

# 毛寶<sup>®</sup>

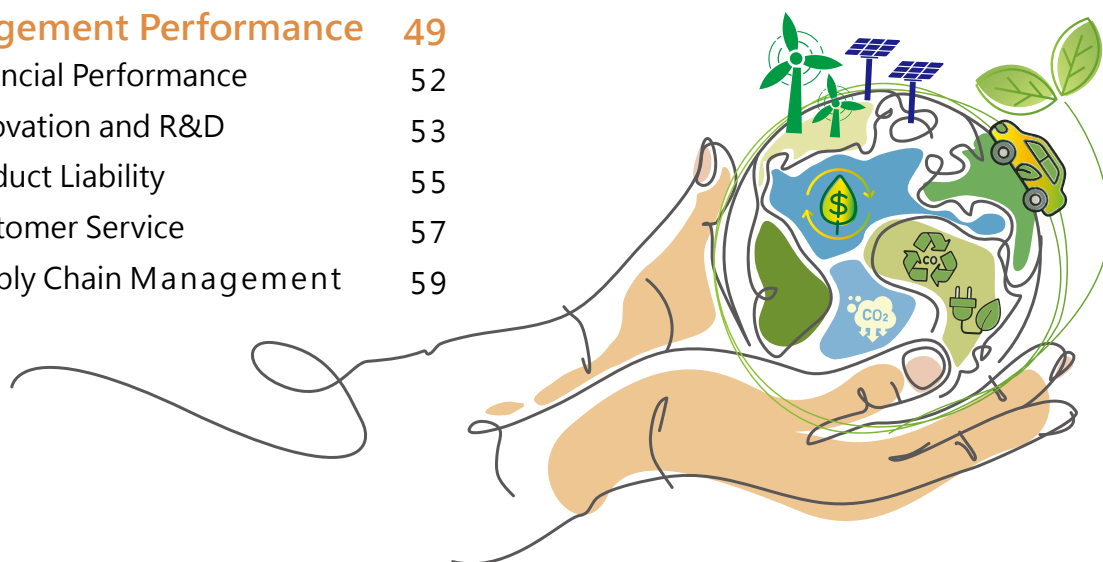
## 2024

### SUSTAINABILITY REPORT



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## Word from the Chairman

**To the friends who care about the sustainable operation of Mao Bao:**

In 2024, the global political situation continued to be volatile, and the U.S. presidential election became an international focus, affecting global trade and foreign relations. The Russia-Ukraine conflict continued and tensions were rising in the Middle East, impacting the energy market. The US-China relationship remained tense, extending to regional disputes such as those in the South China Sea and cross-strait relations between Taiwan and the mainland. The global economy experienced complex trends due to inflation and monetary policy adjustments. The technology and AI industry continued flourishing and driving market growth. However, geopolitical risks and supply chain challenges still affected global trade.

Climate change leads to extreme weather events around the world, causing frequent natural disasters. Southeast Asia experienced an unprecedented heat wave and high temperature soaring above 45°C, leading to frequent cases of heatstroke, water shortage, and severe agricultural damage. South Africa faced a severe drought, with reservoir levels dropping to a historic low, severely impacting agricultural production and posing a challenge to food security. Forest fires in California, USA, severely damaged the ecological environment, threatened public health, and caused significant economic losses and far-reaching social impacts. In addition, North America, Southeast Asia, Europe and North Africa were hit by strong hurricanes, typhoons, torrential rain and flooding, resulting in the death of thousands of people and severe economic losses. These extreme climate events highlight the severe challenges that climate change poses to the world and raise awareness among enterprises and governments of the importance of strengthening climate adaptation and mitigation measures to prepare for future extreme climate events. This also accelerates actions towards sustainable development, reinforces carbon reduction commitments, and enhances ESG initiatives and investments.

In response to environmental changes, extreme weather, global and geopolitical shifts, and the resulting economic fluctuations, Mao Bao continues to adjust its ESG initiatives to ensure stable development.

For more than 40 years, Mao Bao has continuously invested efforts in product development and innovation, environmental protection, and sustainable development, aspiring to become an enterprise that practices sustainable management and fulfills its social responsibilities. In the face of the changing environment, we are committed to environmental protection and sustainable development, achieving social responsibility, and maintaining sound corporate governance. We strive to balance the interests of all stakeholders and aim for social prosperity, diligently managing our operations. From 2014 to 2020, Mao Bao annually provided a “CSR report”. In 2021, in response to global trends and regulatory expectations, Mao Bao released its first ESG report, and this effort has continued throughout 2024. Through this report, we aim to inform our stakeholders about Mao Bao’s continuous progress and our broader efforts and achievements in environmental protection, social responsibility, and corporate governance, as we strive for sustainable operations.

In terms of corporate governance, despite the changes in the cross-strait environment and the uncertainties and challenges of the business and regulatory environment, we still adhere to the five core values of SISS: Safety, Innovation, Integrity, Sustainability, and Social Responsibility.

Safety is the foremost core value of Mao Bao, and we are committed to ensuring the safety of every aspect of our products, consumers, employees, environment, and the entire supply chain. We firmly believe that only by consistently prioritizing and practicing safety can Mao Bao earn continued trust from consumers, employees, and society, thereby highlighting the enduring value of the Mao Bao brand sustainability.

In response to consumers’ needs and expectations for high-quality, high-safety, and high-performance cleaning and protection products, we continue to make innovation of our products. In addition to our commitment to provide various solutions for clothing care, fabric enhancement, household cleaning, and personal protection, we also continue to refine product functionalities. We aim to create product experiences that exceed customer expectations. Through innovative R&D in home environment cleaning and personal protection products, we dedicate efforts to contribute to overall epidemic prevention measures. In terms of production and quality systems, Mao Bao’s Hsinchu Plant continues to implement the ISO 9001 Quality Management System, gradually introduce the TPS and TQM systems to ensure high quality, high efficiency, and high reliability of products and operations.

Mao Bao shoulders a complete corporate organizational operation encompassing R&D, manufacturing, brand marketing, and business sales. This structure brings about complexity in governance. Integrity, upheld by the Company as a whole and by every employee, stand as

the most crucial force in maintaining this intricate operation. Our rigorous daily internal control procedures ensure that a culture of integrity is deeply embedded in every team member. This culture is not only practiced in our daily operations but also allows the upstream and downstream industry chain to recognize Mao Bao' s commitment to integrity. This helps to build a trustworthy corporate image for Mao Bao.

Sustainability is currently the mainstream international concern, and we continue to explore ways to actively participate through measures such as green energy, energy efficiency, and carbon reduction. We strive to contribute positively to these efforts. In addition to past energy-saving measures such as replacing high-energy-consuming lighting fixtures, we have been aligning with Taiwan' s 2050 Net Zero Emissions policy and global green energy trends. In 2022, we installed a self-built 316kW solar power module on the roof of our Hsinchu Plant. By November 2022, we began officially supplying electricity to the grid. Further, we installed a 172kw solar power module and began officially supplying electricity to the grid in December 2024 to expand our solar power generation capacity to 488kW and contribute to green energy and carbon neutrality efforts.

Furthermore, we continue to ensure that our plant' s production operations adhere to environmentally friendly principles. This includes ongoing assessments for prioritizing green materials in procurement and initiatives to reduce plastic packaging. We are committed to minimizing the environmental impact of our products at every stage, striving towards our goal of being an environmentally friendly enterprise. At the same time, we have also completed the carbon footprint inventory of our main products to prepare for the global carbon reduction goal in the future.

In terms of the Company' s internal organizational structure, we also maintain flexibility in response to environmental changes, trends, consumer demands, and adjustments in distribution channels. We continue to undergo internal organizational restructuring and provide education and training for our personnel. Regarding management systems, we use business action management systems and continuously optimize them to enhance operational efficiency. In our production systems, we are advancing towards goals such as lean production, smart manufacturing, and enhanced production automation. We are committed to making significant strides in these areas. We also prioritize customer service and demands, continuously adjusting our product and marketing strategies accordingly. We set clear goals and execution plans, regularly reviewing and refining them to progress towards the Company' s operational objectives.

Adhering to the concept of mutual prosperity between the Company and society, we actively implement practices that prohibit child labor, ensure equal pay for equal work, prohibit gender discrimination, and promote the advancement of employees with disabilities. We also establish comprehensive salary systems and welfare measures for our employees (including foreign workers), aiming to create a safe and equitable working environment. We will also continue to care for disadvantaged groups and provide timely assistance with supplies to fulfill our social responsibility.

In the future, through the annual Sustainability Report, we will continue to review and monitor our operations and performance across the three major dimensions of ESG. Our aim is to comply with governmental regulations and adequately address issues of concern to all stakeholders. We thank all stakeholders for their expectations and encourage all to provide us with more suggestions and support. Thank you!

President 陳逸弘



## Editorial Policy

### 0.3.1 Description of the Report

#### 0.3.1.1 Scope of the Report

Mao Bao Inc. (hereinafter referred to as Mao Bao) commits to issuing an annual sustainability report. This report, the 11th edition, covers the period from January 1 to December 31, 2024. Economic aspects and financial performance in this report adhere to the IFRS and encompass both the Company and its subsidiaries. The financial data were denominated in New Taiwan Dollars. For the various performance indicators of the environmental and social aspects, the main scope was Mao Bao Inc. in Taiwan (including the Taipei Branch and the head office and plant in Hukou, Hsinchu). During the reporting period, the Company's scale, structure, and ownership did not change significantly. The statistical data disclosed in the report are based on internal surveys and compilations. Financial data have been audited by CPAs and were publicly released information. Any additional relevant information recompiled in various sections is explained where changes occur within each chapter.

#### 0.3.1.2 Report Structure

The content of this report is formulated based on the issues concerned by stakeholders and Mao Bao and the analysis of Mao Bao's relevant major issues during the reporting period. Complying with the latest GRI Standards (prepared for the 2021 edition of the Sustainability Reporting Standards) released by the Global Reporting Initiative (GRI), and in accordance with the "Procedures for the Preparation and Reporting of Sustainability Reports by TWSE Listed Companies" of the Taiwan Stock Exchange. We have considered stakeholder concerns, issues outlined in the TCFD climate change disclosure guidelines, and the SASB sustainability accounting standards. We provide a GRI Standards Content Index and a SASB reference table for readers to refer to.



### 0.3.1.3 Report Release Description

Publication cycle : Once a year

The previous edition : Published in August 2024

The current edition : Published in August 2025

The next edition : Expected to be published in August 2026

In response to the paperless movement of environmental protection and the fulfillment of corporate citizenship, this report is published in electronic form in Traditional Chinese on the Company's website for readers to access.



### 0.3.1.4 Report Review Description

The information and data in this report have been compiled by the Sustainable Development Committee under the supervision of the President. Each committee member has gathered information on domestic and international economic, environmental, and social sustainability issues through diverse channels. We have sought to understand the concerns of various stakeholders through dialogue and analysis, identifying significant topics relevant to the Company. Based on the topics, we have compiled management policies and performance information. The Sustainable Development Committee has reviewed and confirmed these findings, which were subsequently reported to the Board of Directors. The report was then disseminated to stakeholders through public channels within the required timeframe, fulfilling our commitment to transparency for stakeholders to understand. The financial data in this report is based on the financial annual report materials certified by PwC Taiwan. This report entrusts Reanda M Y Wu & Co., CPAs to perform limited confidence procedures and issue a report on the specific performance indicators disclosed in the report (hereinafter referred to as the "subject matter of confidence" ) in accordance with the "Non-Historical Financial Information Audit or Review of Confidence Criteria" No. 1 issued by the Accounting Research and Development Foundation of the Republic of China. Please refer to the Appendix of this Report for the limited assurance report made by CPAs.



Published content	Compliance	Certification/assurance institution
Sustainability Information	Assurance Standards Bulletin No.1 "Assurance Cases for Audits or Reviews of Non-historical Financial Information"	Reanda M Y Wu & Co., CPAs
Financial data	Annual financial report	PwC Taiwan
Environmental data	ISO 14067: 2018 Product Carbon Footprint	SGS Taiwan

### 0.3.1.5 Report Inquiry Method

If you have any suggestions regarding the contents of this report, please feel free to contact us. Contact information is as follows:



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Company website: <http://www.maobao.com.tw/>



2024

SUSTAINABILITY REPORT

永續報告書



# Ch1

## Stakeholders Engagement

1.1 Sustainable Development Committee

1.2 Stakeholders' Identification

1.3 Stakeholders' Communication

1.4 Materiality Analysis

# 1. Stakeholder Engagement

Mao Bao understands deeply that achieving sustainable operations requires maintaining constructive interactions with stakeholders. Through mutual communication and understanding of their concerns, we ensure transparent and comprehensive disclosure in our sustainability reports. In order to communicate with stakeholders in a timely manner, understand the material issues of their concerns, integrate them into the corporate sustainable development strategy, and establish smooth communication and response mechanism, Mao Bao adopts an open and rigorous attitude approach. We follow methods based on GRI standards and AA1000 AS v3, adhering to the four principles of inclusivity, materiality, impact, and responsiveness. This ensures meaningful engagement with stakeholders. Adhering to these principles, the engagement process includes identifying stakeholders, establishing communication channels, analyze their concern, and assess the materiality of these issues. The process and conclusions provide important information for the sustainable development of the Company for the reference for stakeholders across various sectors.

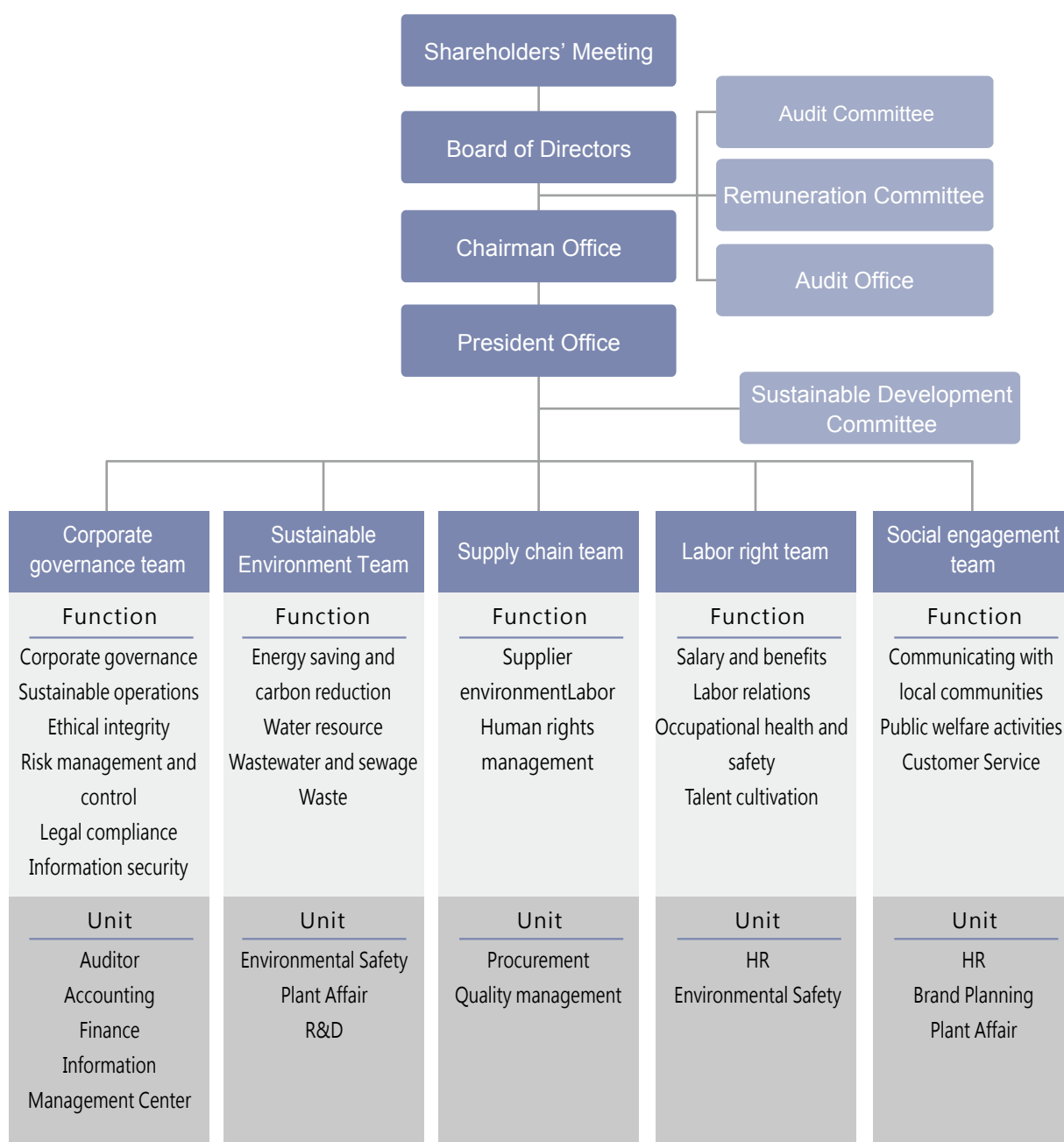


## 1.1 Sustainable Development Committee

Mao Bao's board of directors has adopted the Code of Practice for Sustainable Development of Enterprises, and the board authorizes the general manager to establish a sustainable development committee, with the general manager appointed as the chairman. The Sustainable Development Committee formulates a sustainable development policy and is responsible for promoting and implementing it within the company, gradually integrating the concept of sustainable management into the company's corporate culture. The Sustainable Development Committee is composed upon the president's convention of unit heads. The president is responsible for the strategic planning and implementation for the effectiveness review of the Company's sustainable development in terms of economy, environment, and society. The Finance Section is responsible for promoting the sustainable development and collecting effectiveness reports, and each committee member is responsible to implement and report the outcomes. The Finance Section compiles the Sustainability Report of the Chinese version. The report should be approved by the President under the supervision of the Chairperson and reported to the Board of Directors every year to facilitate the Board's effective oversight of the sustainable development and ensure the effective of the its implementation.

To address sustainability encompassing environmental, social, and governance (hereinafter referred to as ESG) aspects, the Sustainable Development Committee has established specialized teams under its purview. These teams, led by respective departments, gather stakeholder feedback on issues such as environmental protection, occupational safety, supply chain management, labor rights, operational performance, and corporate governance. In line with respecting stakeholders' rights, we have set up a dedicated stakeholder section on the Company's website. This initiative aims to appropriately respond to stakeholders' material sustainability concerns.

## Mao Bao Sustainable Development Committee Organizational Chart



## 1.2 Stakeholders' Identification

The Company's Sustainable Development Committee identified the main stakeholders of Mao Bao into 5 categories using the AA1000 Stakeholder Engagement Standard (SES), based on the five principles of dependency, responsiveness, impact, diversity of perspectives, and stakeholder tension. Mao Bao's stakeholders are as follows: employees, customers/consumers, shareholders/investors, suppliers, and government agencies.

## 1.3 Stakeholders' Communication

Due to the different identities of the main stakeholders of Mao Bao, their concerns regarding the Company vary significantly across different categories. Each department within the Company proactively engages in constructive interactions with stakeholders through various channels. We have also established a dedicated stakeholder section on the Company's website to appropriately respond to their significant sustainability concerns. Our approaches includes:

- (I) The Company's website has a section for the contact information and feedback of stakeholders, including customer, shareholder, supplier, and employee sections. This setup ensures appropriate response to stakeholders' concerns regarding significant sustainability issues.
- (II) Set up the toll-free customer service hotline to respond to consumers' questions about products and repair requests in a timely manner, for the smooth communication channel with consumers.
- (III) Establish the spokespersons and deputy spokespersons to respond to important issues concerned by shareholders.
- (IV) Regularly hold labor-management meetings, establish the employee opinion mailboxes and the Company's internal website, announce the Company's information related to HR and the Welfare Committee from time to time, and set up emails for employee wellness, appeals, and whistleblowing.
- (V) Establish communication channels with stakeholders through communication approaches such as the Internet, e-mail, telephone, and fax. To keep stakeholders informed about Mao Bao's operational overview in a timely manner and to ensure the Company understands stakeholders' demands and expectations, the Sustainable Development Committee reported to the Board of Directors in May 2025 on the implementation status of corporate social responsibilities across various stakeholder aspects in 2024. Additionally, the Committee presented the action plan for 2025.

Mao Bao's each department collected stakeholder concerns raised during routine business interactions. These concerns are compiled by the Sustainable Development Committee, which references the GRI Sustainability Reporting Standards 2021 and sustainability reports from industry peers. Through this process, the Committee has identified 24 sustainability issues covering economic, environmental, and social aspects. This ensures that Mao Bao's disclosure of sustainability information meets the integrity and comprehensive requirements of the GRI Standards.

Major stakeholders	Significance for Mao Bao	Major issues of concern	Communication channel/frequency
Employees	<ul style="list-style-type: none"> <li>Employees are an integral part of the Company's operations. The Company has created a workplace where employees are healthy physically and mentally and in a diversified manner.</li> </ul>	Employment relations	Labor-management meeting/quarterly
			Welfare Committee meeting/occasionally
		Training and education	Education and training planning and implementation/annually
		Risk management	Website announcement/occasionally
			Sustainability report/annually
		Occupational safety and health	Health checkup/required by law
			6S activities/daily
			Safety and health declaration to the competent authority/monthly
		Employee diversity and equality	Labor-management meeting/quarterly
			Employee feedback box/occasionally
Customer/ consumer	<ul style="list-style-type: none"> <li>Customers and consumers are the main sources of the Company's revenue. The most critical commitment to customers and consumers is maintaining high product quality and fostering strong relationships with them.</li> </ul>	Customer Service	Customer satisfaction survey/annually
		Risk management	Website announcement/occasionally
			Sustainability report/annually
		Ethical integrity Anti-corruption	Signing a contract/required by a new customer
			Company website/occasionally
		Customer health and safety	Sustainability report/annually
			Inspection report/by batch
		Legal compliance	Product Labeling and Description/All Products
			Customer environmental and safety inspections/occasionally
		Technological innovation	Product qualification/products by batch
Shareholders/ investors	<ul style="list-style-type: none"> <li>Investors are funders to the Company. Protecting the rights and interests of investors and treating all investors fairly are the core of corporate governance. The Company ensures that investors have full knowledge, participation, and decision-making rights regarding major company matters.</li> </ul>	Economic performance	Confidentiality agreement/when signing the contract
			Annual report/annually
		Legal compliance	Shareholders' meeting/annually
			Annual report/annually
		Risk management	Website announcement/occasionally
			Sustainability report/annually
		Ethical integrity	Company website/occasionally
		Anti-corruption	Sustainability report/annually
		Climate change response	
			Sustainability report/annually

Major stakeholders	Significance for Mao Bao	Major issues of concern	Communication channel/frequency
Suppliers	<ul style="list-style-type: none"> <li>The Company's products rely on stable supply of raw materials and components from numerous suppliers.</li> </ul>	Risk management	Website announcement/occasionally
			Sustainability report/annually
		Economic performance	Annual report/annually
			Shareholders' meeting/annually
		Ethical integrity	Company website/occasionally
		Anti-corruption	Sustainability report/annually
		Legal compliance	Annual report/annually
		Supply chain sustainability	Supplier assessment and evaluation/new supplier quarterly
			Supplier audit form/when new supplier changes
			Supplier signing the letter of commitment/new suppliers
			Supplier evaluation/annual evaluation of new and old suppliers
Government agencies	<ul style="list-style-type: none"> <li>Government agencies supervises and audit the Company's compliance practices to ensure that its operations meet regulatory requirements.</li> </ul>	Occupational safety and health	Website reporting/monthly
		Climate change response	Sustainability report/annually
		Waste management	Website reporting/monthly
		Legal compliance	Competent authorities' law advocacy meetings and seminars/occasionally
		GHG emissions	Sustainability report/annually
		Energy conservation and carbon reduction	Sustainability report/annually
		Energy management	Sustainability report/annually
		Pollution control	Sustainability report/annually
		Raw material usage	Sustainability report/annually
		Water resource management	Sustainability report/annually
		Information security	Website announcement/occasionally
		Anti-corruption	Website announcement/occasionally
		Market position	Sustainability report/annually
		Ethical integrity	Website announcement/occasionally
		Social engagement	Sustainability report/annually



Through the Sustainable Development Committee, members representing major stakeholders conduct questionnaires and collect issues of concern to stakeholders. They then analyze the Company' s existing communication channels and the results of corresponding measures. The identification process is as follows :

Collection	The Chief of the Sustainable Development Committee convene the working group members of the Committee through meetings. They integrate stakeholder categories and concerns by referencing the GRI Standards published by the Global Reporting Initiative and combining them with the questionnaire results.
Survey	Conduct a survey of working group members' representatives to assess the operational impact and level of concern regarding various issues. This evaluation is done through a questionnaire, where representatives provide their ratings.
Analysis of material issues	Compile and analyze the results of the questionnaire (combined scores of the level of concern and operational impact) to identify the priority of issues of concern to stakeholders.
Review and results	Present the analysis results to the Sustainable Development Committee and conduct assessments on the positive and negative impacts on the economy, environment, and people for the top 8 prioritized issues. After approval by the Chair, these results will form the framework for the current report analysis. They will also serve as goals for continuous improvement in the future.

To identify the importance of issues based on stakeholders' level of concern and the impact on company operations, conduct a three-tiered analysis of high, medium, and low intensity. This analysis will assess the significance of each issue by considering both dimensions of stakeholder concern and operational impact. After resolution by the Sustainable Development Committee meeting, there were a total of 8 major issues, 15 minor issues, and 1 general issue. Based on the results, we will write a report on the management of the 8 major issues and future objectives. We will also continue to communicate with stakeholders, aiming to maintain a strong and sustainable cooperative relationship with them.

