and updated. To enhance the continuous employability of our employees and support them in managing their retirement careers through competency management and lifelong learning program, we organize a range of professional in-house and external training courses tailored to different plant locations. In 2023, CPE's employees received a total of 26,685 hours of education training courses, with an average of 11.20 hours of training per employee per year.

Training characteristics category	Subject	Course content overview
 <p>Managerial skills</p>	<p>◆ Executive manager (General manager, deputy general manager, assistant manager)</p>	<p>Global trends in the agricultural and food industry, C.P. Group's vision and business strategy, the optimization of electronic management benefits, the integration of enterprise resource planning (ERP), and C.P. Group's promotion of sustainable development strategies</p>
	<p>◆ Middle manager (Manager, section chief, and director)</p>	<p>C.P. Group's vision and business strategy, the integration of enterprise resource planning (ERP), and the introduction of an electronic form management system</p>
	<p>◆ Junior manager (Team leader, group leader, and management associate)</p>	<p>T.W.C. quality management, process improvement, cost control, and the management of electronic standard operating procedures</p>
	<p>◆ Sales and planning staff</p>	<p>C.P. Group's vision and business strategy, electronic business management (visit planning, customer development, accounts receivable, sales analysis and related real-time information), credit management, and sales management</p>
	<p>◆ Other staff (Financial, HR, Procurement, Credit Investigation, IT, Production, Quality Control, and other logistic administrative personnel)</p>	<p>Introduction of an electronic form management system and optimization of administrative operating procedures</p>
 <p>Professional skills</p>	<p>◆ Executive manager (General manager, deputy general manager, assistant manager)</p>	<p>Analysis of agricultural, livestock, food and industry trends in Taiwan, analysis of market competition strategies of peer companies, business data analysis, financial statement analysis and management decision-making, food safety control system (HACCP) management, food hygiene and safety education training</p>
	<p>◆ Middle manager (Manager, section chief, and director)</p>	<p>Training and application of professional competencies for middle managers, food safety control system (HACCP) management, regulations on food protection and sanitary safety, and in-service education and training for occupational safety and health supervisors</p>
	<p>◆ Junior manager (Team leader, group leader, and management associate)</p>	<p>Training and application of professional competencies for junior managers, quality assurance and crisis management, food safety control system (HACCP) management, regulations on food protection and sanitary safety, broiler chicken and free-range chicken breeding management</p>
	<p>◆ Sales and planning staff</p>	<p>Overall marketing strategy development, retail and distribution costs evaluation, business regulations, marketing management and professional sales functions, marketing communications, market research and analysis, regulations on food protection and sanitary safety, and chain restaurant operations and management</p>
	<p>◆ Other staff (Financial, HR, Procurement, Credit Investigation, IT, Production, Quality Control, and other logistic administrative personnel)</p>	<p>Organizational communication and interpersonal skills, time management skill, work goal management, file classification and management, human resources management, meeting planning and management, regulations on food protection and sanitary safety, Microsoft Office application and analysis</p>

✔ Average education training hours for local staff in Taiwan

Gender	Male			Female		
Employee type	Total training hours (hour)	Total number of people (people)	Average training hours per person (hour/person)	Total training hours (hour)	Total number of people (people)	Average training hours per person (hour/person)
Total	12,420	5,720	2.2	14,265	9,806	1.5

Note: The total number of people is counted based on the number of education training sessions attended. For example, if employee A attends two education training sessions, the total count will be 2

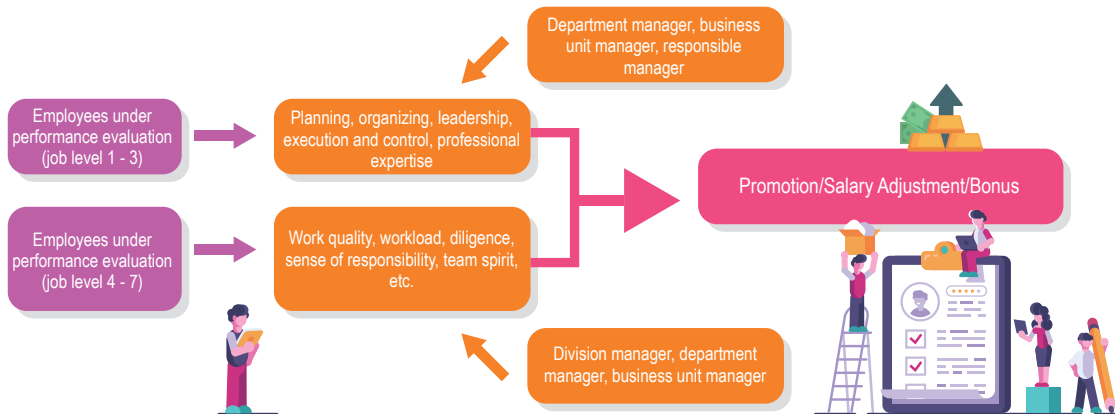
Factory	Course	Total number of individuals trained	Total hours of training
Nantou Plant	In-house training	15,131	23,101
	External training	184	1,111
Taichung Plant	In-house training	68	600
	External training	47	1,270
Kaohsiung Plant	In-house training	37	155
	External training	47	419
Other (Taipei)	In-house training	11	26
	External training	1	3
Total		15,526	26,685

Note: The 2023 personnel and labor safety reporting for the Yunlin plant is currently being handled by the Taichung plant, so the data is temporarily combined and disclosed together with the Taichung plant.

✔ Performance Evaluation System

To better understand employee performance, we have established a comprehensive and fair performance evaluation system. We have set different evaluation priorities for different job levels and have also implemented a review process. For employees with unsatisfactory performance, supervisors must provide clear evidence and communicate with the employee to ensure fairness, and then discuss potential adjustments to help the employee improve and enhance overall work efficiency. Performance evaluation is a key factor in determining employee salary increases, promotions, and bonus payouts. The company applies the same performance evaluation process to all employees, regardless of factors like gender, age, or job role. There will be no other applicable standard or procedure.

✔ CPE Employee Performance Evaluation Process



Gender	Number of people being evaluated		Total
Employee type	Male	Female	
Executive manager	30	7	37
Middle manager	160	50	210
Junior manager	137	98	235
Entry level staff	905	904	1,809
Total	1,232	1,059	2,291
Total number of staff	1,295	1,088	2,383
Ratio of personnel undergoing assessment to total employees <small>note</small>	95%	97%	96%

Note 1: Employees who have not undergone regular performance evaluation and career development reviews are considered fixed-term contract workers and do not participate in the performance evaluation process.

Note 2: The annual performance evaluation is conducted in November each year. Therefore, new employees joining from November to December will only undergo a probationary period assessment, and will be included in the next year's performance evaluation.

✔ Model Worker

In our carefully cultivated work environment, the outstanding performance of our employees is evident. Beyond internal evaluations, in 2023, several of our employees were recognized as model workers by Nantou County, with 4 receiving the Nantou County Government's commendation as model workers, and 2 foreign migrant workers from Thailand being honored as model foreign migrant workers. These employees are not just exemplary workers, but also a tangible representation of the strong collaborative partnership we have built with our staff.

4 model workers recognized by Nantou County Government	2 model foreign migrant workers recognized by Nantou County Government
	

6.3 Safety and Health

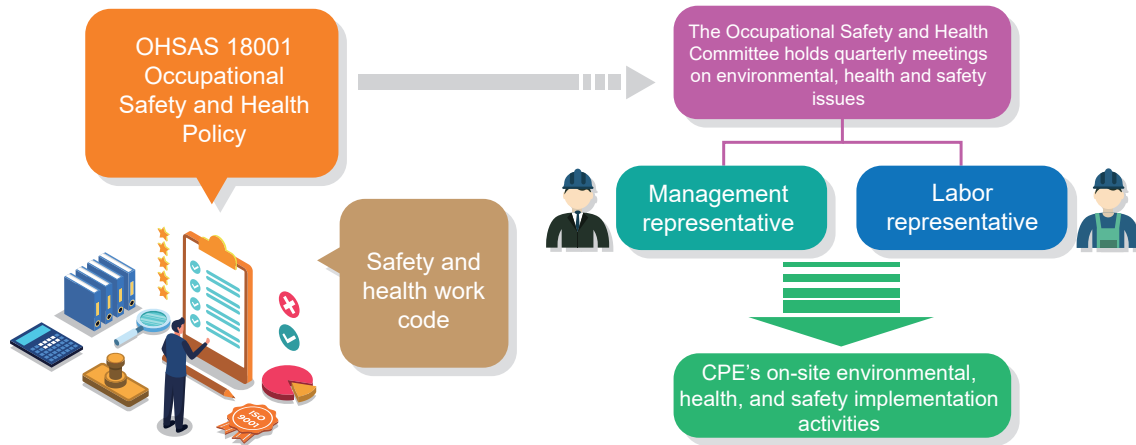
Occupational Safety and Health Committee

CPE, as a leading domestic feed and meat product manufacturer, firmly believes that establishing a safe and hygienic work environment is its most important responsibility and commitment to its employees. Our factory has formulated an occupational safety and health policy in accordance with OHSAS18001 and established a safety and health work code for all employees. In 2021, we introduced the CNS45001 system, passed the on-site audit in 2022, and obtained the certification in March 2023. The occupational safety and health committee, consisting of representatives from both labor and management, is responsible for holding quarterly environmental and safety meetings at each factory. These meetings serve as a mechanism to implement and oversee the company’s environmental and safety policies.

Occupational Safety and Health Committee

	Taichung	Nantou	Kaohsiung
Total number of council members	10	12	10
Number of labor representatives	5	6	5
Total employee headcount	178	1,776	367
Proportion of labor representatives in the total council membership	0.5	0.5	50%
Proportion of labor representatives in the total workforce	2.8%	0.3%	1.4%

Note: The 2023 personnel and labor safety reporting for the Yunlin plant is currently being handled by the Taichung plant, so the data is temporarily combined and disclosed together with the Taichung plant.



We highly value occupational safety and recognize the profound impact of work-related injuries on our employees. We are proactively implementing enhancements to our occupational safety system to protect the safety and well-being of our workforce:

- Enhancement of the functions of the environmental, health and safety meeting:
 - At the quarterly environmental, health and safety meetings, we actively discuss the labor safety incidents that occurred during the quarter, and propose concrete follow-up actions and improvement measures.
 - ★ Employee care:
 - When a work-related accident occurs, we provide the affected employee with paid leave and allow them to rest and recover comfortably based on the recommendations of a professional doctor. During the recovery period, we will also check in on them irregularly by phone and in person.
 - ★ On-site improvement:
 - When an work-related accident occurs, the unit manager is required to fill out an accident investigation report. The necessary hardware improvements can be commissioned to the engineering department to make the relevant upgrades to the production line.

2. Monitoring and improving working environment:

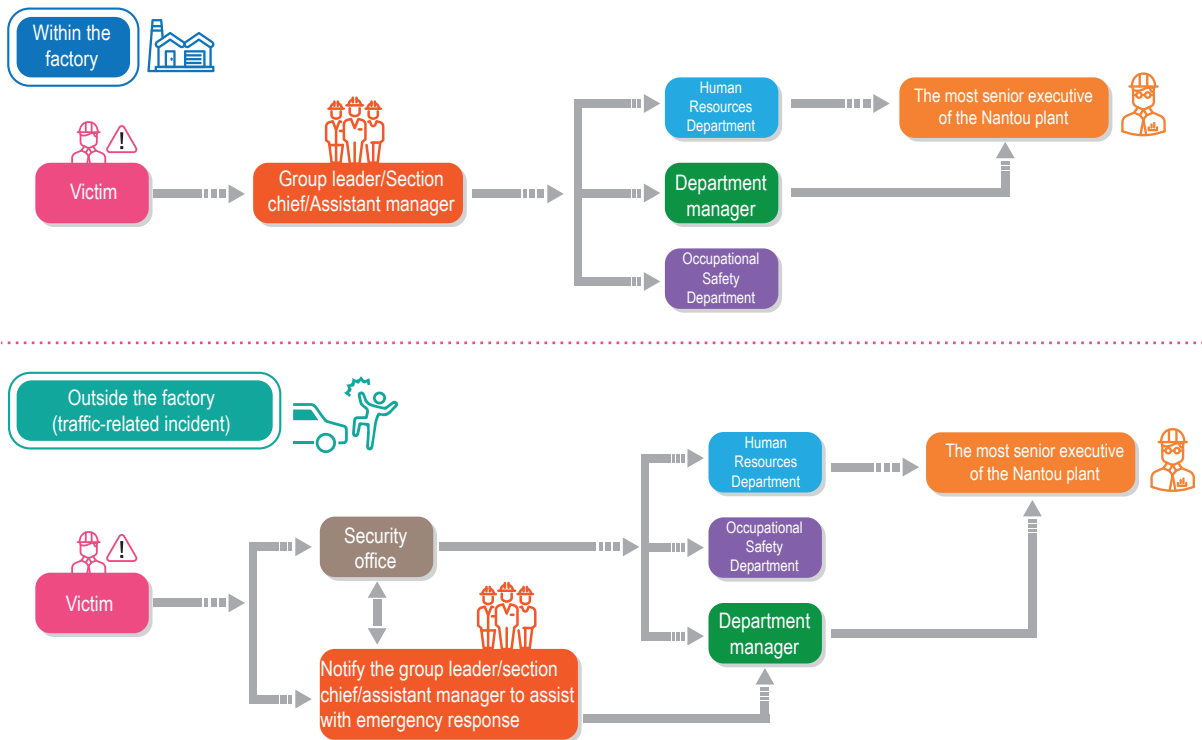
Improving the quality of the working environment and creating a happy and safe workplace are CPE's commitment to its employees. We conduct annual occupational injury hazard identification and risk assessments, and outsource to an independent testing organization accredited by the Ministry of Labor's Occupational Safety and Health Administration to monitor the working environment. Based on the results of the environmental monitoring, we use it as a reference to improve the working environment and quality, and continue to make safety enhancements to the working environment.

3. Occupational safety education training:

Maintaining good employee qualities and providing sufficient safety knowledge are crucial in reducing the risk of occupational injuries. To this end, we have organized a variety of occupational safety-related education training and awareness programs, targeting both managers and general employees. The education training covers topics such as hazard communication, forklift operation, boiler operation, first-class pressure vessel operation, handling of specific chemicals, and fire safety. We also support our employees in obtaining professional certifications, including first-aid, energy management, and forklift operator licenses. In 2023, our occupational safety education training has reached a total of 3,974 participants, with a cumulative education training time of 4,537.6 hours.

Furthermore, we have established a comprehensive reporting and handling process for investigating occupational accidents. If an employee experiences any incident (including a near-miss), they must immediately inform the relevant unit about the details and the injury status, and complete the report within 24 hours. The investigation report must clearly explain the accident situation, the cause of the accident, the medical treatment status, attach relevant supporting documents and related corrective actions, and must be submitted within seven days after the incident.

Disaster and Accident Reporting Procedure



Regarding the management of employee health and safety, we provide relevant safety equipment, continuously communicate with and improve the equipment with the original manufacturers, and strengthen the promotion of commuting accident prevention. Additionally, we have regulations that require company employees to follow traffic rules and drive slowly when commuting to and from work, in order to avoid accidents.

The main types of occupational injuries	Feed factory	Meat processing plant
Pinched, rolled up	0	4
Cut	0	2
Collided	0	1
Slip/Fall down	0	8
Contact with high and low temperatures	0	1
Trampling	0	0

The main types of occupational injuries	Feed factory	Meat processing plant
Collapse, crumble	0	1
Inappropriate behavior	0	0
Traffic-related incident	0	4
Others ^{note}	3	2
Total	3	23

Note: It is caused by taking an infirm step and spraining, as well as coming into contact with harmful materials.

2023	Feed factory	Meat processing plant
Total accumulated work hours	578,007	3,295,245
Number of general occupational injury incidents ^{Note 1}	1	23
Number of serious occupational injury incidents ^{Note 2}	0	0
Death toll	1	0
Total number of occupational injuries incidents that can be recorded	2	23
Number of lost workdays	0	709
Fatality rate due to occupational injuries	2.79	0
Rate of severe occupational injuries	0	0
Rate of occupational injuries that can be recorded ^{Note 3} (disability injury frequency)	5.57	17.49
Rate of number of lost workdays ^{Note 4} (Rate of severe disability due to injury)	0	493.89

Note 1: Individuals with 180 days or less of lost work time.

Note 2: Individuals with more than 180 days of lost work time, excluding those who have died.

Note 3: Rate of occupational injuries that can be recorded = Total number of occupational injuries incidents that can be recorded * 1,000,000 / Total accumulated work hours * 100%.

Note 4: Number of lost workdays * 1,000,000 / Total accumulated work hours * 100%.

Note 5: The work nature of outsourced manpower is non-production related, such as security guarding, maintenance and repair of electrical and mechanical equipment, and general maintenance tasks. Since outsourcing contracts typically focus on the work items rather than the manpower, it is more difficult to track the number of personnel involved, so the occupational safety performance related information is not disclosed.

Absence rate	2021	2022	2023
Male	0.63%	1.10%	0.07%
Female	1.16%	1.89%	0.16%
Total	0.90%	1.54%	0.11%

Note: 1. Absence rate (AR) = Total number of absence days / Total number of workdays x 100%.

2. The total number of absence days covers menstrual leave, sick leave, and work-related injuries.

We provide our employees with routine annual health check-ups. Additionally, workers in specialized working environments undergo targeted health check-ups as per schedule. The check-up items cover factors like noise and dust exposure. In 2023, a total of 18 workers in specialized working environments underwent these targeted health check-ups. The results showed that none of the 18 employees were classified under the highest (4th) level of health management, indicating that they did not have any abnormalities deemed work-related by the examining physicians. This demonstrates CPE's commitment to prioritizing the physical and mental well-being of its employees and its proactive efforts to improve workplace health. We provide our employees with a range of protective equipment, including safety helmets, masks, and earplugs, ensuring they can work in a safe and healthy environment.

