



# 2022 永續報告書 ESG Report



大成長城企業股份有限公司  
GREATWALL ENTERPRISE Co., Ltd.

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# About this report

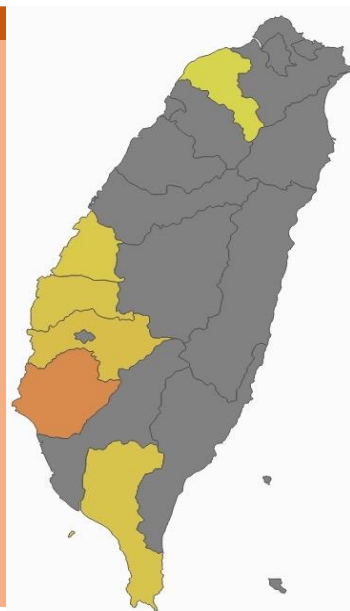
Great Wall Enterprise Co., Ltd. (hereinafter referred to as "Great Wall" or the "Company") has released the 9th edition of the ESG Report to practice corporate sustainable development and fulfill its environmental and social responsibilities, presenting the strategies, practices, and staged results of responding to the material ESG issues. At the same time, this report will also serve as an important medium for communicating with stakeholders. It is hoped that with the guidance and suggestions from internal and external stakeholders, we can continue to move towards a sustainable enterprise that meets public expectations.

## Scope of Report and Disclosure Period

This report discloses the non-financial information of the Great Wall's corporate governance, environmental, and social performance from January 1 to December 31, 2022. In consideration of the comparability of the information, some of the data are also traced back to the previous two years. The financial performance information in this report is based on the figures in the IFRS Consolidated Financial Statements, while other non-financial performance information is mainly based on the following operating locations of the parent company and its subsidiary May Lan Lei (15 production facilities) in Taiwan:

Business Group	Business Locations	Location
Feeds Department	Headquarters	Tainan
	Changhua Feed Plant	Changhua
	Tainan Biotech Feed Plant	Tainan
	Tainan Feed Plant	Tainan
	Total Nutrition Plant	Tainan
Food Department	Pingtung Feed Plant	Pingtung
	Yichu Chicken Farm	Chiayi
	Machouhou Food Plant	Chiayi
Meat Department	Liuying Meat Plant	Tainan
	Liuying Meat Plant 2	Tainan
Pasture	Dayuan Plant	Taoyuan
	Guanmiao Pasture	Tainan
	Ligang/Yanpu Pasture	Pingtung
	Tongde Pasture	Pingtung
	Fuchuan Pasture	Pingtung
	Linluo/Budai Pasture	Pingtung

Note: Yichu Chicken Farm only produces raw eggs.



## Reporting Standards and External Assurance

The editorial framework of this report is based on the 2021 edition of the GRI Standards published by the Global Reporting Initiatives (GRI) and GRI G4 Food Processing Sector Disclosures. In addition, in accordance with the Financial Supervisory Commission's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", this report also discloses the 10 items to be disclosed that should be enhanced for "listed companies in the food industry or those whose operating revenues from food and beverage account for no less than 50% of their total operating revenues" (for details, please refer to the appendix of this report). The materiality analysis is used to select material considerations and their corresponding indicators.

KPMG was engaged to conduct an independent limited assurance on this report in accordance with the "Standard Assurance Standards 3000 "Assurance Cases Other Than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation . The Assurance Report is attached as an appendix to this report.

## Report Issuance

This is the 9th ESG Report of Great Wall published in September 2023. The ESG Report of the previous year will be published on a regular basis every year and published on the official website of Great Wall.

## Contact Information

If you have any questions or suggestions about this report, please contact us at the following contact information:

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## Message from the Chairman

Having experienced the COVID-19 pandemic over the past two years, countries around the world have adopted lockdowns, the UK has left the European Union, the U.S. has escalated trade disputes with China and the European Union, the escalation of trade protectionism, African swine fever, and the Russia-Ukraine War, the Company has had more frequent changes in the operations, procurements of raw materials, interest rates, and exchange rate hedges. Although the price of commodity grain has risen sharply, the price has declined. In the second half of 2022, the COVID-19 pandemic in Taiwan was gradually lifted due to the relevant epidemic prevention policies. The demand for catering, night markets, and edible oils and fats gradually recovered. It is expected that the Company's profit will return to the pre-COVID level.

Driven by the mission to uphold business integrity and provide healthy life and safe food for consumers, DaChan Group continues to publish an ESG report this year. The Company is committed to enforcing traceability for all products sold, and has established its own farm-to-table system. The DaChan Quality Inspection Center not only passes food safety certification of the Ministry of Health and Welfare, but also takes part in the government's Food Safety Alliance Program as a way to raise consumers' confidence in DaChan products.

Looking back to 2022, the Modern Machouhou Food Processing Plant was completed in 2022. Through various rigorous and high-tech automated production lines, the proportion of automated production has been increased, and the production of frozen prepared and processed products has been expanded to provide Taiwanese with the highest quality and safety of deep-processed foods. We have also entered the plant-based meat field and entered into major joint ventures with Japan's Showa Sangyo Co., Ltd. for eggs and flour. Among them, Changhua Erlin Modern Automatic Egg Washing Plant will be officially put into operation in 2023 to expand its competitive edge with its peers, in order to build up the Company's brand image and to enhance the confidence of its customers.

With gratitude, we would like to thank the consumers who have supported DaChan products along the way, and the efforts of employees, as well as the assistance of partners, and the support of local governments. In the face of the ever-changing environment in the future, DaChan will continue to focus on its core business in agriculture and livestock, as well as upstream and downstream integration, strengthen product quality and safety, and enhance customer satisfaction, in order to open up a more forward-looking vision with integrity and humility.

**Chairman      Han Chia-Yau**

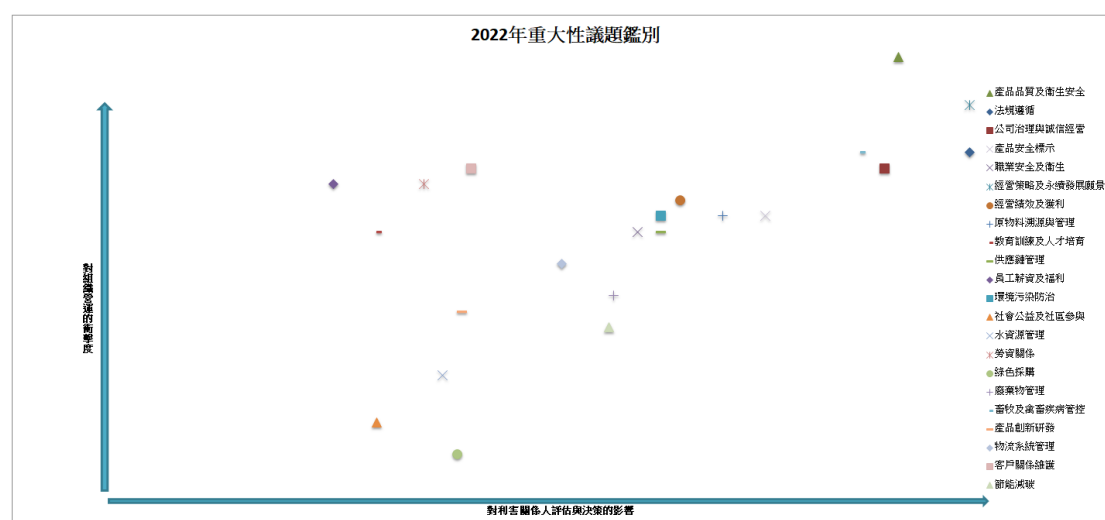
We gathered all departments of the Company to design a scoring questionnaire with reference to the AA1000 Stakeholder Engagement Standard. Through group discussions, completing questionnaires, and considering the status of peers, the following nine key stakeholders were identified. The communication channels and frequencies are summarized in the table below.

Category	Communication Channel	Communication Frequency
Employees	1. Annual performance interview: In line with the Company's development policy, employees and supervisors set the goals and how to achieve them. 2. Knowledge management website: Publish the Company's personnel/organization/product announcements 3. Management meeting: Business progress updates and strategy formulation 4. The internal publication "Prospect DaChan": For employees to understand the Company's recent development 5. Welfare Committee meetings: Discuss the annual welfare committee topics and activities 6. Personnel Review Committee: Promotion of decision-makers 7. Trade union board of directors/supervisors and member representative meetings	1. Twice a year 2. Announcements made on an unscheduled basis 3. Twice a month 4. Issued every two months 5. Annually 6. Annually 7. Quarterly or annually
Suppliers/Contractors	1. Telephone or email 2. On-site evaluation visit	1. From time to time 2. Annually
Community	1. Community development associations, management committees, etc. 2. Telephone, email and company official website	From time to time
Logistics providers	Telephone or email	From time to time
Investors	1. Financial statement announcement 2. Announcement at Shareholders' meeting 3. Information disclosure on the website 4. Messages on company official website 5. Spokesperson	1. Quarterly announcement 2. Annually 3. Disclosed on an unscheduled basis 4. Messages left on an unscheduled basis 5. Speech given on an unscheduled basis
NGO	1. Telephone or email 2. Social welfare and public relations activities	From time to time
Contract farms	1. Sales representative 2. Telephone or email 3. Seminars	From time to time
Customers/Distributors	1. Sales representative 2. Telephone or email 3. Seminars 4. Satisfaction questionnaires 5. Gifts and meals during Spring Festival and festivals.	From time to time
Government agencies	1. Public information release 2. Official documents 3. Seminars 4. Telephone and email 5. On-site counseling, audit and promotion.	From time to time

## Materiality Analysis

In terms of issue identification, we identified issues that may be related to the sustainable development of Great Wall with reference to international sustainable development trends, industry benchmarking, stakeholder feedback, and discussions among colleagues from various departments. A total of 22 issues were identified this year.

In the sorting of issues, we designed a scoring table to assess the importance of each issue item by item based on the two axes of "impact on organizational operations" and "degree of impact on stakeholder assessment and decision-making, and finally drew a matrix of materiality issues. The distribution of the 22 material issues on the matrix is shown below.



2022 年重大性議題鑑別	Identification of material issues in 2022
對組織營運的衝擊度	Impact on organizational operations
對利害關係人評估與決策的影響	Impact on stakeholder evaluation and decision-making
產品品質及衛生安全	Product quality, health and safety
法規遵循	Legal compliance
公司治理與誠信經營	Corporate governance and ethical corporate management
產品安全標示	Product safety labeling
職業安全及衛生	Occupational safety and health
經營策略及永續發展願景	Business strategy and vision for sustainable development
經營績效及獲利	Business performance and profitability
原物料溯源與管理	Raw material traceability and management
教育訓練及人才培育	Education and training and talent cultivation
供應鏈管理	Supply chain management
員工薪資及福利	Employee salary and benefits
環境污染防治	Environmental pollution prevention
社會公益及社區參與	Social welfare and community engagement
水資源管理	Water resource management
勞資關係	Labor-management relations
綠色採購	Green procurement
廢棄物管理	Waste management
畜牧及禽畜疾病管控	Livestock and poultry disease control
產品創新研發	Product innovation R&D
物流系統管理	Logistics system management
客戶關係維護	Customer relationship maintenance
節能減碳	Energy conservation and carbon reduction

Based on the matrix, and taking into account the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", this report also discloses the 10 items that "listed companies in the food industry or those whose operating revenues from food and beverage account for no less than 50% of their total operating revenues" shall emphasize, a total of 10 high-impact issues were identified.

The corresponding chapters of each material issue, the boundary of the impact, and the 10 items that shall be emphasized required by the FSC are as follows.

Material Issue	Corresponding Chapter	Within the Organization	Outside the Organization			Corresponding Material Aspects and Indicators (◆)
		Company	Customer	Community	Supplier	7 enhanced disclosures regulated by the FSC (●)
Corporate governance and ethical corporate management	Corporate Governance	■	■	■	■	◆General Disclosures (102-14; 1~7; 10; 45; 18;16) ◆Anti-corruption (103, 205-2~3 ) ◆Anti-competitive Behavior ( 103, 206-1 )
Business strategy and vision for sustainable development	Message from the Chairman, Overview of Great Wall	■	■	■	■	◆General Disclosures ( 102-14-15 )
Business performance and profitability	Great Wall Overview	■	■		■	◆Economic Performance (103, 201-1~4 )
Legal compliance	Corporate Governance	■	■	■	■	◆Environmental Compliance ( 103, 307-1 ) ◆Social Compliance ( 103, 419-1 ) ◆Product Responsibility Compliance ( 103, 419-1 ) ◆Customer Health and Safety ( 103, 416-2 ) ◆Product and Service Labeling ( 103, 417-2 ) ●Food safety and health laws and regulations to be complied with by listed companies, and the types and frequency of violations of said laws and regulations by listed companies
Product quality, health and safety	Product Responsibility	■	■		■	◆Customer Health and Safety ( 103, 416-1, FP5 ) ●The evaluation and improvement regarding the company's personnel, work environment, hygiene management of facilities and quality control system as well as the significant product and service categories and the percentage affected are all carried out to improve food sanitation, safety and quality. ●The percentage of the production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards. ●The food safety laboratories established voluntarily or according to the applicable laws, testing items, testing results, relevant expenses and the percentage of such expenses to the net revenue.
Product safety labeling	Product Responsibility	■	■		■	◆Product and Service Labeling ( 103, 417-1 ) ●The percentage of the production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.