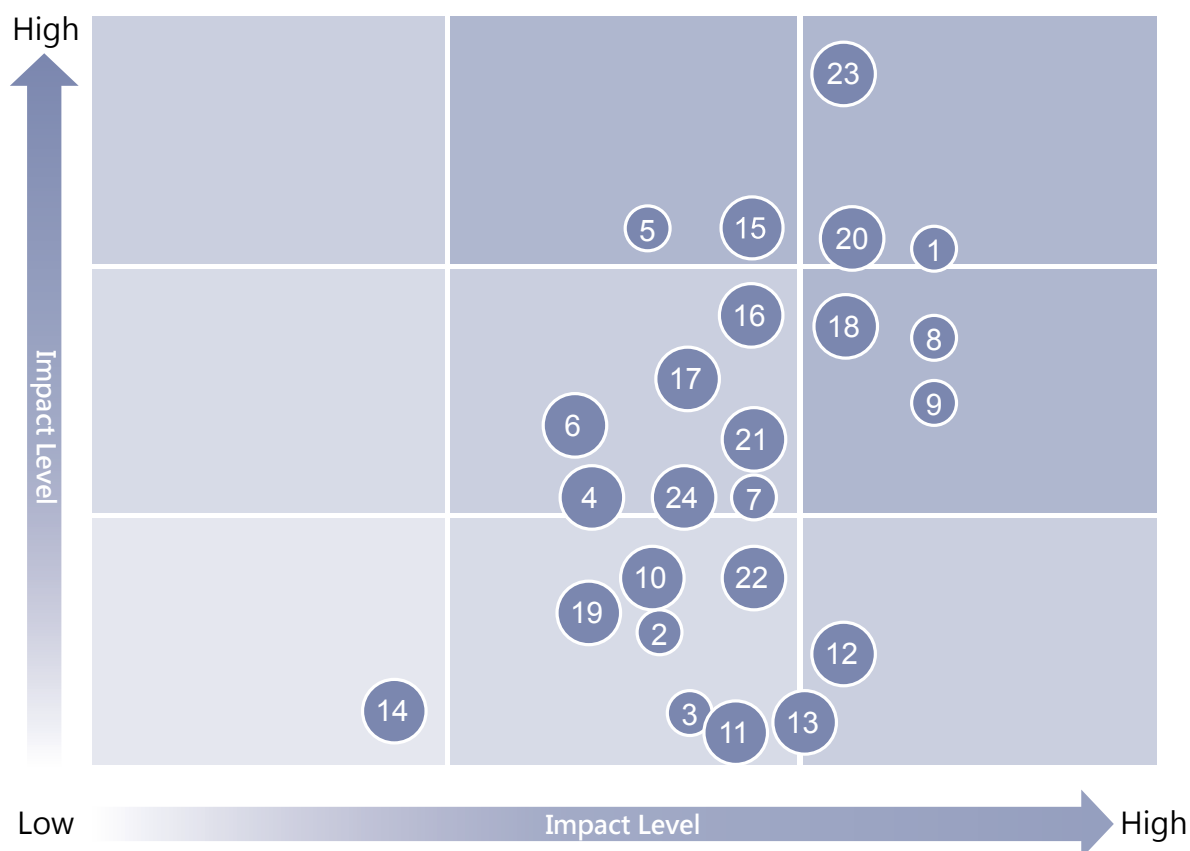
## 1.4 Materiality Analysis

### Material issues, internal and external impacts, and management

Sustainability aspect	Material issue	Positive and negative impacts	(GRI) specific topic	Inside the organization	Outside the organization				Reference section of management approach
				Mao Bao	Government agencies	Customer/consumer	Suppliers	Investors	
Corporate governance	Economic performance	Stable revenue, meeting operational targets, indicates a practical positive impact	GRI 201-1 GRI 201-2	v	v	v		v	3.1 4.4
Environmental society	Legal compliance	The Company' s legal compliance is good, representing a practical positive impact	GRI 1 2-27	v	v	v			2.4
Corporate governance	Technological innovation	Continued innovation in products, meeting operational targets, representing a practical positive impact	GRI 3 3-3	v		v			3.2 4.3.3
Environmental society	Supplier sustainability	Having extended sustainable development initiatives to suppliers and progressively optimizing them constitutes practical positive impact	GRI 308-1/ GRI 308-2 GRI 414-1/ GRI 414-2	v	v	v			3.5
Society	Occupational safety and health	Except for traffic accidents, there were no major occupational accidents, and through related health promotion activities, we are moving towards a healthy workplace, which represents a practical positive impact	GRI 403-1/ GRI 403-2 GRI 403-3/ GRI 403-4 GRI 403-5/ GRI 403-6 GRI 403-7/ GRI 403-10	v	v				5.5
Environment	Waste management	The Company' s waste recycling rate has reached 90% , representing a practical positive impact	GRI 306-3	v	v	v			4.2
Environment	Raw material usage	The Company follows the principle of green design, selecting recyclable materials for production to reduce waste at the source, representing a practical positive impact	GRI 301	v		v	v		3.5
Corporate governance	Information security	Continued investment in resources to strengthen information security protection has resulted in no significant information security incidents, representing a practical positive impact	GRI 3 3-3	v	v	v			2.6

Note: There are no changes to the material topics of this year compared to 2024

Distribution chart of material issues (diagram for illustration purpose)



1 Raw Material Use	9 Occupational Safety and Health	17 Ethical Integrity
2 Energy Management	10 Training and Education	18 Supply Chain Sustainability
3 GHG Emissions	11 Employee Diversity and Equality	19 Climate Change Response
4 Energy Conservation and Carbon Reduction	12 Anti-corruption	20 Legal Compliance
5 Waste Management	13 Customer Health and Safety	21 Economic Performance
6 Water Resource Management	14 Social Engagement	22 Risk Management
7 Pollution Control	15 Technological Innovation	23 Information Security
8 Employment Relations	16 Customer Service Section	24 Market Position



2024

SUSTAINABILITY REPORT

永續報告書



# Ch2

## Corporate Governance

2.1 Company Profile

2.2 Governance Structure

2.3 Board of Directors

2.4 Ethical Integrity and Legal Compliance

2.5 Risk Management

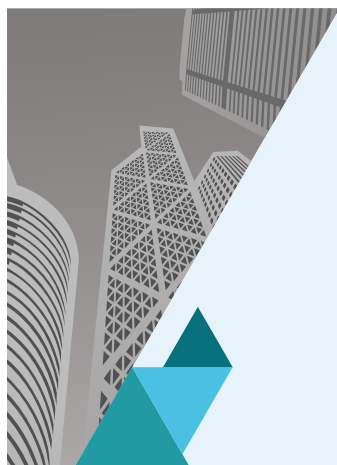
2.6 Information Security and Personal Data Protection

2.7 Management System

2.8 External Exchange and Cooperation

## 2. Corporate Governance

### 2.1 Company Profile



Date of Establishment : 1978

Chairman : Wu, Jui-Hua

President : Chen, Yi-Hung

Number of employees : 158

Capital : NTD 420 million

(Stock Code : 1732)

Address : 19F., No. 97, Sec. 4, Chongxin Rd., Sanchong Dist., New Taipei City (Taipei Branch)

No. 19, Shijian Rd., Hukou Township, Hsinchu County (Headquarters Plant)

Since its founding in 1978, Mao Bao Inc., has always adhered to the philosophy and core values of “honesty and pragmatism,” “encouraging innovation,” “persisting in excellence,” “caring for society,” and “customer first” . Production and development of toilet cleaner, glass brightener, laundry detergents, kitchen degreasers, collar wash, various types of cleaners, dishwashing liquids, and a variety of detergents. Listed on the stock exchange for trading in September 2001. For more than 40 years, Mao Bao has been striving for improvement, devoting itself to producing high-quality and green products that meet consumer needs and environmental protection, hoping to make customers’ living environment cleaner and more secure. Since 2014, the Company has adopted the palm oil-derived MES formula and environmentally friendly and harmless green materials, underscoring the Company’ s efforts in seeking a sustainable environment to reduce environmental impact and carbon dioxide production.

#### 2.1.1 Sustainable Management Vision and Policy

##### Our vision

- No. 1 brand of cleaning and maintenance products in Taiwan
- Development in emerging markets and marketing throughout Asia

##### Our business philosophy

- Ethical corporate management
- Research and innovation
- Commitment to environmental protection
- Giving back to society

##### Our corporate social responsibility policy

- Compliance with regulations and customer requirements
- Green product
- Providing healthy and safe workplace
- Social prosperity

## 2.1.2 Operation History and Outlook for 2022 to 2024

### Changes in Taiwan' s retail sectors

- ✓ The consolidation of physical channels and the expansion of online-to-offline (O2O) operations (Carrefour/President Chain Store Corporation, RT-Mart/Pxmart),
- ✓ Channel flattening : Online shopping, delivery services, home delivery, regional group buying

### Review of the international and regional situation

- ✓ Global economic slowdown, climate change, regional instability, green energy
- ✓ Inflation and soaring prices, monetary tightening (interest rate hikes/rising living costs/stalled recovery), war (raw material/energy supply and price fluctuations), strong USD (exchange rate fluctuation/imports and exports), supply chain disruptions (follow-up impact of China' s zero-COVID policy adjustments), rising labor costs

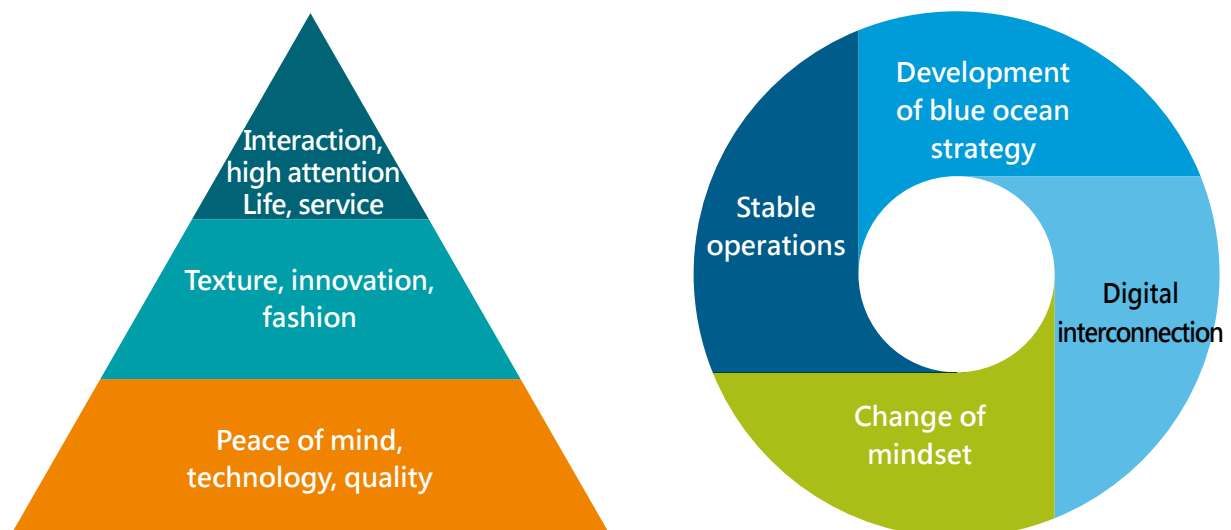
### Corporate challenges

Manpower, transportation, cost, raw materials, supply chain, inflation, sales, channels, policies

### Post-pandemic era

- ✓ Social Structure : Population declining/aging/rising costs, global warming and extreme weather, pandemics
- ✓ Consumer demand : Protection, function, peace of mind, environmental protection, pursuit of self-worth
- ✓ Megatrends : AI, big data, communication, automation (smart manufacturing), ESG/new energy, long-term care/aging society

## 2.1.3 Brand Value and Operational Policy




## 2.1.4 Diversified and Life-convenient Products

Mao Bao is committed to creating a diverse range of high-performance cleaning products, bringing a cleaner and more convenient cleaning experience to the every family. From professional textile cleaning and home environment cleaning to electrical appliance cleaning, Mao Bao utilizes innovative technology combined with green high-efficiency ingredients to provide a safer, more effective cleaning solution for a better life!

### 4 virus-cleaning products of Mao Bao

 <p><b>Mao Bao Weiss Antibacterial Laundry Detergent</b></p>	<ul style="list-style-type: none"> <li>● Experiments prove effective in cleaning 4 major viruses</li> <li>● Using the unique effective virus cleaning agents announced by the U.S. EPA, and has been tested by Taiwan' s leading university research center to be effectively cleanse Coronavirus (229E), Influenza A (H1N1), Influenza B, and Enterovirus. With this product, you can ensure your clothes are clean and protected, providing true peace of mind!</li> <li>● Achieved an antibacterial rate of over 99.9% with cosmetic-grade antibacterial agents, anionic antibacterial components, and various natural plant extracts such as sage and rosemary. This triple antibacterial compound effectively inhibits common harmful bacteria like E. coli, Staphylococcus aureus, and Salmonella.</li> </ul>
 <p><b>Mao Bao Magic Decontamination Antibiotic</b></p>	<ul style="list-style-type: none"> <li>● Experiments prove effective in cleaning 4 major viruses</li> <li>● Tested by Taiwan' s leading university research center to effectively cleanse Coronavirus (229E), Influenza A (H1N1), Influenza B, and Enterovirus (type 71). One bottle for spotless clothes and home protection!</li> <li>● Super concentrated natural active cleaning for rapid cleaning and deodorizing: Up to 95% maximum concentration of natural oxygenated carbonates added, softening stubborn stains to achieve deep cleaning and odor removal.</li> <li>● 99.9% antibacterial power, inhibiting odor formation: Natural antibacterial Ag+ silver ions disrupt bacterial DNA, preventing bacterial growth. Verified by INTERTEK to effectively inhibit common harmful bacteria such as Staphylococcus aureus, E. coli, and Salmonella, reaching bacterial formation and sources of odor.</li> <li>● Enzyme powerful deep cleaning, effectively breaking down tough stains: PT protease is added to break down tough stains such as sweat, blood, food, milk, coffee, tea, etc., into small molecules for effective cleaning.</li> <li>● No harmful chemicals such as fluorescent brightener, total phosphate, and nonylphenol were added.</li> </ul>
 <p><b>Mao Bao Weiss Antibacterial Water Spray</b></p>	<ul style="list-style-type: none"> <li>● Unique virus cleaning factor and protection against 4 major viruses: The effective virus cleaning factor announced by the U.S. EPA has been tested by Taiwan' s leading university research center to inhibit Coronavirus (229E), Influenza A (H1N1), and Influenza B, and Enterovirus (type 71), reducing residual presence and propagation on fabrics and surfaces!</li> <li>● Cosmetic-grade antibacterial factor protection against the 5 major bacteria: Utilizing cosmetic-grade antibacterial factors, effectively combating the five common harmful bacteria found in daily life, and inhibiting the source of bacteria odors. Tested by INTERTEK, effectively inhibits 99.9% of Staphylococcus aureus, Pseudomonas aeruginosa, E. coli, Salmonella, and Candida albicans.</li> <li>● Food-grade citrus fragrance without alcohol: Naturally fresh aroma that combats viruses without alcohol, non-irritating when used.</li> </ul>






**MaoBao Weiss Antibacterial Laundry Cleanser**

**Won the SNQ Symbol of national Quality**

- Experimental verification confirms effective cleaning of 4 major viruses. Tested by Taiwan's leading university research center to effectively cleanse Coronavirus (229E), Influenza A (H1N1), Influenza B, Enterovirus (type 71), ensuring clean and protected clothing and washing with it brings real peace of mind
- Addition of "antibacterial agent + fabric antibacterial solution" to the laundry to enhance virus removal and provides 48-hour long-lasting antibacterial protection.
- Tested by INTERTEK, 99.99% cleansing common bad bacteria such as Staphylococcus aureus, Pseudomonas aeruginosa, E. coli, Salmonella, and Candida albicans, providing 48-hour long-lasting antibacterial protection.
- To remove fabric odors and indoor drying odors that damage bacterial membranes on clothing, remove residual odors from fabrics. Eliminate indoor drying odors, leaving clothes clean and smelling fresh.



**MaoBao Weiss Floor Cleaning Antibacterial Toner**

- Experimental verification confirms effective cleaning of 4 major viruses. Tested by Taiwan's leading university research center to effectively cleanse Coronavirus (229E), Influenza A (H1N1), Influenza B, Enterovirus (type 71). Effectively cleaning floors and reducing bacterial growth is the key to true cleanliness!
- 99.9% effective removal of the 5 major bad bacteria: Tested by a third-party unit, targeting E. coli, Staphylococcus aureus, Pseudomonas aeruginosa, Candida albicans, and Salmonella, with a 99.9 bacteria reduction rate.
- Low-foaming formula with plant extracts that dries quickly without leaving marks: Using plant-based cleansing formula, low-foaming for time-saving, leaves surfaces shiny without trace, and no stickiness left on the floor.
- Dual-purpose product in one bottle, suitable for various materials: Cleaning floors and hard surfaces such as tiles, wood, marble, terrazzo, and plastics.


## Professional Fabric Cleaning Care



**Mao Bao PM2.5 Antibacterial Laundry Detergent**

PM2.5 air pollution strikes, bringing particles home on your clothes too! Mao Bao leads the way by introducing Japan-developed V-shaped cleansing factors, which penetrate deep into fabric fibers to remove hidden PM2.5 particles. With 360-degree comprehensive and efficient surfactants and neutral, gentle multi-effective surfactant factors, it is mild and non-irritating to the skin, ensuring peace of mind when washing baby or underwear and lingerie.

- National University research has confirmed that it is 99.9% effective in eradicating Coronavirus
- Cosmetic-grade antibacterial ingredients CHG, thymol, and broad-spectrum mold proof factors effectively inhibit the growth of Staphylococcus aureus, E. coli, Salmonella and black mold.
- Introducing Japan-developed V-shaped microparticle cleaning factor FMEE deeply penetrates fibers, enhancing the removal of micropollutants effectively.



**Mao Bao Baking Soda Liquid Soap**

Natural Coconut Oil Liquid Soap + food-grade baking soda for 100% natural zero burden cleansing.

- The next generation of liquid soap, refined from pure natural coconut oil, is natural and mild, protecting delicate skin.
- Combining common food-grade baking soda used for stain removal and odor elimination in Europe, America, and Japan, perfectly balanced in liquid soap, provides the most natural and gentle cleaning ingredients for you and your family's clothes.
- Phosphorus-free, colorant-free, fluorescent agent-free, bleach-free, highly biodegradable, and considerate of your cherished ecological environment.
- Low-foaming formula for easy rinsing, water saving, suitable for both vertical type and front-load washing machines.



Mao Bao Cold  
Water Wash

- Utilizing plant-based cleaning agents, a neutral botanical fiber care formula cleans, softens, and protects colors in one go, keeping clothes as good as new!
- Gentle on fabrics without deformation, suitable for various materials such as pure wool, blended wool, cotton-blended sweaters, pure cotton, silk, linen, etc., including baby clothes, underwear and lingerie, drywear, and various high-end garments.



Mao Bao Hand  
Detergent for  
Underwear and  
Lingerie

- Refreshing fragrance and deodorizing: Infused with rose geranium and Juniperus Mexicana extracts, it offers a gentle and elegant aroma that effectively eliminates odors and leaves a long-lasting freshness.
- Deep antibacterial 99.9% efficacy: Experiments have proven its effectiveness in inhibiting the growth and infection of harmful bacteria such as Staphylococcus aureus, Candida albicans, and E. coli.
- Fine foam decontamination: Deeply penetrates into fabrics and dissolves quickly, leaving no residue after washing.
- Gentle and neutral formula: Formulated with coconut oil/palm oil plant-based cleaning agents, effectively cleans without harming hands.
- Gentle and supple hand protection: Contains plant-derived skin-friendly factors to lubricate the fibrous inner layer of underwear and lingerie, reducing discomfort caused by friction on the skin.



Mao Bao X-Sport  
Enzyme Laundry  
Detergent

Specially developed for sports clothing

- FEVO (Fabric Evolution) represents a new revolution in fabric technology
- Mao Bao' s exclusive R&D in cleaning technology innovatively protects fabric functionalities, offering a whole new experience of cleanliness!
- Nordic PG protein enzyme, combined with EU ECOCERT certified natural cleaning formula, penetrates deep into the roots of fibers to completely dissolve stubborn stains.
- Mao Bao' s exclusive FEVO fabric care technology maintains the moisture absorption and sweat-removal performance of functional clothing, allowing the fabric to quickly absorb and release sweat moisture to reduce stickiness and preventing odor buildup.
- Cosmetic skin-friendly factors smooth fibers, suppress static electricity on fabric surfaces, and maintain the comfort and skin-friendly properties of clothing.



Mao Bao Collagen  
Essence - Enzyme  
Clothing Stains  
Remover

- Three levels of mild cleansing protein enzyme + lipase + plant-based cleansing factor. This triple cleansing formula gently removes tough stains and enhances the cleanliness of clothes.
- Easily solves a wide range of tough stains including sweat stains and common stains: Collar, cuffs, socks, trouser legs, residue stains on underwear and lingerie such as dirt, sweat, urine, blood, cosmetics, etc.
- Micron stain-removing foam, cleans easily without rubbing, making stain removal easy: Micron-sized foam penetrates deeply into clothing fibers to quickly dissolve dirt.

## Household cleaning

 <p><b>Mao Bao Laundry Tub Stain Remover</b></p>	<p>99.9% cleaning of viruses and bacteria</p> <p>With newly added Ag+ silver ion antibacterial formula and powerful MOT formula, Mao Bao's exclusive dual-action formula effectively cleans Coronaviruses without soaking, which will save time.</p> <ul style="list-style-type: none"> <li>● Oxygen-activated stain removal formula: Softens tough stains, removes biofilm and grime from washing machine surfaces, achieving deep cleaning, disinfection, and mold removal effects. It also eliminates odor sources, providing a comprehensive purification with a one-step solution, and it requires no soaking for monthly cleaning!</li> <li>● Ag+ silver ion MOT formula: Accelerates the oxidation time of high-efficiency oxygen molecules and efficiently remove tough stains.</li> <li>● Super-sufficient formula: Each 300g packet effectively disrupts the structure of bacterial biofilms.</li> <li>● 99.9% sterilization rate: The SGS experiment has proven that it can effectively inhibit E. coli, Staphylococcus aureus, and Candida albicans.</li> <li>● Safe formula: Oxygen-activated formula is safer and more environmentally friendly compared to corrosive chlorine-based formulas with stronger alkali, while still effectively eliminating bacteria.</li> <li>● Suitable for both vertical and front-load washing machines.</li> </ul>
 <p><b>Room-filling Fragrance Floor Cleaner</b></p>	<p>2-times quick-drying new upgrade!</p> <ul style="list-style-type: none"> <li>● Introducing a plant-based, eco-friendly floor cleaner formula that cleans, disinfects, and leaves a refreshing aroma in one go. It is gentle, residue-free, non-irritating, providing peace of mind with every use!</li> <li>● The double-speed drying formula ensures high-efficiency cleaning, leaving surfaces shiny and without trace!</li> </ul>
 <p><b>Mao Bao Baking Soda Dishwashing Liquid</b></p>	<p>Plant extract cleanser + baking soda, golden ratio formula</p> <ul style="list-style-type: none"> <li>● Dual-action degreasing and deodorant formula: Contains baking soda (food additive grade) and over 200 plant extracts, making it easy to eliminate food odors.</li> <li>● Skin-friendly and gentle: Contains PLANTATEX® LLE skin-conditioning agents, it is mild and non-irritating, leaving hands feeling smooth and not dry.</li> <li>● Plant-based cleansers that can be rinsed easily without residue: Made with refined coconut oil and palm oil plant-based cleaning agents, it is neutral, gentle, low-foam, and easy to rinse.</li> <li>● Free from added nonylphenol, methanol, heavy metals, fluorescent agents, etc.</li> <li>● Tested by SGS and compliant with the "Sanitation Standard for Food Cleansers", it ensures safe use with zero burden. Highly biodegradable, it is environmentally friendly and helps protect the planet.</li> </ul>
 <p><b>Mao Bao Food Utensils Detergent and Foaming Powder</b></p>	<p>A high-density foam that do not require scrubbing or brushing, cup stains gone in 30 minutes!</p> <ul style="list-style-type: none"> <li>● Ultra-enzyme oxygen cleansing upgraded formula: The exclusively developed protein enzyme + high-density foam oxygen enzyme formula can effectively remove tough stains, and is highly biodegradable and environmentally friendly!</li> <li>● Easy to wash and labor-saving, suitable for all kinds of cups and dishes. No scrubbing required, just soak for 30 minutes to clean stains, remove grime, and eliminate odors in one go!</li> </ul>



**Mao Bao Oven &  
Air Fryer Cleansing  
Foam**

Obtained the USDA green product certification

- Golden ratio for cleaning, grease and grime removal: Food additive-grade baking soda and plant-based detergents are designed for cleaning kitchen appliances. Complies with Sanitation Standard for Food Cleansers, effectively cleans heavy grease and oil stains.
- Gentle on hands, odorless and non-irritating: Carefully selected natural cleaning formula without added essence, dyes, petrochemical solvents, or Paraben preservatives. Gentle and non-irritating to the skin, it is also non-damaging to kitchen appliance materials due to the absence of petrochemical solvents.
- Rich and fine foams penetrate deeply to dissolve grease: Concentrated foam effectively reaches into crevices, holes, corners, and other hard-to-clean areas, penetrating solid gel-like grease stains, making cleaning quicker and more convenient.



**Mao Bao Enzyme  
Dish and Vegetable  
Cleansing Liquid  
Soap**

Obtained the USDA green product certification

- Gold formula for high-efficiency odor and grease removal: Natural palm/coconut oil liquid soap and baking soda are introduced to cleanse and remove odor molecules at the same time!
- 360-degree active enzyme breakdown for thorough cleaning: Precisely targets different types of dirt, penetrating deep into the layers to structurally breakdown and accelerate the removal by transforming molecules
- Easy cleaning, gentle and non-irritating to the skin: Foam effectively lifts and removes grease and dirt with a single wipe. Neutral formula ensures it's mild and non-drying
- 4 times higher pesticide removal rate: Experiments have shown that the pesticide removal rate is 4 times higher than water alone, ensuring cleaner fruits and vegetables for a safer consumption!
- No additives and no residue: Free from methanol, fluorescent brighteners, nonylphenol, highly biodegradable, and environmentally friendly
- Peace of mind cleaning declaration: Passed the US USDA green product certification, and complies with Taiwan's Sanitation Standard for Food Cleansers

## Personal Protective Care



**Deer Hills 12-  
Hour Long-lasting  
Mosquito Repellent**

Recommended by WHO, imported from Germany, effective mosquito repellent ingredient of Picaridin

- Provides 12-hour long-lasting mosquito protection, effectively protecting against the bites of common mosquitoes + Forcipomyia taiwana
- Innovative introduction: British certified organic essential oils
- Passed sensitivity skin tests, non-irritating to the skin



**Deer Hills Organic  
Essential Oil Dual-  
Action Mosquito  
Repellent**

- Utilizing a dual-action mosquito repellent formula with natural plant extracts from Japan, enriched with natural plant oils and exclusive mosquito repellent ingredients. This formula effectively repels both common mosquitoes and Forcipomyia taiwana.
- Verified by a national university experiment, Deer Hills Organic Essential Oil Dual-Action Mosquito Repellent achieves a 100% avoidance rate against both common mosquitoes and Forcipomyia taiwana, with effectiveness lasting for 2 hours.
- Gentle and mildly acidic, non-irritating to the skin, refreshing without feeling sticky. No added chemical DEET ingredient, safe and non-toxic, with no adverse effects on the human body. Free from camphor, menthol, Paraben preservatives, artificial fragrances, and colorants. Safe for use by both adults and children.
- Carefully selected organic rosemary essential oil certified by the Soil Association in the UK, emitting a fresh botanical fragrance.