Absence rate	Taichung, Nantou, and Kaohsiung Plants		
	Male	Female	Total
Number of workers	1,269	1,052	2,321
Number of workers engaged in hazardous occupations that pose significant health risks	47	11	58
Number of people who underwent specialized health check-ups	47	11	58

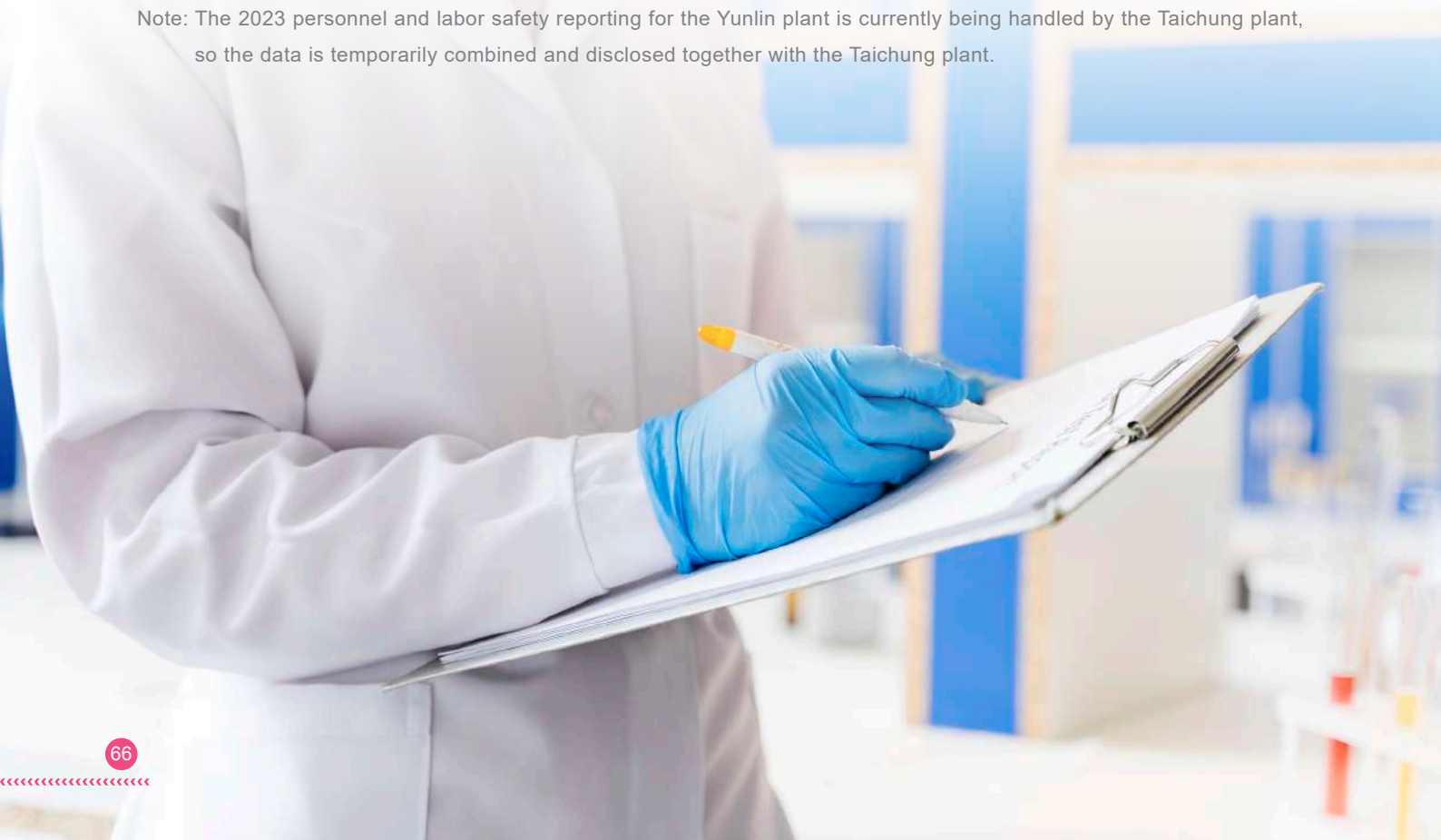
X-ray examination of workers engaged in dusty operation

The health check-up result is subject to the first-level management	35	2	37
The health check-up result is subject to the second-level management	3	0	3
The health check-up result is subject to the third-level management	0	0	0
The health check-up result is subject to the forth-level management	0	0	0

Worker check-ups in noisy operation

The health check-up result is subject to the first-level management	12	9	21
The health check-up result is subject to the second-level management	4	0	4
The health check-up result is subject to the third-level management	1	0	1
The health check-up result is subject to the forth-level management	0	0	0

Note: The 2023 personnel and labor safety reporting for the Yunlin plant is currently being handled by the Taichung plant, so the data is temporarily combined and disclosed together with the Taichung plant.



6.4 Care and Support

CPE upholds the philosophy of “Taken from the community, giving back to society”, and values positive engagement with local communities. The company’s employees participate in social welfare initiatives across three perspectives: supporting underprivileged groups, sponsoring charitable organizations and events, as well as sponsoring sports, arts, cultural, and community activities. Through financial and food donations, as well as sharing professional expertise, the company fosters a sense of social responsibility among its employees and puts the concept of giving back to society into practice during interaction with community members. This also helps to promote the community’s understanding of CPE.

Unit: New Taiwan Dollar

Perspective	2021	2022	2023
Supporting underprivileged groups (including food donations)	116,545	441,194	1,894,330
Sponsoring charitable organizations and events (including food donations)	1,306,333	868,600	699,500
Sponsoring sports, arts, cultural, and community activities	1,699,849	1,322,468	1,475,000
Total	3,122,727	2,632,262	4,068,830

🌱 Egg giveaway for blood donation campaign

In June 2023, during a domestic shortage of eggs, CPE, in collaboration with the Agricultural Bank of Taiwan, held a blood donation event at the 228 Peace Park in Taipei to fulfill its corporate social responsibility and mark June 14, World Blood Donor Day. During the blood donation event, blood donors will receive a box of eggs sponsored by CPE, encouraging the company’s employees and the general public to participate in the blood donation initiative.

According to the activity rules, donors who give one bag (250 cc) of blood will receive a box of 10 eggs as a gift; donors who give two bags (500 cc) of blood will receive two boxes of eggs. This event emphasizes the idea of “Donate one bag blood, save one life”. It not only helps patients in need of blood transfusions, but also promotes the blood circulation of the donors, improves their own health, and contributes to the public good of society.



Source of the image: China Daily News

🌱 Supporting underprivileged groups

CPE responds to activities that care for underprivileged groups every year, and provides food donations, hoping to give back to society and care for more groups in need through such activities. In 2023, we sponsored various charitable activities and units, including the year-end warmth campaign organized by Taichung Taiwan Fund for Children and Families, Alliance of Taiwan Foodbanks, Pingtung Christian Bethany Home, the Red Cross Society of the Republic of China (Taiwan), the Catholic Taichung Diocese’s Mutual Love Materials Bank, the Charity Union Association of the Chiayi County, Taichung Blessing Education Care Association, the Red Cross Society of Taichung City, the Changhua Chang

Huei Charity Association, the Taichung Dadu Ho feng Charity and Senior Citizen Care Association, the Taichung See Love Care Association, the Kaohsiung Social Welfare Association, as well as donating the community dining programs for the elderly.

✔ Sponsoring charitable organizations and events

Guided by the principle of “Giving back to the community and fostering neighborly relations,” we provide financial support for local fire protection facilities and related consultations, allowing the community to feel more secure and at ease about their environment and safety. In 2023, we sponsored donations to the Taichung City Volunteer Firefighter Brigade, Friends of the Police Association, local temples, community relations activities at temples, the graduation ceremony of Yizhu Guo Lu Elementary School, and volunteer firefighter brigade donations.

✔ Sponsoring sports, arts, cultural, and community activities

We continuously engage in local community activities and foster positive interactions with the neighborhood, including sponsoring the Taichung Port Judo Hall, the 2023 Nantou Lantern Festival, various community development association events, the Longshan Village Mutual Help Team activities, community environmental maintenance, the Double Ninth Festival celebrations, and other mutual assistance initiatives.

✔ Sponsor underprivileged students

In 2023, CPE awarded scholarships to financially disadvantaged but academically motivated students in the Yongfeng and Xinxing villages of Nantou City to encourage their academic progress.

✔ School/club visit

CPE provides a variety of internship and visit channels, integrating government and private resources through school and club visits. This helps establish a strong alliance system for the production, manufacturing, and distribution of quality agricultural products. It also promotes and publicizes the company’s products, production processes, and quality control measures, contributing to the community professionally. The company also encourages students to gain a deeper understanding of industry operations.

In 2023, we have continued to partner with educational institutions, including the Department of Health Industry Technology Management at Chung Shan Medical University, the Department of Animal Science and Biotechnology at Tunghai University, the Department of Food and Beverage Management at Nan Kai University of Technology, and the Department of Food Science and Biotechnology of National Chung Hsing University, to provide internship opportunities totaling 1,312 hours. The internships focused on planning, processing, quality control, and food safety operations related to meat plant, enabling students to gain more practical experience. This collaboration not only provides a platform for students to develop and learn, but also enhances the exchange between academia and industry.



Commendation of outstanding migrant workers



Songkran Festival for employee



Industry-university collaboration for Chinese Culture University



Scholarship for financially disadvantaged students in Yongfeng and Xinxing villages



Best Employer Award



Nantou Lantern Festival



Family Support Center



Chapter 7




Sustainability at CPE “Environmental Accountability”

- 7.1 Sustainable Environmental Management Strategy
- 7.2 Identification of Climate Change Risks and Opportunities
- 7.3 Sustainable Energy Resource Management
- 7.4 Emissions and Pollution Prevention
- 7.5 Compliance with environmental regulations





Major theme		Water Resources and Waste Management
Significance, policy, and pledges	With the ongoing expansion of industrialization, the issue of industrial waste pollution has become increasingly significant. In pursuit of sustainable development, CPE proactively manages the company's energy, wastewater, and waste through its "Environmental Safety Management Operation Control Guidelines" and environmental policies. This allows the company to implement energy conservation and waste reduction measures, thereby contributing to the nation and society.	
Objective	<ul style="list-style-type: none"> ◆ Continuously improving wastewater treatment and actively maintaining a stable water environment. ◆ Actively seek ways to recycle and reuse waste, using waste recycling and resource recovery as a strategy to achieve the goal of waste reduction management. ◆ Implement process improvements, install monitoring systems, replace outdated equipment, and perform regular maintenance and repairs to achieve energy savings and reduce waste discharge. ◆ The CPE's waste discharge and energy use comply with legal regulations through the implementation of the CPE Environmental Management Guidelines. 	
Action plan	<ul style="list-style-type: none"> ◆ The meat processing plant has installed a new wastewater filtration system to recycle the wastewater, which is then used in the air pollution washing tower and refrigeration equipment as cooling equipment. They have also implemented a wastewater monitoring system that allows them to actively adjust the machinery's operation, effectively managing the wastewater discharge and energy usage. ◆ The company hires an environmental protection company to handle waste disposal. Organic waste is entrusted to a professional company to be made into organic fertilizer. Plastic packaging materials are washed and recycled to reduce the use of plastics and packaging materials, in order to maintain the environment of the factory and the surrounding area. ◆ The introduction of new manufacturing equipment, such as advanced wastewater treatment systems and sludge drying machines, has reduced the moisture content of food processing sludge. This allows the sludge to be used as a biofuel for biogas power generation, effectively reducing waste and ensuring compliance with government-mandated emission standards. 	
Evaluation mechanism and annual performance	<ul style="list-style-type: none"> ◆ Monitor the discharge of wastewater and the energy usage of equipment on an ongoing basis. ◆ Manage the overall amount of waste and pollution emissions on an ongoing basis. ◆ According to CPE's current operations and development, invest in environmental protection and related expenses, and regularly replace and update old equipment. 	
Complaint mechanism	Customer complaints handled in real-time through the company website, 0800 customer service hotline, written complaints, Facebook fan page, and Line group, with dedicated personnel	



Performance Highlights in 2023

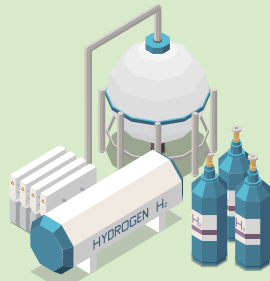
- ✔ The total environmental investment and expenditure in 2023 reached NT\$ 192,984,108.
- ✔ In 2023, the meat processing plant's total solar power consumption was 228,046 kWh, which represents 0.14% of CPE's overall energy usage.
- ✔ In 2023, the feed factories and meat processing plants implemented energy-saving measures that are estimated to save around 409,213 kWh of electricity, corresponding to a reduction of approximately 202.6 tonnes of carbon dioxide equivalent (CO₂e).





Representative Energy-Saving and Carbon Reduction Projects of 2023

- ✔ Nantou Meat Processing Plant - Project to optimize the energy efficiency of the waste (polluted) water treatment plant equipment (Investment of NT\$ 10,153,209)
- ✔ Saved 839,203 kWh of energy per year, which is equivalent to a reduction of 415 tonnes of CO₂e emissions, representing a 40.4% energy savings
- ✔ The energy consumption of a waste (polluted) water treatment plant is influenced by various factors, such as fluctuations in incoming water quantity and quality, as well as the operating conditions and stability of each treatment unit. To address this, a Supervisory Control and Data Acquisition (SCADA) system has been implemented, along with the installation of variable frequency drives, flow meters, and level sensors. Optimize the control of outgoing water quality and energy consumption by collecting data of SCADA, variable frequency drives, and energy (electricity) data, in order to achieve the best balance between water quality and energy efficiency.

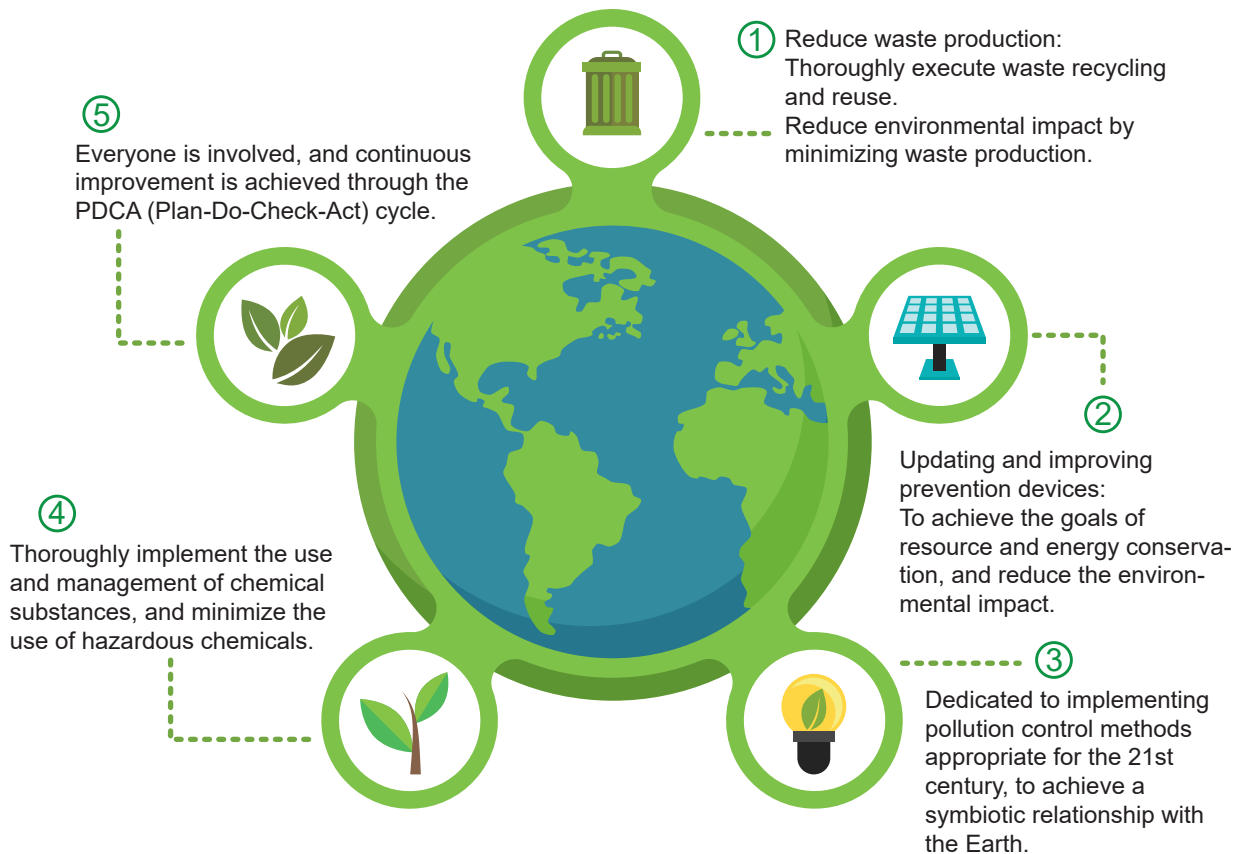


The livestock industry is a crucial component of Taiwan’s agricultural production. Since the 1990s, rising public awareness of sovereignty and environmental issues, combined with Taiwan’s limited land area and dense population, have led to increasing public scrutiny of the livestock industry’s impact, including concerns over livestock odor, wastewater, and waste.

In recent years, CPE Taiwan has adopted a vertically integrated business model that spans the industry’s up-stream, mid-stream, and down-stream - with a complete supply chain from livestock farming, slaughtering, and processing to food service operations. Establish an integrated production process spanning from feed manufacturing, livestock and poultry breeding, electric slaughtering, fresh refrigerated meat, to meat processing, and distribution channels, to reduce the environmental impact of the supply chain, production processes, and transportation. Furthermore, by collaborating with small and medium-sized farmers, we have not only assisted them in improving their breeding equipment and environment, but also successfully enhanced their breeding performance, resulting in a mutually beneficial outcome. In the future, we will uphold the C.P. Group’s management philosophy of “Benefiting the country, benefiting the people, and benefiting the enterprise.” We aim to spur the development of surrounding industries, revitalize the rural economy, and implement energy-saving and waste reduction measures to give back to the nation and society.