Material Issue	Corresponding Chapter	Within the Organization	Outside the Organization			Corresponding Material Aspects and Indicators (◆)
		Company	Customer	Community	Supplier	7 enhanced disclosures regulated by the FSC (●)
Raw material traceability and management	Product Responsibility	■			■	◆Product and Service Labeling ( 103, 417-1 ) ●The percentage of the purchased volume in accordance with internationally recognized responsible production standards ●The product trace and track management conducted voluntarily or according to the applicable laws, and the percentage of such relevant products to the whole products.
Occupational Safety and Health	Labor and Social Relations	■		■	■	◆Labor/Management Relations( 103, 401-1-2 ) ◆Occupational Health and Safety (103, 403-1~2,4) ◆Training and Education ( 103, 404-2 ) ●The evaluation and improvement regarding the company's personnel, work environment, hygiene management of facilities and quality control system as well as the significant product and service categories and the percentage affected are all carried out to improve food sanitation, safety and quality.
Supply chain management	Supply chain management	■			■	◆General Disclosures ( 102-9 ) ◆Procurement Practices ( 103, 204-1 ) ◆Raw Materials ( 103, 301-1 ) ◆Supplier Environmental Assessment ( 103, 308-1 and 2 ) ◆Supplier Labor Practices Assessment ( 103, 414-1 and 2 ) ◆Supply Chain Human Rights Assessment ( 103, 414-1-2 ) ◆Supply Chain Social Impact Assessment ( 103, 414-1-2 ) ●The percentage of the purchased volume in accordance with internationally recognized responsible production standards ●The number and percentage of suppliers audited, and the audit items and results



# Chapter One

## 大成長城概況

### Great Wall Overview

## 1.1 About DaChan

### 1.1.1 Basic Information

Company name	Great Wall Enterprise Co., Ltd.
Headquarters location	No. 3, Niasong 2nd Street, Yongkang District, Tainan City
Main products and services	Feed, meat products, consumer food, bulk oils and fats
Number of employees	2,903 employees (as of December 31, 2022)
Consolidated total assets	NTD 62,341,521 thousand
Consolidated operating revenue	NTD 113,297,286 thousand
Capital	NTD 8,947,673 thousand
Major countries served	Taiwan, Hong Kong, China, Vietnam, Indonesia, Malaysia
Business locations and distribution	Feed plants (Taiwan, China, Vietnam, Malaysia, and Cambodia) Meat plants (Taiwan and China) Chicken farms (Taiwan and China) Food processing plants (Taiwan and China) Fishery processing plants (Indonesia and Vietnam) Pig farms (Taiwan and Vietnam) Flour mills (Taiwan and China)

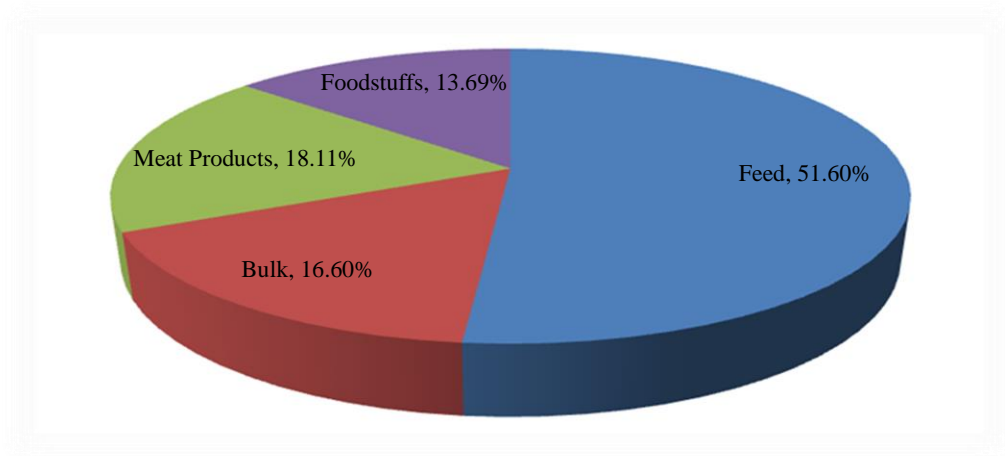
## 1.1.2 Company History

1957~1973 Starting Business	
1957	Mr. Han Hao-Jan and Mr. Mou Ching-Shan founded Taidong Agricultural Products Processing Co., Ltd.
December 28 1960	Originally named "DaChan Oils and Fats Company" situated at Yunong Rd., Tainan City, and produced various edible oils, soybean flour, and soy cakes.
1966	Renamed to "DaChan Agro-industrial Enterprise Co., Ltd." and built a new plant in Yongkang to produce all types of complete compound feed.
1969	The second plant in Yongkang was added, and purchased the latest Crown oil extraction equipment from the U.S. to produce "DaChan Soybean Oil", highly praised and loved by the public.
1973	Merged with Great Wall Flour Company and officially changed its name to "Great Wall Enterprise".
1974~1996 Foundation Laying	
1978	Great Wall Enterprise was listed on the Taiwan Stock Exchange, becoming the first Class 1 stock listed company in Taiwan.
May 1987	Signed an agreement with CENTRAL SOYA of the U.S.A. to form a joint venture "Total Nutrition Technology Company Limited" with the goal of developing formula feed products for the market.
1989	The Group established the DaChan Group International Headquarters at China Hong Kong City in Hong Kong and held the first group strategy meeting.
1995	The feed production and sales of Great Wall exceeded 53,000 tons, ranking first in Taiwan in terms of total feed production and sales.
1997~2007 Industry development	
January 1997	Signed a cooperation contract with the Government of Singapore Investment Corporation to jointly engage in the manufacturing and sales of feed, broiler trains, oils and fats in China and Northeast China.
June 2001	It was resolved in the shareholders' meeting to promote Chairman Mr. Han Hao-Jan as the Honorary Chairman. The Board of Directors unanimously approved to promote Vice Chairman Mr. Han Chia-Yau as Chairman; Special Assistant to Chairman Harn Jia-Chen as Vice Chairman; and General Manager Han Jia-Hwan as the President.
January 2003	In response to the increase in feed market demand in Vietnam, construction of plant began in Hanoi, Vietnam, and Asia Nutrition Technologies (HN) Company Limited was established.
February 2003	Dachan Showa Foods (Tianjin) Company Limited was established in Tianjin jointly by Taisei Showa Co., Ltd. and Showa Co., Ltd. to produce bread flour for food.
March 2003	Joint venture with the U.S.-based LAND O'LAKE CO. to establish the DaChan Lanlei Co., Ltd. to increase future market share of dairy cow feed.
2008~2013 Taking Off	
2008	DaChan Product Inspection Center established for Taiwan's Basic Livestock Herd
2009	DaChan Biotechnology Center completed and activated.
December 2011	Remuneration Committee established
2012	Received a tender bid for the right to operate the food and beverage area at Taoyuan Airport T2, and established Great Food Town for operation in shopping malls
2014~2017 Territory Expansion	
2014	Purchased Yichu Chicken Farm in Lioujiao, and began vertical integration of chickens. Formed Lubei Company. with BGI Genomics, Vanke, and Kaida for environmental governance
2017	Established Wonder Vax Company Limited Established Taixu & Dachan Foods Co., Ltd. Established Honolulu Chain Food & Beverage Co., Ltd. with Hong Kong's Honolulu Coffee Shop and Chiao Thai Hsing Enterprise Co., Ltd.
2018~2021 Diversified Development	
2018	Established Zhong Yi Food Company Limited 15ème pâtisserie joined the catering service group of DaChan Established the DaChan Peace of Mind Mall
2019	Announced the investment of NTD 2.4 billion to set up a Machouhou plant in Chiayi Signed a contract with Showa Sangyo for joint venture and cooperation in eggs and flour Myint Dachan Company, a feed plant in Myanmar, officially started operation. Cambodian feed plant ANT Feed Co. officially started operation
2020	Neo Foods Company Limited was established to officially engage in plant meat production and R&D Showa Sangyo officially invested in Kouchan Mill Company and Zhong Yi Food Company Limited
2021	The Food Development Center was established in charge of promoting and integrating the R&D of food and production in each unit under DaChan. Purchase of land for the Smart Machinery Industrial Park in Machouhou to expand the scale of processing operations
2022	Machouhou Food Plant officially put into operation Began the construction of one stop services of Bengbu Dachan Food Co., Ltd.

## 1.2 Main Business

### 1.2.1 Main Business and Products

#### Main Products and Their Proportion of Business in 2022



Main Business and Products	
Feed Vertical Integration	Feeds for livestock, aquaculture and ruminants, piglets, contract pigs, eggs, etc.
Business Division	
Meat Division	Fresh chicken and processed products
Food Division	Deep-fried, grilled, and smoked processed meat such as chicken nuggets; chicken floss and noodles
Bulk Materials Department	Soy flour, salad oil, and palm oil products



## 1.2.2 Brand

Flour	國成 KOUCHAN
Oil products	大成 DAICHI
Animal nutrition	TNT 大成飼料
Food and beverages	<div> <div>勝博殿 SAKABO-TEEN</div> <div>15<sup>ème</sup> ANNIVERSAIRE</div> <div>檀島 KOROLULU CAFE SINCE 1942</div> <div>Gino Green</div> </div> <div> <div>さぼてん</div> <div>the one SINCE 1980</div> <div>岩島成, 專業烘焙</div> <div>吉福 GIFU GIFU</div> </div>
Special access	<div>大成</div> <div>安心巧厨</div> <div>安心膳</div> <div>Great Great Food from 好食城</div>
Meat	<div>廣野土雞</div> <div>安心雞</div> <div>黑蜜豬 林屋 廣豐 二弟</div> <div>果肉</div>
Egg products	大成鮮蛋
Seafood	<div>根島 野生紅蟳</div> <div>三碗牛腩</div> <div>根島生脆蝦</div> <div>根島 野生海午仔魚</div>
Pet food	GOMO PET FOOD
Frozen food	<div>雞本享受</div> <div>雞肉鬆</div> <div>小鳥 香米</div> <div>花佳丸</div> <div>亨點好 Yummy Dots</div> <div>塔塔酥</div> <div>家傳 雞肉餃子</div> <div>Sous Vide 舒適or</div> <div>雞</div>
Plant meat	neo
Animal vaccines	WONDER BIOVET

### 1.2.3 Production Volume and Value Table in the Most Recent Two Years

By Department	Output					
	2021			2022		
	Production Capacity (metric tons)	Production Volume (metric tons)	Production Value (NTD thousand)	Production Capacity (metric tons)	Production Volume (metric tons)	Production Value (NTD thousand)
Feed	7,141,320	4,267,293	63,894,882	5,965,260	4,096,994	66,722,461
Bulk materials	600,000	556,607	9,528,526	600,000	558,142	11,758,586
Meat	423,231	465,173	28,292,732	411,574	463,433	31,350,747
Food	125,920	106,661	10,209,468	141,649	139,461	11,322,935
Total	8,290,471	5,395,734	111,925,608	7,118,483	5,258,030	121,154,729

### 1.2.4 Sales Volume and Value Table in the Most Recent Two Years Table <sup>1</sup>

By Department	Sales			
	2021		2022	
	Volume (metric tons)	Value (NTD thousand)	Volume (metric tons)	Value (NTD thousand)
Feeds	2,989,126	45,740,161	3,156,338	56,261,983
Bulk materials	1,431,771	19,209,672	1,256,631	18,107,051
Meat	242,814	17,494,966	270,515	19,745,318
Food	142,700	14,585,128	147,770	14,925,186
Total	4,806,411	97,029,927	4,831,254	109,039,538

Note 1: The product sales volume of Great Wall, the parent company, and May Lan Lei, the subsidiary, in 2022 are detailed in Appendix II.

## 1.3 Operational Overview and Financial Information

### 1.3.1 Operational Overview and Financial Information

Item	2018	2019	2020	2021	2022
Operating revenues	72,442,993	77,769,986	81,650,892	101,437,842	113,297,286
Operating costs	62,354,838	66,038,732	69,388,663	90,701,292	90,579,746
	<b>Economic value distributed to stakeholders</b>				
Remuneration to directors and supervisors	35,000	35,000	40,000	40,000	40,000
Cash dividend to shareholders	1,181,913	1,820,146	2,233,815	1,278,238	1,342,151
Cash dividends	NTD 1.5/share	NTD 2.2/share	NTD 2.7/share	NTD 1.5/share	NTD 1.5/share
Stock dividends to shareholders	393971	0	248201	426079	0
Stock dividends	NTD 0.5/share	NTD 0/share	NTD 0.3/share	NTD 0.5/share	NTD 0.5/share
Tax expenses	617587	878542	911142	624695	575581
(Income tax expense)					
EPS	2.75	2.93	3.88	2.32	2.59
Government financial subsidies	None	None	None	None	None
Employee welfare expenses (including salaries and labor and health insurance)	5,459,124	5,833,754	5,356,485	6,294,105	6,526,483

### 1.3.2 Participation in Trade Unions, Associations and Advocacy Organizations

Item	Unit name	Mission	Status
1	Red Cross Society of the Republic of China, Tainan Branch	Established in 1952, the mission is to provide charity service and save people, with first aid training and disaster relief services vigorously provided over the years by the Branch.	Membership
2	National Association of Small & Medium Enterprises	Established in 1972, NASME has been actively assisting SMEs in their sustainable development over the years, serving as a communication bridge between SMEs and the government to enhance their competitive edge.	Membership
3	National 4-H Club Association, Republic of China	Since its inception in 1952, the Association has been focused on the Rural Education Movement by training rural young people to become farmers equipped with scientific knowledge and skills in the future	Membership
4	Taiwan Feed Industry Association	In the 1960s, the government actively guided the animal husbandry industry to become professionalized. Due to the increasing demand for raw materials and to solve the problem of raw material imports, a trade union was formally established in 1966, becoming a bridge between the government and the industry.	Membership
5	Tainan County Feed and Veterinary Drug Trade Association	As a hub for the feed and veterinary drug manufacturers, the Association cooperates with the government to promote the decree and summarizes the opinions of the national feed and veterinary drug manufacturers, and strives to improve the operating and living environment of the industry.	Membership
6	Poultry Association Republic of China	The Poultry Association was established in 1963 and has been committed to establishing a communication channel between the top management of agriculture and government. By doing so, the high-level decision makers can fully understand the status of the chicken industry, and then plan industrial policies that are more in line with the needs of the public.	Membership
7	Tainan County General Industrial Association	Established in 1973, the Association's functions include labor-management mediation, seminars and trainings, factory tours, and labor safety education and training. The Association is also the first industrial association in Taiwan to promote education and learning papers.	Membership
8	Great Tainan Nurses Association	The Great Tainan Nurses Association, formerly known as the Tainan County Nurses Association, was established in 1957 to promote the development of nursing business, promote academic exchanges in nursing, improve medical knowledge, and promote the health of the entire population.	Membership
9	Taiwan Association for Food Science and Technology	The Association aims to promote food science and technology research, promote food science and technology culture, organize academic speeches and seminars, publish journals, and participate in international food science and technology conferences.	Membership
10	Chinese Society for Veterinary Pathology	The Society continues to cultivate domestic veterinary pathology talents, improves the efficiency of veterinary disease diagnosis, maintains animal health, and improves the ability of prevention and quarantine.	Membership
11	Taiwan Stock Affairs Association	The Association helps public companies understand the laws and regulations related to stock services and establishes communication with the competent authorities.	Membership
12	Affiliated Member of Taiwan Fisheries Association	The Association unites the nation's aquaculture practitioners, fisherman's organizations, fishery institutions, and enterprises to study and improve aquaculture technologies, promote aquaculture construction, plan the development of aquaculture businesses, and assist the government in the promotion of fishery policies.	Membership
13	Tainan City Food Safety Self-Management Alliance	Self-management and supervision of food safety.	Membership

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# Chapter Two

## 公司治理

### Corporate governance



## 2.1 Corporate Governance Framework

### 2.1.1 Board of Directors

The Board of Directors is the governing body of Great Wall. Currently, the Board of Directors consists of 11 members, including eight general directors and three independent directors who are elected by the shareholders' meeting for a term of 3 years. The Board of Directors meets at least once a quarter, and CPAs and related business executives are invited to observe the meeting. In order to avoid conflict of interest, if a director or the legal person they represent has an interest in the discussion of the board of directors, they shall not participate in the discussion and voting, nor shall they exercise voting rights on behalf of others. In 2022, Great Wall convened a total of six board meetings. In addition to supervising compliance with the requirements of the competent authorities, Great Wall pays attention to the overall operation, and reviews operating performance, investment opportunities, industry dynamics, international issues of interest, financial figures, etc. on a quarterly basis. Through the Audit Committee, Great Wall reviews the board of directors and other systems as well as daily operating procedures for compliance with legal requirements.

Organization Chart of Great Wall Enterprise Co., Ltd.



### 2.1.2 Audit Committee

In order to improve the corporate governance mechanism and assist the decision-making and implementation of the Board of Directors, the Company has formed an Audit Committee on June 24, 2016, which is composed of all independent directors, and exercise various functions and powers in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies. The Committee held four meetings in 2022 to discuss the consolidated financial report, amendments to rules and regulations, internal audit control, and CPAs' audit fees, and submitted the resolutions to the Board of Directors for discussion.

### **2.1.3 Remuneration Committee**

In order to implement corporate governance and improve the remuneration system for the Company's directors and managers, Great Wall has established and exercised its authority in accordance with Article 14-6 of the "Securities and Exchange Act" and the "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" to set up a remuneration committee. The Board of Directors has formulated the charter for compliance.