 <p>Deer Hills Organic Essential Oil Long-Lasting Dual-Action Mosquito Repellent</p>	<ul style="list-style-type: none"> <li>● Brand new natural mosquito repellent formula from Japan and the UK, featuring exclusive essential oils for long-lasting dual-action mosquito protection, effectively repelling both common mosquitoes and Forcipomyia taiwana. Proven by a national university experiment to effectively prevent bites, upgraded for long-lasting mosquito protection.</li> <li>● Free from Alcohol, DEET chemical ingredient, camphor, menthol, Paraben preservatives, artificial fragrances, and colorants. Safe for use by both adults and children.</li> <li>● Carefully selected organic rose geranium essential oil certified by the Soil Association in the UK, along with sweet orange essential oil, emitting a fresh botanical fragrance.</li> <li>● Contains lemon eucalyptus essential oil, extracted from natural lemon eucalyptus leaves through steam distillation, with a fresh and subtle fragrance that repels mosquitoes.</li> </ul>
 <p>Deer Hills Herbal Mosquito Repellent Gel</p>	<ul style="list-style-type: none"> <li>● The EPA-approved natural mosquito repellent ingredient - tea tree essential oil, extracted using multiple distillation techniques, effectively repels mosquitoes.</li> <li>● Experiments conducted by Taiwan' s leading university research center have shown that it effectively repels mosquitoes for 45 to 60 days.</li> <li>● Mao Bao' s exclusive and innovative packaging design features delicate vines and butterfly motifs, enhancing the home decor ambience.</li> </ul>
 <p>Deer Hills Hand Sanitizer</p>	<p>Technical guidance from the National Taiwan University, nano biomedical No. 1 incorporates grapefruit seed extract as cleaning ingredients.</p> <p>Quickly cleans hands, moisturizes without drying, gentle and non-irritating to the skin.</p>
 <p>Deer Hills Grapefruit Seed Antibacterial Spray</p>	<p>Effectively inhibits coronaviruses and influenza A/B viruses. Natural bacteriostasis is the most secure!</p> <ul style="list-style-type: none"> <li>● Contains natural grapefruit seed extract, which is extracted from unripe grapefruit seeds, effectively combating common bacteria found in daily life.</li> <li>● Alcohol-free formula, mild and non-irritating. No added dyes, artificial fragrances, or preservatives, ensuring peace of mind when using.</li> <li>● Clean household items effectively and achieve antibacterial results. Can be used for doorknobs, toilet seats, dining tables and chairs, furniture, phones, refrigerators, toys, etc.</li> </ul>

## 2.1.5 Products and Markets

Product	Usage or function
Cold water wash	Used for washing and maintenance of high-end clothes
Collar wash	For removing stain at a local position or special maintenance of clothes
Laundry detergent	Used for washing, color protection and maintenance of clothes
Domestic cleaning products	Used for cleaning, deodorizing and maintaining the household washing machines, bathroom equipment, kitchens and floors
Dish Washing Liquid	Used to wash dishes, prevent bacterial infection and protect hands
Long-effect protection series	Obtained the technology transfer contract of the National Taiwan University R&D team, to develop the NTU Nano Bio NO.1 formula Protection Series. The products can form an effective protective film on the surface of objects, effectively avoiding external contamination, and providing consumers with overall and complete protection.
Others	For domestic cleaning (kitchen and floor), personal cleaning and maintenance

### Production volume and value in the past two years

Unit: NT\$ thousand; kg

Production volume and value Main products	Year	2023			2024		
		Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Detergent series		-	10,610,884	211,381	-	10,979,207	224,837
Domestic cleaning series		-	3,008,650	82,961	-	3,199,809	89,442
Personal hygiene and protection series		-	52,945	19,969	-	39,323	17,203
Other		-	2,191	274	-	3,041	376
Total		-	13,674,670	314,585	-	14,221,380	331,858

Note: productions of all products are replaceable.

The main sales channels of the Company's products are various domestic hypermarkets, supermarkets, benefit products, special merchandise and cosmetic/drug stores. Since market manufacturers actively invest in the R&D and innovation of new products, the potential needs of consumers will continue to be developed to expand the overall market; in particular, when facing the era of segmentation and micro-profits, products with functional orientation, personalization, and higher added-value meet the needs of consumers better; in addition, with the implementation of environmental protection policies and the awareness of environmental protection is improved in Taiwan, products with low consumption, low pollution, and less consumables will also become the mainstream of the market. Meanwhile, as the product information is full of market with high product homogeneity, consumers will be influenced when purchasing more by factors such as brand, visibility and promotion.

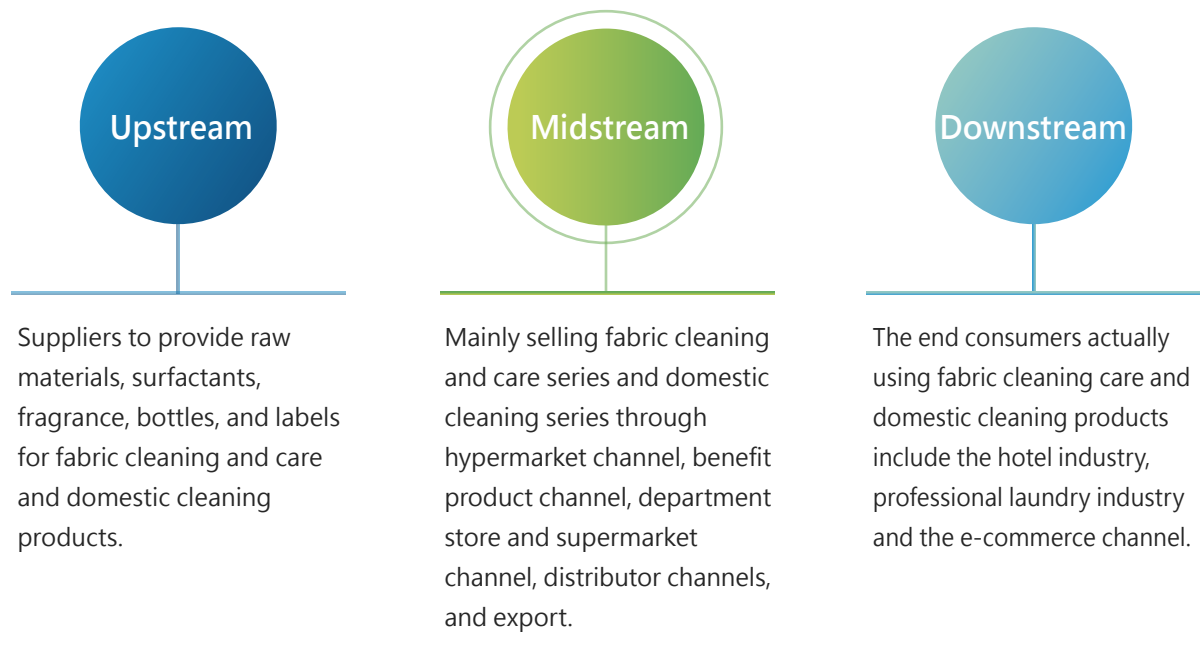


The suppliers in the detergent market can basically be categorized as two: foreign and local. Foreign manufacturers take advantage of international marketing experiences and abundant marketing resources to capture the market; the local high-quality manufacturers adopt market segmentation policies to provide consumers with unique and high value-added products meeting their needs, to effectively penetrate the market and occupy their positions.

In the future, the cleaner market will enter a period of integration. Other than strengthening the research and development of product functionality, all manufacturers must fully invest in product packaging, brand image building, marketing network establishment, advertisement and promotion, and business performance will be more important. Meanwhile, due to changes in consumption habits and rising awareness of environmental protection, the industry will develop towards personalization, functionality, diversification, high added-value, and clear segmentation. The demand for health, environmental protection, nature, and peace of mind is the direction of appeal.

The Company' s main products are the fabric cleaning and care series: laundry detergents, fabric softeners, laundry bleaches, functional additives such as stain remover, or detergent auxiliary. Domestic cleaning series: dish detergents, vegetables and fruit detergents, kitchen detergents, bathroom detergents, glass and furniture detergents, floor detergents, pipe detergents, and household fragrance. The relationship among the up, mid, and downstream in the industry from the supply of raw materials, the production and packaging process to the sale of finished cleaning products is described as below :

#### Industrial chain





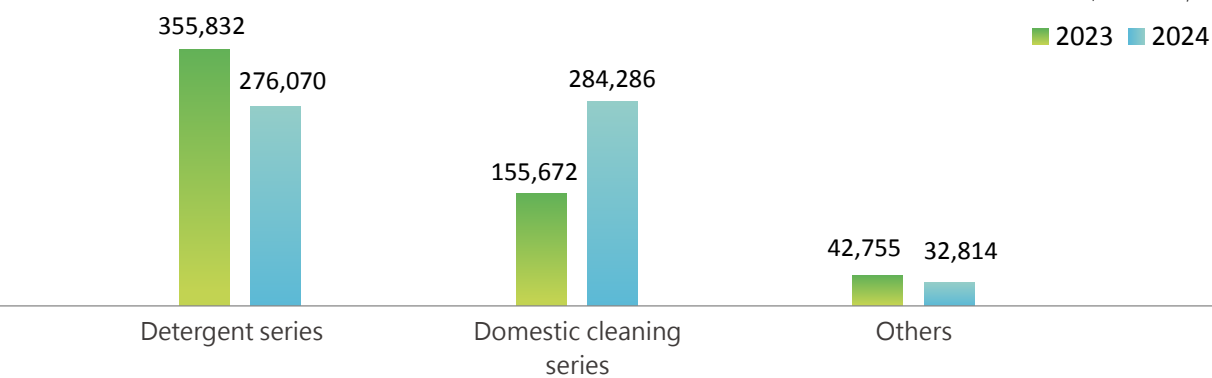
## Mao Bao' s Major Product Sales Revenue Table

Unit: NT\$ thousand; %

Product name	2023		2024	
	Amount	Ratio	Amount	Ratio
Detergent series	355,832	64.20%	276,070	46.54%
Domestic cleaning series	155,672	28.09%	284,286	47.93%
Other	42,755	7.71%	32,814	5.53%
Total	554,259	100.00%	593,170	100.00%

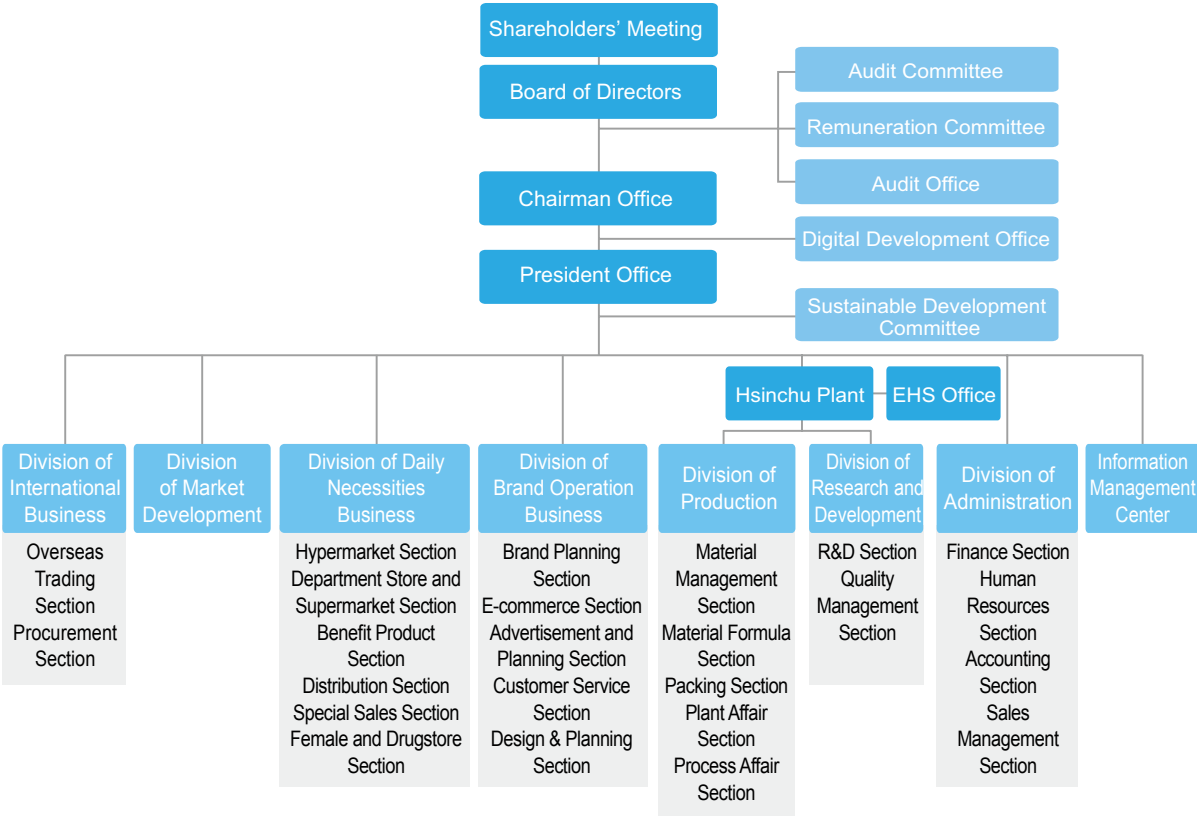
## Major product sales revenue distribution chart

Unit: NT\$ thousand; %



## 2.2 Governance Structure

### Mao Bao' s 2024 Organizational Chart





### Organizational Responsibilities

Department	Main duties
Audit Office	Taking charge of planning and executing internal audits and the tracking of improvement results.
Audit Committee	To assist the board of directors in overseeing the quality and integrity of the Company' s execution of accounting, audit and reviews, financial reporting processes, and financial controls.
Remuneration Committee	Improve the remuneration system for the Company' s directors, supervisors, and managers, and appoint and convene meetings of the Board of Directors in accordance with the law.
Division of Production	Taking charge of product manufacturing, process control, raw material and inventory management, and product delivery, among other operations.
Division of Research and Development	Product research and development, functions improvement and enhancement, and sample development.
Division of Market Development	Taking charge of the promotion and development for new markets.
Division of International Business	Responsible for the domestic and overseas procurement of raw materials and the development of new suppliers; the expansion of export markets.
Division of Daily Necessities Business	Taking charge of business promotion in the domestic market, quotations to customer, and product planning, among other operations.
Division of Brand Operation Business	New product development, market information collection, product management, advertising planning and other services, among other operations. Taking charge of the promotion and product planning of the domestic B to C market, among other operations.
Division of Administration	Taking charge of HR administrative operations, such as employee appointment, promotion, training, and retirement; procurement of office supplies; the Company' s financial operations, accounting operations, and shareholder service operations.
Information Management Center	Application system planning and management, operating system management, hardware equipment management and information security management.
Sustainable Development Committee	Formulate the sustainable development policy, implement it within the Company, and gradually integrate the concept of sustainable management into the corporate culture.

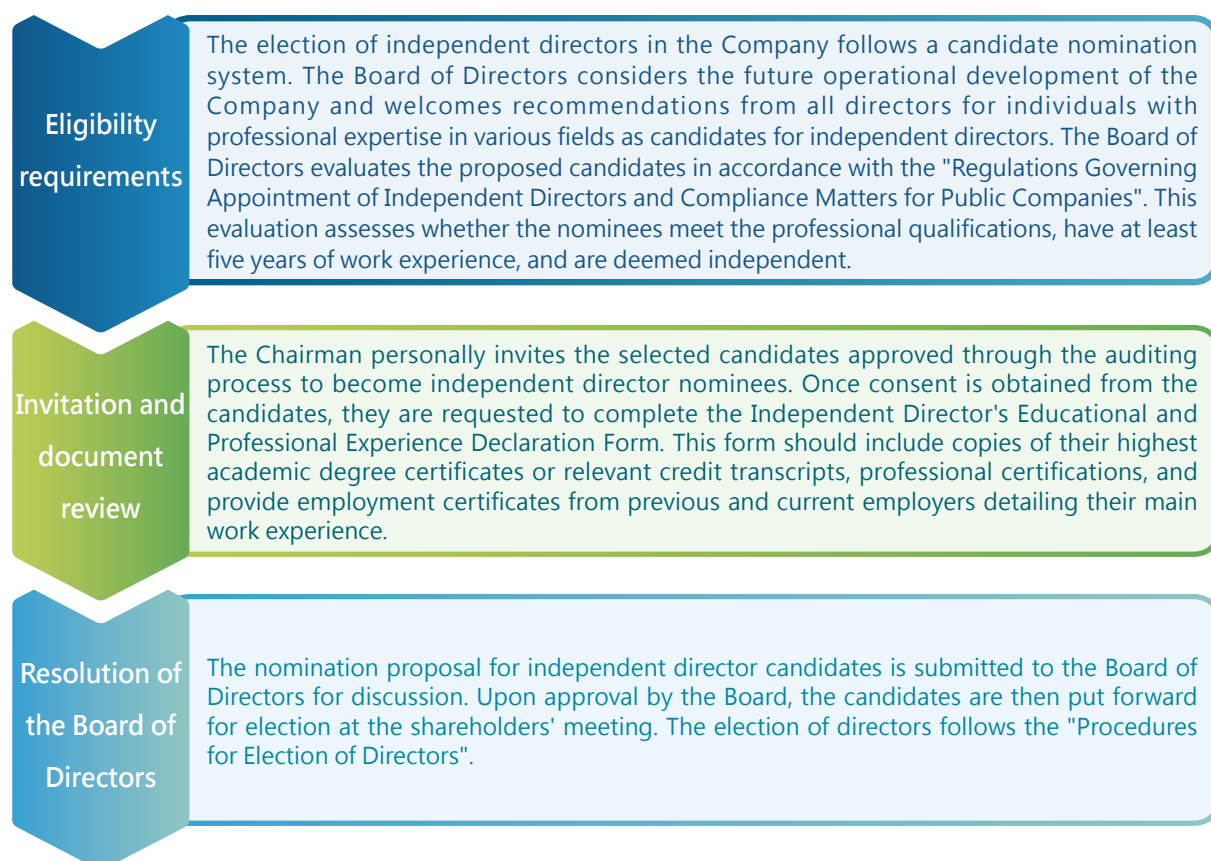
The Chairman and President are not the same person, and the President is not a member of the Board of Directors.

## 2.3 Board of Directors

Mao Bao insists on the spirit of “corporate governance,” and takes the managerial concept of social responsibility and sustainable management as the highest indicator of operation, complies with the principle of corporate governance, insists the information disclosure and operation transparency, to be committed to strengthening the Company’ s operating performance to ensure shareholders’ interests while maintaining other stakeholders’ interests. The Board is responsible for supervising the Company’ s operation and management, and cooperates with the management team to jointly monitor and pay attention to the latest status of legal restrictions, changes and regulations of relevant securities competent authorities and exchanges, to maintain the good reputation established during the Company’ s long-time operations.

The Board of Directors elected 9 directors in accordance with the Company’ s Articles of Incorporation (5 general directors and 4 independent directors, respectively, independent directors accounted for 44% of all directors) to enhance the independence of the Board of Directors. The members of the Board of Directors are comprised of professionals with extensive industry experience in finance, accounting, legal affairs management, etc. They contribute their experience in these domains during board meetings to provide guidance for the Company.

### Nomination and Selection Process for Board of Directors and Committees



The Company's Board of Directors meets at least once every quarter to review the company's operational performance and discuss important strategic issues, as well as important ESG strategies and key material events, including economic, environmental, and social impacts, risks, and opportunities. The responsible unit confirms follow-up action through the meeting, and follows up with a report on the action in the next meeting. Important resolutions of the Board of Directors are also announced on the MOPS of Taiwan Stock Exchange in a timely manner, and are available for reference in the corporate governance section of the Company's website, where significant regulations and rules are provided for inquiry.

According to the "Roadmap for the Sustainable Development of Listed Companies" published by the FSC in March 2022, the Company, with a paid-in capital of less than NT\$5 billion, should conduct GHG inventory in accordance with the following phases. Parent company only (i.e. parent company) should complete the inventory by 2026 and verification by 2028 (Phase 3). Consolidated subsidiaries should complete the inventory by 2027 and verification by 2029 (Phase 4). We will adhere to the guidelines and regulations issued by the competent authorities to continuously monitor the completion status of GHG inventory and verification disclosure schedules.

Mao Bao has established and improved an audit management system through the establishment of an Audit Committee composed of independent directors, aiming to fulfill the responsibilities of supervising the Company's management. The audit unit reports on the results of the internal control system audit to the Board of Directors quarterly and holds regular separate communication meetings annually with the CPAs from PwC Taiwan and independent directors. A separate communication meeting was held on March 12, 2025, to discuss the Company's internal controls and financial accounting for 2024, and the meeting minutes will be disclosed on the Company's official website.



The state of  
operations of the  
board of directors

### 2.3.1 Corporate Governance, Ethics, and Integrity

Mao Bao firmly believes that only transparent corporate governance and effective ethical integrity mechanism are key to the Company' s sustainability. Therefore, we have established a culture of integrity, gradually internalizing integrity into the daily business operations of our colleagues.

We have established corporate governance guidelines and the exercise of duties by directors and independent directors, as well as internal control systems, are currently implemented in accordance with the spirit and regulatory framework of the Corporate Governance Best Practice Principles for Listed Companies, while the finance department is responsible for promoting corporate governance-related matters

First of all, Mao Bao has established a sound corporate governance framework to enhance the effectiveness of the Board of Directors and ensure sound governance practices. Mao Bao has implemented Board of Directors' Performance Evaluation Methods and Procedures to align director remuneration with their performance. The Board of Directors conducts internal evaluations at least once a year for the board itself, its members, and functional committees. These evaluations assess performance against set criteria and outcomes are documented and report to the Board of Directors for review. This process aims to strengthen the board' s management capabilities. Furthermore, the performance evaluation serves as a basis for director selection or nomination. In the meantime, we plan to integrate ESG development goals and individual remuneration with performance, pending further maturity in internal ESG implementation. The Company will continue to monitor trends and actively promote various ESG-related issues internally. The Compensation Committee will refer to sustainable performance and include it in the remuneration assessment.

The Company has established a policy for board diversity and disclosed its implementation status on the corporate website. The policy includes guidelines for board member diversity, taking into consideration various aspects such as backgrounds and professional qualifications of relevant members. Members of the Board of Directors should generally possess the necessary knowledge, skills, and qualities required to perform their duties. This includes operational judgment, accounting and financial capabilities, management skills, crisis management abilities, industry knowledge, international market perspective, leadership, and decision-making skills. Additionally, the Company' s Board of Directors comprise 4 female directors, constituting 44% of the total board composition.

### Implementation status of diversification in the 15th Board of Directors:

Core items for diversity Name of director	Gender	Nationality	Age range	Management administration	Leadership and decision-making	Knowledge of the industry	Finance and accounting	Laws	Marketing
Wu, Rui-Hua	Female	ROC	41-50 years old	v	v	v	v		v
He, Yi-Ru	Male	ROC	61-70 years old	v	v	v	v		v
Wu, Chao-Wen	Female	ROC	51-60 years old				v		
Wu, Hsien-Tai	Male	ROC	71-80 years old	v	v	v	v		v
Wu, Chiao-Jen	Female	ROC	51-60 years old		v	v			v
Su, Liang	Male	ROC	71-80 years old	v	v	v	v		v
Huang, Chien-Cheng	Male	ROC	41-50 years old		v			v	
Chen, Wei-Zhi	Female	ROC	41-50 years old	v	v	v	v		
Lin, Chung-Chang	Male	ROC	61-70 years old	v	v	v	v		v

Secondly, Mao Bao encourages directors to enhance their specialized capabilities by participating in continuing education courses organized by professional institutions. Through these professional development opportunities, directors can augment their knowledge and strengthen the functions of the Board of Directors. Currently, the Company's directors regularly attend courses hosted by external institutions, and these activities are disclosed on the MOPS. In 2024, the total number of training hours for directors reached 57 hours, and all directors were in compliance with the laws and regulations.

Pursuant to the "Rules for Performance Evaluation of Board of Directors," the evaluation of performance for the current year shall be conducted at the end of each year pursuant to the evaluation procedures and indicators; the evaluation period is January 1 to December 31 of the year to be evaluated, and the evaluation shall be completed by the end of Q1 of the next year. The evaluation methods include performance evaluations of the overall board of directors and functional committees and the self-evaluation of individual board members. Ratings are divided into the following categories: very poor, poor, medium, good, and excellent.

### 2024 Board of Directors Performance Evaluation Results

The Company has conducted the 2024 board performance self-evaluation of the board of directors pursuant to the above-mentioned methods. The results of this evaluation are as follows:

#### I. Overall board of directors:

①The measurement items include the following five evaluation indicators for total 20 items:

Participation in the operation of the company; improvement of the quality of the board of directors' decision making; composition and structure of the board of directors; election and continuing education of the directors; and internal control.

②Self-evaluation result: excellent.

#### II. Individual board members:

①The measurement items include the following six evaluation indicators for total 20 items:

Alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director's professionalism and continuing education; and internal control.

②Self-evaluation result: excellent.

### 2024 Audit Committee Performance Evaluation Results

The Company has conducted the 2024 self-evaluation of the board performance of the Audit Committee pursuant to the above-mentioned methods. The results of this evaluation are as follows:

Functional Committee (Audit Committee):

①The measurement items include the following five evaluation indicators for total 20 items:

Participation in the operation of the company; awareness of the duties of the functional committee; improvement of quality of decisions made by the functional committee; makeup of the functional committee and election of its members and internal control.

②Self-evaluation result: excellent.

### 2024 Remuneration Committee Performance Evaluation Results

The Company has conducted the 2024 self-evaluation of the board performance of the Remuneration Committee pursuant to the above-mentioned methods. The results of this evaluation are as follows:

①The measurement items include the following five evaluation indicators for total 20 items:

Participation in the operation of the company; awareness of the duties of the functional committee; improvement of quality of decisions made by the functional committee; makeup of the functional committee and election of its members and internal control.

②Self-evaluation result: excellent.



Furthermore, to reinforce the ethical standards of internal personnel and enforce ethical corporate management, we have established not only the “Code of Ethical Conduct” , “Ethical Corporate Management Best Practice Principles” , and “Insider Trading Prevention Measures” . These documents cover various aspects which includes: preventing conflicts of interest, avoiding opportunities for personal gain, confidentiality obligations, fair trading, protecting and appropriate use of company assets, compliance with laws and regulations, encouraging reporting of illegal or unethical behavior, and disciplinary measures. These guidelines have been approved by the Board of Directors, submitted to independent directors, and reported to shareholders. We also communicate and promote anti-corruption policies to our employees. Directors also follow the above principles and avoid conflicts of interest. If a director has a conflict of interest concerning agenda items that could potentially harm the Company’ s interests, they are allowed to state their views and respond to inquiries. However, they are prohibited from participating in discussions and voting on such matter. During discussions and voting, such directors must recuse themselves and may not proxy their voting rights to another director.

### 2.3.2 Remuneration Committee

In order to improve the remuneration system for directors and managers, Mao Bao has established the “Remuneration Committee Organizational Charter” according to Article 3 of “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange” . This framework ensures compliance, and the Remuneration Committee was established in December 2011. The committee is responsible for regularly reviewing the annual and long-term performance targets of directors and managers, as well as the policies, systems, standards, and structures of remuneration. The Committee conducts periodic evaluations to assess the achievement of these targets by directors and managers, and determine the specifics and amounts of individual remuneration packages. This ensures that the Company’ s remuneration arrangements comply with relevant laws and regulations and are sufficient to attract top talent.