7.1 Sustainable Environmental Management Strategy

To ensure the company’s wastewater, waste, exhaust gases, noise, and chemicals comply with government environmental regulations, the company has considered environmental protection from the outset of building the plant. This is to reduce the environmental impact of its operations and effectively manage pollution emissions. In addition to establishing “Environmental Safety Management Operation Control Guidelines” and an “Environmental Policy” to control resources, wastewater (domestic and industrial), waste (general and hazardous), chemicals, and noise, CPE has also invested heavily in environmental protection equipment. A dedicated unit has been set up to operate, maintain, and improve the various pollution control systems for exhaust gases, wastewater, and waste. The CPE’s ultimate goal is to fully modernize and computerize the livestock industry to achieve environmental protection, waste reduction, resource conservation, and pollution prevention. CPE has implemented a sustainable environmental management strategy as follow:



✓ Environmental investment

To mitigate the environmental impact of its operations, CPE allocates an annual budget for environmental protection initiatives, including not only pollution prevention and control, but also process improvements and equipment upgrades, in order to put into practice the Group’s management philosophy of “Benefiting the country, benefiting the people, and benefiting the enterprise”.

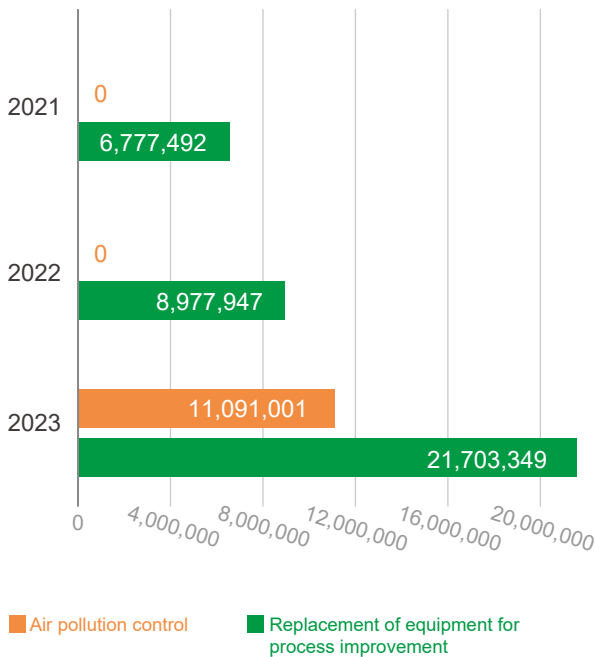
In 2023, the feed factory invested NT\$ 32,794,350 in environmental projects, including the update and replacement of process equipment, a 265% increase from the previous year. It is mainly because there is many equipment update and process improvement in Taichung plant in 2023, such as air pollution control equipment pelletizers and pulverizers for dust collecting equipment engineering, and replacement of pulverizers and other equipment for process improvement, in order to enhance production efficiency. Environmental protection expenditures consist of recurring costs and periodic inspection fees. In 2023, the total amount was NT\$ 5,236,571, including air pollution control fees, wastewater treatment fees, waste disposal fees, and noise testing.

In 2023, the meat processing plant invested NT\$ 20,021,551 in environmental protection projects. In 2023, CPE made investments in various equipment upgrades, as well as air pollution and wastewater monitoring systems. CPE increased its overall investment by 113%, including upgrading equipment such as an ozone system for air pollution control, and implementing a comprehensive Supervisory Control and Data Acquisition (SCADA) system. Optimize the control of outgoing water quality and energy consumption by collecting data of SCADA, variable frequency drives, and energy (electricity) data, in order to achieve the best balance between water quality and energy efficiency. Additionally, the meat processing plant's environmental protection expenses include air pollution fees, wastewater treatment fees, reagent costs, sludge transportation fees, animal carcass disposal fees, and medication expenses, which amounted to NT\$ 134,931,636 in 2023.

Feed factories and meat processing plants are actively investing in process improvements and pollution control equipment. By regularly inspecting, updating, and replacing equipment, they are enhancing their ability to treat wastewater and air pollution, implementing the principles of clean production, and creating a healthy and safe environmental system.

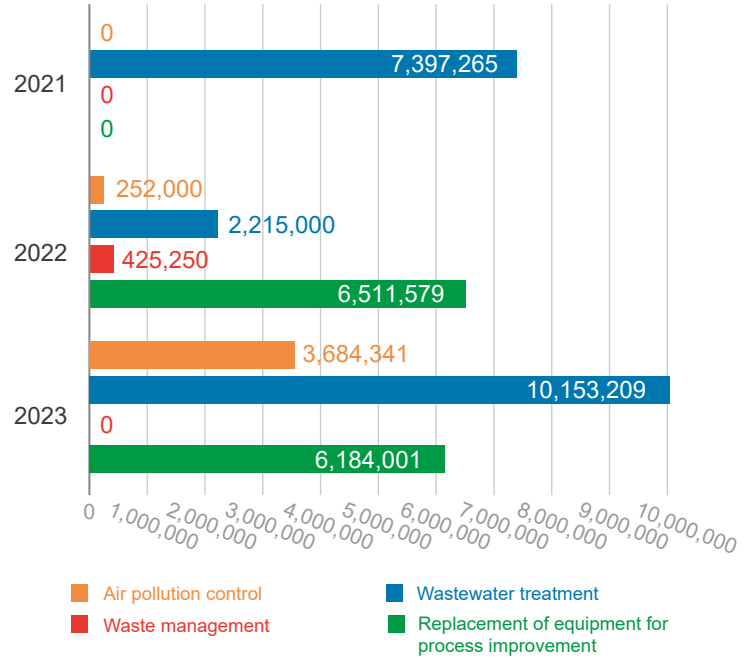
Feed factory

-Investment in environmental protection by the feed factory
Unit: New Taiwan Dollars

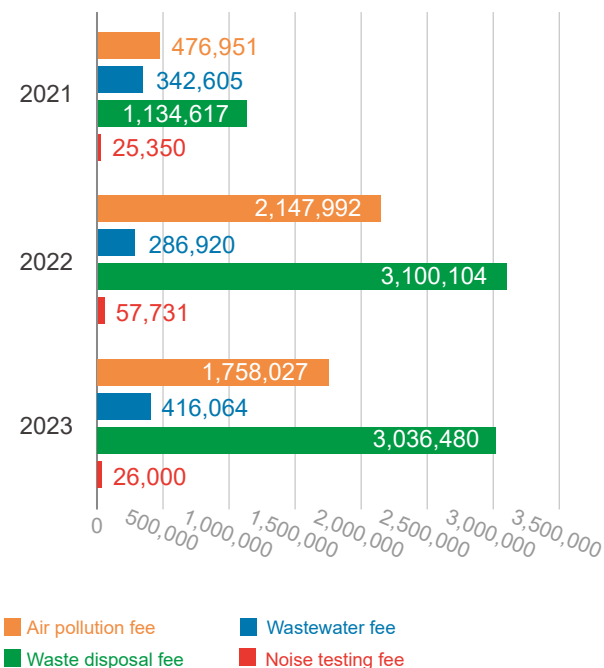


Meat processing plant

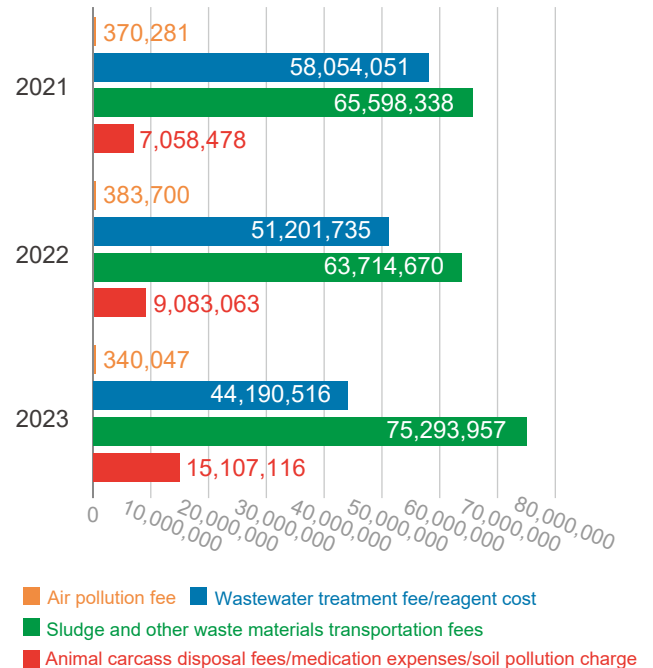
-Investment in environmental protection by the meat processing plant
Unit: New Taiwan Dollars



-Expenses for environmental protection by the feed factory
Unit: New Taiwan Dollars



-Expenses for environmental protection by the meat processing plant
Unit: New Taiwan Dollars



7.2 Identification of Climate Change Risks and Opportunities

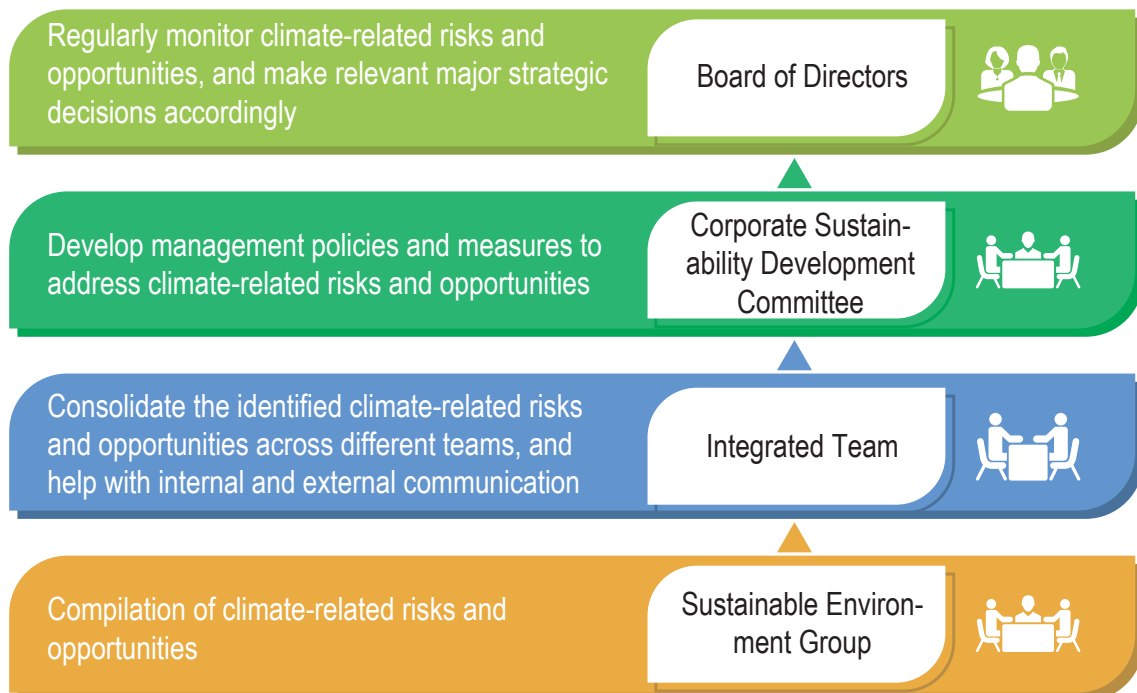
Climate change has been a widely discussed topic in recent years, with many research and investigation institutions conducting rigorous analyses of the climate change situation. According to the World Economic Forum's Global Risk Report 2022, "Extreme weather" and "Climate action failure" have been identified as high-risk factors for several consecutive years, and are considered long-term risks that are likely to pose a threat within the next 5 to 10 years. In recent years, the intensifying effects of climate change have led to a surge in natural disasters such as droughts and floods. To heed the warning issued by the Intergovernmental Panel on Climate Change (IPCC) in its 2018 report "Global Warming of 1.5°C", businesses must collectively strive to limit the temperature increase to 1.5°C by 2030, in order to avert a substantial rise in sea levels, disruptions to agricultural and food supplies, and ecological catastrophe. Therefore, CPE identifies, gathers, and analyzes climate change-related issues, and based on the characteristics of the industry it operates in, actively seeks viable response and adaptation measures to mitigate the impact and effects of climate change.

CPE discloses its climate-related financial risks and opportunities in accordance with the guidelines set forth by the Task Force on Climate-related Financial Disclosures (TCFD), which was officially released by the Financial Stability Board (FSB) in 2017. This involves four key frameworks: climate governance, identification and response strategies for climate-related risks and opportunities, risk management, and indicators and targets. The company also evaluates the potential impact on its operations and develops response strategies and management policies to mitigate future business risks.

✓ Climate governance

To integrate the company's sustainable development and climate-related financial risk and opportunity governance, CPE has established a "Corporate Sustainability Development Committee" led by the general manager, with the most senior executives of each business unit and the CFO as members. The Corporate Sustainability Development Committee oversees the implementation of climate risk governance and has set up a "Integration Team" to guide the various working groups. The working group focused on climate-related issues (the Sustainable Environment Group) evaluates potential climate-related risks and opportunities in its daily operations, and regularly discusses them with the Integration Team. The Integration Team helps consolidate the identified climate-related issues, and represents the identified major climate-related issues to the Corporate Sustainability Development Committee on a regular basis. The Corporate Sustainability Development Committee then develops management measures to address these climate-related issues. CPE will regularly report the climate-related issues it faces to the Board of Directors, enabling the Board to fully understand and track climate-related trends. The Board will then periodically review the implementation of solutions and the response to these issues.

✓ Governance framework for CPE's climate-related issues



Identifying and addressing climate-related risks and opportunities

Based on the characteristics of the industry it operates in, CPE analyzes the climate risks and opportunities commonly seen in domestic and international industries, regulatory policies, and industry trends, and follows the TCFD guidelines to categorize the risks into physical risks and transition risks, and the opportunities into product and service, and improving resource use efficiency. Through the integration team, CPE convened various working groups to gather information on climate-related issues, and then assessed the potential impacts and timelines for each issue. The impact timeline aligns with the assessment in Charoen Pokphand Group’s 2022 TCFD report, defining short-term as within the next 3 years, medium-term as 3 to 10 years, and long-term as beyond 10 years. The potential impact describes the effect that the risk or opportunity may have on the finances and operations. In 2023, CPE conducted an analysis that identified 3 risks and 2 opportunities, and then developed corresponding strategies to address each risk or opportunity, as outlined in the table below:

Description of climate-related risks and opportunities

Risk and opportunity types	Risk and opportunity identification	Duration of impact (short, medium, long term)	Potential impact on operations and finances	Corresponding strategy	
Risk	Physical risk	Extreme weather incidents	Short-term	Acute weather events such as typhoons and floods can cause power outages at the factory, disrupting the production process and reducing the output of feed raw materials. This results in financial losses and decreased revenue. Alternatively, these events can impact employee commute safety, leading to reduced productivity, increased labor management and maintenance costs, and ultimately lower profits.	<ol style="list-style-type: none"> 1. Develop emergency response plans for various climate-related disasters and enhance the organization’s capacity to respond effectively. 2. By leveraging the group’s global insurance policy, we have strengthened asset insurance coverage (including inventory, biological assets, fixed assets, and commercial movables), and also obtained adequate public liability and business interruption insurance.
		Rising average temperatures	Long-term	The rise in global average temperatures has led to increased electricity consumption from the greater use of air conditioning and refrigeration equipment, driving up operating costs. Additionally, the high temperatures have caused a decline in chicken and pork production, resulting in unstable product supply, higher management costs, and decreased revenue.	Replace energy-intensive equipment with high-efficiency air conditioning units to lower operating costs, while also reducing energy usage and minimizing negative impact to the environmental .
	Transformation risk	Renewable Energy Legislation and Policies	Short-term	The CPE Nantou plant is required to install renewable energy generation equipment due to the provisions of “Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity”. Failure to install the equipment within the specified deadline will result in a fine, leading to additional costs for the company.	Actively support government policies by installing solar panels and gradually increasing the company’s use of renewable energy.
Chance	Products and services	Shift in consumer preferences	Medium term	As consumers become more concerned about climate change issues and corporate sustainability efforts, they are increasingly willing to use products and services that highlight low-carbon initiatives. For example: Selecting locally sourced meat products could potentially increase your income.	Continuously monitor market changes in order to secure a stronger competitive position.
	Enhance the efficiency of resource utilization	Installation of energy-efficient equipment and renewable energy generation equipment	Long-term	In response to the government’s initiatives on renewable energy-related regulations and policies, the company has updated its factory’s energy-efficient equipment, installed more renewable energy generation equipment, reduced energy usage costs, and participated in government project programs to save on the costs of equipment upgrades.	Actively engage with and respond to government policies and subsidy initiatives.

✓ Risk Management

CPE has formed a working group to gather information on climate-related issues. An integration team then helps assess and analyze the major climate risks and opportunities. The findings are regularly reported to the Corporate Sustainability Development Committee, which develops appropriate corresponding strategies. The Committee also closely monitors the financial impacts of climate risks and opportunities on the company's operations, and regularly tracks the progress of action plans to ensure that all relevant risks and opportunities are integrated into the enterprise risk management process.