The appointment of the Remuneration Committee members is approved by the Board of Directors after nomination and discussion and qualification review. There are three members in the Remuneration Committee. In 2022, a total of two Remuneration Committee meetings were held to discuss the remuneration to employees, remuneration to directors, and the system of and method of year-end bonuses to managers, and the resolution was submitted to the Board of Directors for discussion.

## **2.2 Corporate Sustainability Governance**

In addition to implementing corporate governance and ensuring good management and control of daily operating processes, Great Wall further fulfills its corporate social responsibility. In order to be on par with the international sustainable development trends, Great Wall also hopes to increase the country's economic contribution, improving the quality of life of its employees, the community, and the general public to create a competitive advantage based on social responsibility. Therefore, while pursuing sustainability and profitability, the Company also takes into account the environmental, social and corporate governance aspects and incorporates them into the Company's management guidelines and business activities.

### **2.3.1 Ethical Corporate Management Policy**

The corporate culture of Great Wall contains three elements - "integrity, humility, and foresight." In order to fulfill due corporate social responsibility, the Company and its affiliates emphasize the need for "integrity" as the foundation of business operations, and actively promote it to directors, managers and all employees. The Company has also formulated the "Procedures for Ethical Management and Guidelines for Conduct" which clearly stipulate that all employees must not engage in fraud for personal gain, accept bribes and commissions and kickbacks, or falsely report or provide false information that causes losses to the Company. In addition, the Company regularly organizes employee education training and promotion to enable them to fully understand the determination of the Company and affiliates to operate in an honest manner. Where there is a violation of "work discipline," the Company and affiliates may, depending on the severity of the violation, issue warnings, cautions, demerits, or other penalties. In addition to the penalties imposed on the offending personnel, the supervisor may be subject to joint and several penalties.

In 2022, the Company's external donations or sponsorships were handled in accordance with relevant laws and regulations as well as the Company's internal regulations. There was no offering or acceptance of bribes or illegal political contributions.

### 2.3.2 Ethical Management Communication

Great Wall and its suppliers expressly stipulate that they shall ensure their detached status, shall not have improper relations with the Company or its affiliates, and conduct business activities in a fair and transparent manner. The Company also has a consumer toll-free (0800) service hotline that facilitates full-time communication to protect the rights and interests of consumers.

To ensure the implementation of ethical management, Great Wall has established an effective accounting system and internal control system. The auditors regularly review the compliance with the system, which also includes the supervision and management of subsidiaries.

In terms of information disclosure, Great Wall has set up a website to disclose basic information such as the history of the Company and its affiliates. There is also a section on the website dedicated to finances and investors to disclose the Company's financial and non-financial information in a timely, open, and transparent manner. The information is also available on the Market Observation Post System (MOPS) which is updated on a regular basis. The Company has designated personnel responsible for information collection and disclosure, and regularly updates information on the website to ensure the accuracy of information disclosure.



## **2.4 Legal Compliance**

Great Wall has an audit department that conducts regular internal audits. If there are any deficiencies, an improvement tracking sheet is created to track improvement on a quarterly basis. We strive to comply with the relevant laws and regulations of the competent authorities in all business activities.

In 2022, there were no incidents of child labor, and no cases involving discrimination, indigenous peoples' rights, and human rights reported through formal complaints mechanisms. In 2022, the Company was fined about NTD 3 million for non-compliance with related environmental regulations, NTD 155,000 for non-compliance with labor and occupational safety and health, NTD 600,000 for non-compliance with fair trade, and NTD 70,000 for others. In addition, the Company was fined NTD 30,000 in 2022 for incomplete product labeling and violation of Subparagraph 2, Paragraph 1, Article 22 of the Act Governing Food Safety and Sanitation.



# Chapter Three

## 供應鏈管理

### Supply chain management



## 3.1 Great Wall Supply Chain

Great Wall's raw material procurement items, procurement volume and domestic procurement ratio in 2022 are summarized as follows

Business Department	Procurement of raw materials	Procurement of raw materials (tons)	Domestic procurement ratio
Feeds	Corn, soybean, palm oil, additives, packing materials	1,632,467	37.0%
Meat	Crow-pheasant, marinades, spices, flour, packing material	130,819	100.0%
Food	Chicken, spices, flour, palm oil, packing material	32,986	70.9%

Note: 1. FSC-certified packaging materials accounted for 0.6% of the total packaging material procurement volume.  
2. RSPO-certified palm oil accounted for 12.1% of the total palm oil purchase.  
3. Soybeans certified for sustainability production by Soy Export Sustainability, Inc. accounted for 53.8% of total soybean purchases.  
4. The feed contains data from Z.Y. Food, a subsidiary of Great Wall.

## 3.2 Supply Chain Management and Procurement Practices

### 3.2.1 Procurement Principles

Great Wall's raw materials are purchased in accordance with the principle of "Food Safety and Traceability". Supplier management is strictly reviewed to ensure the food safety of consumers. After Great Wall received the ISO certification, all raw materials have been purchased from qualified suppliers only. We regard decent suppliers as partners who work together with Great Wall on food safety. Therefore, in the selection of suppliers, we take lawfulness, credibility, and trustworthiness as the most important screening and evaluation directions. When selecting suppliers, we not only conduct a complete analysis of their products, but also evaluate the source of raw materials, production methods, and impact on the environment of the suppliers in various aspects. In addition to the annual fixed audits, we will also perform unscheduled audits on specific suppliers.



### 3.2.2 Supplier Audit

Great Wall is required to conduct both written and quality inspections of suppliers. The written inspection items include factory registration certificates, profit-seeking enterprise registration certificates, and other documents. The suppliers must provide manufacturing registration certificates or import licenses of their products to prove legal business operations. Our suppliers must be legitimate. If there is any doubt about the quality of the product, we will send it to the internationally approved inspection unit for inspection. We conduct regular on-site inspections on suppliers. In addition to the production equipment and historical self-inspection data, we also inspect the raw materials to ensure the safety of the products we purchase at the source. In addition to regular factory visits, we also conduct unscheduled factory inspections in the future to ensure the quality of raw materials.

In 2022, we audited domestic suppliers in three major categories: feed, meat, and food. The supplier audit statistics are summarized in the table below:

2022 Supplier Audit Results							
Business Department	Total number of suppliers <sup>1</sup>	Number of suppliers audited	Percentage of suppliers audited	Audit item	Audit results		
Feeds Department	336	53	16%	5 items <sup>2</sup>	Excellent : 53	Ordinary : 0	Poor : 0
Meat Department	212	20	9%	6 items <sup>3</sup>	Excellent : 14	Ordinary : 1	Poor : 0 Other: 55
Food Department	123	48	39%	4 or 6 items <sup>3,4</sup>	Excellent : 47	Ordinary : 1	Poor : 0

Remarks:

- The total number of suppliers is calculated based on the number of suppliers that made purchases in 2022.
- Audit items for the Feed Department: Receiving quality level, delivery coordination, price level, coordination services, cooperation, and supplier visit audit list (a. source management; b. license, permit management; c. raw material management and d. warehousing management).
- General procurement audit items for the Meat Department and the Food Department: Receiving quality assessment, delivery time assessment, pricing assessment, service and coordination assessment, source management assessment, and Supplier Audit Forms (a. quality management assessment and/or b. on-site assessment).
- Raw meat audit items for the Food Department: Supply specification assessment, transportation operation control assessment, delivery time assessment, and Supplier Audit Forms (a. quality management assessment and/or b. on-site assessment).
- Audit results - other: "In addition, an audit was conducted on 5 contract farms. In 2022, a total of 240 audit items were conducted for the 5 contract farmers (the figure is to be confirmed), and the audit result was "Y" for a total of 216 items, with "Y" representing a positive score for the selected item. The audit results are provided to the downstream suppliers for them to understand the farming status of the chicken farmers."

When screening and evaluating suppliers, we select suppliers who match the Company's corporate culture and have a decent business philosophy to become business partners. Many aspects will be added to the criteria of supplier selection, including: good reputation, legal operation, labor rights, environmental protection, corporate responsibility, and social impact.

The raw materials procured by Great Wall are all in compliance with the feed management and food processing regulations. Products not listed in the positive list are all purchased from legal importers and manufacturers (manufacturers are required to provide manufacturing or importation registration certificates); the purchase of food additives is also in compliance with the Act Governing Food Safety and Sanitation. We purchase legally produced and imported products (suppliers are required to provide a food additive permit). All raw materials purchased must undergo meticulous quality control procedures before they are produced and manufactured into products.





# Chapter Four

## 產品責任

# Product Responsibility

## 4.1 Product Quality , Health and Safety Management

### 4.1.1 DaChan Product Policy - Safe Products, Customer Satisfaction

Product safety not only means compliance with relevant laws and regulations, but maintaining product safety throughout from raw material procurement, incoming materials, storage, manufacturing processes, finished products, and shipping. Customer satisfaction refers to the fact that product safety must meet customer expectations and customer complaints must be responded to.

The annual goals of each business unit of Great Wall are implemented according to the quality policy and food safety policy. The annual goals and the performance indicators of each department are revised by the head of each department at the management review meeting every year, and implemented after being approved by the general manager. They are compiled and recorded in the "Quality Goal List" and "Department Performance Goal Development" and other documents for regular tracking. All departments must regularly analyze data, check the achievement status, perform variance analysis, and propose improvement measures for non-achievements and report them at the management review meeting.

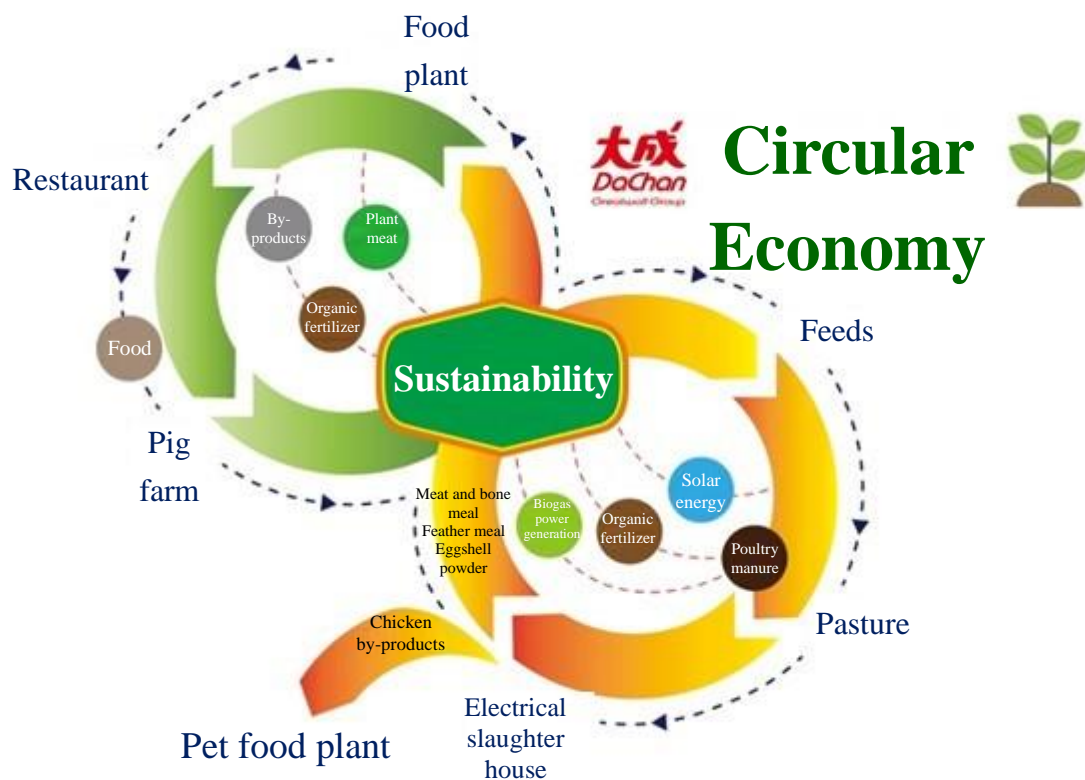
The management review meeting is held once a year. The meeting is chaired by the general manager, and the participating departments must at least include the production, quality control, bulk materials, procurement, feed, R&D, HR, administration, information, warehousing and auditing departments of each plant. Each department's report and address cover annual goals, internal/external regular audit results, and improvement measures for non-achievements.

### 4.1.2 Health and Safety Management

In terms of health and safety management, in order to meet government regulations, Great Wall Foods regularly maintains and improves the production environment to eliminate adverse production factors and improve production quality performance. The "Management Procedures for Environment and Facilities" have been formulated by the feed plant. The contents include environmental disinfection, environmental cleaning and maintenance of the plant area, which can indirectly improve the quality efficiency. The factory environment is disinfected by a manufacturer with pharmaceutical handling license. For environmental cleaning and maintenance, the personnel in each area tidy up and clean the environmental area to which they belong. The Quality Control Department conducts weekly inspections. In accordance with the regulations, industrial waste is outsourced for removal.

## 4.2 Product Safety

Through a detailed and meticulous production and sales traceability record, we have established a high-quality and responsible food supply chain. From bulk raw materials at the source, feed production, nutritional formulas, breeding, incubation, contract breeding, to the five-star electric meat slaughter factory, we take the lead in the industry to independently implement a drug-free monitoring system to ensure that products and raw materials are 100% free of drug residues. In 2022, Great Wall had no products that needed to be recalled from the shelves after being notified by the competent authority.





#### 4.2.1 Quality Testing Center

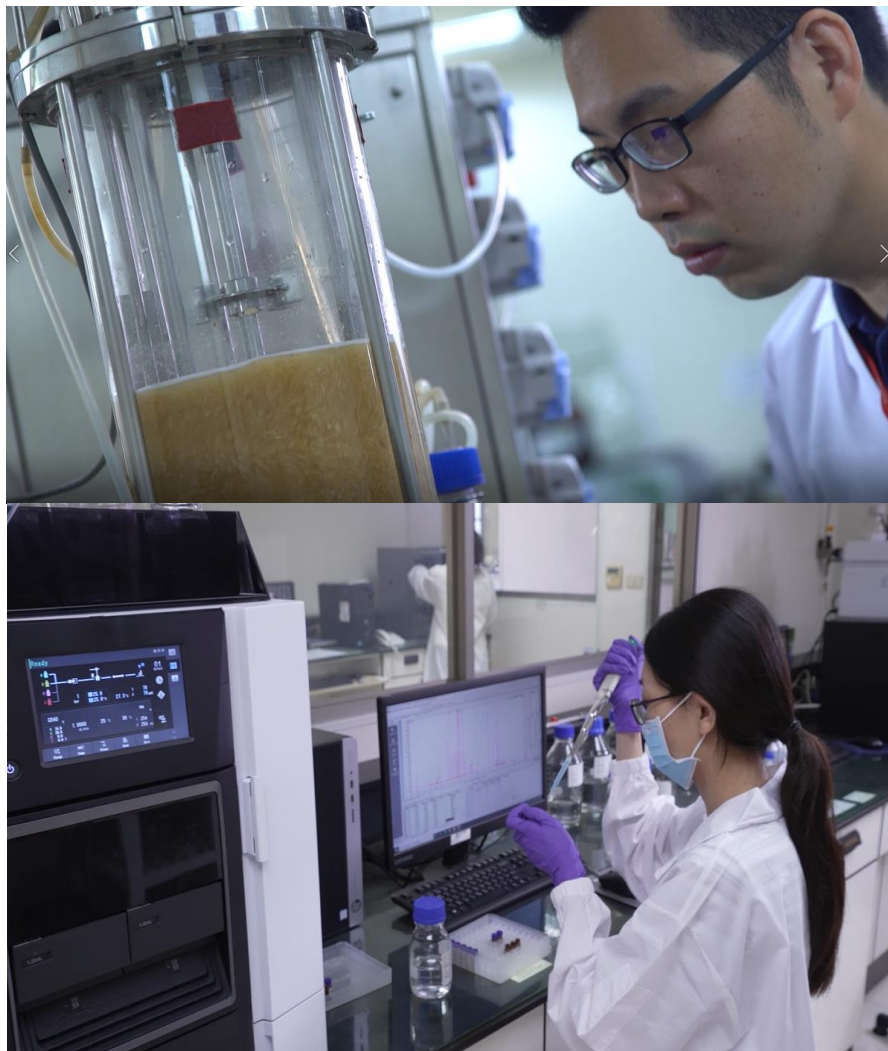


The Quality Inspection Center covers an area of about 90 pings, with a total of four floors and a total of about 360 pings. The Quality Inspection Center of Great Wall includes the following five characteristics:

1. Laboratories are divided by floor - according to the type of laboratory, nature of experiment and precision of instruments, different types of laboratories are set up on different floors to ensure that they are independent to prevent cross-contamination between laboratories.
2. An independent one-to-one air conditioning system is adopted, and the laboratory is equipped with a multi-purpose hood to extract organic solvents and waste gas generated from experiments at any time to avoid cross-contamination.
3. An environmental protection processor is installed on the top floor. Laboratory waste gas is processed by the waste gas environmental protection processor before being discharged to avoid environmental pollution.
4. Each floor is equipped with an emergency eye washer for emergency treatment at any time in the event of an accident and ensure the safety of personnel.
5. Independent gas storage rooms are set up. They are divided according to the type and characteristics of the gas. Safety equipment such as explosion-proof lights and gas leakage alarms are added to ensure safety.