The performance evaluation and remuneration of directors and managers should be based on the general level of industry peers. Factors considered include the time and responsibilities invested, achievement of individual targets, performance in other roles, and remuneration given to individuals in similar positions in recent years. Additionally, evaluations should take into account the Company’ s attainment of short- and long-term business objectives, financial conditions, and the rational connection between individual performance, company operational performance and future risks. In the meantime, we integrate ESG development goals and individual remuneration with performance, pending further maturity in internal ESG implementation. The Company will continue to monitor trends, actively promote various ESG-

related issues internally, refer to sustainable performance, and include it in the remuneration assessment. Directors and managers should not be encouraged to engage in actions that exceed the Company' s risk appetite solely for the pursuit of remuneration. From a professional and objective standpoint, evaluations are conducted on the remuneration policies and systems for directors and managers of the Company. Recommendations are then presented to the Board of Directors for their consideration in decision-making processes.

For new employees, salary levels are determined through mutual agreement between labor and management based on the complexity of the job, level of responsibilities, and the individual' s education and expertise. This process follows the Company' s employee salary management regulations. For existing employees, their salary adjustments are based on their performance evaluations conducted regularly by the HR Department. Adjustments also consider external market standards. Recommendations for salary adjustments are proposed annually during the salary review process. Additionally, employees may receive rewards based on their performance achievements through relevant incentive programs. Furthermore, the Company has a Remuneration Committee that is independent from the Company' s operations. The Committee assists the Board of Directors in evaluating and supervising the Company' s overall remuneration policy. The Committee may also invite other individuals for consultation, including directors and external professional advisors, to attend its meeting. The Committee evaluates the remuneration level of directors and senior managers and submits recommendations to the Board of Directors. Every year, the HR Department schedules a report to the Remuneration Committee on the annual executive talent training and development plan, as well as a report on industry salary benchmarks. This practice ensures effective selection, training, and utilization of talent.

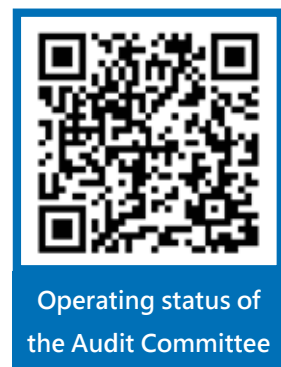
The Remuneration Committee presents recommendations to the Board of Directors based on performance metrics such as execution effectiveness and achievement of company operational targets, as well as individual performance. These recommendations are deliberated upon and approved by the Board of Directors. In addition to the abovementioned requirements, there are no other significant special benefits policies for senior managers' remuneration within the Company. The Company, with Taiwan as the primary operational base, the ratio of the highest individual annual income to the median annual income of all employees in Taiwan is 2.74 times.

According to the "Remuneration Committee Organizational Charter" , the Company' s Remuneration Committee is required to convene at least twice a year. In 2024, the Committee held a total of 2 meetings as mandated by law, with an overall attendance rate of 100% among all committee members. Please refer to the Company' s 2024 annual report for information on the establishment and operation of the Remuneration Committee.

### 2.3.3 Audit Committee

The Company has established the Audit Committee Organizational Charter in accordance with Article 14-4 of the “Securities and Exchange Act” and Article 3 of “Regulations Governing the Exercise of Powers by the Audit Committee of Public Companies”. In addition, the Audit Committee was established in July 2020. The purpose of the audit committee is to assist the board of directors in overseeing the quality and integrity of the company’s execution of accounting, inspections and reviews, financial reporting processes, and financial controls. Items reviewed by the Audit Committee include: financial statements, auditing and accounting policies and procedures, internal control system, major asset transactions or derivative transactions, major fund lending endorsements or guarantees, fundraising or issuance of securities, regulatory compliance, potential conflicts of interest in transactions involving managers and directors, company risk management, appointment, dismissal, or remuneration of CPAs, and appointment or dismissal of financial, accounting, or internal audit heads.

The Audit Committee is composed entirely of independent directors, with a minimum of three members. Among them, one serves as the Convener, and at least one member should possess expertise in accounting or finance. The professional qualifications for independent directors should comply with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. The Audit Committee convened at least once a quarter, holding a total of 5 meetings in 2024. The attendance rate of independent directors was 85%. In addition, the Committee conducts annual self-evaluation of its performance and discusses issues requiring special attention in the future.



### 2.3.4 Internal Audit Office

The Internal Audit Office is an independent unit under the Board of Directors. The appointment and dismissal of the head of internal audit are approved by the Board of Directors. The internal auditors faithfully perform their duties with an objective and fair position. Each year in Q4, they draft the audit plan for the following year based on risk assessment results. This plan is executed as approved by the Board of Directors. The audit findings are compiled into audit reports, which include internal audit deficiencies identified during the process and the corrective measures taken by responsible units. These reports are submitted to the Chairman for review to ensure the continuous and effective implementation of the internal control system.

The Company must establish effective accounting and internal control systems for business activities that pose a high risk of unethical conduct. The Company must not maintain off-the-book accounts and shall conduct regular reviews to ensure the continued effectiveness of the system' s design and implementation. The Company' s internal auditors should regularly audit the compliance with the aforementioned systems and prepare audit reports to be submitted to the Board of Directors.

Each year, in accordance with legal regulations, the Company must submit the following information to the competent authorities, including the annual audit plan, the list of audit personnel and their training hours, the implementation status of the annual audit plan, the internal control statement, and the improvement status of internal control deficiencies and irregularities.

## 2.4 Ethical Integrity and Legal Compliance

Material Topics	Policy	Commitment	Mid- and Long-Term Targets	Specific strategies	Grievance and communication mechanism	Evaluation mechanism
Legal compliance	Legal compliance	Zero violations	①Annual ESG-related compliance training rate was 100%. ②Zero violations.	①No violation of ESG regulations occurred during internal or external grievances. ②No violation of law determined by the competent authority.	Management Department/ Phone or Email response	High-level review meeting/ Zero major violation in 2024

The Company' s Board of Directors should fulfill their duty of care as prudent managers by supervising the prevention of dishonest behavior within the Company. They should constantly review and improve the effectiveness of these measures to ensure the implementation of the ethical corporate management policy. To ensure robust ethical corporate management, the President' s Office is responsible for formulating and supervising the implementation of ethical corporate management policies and preventive measures.

Directors, managers, employees, and substantial controllers of the Company must comply with legal regulations and preventive measures while conducting business activities. Policies should be established to prevent conflicts of interest, and appropriate channels should be provided for directors and managers to proactively disclose any potential conflicts of interest with the Company. Directors of the Company should maintain high level of self-discipline. If a director has a conflict of interest concerning agenda items stated by the Board of Directors that could potentially harm the Company' s interests, they are allowed to state their views and

respond to inquiries. However, they are prohibited from participating in discussions and voting on such matter. During discussions and voting, such directors must recuse themselves and may not proxy their voting rights to another director. Directors shall also maintain self-discipline among themselves and shall not provide improper support or assistance to one another. The Company's directors and managers shall not take advantage of their positions in the Company to obtain undue or improper benefits for themselves, their spouses, parents, children, or any other individuals.

The Company should regularly conduct education, training, and awareness sessions for directors, managers, employees, and substantial controllers. These sessions should also invite counterparties engaged in business activities with the Company to ensure they fully understand the Company's commitment to ethical corporate management, policies, preventive measures, and the consequences of engaging in dishonest behavior. The Company should integrate the ethical corporate management policy with employee performance evaluations and human resources policies, and establish clear and effective reward and punishment systems.

In terms of legal compliance, "integrity" is the primary core value of Mao Bao, and corporate governance is the concrete practice of integrity. Good corporate governance must have a sound legal compliance system as the cornerstone for sustainable operations. In order to respond to the requirements of the competent authorities for the compliance system for listed companies, we actively and faithfully respond to various regulatory changes and requirements of the competent authorities to implement a sound compliance system.

The Company identifies the laws and regulations that must be complied with, communicates internally and promotes them, and continues to enforce compliance through internal and external audits. We comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, environmental regulations, Occupational Safety and Health Act, Labor Standards Act, social responsibilities, regulations for listed companies, and other laws related to business conduct. Adhering to these regulations ensures ethical corporate management in our operations and serves as the foundation for establishing a corporate culture of ethical corporate management, sustainable development, and code of ethical conducts.

We require all departments to continuously improve legal compliance and reinforce the Company's legal compliance culture. We have established a sound management and risk control mechanism based on the concepts of integrity, transparency, and accountability. Responsible departments must stay updated on the promulgation and amendments of regulations relevant to their operations, ensuring that the Company operates in accordance with the latest laws. In response to regulatory changes, timely updates and revisions to the

Company' s internal regulations and procedures should be made accordingly.

In order to facilitate whistleblowing and enable Mao Bao to promptly address legal compliance risks, we have established various reporting channels, including an internal whistleblowing mailbox, an employee opinion mailbox, and an external stakeholder mailbox. These channels allow stakeholders to report any illegal activities of the Company in a timely manner. Additionally, Mao Bao' s secretariat is dedicated to reviewing contracts related to the Company' s external transactions and engages external legal advisors for thorough examination, ensuring the Company maintains a zero-violation record.

Lastly, Mao Bao is committed to ensuring that the Company remains free of any legal violations in all legal aspects. Furthermore, due to Mao Bao' s regulatory control mechanisms, the Company continually strives to achieve zero-violations and regulatory breaches across various dimensions, including ethical governance, business accounting, environmental protection, labor rights, occupational safety and health, product liability, and socio-economic aspects.

## 2.5 Risk Management

Since its establishment in 1978, Mao Bao has navigated the rapidly changing market environment for more than 40 years. The Company' s organizational structure for risk management assigns relevant management units responsibility according to the nature of their business. These units carefully adhere to various regulations and implement comprehensive and appropriate risks management plans and response measures. The audit office reviews existing or potential risk in operations and formulates a risk-based audit plan. We firmly believe that rigorous risk management not only guarantees long-term cooperation with customers and partners but also exemplifies our commitment to social responsibility and serves as a safeguard for sustainable operations. Topics related to risk management in 2024 are explained as follows:

Risk item	Risk description	Planned approaches and countermeasures
Financial risk	Customers' accounts receivable risk	Based on the size of the customers and the transaction amount, the pledge is set with a reasonable corresponding amount and model before transacting with the customer, and a reasonable credit limit is set depending on the demand. In the ERP system, these whose receivables exceeding the credit limit will be controlled for the shipment, and the relevant units will warn in a timely manner and actively to collect accounts, minimizing the risk of customers' transaction accounts.

Risk item	Risk description	Planned approaches and countermeasures
Competition risk	Competing brands enter the market with similar products or competing prices, affecting sales, revenue, and profitability	The Company actively conducts consumer and market researches, continues the momentum and planning to adjust and develop products, strengthens the information confidentiality, maintains product and brand competitiveness; it also continuously monitors the movement of competing products in the markets, and establishes a real-time feedback mechanism for business and marketing planning units for the market, to respond to competitors' strategies and actions in advance or instantly, to maintain our own competitiveness.
Legal compliance risk	Addition, amendments, or expanded interpretations of relevant laws and regulations, such as merchandise labeling, food hygiene, and environmental protection	The Company ensures that products and operations comply with existing regulations, maintains close contact with relevant associations to receive the latest regulatory information, and actively obtain electronic information from relevant government agencies.
Environmental pollution and climate change risk	Changes in the environmental impact of products' raw materials, product manufacturing, production and transportation	The Company continuously maintains close communications with upstream and downstream stakeholders in the supply chain to ensure that the raw materials and sections adopted in production operations to comply with relevant environmental protection regulations, and prioritizes the utilization of those with the least impact on the environment (such as raw materials with high biodegradability, high safety, high performance and low consumption), while actively studying various forms of energy-saving and carbon-reduction measures.
Risk of disrupted raw material supply	The supply capacity of major raw material suppliers is limited or the delivery period is extended, affecting production and supply, and lower the market competitiveness and brand reputation	For the main raw materials or packaging materials, the secondary suppliers of the main raw materials are sought or developed, while the cooperative relationships with at least two suppliers are maintained.
Water constraint	Limited production capability	The Company actively takes measures related to water-saving, monitors water consumption and avoids unnecessary water loss and waste, while evaluating products and processes reducing water consumption.
Changes in the government's energy policy	Higher power prices lead to higher production costs	The Company is actively implementing measures to conserve electricity and continuously discussing optimization of various production processes. In response to the government's new energy policy, solar power generation facilities were completed and installed at the Hsinchu plant in 2022, and the second phase of solar power generation facilities was completed for installation in 2024. This is expected to address the increase in production costs due to electricity price hikes and have positive effects on both energy conservation and carbon reduction.



## 2.6 Information Security and Personal Data Protection

Material Topics	Policy and commitments	Mid- and Long-Term Targets	Specific strategies	Grievance and communication mechanism	Evaluation mechanism
Information security	Information security means corporate security: Implementing the information security management system and conducting information security education and training to promote awareness among employees and strengthen their understanding of their responsibilities in this regard to secure sustainable corporate development.	①Introduce the ISO 27001 Information Security Management System and conduct annual information security audit. ②Protect the Company' s business activity information, prevent unauthorized access and modification, and ensure its correctness and integrity. ③Ensure that the Company' s key core systems maintain a certain level of system availability.	①The Company has established an information security team and conducts quarterly review of information security policies and system protection measures. ②Complete database inventory and backup, and restore the ERP database to the testing area at least once a year to ensure the feasibility of disaster recovery. ③Execute vulnerability scanning and emergency incident response ④Complete ERP system optimization ⑤Regularly conduct system disaster recovery drills and tests at least twice a year to ensure the effectiveness and security of system access control policies, and deal with potential loopholes and problems in a timely manner. ⑥Complete the information security system inventory. ⑦Formulate relevant use regulations and corresponding information security reporting rules for AI (such as ChatGPT, DeepSEEK, and other tools).	Information/ phone or email response	Information work conference/ zero major information security incident in 2024
	Personal data protection: We strictly comply with the Personal Data Protection Act to ensure the information security of customers and employees.  Legal compliance: We ensure that all information security measures comply with the latest regulations and international standards.				



## Information Security Statement

The Company conducts information security risk assessments in accordance with relevant laws and operational objectives, and implements appropriate information security measures to ensure sustainable corporate operations.

## Information Security Policy

To ensure the effective implementation, operation, supervision, and continuous improvement of the Company's information security management systems to maintain the confidentiality, integrity, and availability of critical information systems, a specific Information Security Management Policy has been formulated. The procedure aims to provide clear guiding principles for all employees in their daily work. All employees are obligated to actively participate in promoting information security policies to ensure the security maintenance of all data, information and communication systems, equipment, and networks within the Company, thereby achieving the goal of continuous business operations.

## Information Security Management Procedures

Information security control items	Mechanism
Computer equipment security management	<ul style="list-style-type: none"><li>✓ Computer server room access must be registered in the "server room access log", and records of entry and exit must be retained for auditing purposes.</li><li>✓ The server room is equipped with independent air conditioning to maintain suitable temperature conditions for the operation of computer equipment. Additionally, fire alarm automatic detection devices were installed to ensure safety measures against potential fire hazards.</li><li>✓ The server room is equipped with uninterruptible power supply and voltage stabilizer to prevent system crashes due to sudden power outages and to ensure uninterruptible operation of computer applications during temporary power outages.</li><li>✓ When encountering hardware malfunctions or operational issues with computer equipment, the "computer work request form" should be filled out and promptly notify the IT department for handling. If immediate resolutions is not feasible or if equipment needs to be sent for repair, follow the procedures outlined in the "Property, Plant, and Equipment Management Procedures" for maintenance or disposal.</li><li>✓ When disposing of computer equipment, it should be done according to the "Computer Equipment Disposal Management Procedures".</li><li>✓ The Computer Center conducts regular checks on users' managed computer hardware equipment and software systems.</li></ul>
Network security management	<ul style="list-style-type: none"><li>✓ Enterprise-grade firewalls installed for the entrance connecting to the external network.</li><li>✓ Colleagues accessing the ERP system remotely should use VPN for login, and all access logs are retained for auditing purposes.</li><li>✓ Configure web filtering and behavior management devices to control access to the internet, block access to harmful or policy-restricted websites and content, strengthen network security, and prevent inappropriate use of bandwidth resources.</li></ul>

Information security control items	Mechanism
User management	<ul style="list-style-type: none"> <li>✓ New employees must complete the “Employee Information Security and Confidentiality Assurance Form” .</li> <li>✓ Vendor personnel providing outsourced services for any information business must sign a confidentiality agreement at the time of contract signing and adhere to this information security management regulations.</li> <li>✓ Downloading files or software without the Company’ s consent is prohibited.</li> <li>✓ Do not share your system ID and password with others.</li> <li>✓ Deliberate destruction of computer hardware and related equipment is prohibited.</li> <li>✓ Prohibiting illegal or improper use of the Company’ s network.</li> <li>✓ Not to distribute computer viruses or use any other means to deliberately interfere with or disrupt the normal operation of the network system.</li> <li>✓ Prohibiting unauthorized use of the Company’ s confidential information or personal data in AI-related technologies.</li> </ul>
Virus protection and management	<ul style="list-style-type: none"> <li>✓ Servers and terminal computers used by colleagues are equipped with endpoint protection software. This software includes automatic updates of virus definitions to ensure it can block the latest types of viruses. Additionally, it detects and prevents the installation of system executable files that pose potential threats.</li> <li>✓ Email servers are equipped with anti-virus and spam filtering mechanisms to prevent viruses and spams from entering the computers of users.</li> <li>✓ Update the firewall policy based on the information security testing results, and refer to the latest cybersecurity information to protect against related threats.</li> </ul>
System access control	<ul style="list-style-type: none"> <li>✓ Employees access various application systems through the Company’ s internal system permission request process as per internal regulations.</li> <li>✓ Account passwords should be set with appropriate strength, requiring a mix of alphanumeric characters and special symbols for control and management.</li> <li>✓ When employees resign (leave), they must coordinate with the Computer Center to deactivate or delete their accounts across all systems.</li> <li>✓ Storing data that may infringe copyright or violate information security is prohibited. Data unrelated to work or policy regulations should not be stored.</li> <li>✓ The administrator of network drives should fulfill the data maintenance responsibility and confirm the usage status of network drives.</li> <li>✓ The Company provides network space for storing important work files. External hard drives may only be used upon approved request for exceptional needs.</li> <li>✓ Personal information management continued and was reviewed and adjusted on a regular basis. Furthermore, periodic education sessions are conducted for all employees on personal data awareness or relevant current affairs information to strengthen their awareness of personal data protection and prevent incidents of personal data leakages.</li> </ul>

Information security control items	Mechanism
Continuing Operations	<ul style="list-style-type: none"> <li>✓ System backup: Establish a backup management system and adopt a daily backup mechanism.</li> <li>✓ Disaster recovery drills: Regularly conduct system disaster drills and tests to ensure the effectiveness and security of system access control policies, and deal with potential loopholes and problems in a timely manner.</li> <li>✓ The network management equipment uses dual redundant lines to ensure uninterrupted network communication.</li> </ul>

### Establishment of an Information Security Culture

- ✓ Regular promotion: Employees are required to change the system password on a quarterly basis to maintain account security.
- ✓ Lectures and promotion: Information security-related education and training courses are held for internal colleagues from time to time.
- ✓ Protection drills: Conduct social engineering protection drills and information dissemination at least twice a year.

No.	Internal/external training	Course title
1	Internal training	Introduction to Information Security
2	Internal training	AI Use and Information Security
3	Internal training	Personal Data Documentation Management and Checking
4	Internal training	Zero Trust Architecture
5	Internal training	Common Information Security Threats
6	Internal training	Mobile Device Safety Use
7	Internal training	Online social engineering prevention knowledge and skills
8	Internal training	Computer Network Security Protection

### Personal Data Protection

In order to protect customer privacy, Mao Bao has formulated the “Personal Information Protection Management Procedures” , which is controlled by the personal data management team, optimized personal data protection strategies, continuously enhancing information security governance systems, and strengthening defense capabilities. Also manage internal employee and customer data to prevent personal information leaks or misuse, thereby protecting the rights and interests of individuals regarding their personal data. Personal data acquired for internal operations, whether in paper form or in electronic data files, shall be marked as

“confidential” and properly stored by designated personnel. In 2024, there were no incidents of customer data leakage, demonstrating our commitment to effectively protecting client confidentiality and maintaining data security.

### AI Technology-related Information Security Regulations and Protection Measures.

01

#### AI monitoring and risk management

- Establish an AI monitoring mechanism to automatically detect abnormal acts and potential attacks.
- Use AI for behavior analysis to detect abnormal access patterns and ensure prompt response.

02

#### Data privacy and compliance

- Use AI-assisted encryption and anonymity technologies to ensure the security of personal data during processing and storage.
- When training AI models, comply with personal data protection regulations and avoid using sensitive data.
- Establish an AI data review mechanism to ensure user privacy is not infringed upon.

03

#### AI usage guidelines in the enterprise

- Before employees use AI tools, they must be approved by the Company to ensure compliance with information security standards.
- Prohibit upload of confidential information to public AI platforms (e.g., ChatGPT and DEEPSEEK).
- Periodically check AI models and data sources to ensure there is no risk of malware or improper data leakage.

## 2.7 Management System

In addition to focusing on the Company’s performance, Mao Bao pays attention to the needs of internal and external stakeholders. We have implemented the ISO 9001 Quality Management System to meet these needs, and we aim to continuously improve and enhance through the introduction of risk management and the PDCA management philosophy. Furthermore, we are committed to reducing GHG emissions, protecting the environment, and mitigating climate change to minimize the negative impact of air pollution on human health. Through energy-saving and environmentally

friendly practices, we aim to achieve lower energy costs and enhance economic and social benefits, thereby pursuing sustainable business operations.



## 2.8 External Exchange and Cooperation

Mao Bao is committed to industry development and actively participates in external associations and organizations. Through external exchange activities, we seek to understand domestic and international trends and regulations, which are essential considerations for the Company' s sustainable operations.

### Public associations participated in

Name of Association/ Manufacturer	Regular membership	Special membership
Taiwan Cosmetics Industry Association	V	
Importers and Exporters Association of Taipei	V	
Taiwan Cleaning Product Association	V	
Taiwan Women on Boards Association	V	
Chinese Non-Store Retailer Association	V	



2024

SUSTAINABILITY REPORT

永續報告書



# Ch3

## Management Performance

3.1 Financial Performance

3.2 Innovation and R&D

3.3 Product Liability

3.4 Customer Service

3.5 Supply Chain Management



### 3. Management Performance

Material Topics	Policy	Commitment	Mid- and Long-Term Targets	Specific strategies	Grievance and communication mechanism	Evaluation mechanism
Economic performance	Create long-term stable economic value and implement sustainable management to enhance and protect the interests of stakeholders.	Profit sharing	①Expand production capacity and improve production efficiency. ②Keep track of future product trends and accelerate the development and market introduction of innovative products.	①Innovation and R&D ②Brand image promotion ③Diversified marketing channels	Marketing plan/ telephone or email response	Business meetings/ consolidated revenue of NT\$593,170 thousand in 2024

The Company's sustainable management is based on profitability, and the evaluating economic performances is crucial for the operation of the Company and for the interests of shareholders and stakeholders. For 2024, the net consolidated operating revenue was NT\$593,170 thousand, decreasing by 7.02% from NT\$554,259 thousand, the net consolidated operating revenue for 2023. The consolidated profit before tax for the year 2024 was NT\$22,345 thousand, compared to the consolidated loss before tax of NT\$3,727 thousand in 2023, representing an increase in profit of NT\$26,072 thousand. This improvement was primarily attributed to growth in sales and profitability of overseas subsidiaries. We have formulated short- and long-term business development plans to improve economic performance and ensure the effectiveness of these plans through the following monitoring mechanisms.

**Review and analyze the revenue and profit targets achieved by the group and each profit center, and conduct periodic assessments during the same period**

- ◆Collection and review of market data (e.g. market share)
- ◆Review the achievement of various OGSM metrics
- ◆Review customer satisfaction surveys and track customer service complaint cases

### Short-term business development plan

due to the fierce competition in chain channels such as supermarkets and hyper markets in recent years, the results of continuous promotions and advertisement of stores with the lowest prices have severely reduced the profits of suppliers. Facing the strong pressure on the channels, the Company has the following short-term business development plan in place:

(1) Strictly controlling channel fees:

For the increased expenses of promotional activity not in the channel contract, the reasonableness of the expenses and the effect on improving performance will be carefully evaluated.

(2) Actively expanding new channels: In recent years, the Company has been actively investing in the development of channels for special sales and direct sales, seeking to mitigate the strong pressure of large chained channels, effectively expand business and improve sales performance.

(3) Actively launching new products: The Company will continue to research and innovate, to launch domestic cleaning products meeting the needs of consumers, and face the fierce market competition with a positive attitude.

### Long-term business development plan

In addition to the huge pressure on the distribution channels in recent years, the sharp fluctuations in the price of upstream raw materials have also caused the increase in the manufacturing costs of downstream manufacturers. For price compression and cost increase, the Company has the following long-term business development plans:

(1) Rebuild the brand image: The Company will actively establish the brand image of Mao Bao, increase the exposure and awareness of the brand, such as the broadcast of media advertisements, blog operations and participation in public welfare activities, to refresh consumers' impression of Mao Bao as an optimal brand, to improve brand loyalty and designation. (road running sponsorship, maternity and baby Exhibition)

(2) Effective cost control: Due to the soaring price of crude oil, the prices of raw materials in the petrochemical industry have moved drastically. Therefore, the Company will actively seek suppliers around the world and exert its procurement bargaining power to effectively achieve cost control and further reduce costs.

(3) Expanding into foreign markets: In the Chinese market, Mao Bao has already entered nationwide well-known membership-based retail chains, gaining significant product and brand exposure. Operations were focused in Southern and Eastern China, actively reaching out to distributors in Hong Kong, Macau, Northern China, Northeast China, and Southwest China regions, while strengthening sales and brand promotion through e-commerce operations. In the Vietnamese market, we are actively expanding nationwide supermarket distribution channels, with Ho Chi Minh City as the base.

### 3.1 Financial Performance

The Company sets future financial performance targets through annual strategic management meetings and tracks and controls them through regular management performance meetings and Board of Directors meetings. Every year, major company information is disclosed through the Taiwan Stock Exchange' s MOPS website (<http://mops.twse.com.tw/>) and the Company' s corporate website (<http://www.maobao.com.tw/>), enhancing the transparency of corporate management information and showing the Company' s obligations and responsibilities to stakeholders such as the country, government, shareholders, employees, customers, and suppliers. In addition, Mao Bao also upholds the principle of honesty in tax payment, calculates the income tax amount for the current year based on the annual net profit before tax according to the statutory corporate tax rate stipulated by the government, and reports and pays the income tax to the national taxation authority according to regulations.