✓ Process of Identifying and Managing Climate-related Risks and Opportunities



✓ Climate indicators and objectives

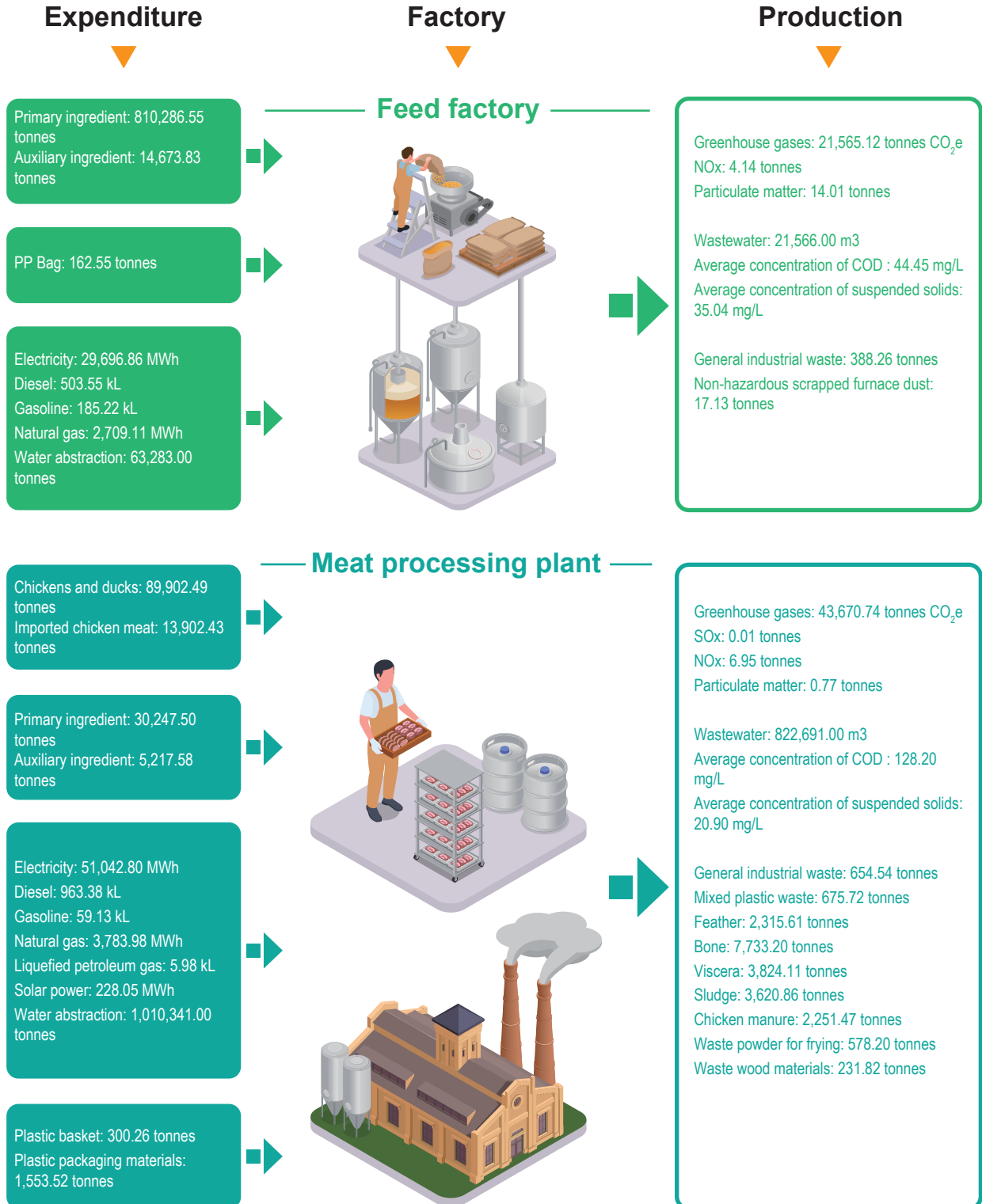
Mitigating the impacts of climate change has gradually become a global trend, and this has influenced the direction of Taiwan's regulations and policies. To mitigate the impact of climate-related risks on its operations and comply with relevant regulations and policies, CPE has established four climate-related objectives: (1) Based on the schedule for greenhouse gas inventory and assurance of the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies", CPE has begun planning to complete a greenhouse gas inventory within the scope of its individual financial reporting and set the reduction goal by 2026 (excluding its reinvestment businesses), in order to reduce the impact of CPE's operations on the climate. (2) Align with the government's energy-saving policies by setting short-term energy reduction targets each year; (3) In accordance with the "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment", plan to install at least 500 kW of solar power capacity within the next five years; (4) Carefully and prudently manage raw material procurement and inventory control to ensure a long-term stable supply of daily necessities for the general public. In the future, CPE will also follow international trends and regulatory requirements to set relevant carbon reduction targets for each of its operating locations, in order to reduce the environmental impact of its own operations.



7.3 Sustainable Energy Resource Management

In addition to the three state-of-the-art automated feed factories (in Taichung, Kaohsiung, and Yunlin), the company also operates an automated fresh poultry slaughterhouse, a meat processing plant, and a conditioning food plant. The core business activities encompass the breeding and raising of breeder poultry and swine, the production and sale of mixed animal feeds for poultry, swine, and duck, as well as the sale of fresh refrigerated chicken, pork, and meat processed products.

✔ The resources and emissions used in the overall operations of the organization in 2023



✓ Sustainable resources

✓ Raw material management

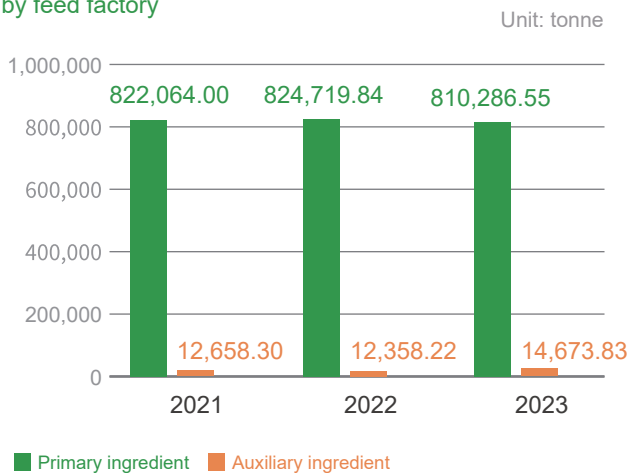
CPE has an automated production process for its meat products. Through its automated feed factory, fresh poultry slaughterhouse, and meat processing plant, it provides customers with high-quality products made using clean and hygienic manufacturing procedures.

The three automated feed factories primarily produce feed for chickens, ducks, and pigs. The raw materials used include grains like corn and soybean powder, primary ingredient like fats, as well as auxiliary ingredients like amino acids, mineral and other nutrition additive. In 2023, the primary raw material usage was 810,286.55 tonnes, and the auxiliary raw material usage was 14,673.83 tonnes.

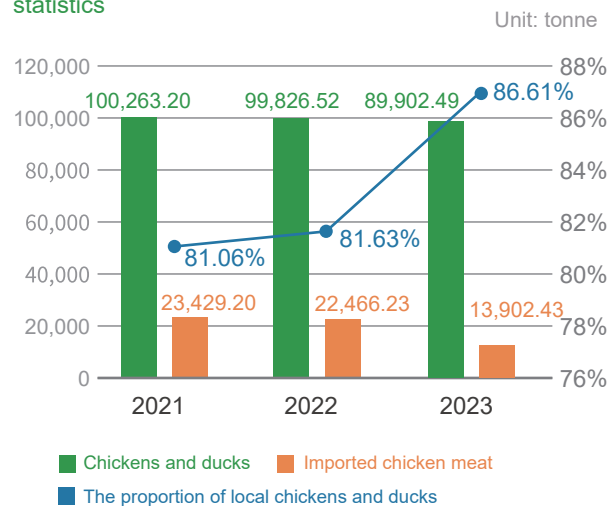
An automated fresh poultry slaughterhouse that specializes in the electric slaughter of poultry. Through a vertically integrated process of rearing and slaughtering chickens and ducks, the company's local procurement of these animals reached 86.61% in 2023, a 6.10% increase from the previous year. CPE is committed to providing seasonal and locally sourced ingredients to ensure the freshness and quality of their products, while reducing the carbon footprint of importing raw materials via air, sea, and land transportation. By following a "local procurement" policy, we aim to support the local rural economy in Taiwan and uphold CPE's three core values of "food quality", "product safety", and "consumer health", all while protecting the environment.

The meat processing plant processes a variety of cooked meat products. The main raw materials used include chicken meat, as well as other auxiliary ingredients needed for the desired flavors. In 2023, the primary raw material usage was 30,247.50 tonnes, and the auxiliary raw material usage was 5,217.58 tonnes.

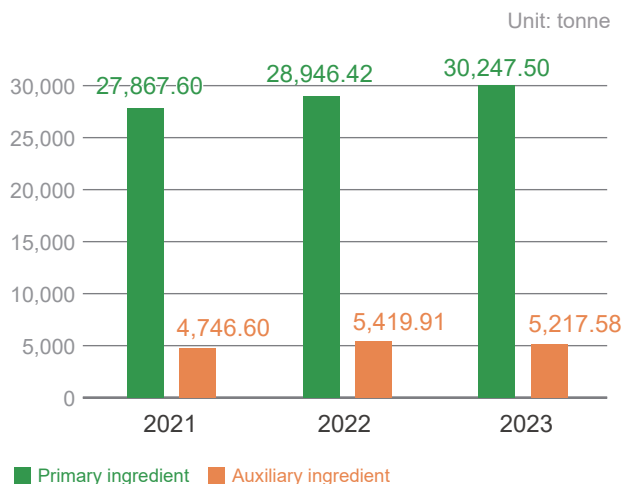
- Statistics on the usage of raw materials by feed factory



- Slaughterhouse procurement volume statistics



- Statistics on the usage of raw materials by meat processing plant



✓ Packaging materials management

Considering the barrier properties, safety, and hygiene of food, CPE primarily uses recyclable plastic packaging materials for food packaging, and also adopts reusable plastic baskets to reduce the use of single-use containers or packaging materials, thereby improving CPE's resource efficiency. In 2023, the capacity of feed bags at a Taichung feed factory was changed, resulting in a 25.95% increase in the use of PP bags, totaling 162.55 tonnes. The meat processing plant used 1,553.52 tonnes of recyclable plastic packaging materials and 300.26 tonnes of reusable plastic baskets.

Water resource management

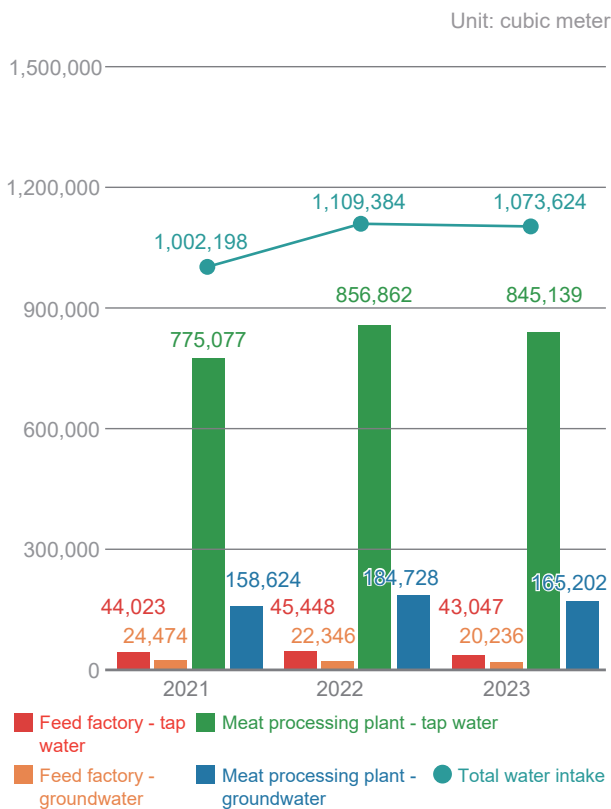
Taiwan experiences uneven distribution of rainfall, leading to long-term instability in its water situation. In recent years, the worsening of climate change has increased the frequency of flood and drought disasters. Extreme weather conditions, such as heavy rain and water scarcity, have heightened the operational risks for businesses and made water resource management more complicated. CPE has established a comprehensive water treatment process and inspection system. This not only ensures the safety and health of their products but also helps to conserve water resources and mitigate the operational impacts of climate change. We highly value our water resources and use our understanding of the organization’s water usage as a basis for developing future water resource management strategies.

CPE’s products are closely tied to the overall value chain of water resources. We use tap water and legally sourced groundwater as our water sources, and have established a water purification and inspection system to ensure product safety. To understand the water risk of our operating sites and their environmental impact, we use the Aqueduct Water Risk Atlas tool from the World Resources Institute to identify the water resource risks at our locations. Based on the assessment results, our main operating sites are not located in high or extremely high baseline water stress. To achieve sustainable resource use and reduce the pressure on water resources, CPE will continue to monitor the water situation and strengthen our resilience in water resource management.

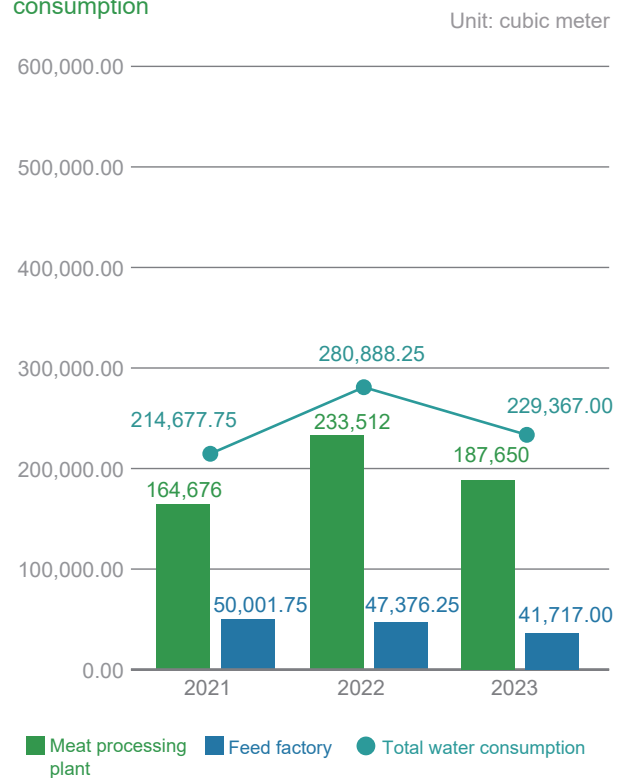
Meanwhile, the industrial wastewater from feed factories in Taichung, Kaohsiung, and Yunlin, as well as the meat processing plant in Nantou, is legally discharged into waterways approved by the local authorities, in accordance with the regulations of their respective regions ^{Note 1}. In 2023, CPE’s total water consumption was 1,073,624.00 cubic meters. The water intake of feed factory accounted for 63,283.00 cubic meters (5.89%) of the total, while the water intake of meat processing plant accounted for 1,010,341.00 cubic meters (94.11%) of the total. Besides, the total water consumption was calculated by subtracting the total discharge volume from the total intake volume. In 2023, CPE’s total water consumption was 229,367.00 cubic meters, with the feed factory consuming 41,717.00 cubic meters (18.19%) and the meat processing plant consuming 187,650.00 cubic meters (81.81%).

Please see 7.4 on emissions and pollution prevention

- Statistics on CPE's water intake



- Statistics on CPE's total water consumption



Note 1: The Taichung feed factory sources its water from Liyu Lake and Deji Reservoir, the Kaohsiung feed factory sources its water from the Gaoping River, the Yunlin feed factory sources its water from the Hushan Reservoir, and the Nantou meat processing plant sources its water from the Sun Moon Lake Reservoir.

✓ Sustainable resources

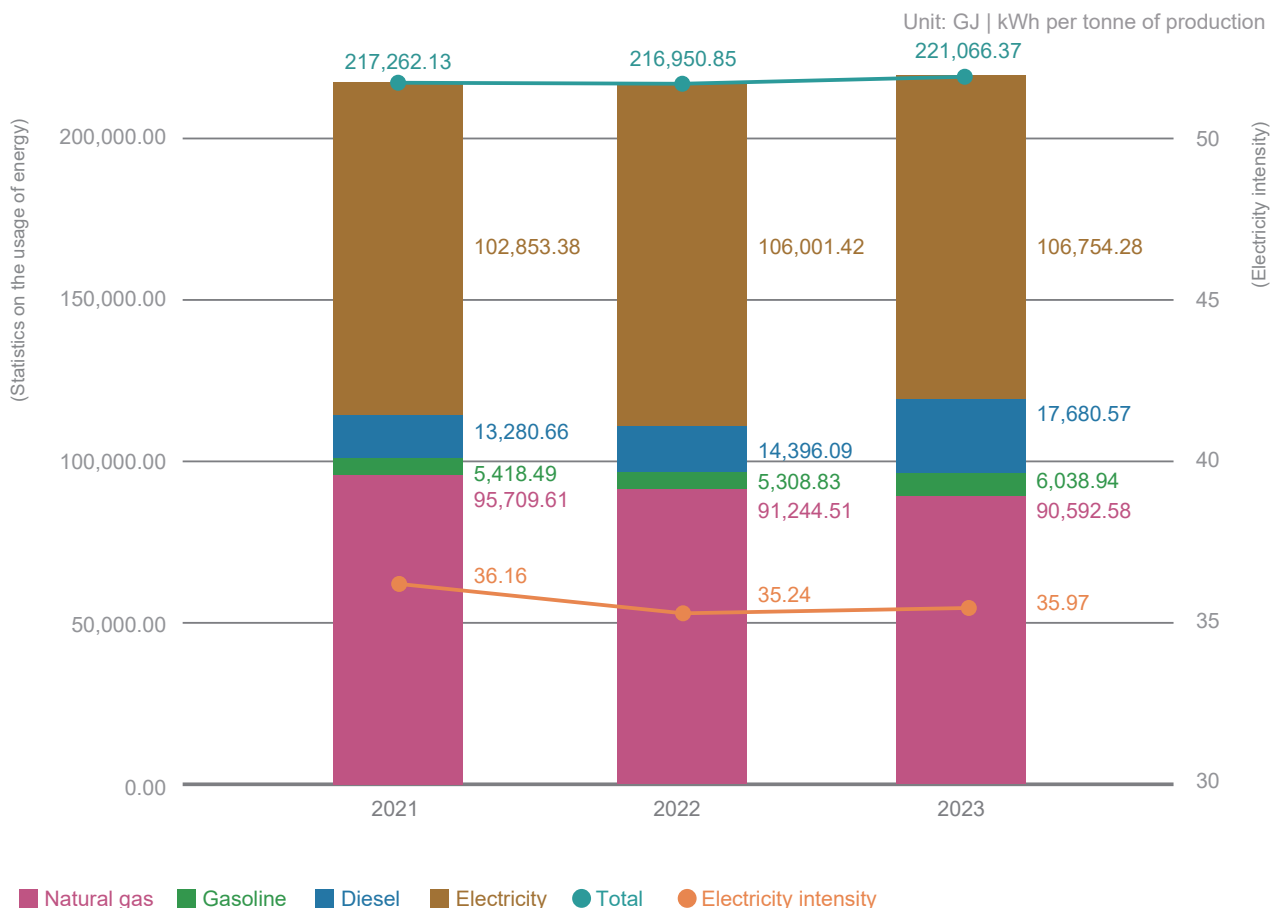
✓ Energy usage status

In 2023, the total energy consumption of CPE's feed factory and meat processing plant was 567,831.59 GJ, a 2.70% decrease from 2022. Their total greenhouse gas emissions were 65,235.86 tonnes, a 13.37% decrease from 2022. The feed factories in Taichung, Kaohsiung, and Yunlin primarily focus on producing various types of livestock and poultry feeds, as well as wholesaling bulk materials. In 2023, the total energy consumption of these feed factories was 221,066.37 GJ, with the main sources being purchased electricity (48.29%) and natural gas (40.98%), along with the use of gasoline and diesel for company vehicles, feed trucks, and forklifts. Energy usage has risen by 1.9% compared to 2022.