#### 4.2.2 Testing Center Equipment and Certification

The Finished Product Inspection Center is not only TAF-accredited but also TFDA-accredited by the Ministry of Health and Welfare. In addition to maintaining relevant regulatory requirements, the Center continues to prepare applications for additional tests, which enhances the credibility of our laboratory.



### 4.2.3 Testing Expenses

In 2022, the laboratory-related expenditures for all food safety inspections of Great Wall, the parent company, and subsidiary May Lan Lei were NTD 29.49 million for the Quality Inspection Center (mainly including personnel expenses, depreciation expenses and feed-related inspection, and R&D expenses), and NTD 9.28 million for the meat plant (mainly including personnel expenses of QA staff and miscellaneous expenses), and NTD 7.77 million for the food plant (mainly including personnel expenses of QA staff and miscellaneous expenses). In addition, the National Animal Industry Foundation and SGS inspection fees for the chicken farm were NTD 60,000, totaling NTD 46.6 million, accounting for approximately 4/10,000ths of consolidated net operating income.

The results of inspections and tests for food safety in 2022 are summarized in the table below:

Product	Type	Number of samples	Qualified	Pass rate
Feeds	Raw materials	8,907	7,219	81.0%
	Finished products	10,620	9,648	90.8%
Meat	Raw materials	2,944	2,944	100.0%
	Finished products	13,216	13,216	100.0%
Food	Raw materials	1,052	1,052	100.0%
	Finished products	5,631	5,631	100.0%

#### Remarks:

1. Raw materials and finished products are inspected by batch sampling. The frequency of each inspection item is determined according to laws and internal regulations.
2. Test items for raw materials and finished products: mainly including water, crude protein, crude fat, and crude ash.
3. Inspection items for raw materials and finished products of meat products: Meat products must be tested for drug residues and nitrofurans before slaughter. If they fail to pass the re-inspection, the slaughtering will be postponed until they pass the re-inspection. Products (multiple drug residues, nitrofurans, bacterial count, salmonella, staphylococcus aureus, Escherichia coli, coliform bacteria, campylobacter) must comply with relevant laws and regulations before shipment, to ensure 100% certified raw materials and finished products.
4. Feed inspection items for chicken farm: 65 veterinary drug residues, 12 pesticide residues, aflatoxins; water test items: total bacterial count, E. coli, lead, copper, mercury, cadmium, zinc, arsenic, chromium, nickel.
5. All food ingredients entering the plant must meet the regulatory standards (raw material test items: multiple drug residues, aerobic plate count, E. coli, coliform bacteria, Salmonella, Staphylococcus aureus). Products that fail to pass and meet the rejection level will be returned. Finished product test items: aerobic plate count, E. coli, coliform bacteria, Salmonella, Staphylococcus aureus, Bacillus cereus, Listeria monocytogenes, and Campylobacter) must comply with relevant regulations in order to ensure that all materials entering and leaving the factory are 100% certified.
6. Non-conforming products are handled in accordance with the standard operating procedures.
7. DaChan has three TAF-accredited and one TFDA-accredited national-level laboratories in Taiwan. All raw materials and finished products are tested by category and batch for specific items and are strictly checked by the national laboratories to ensure safety.
8. Test data on feed items containing eggs.

#### 4.2.4 Introduction of Domestic and Foreign Food Safety Management Systems

To further ensure the quality and safety of the food manufacturing process, Great Wall is committed to introducing the ISO 22000 food safety management system and obtaining the CAS Quality Agricultural Products Certification. We are also a qualified vendor for slaughtering hygiene inspection by the Animal and Plant Health Inspection Agency (APHIA), Ministry of Agriculture (MOA), and we have veterinarians assigned by the Bureau stationed at our factory for inspection before and after slaughtering.

The status of introduction of various domestic and foreign food safety management system certifications by each plant of Great Wall, and the percentage of the total amount of products produced by the above internationally or domestically recognized plants in various products is summarized as follows.

	ISO 22000	CAS	HACCP	FSSC 22000
List of certified plants	Tainan Biotech Feed Plant Changhua Feed Plant Pingtung Feed Plant Total Nutrition Plant Dayuan Plant Liuying Meat Plant Liuying Meat Plant 2 Machouhou Food Plant	Dayuan Plant Liuying Meat Plant Liuying Meat Plant 2 Machouhou Food Plant	Tainan Biotech Feed Plant Changhua Feed Plant Pingtung Feed Plant Total Nutrition Plant Dayuan Plant Liuying Meat Plant Liuying Meat Plant 2 Machouhou Food Plant	Machouhou Food Plant
Number of certified plants	8	4	8	1
The output (metric tons) of the above-mentioned certified plants as a percentage of the total output of parent company, Great Wall, and subsidiary, May Lan Lei.	Feeds 1,411,395(83%) Meat 89,550(36%) Food 13,597(97%)	Meat 66,944(26%) Food 353(3%)	Feeds 1,411,395(83%) Meat 89,550(36%) Food 13,597(97%)	Food 13,597(97%)

Note: Dayuan Plant commissions "Broiler Cooperation of North Taiwan" for OEM production.

Note: DaChan Soybean Oil, deep-fry palm oil, pure frying oil, special oil for deep-fry, and chicken floss are 100% produced by ISO 22000 certified factories.

In 2022, we conducted a comprehensive evaluation on the continuous improvement of the employees, facility sanitation management and its quality assurance system, which affected 100% of the output of DaChan feed, meat products, and food categories. Production equipment was upgraded and improved the product quality produced by feed factories by 0.9%, and the important changes in these items are summarized as follows:

	Investment items	Completion date	Description of added benefits
<b>Practitioners</b>	<u>Feed Plant/Meat Plant/Food Plant:</u> Education and training is regularly arranged at each plant, with the content related to the annual promotion and implementation of new feed and food safety regulations.	Ongoing	Supervisors and employees have a clearer understanding of various safety regulations to facilitate judgment on and implementation of practical operations.
<b>Hygiene management system</b>	<u>Feed Plant/Meat Plant/Food Plant:</u> The quality control unit regularly conducts various health inspections and records the scores.	Ongoing	Long-term record scoring ensures that the plants maintain sanitation and production quality.
<b>Quality Assurance System</b>	Through the Food Safety Sub-committee, regular discussions are conducted on the compliance of the current food safety management system with the latest regulatory requirements at the plants.	Ongoing	Ensure that production at the plant complies with the latest laws and regulations, with product quality maintained above legal standards, and food safety guaranteed.
<b>Workplace</b>	Feed plant: Changhua Feed Plant upgraded one of the extruders in the plant in 2022.	Ongoing	An extruder upgrade was completed in October 2022 to upgrade the functions of curing and disinfection to improve the quality of feed products.

## 4.3 Product Traceability System

### 4.3.1 Internal Management

From raw material inspection, warehousing, material picking, production, finished goods delivery to warehouse, and product shipping, the meat and food products produced by the parent company, Great Wall, and its subsidiary, May Lan Lei, are 100% traceable. The Quality Assurance Section of the meat plant and the food plant also routinely use forms to simulate traceability tests. The forms of a single batch of products are sampled to trace raw materials in the future and track the flow of products afterwards. We also receive audits by KFC, K&K, Costco, and 21st Century to ensure that the meat and food plants have established and have the traceability capability.

Oil products are processed by ISO 22000 certified factories. The contract manufacturers have uploaded the data of oil products shipped to the Company to the Ministry of Health and Welfare's "Food Traceability Management Information System (Food Traceability System)". The import, manufacturing, processing, and preparation of processed meats and soybeans are 100% uploaded to Food Traceability System in accordance with the provisions of "Food Operators That Should Establish a Food Traceability System".

For the products of the parent company, Great Wall and its subsidiary, May Lan Lei, which are manufactured by external suppliers or other subsidiaries of the Group, such as oil products, chicken floss, noodles, free-range chicken products, and unprocessed imported meat products, they are all regulated in accordance with the "Regulations Governing Traceability of Foods and Relevant Products", and has established the form or electronic document traceability data from the previous supplier to the next customer who ships the product.





#### 4.3.2 External Communication

To provide consumers with better quality and safer products, Great Wall has voluntarily introduced the "DaChan Safe Chicken Traceability System" and the "DaChan Corn Fed Chicken Traceability System." Chicken products of these two categories can be traced through our traceability systems to find out which farms they come from, whose feed they eat, electric slaughtering information, quality control documents, and other relevant information.



## 4.4 Animal Welfare

### 4.4.1 Quality Environment

In order to create the best breeding environment, grasp biosecurity, and take into account animal welfare, DaChan has invested in the most expensive wet curtain cooling system. The advantage of this type of barn is the automatic control system that adjusts the fan speed, humidity and other dynamics. With good ventilation and sufficient ventilation volume, the temperature difference in the livestock house is small. This can also avoid vector pollution caused by foreign livestock and poultry, providing a comfortable space for chickens.

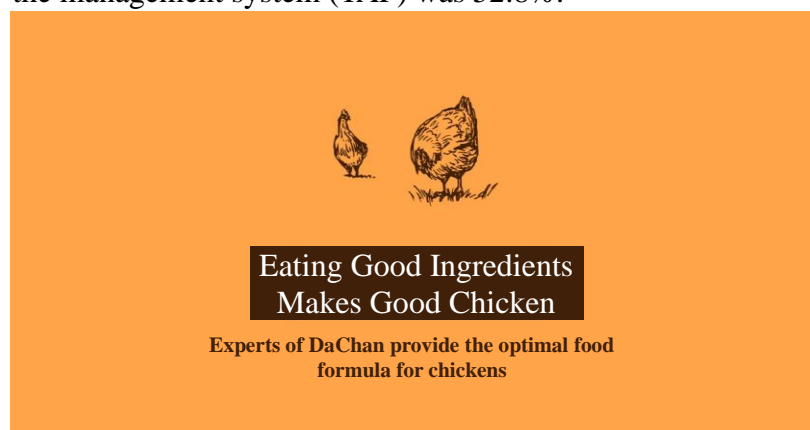
In order to reduce the impact of the environment on the production of laying hens, wet curtain cooling system has become the current trend. Especially in recent years, due to the worsening of climate change, rampant disease epidemics, and the rising awareness of environmental protection and animal welfare, the traditional production model of laying hens has been gradually phased out. In order to lead the industry, we must consider changes in nature and the trend of the times, change the concept of production and farming equipment, effectively manage the farming environment, and improve operational efficiency in order to achieve sustainable operations.

### 4.4.2 Quality Feed

For the quality of eggs to be good, the biosecurity control of the breeding environment and feed without animal drugs are the most critical.

Great Wall has Taiwan's largest feed processing plant and the most advanced R&D and QC teams. We design staging feeds according to different growth periods of laying hens, the nutritional needs of different ages and different periods, and provide chickens with complete egg production nutrition requirements.

The feed used on the farm is a vegetarian feed formula. The eggs laid by our chickens have a solid protein quality and the yolk is orange without a fishy smell. Whether it is simple boiled eggs or soft-boiled eggs, they all bring out the most pleasant flavor in our eggs. In order to produce pure and natural eggs, DaChan has established a chain of chicken farms that can be traced back to the source (chicken and feeding management). The chickens are sampled regularly for their resistance, and the quality of each stage is strictly controlled. The percentage of shipments tracked by the management system (TAP) was 52.8%.



#### 4.4.3 Manure Treatment

Farmers are often faced with the foul odor of livestock and poultry manure, which cannot be properly disposed of and it is costly to do so. This can lead to the spread of pathogens and affect the operation of livestock farms. The farm adopts HMD (High temperature / efficiency Microbiological Decomposition) treatment equipment for manure treatment. High-efficiency microorganisms are used to decompose and stabilize organic matter, which can significantly shorten the fermentation time, reduce the treatment process and labor cost, and achieve the goal of organic waste. and reuse of natural resources.



The system combines biological deodorization technology to effectively reduce the escape of odor, Different from traditional composting that requires a large compost field space, the land use cost is greatly reduced, and the automatic conveying system is combined to achieve "no organic waste on the ground."

In terms of circular economy and sustainable development planning, DaChan Group makes good use of its existing advantages to develop organic fertilizer, biogas power generation, and installation of solar panels to create a low-carbon and sustainable circular economy.



## 4.5 Customer Service

Great Wall established the Call Center Department in 2001, which was the first of its kind in the industry and upholds the fundamental principle of customer-oriented service. Customer service staff not only deal with phone calls and orders, but also the views and demands of customers. Therefore, customer service staff are always on the front line to serve customers, rain or shine, all year round. Our work includes:

### Order operation and verification:

- Order receiving ↓ Order making ↓ Production management submission ↓ Production scheduling ↓ Transportation and delivery

- Contact business representatives, veterinarians, and related personnel

The so-called: If you are cautious and careful, you can steer your ship safely for many years. Customer service staff must pay close attention to every step of the order and assess if any abnormalities have occurred based on historical order data. During the establishment of an order, it is necessary to pay attention to the different feed-receiving habits of each customer. The order data and content remarks must be checked repeatedly. The customer service staff must take the initiative to remind the plant of the matters needing attention during transportation and production. By doing this, we ensure that the delivery date and transportation quality meet the requirements and customer satisfaction.

### Formation of the combat team:

Customer service staff must always place emphasis on the relationship with their assigned customers and the VIPs, so that the service can go directly to the hearts of customers. Customer service staff must remind customers to order feed, ask about product service satisfaction, notify information, and establish a real relationship with customers to increase the sense of trust.