#### Financial performance of Mao Bao over the past 5 years - Consolidated Financial Statements

Unit: NT\$ thousand

Item \ Year	2020年度	2021年度	2022年度	2023年度	2024年度
Operating Revenue	620,713	619,352	587,101	554,259	593,170
Gross Profit	279,248	246,026	222,544	215,264	243,493
Net operating profit	46,726	17,227	-3,595	-7,053	8,617
Net profit before tax	45,492	23,899	8,897	-3,727	13,728
Net income	38,595	19,409	5,167	-6,057	12,619
Earnings per share (NT\$)	0.91	0.46	0.12	-0.14	0.3
Operating costs	306,655	337,527	329,627	302,922	312,765
Employee salary and benefits	100,234	102,476	101,097	103,744	103,744
Payments to funders	-	21,220	14,855	-	-
Payments to the government	11,619	16,133	11,904	7,096	9,754
Community investment	2,650	716	235	250	-
Retained economic value	199,555	141,280	129,383	140,247	166,907

Note: Retained economic value = operating revenue - (operating cost + employee salaries and benefits + payment to investors + payment to the government + community investment)

The definition of operating revenue includes net sales plus income from financial investments and proceeds from asset sales.

The definition of operating costs includes cash expenses paid to entities outside the organization for the purchase of raw materials, product parts, facilities, and services that can be recognized.

The definition of employee salaries and benefits includes the total amount of salaries (including the employee' s salary and the amount paid to the government on behalf of the employee) plus the total amount of benefits (excluding the costs related to education and training, protective equipment, or other costs directly related to the employee' s job responsibilities).

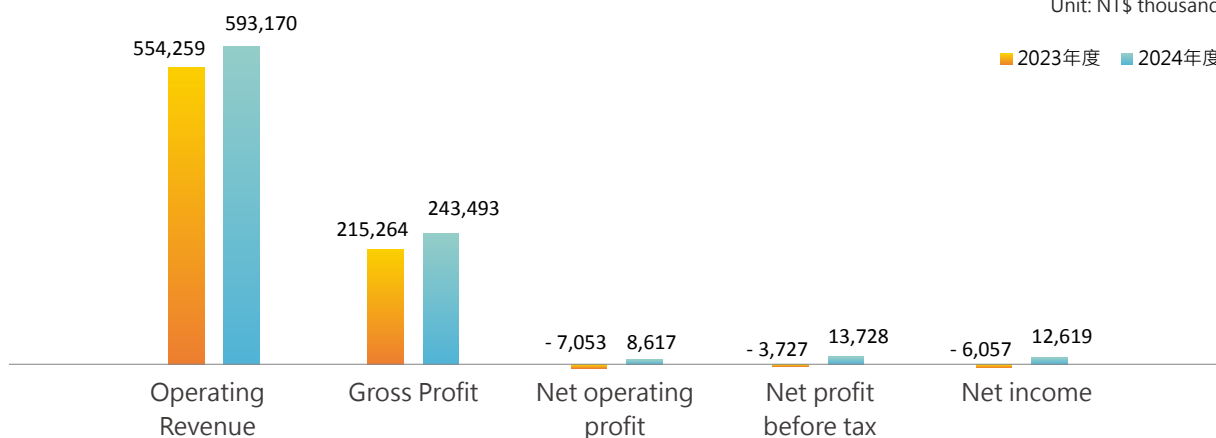
The definition of payments to shareholders includes dividends paid to all shareholders plus interest payments to lenders.

The definition of payments to government includes all taxes and fines paid by the organization according to international, national, and local standards. Tax payments may include business tax, income tax, and property tax.

Community investment includes expenses on social participation, public welfare activities, etc.

## Corporate revenue and financial performance of Mao Bao - Consolidated Financial Statements

Unit: NT\$ thousand



### 3.2 Innovation and R&D

Material Topics	Policy	Commitment	Mid- and Long-Term Targets	Specific strategies	Grievance and communication mechanism	Evaluation mechanism
Technological innovation	Innovation and excellence	Continuously developing diversified new products to meet the demands from various customer groups	①R&D of antibacterial/antiviral products ②R&D of safe and effective mosquito and insect repellent products ③Introduce carbon reduction design and production into products	①Introduce ingredients announced by the U.S. EPA to effectively combat COVID-19 into products, and verify their effectiveness in reducing virus activity ②Develop diverse mosquito repellent products with natural essential oils. ③Introduce concentrated formulas to reduce the bottle size and plastic use ④Remove the internal choke to reduce use of plastics for bottles	Consumer Complaint Hotline: 0800-266-199	The R&D project meeting/ all R&D projects for 2024 were completed as scheduled

In 2023, as the pathogenicity of COVID-19 began to decline, Taiwan and countries worldwide began to gradually open the lockdown measures, marking the beginning of the “post-pandemic” era. With the increase in outdoor travel since the lockdown was lifted, Mao Bao has been committed to develop more safe and effective long-lasting mosquito repellent products, hoping that consumers can enjoy outdoor activities without being troubled by mosquitoes. Related new products include: Mao Bao Deer Hills Herbal Mosquito Gel - Eucalyptus Oil, Mao Bao Deer Hills Herbal Mosquito Gel - Rosemary Oil, Mao Bao Deer Hills Organic Essential Oil Dual-action Antibacterial Mosquito Repellent Spray - Tea Tree Oil, and Mao Bao Deer Hills Organic Essential Oil Dual-action Antibacterial Mosquito Repellent Spray - Lemongrass Oil. Mao Bao also advocates for environmental sustainability and is dedicated to developing eco-friendly products with low environmental impact. In 2024, the Company developed four environmentally friendly products and obtained eco-label certifications: EKO’ s Laundry Detergent, EKO’ s Dishwashing Liquid, EKO’ s Multi-Purpose Bathroom Cleaner, and EKO’ s Hand Wash.

In summary, Mao Bao invested NT\$1,900 thousand in R&D in 2024, launched 8 new products for sale through retail or e-commerce channels. The results of the R&D efforts are as follows:

## 2024 R&D Milestones

8 new products	2 natural pest-proof products certification	4 environment-friendly products certification	
Mao Bao Deer Hills Herbal Mosquito Gel - Eucalyptus Oil Mao Bao Deer Hills Herbal Mosquito Gel - Rosemary Oil EKO's Laundry Detergent EKO's Dishwashing Liquid EKO's Multi-Purpose Bathroom Cleaner EKO's Hand Wash	Huan-Wei-Yao-Fang-Chong-Zi No. 113072201 Huan-Wei-Yao-Fang-Chong-Zi No. 113082901	Huan-Biao-Zi No. 23600 Huan-Biao-Zi No. 23601 Huan-Biao-Zi No. 23602 Huan-Biao-Zi No. 23573	
			
EKO' s Laundry Detergent	EKO' s Dishwashing Liquid	EKO' s Multi-Purpose Bathroom Cleaner	EKO' s Hand Wash

### 3.3 Product Liability

The Company deeply understands the critical significance of “carbon reduction” to the Earth and the survival of the human beings, and has integrated sustainable development into our core corporate strategy. Our R&D team considers the environmental impact at each stage of the product life cycle and designs products in accordance with environmental protection principles to reduce the impact on the natural environment. We are committed to developing products that meet environmental protection requirements, reducing the burden on the Earth’ s environment, and ensuring consumers can participate in environmental protection actions while enjoying efficient cleaning.

In the selection of surfactants, the company is gradually transitioning to raw materials based on renewable resources, prioritizing surfactants derived from natural coconut oil or palm oil (such as: Sodium Laureth Sulfate, SLES), which significantly reduce carbon emissions during production compared to surfactants from petrochemical sources (such as: Linear Alkylbenzene Sulfonate, LAS). Plant-based raw materials absorb carbon dioxide during their growth process, further reducing the overall carbon footprint and conforming to the principles of green chemistry and sustainable development.

To fulfill our carbon reduction commitments, we have actively adjusted our raw material supply chain and partnered with suppliers that meet sustainability standards (such as RSPO Sustainable Palm Oil Certification), ensuring that our natural oil sources comply with environmental protection and social responsibility standards. Compared to 2023, in 2024 we increased our use of surfactants derived from natural coconut oil or palm oil (SLES) by 48.7 tons, demonstrating substantial progress in reducing our dependence on petrochemical components and increasing the proportion of sustainable raw materials.

In addition, the Company invests resources in the innovation of product formula and is committed to developing biodegradable cleaning products of low water and energy consumption. We further mitigate the environmental impact by reducing environmental hormone content in our products, lowering the risk of water pollution, and optimizing packaging materials. For example, we gradually introduce recyclable packaging materials and reduce carbon emissions by reducing usages of plastics.

Looking forward, we will continue to deepen our ESG (Environmental, Social, and Governance) goals and promote environment-friendly upgrades throughout the product life cycle. We will verify carbon reduction effectiveness using scientific data and actively work with our partners in different industries, government agencies, and consumers to jointly promote the development of a low-carbon economy and create a more sustainable future for the next generation.

Before the launch of new products, Mao Bao not only confirms that the products meet the requirements of relevant administrative regulations, but also commissions third-party impartial institutions to conduct product testing for the claims on the product packaging. In 2024, Mao Bao developed 8 new products, 8 of them were commissioned to third-party impartial institutions for testing, and the external verification ratio of new products was as much as 100%. The detailed inspection items and results for each product are as follows:

Product name	Inspection Organization	Inspection Item
Mao Bao Deer Hills Herbal Mosquito Gel - Eucalyptus Oil		Compliance with CNS 6347 Eucalyptus Oil standards Effective for repelling Aedes and house mosquito up to 45 days
Mao Bao Deer Hills Herbal Mosquito Gel - Rosemary Oil		Compliance with CNS 6350 Rosemary oil standards. Effective for repelling Aedes and house mosquito up to 60 days
Mao Bao Deer Hills Organic Essential Oil Dual-action Antibacterial Mosquito Repellent Spray - Tea Tree Oil		Antibacterial test with an antibacterial efficacy >99.9% None of the four heavy metals, DEET, or parabens were detected.
Mao Bao Deer Hills Organic Essential Oil Dual-action Antibacterial Mosquito Repellent Spray - Lemongrass Oil.		Antibacterial test with an antibacterial efficacy >99.9% None of the four heavy metals, DEET, or parabens were detected.
EKO' s Laundry Detergent		Compliance with the 8 inspection requirements specified in the CNS 2477 Synthetic detergents for laundering Compliance with the 13 inspection requirements for the eco-label
EKO' s Dishwashing Liquid		Compliance with the 9 inspection requirements specified in the CNS 3800 Synthetic detergent for food and kitchen utensil Compliance with the 12 inspection requirements for the eco-label
EKO' s Multi-Purpose Bathroom Cleaner		Compliance with the 12 inspection requirements for the eco-label
EKO' s Hand Wash		Compliance with the 12 inspection requirements for the eco-label



### 3.4 Customer Service

#### Innovative R&D provides more diversified and safer products and services.

Mao Bao Inc. has always insisted on innovation as the core and is committed to developing diversified and high-efficiency cleaning products, ensuring the immediate provision of innovative services to meet the needs of all customers. We have a professional R&D team that actively promotes technological innovation and cooperation and implements corporate social and environmental responsibility. We have a complete inspection process for the labeling and functions of various products, and submit them to third-party certification organizations for inspection, providing consumers with more transparent and reliable choices. Through sustainable product design and supply chain management, we not only enhance product quality but also ensure the overall environmental sustainability, achieving the company's long-term development goals.

#### Professional service and customer trust.

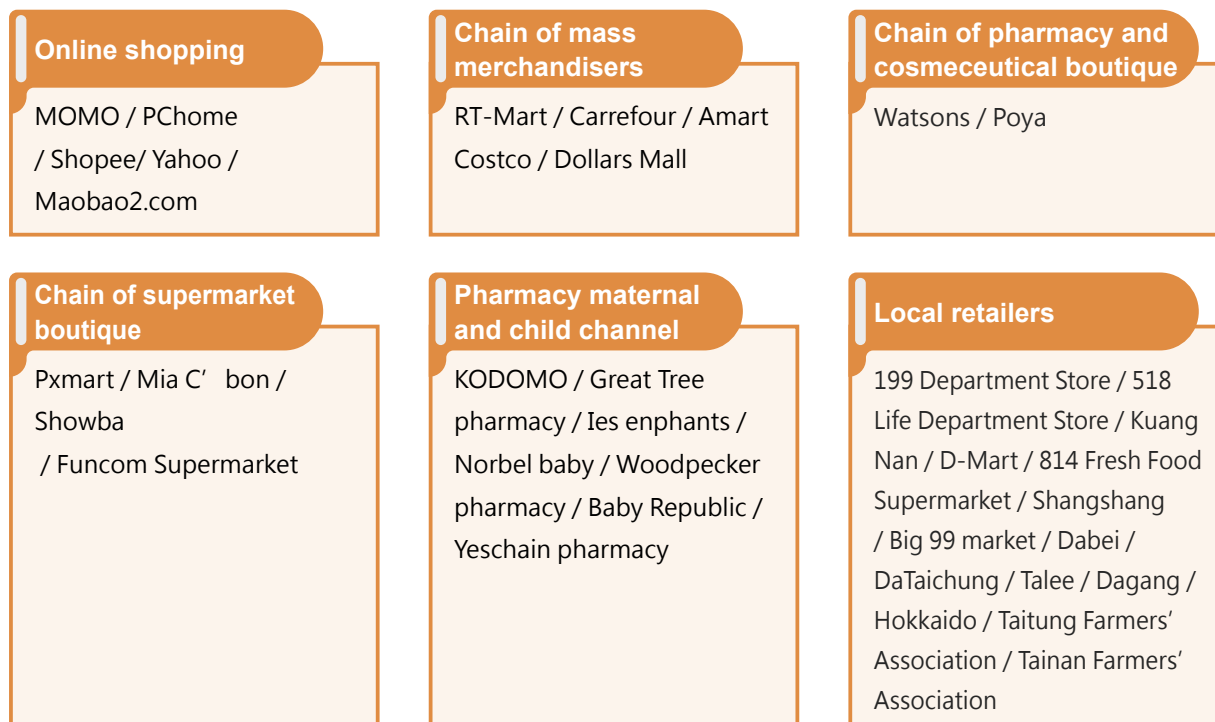
In order to improve service quality, the Company has established a comprehensive customer service mechanism, including various communication channels such as Facebook, Line, IG, and phone, to provide consumers with more convenient and diverse product consultation methods. In addition, the Company possesses a comprehensive business system to ensure that all business processes and customer services meet professional standards and win the trust of customers and consumers with or excellent service, thereby achieving the goals of sustainable corporate operations and stable profit.

#### Customer feedback and quality improvement

We value the opinions of every customer and are committed to providing outstanding service and the best user experience. We have established a transparent and effective customer feedback mechanism to ensure that customers receive immediate responses and professional assistance when they have any suggestions or concerns. When a situation that may affect product quality is discovered, the Company's internal discussion and analysis mechanism will be activated immediately. Improvement and preventive measures will be implemented through cross-departmental cooperation to continuously optimize products and services. Customers can express their opinions or raise complaints through various marketing channels. We will urge the quality assurance unit to actively handle the issue to ensure it is properly resolved and to provide customers with a more reassuring shopping and user experience. In 2024, there were no customer complaints regarding violations of laws and regulations, fully demonstrating Mao Bao's excellent achievements in customer relations and quality management.

## Diversified marketing

Facing market competition, Mao Bao has increased diversified channels and marketing communication channels. These include the Taiwan e-commerce platforms such as Pchome24h, MOMO, Shopee, Yahoo, Books Your Life, and the self-operated e-commerce platforms such as Maobao2.com, Group buying, and Mao Bao' s Facebook fan group and Maobao2 Line. This ensures that the public stays informed about Mao Bao' s product updates and brand activities at all times. Marketing channels are as follows:



### 3.5 Supply Chain Management

Material Topics	Policy	Commitment	Mid- and Long-Term Targets	Specific strategies	Grievance and communication mechanism	Evaluation mechanism
Supply chain sustainability	Sustainable co-prosperity with green supply	Benefit-sharing and localized procurement	①100% Sustainability Commitment signing rate ②Localized procurement ratio of more than 70% ③Reduce imports and carbon-neutral transportation ④100% localization of packaging materials for a long time	Supplier regular written evaluation, conducted once a month	Procurement/ Telephone, Email, or Official Website Reporting Channels	①Management review meeting to review supplier performance ②In 2024, the pass rate for supplier evaluation was 100%
Raw material usage	Net-zero emissions by 2025	Zero violations	①Products using more than 10% recycled materials ②Reduce carbon-containing raw materials in products by 10%.	①Replace the existing petroleum-based surfactants with relatively environmentally friendly surfactants ②Replace surfactants with an enzyme ③Reduce or recycle raw material packaging	Consumer Complaint Hotline: 0800-266-199	①Inventory of carbon footprint ②Announcement on the percentage of recycled content in products

Mao Bao regards each supplier as an important partner. We conduct annual supplier evaluations and prioritize supporting local suppliers for our major raw material sources to establish long-term sustainable partnerships and promote domestic economic development, while aiming to achieve carbon reduction goals.

We aim for sustainable development while also encouraging suppliers to participate and corporate, moving together towards sustainable operations from the source. The Company continuously implements the management system for the existing supplier, including hazardous substance management (GP). In 2024, the ROHS 2.0. for the entire supply chain was implemented, and with the GP investigations pursuant to the Hazardous Substance Managerial Procedures. The suppliers sign the declarations or statements to implement the raw materials management under GP, we use the Supplier ESG Self-Assessment Questionnaire that allows suppliers to evaluate their own implementation of the three major aspects of the corporate social responsibility, namely environment, society and corporate governance. Through self-examination, we can understand the operational risks of suppliers. At the same time, we also implement supplier audits.

#### Mao Bao' s Sustainable Procurement Strategy:

- ◆ Selection of appropriate suppliers: We prioritize local suppliers with stable quality who comply with environmental and social responsibilities to reduce environmental impact and promote sustainable development. This includes promoting wastewater and waste reduction, encouraging energy and water conservation measures, and supporting the circular economy.
  1. Quality first: We require suppliers to provide quality certification documents (such as COA, MSDS) with their deliveries and ensure products pass inspection before acceptance into inventory to reduce the risk of returns and maintain stable supply quality.
  2. Local procurement: We prioritize domestic suppliers, followed by foreign suppliers, to shorten delivery times and reduce transportation costs while decreasing carbon emissions. For imported raw materials, we consolidate requirements and purchase in bulk to avoid multiple small shipments. We also prioritize nearby ports such as Keelung Port to minimize logistics routes.
  3. Packaging reduction: For bulk liquid raw materials purchased domestically, we use tank trucks when possible, complemented by our storage tanks to reduce packaging. Alternatively, we reuse one-metric-ton IBC containers instead of smaller 200kg plastic drums. Additionally, we encourage suppliers to reuse material packaging boxes and utilize plastic pallets for imported raw materials, contributing to our waste reduction strategy.
- ◆ Upholding ethical standards and responsible conduct: In our supplier partnerships, we adhere to principles of honesty and fairness, opposing corruption and bribery. We build long-term relationships based on trust and cooperation, ensuring all business activities meet high ethical standards.
- ◆ Strengthening supplier relationships and social responsibility management: We communicate regularly with suppliers to ensure compliance with employee health and safety standards and human rights protections. We verify they provide fair treatment to women, minority groups,

and others, while firmly opposing child labor and improper labor practices.

#### I. Local procurement strategy:

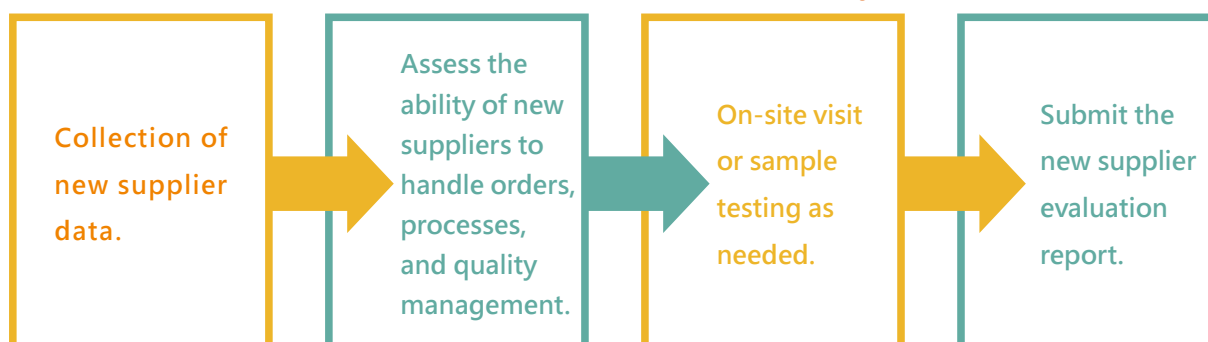
We have always prioritized local procurement to reduce the environmental impact of transportation and support the development of Taiwan's upstream raw material industry. However, our overseas procurement increased slightly by approximately 1% from 2023 to 2024. This change is mainly due to two factors: First, to respond to changes in market demand and smoothly develop new products, we need to ensure stable supply and excellent product quality. Therefore, we have chosen foreign partners with high-quality capabilities to meet the needs of new product development. Secondly, the impact of the global climate change and geopolitical factors (such as wars) on raw material procurement has led to significant cost increases and unstable delivery dates. To reduce supply chain risks and ensure a stable supply, we must purchase from second-tier and third-tier suppliers or increase inventory during peak seasons or for project demands. This strategy aims to diversify procurement risks, reduce excessive dependence on a single supplier, and ensure a stable supply chain.

Despite these challenges, we remain committed to the core principles of sustainable development by prioritizing domestic procurement and being dedicated to the balance and stability of the supply chain as well as the long-term growth of local sourcing. In the future, we will continue to ensure quality and cost-effectiveness while promoting corporate social responsibility and environmental responsibility.

#### II. Evaluation of new suppliers:

In 2024, we had approximately 112 suppliers (62 raw material suppliers, 38 material suppliers, and 12 finished product suppliers), primarily located in western Taiwan. Our overseas suppliers are located in China, Korea, Europe, and Southeast Asia. There was no significant change compared to 2023. We continue to develop new suppliers to mitigate procurement risks. In 2024, we added 12 qualified suppliers (3 raw material suppliers, 2 material suppliers, and 7 finished product suppliers). All of them passed the new supplier evaluation process.

##### New supplier evaluation process (ISO system)



### III.Periodic evaluation of existing suppliers:

In addition to keeping contact with suppliers through email, phone, and communication software, we conduct on-site factory visits, supplier risk assessments, and ESG self-assessment questionnaires to evaluate their process capabilities, quality management systems, workplace health and safety conditions, and the implementation of sustainable development practices.

- ◆2024, the Company conducted on-site visits to 5 suppliers and no major issues were found.
- ◆In 2024, the Company conducted a risk assessment of 111 suppliers for the year based on four indicators – financial stability, delivery time and volume accuracy, quality indicators, and service indicators. The assessment results are as follows:

Risk level	Annual evaluation score	Percentage	Action
Low risk	10~ 12 points	94.6% (105 suppliers)	Low supplier risk, priority procurement.
Medium risk	7~ 9 points	5.4% (6 suppliers)	The Company can purchase products from these suppliers will communicate with them for improvement with respect to any shortcomings in the assessment indicators, while continuously tracking the progress.
High risk	4~ 6 points	0.0% (0 suppliers)	The Company will reduce the purchase, request price reduction for accept, or extend payment/ make payment in installment. Transactions severely affected may be suspended.

- ◆In 2024, we conducted ESG self-assessment questionnaires for suppliers with procurement amounts reaching a certain threshold. The questionnaires covered the three main pillars of environment, society, and corporate governance, and were distributed to a total of 36 suppliers. The results are as follows:

Level	Self-evaluation score	Percentage	Action
A	30~ 36 points	41.7% (15 suppliers)	The suppliers' ESG self-assessment shows an excellent result, making them a priority partner.
B	24~ 29 points	11.1% (4 suppliers)	The suppliers' ESG self-assessment shows a good result and continuous optimization is recommended.
C	18~ 23 points	38.9% (14 suppliers)	The suppliers' ESG self-assessment shows an ordinary result and improvements are recommended.
D	Below 17 points	8.3% (3 suppliers)	The suppliers have higher ESG risks, Improvements are required and collaboration should be more careful.



2024

SUSTAINABILITY REPORT

永續報告書



# Ch4

## Environmental Sustainability

4.1 Environmental Management

4.2 Pollution Control

4.3 Energy Conservation and Carbon Reduction

4.4 Governance of Climate Change (TCFD)



## 4. Environmental Sustainability

### 4.1 Environmental Management

On the premise of pursuing balanced development and sustainable operation, Mao Bao has promised externally that the Company is determined to protect the environment and maintain community safety. Internally, it requires employees to improve their expertise, and continuously creates environmentally friendly products benefitting the public, and takes safety, health and environmental protection as the Company's basic considerations for sustainable operation. The deficiencies discovered through the audit by environment and safety personnel are included in the improvement priorities to be continuously improved through the PDCA cycle, to achieve the spirit of legal compliance and continuous improvement via the environment, safety and health management.

We are committed to:

Compliance with legal requirements	All products, activities and services of the Company comply with and conform to the governmental safety and health regulations, environmental protection regulations, among other requirements.
Promotion of risk management	To lower environmental, safety and health risks, and reduce the impact on personnel and the environment.
Continuous work improvement	All employees are aware of the Company's policies and responsibilities to stakeholders, while providing required training for work.
Meeting customer needs	Reviewing management performance on a regular basis and striving towards the goal of zero hazards, zero accidents, and zero pollution.
Implementation of training and promotion	Striving to fulfill our commitments to customers and ensuring that customers and suppliers understand the Company's environmental safety and health policies.

## Our action

### Carbon reduction

Improve the production process to maximize energy efficiency and reduce carbon emissions, for the maximum effects of the energies to lower the carbon emission, and include such in management objectives to reduce carbon emissions year by year, for fulfilling the responsibility as a corporate citizen.