The total greenhouse gas emissions of the feed factory in 2023 were 21,565.12 tonnes of CO₂e, with an emissions intensity of 0.0261 tonnes of CO₂e per tonne of production. This represents a 1.16% increase compared to 2022. The three feed factories purchased a total of 29,696.86 MWh of electricity, with an electricity intensity of 35.97 kWh per tonne of production. The total natural gas usage was 2,709.11 MWh. To reduce greenhouse gas emissions, we have been actively upgrading our natural gas equipment to minimize gas leaks. As a result, our natural gas usage in 2023 was 0.71% lower than in 2022, helping to mitigate the environmental impact of our energy use and emissions.

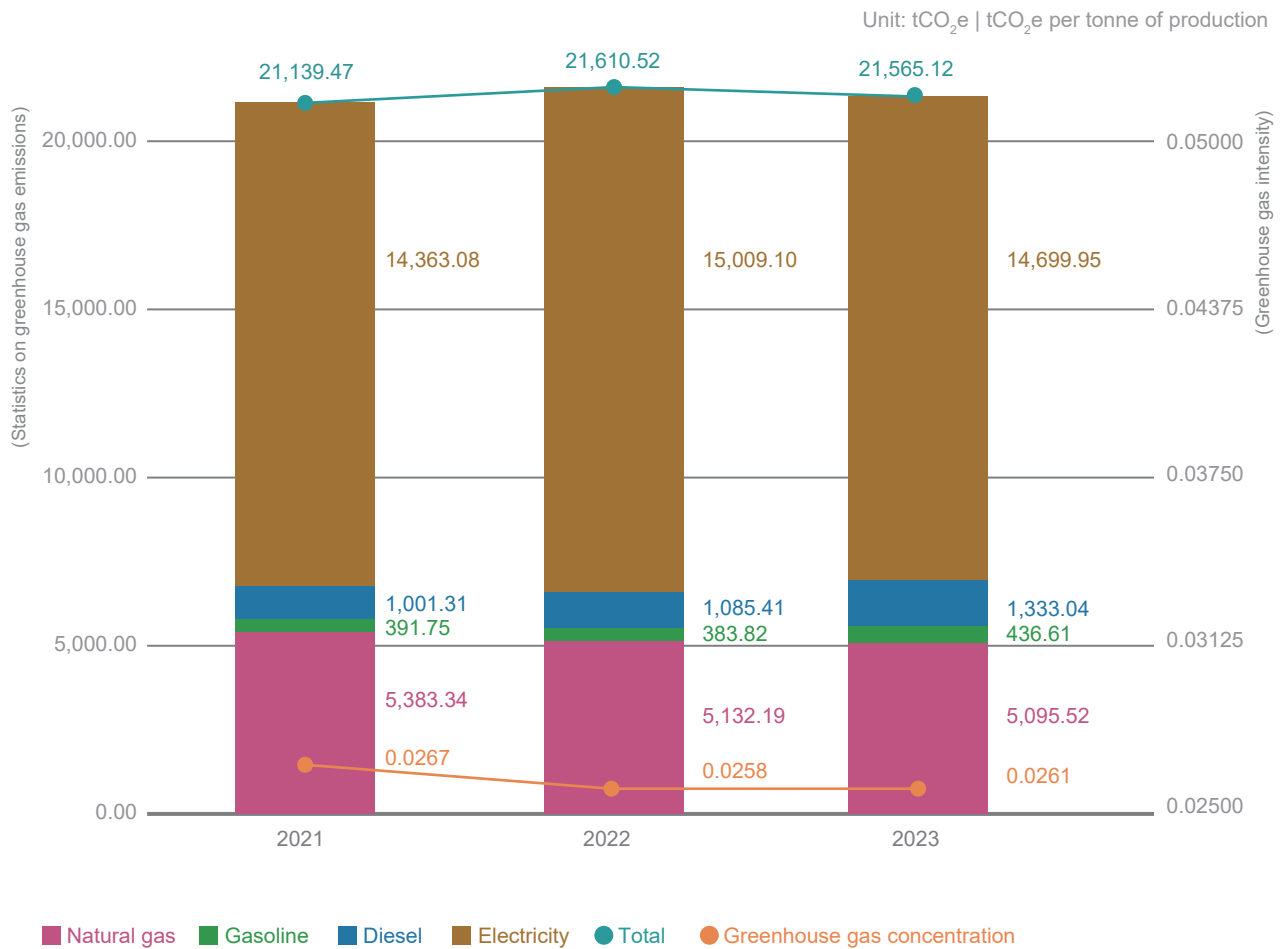
CPE has implemented a green philosophy, and in 2012 it carried out large-scale boiler improvement projects at its feed factories in Taichung and Kaohsiung, replacing the use of heavy oil with less polluting natural gas or purchased steam. Since 2013, the company has greatly reduced its use of heavy oil. The feed factory opened in Yunlin in 2022 also does not use heavy oil. In July 2018, the Kaohsiung plant's contract with the external steam supplier expired, and the plant no longer purchases external steam, instead using natural gas as its primary energy source.

- Statistics on the usage of energy by feed factory



Note: The energy usage is calculated based on the "Heat Content of Energy products" published by the Energy Administration.

- Statistics on greenhouse gas emissions from the feed factory



Note 1: The greenhouse gas emissions are calculated using the “Greenhouse Gas Emission Factor Management Table 6.0.4” published by the Environmental Protection Administration, with the GWP values taken from the IPCC Sixth Assessment Report.

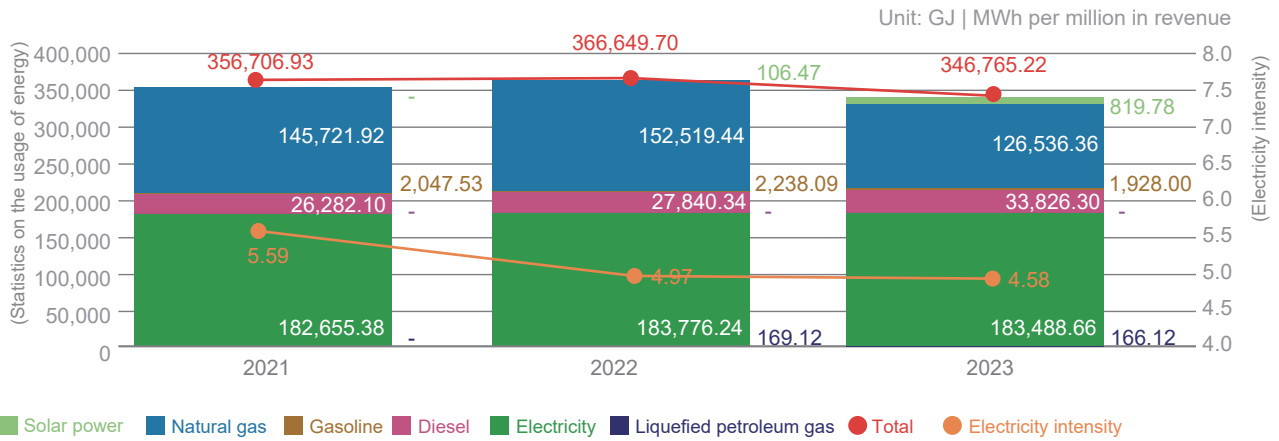
Note 2: The 2023 power emission factor is calculated using “2022 Electricity Emission Factor” 0.495 kg CO₂e/kWh announced by the Energy Administration, Ministry of Economic Affairs.

Nantou fresh poultry slaughterhouse’s primary operations are slaughtering broiler chickens, free-range chickens, and ducks. The meat processing plant and conditioning food plant focus on producing processed meat products and conditioning foods. In 2023, the total energy consumption of the meat processing plant was 346,765.22 GJ, a decrease of 5.42% compared to 2022. The main energy sources were purchased electricity and natural gas, which accounted for 52.91% and 36.49% of the overall energy usage of the meat processing plant, respectively. The greenhouse gas emissions were 43,670.74 tonnes of CO₂e, a decrease of 18.66% emissions compared to 2022. The greenhouse gas emission intensity was 3.92 tonnes of CO₂e per million in revenue. The estimated reduction in emissions is attributed to a decline in slaughter volume at the Nantou fresh poultry slaughterhouse in 2023, which has resulted in a decrease in carbon emissions from natural gas and purchased electricity. Additionally, to align with energy-saving and carbon reduction efforts, the company reviewed its refrigerant inventory policy, leading to a decline in refrigerant procurement in 2023 and a substantial reduction in related carbon emissions.

The meat processing plant purchased a total of 51,042.80 MWh of electricity. The electricity intensity is 4.58 MWh per million in revenue. The meat processing plant enhances its energy efficiency by regularly maintaining its equipment each year. To minimize the environmental impact, the factory has been gradually implementing a boiler improvement plan, replacing heavy oil boilers with natural gas boilers for production, and has completely ceased using heavy oil since 2021.

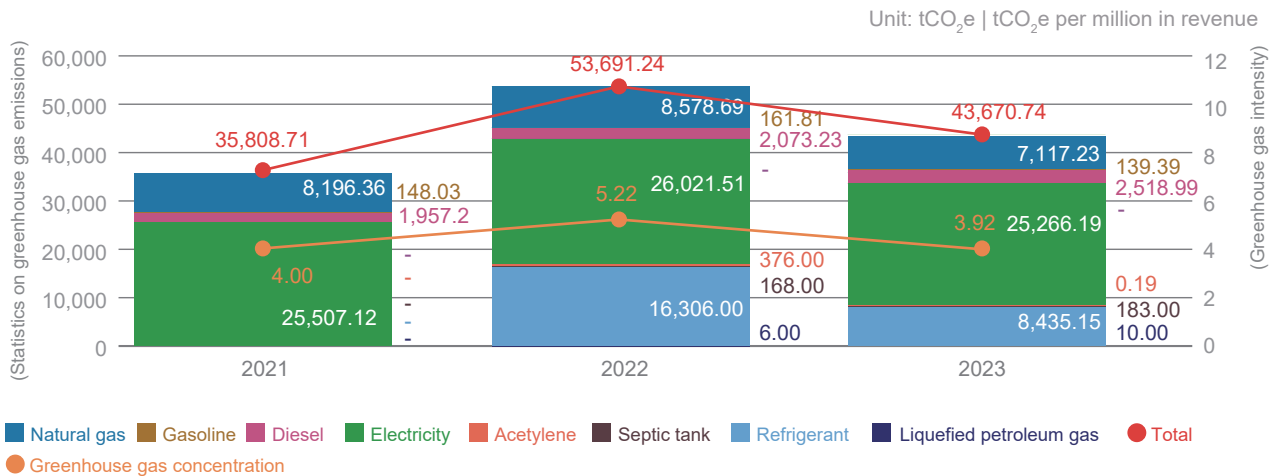
Furthermore, since 2021, CPE has also invested in the installation of renewable energy equipment, such as solar panels, and continues to enhance energy efficiency through the maintenance and management of its energy systems. In 2022, a solar power system was installed at the meat processing plant, and in 2023, the solar energy usage was 228,046 kWh, equivalent to 819.78 GJ. This accounted for 0.24% of the energy usage at the food processing plant and 0.14% of CPE’s overall energy consumption. The total greenhouse gas emissions reported here are calculated based on the total energy consumption, using the greenhouse gas emission factors announced by the Ministry of the Environment and the GWP values from the IPCC Sixth Assessment Report. The data presented has not yet been externally verified.

- Statistics on the usage of energy by meat processing plant



Note 1: The energy usage is calculated based on the "Heat Content of Energy products" published by the Energy Administration.

- Statistics on greenhouse gas emissions from the meat processing plant



Note 1: The greenhouse gas emissions are calculated using the "Greenhouse Gas Emission Factor Management Table 6.0.4" published by the Environmental Protection Administration, with the GWP values taken from the IPCC Sixth Assessment Report.

Note 2: The 2023 power emission factor is calculated using "2022 Electricity Emission Factor" 0.495 kg CO₂e/kWh announced by the Energy Administration, Ministry of Economic Affairs.

Note 3: Since 2022, meat processing plants will conduct greenhouse gas inventories in accordance with the ISO14064-1 standard, which will include greenhouse gas emissions from sources such as liquefied petroleum gas, refrigerants, septic tanks, and acetylene. As a result, the 2022 emission data is noticeably higher than the 2021 figures.

Greenhouse gas emission situation of CPE

Greenhouse gas emission situation of CPE				
Carbon dioxide equivalent (tonnes CO ₂ e)		2021	2022	2023
Feed factory	Category one	6,776.39	6,601.42	6,865.17
	Category two	14,363.08	15,009.10	14,699.95
Meat processing plant	Category one	10,856.63	27,669.73	18,404.55
	Category two	25,507.12	26,021.51	25,266.19
Total		57,503.22	75,301.76	65,235.86

Based on the schedule for greenhouse gas inventory and assurance of the “Sustainable Development Roadmap for TWSE/ TPEX Listed Companies”, CPE has begun planning to complete a greenhouse gas inventory within the scope of its individual financial reporting and set the reduction goal by 2026 (excluding its reinvestment businesses), in order to reduce the impact of CPE’s operations on the climate. The strategy and actions for reducing the greenhouse gas emissions of CPE greenhouse are as follows: (1) Develop in-plant energy-saving measures; (2) replace outdated equipment; (3) waste recycling and resource recovery, such as by installing advanced wastewater treatment systems and sludge drying machines to reduce sludge moisture content, recover the sludge as biofuel, and implement a steam power generation system, thereby reducing waste generation and transitioning towards green energy recycling to minimize environmental impact. (4) By using poultry and livestock processing equipment, the raw material waste from the production process is reused, such as recycling the remaining bones and feathers to increase the amount of animal feed, thereby achieving an economic cycle.

To reduce energy consumption and production costs while enhancing energy efficiency, CPE has set annual energy-saving targets and, in accordance with the government’s “Regulations for the Management of Setting up Renewable Energy Power Generation Equipment”, plans to install solar power equipment with a capacity of at least 500 kW within the next five years. By the first half of 2024, solar power equipment with a total installed capacity of 410.70 kW has been set up and registered as renewable energy equipment. Additionally, the Nantou meat processing plant has planned to implement a smart network and EMS platform, optimize the smart management of refrigeration equipment, and incorporate smart waste heat recovery technology, in order to enhance the factory’s energy efficiency and reduce energy wastage. Upon completion, it is expected to achieve a 5% reduction in carbon emissions, including a 4% decrease in electricity use and a 20% decrease in natural gas consumption.

In addition, we also monitor the efficiency of various equipment, regularly replacing and updating equipment to improve energy efficiency. For example, the meat processing plant replaced the IQF3 machine and old lighting fixtures; the feed factory improved production efficiency by replacing pulverizers and other equipment, adjusting production parameters, and updating the pelletizers, as well as replacing high-efficiency transformers at the electrical substation to reduce energy consumption.

In 2023, the feed factories and meat processing plants implemented energy-saving measures that are estimated to save around 409,213.0 kWh of electricity, corresponding to a reduction of approximately 202.6 tonnes of CO₂e. The specific energy-saving and carbon reduction results are as follows:

Annual	Factory	Energy-saving measure	Benefit of energy efficiency (kWh)	Benefit of carbon reduction (tCO ₂ e)
2021	Feed factory	Replace the mixer and update the peripheral piping	5,183.6	2.6
		Pulverizer motor drive equipment (200KW)	68,947.2	34.6
		Pulverizer motor drive equipment (125KW)	49,248.0	24.7
		Replace the rotary air compressor	36,504.0	18.3
		Upgrade and replace the old bucket elevator motor equipment	13,125.0	6.6
	Meat processing plant	Upgrade and replace the old cooling towers	44,968.0	22.6
Total (estimated)			217,975.8	109.4
2022	Feed factory	Update of the cooling machine at the aging plant	88,998.0	45.3
		Modification of pulverizer production parameters	135,012.7	68.7
		Installation of no-load watt-hour meter in the P area warehousing system, with no feed-based shutdown control	14,850.0	7.6
		Removal and improvement of the old factory’s 300HP-2 pelletizers post-oil recovery screw conveyor	6,435.0	3.3
		Installation of a precision digital watt-hour meter in the Q-zone material unloading system, with no feed-based shutdown control	14,850.0	7.6
		Decommissioning of the dedusting system for the old factory’s auxiliary material system	21,062.0	10.7
		Improvement of idle stop for recycled FRP barrels	1,638.0	0.8
	Meat processing plant	Refinery steam leak upgrade project	41,740.5	21.2
Total (estimated)			324,586.2	165.2
2023	Feed factory	Replace the powder machine and dedusting system	62,416.0	30.9
		Update the 200HP pulverizer in the No.2 aging plant 100HP pulverizer decommissioned (spare equipment)	60,702.4	30.1
		Upgrade of the 200HP pelletizers to improve production capacity	98,280.0	48.7
		Replacement of high-efficiency transformers at the NO1 electrical substation	9,162.6	4.5
	Meat processing plant	Lighting fixtures replacement project	1,000.0	0.50
		IQF3 machine replacement project	177,652.0	87.9
Total (estimated)			409,213.0	202.6

Note 1: Benefit of energy efficiency benchmark: [Total annual energy consumption of the system or individual equipment (kW)] x [Improvement efficiency (%)] x [Recognized monthly ratio] = [Energy saved (kWh)]

Note 2: The 2023 power emission factor is calculated using “2022 Electricity Emission Factor” 0.495 kg CO₂e/kWh announced by the Energy Administration, Ministry of Economic Affairs.