### Customer service staff use SAP to provide "Customer Ordering Cycle Table" to remind customers to order feed and care about customer feeding:

This cycle table system contains a huge customer shipping database, allowing customer service personnel to clearly and deeply understand the material consumption habits and the feeding situation of customers. The Company communicates with customers over the phone frequently and informs them of the advantages of placing orders in advance, and also contacts the operating agent to persuade customers. Only with careful preparation can we achieve customer satisfaction in production and transportation, reduce customer complaints, and enable the driver to drive more safely. At each farm, the feed is unloaded according to the customer's requirements.





Great Wall tracks customer satisfaction with the products and services we provide through the customer service satisfaction survey every year. Customer satisfaction in the past five years is shown in the table below:

Year	2022	2021	2020	2019	2018
Satisfaction Level	94.34%	94.48%	94.62%	94.45%	91.57%

Note: There were no complaints about violations of customer privacy and loss of customer data in 2022.



A photograph of two men smiling. The man on the left wears glasses and a green polo shirt. The man on the right is giving a thumbs up and wearing a red polo shirt. In the background, a red sign with the 'DaChan' logo and Chinese characters is visible on a brick wall.

# Chapter Five

## 勞工關係

### Labor Relations



## 5.1 Human Resource Policy

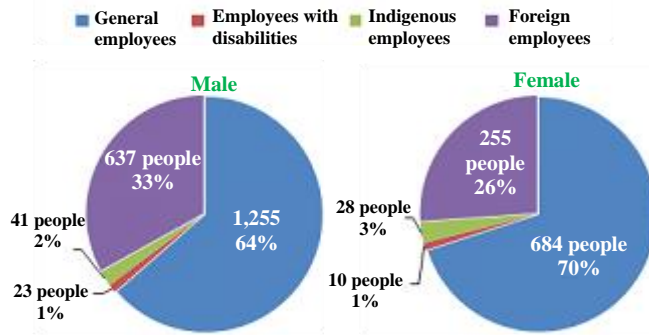
The Company's entrepreneurial spirit is "Integrity, Modesty, and Forward-Looking." This also means that we hire and promote people with these three characteristics or behaviors. As a comprehensive animal protein manufacturer, we are a pioneer in food safety. We are committed to making delicious, safe and healthy food for customers. This means that we welcome partners who share this philosophy to join us. We are thirst for talent and do our best to find the most suitable professionals for the Company's culture. In addition to strictly complying with the requirements of various local labor laws and regulations, the Company has a strong presence in the agricultural and animal husbandry, food, and catering businesses in Asian countries. In addition to strictly complying with the requirements of local labor laws and regulations, the determination of their eligibility for appointment, remuneration, promotion will not be affected by individual's race, religion, color, political affiliation, age, gender, marital status, or physical and mental disability.



### 5.1.1 Employee Structure

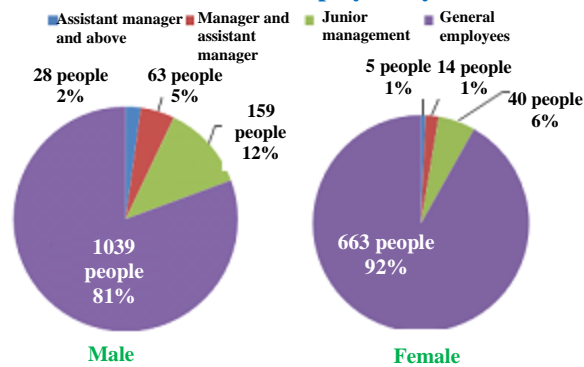
2022 Number of People by Ethnic Group			
	Male	Female	Total
General employees	1,225	684	1,909
Employees with disabilities	23	10	33
Indigenous employees	41	28	69
Foreign employees	637	255	892
Total	1,926	977	2,903

### 2022 Statistical Chart of Number of People by Ethnic Group



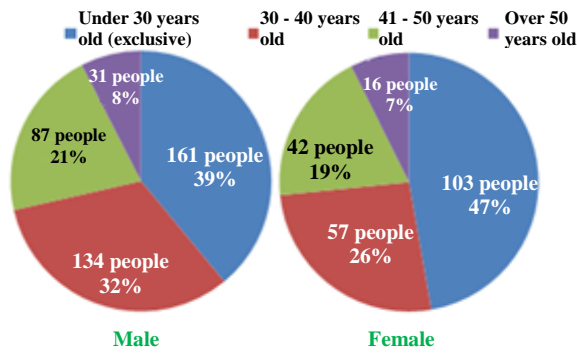
2022 Number of Local Employees by Grade			
	Male	Female	Total
Assistant manager and above	28	5	33
Manager and assistant manager	63	14	77
Junior management	159	40	199
General employees	1,039	663	1,702
Total	1,289	722	2,011

### 2022 Statistics of Local Employees by Grade



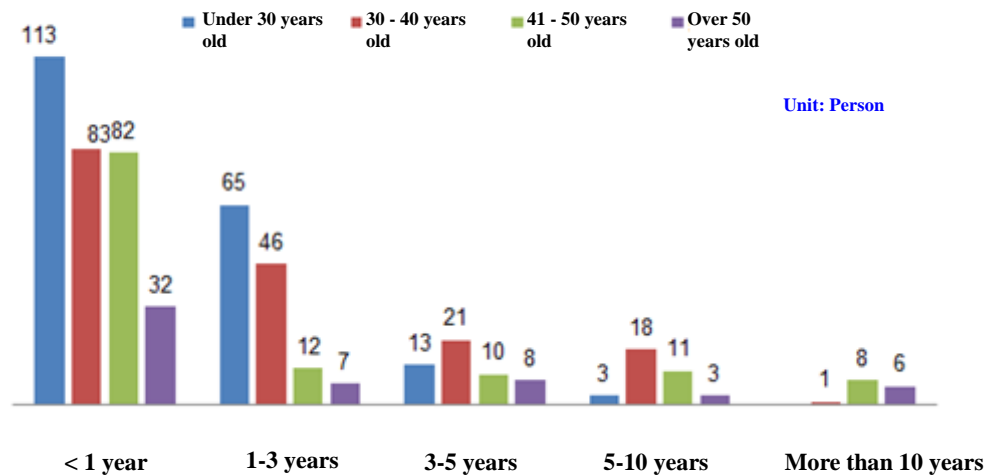
2022 Statistics on the Number of New Local Employees			
	Male	Female	Total
Under 30 years old (inclusive)	161	103	264
31 - 40 years old	134	57	191
41 - 50 years old	87	42	129
Over 50 years old	31	16	47
Total	413	218	631

## 2022 Statistical Chart of the Number of New Local Employees



2022 Age and Seniority Statistics of Local Departed Employees						
	< 1 year	1-3 years	3-5 years	5-10 years	More than 10 years	Total
Under 30 years old (inclusive)	113	65	13	3		194
31 - 40 years old	83	46	21	18	1	169
41 - 50 years old	82	12	10	11	8	123
Over 50 years old	32	7	8	3	6	56
Total	310	130	52	35	15	542

## 2022 Statistical Chart of Seniority and Age of Departed Employees



### 5.1.2 Remuneration and Benefits

The Company attracts, rewards and motivates talented people with diverse and attractive remuneration and benefit policies. All remuneration and welfare systems are in line with labor laws and regulations. The remuneration to employees is also determined based on the position, duty, and professional experience of the employee, and does not vary based on age, gender, religion, race, or political affiliation. More importantly, through the annual performance appraisal, we encourage the managers at all levels to conduct performance reviews and discuss career development plans with their colleagues. By doing this, the employee's personal remuneration, performance and development can be positively linked to the Company's operations. In 2022, the number of the Company's non-managers was 2,485, an increase of 82 from 2021. The average annual salary in 2022 was about NTD 710,000, an increase of about NTD 10,000 from 2021. The median annual salary of employees in 2022 was about NTD 600,000 unchanged from 2021. The Company also values the "work-life balance" of the employees. The "DaChan Living Center" has been established at the headquarter in Yongkang, Tainan. There are restaurants, dormitory, gym, and rhythm classroom, to ensure that employees can have a place to relax after work.





### 5.1.3 Education and Training

Talent is the cornerstone for the continued growth of Great Wall. In addition to the Occupational Safety and Health Act, the Company regularly arranges for employees to participate in various training courses, including: forklift operation, high-pressure gas, first-aid personnel, etc. The Human Resources Division also cultivates talent through training courses and job rotation. "Rotation" is the Company's approach to cultivating high-potential talent. All vacancies of the departments are filled internally, and supervisors can also voluntarily recommend talent to join different units. Through horizontal job rotation, high-potential employees are equipped with multiple functions and have more flexibility in career choices.

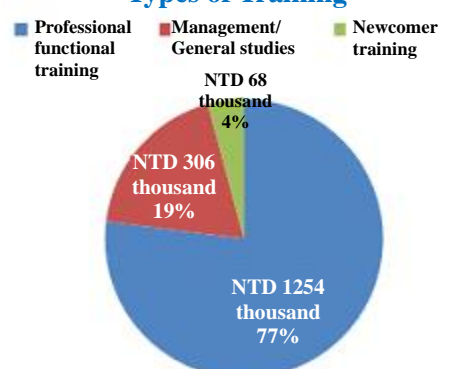
2022 Education and Training Implementation Status Table				
Item	Number of classes	Total hours	Total attendees	Total expenses (NTD)
Professional functional training	443	16,685	7,128	1,253,748
Management/General studies	7	1,100	231	306,488
Newcomer training	47	1,835	260	68,240
Total	497	19,620	7,619	1,628,476

Note: The above education and training information includes the hours and fees of education and training conducted by the feed factories and farms throughout Taiwan.

**2022 Number of Participants of Each Type of Training**



**2022 Training Expenses of Various Types of Training**



## 5.2 Labor-management Relations

### 5.2.1 Communication with Employees



The Company communicates with colleagues and listens to their views through various internal and external channels such as quarterly business meetings, newcomer seminars, corporate union membership meetings, and the internal bi-monthly publication "Prospect DaChan". By doing this, not only are employees clear about the linkage between the Company's goals and their personal goals, employees can express themselves through a variety of channels to assist them in their work and life, assist colleagues in their work and life, and work together to achieve common growth. In addition, the Company has signed a group labor agreement with the Company's industrial union in accordance with the law, and has set up a special telephone line for complaints, a dedicated fax and e-mail mailbox.

## 5.2.2 Employee Benefits

### 5.2.2.1 Employee Welfare Committee

Great Wall has established an Employee Welfare Committee with a 100% employee participation rate. The Committee is composed of a chairman and 20 members. The Committee is responsible for allocating employee welfare funds through the business units and employees to provide necessary welfare measures to boost employee morale and strengthen labor-management cooperation, with the following main tasks:

1. Deliberation, promotion, and supervision of employee welfare undertakings.
2. Planning, custody, and utilization of employee welfare funds.
3. Allocation, auditing, and reporting of employee welfare fund.
4. Other matters related to employee welfare.

Employee welfare fund is appropriated in accordance with the following regulations:

1. Appropriate 1% of the total amount of capital at the time of its establishment.
2. Appropriate 0.05% of the total monthly operating revenue of business units.
3. Deduct 0.5 percent from the monthly wage and allowances of each employee by business units.
4. Set aside 40% from selling of scraps by business units.

### 5.2.2.2 Employee Benefits Utilization Items

1. Spring Festival Lucky Draws
2. Food allowance for employees
3. Employee group insurance subsidy
4. Money for weddings/bereavement/  
couplets for weddings and funerals
5. Subsidies for books, newspapers and  
magazines
6. Subsidies for recreational activities and  
family days
7. Employee emergency relief fund
8. Employee pension coin gift
9. Money for employee benefits for three  
major festivals
10. Subsidies for Labor-management Sports  
Day
11. Subsidies for employee clubs



#### Group insurance

Plan group insurance for employees, including life insurance, accident insurance, medical insurance, cancer insurance, etc., to enhance employee protection.



#### Gift vouchers for three major festivals

Gift vouchers for three major festivals are provided for shopping at designated locations.



#### Take care of the food and accommodation of employees.



#### Scholarship for their children

Scholarships for children of colleagues with excellent academic performance.



#### Marriage allowance

Including employees and their children.



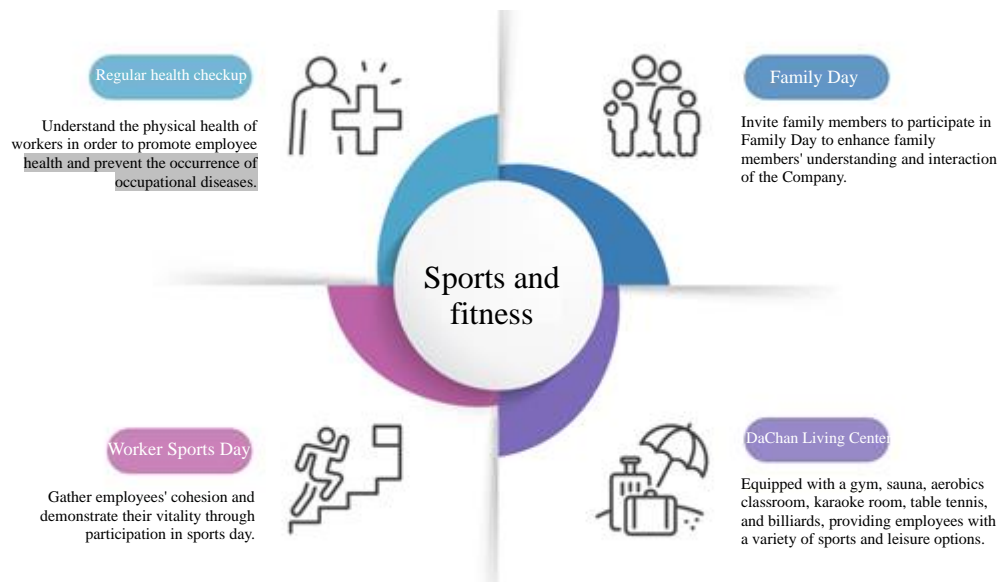
#### Funeral allowance

Including employees, spouses, parents and children.

### 5.2.2.3 Employee Welfare Measures

Employee Benefits:

1. Office lactation room
2. Employee canteen
3. Employee Living Center (sports equipment, dance classroom, table tennis, billiards and karaoke facilities)



### 5.2.2.4 Employee Pension

In terms of the employee pension plan system, Great Wall has established the "Labor Retirement Reserve Supervisory Committee" in accordance with the Labor Standards Act, which contributes pension funds to a dedicated account at the Bank of Taiwan on a monthly basis. In April 2013, the "Employee Pension Fund Management Committee" was established to contribute pension funds to Taiwan Cooperative Bank on a monthly basis. The employee retirement system is implemented in full compliance with the Labor Standards Act. In addition, according to the Labor Pension Act, the Company contributes 6% of each employee's monthly salary to the individual pension account of employees who joined the Company after July 1, 2015 (inclusive) and opted for the new system. Employees may also choose to make their own contributions of up to 6% of their monthly salary to their individual pension account. The minimum notice period for labor relations or business adjustments is handled in accordance with the Labor Standards Act.