- ◆ The temperature of air conditioners in offices is adjusted to 28°C to reduce excessive carbon emissions.
- ◆ Replace old fixed frequency air conditioners and air compressors with variable frequency air conditioners and air compressors to save energy and reduce carbon emissions.
- ◆ Continue to replace old and faulty lighting equipment such as fluorescent lamps to save energy and reduce carbon emissions.
- ◆ Evaluate and plan the installation of rooftop solar panels to contribute to energy conservation and carbon reduction.
- ◆ The Mao Bao Hsinchu plant solar power generation system Phase I construction began on July 12, 2022, with a total investment of \$13,282,500 (tax included). The solar power generation system has an installed capacity of 316.354 kWp. After completion, the solar power generation system was approved by Taiwan Power Company for grid connection on November 16, 2022. In 2022, the solar power generation was 31,680 kWh, equivalently reducing carbon emissions by 15.68 tons. The solar power generation in 2023 was 378,400 kWh; equivalently reducing carbon emissions by 187.31 tons. The solar power generation in 2024 was 395,028 kWh; equivalently reducing carbon emissions by 187.24 tons.
- ◆ At the end of 2023, a contractor was commissioned to plan the second phase of the solar photovoltaic power generation system for the Hsinchu plant, with a total investment of NT\$7,187,250 (tax included). The installed capacity of the solar photovoltaic power generation system is 172.2 kWp, and the estimated total electricity generation for the first year is 208,751 kWh. The second phase of the solar photovoltaic power generation system project commenced in April 2024 and was completed and approved for grid-connection by Taiwan Power Company on October 9, 2024. The solar power generation in 2024 was 22,628 kWh; equivalently reducing carbon emissions by 10.73 tons.

## GHG Reduction Management Policy Plan

### Policy Purpose

In response to the government's new energy policy and compliance with national laws and regulations for reduction, as well as to minimize the environmental impact of energy use and GHG emissions, aiming to meet energy-saving and carbon reduction targets.



### Targets

#### 2023 Targets

- ① Solar power generation increased by 378,400 KWH
- ② Solar power generation equivalently reduced the generation of 187.31 tons of carbon emissions.

#### (Short-term) 2024 target

- ① Solar power generation increased by 395,028 KWH
- ② Solar power generation equivalently reduced the generation of 187.24 tons of carbon emissions.

#### (Mid- and long-term) 2030 goals

- ① Solar power generation increased by 587,151 KWH
- ② Solar power generation equivalently reduced the generation of 278.31 tons of carbon emissions.

### Management Plan

The construction of the Phase-1 solar power generation equipment at Hsinchu Plant was completed in 2022, and the construction of the Phase-2 solar power generation equipment was completed in 2024. At the same time, a contract was signed for regular maintenance and cleaning to ensure the solar power generation system operates in an optimal state.

### Plan evaluation

In response to the increase in electricity price, the production cost will increase and it will bring positive benefits to energy conservation and carbon reduction.

Verification method: Taipower Renewable Energy Wholesale Charge Notice

Calculation formula: Solar power (KW) × MWh electricity carbon reduction coefficient kg CO<sub>2</sub>e/kWh

### Waste reduction – Waste categorization

- ◆ Waste categorization is promoted, and the resource recycling bins are set up to achieve waste reduction.
- ◆ It is promoted to use less disposable tableware, for reducing the volume of domestic waste.

### Industrial waste

- ◆ Control the industrial waste in the Company pursuant to the management procedures, while categorizing and storing the waste according to the chemical characteristics of each waste, before commissioning qualified vendors to clean the waste.
- ◆ In order to increase the number of waste treatment pipelines and add new waste treatment items, Hsinchu Factory submitted a change application for the industrial waste cleaning plan on April 12, 2022. The Environmental Protection Bureau of Hsinchu County Government has issued a notice for review and approval on July 11, 2022 (Fu-Shu-Huan-Ye-Zi No. 1118657145).

### Green Procurement

- ◆ We promise that the products provided are free of substances of very high concern (SVHC) announced by REACH.
- ◆ We comply with the RoHS, the green environmental regulations of EU, and promote green procurement management. Other than requiring the materials provided by suppliers free of contain harmful substances, the Company does not use raw materials containing harmful chemical substances in the production process. In addition, Mao Bao has been continuously striving for improvement, sparing no efforts on R&D and innovation, as well as caring for the protection of the natural environment, to provide high-quality products meeting the needs of consumers, for them to live in a cleaner environment with better peace of mind. In the R&D for products of laundry detergent series, the MES formula derived from palm oil was further adopted to replace the sulfonic acid derived from petrochemicals. MES is a green raw material, and its high biodegradability reduces impacts of products on the environment and the generation of carbon dioxide. Since the successful introduction in 2014, some series has adopted MES increasing year by year, so that the consumption ratio of sulfonic acid has been decreased year by year. In the future, it is planned to gradually use MES green raw material as the replacement.

### Emergency Response

- ◆ Mao Bao has established an Emergency Response Plan and formed an Emergency Response Command Center. This includes an emergency response team comprised of various sub-teams, including notification and communication, rescue, disaster relief information, control, medical aid, leakage response, and public relations. In the event of an emergency, the emergency response team will handle and manage the situation accordingly. Emergency response education and training and fire drills are held every six months. All new employees must practice using fire extinguishers, and through the drill team's simulation, the management of hazardous chemicals and prevention of chemical disasters are reinforced. This training aims to develop employees' emergency response and personal safety management skills, enabling them to take appropriate actions before a crisis escalates, thereby minimizing the impact and harm.
- ◆ Cooperating with the fire department to provide employees with training in fire evacuation, first aid, and other related skills.
- ◆ In 2024, two sessions of self-defense firefighting team training were held according to the self-defense firefighting team drill plan (the self-defense firefighting team training for the first half of 2024 was held at the plant on June 26, 2024. The self-defense firefighting team training for the second half of 2024 was held at the plant on November 13, 2024). Organized according to tasks groups for the onsite commander, notification team, firefighting team, evacuation guidance team, safety protection team, and rescue team to conduct drills. This ensures that employees can respond swiftly to emergencies, reducing personnel injuries and environmental impacts.

## 4.2 Pollution Control

### Waste management

Material Topics	Policy	Commitment	Mid- and Long-Term Targets	Specific strategies	Grievance and communication mechanism	Evaluation mechanism
Waste management	Waste reduction	①Green design ②Packaging materials can be recycled and reused.	Waste reduced by 1% annually	①Waste disposal and reporting ②Packaging waste reduction project	Contact person: Plant affairs Tel: 03-5984125#123 Email: umay@maobao.com.tw	Management review meetings to review performance The total amount of business waste in 2024 was 563.9 metric tons.

Mao Bao mainly generates industrial waste such as sludge, waste plastics, and waste containers. There are no hazardous industrial waste, and all industrial waste is entrusted to licensed waste management companies for transportation to authorized treatment facilities for disposal. Recycling is the primary treatment method aimed at reducing the negative environmental impact. In 2024, the total industrial waste output of the factories was 563.9 metric tons, and the industrial waste recycling rate reached 90%.

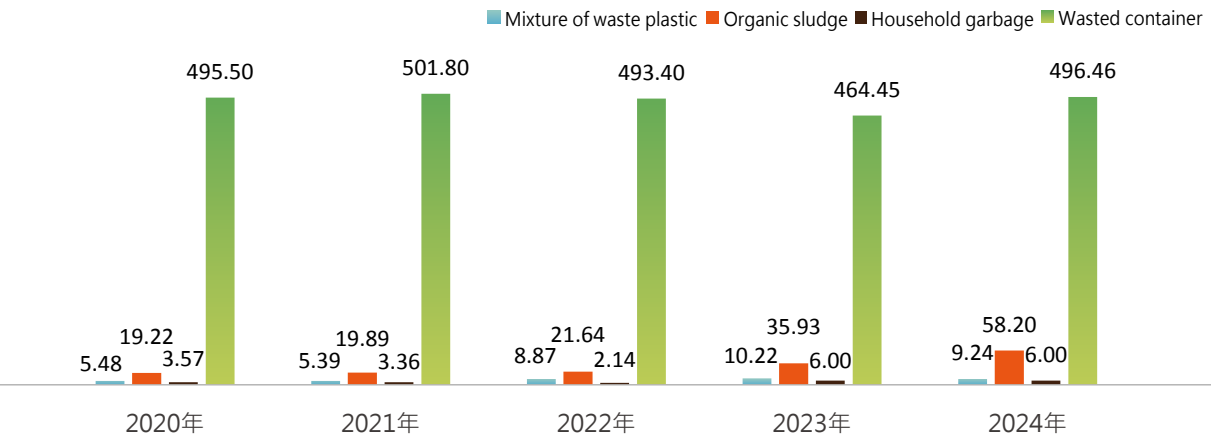
Waste Generation (Factory) Over the Years

Unit: Ton

Item	Disposal Method	2020	2021	2022	2023	2024
Household garbage	Incineration, recycling	3.57	3.36	2.14	6.00	6.00
Industrial waste						
Mixture of waste plastic	Recycled	5.48	5.39	8.87	10.22	9.24
Organic sludge	Landfill	19.22	19.89	21.64	35.93	58.20
Wasted container	Recycled	495.5	501.8	493.4	464.45	496.46

Hsinchu Factory\_Industrial waste statistics over the years

Unit: Ton



4.3 Energy Conservation and Carbon Reduction

4.3.1 Energy Resource Management

The earth’ s resources are limited, and in order to avoid inappropriate waste, Mao Bao pays attention to the management of energy and resources. The Company mainly uses electricity as energy and water as a resource. Monthly data analysis is conducted for each type of energy consumption, and if there are any abnormalities in consumption for a particular month, specific projects for continuous improvement will be initiated. The total electricity consumption of the Taipei Branch in 2024 reached 110,031 kWh, resulting in a total CO2 of 52,155 kg. The statistics of CO2 emissions and consumption by energy and resource at the Hsinchu Factory are as follows:



### Table of Carbon Dioxide Emissions Statistics (Hsinchu Plant)

Unit: kg

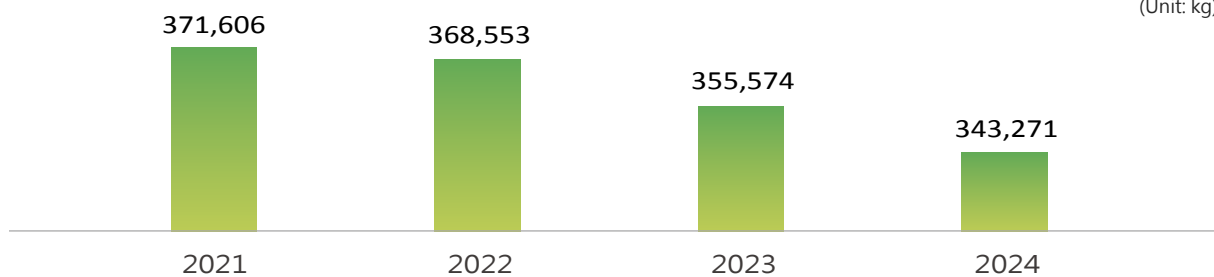
Item/Year	2021	2022	2023	2024
Power - CO2 emissions	371,606	368,553	355,574	343,271

※Emission coefficient from electricity (kg CO2e/kWh) was 0.509 in 2021, 0.495 in 2022, 0.494 in 2023, and 0.474 in 2024

CO2 Emissions data chart over the years (Hsinchu Factory)

#### Hsinchu Factory\_electricity - CO2e emissions statistics table

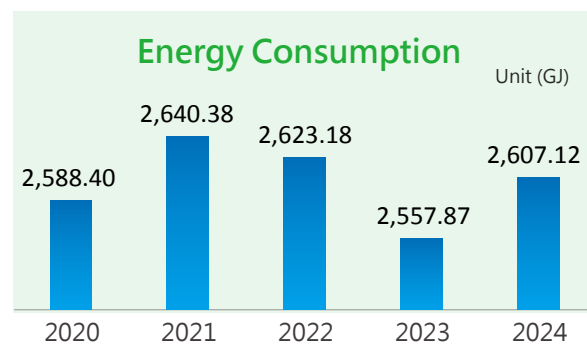
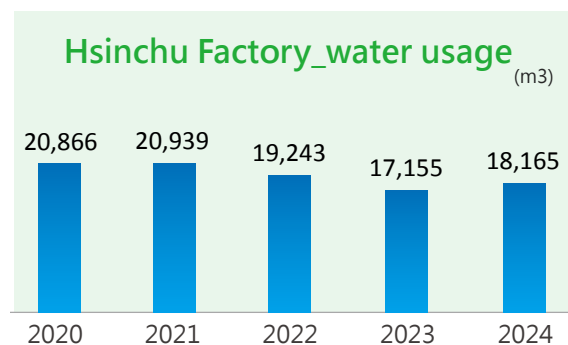
(Unit: kg)



### Energy resource utilization statistics over the years

Hsinchu factory	2020	2021	2022	2023	2024
Water usage (1,000 cubic meters)	20,866	20,939	19,243	17,155	18,165
Water consumption (1,000 cubic meters)	17,026	17,183	15,049	12,572	13,477
Electricity Consumption (kWh)	719,000	733,440	728,660	710,520	724,200
Electricity Use (GJ)	2,588.40	2,640.38	2,623.18	2,557.87	2,607.12

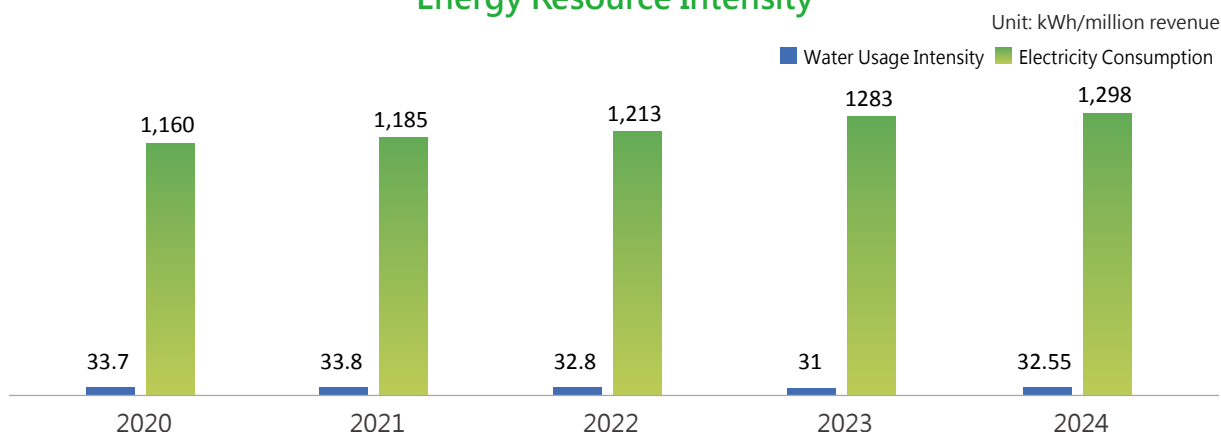
Note: 36 million joules per kWh / percentage of purchased electricity: 100% / renewable energy usage rate: 0% / total self-generated energy: 0%



### Energy Resource Intensity Statistics Table

Item\Year	2020	2021	2022	2023	2024
Revenue (million)	620	619	587	554	558
Water Usage Intensity (degree/per million)	33.7	33.8	32.8	31.0	32.55
Electricity Consumption (m3/per million)	1,160	1,185	1,241	1,283	1,298

### Energy Resource Intensity



#### 4.3.2 Energy Resource Management - Water

All of Mao Bao' s water resources are tap water. Recycling and reuse are based on the daily water consumption required for production, domestic use, and equipment at the Hsinchu Factory. The wastewater generated by the production of the Mao Bao factory is treated and discharged into the sewage treatment plant in the Hsinchu Industrial Park. Mao Bao' s Hsinchu Factory' s application for the extension of wastewater discharge into the sewage systems was approved by the Hsinchu Industrial Park Service Center on October 30, 2019. Mao Bao' s Hsinchu Factory' s wastewater pollution control permit modification (Zhu-Hsien-Huan-Pai-Hsu-Zi No. 00598-03) was approved by the Hsinchu County Government, and the approval letter Fu-Shou-Huan-Shui-Zi No. 1098659110 was issued on October 5, 2020.

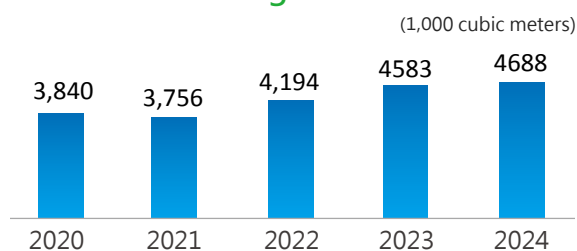
The treated wastewater (effluent) in the Hsinchu Factory in 2024 was included in the regular inspection of the special sewage system (semi-annual report of wastewater), which was reviewed and approved by the Hsinchu Industrial Park Sewage Treatment Plant.

The statistics of wastewater discharge are mainly based on the statistics from Hsinchu Factory in the Hsinchu Industrial Park.

#### Wastewater discharge volume over the years (Hsinchu Factory)

Year	2020	2021	2022	2023	2024
Emissions (1,000 cubic meters)	3,840	3,756	4,194	4,583	4,688

#### Hsinchu Factory\_Wastewater discharge volume



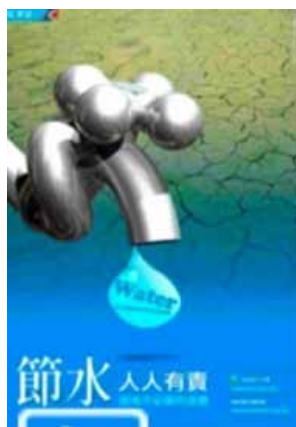


### 4.3.3 Energy Saving Solutions

In 2024, we continued to prioritize optimization and energy-saving practices in design, planning, on-site equipment, environmental facilities, production processes, and workflows. The specific results are as follows:

2024 specific results

Item	Specific Practices	Results
1	We continued to promote water and power conservation, encouraged employees to cultivate energy-saving and carbon-reducing habits in their daily life. Additionally, we regularly checked for water leaks in the environment and repaired them promptly to avoid long-term water waste.	We continued educating employees to implement energy-saving and carbon reduction habits in daily routines and purchasing electrical appliances of high energy efficiency, such as using inverter air conditioners, switching to LED lighting, raising the air conditioning temperature, shift peak hours, equipment replacement, and other measures.
2	The additional installation of Phase-2 rooftop solar panels was completed and began officially supplying electricity to the grid in October 2024, generating additional income from renewable energy sales.	Reduce the indoor temperature and reduce the electricity consumption of air conditioners to achieve the goal of energy conservation and carbon reduction. The Phase-1 power generation system generated approximately NT\$1.86 million in renewable energy sales revenue from January to December 2024.







We prohibit the use of packaging materials containing polyvinyl chloride (PVC). In terms of packaging for e-commerce shipments, we follow the Ministry of Environment's regulations on packaging weight ratios. We conduct weekly checks on the weight ratios of packaging materials to ensure compliance with the reduction policies. Whenever possible, we use original or alternative packaging to contribute our efforts to the sustainable use of the Earth's resources.

## (2) Online Shopping Packaging Weight Reduction Management Solution

<b>Purpose of the solution</b>	To reduce packaging waste from online shopping, the Environment Protection Administration, Executive Yuan, formulated the "Guidelines for Reducing Packaging Waste from Online Shopping" in 2019. These guidelines were designed for online shopping platforms to follow, promoting packaging waste reduction based on three principles of packaging reduction, environmentally friendly materials, and circular packaging. The aim is to save natural resources and reduce environmental impact. 2023 base year: "The Restrictions on the Use of Packaging for Online Shopping and Implementation Methods" as announced by the Environment Protection Administration of the Executive Yuan, will be implemented starting from July 1, 2023. This has been set as the base year.
<b>Targets</b>	2024 target: Reduce the average weight of packaging materials by at least 25% compared to the base year→Achieved; with a weight reduction rate of 43% compared to the base year.
	2025 target: Reduce the average weight of packaging materials by at least 30% compared to the base year.
	2026 target: Reduce the average weight of packaging materials by at least 35% compared to the base year.
<b>Management Plan</b>	①Use alternative boxes (original boxes) for packaging to reduce the use of packaging materials. ②The weight ratio of packaging boxes (bags) must comply with the regulations set by the Ministry of Environment. The weight ratio regulations for packaging boxes (bags) are as follows: For packaging boxes with a total product weight between 250g and less than 1kg, the packaging weight must be less than 40% of the total weight. For those weighing between 1kg and less than 3kg, the packaging weight must be less than 30% of the total weight. For those weighing over 3kg, the packaging weight must be less than 15% of the total weight.
<b>Plan evaluation</b>	Reducing e-commerce packaging materials is designated as a key performance indicator. In addition to weekly random checks on packaging weight ratios, monthly self-assessments are conducted to ensure compliance with regulations. This process helps to review the implementation methods and the effectiveness of proposed improvement plans.

## R&D Section\_ Sharing of Resource-Saving Projects (3)

Packaging Material	Strategy	2024 Plastic Reduction Results
1000g plastic dish washing liquid bottle	Weight reduced by 5g (from 55g to 50g)	3581.680 kg
20g mosquito repellent spray	PET PET blister removed (9.8 g/pc)	560.472 kg
Costco mosquito repellent pack	PET PET blister removed (34.3 g/pc)	493.920 kg

### 4.3.4 GHG Emissions

The global climate and environment are experiencing drastic changes due to the increase of GHGs. As a responsible member of the Earth, Mao Bao will comply with regulatory requirements, conduct thorough GHG inventory, and accurately monitor GHG emissions. This will enable us to develop and propose feasible GHG reduction plans and effectively implement reduction initiatives. The greenhouse gas inventory for the year 2024 is expected to be completed by the end of June 2025. The total emission is 671.16 metric tons of CO<sub>2</sub>e per year, with an emission intensity of 1.20 metric tons of CO<sub>2</sub>e per million revenue.

Scope 1	Total emissions (metric tons of CO <sub>2</sub> e)	Density (metric tons of CO <sub>2</sub> e/ million yuan) Note 2	Assurance Agencies	Statement of assurance status
Parent company	158.6	0.28	Not applicable	Self-inventory
Subsidiary	-	-		
Total	158.6	0.28		
Scope 2	Total emissions (metric tons of CO <sub>2</sub> e)	Density (metric tons of CO <sub>2</sub> e/ million yuan) Note 2	Assurance Agencies	Statement of assurance status
Parent company	395.43	0.71	Not applicable	Self-inventory
Subsidiary	-	-		
Total	395.43	0.71		
Scope 3	Total emissions (metric tons of CO <sub>2</sub> e)	Density (metric tons of CO <sub>2</sub> e/ million yuan) Note 2	Assurance Agencies	Statement of assurance status
Parent company	117.13	0.21	Not applicable	Self-inventory
Subsidiary	-	-		
Total	117.13	0.21		

Note: The 2024 revenue was NT\$558 million

## 4.4 Governance of Climate Change

In recent years, extreme weather events have become more frequent, highlighting the urgent crisis brought by global warming. As a result, governments worldwide are increasingly prioritizing climate change issues. They are revising and strengthening regional regulations to compel businesses to integrate climate change considerations into their operational management. In addition to identifying the operational risks brought about by climate change, Mao Bao also refers to the Task Force on Climate-Related Financial Disclosures (TCFD) issued by the International Financial Stability Board (FSB). These recommendations focus on four core areas of “governance” , “strategy” , “risk management” , and “indicators and targets” . Mao Bao integrates these areas into its operational management and disclosed its governance performance in the sustainability report. This allows stakeholders to understand the impact of climate-related risk and opportunities on Mao Bao and the measures being taken in response.