7.4 Emissions and Pollution Prevention

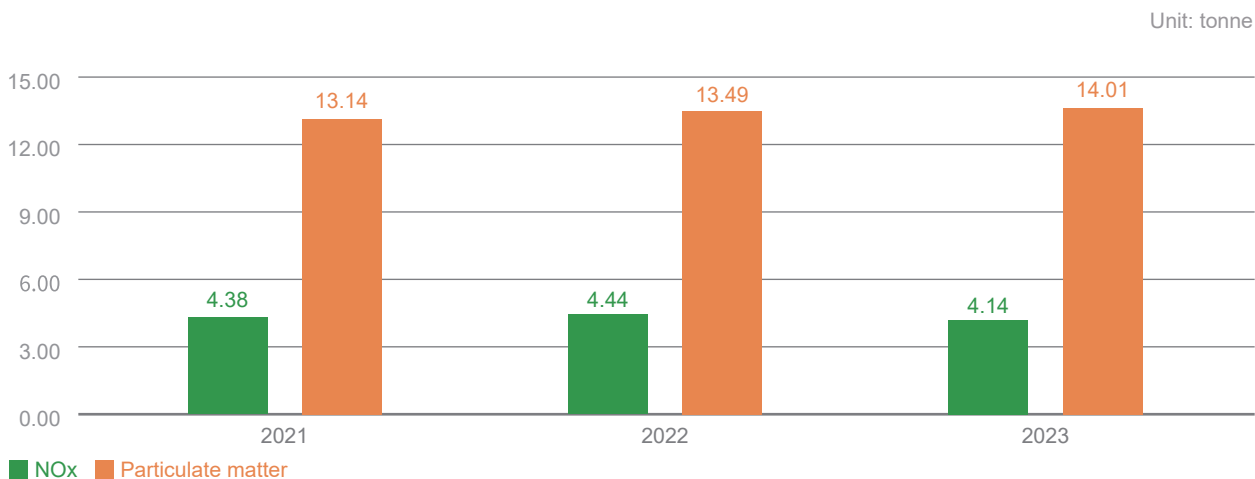
✓ Air Quality Management and Pollution Prevention

To prevent air pollution from harming human health, the feed factories in Taichung and Kaohsiung carried out large-scale improvements to their heavy oil boilers in 2012. Taichung feed factory switched to natural gas, and Kaohsiung feed factory also transitioned to natural gas in 2019. The Yunlin feed factory does not use heavy oil, and all three facilities have dust collection equipment. They further enhance dust capture by weekly inspecting the bag filters, installing pressure gauges, and replacing the filter bags monthly to control air pollution. The Nantou meat processing plant implemented a heavy oil boiler improvement plan in 2020, switching to natural gas, and stopped using heavy oil in 2021 to reduce air pollutants from heavy oil combustion.

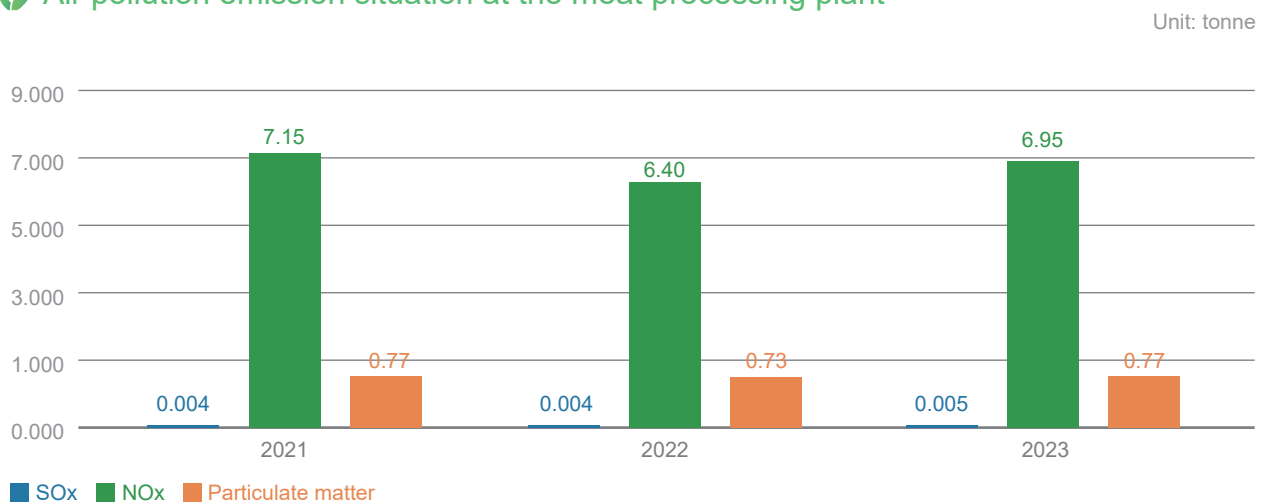
The image below shows the overall air pollutant emissions in 2023. The air pollution emissions from the feed factory were: 4.14 tonnes of NOx and 14.01 tonnes of particulate matter. The air pollution emissions from the meat processing plant were: 0.01 tonnes of SOx, 6.95 tonnes of NOx, and 0.77 tonnes of particulate matter. All emissions were effectively controlled and met the applicable emission standards.

In 2023, the Taichung feed factory invested in air pollution control equipment, dust collection equipment, and other improvements, and regularly cleaned the dust collection equipment weekly. The meat processing plant also updated its air pollution control equipment with an ozone system, with the expectation that these improvements will effectively reduce air pollution emissions in the future, thereby reducing the environmental impact. In the future, CPE will continue to enhance the efficiency of its equipment, conduct regular maintenance and servicing, and work diligently to effectively reduce air pollutants and maintain air quality.

✓ The air pollution emission situation at feed factories



✓ Air pollution emission situation at the meat processing plant



Note 1: The SOx and NOx data published in 2021 and 2022 contained errors, and the data disclosed this year has been revised.

Wastewater management and pollution prevention

Our feed factory and meat processing plant are both equipped with wastewater treatment facilities, which are managed by dedicated staff. In recent years, as production has increased, they have installed more wastewater treatment equipment and strengthened wastewater management. The wastewater now meets emission standards and is processed at the industrial park's wastewater treatment plant, effectively controlling emissions to levels below the government's announced standards.

In 2023, the feed factory discharged 21,566.00 cubic meters of wastewater, the meat processing plant discharged 822,691.00 cubic meters of wastewater, and the total wastewater discharge of CPE was 844,257.00 cubic meters. As production has increased year after year, the total wastewater discharge from the factory has also grown. Considering the need to effectively treat the wastewater, CPE has gradually added more wastewater treatment equipment and enhanced wastewater management at each of its facilities as follow:

The feed factory has a wastewater treatment equipment. After initial sedimentation in a sedimentation tank, the wastewater is discharged into the industrial park's sewage network, where it is processed by the industrial park's central wastewater treatment plant. The overall wastewater discharge from feed factories increased in 2023, primarily due to the activation of Yunlin feed factory, which led to a rise in total wastewater volume. In contrast, the wastewater discharge volumes at the Kaohsiung and Taichung feed factories both declined. The average COD concentrations across all factory sites decreased, mainly because of fewer oil leakage incidents at the Taichung feed factory, the replacement of new floor drains, and the resolution of the abnormal blast blower situation at the Kaohsiung feed factory occurred in the previous year. In 2023, the average concentration of suspended solids (SS) in feed factories were 35.04 mg/L, representing a 37.79% increase compared to the overall average in 2022. This was primarily due to increased dust accumulation in the water channels at the Kaohsiung feed factory, leading to a higher average SS concentration than the previous year. To address this, the Kaohsiung feed factory has increased the frequency of precision filtering and pipeline cleaning, with a cleaning cycle of every two months. If the water quality is found to be turbid during this period, immediate cleaning and treatment will be implemented.

The meat processing plant has various wastewater treatment processes, including solid-liquid separation, dissolved air flotation, activated sludge biological treatment, and FBR clarifiers. After treatment, the wastewater is discharged into the industrial park's wastewater treatment plant, meeting the required discharge standards. Given the increase in factory output in recent years, we have reviewed the workload of the sludge plant and made adjustments. In addition to installing oil and grease interception equipment in the wastewater pre-treatment stage, we have also enhanced the education training of our internal operating personnel to effectively control the influent standards at the industrial park's wastewater treatment plant. In 2023, the average COD concentration at the meat processing plant was 128.20 mg/L, and the average suspended solids concentration was 20.90 mg/L. Both of these values were effectively controlled and below the government's announced discharge standards Note. We will continue to enhance our wastewater treatment and actively maintain the stability of the water environment.

Note:

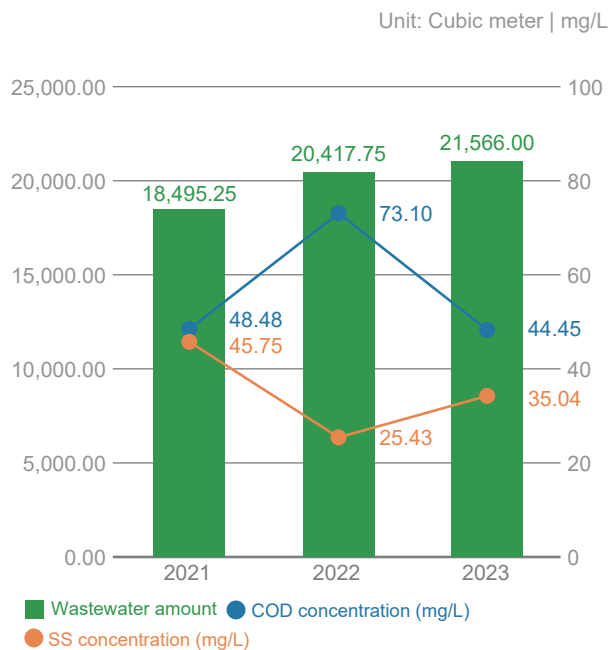
The Kaohsiung Feed Factory is located in the Yongan Industrial Park. The local government has set the discharge standards at 600 mg/L for COD and 400 mg/L for SS.

The Taichung feed factory is located in the Taichung Harbor Related Industrial Park. The local government has set the discharge standards at 100 mg/L for COD and 30 mg/L for SS.

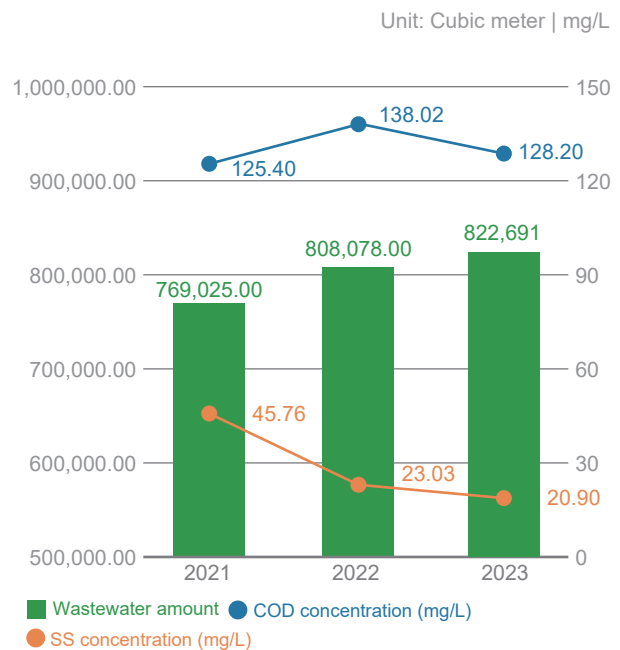
The Yunlin feed factory is located in the Yunlin County Douliu Industrial Park. The local government has set the discharge standards at 500 mg/L for COD and 300 mg/L for SS.

The meat processing plant is located in the Nangang Industrial Park. The local government has set the discharge standards at 640 mg/L for COD and 320 mg/L for SS.

The wastewater discharge situation at feed factories

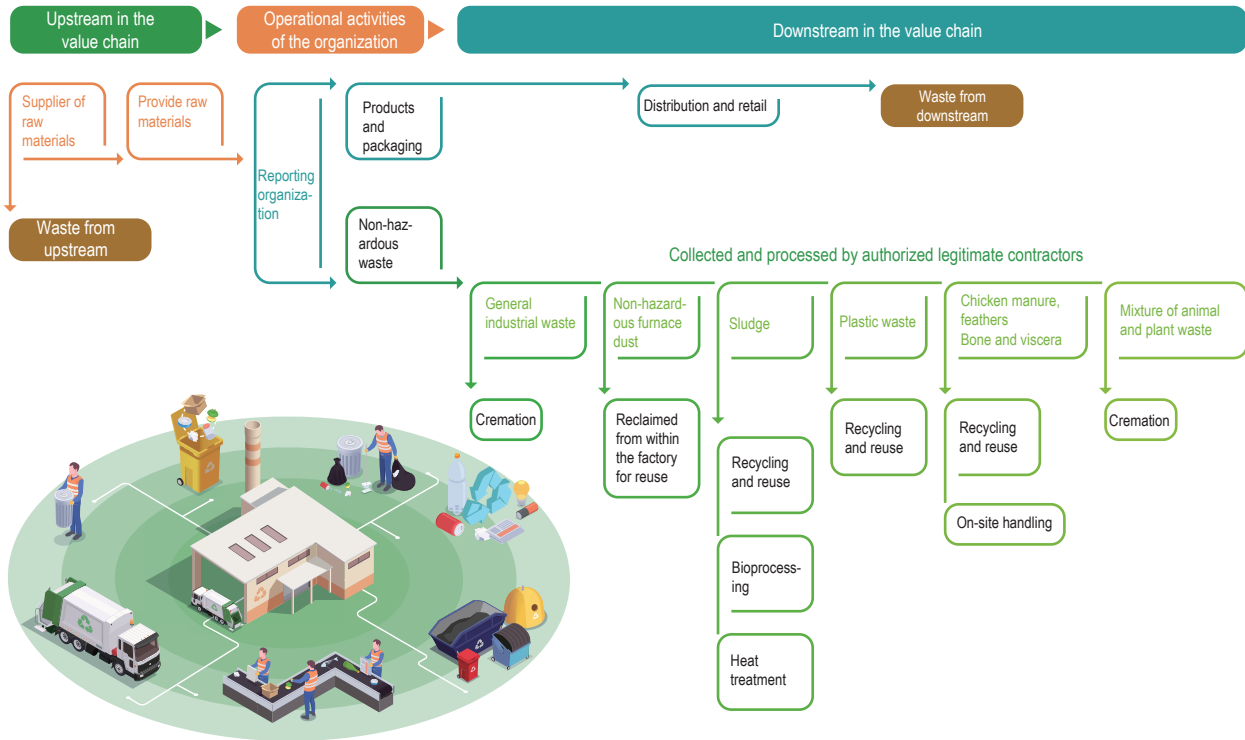


Wastewater discharge situation at the meat processing plant



✓ Waste Management and Pollution Prevention

CPE is dedicated to waste reduction management, categorizing waste by characteristics of industry into general industrial waste, chicken manure, feathers, bones, viscera, sludge, and waste powder for frying. All waste is collected and processed by legitimate contractors. The final processing method is primarily recycling and reuse, with a focus on reducing the total amount of waste and waste recycling and resource recovery.

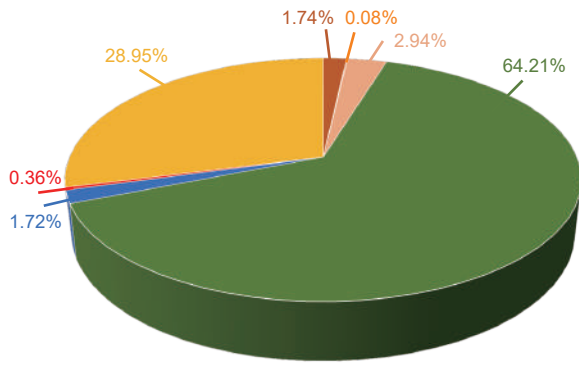


Driven by the goal of reducing environmental impact in the manufacturing process, CPE has made a concerted effort to promote and rigorously implement waste management practices. According to the “Factory Environmental Hygiene Management Regulations”, the company outsources waste disposal and processing to an MOE-registered and licensed transportation company. During the on-site waste removal process, the weight of the waste transported to the processing site is carefully verified against the factory’s own records, and the amount of waste generated is reported online regularly in accordance with the Waste Disposal Act. The meat processing plant also has “Waste Management Regulations” in place, which not only ensures proper waste sorting and management, but also conducts regular on-site inspections of the waste disposal contractors every quarter to ensure proper waste removal and processing. CPE is committed to recycling the waste generated during production in order to reduce waste and improve resource reuse. For example: Improve the manufacturing process by upgrading equipment, adding new advanced wastewater treatment systems and sludge drying machines. This will reduce the moisture content of food processing sludge, enabling better waste management and reduction.

In 2023, CPE generated a total of 22,291.96 tonnes of waste. The feed factories in Taichung and Kaohsiung generated 405.39 tonnes of “general industrial waste” during their operations, which included plant-based residues and general garbage. All of this waste was non-hazardous, and the total waste volume increased by 1.35% compared to the previous year. The waste from the Yunlin plant is currently below the reporting threshold, so it is treated as general municipal waste and outsourced to a waste management company for disposal. The “general industrial waste” from the feed factory is incinerated, while the “non-hazardous scrapped furnace dust” is 100% recycled and reused in the production process. Over the years, the plant has continuously improved the efficiency of the dedusting system, not only by replacing outdated equipment but also by increasing the number of dedusting system pipes, thereby enhancing the recovery efficiency and effectively reducing the dispersal of non-hazardous scrapped furnace dust.