## 5.3 Occupational Health and Safety

Great Wall has been paying close attention to the health and safety of the employees. In addition to organizing the general health checkups for the employees every year, we also arrange special checkups according to the job functions and the workplace environment to refrain from workplace accidents. The Industrial Safety Office of the headquarters is under the control of Yongkang Headquarters. The main responsibilities of the Office is planning of the work matters of each occupational safety and health management unit throughout the Company, while timely introducing an occupational safety and health management system and reviewing the implementation results to establish safety goals and management plans. The "institutionalization" and "systematization" mechanisms are delivered to the relevant responsible departments for effective and gradual completion, so as to improve the standard of safety and health management. In addition, the business units in each region comply with occupational safety and health laws and regulations, set up a dedicated management unit and full-time personnel responsible for occupational safety and health tasks. The business units also implement various management plans and supervise the implementation of the relevant departments to promote the operation of the occupational safety and health management system. By doing this, the risk of possible hazards can be reduced through the participation of all employees, in order to safeguard the safety and health of all employees at work, and to create a





### 5.3.1 Safety and Health Policy

At Great Wall, the corporate philosophy is "Integrity, Modesty, and Forward-Looking". Service quality is the premise, safety is the top priority for all management policies, and the safety and health of employees, visitors and contractors are taken care of to prevent personal injuries, property damage, and occupational accidents. All supervisors must take responsibility for safety and health management. All employees are required to actively participate in safety and health improvement activities, so that the Company can move towards the goal of zero injuries, zero diseases, and zero accidents. In order to implement safety and health work and reduce potential risks, we will continue undertaking the following improvements:

1. Compliance with regulatory requirements: all the Company's services and activities are in compliance with safety and health regulations.
2. Promotion of risk management: reduce potential risks to minimize the impact on personnel and the environment.
3. Continuous work improvement: regularly review management performance and continue to work hard for the goal of zero disasters and accidents.
4. Implementation of training and advocacy: promote various safety and health management related trainings and activities to make employees aware of their personal safety and health responsibilities.
5. Meeting of customer needs: fulfill the commitment to customers and convey policies to customers and all colleagues.
6. Strengthen contract management: understand and communicate with contractors and suppliers on safety and health issues to improve their safety and health performance.

### 5.3.2 Safety and Health Organization

The safety and health departments of all Great Wall plants perform a series of hazard identification, risk assessment, safety observation, control implementation, audits, and improvement work management cycles in their daily operations. Reports and exchanges on the management of industrial safety in each plant are conducted through the annual occupational safety and health management review meeting held at the Yongkang headquarters. Key issues are as follows:

1. Discuss the annual statistical report on occupational accidents.
2. Review internal audit findings, major deficiencies, improvements, and good practices in industrial safety.
3. Share industrial safety implementation results and occupational disaster improvement reports in each plant.
4. Matters related to industrial safety (sharing of occupational disasters and setting annual goals, etc.)
5. Description of health protection and prevention practices (abnormal workload, rehabilitated workers, on-site health services, etc.).
6. Promotion of other matters (connection of liquefied petroleum gas container, special operation safety of aerial work vehicles, contractor insurance notice and description of re-insurance process, etc.)



Each plant of Great Wall has established an Occupational Safety and Health Committee in accordance with the regulations. A committee meeting is convened every quarter to review occupational safety and health-related matters, such as reviewing occupational hazard investigation reports, safety and health education and training programs, work environment monitoring reports, automatic inspections of machinery and equipment, safety and health audits, safety and health management performance, health management and health promotion matters. Among the members of the Committee, labor representatives accounted for more than one-third of all committee members, which was in compliance with laws and regulations.



### 5.3.3 Safety and Health Counseling and Audit

Great Wall complies with the safety and health regulations and management system. All plants are required to share relevant safety and health regulatory information with respective responsible units for regulatory identification to identify the regulations and locations that should be complied with, and to respond and cooperate as soon as possible. In 2022, 2 plants participated in the occupational safety and health counseling program of the competent authority.



## Industrial safety audit

Regular audit: Type 1 business units are audited once a quarter; Type 2 business units are audited once a year.

Unscheduled audit: On-site audit is conducted in the event of a major occupational disaster or a contracted project with high risk.

Note: The results of all internal audits on industrial safety are provided to the Audit Division for quarterly performance review thresholds after the audits are completed.

In 2022, the Industrial Safety Office conducted a total of 48 regular audits and 76 unscheduled audits on new key projects or existing plants. The main non-conformities identified were fall hazards, roll clamps and cuts, machinery safety protection, forklift operation and use, inductance hazards, fire protection facilities, and contractor management, etc. The Office has requested the relevant units to propose improvement guidelines.



### 5.3.4 Occupational Accident Statistics

The Company conducts statistical analysis on occupational accident accidents (excluding commuting traffic accidents), and reports the results of accident statistics at the annual meeting, listing major and similar accidents as the focus of prevention promotion in the next year, in order to prevent similar accidents from occurring in the future. The safety indicators of the Great Wall in the past three years are as follows.

Work-related Injury Statistics														
Year	Total hours worked (Unit: hour)		Number of work-related injuries						Rate of fatality due to work-related Note 3		Rate of serious work-related (excluding fatalities) Note 4		Rate of recordable work-related injuries Note 5	
			Fatality		Serious work-related injuries Note 1		General work-related injuries Note 2							
	Employee	Non-employee	Employee	Non-employee	Employee	Non-employee	Employee	Non-employee	Employee	Non-employee	Employee	Non-employee	Employee	Non-employee
2020	4,746,186	744,777	0	0	0	0	18	0	0	0	0	0	3.79	0
2021	4,891,025	683,487	0	0	0	0	13	0	0	0	0	0	2.66	0
2022	4,976,225	588,317	0	0	1	0	20	0	0	0	0.20	0	4.22	0
Note 1: The number of days lost is more than 180 days excluding fatality.														
Note 2: If the number of days lost is less than 180 days and more than 1 day.														
Note 3: Rate of fatality due to work-related injuries = Number of fatalities × 1,000,000 ÷ Total hours worked.														
Note 4: Rate of serious work-related injuries = Number of serious work-related injuries × 1,000,000 ÷ Total hours worked.														
Note 5: Rate of recordable work-related injuries = Number of work-related injuries (including fatality, serious injuries, and general injuries) × 1,000,000 ÷ Total hours worked.														



### 5.3.5 Safety and Health Training and Activities

Great Wall believes that safety and health education and disaster prevention training are important ways to enhance employees' safety and health awareness. The Company arranges occupational safety related education and training, training for certified personnel, on-the-job training and fire response drills every year.

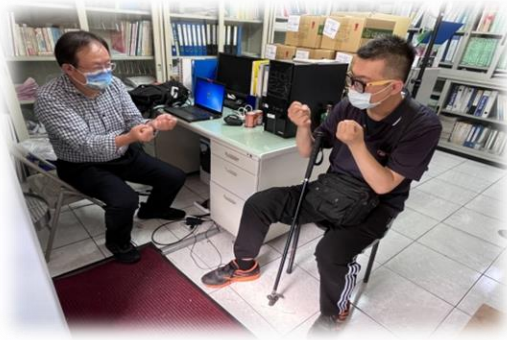


### 5.3.6 Employee Health Service and Health Promotion

To prevent illness and promote health, Great Wall offers health checkups on a yearly basis to identify potential disease risk factors at an early stage. With the professional health guidance of medical staff, employees are able to maintain good health in the workplace and prevent the development of diseases, and create a healthy and friendly workplace.



The Company focuses on the workplace health services for its employees, deploying labor health service medical personnel according to the scale of the plant, and hiring occupational medicine specialists from major hospitals to regularly provide on-site health services to employees. Professional health education and health guidance are also provided so that employees can work in a suitable environment and the best state of physical and mental health, which can help prevent occupational disasters and occupational diseases, and improve the physical and mental health and work ability of employees.



The Company actively organizes workplace health promotion activities, and hires specialist physicians or nutritionists from time to time to give health lectures on various topics (understanding the three highs and metabolic syndrome, AED & CPR first aid courses, COVID-19 prevention advocacy, eat right - my healthy plate, etc.). By doing this, we are able to develop a healthy workplace and to increase the awareness of workplace health, thereby boosting work efficiency and creating a win-win situation for both employer and employees.







The Company continues to encourage and subsidize the establishment of clubs by employees to develop the habit of exercising regularly so that employees have a healthy body and a happy mood. In addition, the Company has established a gym, rhythm classroom, table tennis, billiard, karaoke rooms, and hires aerobic dance instructors to open group classes to enhance the cohesion and centripetal force of colleagues. .



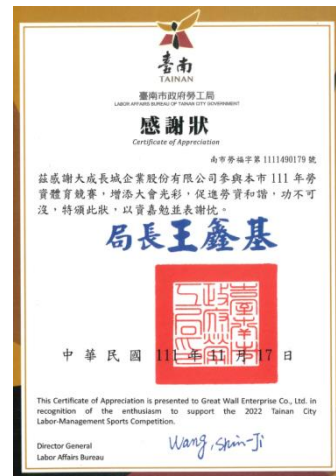
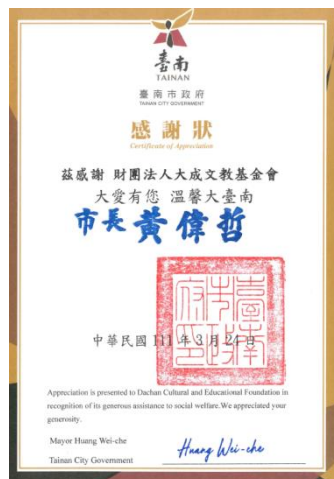
Combat against the COVID-19 pandemic - we adopted comprehensive strategies in a concerted effort to fight against the pandemic. We formulated pandemic response plans, reviewed pandemic resource allocations, collected local governments' pandemic policies, and domestic and international pandemic information to release the Company's latest pandemic preventive measures and principles. The plants flexibly adjusted their control actions and pandemic prevention regulations to protect the health of all employees and maintain the normal operation of the Company.



## 5.4 Community Engagement

Community relations have always been a focus of corporate social responsibility. The Great Wall Headquarters, located in Yongkang District, Tainan City, has long been supported by locals. Naturally, it is necessary to emphasize on the relationships with the neighbors and we encourage education in order to give back to the community.

Great Wall, in collaboration with the Bureau of Education, Tainan City Government and Tainan City Council, has established DaChan Culture and Education Foundation - Greater Tainan Yongkang and Liuying scholarships for elementary and high school students. Students in the two areas who have outstanding conduct and academic performance are eligible to apply for the scholarships. Each school has two scholarships available for application.







# Chapter Six

## 環境安全

Environmental  
safety

## 6.1 Green Production

### 6.1.1 Internal Energy Consumption

2022 Water and Energy Consumption in Plants		
Water Resources and Energy Items	Consumption	Unit
Water withdrawal	1,838.3	Thousand cubic meters
Water consumption	468.8	Thousand cubic meters
Purchased electricity	374,533.7	Gigajoule
Natural gas	245,919.5	Gigajoule
Liquefied petroleum gas (LPG)	6,439.2	Gigajoule
Diesel fuel	28,736.2	Gigajoule
Gasoline	657.3	Gigajoule

Note: 1. Scope of statistics: Feed Department, Food Department, Meat Department.  
 2. Total energy consumption was 656,285.9 GJ.  
 3. Purchased electricity accounted for 57.1% of the total energy consumption, and the usage rate of renewable energy was 0%.  
 4. Some factories burned natural gas or liquefied petroleum gas to generate steam. In 2022, the consumption was 20,294.1 metric tons.

### 6.1.2 Procurement and Transportation of Raw Materials

The Company has adopted an energy-saving and carbon-reducing transportation method to purchase main raw materials, such as corn and soybeans, and tries its best to import these ingredients with peers in southern Taiwan on the same ship. By doing this, we reduce the burden of transportation costs while also contributing to the mitigation of climate change. In addition, we do our utmost to achieve the return-truck scheduling of domestic transportation in order to minimize the waste of fuel.

At present, all products produced by Great Wall are food and feed-related. We do not use recycled raw materials that are in direct contact with food for packaging to refrain from cross-contamination. Other recyclable packaging materials are sold to recycling centers in order to maximize the use of resources. The packaging materials used by the Company have been tested multiple times and cropped to the appropriate size. The number of colors used on the food packaging materials have been adjusted to minimize waste and reduce the impact on the environment.

In recent years, typhoons have become more frequent and stronger due to the abnormal climate, which significantly increased the probability of damage to the Company's plants, equipment and goods. In view of this, Great Wall has added the relevant insurance items and the insured amount to cope with the losses caused by natural disasters.

## 6.2 Environmental Pollution Prevention

### 6.2.1 Environmental Pollution, Sewage and Waste Management

Great Wall complies with the government's environmental protection laws and regulations. We ensure that the production process does not cause pollution to the surrounding community and the environment, and properly treats wastewater and waste.

In terms of wastewater treatment, after treatment by sewage treatment facilities, water pollution control measures shall be reported in accordance with environmental regulations, and the permit shall be obtained, and the water shall be directly discharged to irrigation ditches according to law. The quality of the wastewater discharged meets the requirements of the competent authorities, has no impact on the ecological environment and has no significant impact on the local water sources. In terms of waste treatment, we have signed a contract with qualified environmental protection companies to dispose of waste according to the type of plant waste. In addition, none of DaChan's plants are located in an ecological protection zone and have no impact on the creatures of protection zones

### 6.2.2 Relevant Emission Data Statistics

2022 Emission Data Statistics	
Wastewater	1,369.5 Thousand cubic meters
Carbon dioxide	43,006 Metric ton
Air pollution charge	1,072,752 NTD
Wastewater/Waste Treatment Charges	25,461,702 NTD

Note: Scope of statistics: Feed Department, Food Department, Meat Department, Pig Farms.



## 6.3 Climate Change

### 6.3.1 Monitoring and Governance of Climate-Related Risks and Opportunities by the Board of Directors and Management

Corporate governance plays the most important role in the commitment to take action in response to climate change. In terms of governance, the primary focus is the supervision by the Board of Directors and senior executives on climate-related risks and opportunities. DaChan has recognized that investors and the general public are paying more and more attention to the Company's climate change governance, and it is necessary for the Company to further analyze the impact of climate change on corporate operations. In the future, Board members will take into account the sustainable development goals of Taiwan, assess climate-related risks and opportunities in accordance with legal requirements, and supervise related important capital expenditures.

### 6.3.2 How Climate Risks and Opportunities Affect the Company's Business, Strategy and Finance (Short-Term, Medium-Term, Long-Term)

In the process of low-carbon transformation, we may encounter "transition risks" arising from changes in policies, regulations, technologies, markets, and economic conditions, as well as "physical risks" directly brought about by climate change. DaChan internally discuss and evaluates the risks and countermeasures arising from climate change, identifies potential crises and opportunities, mitigates operational and financial impacts from climate change, and enhances the organization's climate resilience. The short-term is within the next 3 years, the medium-term is 3 to 5 years, and the long-term is more than 5 years.

Under transition risks:

1. Short-term: Greenhouse gas (GHG) cap control and carbon tax and carbon fee.
2. Mid-term: The impact of changes in consumer demand and preference on market sales, the uncertainty of the development of energy-saving and carbon reduction technologies, and the new system of renewable energy regulations.
3. Long-term: For the trend of net zero emissions, DaChan must continue to standardize GHG emission control measures.

Under physical risks:

1. Short-to-mid-term: The Company's assets are directly affected by extreme weather conditions (e.g. floods, droughts) or the indirect effects are caused by the disruption of the supply chain.
2. Long-term: Under the trend of global warming, the increase in average temperature will cause DaChan's operations to be affected.

In terms of opportunities, DaChan has actively invested in the R&D and innovation of low-carbon products and services, such as plant-based meat, to improve the efficiency of resource use. In the long run, DaChan will be committed to meeting the expectations of stakeholders to take action on the environment and climate change, and to build up its reputation and good image to the outside world.