### Framework for Disclosure of Climate Change-Related Risks and Opportunities

Governance	Discussion and management of climate change at Mao Bao were carried out by the Sustainable Development Committee (ESG Committee), and climate change-related decisions were made by the Chairman of the ESG Committee.
Strategy	<p>After identification, potential risks and opportunities of climate change include:</p> <p>Transformation risk - policy and regulatory risk</p> <p>The Greenhouse Gas Reduction and Management Act has been amended to the Climate Change Response Act, and it is planned that carbon fees will be levied on products with high direct or indirect emissions in 2025. The potential impact on finances is an increase in operating costs, but the overall impact on operations is not expected to be significant. In response, Mao Bao has introduced greenhouse gas inventory and product carbon footprint inventory in 2022, and set future carbon reduction targets.</p> <p>Physical Risk - Immediacies</p> <p>Due to the increasing frequency of extreme weather events such as typhoons and heavy rainfalls, there is a possibility of flooding in the factory area, which could impact the operation of the factory areas. After assessment, it may result in financial losses. The factory has installed flood prevention facilities, so the overall impact on operations is not expected to be significant. Mao Bao’ s has implemented measures to address this issue, such as regular cleaning and maintenance of the drainage system and has established an emergency response plan for typhoons and heavy rainfalls to reduce immediate risks.</p>

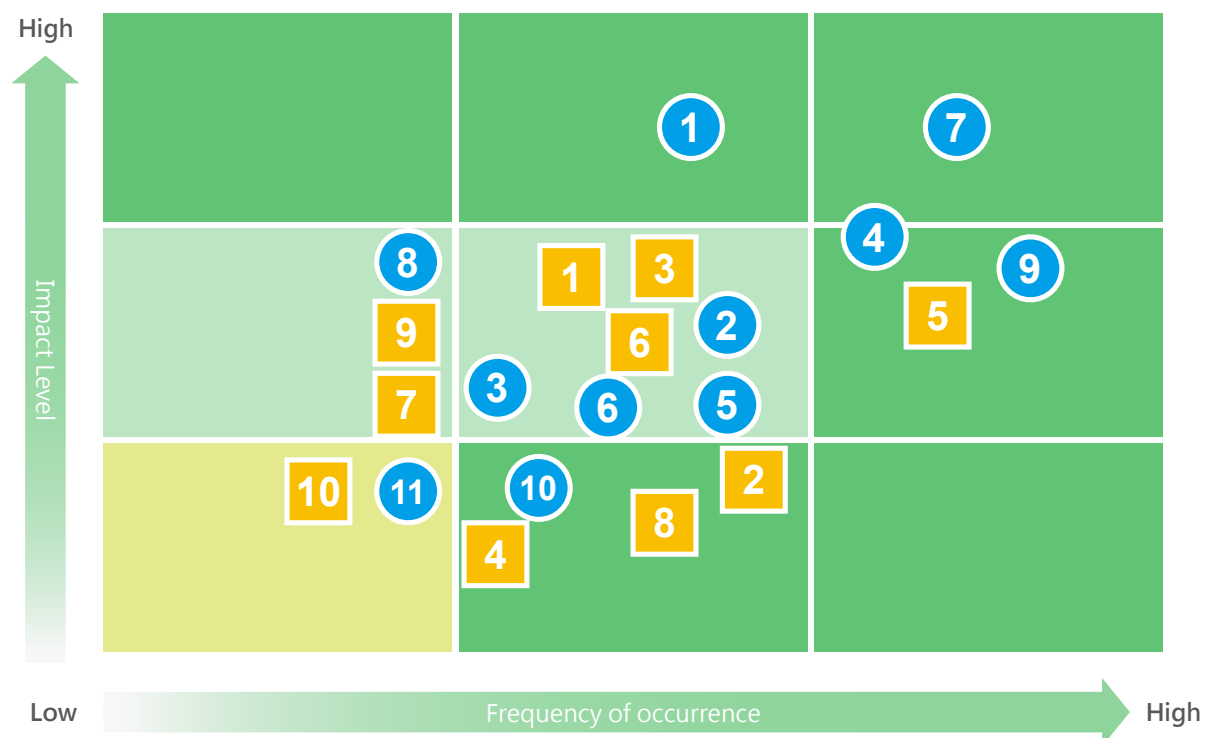


Strategy	<p>Extreme climates may disrupt the transportation of raw materials and products, jeopardizing personnel safety, and increase transportation costs. Mao Bao' s response measures include consolidating orders for transportation to reduce the number of trips, achieving carbon reduction targets, and also avoiding product and personnel losses.</p> <p>Resource efficiency opportunities</p> <p>In addition to complying with the government' s water conservation policies, Mao Bao continues to implement water resource recycling to reduce the reliance on raw water resources and reduce wastewater discharge. While this may slightly increase operating costs, it will not have a significant impact on overall operations.</p>
Risk management	<p>Mao Bao' s ESG committee conducted discussions during the "TCFD Climate-Related Financial Disclosures Discussion Meeting." Through this meeting, relevant members were convened to discuss and identify climate-related risks and opportunities. The discussions were guided by the TCFD' s recommended framework, addressing transition risks (policy and legal, technology, market, reputation), physical risks (acute risks, chronic risks), and opportunities (resource efficiency, energy sources, products/services, markets, resilience).</p>
Indicators and Targets	<p>①The average annual electricity saving rate must be more than 1%.</p> <p>②In 2025, we will follow ISO 14064-1: 2018 to promote GHG emission inventory.</p>



Mao Bao uses the ESG Committee to assess the potential risks of climate change to the Company every year, identify risk sources, risk analysis, risk assessment and risk treatment, and continue to improve and reduce the impact on the Company. The 2024 climate change risk and opportunity assessment results are as follows:

No.	Climate change risks	No.	Climate change opportunities
1	Increase pricing of greenhouse gas emissions	1	Adopt more efficient transportation methods
2	Reinforcement of emissions reporting obligations	2	Use more efficient production and distribution processes
3	Requirements and monitoring for existing products and services	3	Recycle and reuse
4	Replacing existing products and services with low-carbon products	4	Switch to more efficient buildings
5	Costs of transforming to low-carbon technologies	5	Reduction of water usage and consumption
6	Changes in customer behavior	6	Use of low-carbon energy
7	Rising raw material costs	7	Adopt incentive policies
8	Increased severity of extreme weather events such as typhoons and floods	8	Use of new technology
9	Changes in rainfall (water) patterns and extreme changes in climate patterns	9	Participation in the carbon trading market
10	Average temperature rise	10	Shift to decentralized energy
11	Sea level rise		



## Response to climate change risks and opportunities

Topics of Risks and opportunities	Impact on the Company' s operations and finances	Risk and opportunity response measures
Changes in rainfall (water) patterns and extreme changes in climate patterns	Climate-related disasters, such as damage to raw material and product transportation, IT mainframes, or production equipment, result in operational disruption and increased operating costs.	<p>①The transportation of raw materials and products is carried out in a single shipment, to reduce the number of transportation trips, to achieve carbon reduction and ensure transportation safety.</p> <p>②Information and equipment, strengthening the emergency power supply and backup mechanism. Protective measures are taken in advance whenever a heavy rain warning is issued.</p> <p>③Regularly implement drainage and maintenance of the drainage system to avoid blockage and flooding.</p>
Rising raw material costs	The cost of raw materials for commodities has increased due to climate change, which in turn has an impact on business operations.	Based on the control industry sources of raw materials.
Increase pricing of greenhouse gas emissions	The general temperature rise caused by climate change, and the EU carbon tax period effectively curbs excessive greenhouse gas emissions, which increases the Company' s operating costs.	<p>①Introduce greenhouse gas emission inventory and set reduction targets.</p> <p>②Development of low-carbon products.</p>
Replacing existing products and services with low-carbon products	Product development costs increase.	Development or expansion of energy-saving products and services.
Reduction of water usage and consumption	Water resources are a critical resource indispensable to the company' s manufacturing processes. Water restrictions and water shortages will impact the Company' s operations and lead to increased operating costs.	<p>①Optimize the process water recycling system to increase the efficiency of process water recycling</p> <p>②Rainwater is recycled for cleaning.</p> <p>③Maintain the operation of the reserve pool for emergency use.</p>





2024

SUSTAINABILITY REPORT

永續報告書



# Ch5

## Social Prosperity

5.1 Manpower Sustainability

5.2 Happy Workplace

5.3 Career Development

5.4 Employee Welfare and Care

5.5 Occupational Safety and Health

5.6 Social Care

## 5. Social Prosperity

### 5.1 Manpower Sustainability

In the rapidly changing industrial environment, traditional talent management methods are no longer sufficient to address current workplace issues. Gender inequality, age discrimination, and employee burnout are key challenges that businesses must confront to align with international standards and attract and retain skilled workers. Embracing Diversity, Equity, and Inclusion (DEI) is the direction enterprises should strive for. We can do even better when it comes to talent management. We have always valued talent sustainability. To build a more diverse, equal, and inclusive workplace, we officially announce that Mao Bao Inc. has joined the “2024 TALENT, in Taiwan”. We commit to continuously promoting five key indicators – “diversity and inclusion,” “remuneration and motivation,” “physical and mental health,” “cultivation and growth,” and “communication and experience” – to ensure Taiwan’s continued competitiveness in the face of the declining birth rate.

Mao Bao officially announced to join the “2024 TALENT, in Taiwan”



The Hsinchu Plant is the headquarters, and our offices include the Taipei, Taichung, and Kaohsiung branches. In 2024, the total number of employees was 158, and 51.9% of them were male and 48.1% were female.

Category \ Year	2024					
	Male	Female	Others	Total	Taiwan	China
Number of employees	82	76	0	158	158	2
Intermittent employment	82	74	0	156	156	2
Regularly employment	0	2	0	2	2	0
Full-time	82	74	0	156	156	2
Part-time	0	2	0	2	2	0

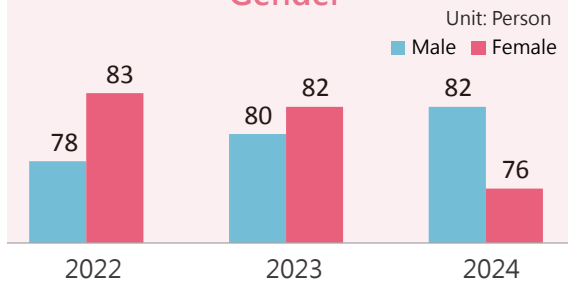
### Three-year comparison of the number of employees by gender

Gender	2022	2023	2024
Male	78	80	82
Female	83	82	76
Total	161	162	158

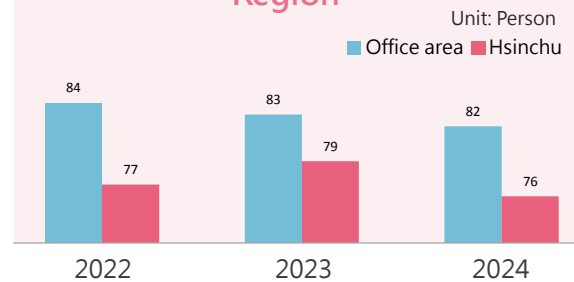
### Three-year comparison of the number of employees by region

Region	2022	2023	2024
Office area	84	83	82
Hsinchu	77	79	76
Total	161	162	158

### Distribution chart of Labor Force - Gender



### Distribution chart of Labor Force - Region



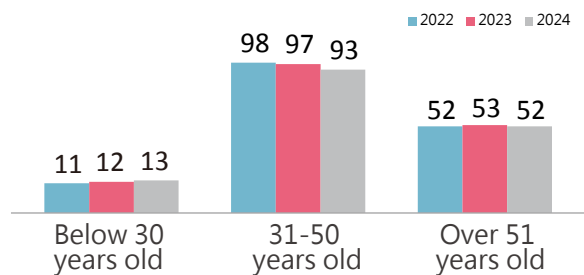
### Age of the employee:

All employees are divided into three groups according to their age: Below 30 years old, 31 to 50 years old, and over 51 years old. The total number of employees is based in the count as of the end of December 2024.

### Three-year comparison of the number of employees by age

Year/ Age	Below 30 years old	31-50 years old	Over 51 years old	Total
2022	11	98	52	161
2023	12	97	53	162
2024	13	93	52	158

### Three-year comparison of the number of employees by age



Mao Bao' s employee composition is mainly hired locally. In 2024, in line with the government' s regulations and policies, one employee with disabilities was also hired to support the disadvantaged groups. 100% of the management level is locally hired residents (Taiwan). Here, senior management is defined as per the definition of financial reporting managers (as in section 5.2 of this report), totaling 7 individuals. 4 of them are male, accounting for 57% of senior management, and 3 of them are female, also accounting for 43% of senior management.

## Analysis of New Employee Recruitment Rate

In 2022, a total of 30 new employees were hired. The annual employee recruitment rate was 19.1%, of which males accounted for 20.5% and females 17.7%.

In 2023, a total of 37 new employees were hired. The annual employee recruitment rate was 22.8%, of which males accounted for 20.5% and females 25.6%.

In 2024, a total of 44 new employees were hired. The annual employee recruitment rate was 27.9%, of which males accounted for 24.4% and females 31.6%.

### Statistics of new employees over the years

Year	2022			2023			2024		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of new employees	16	14	30	16	21	37	20	24	44
New employee recruitment rate	20.5%	17.7%	19.1%	20.5%	25.6%	22.8%	24.4%	31.6%	27.9%

Note: New recruitment rate = total number of new employees / total number of employees at the end of the year

## Analysis of Employee Turnover Rate

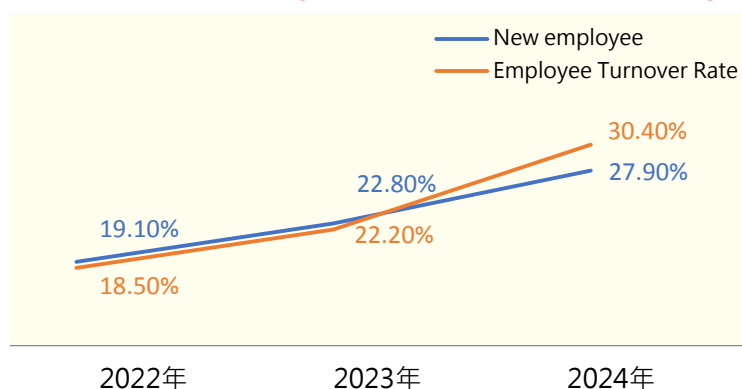
The employee turnover rate in 2024 was 30.4%, and the employee turnover rate in 2023 was 22.2%. The turnover rate has increased by 8.2% compared to 2023.

### Statistics on the number of employees resigned over the years

Year	2022			2023			2024		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of Employees Resigned	16	13	29	16	20	36	20	28	48
Employee Turnover Rate	20.5%	16.5%	18.5%	20.0%	24.39%	22.2%	24.4%	36.8%	30.4%

Note: Turnover rate = total number of resigned employees / total number of employees at the end of the year

### Trend chart of employee turnover rate over the years



In 2024, the Mao Bao participated in the T Ambassador Program of the Ministry of Digital Affairs. Based on corporate social responsibility, Mao Bao cultivated cross-industry talent with a commitment to “education for all” to solve the talent shortage problem of the Company. With the guidance of the industry experts in digital technology and practical knowledge, young people learn relevant knowledge and skills needed for digital optimization or transformation within enterprises, enhancing their future workplace competitiveness and cultivating them into seeds of digital transformation to promote overall industrial development. One outstanding marketing talent was retained after the project to become a key member of Mao Bao’s marketing team.



## 5.2 Happy Workplace

The remuneration of Mao Bao includes salary and bonus. The salary is based on the employee’s educational background, professional knowledge and skills, years of experience, and will not be different because of gender, religion, race, nationality, and political affiliation. Equal pay for equal work is ensured with no difference between genders. We provide salaries higher than the minimum wage required by labor laws and reference domestic and international salary surveys to determine salary levels. In 2024, 95% of employees participated in performance evaluations. Supervisors will give fair and objective evaluations to employees based on their performance and goal achievement status. They will also understand their status through face-to-face interviews and provide them with appropriate assistance. Performance evaluations for foreign workers are conducted on a monthly basis. The evaluation standards include the quality of each person’s production work, the cleanliness and maintenance of the plant area, notable achievements, and overall job performance, which determine the distribution of performance bonuses.

In order to ensure employees feel happy and a sense of belonging in the areas such as physical and mental health, work satisfaction, career development, and interpersonal relationships, and to maintain a healthy work-life balance life balance, the Company held 3 road running events, 5 health seminars, and 1 Turkish mosaic lamp workshop in 2024. Participants gave a very high satisfaction rating of 4.8.





Event	Employee Satisfaction Survey (out of 5)
Health seminar_Blockage in an Instant: How to Prevent Cardiovascular Diseases?	4.6
Health seminar_Work Stress and Relaxation	4.2
Health seminar_What To Do about Hand Pain and Numbness?!!??	4.8
Health seminar_How to Read Your Health Checkup Report?	4.3
Health seminar_Metabolic Syndrome and Weight Loss	4.4
Handmade activity_Turkish Mosaic Lamp Workshop	4.8

The employee welfare system of the corporate family is closely related to the attentiveness, peace of mind, and sustainability of employees, and is an important factor accompanying the Company' s sustainable management. Each welfare activity provided is an important event in the lives of employees, and it is also a matter of great importance to Mao Bao. In addition to our employees themselves, Mao Bao treats employees' family members as our own. Company welfare is complemented by subsidies from the Employee Welfare Committee, which is reflected in various employee welfare programs, including money for marriages for employees, funeral condolence money for employees and their children, spouse, or parents, and maternity gifts for employees and their spouse.

### 員工福利總表

Employee benefit items	All employees	
	Hsinchu	Office area
Group casualty insurance; labor and national health insurance	V	V
Special leave	V	V
Maternity leave, paternity leave, parental leave	V	V
Subsidies to wedding and funeral	V	V
The retirement system pursuant to laws (labor retirement)	V	V
Bonuses for three major festivals	V	V
Year-end bonus	V	V
Regular physical exam	V	V

In addition, the Company provides regular monthly contributions to retirement funds for employees, caring for their lives after retirement. The Company's new retirement fund allocation follows the regulations of the Labor Standards Act, with a monthly contribution of six percent of the total insured salary for retirement savings.

Mao Bao provides maternity leave in accordance with the Labor Standards Act, and work opportunities are not affected by gender differences. In 2024, there was 2 person who took maternity leave, and the actual number of female employees who applied for unpaid parental leave was 1, while no male employees took parental leave. 1 of the employees who took parental leave have returned after the leave period.

To support the transparency of the government's salary policy, listed companies are required by the FSC to disclose the total number of full-time employees in non-managerial positions (excluding managers - senior managers), as well as the average and median salaries of full-time employees who are not in managerial positions. They should also report the difference compared to the previous year of these three factors. The scope of application for managers are as follows:

- 1 General manager and equivalent positions.
- 2 Deputy general manager and equivalent positions.
- 3 Assistant deputy general manager and equivalent positions.
- 4 Head of finance department.
- 5 Head of accounting department.
- 6 Other persons who have the authority to manage affairs and sign for the Company.

	2023	2024	Difference between the past two years
Number of people (excluding senior management)	145	141	-4
Median salary	\$37,474	39,069	1,595
Average salary	\$43,691	46,133	2,442

## 5.3 Career Development

“Education and Training Policy” for Career Development and Lifelong Learning Plans.

Mao Bao is committed to becoming the number one brand of cleaning in Taiwan, and adhering to the Company’s vision and striving to become a benchmark in the global industry. We believe that the only way to achieve the above goals and meet the needs and expectations of the Company’s customers, employees, and shareholders, and to achieve the status of a leader and a benchmark in the industry, is to improve employee competencies and product quality through unremitting learning and training. We believe that every employee has the potential to become the Company’s human asset through training, and then become Mao Bao’s core competitiveness, contributing to a win-win situation for the Company and employees.

We promise that all employees of Mao Bao receive systematic and professional training, cultivation and guidance. Mao Bao provides appropriate resources so that each employee obtains multiple technologies and knowledge to effectively perform Company’s tasks as their basis for productivity improvement, while linking the professional guide between the corporate strategies and quality training, cultivation, and development. The Company’s training are featured as below:

### Key courses - on-the-job training

In recent years, the market competition has become increasingly fierce. Other than building a complete marketing channel, Mao Bao also emphasizes the improvement of software (human) marketing expertise. For the top-down inheritance of experience, in addition to strengthening the knowledge inheritance of product marketing, business units hold monthly product marketing sharing meetings, for each salesperson to exchange their daily business development and customer communication skills, and learn to enrich their combat effectiveness as marketing and/or sales personnel through case studies and discussions.

### Consistent learning of “production, marketing, and research” for new employees

A series of internship and evaluation systems are planned to accelerate the success of new employees on the track. The three-month on-the-job training is used as a complementary training plan for the plant and sales to conduct all-round training for product manufacturing, quality assurance, sales, and R&D.



### e-Learning: go as far as it can be

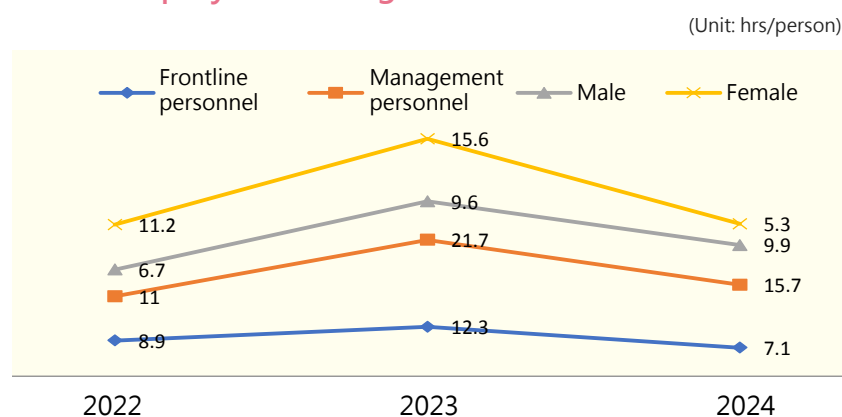
A knowledge management section was established on the Company' s internal website. Through the digitized files of internal and external education and training materials, sharing of R&D results, and various aspects of laws and regulations, the knowledge is shared internally.

In 2024, total 1184.5 hours were attended for education and training, with an average of 7.5 hours per person. Average training hours for male and female: male: 5.3 hours, female: 9.9 hours.

### Average Training Hours for Employees

Year		2022	2023	2024
Total Training Hours by Gender (hours)	Female	887	1280	434
	Male	519	769	750.5
Average Training Hours by Gender (hours)	Female	11.2	15.6	5.3
	Male	6.7	9.6	9.9
Total Training Hours by Category	Management personnel	66	130	110
	Frontline personnel	1340	1919	1074.5
Average Training Hours by Category	Management personnel	11	21.7	15.7
	Frontline personnel	8.9	12.3	7.1

### Employee Training Statistical Trend Chart



## 5.4 Employee Welfare and Care

In the increasingly competitive global market, the key to a company' s success is no longer simply reliant on natural resources, cheap labor, advanced equipment, or substantial capital, but rather on a knowledge-intensive workforce as its core. Employees are the cornerstone of sustainable development. Mao Bao understands this well and is committed to promoting the "Workplace Diversity and Inclusion Policy" to create a dignified and safe working environment for employees. We firmly implement fairness in diversified employment, remuneration, and promotion opportunities, ensuring that all employees are not affected by race, gender, sexual orientation, religion, age, political stance, or other factors protected by law, and are free from discrimination, harassment, or unfair treatment. We enhance professional skills through comprehensive employee education and training; build a sound welfare system to safeguard basic rights and interests; provide a safe working environment and care for employee health; and attach importance to labor-management relations and promote harmonious interaction to continuously improve the overall quality of employees.

In terms of employee care, according to Mao Bao' s 2024 statistics, no incidents of discrimination based on race, gender, or skin color, forced labor, or infringement of indigenous people' s rights occurred. For young employees under 18 years old, we strictly abide by laws and regulations and prohibit them from engaging in dangerous or harmful work. The Company has established diverse and smooth employee communication channels to encourage employees to file complaints and report irregularities or illegal acts within the unit. We have also set up reporting mailboxes for both ethical violations and sexual harassment to ensure the independence and confidentiality of the grievance channel. In 2024, the Company did not have any complaints related to human rights. To ensure effective communication between labor and management, we hold quarterly labor-management meetings to discuss important issues such as labor dynamics, production plans, and ad-hoc proposals.

## 5.5 職業安全與健康

Material Topics	Policy	Commitment	Mid- and Long-Term Targets	Specific strategies	Grievance and communication mechanism	Evaluation mechanism
Occupational safety and health	Risk management Legal compliance Healthy workplace	①Zero occupational disasters ②To maintain workplace safety, prevent accidents, improve the working environment, and protect employee health ③Protect the safety of employees in the workplace and comply with occupational safety and health regulations	Zero occupational disasters	①Regularly conduct employee health checkups in accordance with the Occupational Safety and Health Act. ②Implement 4 major occupational safety and health plans (human-induced hazard prevention plan, illegal infringement prevention plan during the performance of duties, workplace maternity health protection, prevention of diseases triggered by abnormal workload) ③Sign contracts to start the on-site healthcare services ④Establish an Occupational Health and Safety Committee	Contact person: EHS Office Tel: 03-5984125 ext. 150 Email: jacklin@maobao.com.tw	①The Occupational Safety and Health Committee meets quarterly to review the implementation performance of occupational safety and health measures. ②There were no major violations in 2024. ③No external complaint cases

The company's Hsinchu Factory has an "Occupational Safety and Health Management Committee" to maintain job security, prevent accidents, improve the working environment and maintain the health of employees. The labor representatives account for more than 1/3 of the total number of members. The operation of the committee is in accordance with the "Occupational Safety and Health Management Measures", so that all departments of the company can operate under the management of safe operations to establish a good working environment, Implement the company's occupational safety and health management.

The Committee holds a meeting once each quarter. With the joint-discussion among the labor representatives and management for issues related to environmental safety and health, various safety and health work managements are implemented, to prevent occupational accidents, and protect employees' occupational safety and health. There are no workers with high incidence and high risk of occupational diseases in the workplace of this factory. In September 2024, one employee at the Hsinchu Plant did not follow the safety and health work rules regarding "maintenance of finished piping products: during this maintenance work, the employee's left hand slipped, resulting in an accidental injury to the ligament in the middle of their left thumb." There were no other occupational accidents and diseases in 2024.

Item	Number of people
Number of Occupational Accidents	1
Occupational Accident Rate	0.63%

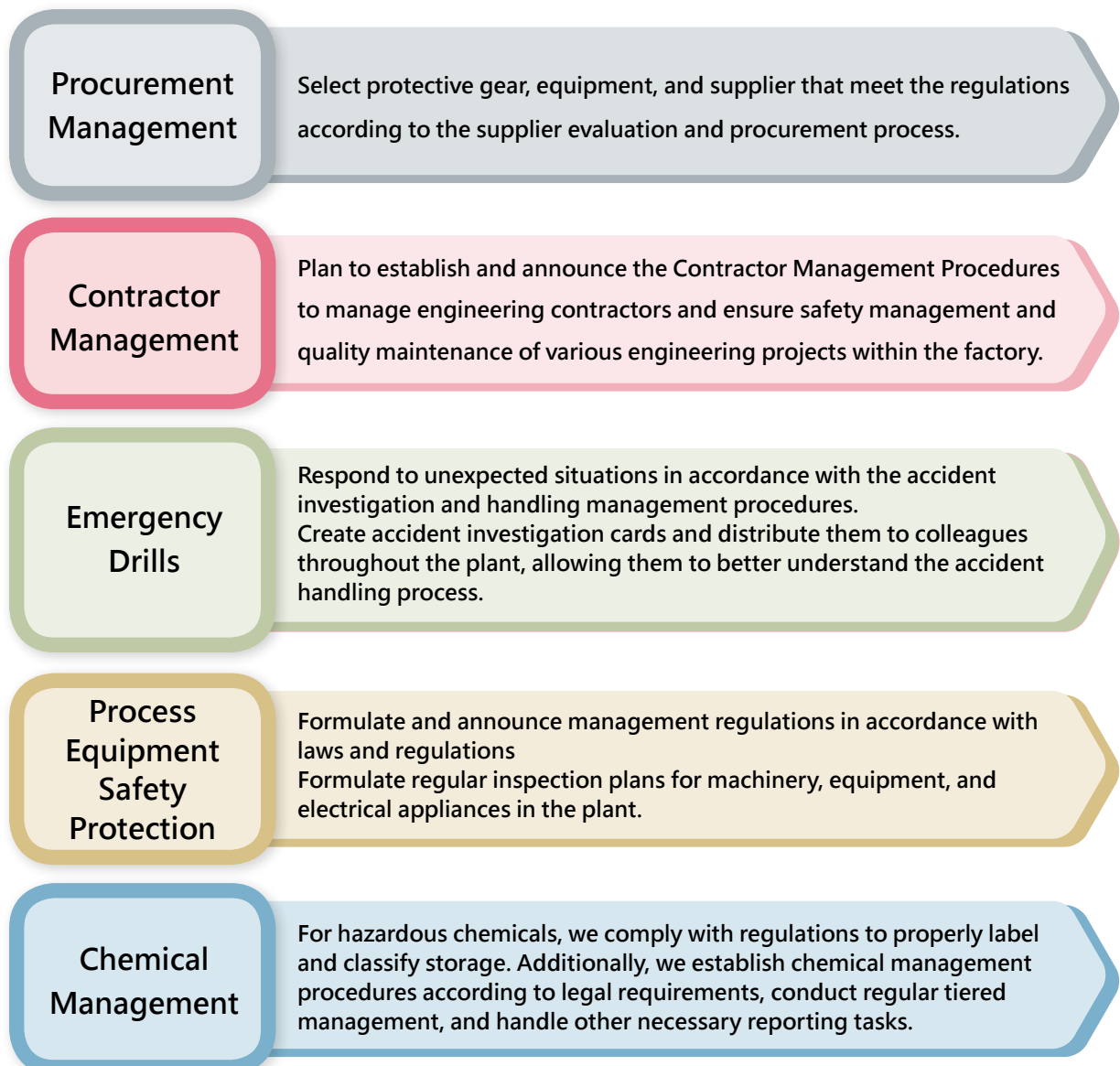
In accordance with Article 6, Paragraph 2 of the Occupational Safety and Health Act, employers shall properly plan and implement necessary safety and health measures to prevent illegal physical or mental harm caused by the acts of others while performing their duties. The Company has established a plan to prevent employees from suffering physical or mental harm due to the actions of others while performing their duties. We declare in writing that we absolutely do not tolerate any act of workplace bullying by any management level supervisor within the Company, nor do we tolerate any acts of workplace violence toward our employees by colleagues, customers, clients, care recipients, or strangers. At the same time, hazard identification and risk assessment for workplace abuse prevention are carried out by the head of each department to identify possible problems and deficiencies, and to improve and prevent them.