The meat processing plant has seen a decline in waste production in 2023, as a result of the decreased slaughter volume at the Nantou fresh poultry slaughterhouse. The meat processing plant generated 21,885.57 tonnes of waste in total, all of which was non-hazardous. This represents a 27.46% decrease compared to 2022. General industrial waste is 100% incinerated for treatment. Sludge from food processing is 100% recycled and reused. Sludge from wastewater treatment is 82.87% bioprocessed and 17.13% heat treated. Waste wood from pallets is 100% recycled and reused. In addition to the aforementioned waste, the meat processing plant also generates feathers, bones, viscera, and chicken manure when slaughtering chickens and ducks. This organic waste from the slaughtering process is recycled and reused and treated on-site, with a professional company commissioned to produce organic fertilizer, or the waste is re-manufactured into products like feather powder and bone powder, effectively implementing recycling and reuse to increase the value of these resources.

Waste treatment method distribution



- Feed factory - incineration
- Feed factory - recycling/reuse
- Meat processing plant - incineration
- Meat processing plant - recycling/reuse
- Meat processing plant - bioprocessing
- Meat processing plant - heat treatment
- Meat processing plant - on-site handling

Statistics on waste from feed factories

Unit: tonne

Item	Process-ing method	2021	2022	2023
General industrial waste	Cremation	483.82	400.00	388.26
Non-hazardous scrapped furnace dust	Recycling and Reuse	16.44	0.00	17.13
Total		500.26	400.00	405.39

Note: General industrial waste consists of industrial waste and general garbage.



Statistics on the waste from meat processing plant

Unit: tonne

Item	Processing method	2021	2022	2023	
General industrial waste	Cremation	440.0	455.0	654.5	
Mixed plastic waste		0	0	0	
Mixed plastic waste	Recycling and Reuse	40.0	44.0	675.7	
Chicken manure		520.0	535.0	2,251.5	
Feather		860.0	870.0	431.0	
Bone		3,056.0	4,073.0	5,243.0	
Viscera		2,622.8	4,324.0	1,745.5	
Waste powder for frying		2,062.0	636.0	578.2	
Waste wood materials		24.0	380.0	231.8	
Sludge			2,713.2	2,989.0	3,157.1
		Bioprocessing	2,087.5	824.0	384.3
		Heat treatment	61.5	359.0	79.5
Feather	On-site handling	5,577.0	5,442.0	1,884.6	
Bone		9,021.9	9,240.5	2,490.3	
Viscera		485.4	-	2,078.6	
Total		29,571.3	30,171.5	21,885.6	

7.5 Compliance with environmental regulations

In 2023, the company was fined a total of NT\$ 1,110,000 for 2 violations of environmental regulations by the regulatory authorities. All incidents have been thoroughly reviewed, and corrective actions have been implemented, as detailed in the table below:

Violation cause	Penalty amount	Review and Improvement
<p>On May 27, 2022, the Nantou meat processing plant violated the Air Pollution Control Act. On December 28, 2022, at around 9 AM, the Environmental Protection Bureau conducted a follow-up inspection at the factory. During the inspection, they jointly collected and tested samples of the odor from the wastewater treatment plant's discharge pipe with Eurofins SunDream Environmental Technical Co. Ltd. The test results showed that the concentration of odor pollutants in the discharge pipe was 7330, exceeding the emission standard of 2000, in violation of Paragraph 1, Article 20 of the Air Pollution Control Act.</p>	990,000	<ol style="list-style-type: none"> 1. Instruct the testing company to perform a component analysis (detecting VOCs, TNMHC, CH₄, hydrogen sulfide, methyl mercaptan) on the pipeline odor as a basis for assessment. 2. Seek for successful case, refer to the solution. In Taichung Houli, paper pulp sludge is treated by adding chitosan enzyme, a deodorizer, to break down the unpleasant odor. At a feed factory in Changhua, an activated carbon device has been installed in the exhaust system to remove the odor. <ol style="list-style-type: none"> 2.1. Add ozone and chlorine dioxide: The environmental consulting company contracted by the factory is currently evaluating and designing the project. 2.2. Conducting tests on long-acting drug formulations: Test of a rapid deodorizer (enzyme).
<p>The Environmental Protection Bureau received a public complaint and on December 5, 2022, sent personnel to the Kaohsiung feed factory. They conducted official olfactory testing of odor pollutants at the factory's discharge pipe (P001), in accordance with sampling protocols with the Kaohsiung plant representatives. The test result was 2340, exceeding the emission standard of 2000 for odor pollutants, which violates Paragraph 1, Article 20 of the Air Pollution Control Act and Article 2 of the Standards for Air Pollutant Emission from Stationary Pollution Sources.</p>	120,000	<p>Regularly clean the dedusting system pipes and have it inspected by a third-party testing company to ensure it meets the required standard</p>



Appendix 1 GRI Standards Index Comparison Table

* General Disclosure: 2021

GRI	Disclosure Items	Corresponding chapters and supplementary information	Page number
Organizational and Reporting Practices			
2-1	Organization Details	1.1 Company Overview	7
2-2	Entities included in corporate sustainability reporting	About this report	3
2-3	Reporting period, frequency, and contact person	About this report	2-3
2-4	Information Restructuring	About this report	2
2-5	External guarantee/assurance	About this report Accountant's Limited Assurance Report	3 100-102
Activities and workers			
2-6	Activities, value chain, and other commercial relationships	1.1 Company Overview 4.2 Responsible Supply Chain	8 36
2-7	Employee	6.1 Human rights and caregiving	52
2-8	Workers who are not employees	Information is unavailable, please refer to the relevant details 6.1 Human rights and caregiving	52
Governance			
2-9	Governance structure and makeup	1.2 Corporate Governance	13
2-10	Nomination and selection of the highest governing entity	1.2 Corporate Governance	13
2-11	The chairperson of the highest governing entity	1.2 Corporate Governance	13
2-12	The role of the highest governing entity in overseeing impact management	2.1 Sustainable Governance	19
2-13	The person in charge of impact management	2.1 Sustainable Governance	19
2-14	The role of the highest governing entity in sustainability reporting	2.1 Sustainable Governance	19
2-15	Conflict of Interest	1.2 Corporate Governance	14
2-16	Communicating Critical Events	1.2 Corporate Governance	13
2-17	The collective wisdom of the highest governing entity	1.2 Corporate Governance	15
2-18	Performance evaluation of the highest governing entity	1.2 Corporate Governance	15
2-19	Compensation Policy	1.2 Corporate Governance	14
2-20	Salary Determination Process	1.2 Corporate Governance	14
2-21	Annual total compensation ratio	Not applicable, the highest annual total compensation is confidential information of the organization	-
Strategies, policies, and practices			
2-22	Declaration on Sustainable Development Strategy	Message from the Chairman	4-5
2-23	Policy and Pledge	Management table for major themes	7, 29, 43, 71
2-24	Include policy and pledge	Management table for major themes	
2-25	Procedures to remedy negative impacts	Management table for major themes	
2-26	Mechanisms for seeking advice and expressing concerns	3.1 Business Strategy	25
2-27	Regulatory Compliance	1.4 Regulatory Compliance	17
2-28	Membership eligibility in public associations	1.1 Company Overview	11-12
Stakeholder engagement			
2-29	Stakeholder Engagement Strategy	2.3 Stakeholder engagement	22
2-30	Collective Bargaining Agreement	Not applicable, as no collective bargaining agreement has been signed	-

* Disclosure of major issues

GRI Indicator		Disclosure items for indicator details	Corresponding chapters and special notes	Page number
GRI 3 Major issues in 2021	3-1	The process of determining major theme	2.2 Major theme analysis	20
	3-2	List of major themes	2.2 Major theme analysis	21
	3-3	Major theme management	Management table for major themes	7, 29, 43, 71
Water Resources and Waste Management				
GRI 306 Waste 2020	306-1	The generation of waste and waste related significant impacts	7.4 Emissions and Pollution Prevention	86
	306-2	Management of waste related significant impacts	7.4 Emissions and Pollution Prevention	86
	306-3	Waste generation	7.4 Emissions and Pollution Prevention	87
	306-4	Waste Disposal and Transfer	7.4 Emissions and Pollution Prevention	87
	306-5	Direct disposal of waste	7.4 Emissions and Pollution Prevention	87
GRI 303 Water and Effluents 2018	303-1	The Influence of Shared Water Resources on Each Other	7.3 Sustainable Energy Resource Management	79
	303-2	Management of impacts related to drainage systems	7.3 Sustainable Energy Resource Management	79
	303-3	Water intake	7.3 Sustainable Energy Resource Management	79
	303-4	Water discharge	7.3 Sustainable Energy Resource Management	79
	303-5	Water consumption	7.3 Sustainable Energy Resource Management	79
Regulatory Compliance				
GRI 2 General Disclosure 2021	2-27	Regulatory Compliance	1.4 Regulatory Compliance	17
Customer Health and Safety				
GRI 416 Customer Health and Safety 2016	416-1	Evaluate the impact of product and service categories on health and safety	4.1 Food Safety Management System	31-35
	416-2	Incident involving the violation of health and safety regulations for products and services	4.3 Quality Responsibility	40
Marketing and Labeling				
GRI 417 Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	4.3 Quality Responsibility	40
	417-2	Incident of not following regulations on product and service information and labeling	4.3 Quality Responsibility	No such situation occurred this year
	417-3	Incident that fails to comply with applicable marketing and communication laws and regulations	4.3 Quality Responsibility	No such situation occurred this year
Customer Privacy				
GRI 418 Customer Privacy 2016	418-1	Verified complaints of violating customer privacy or losing customer data	5.2 Customer privacy	43
Customer Satisfaction				
It's for a custom topic that does not have a corresponding GRI item			5.1 Customer Satisfaction	45-48

* General topic disclosure

Topic	GRI	Disclosure Items	Corresponding chapters and special notes	Page number
GRI 200: Economics				
GRI 201 Economic performance 2016	201-1	The direct economic value generated and distributed by the organization	1.3 Financial Performance	16
	201-2	The financial impacts and other risks and opportunities arising from climate change	7.2 Identification of climate change risks and opportunities	74-76
	201-3	Defined Benefit Obligation and Other Retirement Plans	6.1 Human rights and caregiving	56-57
GRI 202 Market position 2016	202-1	The ratio of standard salaries for entry-level employees of different genders to the local minimum wage	6.1 Human rights and caregiving	55
	202-2	The proportion of local residents employed in senior management levels	6.1 Human rights and caregiving	53
GRI 204 Procurement Practices 2016	204-1	Percentage of procurement spending from local suppliers	4.2 Responsible Supply Chain	38
GRI 300: Environment				
GRI 301 Materials 2016	301-1	The weight or volume of the materials used	7.3 Sustainable Energy Resource Management	78
GRI 302 Energy 2016	302-1	Energy consumption within the organization	7.3 Sustainable Energy Resource Management	80-82
	302-3	Energy intensity	7.3 Sustainable Energy Resource Management	80-82
	302-4	Decrease energy consumption	7.3 Sustainable Energy Resource Management	83
	302-5	Lowering the energy requirements of products and services	7.3 Sustainable Energy Resource Management	83
GRI 305 Emissions 2016	305-1	Direct (Category one) greenhouse gas emissions	7.3 Sustainable Energy Resource Management	81-82
	305-2	Indirect (Category two) greenhouse gas emissions from energy	7.3 Sustainable Energy Resource Management	81-82
	305-4	Greenhouse gas emission intensity	7.3 Sustainable Energy Resource Management	80-82
	305-5	Reduction of greenhouse gas emissions	7.3 Sustainable Energy Resource Management	71, 83
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other notable gaseous emissions	7.4 Emissions and Pollution Prevention	84

Topic	GRI	Disclosure Items	Corresponding chapters and special notes	Page number
GRI 400: Social				
GRI 401 Employment relations 2016	401-1	New hires and departing employees	6.1 Human rights and caregiving	53-54
	401-2	Benefits offered to all full-time employees (excluding temporary or part-time staff)	6.1 Human rights and caregiving	56-58
	401-3	Maternity leave	6.1 Human rights and caregiving	58
GRI 402 Labor-management relations 2016	402-1	The shortest notice period for operational changes	The company notifies of major operational changes in accordance with the applicable local laws and regulations	-
GRI 403 Occupational Safety and Health 2018	403-1	Occupational Safety and Health Management System	6.3 Safety and Health	63
	403-2	Hazard identification, risk assessment, and accident investigation	6.3 Safety and Health	64-65
	403-3	Occupational health services	6.3 Safety and Health	65-66
	403-4	Worker participation, consultation and communication on occupational safety and health	6.3 Safety and Health	63
	403-6	Promoting the Health and Well-being of Workers	6.3 Safety and Health	65-66
	403-7	Preventing and mitigating the impact of occupational safety and health issues that are directly related to business relationships	6.3 Safety and Health	63-65
	403-9	Occupational Injury	6.3 Safety and Health	64-65
GRI 404 Training and Education 2016	404-1	Average annual education training hours per employee	6.2 Development and Evaluation	61
	404-3	Percentage of employees who regularly undergo performance and career development reviews	6.2 Development and Evaluation	62
GRI 405 Diversity and equality in the workplace 2016	405-1	Diversity in governance units and workplace	1.2 Corporate Governance 6.1 Human rights and caregiving	13, 53
	405-2	The ratio of basic salary and compensation between female and male	6.1 Human rights and caregiving	55
GRI 413 Local community 2016	413-1	Engaging with the local community, conducting impact assessments, and operating development programs	6.4 Care and Support	67-69
GRI 414 Supplier Social Assessment 2016	414-1	Screening new suppliers using social standards	4.2 Responsible Supply Chain	38

Appendix 2 Climate-related Information Index Table for Listed Companies - Risks and opportunities posed by climate change to the company, and the company's relevant mitigation and adaptation measures

Item	Disclosure content	Corresponding chapters	Page number
1	Describe the oversight and governance by the board of directors and management level regarding climate-related risks and opportunities.	7.2 Identification of climate change risks and opportunities	74-76
2	Describe how the identified climate-related risks and opportunities impact the company's operations, strategy, and financial performance over the short, medium, and long term.	7.2 Identification of climate change risks and opportunities	74-76
3	Describe the financial impacts of extreme climate events and actions taken to address them.	7.2 Identification of climate change risks and opportunities	74-76
4	Describe how the process of identifying, assessing and managing climate risks is integrated into the overall risk management system.	7.2 Identification of climate change risks and opportunities	74-76
5	When using scenario analysis to assess the resilience to climate change risks, the used scenarios, parameters, assumptions, analysis factors, and key financial impacts should be explained.	Scenario analysis has yet been used	-
6	If there is a plan in place to address climate-related risk management, please provide details on the plan's content, as well as the indicators and targets used to identify and manage both physical and transition risks.	There is currently no transition plan in place to address and manage the overall climate risk	-
7	If using an internal carbon pricing as a planning tool, the basis for setting the price should be explained.	Carbon pricing tool has yet been used	-
8	If climate-related targets have been set, please provide information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress made. If carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, please explain the source and quantity of the carbon reduction credits or the number of renewable energy certificates (RECs).	Climate-related targets have yet been set, please provide information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress made. Carbon offsets or renewable energy certificates (RECs) are not used to achieve the relevant targets.	-
9	Greenhouse gas inventory and assurance.	7.3 Sustainable Energy Resource Management	80-83

Appendix 3 Comparison Table of the Disclosure Items that are Required to Strengthen, as stipulated in Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Operating Procedures		Disclosure Items	Corresponding chapters and special notes	Page
Paragraph 1	Item 1	To improve the hygiene, safety, and quality of food, an assessment and enhancement of the following aspects are carried out: the employees, the operation sites, the sanitation management of the facilities, and the quality assurance system. This also affects the main product and service categories and their respective percentages.	Product Safety	Please refer to the attached Appendix 4, which summarizes the enhanced disclosure information and summary of subject matter assured
	Item 2	Incidents related to violations of health and safety regulations for products and services, and non-compliance with product and service information and labeling regulations, including the category and frequency of such incidents, the number of product recalls, and the total weight of recalled products.	Product Safety	
	Item 3	The percentage of procurement that meets internationally recognized product responsibility standards, categorized by the specific standard.	Not applicable, please refer to the Summary of Subject Matter Assured	
	Item 4	The percentage of products produced in facilities that have been independently verified to meet international food safety management system certification standards.	Product Safety	
	Item 5	The number and percentage of audits conducted on suppliers, the items audited, and the audit results.	Product Safety	
	Item 6	Circumstances in which product traceability and tracking management are legally required or voluntarily undertaken, and the percentage of such products relative to the total product portfolio.	Product Safety	
	Item 7	The cases where food safety laboratories are established as required by law or voluntarily, the tests conducted, the test results, the related expenses, and their percentage of net operating revenue.	Product Safety	
	Item 8	Total energy consumption, percentage of purchased electricity, and rate of renewable energy usage.	Environmental accountability	
	Item 9	Total water intake and total water consumption.	Environmental accountability	
	Item 10	Weight of sold product and number of production facilities.	Product Safety	



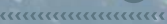
Appendix 4 The Enhanced Disclosure Information and Summary of Subject Matter Assured based on Paragraph 1, Article 4 of the Taiwan Stock Exchange Corporation Rules governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