### 6.3.3. Financial Impacts of Extreme Climate Events and Transition Actions.

Under transition risks:

1. Short-term: It is expected that additional operating costs may be incurred due to the need to pay the carbon fee.
2. Medium-term: Changes in consumer demand may result in reduced market sales, additional R&D costs due to the development of new low-carbon and plastic reduction technologies, and increased internal costs due to the possible introduction of new renewable energy regulations in the future. Costs may increase as companies may be subject to purchase renewable energy power certificates.
3. Long-term: The increase in the purchase cost and operating cost of carbon reduction equipment, and the deterioration of the Company's brand reputation due to insufficient climate response actions.

Under physical risks:

1. Short-term: Climate change causes damage to machinery and equipment and plant shutdowns, as well as supply chain disruptions. This may result in rising raw material prices, operating costs, and reduced output leading to lower revenues.
2. Long-term: The rise in average temperature and electricity consumption results in an increase in operating expenses; a shortage of raw materials leads to a rise in prices, and an increase in costs leads to a decrease in revenue.

### 6.3.4 How Does the Climate Risk Identification, Assessment, and Management Process Integrate With the Overall Risk Management System?

The Company has established the ESG Division in 2023 to properly respond to the threats posed by climate transition and physical risks. The Company complies with existing laws and regulations and continues to track the development of possible new laws and regulations in the future.

## Appendix I. GRI Index

GRI Standard Titles	Disclosure No.	Disclosure Item Title	Location of Disclosure
<b>The Organization and Its Reporting Practices</b>	2-1	Organizational details	1.1 Company Profile
	2-2	Entities included in the organization's sustainability reporting	About this report
	2-3	Reporting period, frequency and contact point	About this report
	2-4	Restatements of information	About this report
	2-5	External assurance	Appendix
<b>Activities and Workers</b>	2-6	Activities, value chain and other business relationships	1.1 Company Profile
	2-7	Employees	5.1 Human Resource Policy
	2-8	Workers who are not employees	5.1 Human Resource Policy
<b>Governance</b>	2-9	Governance structure and composition	2.1 Corporate Governance Framework
	2-10	Nomination and selection of the highest governance body	2.1 Corporate Governance Framework
	2-11	Chair of the highest governance body	2.1 Corporate Governance Framework
	2-12	Role of the highest governance body in overseeing the management of impacts	None
	2-13	Delegation of responsibility for managing impacts	None
	2-14	Role of the highest governance body in sustainability reporting	2.2 Corporate Social Responsibility Governance
	2-15	Conflicts of interest	2.1 Corporate Governance Framework
	2-16	Communication of critical concerns	None
	2-17	Collective knowledge of the highest governance body	None
	2-18	Evaluation of the performance of the highest governance body	None
	2-19	Remuneration policies	2.1 Corporate Governance Framework
	2-20	Process to determine remuneration	2.1 Corporate Governance Framework
	2-21	Annual total compensation ratio	None
<b>Strategy, policies and practices</b>	2-22	Statement on sustainable development strategy	None
	2-23	Policy commitments	None
	2-24	Embedding policy commitments	None
	2-25	Processes to remediate negative impacts	None
	2-26	Mechanisms for seeking advice and raising concerns	None
	2-27	Legal compliance	2.4 Legal Compliance
	2-28	Membership associations	1.3 Operational Overview and Financial Information
<b>Stakeholder Engagement</b>	2-29	Approach to stakeholder engagement	Stakeholder engagement
	2-30	Collective bargaining agreements	6.2 Labor-management Relations
<b>Economic Performance</b>	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues

	3-3	Management of material topics	Message from the Chairman, 2. Corporate Governance
	201-1	Direct economic value generated and distributed	1.3 Operational Overview and Financial Information
	201-2	Financial implications and other risks and opportunities due to climate change	6.1 Green Production
	201-3	Defined benefit plan obligations and other retirement plans	5.2 Labor-management Relations
	201-4	Financial assistance received from government	1.3.1 Operational Overview and Financial Information
Market Presence	202-2	Proportion of senior management hired from the local community	5.1 Human Resource Policy
Procurement Practices	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	3.2 Supply Chain Management and Procurement Practices
	204-1	Proportion of spending on local suppliers	3.2 Supply Chain Management and Procurement Practices
Anti-corruption	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	2.3 Ethical Corporate Management
	205-2	Communication and training about anti-corruption policies and procedures	2.3 Ethical Corporate Management
	205-3	Confirmed incidents of corruption and actions taken	2.3 Ethical Corporate Management
Anti-competitive Behavior	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	2.4 Legal Compliance
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.4 Legal Compliance
Materials	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	6.1 Green Production
	301-1	Materials used by weight or volume	3.1 Great Wall Supply Chain
Energy	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	6.1 Green Production
	302-1	Energy consumption within the organization	6.2 Environmental Pollution Prevention
	302-3	Energy intensity	6.1 Green Production
Water and effluents	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	6.1 Green Production
	303-1	Interactions with water as a shared resource	6.1 Green Production

	303-3	Water withdrawal	6.1 Green Production
	303-4	Water discharge	6.1 Green Production
	303-5	Water consumption	6.1 Green Production
<b>Emissions</b>	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	6.2 Environmental Pollution Prevention
	305-1	Direct (Scope 1) GHG emissions	6.2 Environmental Pollution Prevention
	305-2	Energy indirect (Scope 2) GHG emissions	6.2 Environmental Pollution Prevention
<b>Effluents and Waste</b>	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	6.2 Environmental Pollution Prevention
	306-1	Water discharge by quality and destination	6.2 Environmental Pollution Prevention
	306-2	Waste by type and disposal method	6.2 Environmental Pollution Prevention
	306-3	Significant spills	None
	306-4	Transport of hazardous waste	6.2 Environmental Pollution Prevention
<b>Supplier Environmental Assessment</b>	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	3.2 Supply Chain Management and Procurement Practices
	308-1	New suppliers that were screened using environmental criteria	3.2 Supply Chain Management and Procurement Practices
	308-2	Negative environmental impacts in the supply chain and actions taken	3.2 Supply Chain Management and Procurement Practices
<b>Labor/Management Relations</b>	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	5.1 Human Resource Policy
	401-1	New employee hires and employee turnover	5.1 Human Resource Policy
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 Human Resource Policy
	401-3	Parental leave	5.1 Human Resource Policy
<b>Labor-management relations</b>	402-1	Minimum notice periods regarding operational changes	5.1 Human Resource Policy
<b>Occupational Health and Safety</b>	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	5.3 Occupational Safety and Health
	403-1	Occupational health and safety management system	5.3 Occupational Safety and Health
	403-2	Hazard identification, risk assessment, and incident investigation	5.3 Occupational Safety and Health



	403-4	Worker participation, consultation, and communication on occupational health and safety	5.3 Occupational Safety and Health
	403-5	Worker training on occupational health and safety	5.3 Occupational Safety and Health
	403-8	Workers covered by an occupational health and safety management system	5.3 Occupational Safety and Health
	403-9	Work-related injuries	5.3 Occupational Safety and Health
<b>Education and Training</b>	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	5.1 Human Resource Policy
	404-2	Programs for upgrading employee skills and transition assistance programs	5.1 Human Resource Policy
<b>Supplier Social Assessment</b>	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	3.2 Supply Chain Management and Procurement Practices
	414-1	New suppliers that were screened using social criteria	3.2 Supply Chain Management and Procurement Practices
	414-2	Negative social impacts in the supply chain and actions taken	3.2 Supply Chain Management and Procurement Practices
<b>Customer Health and Safety</b>	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	4.2 Product Safety
	416-1	Assessment of the health and safety impacts of product and service categories	4.2 Product Safety
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.4 Legal Compliance
<b>Marketing and Labeling</b>	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	4.2 Product Safety
	417-1	Requirements for product and service information and labeling	4.2 Product Safety
	417-2	Incidents of non-compliance concerning product and service information and labeling	2.4 Legal Compliance
<b>Supplementary Guidelines for the Food Processing Sector</b>			
<b>Procurement Policy</b>	3-1	Process to determine material topics	Analysis of material issues
	3-2	List of material topics	Analysis of material issues
	3-3	Management of material topics	3.2 Supply Chain Management and Procurement Practices
	FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	3.2 Supply Chain Management and Procurement Practices
	FP2	Percentage of purchased volume, which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard	3.2 Supply Chain Management and Procurement Practices
<b>Product Responsibility</b>	3-1	Process to determine material topics	Analysis of material issues

	<b>3-2</b>	List of material topics	Analysis of material issues
	<b>3-3</b>	Management of material topics	4.2 Product Safety
	<b>FP5</b>	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety	4.2 Product Safety

## Appendix II: Table of Great Wall's Main Product Sales in 2022 - By Department

By Department	Quantity (metric tons)
Feeds	1,131,237
Bulk materials	457,822
Meat	232,474
Food	362,592
Total	2,184,125

Remark: The scope of statistics covers the sales volume of the parent company, Great Wall, and its subsidiary, May Lan Lei

## Enhanced Disclosure

The 10 items that "listed companies in the food industry or those whose operating revenues from food and beverage account for no less than 50% of their total operating revenues" in the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.

Enhanced Disclosure Items	Disclosure Chapters
1. The evaluation and improvement regarding the company's personnel, work environment, hygiene management of facilities and quality control system as well as the significant product and service categories and the percentage affected are all carried out to improve food sanitation, safety and quality.	4.2 Product Safety
2. The types and number of incidents of violation against the applicable food safety and sanitation laws and noncompliance with product and service information and labeling laws, and the number of product removals, and the total weight of products removed.	2.4 Legal Compliance 4.2 Product Safety
3. The percentage of the purchased volume in accordance with internationally recognized responsible production standards	3.1 Great Wall Supply Chain
4. The percentage of the production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.	4.2 Product Safety
5. The number and percentage of suppliers audited, and the audit items and results. 6. The product trace and track management conducted voluntarily or according to the applicable laws, and the percentage of such relevant products to the whole products.	3.2 Supply Chain Management and Procurement Practices 4.3 Product Traceability System
7. The food safety laboratories established voluntarily or according to the applicable laws, testing items, testing results, relevant expenses and the percentage of such expenses to the net revenue.	4.2 Product Safety
8. Total energy consumption, percentage of purchased electricity, and usage rate of renewable energy.	6.1 Green Production
9. Total water intake and consumption.	6.1 Green Production
10. The weight of products sold and the number of production facilities.	About the Report and Appendix 2



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## Independent Limited Assurance Report

### To Great Wall Enterprise Co., Ltd.:

We were engaged by Great Wall Enterprise Co., Ltd. (“Great Wall”) to provide limited assurance over the selected information attached as Appendix I (“the Subject Matter Information”) on the 2022 Sustainability Report of Great Wall (“the Report”) for the year ended December 31, 2022.

### Reporting Criteria of the Subject Matter Information

Great Wall shall prepare the Subject Matter Information in accordance with reporting criteria required by Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (“the Regulation”) as set forth in Appendix I.

### Management’s Responsibility for the Report

Great Wall is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the reporting criteria to fairly prepare and present the Subject Matter Information. Great Wall is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

### Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 – “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation in Taiwan and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. The work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

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## Summary of Work Performed

As stated in reporting criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of Great Wall;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information;
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion.

## Inherent limitations

The Report for the year ended December 31, 2022 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Great Wall. Therefore, the different stakeholders may have different interpretations of such information.

## Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the reporting criteria.

## Other Matters

The management of Great Wall is responsible for the maintenance of its website where includes the Limited Assurance Report, we shall not be responsible for any further changes on the Subject Matter Information or its applicable reporting criteria, nor be responsible for reconducting any assurance work after the issuance date of the Limited Assurance Report.

The engagement partner on the assurance resulting in this independent auditors' report is WEI-MING, SHIH. KPMG

Taipei, Taiwan (Republic of China) September 19, 2023

## Notes to reader

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.



# Appendix I: Summary of the Subject Matter Information

No.	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
1	4.2.4 Introduction of Domestic and Foreign Food Safety Management Systems	31-32	<p>■ In 2022, we conducted a comprehensive evaluation on the continuous improvement of the employees, facility sanitation management and its quality assurance system, which affected 100% of the output of DaChan feed, meat products, and food categories. Production equipment was upgraded and improved the product quality produced by feed factories by 0.9%, and the important changes in these items are summarized as follows:</p> <p>1. Practitioners (Feed Plant/Meat Plant/Food Plant):</p> <ul style="list-style-type: none"> <li>Education and training is regularly arranged at each plant, with the content related to the annual promotion and implementation of new feed and food safety regulations.</li> </ul> <p>2. Hygiene management system (Feed Plant/Meat Plant/Food Plant):</p> <ul style="list-style-type: none"> <li>The quality control unit regularly conducts various health inspections and records the scores.</li> </ul> <p>3. Quality Assurance System (Feed Plant/Meat Plant/Food Plant):</p> <ul style="list-style-type: none"> <li>Through the Food Safety Sub-committee, regular discussions are conducted on the compliance of the current food safety management system with the latest regulatory requirements at the plants.</li> </ul> <p>4. Workplace (Feed plant):</p> <ul style="list-style-type: none"> <li>Changhua Feed Plant upgraded one of the extruders in the plant in 2022: An extruder upgrade was completed in October 2022 to upgrade the functions of curing and disinfection to improve the quality of feed products.</li> </ul>	<p>■ The evaluation and improvement regarding the company's personnel, work environment, hygiene management of facilities and quality control system to improve food sanitation, safety and quality.</p>	Taiwan Stock Exchange Corporation Rules Appendix 1-1 No.1 The evaluation and improvement regarding the company's personnel, work environment, hygiene management of facilities and quality control system to improve food sanitation, safety and quality, as well as the significant product and service categories and the percentage affected.
2	2.4 Legal Compliance	21	<p>■ The Company was fined NTD 30,000 in 2022 for incomplete product labeling and violation of Subparagraph 2, Paragraph 1, Article 22 of the Act Governing Food Safety and Sanitation.</p>	<p>■ Categories and frequencies of incidents violating relevant regulations on food safety and hygiene management.</p>	Taiwan Stock Exchange Corporation Rules Appendix 1-1 No.2 The types and number of incidents of violation against the applicable food safety and sanitation laws and noncompliance with product and service information and labeling laws; times of product recalls and weight of products recalled.
	4.2 Product Safety	27	<p>■ In 2022, Great Wall had no products that needed to be recalled from the shelves after being notified by the competent authority.</p>	<p>■ Number of product recalls and total weight of recalled products.</p>	