In addition, Article 6, Paragraph 2, Subparagraph 1 of the Occupational Safety Act stipulates that employers shall plan and implement necessary measures to prevent musculoskeletal disorders caused by repetitive work. Mao Bao's Hsinchu Plant conducts a comprehensive survey of musculoskeletal symptoms among all employees as part of its preventive measures against occupational hazards. Follow-up monitoring and control are implemented to accurately assess the physical condition of our colleagues and to conduct relevant analysis and improvement measures, aiming to prevent musculoskeletal injuries among employees.

To comply with the phased expansion of the implementation of Article 22 of the Occupational Safety and Health Act, business units with more than fifty employees

shall implement measures to protect workers' health and prevent emerging occupational diseases such as musculoskeletal disorders and psychological stress. Mao Bao signed a contract with De Lin Management Consultants Ltd., in December 2021. According to the regulations of the Regulations of the Labor Health Protection and the Occupational Safety and Health Act, providing contracted occupational safety and health service physicians and occupational health service nurses to conduct onsite health services, assisting Mao Bao in health management and occupational disease prevention, thereby creating a healthy working environment.

### Occupational Safety and Health Promotion and Implementation Aspect

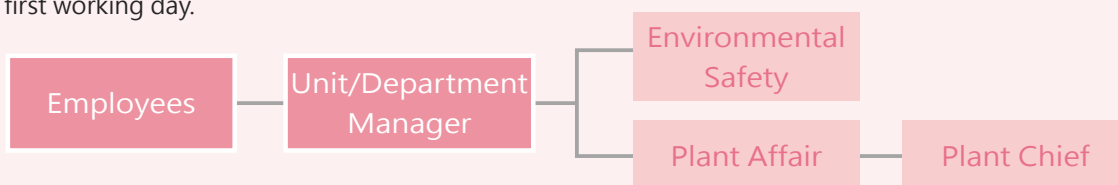


Mao Bao has developed relevant occupational safety and health emergency response management procedures for unexpected emergencies and conducts necessary training. Make relevant personnel proficient with the required knowledge

and skills to be able to effectively respond to and handle disasters at different stages in an emergency to reduce losses. In the event of an accident, preliminary accident investigation and handling report will be submitted according to the accident investigation and handling management procedures.

#### Procedures for Reporting Internal and External Accidents (including Traffic)

- ◆ The party concerned (witness) should immediately report the accident to the department/unit supervisor once they are in a safe environment after the accident occurs. If they cannot be reached, call the plant manager immediately.
- ◆ In the case of a traffic accident, the police should be called first, and then notify the department head/unit head according to the above process.
- ◆ If the supervisor cannot be reached in time, please notify the department and unit supervisor via text message. Call the plant manager if necessary.
- ◆ If an accident occurs on a holiday, the follow-up documentation process will be completed on the first working day.



#### Workplace Illegal Complaint Channel

The Company's consultation and complaint channels for workplace abuse are as follows:

- ◆ Complaint hotline
- ◆ Dedicated complaint mailbox is set up in the security office
- ◆ Dedicated e-mail for complaints

Mao Bao identifies, assesses, and controls hazards in the workplace to reduce risks for workers. By promoting occupational safety training and education, we aim to raise safety awareness among employees, achieving the safety management goals of "zero accidents", "zero violations", and "zero infections". In 2024, there were no transportation-related accidents. However, there was one accident involving an injury where an employee was injured accidentally during implementation of a pipeline repair operation. In 2024, the rates of disabling injuries, severe disabling injuries, occupational diseases, and total fatalities were all zero.

## Friendly Workplace and Health Promotion

With social and economic changes, the International Labor Organization (ILO) and the World Health Organization (WHO) advocate that occupational safety and health services are basic rights of workers. Mao Bao also responds to the intentions of the ILO and WHO, and follows regulatory requirements by actively planning and implementing health initiatives. These initiatives cover three major areas: Health services, health education, and a healthy workplace.

Since December 2021, the Company has arranged on-site services by contracted workplace nursing staff. In 2022 De Lin Management Consultants Ltd., provided contracted workplace physicians and nursing staff to assist in the revision of the occupational safety and health four major plans, including the prevention of ergonomic hazards, prevention of illegal acts against duties, maternity health protection in the workplace, and prevention of diseases due to abnormal workloads. Continuously conducting inspections of COVID-19 workplace protection measures, analyzing and evaluating the results of employee physical (health) examinations, managing and providing health guidance for those with abnormal health check results, assessing and managing workers under 18 years old, at risk of maternal health hazards, occupational injuries or diseases, and other high-risk workers related to occupational health. Conducting self-assessment questionnaires and follow-up procedures for those subjected to illegal acts against duties, implementing preventive measures for work-related injuries and illnesses, health consultation, first aid, and emergency response. Regularly reporting to employers and providing recommendations on occupational health services. Identifying and evaluating factors in the workplace environment, operations, and organizational aspects that may affect the physical and mental health of workers, and proposing improvement measures. Conducting assessments of maternal health hazards in the workplace, advocating against workplace bullying and prevention of heat-related illnesses in summer, and suggesting plans for improving occupational health and safety facilities. Investigate the relationship between workers' health and operations, and take necessary preventive and health promotion measures. At the same time, continue to track the status of injured colleagues. On May 27, 2024, the Company commissioned Central Clinic & Hospital to conduct employee health examinations at the Hsinchu Plant.



In 2025, the Company continued the contract with De Lin Management Consultants Ltd., to arrange on-site services provided by contract workplace physicians and nursing staff. Services in 2025 include: Identification and risk management of safety and health hazards in the workplace, analysis and classification management of health examination results, assessment and management of high-risk health cases, interviews and health guidance for employees at high and moderate risk due to abnormal workloads, analysis of work processes and movements to identify ergonomic risk factors for preventing musculoskeletal disorders and implementing improvements, prevention of illegal acts and maternal health protection, monthly on-site health service posters sharing information on infectious disease prevention and various health issues, health information sharing from time to time, and periodic health seminars.

We understand that a zero-hazard and healthy workplace relies on the implementation of a safety culture for all employees on a daily basis. In order to enhance the overall image of the Company and establish a safe production environment, the on-site environment has been gradually improved through the promotion of 6S (sort, set in order, shine, standardize, sustain, and safety). Through a change in personnel awareness, we aim to make our production foundation more solid and safe, avoiding unnecessary waste. We hope that by improving the quality, our colleagues can enjoy a pleasant and safe working environment. To encourage employees' continuous participation and implementation.





## 5.6 Social Care

Other than focusing on its own business, Mao Bao Inc. also insists on giving back to society. The Company pays taxes honestly, is active within the community, cares for the disadvantaged, is enthusiastic about charity, provides products to help social welfare organizations that are short of supplies, and distributes products to disadvantaged families through caring associations. In 2024, products worth about NT\$192,000 were distributed to help institutions to clean their homes and maintain the environment, thereby improving the quality of the environment. The details are summarized as below:

Date	Recipient unit	Beneficiary of assistance
January 2024	Catholic Diocese of Taichung Foundation's Resurrection Developmental Center in Nantou County, Taiwan	For individuals with developmental delays or those who hold disability identification card
January 2024	Nantou County Parents' Association for the Intellectually Disabled	For individuals with intellectual disabilities
January 2024	Nantou County Mingshan Care Association	Disadvantaged Children and Adolescents
January 2024	Nantou County Zhongliao Township Longyenlin Welfare Association	Elderly Living Alone, Disadvantaged Children and Adolescents, Low-income or Physically and Mentally Disabled Individuals
June 2024	Taiwan Social Work Practice Development Association	Children and adolescents, women, physically and mentally disabled individuals, indigenous peoples, foreign spouses, etc.





2024  
SUSTAINABILITY REPORT  
永續報告書



# Ch6

## Social Prosperity

GRI Standards Reference Table

SASB Reference Table

Climate-related Information of TWSE/TPEX  
Listed Companies

CPA's Limited Assurance Report

## Appendix 1: GRI Standards Reference Table

Statement of Use	Mao Bao Inc., has reported the content of the period from January 1 to December 31, 2024 in accordance with the GRI Standards				
GRI 1 used	GRI 1: Foundation 2021				
Applicable GRI Standards	The Company is a chemical manufacturer listed on the Taiwan Stock Exchange, and there are no such sector standards				
Note	Topics marked with * are material topics				
Topic	Disclosure Item	Item Description	Chapter	Page	Omit/remark
<b>GRI 2: General Disclosures 2021</b>					
Organization and Reporting Practices	2-1	Detail Information of the Organization	2.1 Company Profile	19	
	2-2	Entities Included in the Organization's Sustainability Reporting	0.3 Editorial Policy	6	
	2-3	Reporting period, frequency, and contact person	0.3 Editorial Policy	6	
	2-4	Restatements of information	0.3 Editorial Policy	6	
	2-5	External Guarantee/Assurance	0.3 Editorial Policy	6	
Events and Workers	2-6	Events, value chains, and other business relationships	5.1 Manpower Sustainability	81	
	2-7	Employees	5.1 Manpower Sustainability	81	
	2-8	Workers who are not employees	5.1 Manpower Sustainability	81	
Governance	2-9	Governance structure and composition	2.2 Governance structure	29	
	2-10	Nomination and selection of the highest governance unit	2.3 Board of Directors	31	
	2-11	Chairman of the highest governance unit	2.2 Governance structure	29	
	2-12	Role of highest governance unit in overseeing impact management	1.1 Sustainable Development Committee	10	
	2-13	Person in charge of impact management	1.1 Sustainable Development Committee	10	
	2-14	Role of the highest governance body in sustainability reporting	1.1 Sustainable Development Committee	10	

Topic	Disclosure Item	Item Description	Chapter	Page	Omit/ remark
Governance	2-15	Conflicts of interest	2.3 Board of Directors	31	
	2-16	Communicating key material events	2.3 Board of Directors	31	
	2-17	Collective knowledge of the highest governance body	2.3 Board of Directors	31	
	2-18	Evaluation of the performance of the highest governance body	2.3 Board of Directors	31	
	2-19	Remuneration policy	2.3 Board of Directors	31	
	2-20	Process to determine remuneration	2.3 Board of Directors	31	
	2-21	Percentage of annual total remuneration	2.3 Board of Directors	31	
Strategies, policies and practices	2-22	Statement on sustainable development strategy	0.2 Word from the Chairman	2	
	2-23	Policy commitments	1.1 Sustainable Development Committee	10	
	2-24	Embedding policy commitments	1.1 Sustainable Development Committee	10	
	2-25	Processes to remediate negative impacts	2.5 Risk management	41	
	2-26	Mechanisms for seeking advice and raising concerns	2.3 Board of Directors	31	
	2-27	★Compliance with laws and regulations	2.4 Ethical Integrity and Legal Compliance	39	
	2-28	Membership associations	2.8 External Exchange and Cooperation	48	
Stakeholder Engagement	2-29	Approach to stakeholder engagement	1.2 Stakeholders' Identification	12	
	2-30	Group agreement	----	--	The Company has not signed a collective agreement with the union
GRI 3: Material Topics 2021					
Material Topics	3-1	Process for determining material topics	1.4 Materiality Analysis	16	
	3-2	List of material topics	1.4 Materiality Analysis	16	

Topic	Disclosure Item	Item Description	Chapter	Page	Omit/remark
★Technological innovation					
GRI 3: Material Topics 2021	3-3	Material topic management	3.2 Innovation and R&D 4.3 Energy Conservation and Carbon Reduction	53 69	
★Information security					
GRI 3: Material Topics 2021	3-3	Material topic management	2.6 Information Security and Personal Data Protection	43	
Economic Aspect					
★經濟績效					
GRI 3: Material Topics 2021	3-3	Material topic management	3.1 Financial Performance	52	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed by an organization	3.1 Financial Performance	52	
	201-2	Financial implications and other risks and opportunities due to climate change	4.4 Governance of Climate Change	76	
Market position					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.1 Manpower Sustainability	81	
	202-2	Percentage of senior management hired from the local community	5.1 Manpower Sustainability	81	
Environmental Aspect					
★Raw material usage					
GRI 3: Material Topics 2021	3-3	Material topic management	3.5 Supply Chain Management	59	
GRI 301: Raw Material Usage	302-1	Weight or volume of materials used	3.5 Supply Chain Management	59	
★Energy management					
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.3 Energy Conservation and Carbon Reduction	69	
	302-3	Energy Intensity	4.3 Energy Conservation and Carbon Reduction	69	

Topic	Disclosure Item	Item Description	Chapter	Page	Omit/ remark
<b>Water resource management</b>					
GRI 303: Water and Effluents 2018	303-1	Mutual impacts of shared water resources	4.3 Energy Conservation and Carbon Reduction	69	
	303-2	Management of water-discharge- related impacts	4.3 Energy Conservation and Carbon Reduction	69	
	303-3	Water intake	4.3 Energy Conservation and Carbon Reduction	69	
<b>GHG emissions</b>					
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.3 Energy Conservation and Carbon Reduction	69	
	305-2	Energy indirect (Scope 2) GHG emissions	4.3 Energy Conservation and Carbon Reduction	69	
	305-4	GHG emission intensity	4.3 Energy Conservation and Carbon Reduction	69	
	305-5	GHG emission reduction	4.3 Energy Conservation and Carbon Reduction	69	
<b>★Waste management</b>					
GRI 3: Material Topics 2021	3-3	Material topic management	4.2 Pollution Control	68	
GRI 306: Waste 2020	306-3	Waste generation	4.2 Pollution Control	68	
<b>★Supply Chain Sustainability</b>					
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	3.5 Supply Chain Management	59	
	308-2	Negative environmental impacts in the supply chain and actions taken	3.5 Supply Chain Management	59	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3.5 Supply Chain Management	59	
	414-2	Negative social impacts in the supply chain and actions taken	3.5 Supply Chain Management	59	

Topic	Disclosure Item	Item Description	Chapter	Page	Omit/remark
<b>Social aspect</b>					
<b>Employment relations</b>					
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.1 Manpower Sustainability	81	
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	5.2 Happy Workplace	84	
	401-3	Parental leave	5.2 Happy Workplace	84	
<b>★Occupational health and safety</b>					
GRI 3: Material Topics 2021	3-3	Material topic management	<b>5.2 Happy Enterprises</b>	<b>84</b>	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational Safety and Health Management System	5.5 Occupational Safety and Health	90	
	403-2	Hazard identification, risk assessment, and incident investigation	5.5 Occupational Safety and Health	90	
	403-3	Occupational health service	5.5 Occupational Safety and Health	90	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.5 Occupational Safety and Health	90	
	403-5	Worker training on occupational health and safety	5.5 Occupational Safety and Health	90	
	403-6	Worker health promotion	5.5 Occupational Safety and Health	90	
	403-7	Prevention and mitigation of occupational health and safety impacts that are directly linked to its operations	5.5 Occupational Safety and Health	90	
	403-9	Occupational injury	5.5 Occupational Safety and Health	90	
	403-10	Occupational disease	5.5 Occupational Safety and Health	90	



## Appendix 2 : SASB Mapping Table

SASB Sustainability Accounting Standards - Requirements for the Chemical Industry		Indicator Code	Corresponding Chapter	Remarks
GHG	Scope 1 GHG emissions (tons CO <sub>2</sub> ), percentage of Scope 1 GHG emissions governed by emission control regulations (%)	RT-CH-110a.1	4.3 Energy Conservation and Carbon Reduction	Partial disclosure
	Short-, mid-, and long-term management strategies and plans for Scope 1 GHG emissions, including emission reduction targets, performance evaluation, and analysis.	RT-CH-110a.2		
Energy management	(1) Total energy consumption (GJ) (2) Proportion of grid electricity usage (%) (3) Proportion of renewable energy usage (%) (4) Self-generated energy (GJ)	RT-CH-130a.1	4.3 Energy Conservation and Carbon Reduction	1. Partial disclosure 2. The Company's renewable energy source is solar energy
	Management strategy and energy structure strategy for improving energy efficiency, including the form of self-generated energy or renewable energy to offset the electricity costs.			
Water Management	Total water intake (2) Total water consumption (3) Percentage of (1) and (2) operating sites located in "high" or "extremely high" water stress areas	RT-CH-140a.1	4.3 Energy Conservation and Carbon Reduction	1. Partial disclosure 2. The Company's operating sites are not areas with high or extremely high water stress, and there were no violations of water quality discharge regulations in 2024.
	Number of violations of water quality-related discharge permits, standards, and regulations	RT-CH-140a.2	4.3 Energy Conservation and Carbon Reduction	
	Describe water resource management risks and strategies, as well as practices to mitigate them	RT-CH-140a.3	4.3 Energy Conservation and Carbon Reduction	
Hazardous Waste Management	Total Hazardous Waste Generated by the Company and Percentage Recycled	RT-CH-150a.1	4.2 Pollution Control	



SASB Sustainability Accounting Standards - Requirements for the Chemical Industry		Indicator Code	Corresponding Chapter	Remarks
Labor Health and Safety	For employees and non-employees: (1) Total Recordable Incident Rate (TRIR) and (2) Fatality Rate	RT-CH-320a.1	5.5 Occupational Safety and Health	In 2024, the TRIR was 0.67% and fatality rate was 0%.
	Description of the assessment and monitoring of health risks to employees and non-employees (to reduce long-term/chronic health risk exposures)	RT-CH-320a.2	5.5 Occupational Safety and Health	
Chemical Safety and Environmental Management	Development strategy for chemical substances of high-concern and alternative products that can reduce the impact on human and the environment.	RT-CH-410b.2	3.2 Innovation and R&D 4.3 Energy Conservation and Carbon Reduction	
Genetically modified organisms	Genetically modified products as a percentage of overall revenue.	RT-CH-410c.1	The Company does not use genetically modified products	
Legal and supervisory management	The Company's position on government supervision and policy planning on environmental and social issues	RT-CH-530a.1	2.4 Ethical Integrity and Legal Compliance	
Occupational Safety and Emergency Response	Process Safety Incident Rate (PSIC), Process Safety Total Incident Rate (PSTIR), Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	5.5 Occupational Safety and Health	No process safety incidents occurred in 2024.
	Number of transport accidents	RT-CH-540a.2	5.5 Occupational Safety and Health	No transport accidents occurred in 2024.

## TWSE Sustainable Disclosure Indicators - Listed Chemical Industry

No.	Indicator	Indicator Type	Report Chapters	Pages
I	Total energy consumption, percentage of purchased electricity, renewable energy usage rate, and total self-generated energy (Note 1)	Quantification	4.3	69
II	Total water intake, total water consumption, and disclosed wastewater (sewage) discharge required by regulations or voluntarily.	Quantification	4.3	69
III	Total amount of hazardous waste generated during the production process and the percentage recycled, as required by regulations or voluntarily disclosed.	Quantification	4.2	68
IV	Describe the number and ratio of occupational accidents	Quantification	5.5	90
V	Operating activities with significant actual or potential negative impacts on local communities.	Qualitative Narrative	4.1	64
VI	Specific and effective mechanisms and actions taken by the enterprise and its suppliers to reduce negative environmental or social impacts.	Qualitative Narrative	3.5 4.1	59 64
VII	Production volume by product category	Quantification	2.1	19

## Appendix 3: Climate-related Information of TWSE/TPEX Listed Companies

### Risks and opportunities caused by climate change to the Company and the related countermeasures taken by the Company

	Item	Chapter in the report
1	Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	4.4 Governance of Climate Change
2	Describe how the identified climate risks and opportunities affect the company's business, strategy, and finance (short-term, medium-term, long-term).	4.4 Governance of Climate Change
3	Describe the financial impact of extreme climate events and transformation actions.	4.4 Governance of Climate Change
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4.4 Governance of Climate Change
5	If scenario analysis is used to assess resilience in the face of climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and key financial impacts used.	4.4 Governance of Climate Change
6	If there is a transformation plan in response to the management of climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	No relevant transformation plan yet
7	If the internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	Internal carbon pricing has not been implemented
8	If climate-related targets have been set, information should be provided on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress made towards achieving the targets. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the relevant targets, the source and amount of the offset reduction or the number of Renewable Energy Certificates (RECs) should be stated.	4.4 Governance of Climate Change
9	GHG Inventory and Assurance Status	4.3 Energy Conservation and Carbon Reduction

Scope 1	Total emissions (metric tons of CO <sub>2</sub> e)	Intensity (metric tons of CO <sub>2</sub> e/ million)	Assurance Agencies	Statement of assurance (verification certificate)
Parent company	158.6	0.28	Not applicable	Self-inventory
Subsidiary	--	--		
Scope 2	Total emissions (metric tons of CO <sub>2</sub> e)	Intensity (metric tons of CO <sub>2</sub> e/ million yuan) (Note 2)		
Parent company	395.43	0.71		
Subsidiary	--	--		
Scope 3	Total emissions (metric tons of CO <sub>2</sub> e)	Intensity (metric tons of CO <sub>2</sub> e/ million yuan) (Note 2)		
Parent company	117.13	0.21		
Subsidiary	--	--		

## Appendix 4 : CPA' s Limited Assurance Report



利安達平和聯合會計師事務所

10694台北市大安區光復南路102號4樓(華視光復大樓)

電話：02-8772-6262 傳真：02-8772-5151

### Independent Auditors' Limited Assurance Report

The Board of Directors and Stockholders  
MAO BAO INC.

We have performed a limited assurance engagement on the selected subject matter information (see Appendix A) in the Sustainability Report (the Report) of MAOBAO CO., LTD. (the Company) for the year ended December 31, 2024.

#### Responsibilities of Management for the Report

Management is responsible for the preparation the Report in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies and GRI Standards and Sector Guidance published by the Global Reporting Initiative (GRI) and other applicable rules according to its sector features, and for such internal control as management determines is necessary to enable the preparation of the Report that free from material misstatement.

#### Accountant's Responsibility for Performing Assurance Procedures

We conducted our work in accordance with the *Standard on Assurance Engagements 3000 – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. Based on the procedures performed and the evidence obtained, we express a limited assurance conclusion on whether the Subject Information (as detailed in Appendix 1) is free from material misstatement in all material respects.

Limited assurance engagements involve procedures that are different in nature and timing and are less in extent compared to those performed in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than in a reasonable assurance engagement.

#### Assurance Procedures

We planned and performed our assurance procedures using professional judgment to obtain evidence providing limited assurance about the Subject Information. Any internal controls are subject to inherent limitations, and thus may not detect all material misstatements. Our procedures included, among others:

- Inquiries of management and relevant personnel involved in preparing the Subject Information to understand the policies, processes, internal controls, and information systems used, and to identify areas where material misstatements might exist.

- Inspection, recalculation, reperformance, observation, and analytical procedures applied to samples of documents and records relating to the Subject Information.

#### **Inherent Limitations**

As many of the assurance items involve non-financial information, there are more inherent limitations compared to assurance on financial information. The relevance, materiality, and accuracy of such information often require significant management judgment, assumptions, and interpretations. Therefore, different stakeholders may interpret this information differently.

#### **Independence and Quality Controls**

We and our accounting firm comply with the independence and other ethical requirements of the professional code of conduct for accountants. The fundamental principles include integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. Our accounting firm also complies with *Quality Management Standard No. 1 – Quality Management for Firms*, which requires us to design, implement, and operate a quality management system that includes policies and procedures addressing compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

#### **Conclusion**

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected subject matter information in the Report are, in all material respects, not prepared in accordance with the above mentioned reporting criteria.

#### **Other Matters**

Following the issuance of this assurance report, we do not accept any responsibility to carry out additional assurance work on any changes made by the Company to the Subject Information or the applicable criteria.

*Reanda M Y Wu & Co., CPAs*

Reanda M Y Wu & Co., CPAs  
Taipei, Taiwan  
Republic of China  
June 26, 2025



### Appendix 1 – Summary of Assurance Items

No	Operational Guidelines	Indicator Type	Subject Matter Information	Corresponding Section
1	Regulations for Listed Companies to Prepare and Declare Sustainability Reports" Article 4, Appendix 1-2, Item 1	Total energy consumption, percentage of purchased electricity, renewable energy usage rate, and self-generated energy consumption	(1) Total energy consumption: 2607.12 GJ (2) Percentage of purchased electricity: 100% (3) Renewable energy usage rate: 0% (4) Total self-generated energy: 0 GJ	4.3 Energy Conservation and Carbon Reduction
2	Regulations for Listed Companies to Prepare and Declare Sustainability Reports" Article 4, Appendix 1-2, Item 2	Total water withdrawal, total water consumption, and wastewater discharge as required by laws or disclosed voluntarily	(1) Total water intake: 18,165 thousand cubic meters (2) Total water consumption: 13,477 thousand cubic meters (3) Total discharge: 4,688 thousand cubic meters	4.3.1 Energy Resource Management 4.3.2 Water Resource Management
3	Regulations for Listed Companies to Prepare and Declare Sustainability Reports" Article 4, Appendix 1-2, Item 3	Total hazardous waste generated during production and recycling percentage, as required by laws or disclosed voluntarily	Mao Bao's major industrial waste is sludge, waste plastic, and waste containers, with no hazardous industrial waste. 2024 factory industrial waste total output: 563.9 tons, with a recycling rate of 90%.	4.2 Pollution Control
4	Regulations for Listed Companies to Prepare and Declare Sustainability Reports Article 4, Appendix 1-2, Item 4	Number and rate of occupational injuries	(1) Occupational accidents: 1 person (2) Occupational accident rate: 0.6329%	5.5 Occupational Safety and Health
5	Regulations for Listed Companies to Prepare and Declare Sustainability Reports Article 4, Appendix 1-2, Item 5	Operational activities with significant actual or potential negative impacts on local communities	The Hsinchu factory's industrial waste clearance plan has been reviewed and approved by the Hsinchu County Environmental Protection Bureau. There is no hazardous industrial waste, and all industrial waste is handled by a licensed disposal company. Wastewater generated from production is treated and	4.2 Pollution Control 4.3.2 Water Resource Management

No	Operational Guidelines	Indicator Type	Subject Matter Information	Corresponding Section
			discharged to the Hsinchu Industrial Park wastewater treatment plant, with a water pollution prevention permit.	
6	Regulations for Listed Companies to Prepare and Declare Sustainability Reports Article 4, Appendix 1-2, Item 6	Specific and effective mechanisms and actions by the company and its suppliers to reduce environmental or social impacts	2024 risk assessment of 111 suppliers, with a 100% pass rate. 2024 on-site visits to 5 suppliers. 112 trading suppliers in 2024; 12 new qualified suppliers passed the new supplier evaluation process.	3.5 Supply Chain Management
7	Regulations for Listed Companies to Prepare and Declare Sustainability Reports Article 4, Appendix 1-2, Item 7	Product output by product category	Laundry detergent series: 10,979,207 kg Household cleaning series: 3,199,809 kg Personal cleaning and protection series: 39,323 kg Others: 3,041 kg	3.2 Products and Markets



Mao Bao not only cares about your  
life at home, but is also committed  
to producing green products  
To contribute to your health and  
global environmental protection