No.	Subject Information	Standard	Page number	Refer to
1	Every six months, our HACCP team reviews and confirms the system, and convenes a cross-functional food safety committee meeting involving R&D, production, laboratory, quality assurance, and procurement departments. In these meetings, we discuss improvements to food hygiene, safety, and quality, such as hazard analysis and management processes. This system covers 100% of our food product categories.	In 2023, meetings were held at the meat processing operations based on the "Food Safety System Operation Standards," covering product categories managed by the Hazard Analysis and Critical Control Point System (HACCP). The coverage rate is based on the scope managed by the HACCP team; if all product categories manufactured by the company are included, the coverage rate is 100%.	31-32	Subsection 1 Item 1
2	We comply with the Food Safety and Sanitation Act and related enforcement rules, as well as the Good Hygiene Practice (GHP) guidelines published by the Food and Drug Administration (FDA). In 2023, our company had no incidents of product recalls or fines.	In 2023, according to our internal "Regulatory Compliance Management Procedures," the total amount of fines imposed on the Meat Processing Division for violations of the Food Safety and Sanitation Act and related enforcement rules, regulations, and guidelines issued by the Food and Drug Administration (FDA), as well as the total weight of products recalled, were documented.	40	Subsection 1 Item 2
	In 2023, our company did not procure raw materials that meet internationally recognized product responsibility standards (referring to standards from members of the ISEAL Alliance, as exemplified in the GRI Food Processing Sector Disclosure - Indicator FP2).			Subsection 1 Item 3
3	In 2023, the production volume of meat products certified under ISO 22000 by our Meat Processing Division accounted for 91.37% of the total annual meat production.	The ratio of the production volume (in kilograms) of ISO 22000-certified meat products to the total production volume (in kilograms) of all meat products produced in the facility in 2023.	32	Subsection 1 Item 4
4	We refer to the "Subcontractor Evaluation Management Procedures" established by the Procurement Department. In 2023, we conducted on-site evaluations of suppliers for the Meat Processing Division based on four key factors: supply capacity, quality management, technical capability, and pricing. Additionally, the Quality Assurance Department conducted detailed audits on raw materials and on-site quality management. All poultry and livestock suppliers for the Poultry Division and Pork Division underwent drug residue testing by the laboratory to ensure product quality.	In 2023, the evaluators carried out audits on the poultry and livestock, as well as the raw material and packaging suppliers for the Meat Processing Division, based on the company's internal "Subcontractor Evaluation Management Procedures," "Poultry Subcontractor Evaluation Management Procedures," and "Sample Testing Operation Standard Procedures."	38	Subsection 1 Item 5
5	In 2023, we conducted on-site evaluations of 25 suppliers, accounting for 9.3% of the total number of suppliers in our meat processing operations. Among them, 100% of the raw material and packaging suppliers evaluated met the qualification standards set by us. Additionally, all poultry and livestock slaughtered at our chicken and pork divisions in 2023 passed the drug residue testing.	In 2023, the evaluation team conducted supplier audits based on the company's internal procedures, including the "Subcontractor Evaluation Management Procedure," the "Poultry Subcontractor Evaluation Management Procedure," and the "Sampling Operation Standards for Inspection and Testing." The evaluation results for raw material and packaging suppliers were calculated as the number of evaluated suppliers divided by the total number of suppliers with whom transactions were conducted in 2023. Note 1: The suppliers referred to above include those for poultry and livestock, raw materials, and packaging. Note 2: The evaluation score for raw material and packaging suppliers is considered qualified if it is 80 points or above (inclusive).	39	Subsection 1 Item 5

No.	Subject Information	Standard	Page number	Refer to																															
6	In 2023, the meat processing division of our company uploaded manufacturing data to the Ministry of Health and Welfare's "Food Traceability Management Information System (Non-Traceable Not Acceptable)." The number of meat products uploaded accounted for 95.19% of all manufactured meat products.	In 2023, the percentage of food products uploaded to the "Non-Traceable Not Acceptable" system by our company's meat processing division, compared to the total number of manufactured food products, was calculated by dividing the number of uploaded food product items by the total number of manufactured food product items.	35	Subsection 1 Item 6																															
7	<p>2023 Laboratory Self-Inspection Standards Overview Table</p> <table border="1"> <thead> <tr> <th>Inspection item</th> <th>Inspection standard^{Note}</th> </tr> </thead> <tbody> <tr> <td rowspan="7">Food microbiology</td> <td>Total viable count</td> <td rowspan="2">★ The "Sanitation Standard for Frozen Foods" published by the Ministry of Health and Welfare</td> </tr> <tr> <td>E. coli</td> </tr> <tr> <td>Coliforms</td> <td rowspan="2">★ The "Sanitation Standard for Microorganisms in Foods" published by the Ministry of Health and Welfare</td> </tr> <tr> <td>Staphylococcus aureus</td> </tr> <tr> <td>Enterobacteriaceae</td> <td rowspan="3">★ The "Quality Meat Certification Standard" developed by the Taiwan Premium Agricultural Products Development Institute (CAS)</td> </tr> <tr> <td>Listeria</td> </tr> <tr> <td>Salmonella</td> </tr> <tr> <td>Bacillus cereus</td> <td>★ Customer requirements specification</td> </tr> <tr> <td rowspan="2">Veterinary drug</td> <td>Fungus (factory settle plate)</td> <td>★ The "Quality Refrigerated Conditioning Foods Certification Standard" developed by the Taiwan Premium Agricultural Products Development Institute (CAS)</td> </tr> <tr> <td>Antibiotics</td> <td rowspan="2">★ The "Standards for Veterinary Drug Residues" published by the Ministry of Health and Welfare</td> </tr> <tr> <td>Comprehensive antibiotics</td> </tr> </tbody> </table> <p>Note: The inspection standard is determined by reference to the latest version of the document announced at the time of the inspection.</p>	Inspection item	Inspection standard ^{Note}	Food microbiology	Total viable count	★ The "Sanitation Standard for Frozen Foods" published by the Ministry of Health and Welfare	E. coli	Coliforms	★ The "Sanitation Standard for Microorganisms in Foods" published by the Ministry of Health and Welfare	Staphylococcus aureus	Enterobacteriaceae	★ The "Quality Meat Certification Standard" developed by the Taiwan Premium Agricultural Products Development Institute (CAS)	Listeria	Salmonella	Bacillus cereus	★ Customer requirements specification	Veterinary drug	Fungus (factory settle plate)	★ The "Quality Refrigerated Conditioning Foods Certification Standard" developed by the Taiwan Premium Agricultural Products Development Institute (CAS)	Antibiotics	★ The "Standards for Veterinary Drug Residues" published by the Ministry of Health and Welfare	Comprehensive antibiotics	In 2023, based on the company's internal "Product Testing Standard Management Procedure," our company's Meat Processing Division laboratory's microbiological and antibiotic testing standards were implemented.	32-33	Subsection 1 Item 7										
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8	<p>In 2023, the inspection volume for microbiological tests was 18,669 samples, for food allergens was 121 samples, and for animal drug residues was 5,626 samples..</p> <p>Summary table of the laboratory's self-conducted testing items and results for 2023.</p> <table border="1"> <thead> <tr> <th>Test case</th> <th>Inspection item^{Note 1}</th> <th>Inspection frequency and 2023 inspection pass rate</th> </tr> </thead> <tbody> <tr> <td colspan="3">Food microbiology domain</td> </tr> <tr> <td rowspan="4">Fresh meat and livestock products</td> <td>★ Total viable count*</td> <td rowspan="4">Daily random sampling from the production lines and product items, with a 96.88% pass rate. The main reason for non-compliance was the detection of 70 positive cases of Salmonella bacteria in broiler chickens, whole chickens, free-range chickens, and whole ducks throughout the year.</td> </tr> <tr> <td>★ E. coli*</td> </tr> <tr> <td>★ Coliforms*</td> </tr> <tr> <td>★ Staphylococcus aureus</td> </tr> <tr> <td rowspan="5">Processed product</td> <td>★ Salmonella</td> <td rowspan="5">Daily random sampling from the production lines and product items, with a 100% pass rate.</td> </tr> <tr> <td>★ Total viable count*</td> </tr> <tr> <td>★ E. coli*</td> </tr> <tr> <td>★ Coliforms*</td> </tr> <tr> <td>★ Staphylococcus aureus</td> </tr> <tr> <td rowspan="4">Incoming inspection (including purchased raw materials and seafood)</td> <td>★ Salmonella</td> <td rowspan="4">Random sampling based on the manufacturer's purchase frequency, with a 100% pass rate.</td> </tr> <tr> <td>★ Total viable count*</td> </tr> <tr> <td>★ E. coli*</td> </tr> <tr> <td>★ Coliforms*</td> </tr> <tr> <td rowspan="4">Incoming inspection (Material)</td> <td>★ Salmonella</td> <td rowspan="4">Random sampling based on the manufacturer's purchase frequency, with a 100% pass rate.</td> </tr> <tr> <td>★ Total viable count*</td> </tr> <tr> <td>★ E. coli*</td> </tr> <tr> <td>★ Bacillus cereus</td> </tr> </tbody> </table>	Test case	Inspection item ^{Note 1}	Inspection frequency and 2023 inspection pass rate	Food microbiology domain			Fresh meat and livestock products	★ Total viable count*	Daily random sampling from the production lines and product items, with a 96.88% pass rate. The main reason for non-compliance was the detection of 70 positive cases of Salmonella bacteria in broiler chickens, whole chickens, free-range chickens, and whole ducks throughout the year.	★ E. coli*	★ Coliforms*	★ Staphylococcus aureus	Processed product	★ Salmonella	Daily random sampling from the production lines and product items, with a 100% pass rate.	★ Total viable count*	★ E. coli*	★ Coliforms*	★ Staphylococcus aureus	Incoming inspection (including purchased raw materials and seafood)	★ Salmonella	Random sampling based on the manufacturer's purchase frequency, with a 100% pass rate.	★ Total viable count*	★ E. coli*	★ Coliforms*	Incoming inspection (Material)	★ Salmonella	Random sampling based on the manufacturer's purchase frequency, with a 100% pass rate.	★ Total viable count*	★ E. coli*	★ Bacillus cereus	In 2023, based on the company's internal "Laboratory Operations Management Procedure," the Meat Processing Division's food laboratory conducted microbiological and antibiotic testing, including the testing items, number of samples, and results.	32-33	Subsection 1 Item 7
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No.	Subject Information			Standard	Page number	Refer to
8	Test case	Inspection item ^{Note 1}	Inspection frequency and 2023 inspection pass rate	In 2023, based on the company's internal "Laboratory Operations Management Procedure," the Meat Processing Division's food laboratory conducted microbiological and antibiotic testing, including the testing items, number of samples, and results.	32-33	Subsection 1 Item 7
	Equipment and personnel coating	★ Total viable count* ★ E. coli ★ Coliforms ★ Salmonella	Equipment, personnel coating, and factory settle plate samples are taken weekly at slaughterhouses, meat processing plants, and conditioning food plants, with a 100% pass rate.			
	Factory settle plate	★ Total viable count* ★ Fungus*				
	Packaging materials	★ Total viable count* ★ E. coli* ★ Coliforms*	Weekly random testing, with a 100% pass rate.			
	Residual drugs					
Before slaughter for chicken, free-range chicken, duck; after slaughter for fresh poultry	★ Antibiotics ^{*Note 2} ★ Comprehensive antibiotics ^{*Note 3}	The testing is conducted at the farm level. All poultry from the farms must pass drug residue testing before being allowed to be slaughtered. The drug residue test pass rate for the fresh poultry meat after slaughter is 100%.				
Incoming inspection (Fresh meat and livestock products)		Random sampling based on the manufacturer's purchase frequency, with a 100% pass rate.				
Note 1: The "*" items are mandatory inspections, while the other inspection items are randomly sampled.						
Note 2: The inspection items include aminoglycosides, tetracyclines, and β-lactams.						
Note 3: The inspection items depend on the contents of the rapid test reagent, covering a wide range of antibiotic classes such as β-lactams, cephalosporins, macrolides, tetracyclines, sulfonamides, aminoglycosides, quinolones, polypeptides, and others, totaling 60 items.						
9	In 2023, our company invested a total of NT\$23,764,940 in the Quality Assurance Department, covering expenses such as salary costs, external testing fees, and pharmaceutical consumables. This amount represents 0.08% of the company's net operating revenue for 2023.			The proportion of the Quality Assurance Department's related expenditures for the Meat Processing Division to the operating revenue in the 2023 individual financial statement of our company.	32	Subsection 1 Item 6
10	In 2023, the total energy consumption of the feed mill was 221,066.37 GJ. The primary energy sources were purchased electricity and natural gas, accounting for 48.29% and 40.98% of the feed mill's total energy use, respectively. Additional energy consumption came from gasoline and diesel used by mobile equipment such as service vehicles, feed trucks, and forklifts. Overall energy consumption increased by 1.9% compared to 2022. The meat processing plant's total energy consumption in 2023 was 346,765.22 GJ, representing a 5.42% decrease compared to 2022. The main energy sources were purchased electricity and natural gas, contributing 52.91% and 36.49% of the total energy consumption, respectively. In 2023, solar energy usage amounted to 228,046 kWh, equivalent to 819.78 GJ. This accounted for 0.24% of the energy used by the meat processing plant and 0.14% of our company's total energy consumption.			In 2023, the total energy consumption (in billion joules, GJ) of our company's feed mill and meat processing plant, the proportion of primary energy usage relative to total energy consumption, and the increase or decrease in total energy consumption compared to 2022.	80-81	Subsection 1 Item 8
11	In 2023, our company's total water intake amounted to 1,073,624.00 cubic meters. Of this, the feed mill accounted for 63,283.00 cubic meters, or 5.89% of the total intake, while the meat processing plant accounted for 1,010,341.00 cubic meters, or 94.11%. Additionally, the total water consumption is calculated by subtracting the total discharge from the total intake. In 2023, the total water consumption was 229,367.00 cubic meters. Of this, the feed mill's water consumption was 41,717.00 cubic meters, accounting for 18.19%, while the meat processing plant's water consumption was 187,650.00 cubic meters, accounting for 81.81%.			In 2023, based on the company's internal "Group KPI Form," the total annual water intake was calculated (water intake - water discharge = water consumption).	79	Subsection 1 Item 9

No.	Subject Information	Standard	Page number	Refer to
12	Our company has a total of 5 major production facilities. In 2023, the total weight of products sold from these major production facilities amounted to 562,942 tonnes.	The total weight of products produced after processing by our company in 2023.	31	Subsection 1 Item 10
13	The oil used for frying in the Meat Processing Division is only sourced from suppliers who have obtained ISO 22000 or FSSC 22000 certification.	The suppliers of frying oil for the Meat Processing Division have obtained ISO 22000 or FSSC 22000 certification.	37	Voluntary Assurance Items of the Company
14	In 2023, the Meat Processing Division conducted 17 product simulation recall drills, tracing product batches to the next stage distributors or customers.	Based on the internal "Product Identification Traceability and Recall/ Destruction Management Procedure," the Meat Processing Division conducted 17 simulated recall drills in 2023.	35	Voluntary Assurance Items of the Company
15	In 2023, the Meat Processing Division of our company invested a total of 10,579 training sessions, amounting to 9,467.9 hours of education and training on food hygiene and safety, quality-related matters, provided by external independent organizations, regulatory authorities, and internal company resources.	Based on the company's internal "Training Management Procedure," the statistics of the number of employees from the Meat Processing Division who participated in food hygiene and safety, as well as quality-related education and training courses, including the number of participants and training hours.	32	Voluntary Assurance Items of the Company



附錄五 會計師有限確信報告



會計師有限確信報告

資會綜字第 24003725 號

台灣卜蜂企業股份有限公司 公鑒：

本會計師受台灣卜蜂企業股份有限公司（以下簡稱「貴公司」）之委任，對 貴公司選定民國 112 年度永續報告書所報導之關鍵績效指標（以下簡稱「所選定之關鍵績效指標」）執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

標的資訊與適用基準

本確信案件之標的資訊係 貴公司上開所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用基準詳列於 貴公司民國 112 年度永續報告書第 95 至 98 頁之「確信項目彙總表」。前述所選定之關鍵績效指標之報導範圍業於永續報告書第 3 頁之「報告書範疇與邊界」段落述明。

上開適用基準係為臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定、全球永續性報告協會(Global Reporting Initiatives, GRI)發布之最新版 GRI 準則(GRI Standards)與行業補充指南，以及 貴公司依行業特性與其所選定之關鍵績效指標參採或自行設計其他基準。

管理階層之責任

貴公司管理階層之責任係依照適用基準編製永續報告書所選定之關鍵績效指標，且設計、付諸實行及維持與所選定之關鍵績效指標編製有關之內部控制，以確保所選定之關鍵績效指標未存有導因於舞弊或錯誤之重大不實表達。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

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會計師之獨立性及品質管理

本會計師及本事務所已遵循會計師職業道德規範有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令有關之政策或程序。

會計師之責任

本會計師之責任係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」規劃及執行有限確信案件，基於所執行之程序及所獲取之證據，對第一段所述貴公司所選定之關鍵績效指標是否未存有重大不實表達取得有限確信，並作成有限確信之結論。

依確信準則 3000 號之規定，本有限確信案件工作包括評估 貴公司採用適用基準編製永續報告書所選定之關鍵績效指標之妥適性、評估所選定之關鍵績效指標導因於舞弊或錯誤之重大不實表達風險、依情況對所評估風險作出必要之因應，以及評估所選定之關鍵績效指標之整體表達。有關風險評估程序（包括對內部控制之瞭解）及因應所評估風險之程序，有限確信案件之範圍明顯小於合理確信案件。

本會計師對第一段所述 貴公司所選定之關鍵績效指標所執行之程序係基於專業判斷，該等程序包括查詢、對流程之觀察、文件之檢查是否適當之評估，以及與相關紀錄之核對或調節。

基於本案件情況，本會計師於執行上述程序時：

- 已對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。



- 基於對上述事項之瞭解及所辨認之領域，已對所選定之關鍵績效指標進行查詢、觀察、檢查及重新執行等測試，以取得有限確信之證據。

相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。因此，本會計師不對 貴公司所選定之關鍵績效指標在所有重大方面，是否依照適用基準編製，表示合理確信之意見。

此報告不對民國 112 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

有限確信之結論

依據所執行之程序與所獲取之證據，本會計師並未發現第一段所述 貴公司所選定之關鍵績效指標在所有重大方面有未依照適用基準編製之情事。

其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何所選定之關鍵績效指標或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資 誠 聯 合 會 計 師 事 務 所

會計師 林 一 帆



中 華 民 國 1 1 3 年 8 月 2 6 日



**CHAROEN POKPHAND
ENTERPRISE (TAIWAN) CO., LTD.**

**Nutrition • Hygiene • Safety
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Giving back to society**