No.	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
3	3.1 Great Wall Supply Chain	23	<ul style="list-style-type: none"> <li>• FSC-certified packaging materials accounted for 0.6% of the total packaging material procurement volume.</li> <li>• RSPO-certified palm oil accounted for 12.1% of the total palm oil purchase.</li> <li>• Soybeans certified for sustainability production by Soy Export Sustainability, Inc. accounted for 53.8% of total soybean purchases.</li> </ul>	<ul style="list-style-type: none"> <li>■ Percentage of purchases conforming to internationally recognized responsible production standards out of total procurement.</li> </ul>	Taiwan Stock Exchange Corporation Rules Appendix 1-1 No.3 The percentage of the purchased volume in accordance with internationally recognized responsible production standards, categorized by standards.
4	4.2.4 Introduction of Domestic and Foreign Food Safety Management Systems	31	<p>The percentage of products produced in ISO 22000-certified manufacturing plants relative to the total production of various products:</p> <ol style="list-style-type: none"> <li>1. Certified Plants: Tainan Biotech Feed Plant, Changhua Feed Plant, Pingtung Feed Plant, Quan'neng Plant, Dayuan Plant, Liuying Meat Plant, Liuying Meat Plant 2, Machouhou Food Plant</li> <li>2. The output (metric tons) of the above-mentioned certified plants as a percentage of the total output of parent company, Great Wall, and subsidiary, May Lan Lei.: <ul style="list-style-type: none"> <li>• Feeds: 1,411,395 (83%)</li> <li>• Meat: 89,550 (36%)</li> <li>• Food: 13,597 (97%)</li> </ul> </li> </ol>	<ul style="list-style-type: none"> <li>■ The output of plants certified under ISO 22000 as a percentage of the total output of parent company, Great Wall, and subsidiary, May Lan Lei.</li> </ul>	Taiwan Stock Exchange Corporation Rules Appendix 1-1 No.4 The percentage of the production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.
		31	<p>The percentage of products produced in CAS-certified manufacturing plants relative to the total production of various products:</p> <ol style="list-style-type: none"> <li>1. Certified Plants: Dayuan Plant, Liuying Meat Plant, Liuying Meat Plant 2, Machouhou Food Plant</li> <li>2. The output (metric tons) of the above-mentioned certified plants as a percentage of the total output of parent company, Great Wall, and subsidiary, May Lan Lei.: <ul style="list-style-type: none"> <li>• Meat: 66,944 (26%)</li> <li>• Food: 353 (3%)</li> </ul> </li> </ol>	<ul style="list-style-type: none"> <li>■ The output of plants certified under CAS as a percentage of the total output of parent company, Great Wall, and subsidiary, May Lan Lei.</li> </ul>	
		31	<p>The percentage of products produced in HACCP-certified manufacturing plants relative to the total production of various products:</p> <ol style="list-style-type: none"> <li>1. Certified Plants: Tainan Biotech Feed Plant, Changhua Feed Plant, Pingtung Feed Plant, Quan'neng Plant, Dayuan Plant, Liuying Meat Plant, Liuying Meat Plant 2, Machouhou Food Plant</li> <li>2. The output (metric tons) of the above-mentioned certified plants as a percentage of the total output of parent company, Great Wall, and subsidiary, May Lan Lei.: <ul style="list-style-type: none"> <li>• Feeds: 1,411,395 (83%)</li> <li>• Meat: 89,550 (36%)</li> <li>• Food: 13,597 (97%)</li> </ul> </li> </ol>	<ul style="list-style-type: none"> <li>■ The output of plants certified under HACCP as a percentage of the total output of parent company, Great Wall, and subsidiary, May Lan Lei.</li> </ul>	

No.	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
		31	<p>The percentage of products produced in FSSC 22000-certified manufacturing plants relative to the total production of various products:</p> <ol style="list-style-type: none"> <li>1. Certified Plants: Machouhou Food Plant</li> <li>2. The output (metric tons) of the above-mentioned certified plants as a percentage of the total output of parent company, Great Wall, and subsidiary, May Lan Lei.: <ul style="list-style-type: none"> <li>• Food: 13,597 (97%)</li> </ul> </li> </ol>	<p>■ The output of plants certified under FSSC 22000 as a percentage of the total output of parent company, Great Wall, and subsidiary, May Lan Lei.</p>	
5	3.2.2 Supplier Audit	24	<p>• In 2022, we audited domestic suppliers in three major categories: feed, meat, and food. The supplier audit statistics are summarized in the table below:</p> <ol style="list-style-type: none"> <li>1. Feeds Department: <ul style="list-style-type: none"> <li>• Number of suppliers audited: 53</li> <li>• Percentage of suppliers audited: 16%</li> <li>• Audit results: Excellent: 53, Ordinary: 0, Poor: 0</li> <li>• Audit items: Receiving quality level, delivery coordination, price level, coordination services, cooperation and supplier visit audit list (a. source management; b. license, permit management; c. raw material management and d. warehousing management)</li> </ul> </li> <li>2. Meat Department: <ul style="list-style-type: none"> <li>• Number of suppliers audited: 20</li> <li>• Percentage of suppliers audited: 9%</li> <li>• Audit results: Excellent: 14, Ordinary: 1, Poor: 0; Other: 55</li> </ul> </li> </ol> <p>(Audit results - other: "In addition, an audit was conducted on 5 contract farms. In 2022, a total of 240 audit items were conducted for the 5 contract farmers (the figure is to be confirmed), and the audit result was "Y" for a total of 216 items, with "Y" representing a positive score for the selected item. The audit results are provided to the downstream suppliers for them to understand the farming status of the chicken farmers.")</p> <ul style="list-style-type: none"> <li>• Audit items: Receiving quality assessment, delivery time assessment, pricing assessment, service and coordination assessment, source management assessment, and Supplier Audit Forms (a. quality management assessment and/or b. on-site assessment).</li> </ul> <ol style="list-style-type: none"> <li>3. Food Department: <ul style="list-style-type: none"> <li>• Number of suppliers audited: 48</li> <li>• Percentage of suppliers audited: 39%</li> <li>• Audit results: Excellent: 47, Ordinary: 1, Poor: 0</li> <li>• Audit items _General procurement: Receiving quality assessment, delivery time assessment, pricing assessment, service and coordination assessment, source management assessment, and Supplier Audit Forms (a. quality management assessment and/or b. on-site assessment).</li> <li>• Audit items _Raw meat: Supply specification assessment, transportation operation control assessment, delivery time assessment, and Supplier Audit Forms (a. quality management assessment and/or b. on-site assessment).</li> </ul> </li> </ol>	<p>■ According to the internal company procedures, including "Food Industry System Supplier Management Operational Procedure," "Broiler Business System Supplier Management Operational Procedure," and "Contract Broiler Procurement Operational Procedure."</p>	Taiwan Stock Exchange Corporation Rules Appendix 1-1 No.5 The number and percentage of suppliers audited, and the audit items and results.

No.	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
6	4.3.1 Internal Management	32	From raw material inspection, warehousing, material picking, production, finished goods delivery to warehouse, and product shipping, the meat and food products produced by the parent company, Great Wall, and its subsidiary, May Lan Lei, are 100% traceable.	<ul style="list-style-type: none"> <li>■ In accordance with the " Regulations Governing Traceability of Foods and Relevant Products"</li> <li>■ Percentage of traceable meat and food products relative to the total quantity of each category of products.</li> </ul>	Taiwan Stock Exchange Corporation Rules Appendix 1-1 No.6 The product trace and track management conducted voluntarily or according to the applicable laws, and the percentage of such relevant products to the whole products.
		32	The Quality Assurance Section of the meat plant and the food plant also routinely use forms to simulate traceability tests. The forms of a single batch of products are sampled to trace raw materials in the future and track the flow of products afterwards. We also receive by KFC, K&K, Costco, and 21st Century to ensure that the meat and food plants have established and have the traceability capability.	<ul style="list-style-type: none"> <li>■ Based on the simulated recall execution in meat and food plants.</li> </ul>	
		32	Oil products are processed by ISO 22000 certified factories. The contract manufacturers have uploaded the data of oil products shipped to the Company to the Ministry of Health and Welfare's "Food Traceability Management Information System (Food Traceability System)". The import, manufacturing, processing, and preparation of processed meats and soybeans are 100% uploaded to Food Traceability System in accordance with the provisions of "Food Operators That Should Establish a Food Traceability System".	<ul style="list-style-type: none"> <li>■ According to " Food Operators That Should Establish a Food Traceability System."</li> <li>■ The percentage of products uploaded to Food Traceability System out of the total product quantity.</li> </ul>	
		32	For the products of the parent company, Great Wall and its subsidiary, May Lan Lei, which are manufactured by external suppliers or other subsidiaries of the Group, such as oil products, chicken floss, noodles, free-range chicken products, and unprocessed imported meat products, they are all regulated in accordance with the "Regulations Governing Traceability of Foods and Relevant Products", and has established the form or electronic document traceability data from the previous supplier to the next customer who ships the product.	<ul style="list-style-type: none"> <li>■ In accordance with the " Regulations Governing Traceability of Foods and Relevant Products"</li> </ul>	
	4.3.2 External Communication	33	Great Wall has voluntarily introduced the "DaChan Safe Chicken Traceability System" and the "DaChan Corn Fed Chicken Traceability System." Chicken products of these two categories can be traced through our traceability systems to find out which farms they come from, whose feed they eat, electric slaughtering information, quality control documents, and other relevant information.	<ul style="list-style-type: none"> <li>■ In accordance with the " Regulations Governing Traceability of Foods and Relevant Products"</li> </ul>	
	4.4.2 Quality Feed	34	In order to produce pure and natural eggs, DaChan has established a chain of chicken farms that can be traced back to the source (chicken and feeding management). The chickens are sampled regularly for their resistance, and the quality of each stage is strictly controlled. The percentage of shipments tracked by the management system (TAP) was 52.8%.	<ul style="list-style-type: none"> <li>■ The percentage of eggs traceable through TAP relative to the total shipped quantity of eggs.</li> </ul>	

No.	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
7	2 Testing Center Equipment and Certification 3 Testing Expenses	29-30	<ul style="list-style-type: none"> <li>The Finished Product Inspection Center is not only TAF-accredited but also TFDA-accredited by the Ministry of Health and Welfare. In addition to maintaining relevant regulatory requirements, the Center continues to prepare applications for additional tests, which enhances the credibility of our laboratory.</li> <li>DaChan has three TAF-accredited and one TFDA-accredited national-level laboratories in Taiwan. All raw materials and finished products are tested by category and batch for specific items and are strictly checked by the national laboratories to ensure safety.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with the requirements of the "Act Governing Food Safety and Sanitation" or the voluntary establishment of food safety laboratories.</li> </ul>	Taiwan Stock Exchange Corporation Rules Appendix 1-1 No.7 The food safety laboratories established voluntarily or according to the applicable laws, testing items, testing results, relevant expenses and the percentage of such expenses to the net revenue.
		30	In 2022, the laboratory-related expenditures for all food safety inspections of Great Wall, the parent company, and subsidiary May Lan Lei were NTD 29.49 million for the Quality Inspection Center (mainly including personnel expenses, depreciation expenses and feed-related inspection, and R&D expenses), and NTD 9.28 million for the meat plant (mainly including personnel expenses of QA staff and miscellaneous expenses), and NTD 7.77 million for the food plant (mainly including personnel expenses of QA staff and miscellaneous expenses). In addition, the National Animal Industry Foundation and SGS inspection fees for the chicken farm were NTD 60,000, totaling NTD 46.6 million, accounting for approximately 4/10,000ths of consolidated net operating income.	<ul style="list-style-type: none"> <li>Laboratory expenditures for all food safety inspections and related outsourcing inspection costs.</li> <li>The proportion of the above inspection costs to the net operating revenue audited by the accountant in the consolidated financial statements.</li> </ul>	
	4.2.3 Testing Expenses	30	<p>The results of inspections and tests for food safety in 2022 are summarized in the table below:</p> <p>1. Feeds</p> <ul style="list-style-type: none"> <li>Type: Raw materials and Finished products</li> <li>Number of samples: <ul style="list-style-type: none"> <li>Raw materials: 8,907</li> <li>Finished products: 10,620</li> </ul> </li> <li>Qualified (Pass rate): <ul style="list-style-type: none"> <li>Raw materials: 7,219 (81.0%)</li> <li>Finished products: 9,648 (90.8%)</li> </ul> </li> <li>Test items for raw materials and finished products: mainly including water, crude protein, crude fat, and crude ash.</li> <li>Feed inspection items for chicken farm: 65 veterinary drug residues, 12 pesticide residues, aflatoxins; water test items: total bacterial count, E. coli, lead, copper, mercury, cadmium, zinc, arsenic, chromium, nickel.</li> <li>Test data on feed items containing eggs.</li> </ul> <p>2. Meat</p> <ul style="list-style-type: none"> <li>Type: Raw materials and Finished products</li> <li>Number of samples: <ul style="list-style-type: none"> <li>Raw materials: 2,944</li> <li>Finished products: 13,216</li> </ul> </li> <li>Qualified (Pass rate): <ul style="list-style-type: none"> <li>Raw materials: 2,944 (100.0%)</li> <li>Finished products: 13,216 (100.0%)</li> </ul> </li> <li>Inspection items for raw materials and finished products: Meat products must be tested for drug residues and nitrofurans before slaughter. If they fail to pass the re-</li> </ul>	<ul style="list-style-type: none"> <li>The ratio of qualified raw materials and finished products to the total number of inspections for each business department.</li> </ul>	



No.	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
			<p>inspection, the slaughtering will be postponed until they pass the re-inspection. Products (multiple drug residues, nitrofurans, bacterial count, salmonella, staphylococcus aureus, Escherichia coli, coliform bacteria, campylobacter) must comply with relevant laws and regulations before shipment, to ensure 100% certified raw materials and finished products.</p> <p>3. Food</p> <ul style="list-style-type: none"> <li>• Type: Raw materials and Finished products</li> <li>• Number of samples: <ul style="list-style-type: none"> <li>Raw materials: 1,052</li> <li>Finished products: 5,631</li> </ul> </li> <li>• Qualified (Pass rate): <ul style="list-style-type: none"> <li>Raw materials: 1,052 (100.0%)</li> <li>Finished products: 5,631 (100.0%)</li> </ul> </li> <li>• All food ingredients entering the plant must meet the regulatory standards (raw material test items: multiple drug residues, aerobic plate count, E. coli, coliform bacteria, Salmonella, Staphylococcus aureus). Products that fail to pass and meet the rejection level will be returned. Finished product test items: aerobic plate count, E. coli, coliform bacteria, Salmonella, Staphylococcus aureus, Bacillus cereus, Listeria monocytogenes, and Campylobacter) must comply with relevant regulations in order to ensure that all materials entering and leaving the factory are 100% certified.</li> </ul>		

8	6.1.1 Internal Energy Consumption	56	<ul style="list-style-type: none"> <li>• Purchased electricity: 374,533.7 GJ</li> <li>• Natural gas: 245,919.5 GJ</li> <li>• Liquefied petroleum gas (LPG): 6,439.2 GJ</li> <li>• Diesel fuel: 28,736.2 GJ</li> <li>• Gasoline: 657.3 GJ</li> <li>• Total energy consumption: 656,285.9 GJ</li> <li>• Purchased electricity accounted for 57.1% of the total energy consumption.</li> <li>• The usage rate of renewable energy: 0%.</li> </ul>	■ Details on energy usage	Taiwan Stock Exchange Corporation Rules Appendix 1-1 No.8 Total energy consumption, percentage of purchased electricity, and rate of use of renewable energy
9	6.1.1 Internal Energy Consumption	56	<ul style="list-style-type: none"> <li>• Water withdrawal: 1,838.3 thousand cubic meters</li> <li>• Water consumption: 468.8 thousand cubic meters</li> </ul>	■ Details on water resource usage	Taiwan Stock Exchange Corporation Rules Appendix 1-1 No.9 Total water withdrawn and total water consumption
10	Appendix II: Table of Great Wall's Main Product Sales in 2022 - By Department	64	<ul style="list-style-type: none"> <li>• Feeds Department: 1,131,237 tons</li> <li>• Bulk materials Department: 457,822 tons</li> <li>• Meat Department: 232,474 tons</li> <li>• Food Department: 362,592 tons</li> <li>• Total Department: 2,184,125 tons</li> </ul> <p>Remark: The scope of statistics covers the sales volume of the parent company, Great Wall, and its subsidiary, May Lan Lei</p>	■ Weight of Products Sold	Taiwan Stock Exchange Corporation Rules Appendix 1-1 No.10 Weight of products sold and
	About this report	2	15 production facilities	■ Number of production venues	number of production venues