

2025 Sustainability Report



中華紙漿
Chung Hwa Pulp

About this Report

GRI 2-2 / 2-3 / 2-4 / 2-5 / 2-22

This is the 12th Sustainability Report of Chung Hwa Pulp Corporation (hereinafter referred to as “CHP”). For years, CHP has fully adhered to the principles of ESG (Environmental: being environmentally friendly & promoting circular economy; Social: fostering Employee Well-being and Co-prosperity with Local Communities; Governance: integrity and fairness) and steered toward achieving sustainability with Net-zero carbon emissions as the final goal. This report describes in detail the ESG-related efforts and achievements of CHP. We hope that the Sustainability Report enables all our stakeholders to better understand and build greater trust in our performance and practices in ESG and sustainability.

Report Writing Principles

Organization	Standard
Global Sustainability Standards Board (GSSB)	GRI Sustainability Reporting Standards 2021 Edition
AccountAbility Firm	AA1000 AccountAbility Principles: AA1000AS v3, AA1000AP 2018
International Organization for Standardization (ISO)	ISO 26000 Guidance on Social Responsibility
The United Nations (UN)	United Nations Global Compact (UNGC) Sustainable Development Goals (SDGs)
Forest Stewardship Council (FSC)	The FSC Standards
International Accounting Standards Board (IASB) International Sustainability Standards Board (ISSB)	International Financial Reporting Standards (IFRS)
Financial Stability Board (FSB)	Task Force on Climate-Related Financial Disclosures (TCFD)
United Nations Development Programme (UNDP), United Nations Environment Programme Finance Initiative (UNEP FI), World Wide Fund for Nature (WWF), Global Canopy	Task Force on Climate-Related Financial Disclosures (TNFD)
Sustainability Accounting Standards Board (SASB)	SASB Standards—Pulp & Paper Products Version 2023-12

Date of Issue and Reporting Cycle

In accordance with the Taiwan Stock Exchange Corporation’s Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, CHP’s Sustainability Report is published in August every year and is availableon the company’s website.

- Previous issue (2024): August 2025
- Current issue (2025): August 2026
- Next issue (2026): August 2027

Scope and Boundaries

The report discloses information relevant to CHP for the year 2025 (from January 1, 2025 to December 31, 2025), including management guidelines, material issues, and performance outcomes. The reporting scope includes environmental, economic, and human rights topics. The reporting boundary includes our Taipei Headquarters, all operational sites of CHP, production plants (the Kaohsiung Jiutang, Hualien, Taitung, and Taoyuan Guanyin plants), and overseas subsidiaries (Syntax Communication Shanghai Representative Office, Shenzhen Jinglun Paper Co., Ltd., Syntax Communication (HK) Ltd., Guangdong Dingfung Pulp & Paper Co., Ltd., Zhaoqing Dingfung Forestry Co., Ltd., and Guizhou Yuanfung Forestry Co., Ltd.). All of the above sites belong to the paper manufacturing industry; thus, the materiality assessment focuses primarily on the ESG impacts arising from paper mill operations. There were no significant changes in the organization's size and structure during the reporting period. If any information has been restated within specific sections, it will be noted in the relevant paragraph or below the charts. For more detailed information regarding affiliated companies, please refer to CHP's "Independent Auditors' Review Report and Consolidated Financial Statements of Chung Hwa Pulp Corporation and Subsidiaries." The reporting period and scope are fully aligned with the Chung Hwa Pulp Sustainability Report.

Review and Verification

Approved by the Chairman, this year’s report was verified by an independent third party, BSI Group Singapore Pte. Ltd. Taiwan Branch (BSI), in accordance with the GRI Sustainability Reporting Standards, AA1000AS v3 Assurance Standard, and the Sustainability Accounting Standards Board (SASB) standards. The verification results confirm that the report meets the requirements of the GRI Standards and AA1000 Type 1, Moderate Level Assurance. Following a report to the Board of Directors in August, the document was officially uploaded.

Contact Information

For more information, please visit the official websites of CHP (<http://www.chp.com.tw>) and parent company Yuen Foong Yu Investment Holding Co., Ltd. (“YFY”; <https://www.yfy.com/tw/index.html>).

For any queries, please contact us at:

esgoffice.chp@yfy.com
Telephone: 02-2396-2998
Address: 12F, No. 51, Sec. 2, Chongqing S. Road, Taipei City (ESG Office)
Note: FSC™ CoC verification (License Code: FSC™ -C016878, FSC™-C012657, FSC™-C118028)



CHP Website



CHP YouTube

Cover Story

In line with the international consensus of COP30 focusing on Nature-based Solutions, Chung Hwa Pulp integrates biodiversity into the foundation of its corporate governance. The cover artwork depicts a paper roll emerging from rich soil, capturing the ecological vibrancy of our Hualien Eco-pond, Jiutang Wetland, and Eastern Forestry Sites. Through waterbody restoration and native flora preservation, these habitats support soaring migratory birds, nesting resident birds, frogs, and dragonflies, fostering public engagement with the natural environment. This harmonious coexistence between industry and nature embodies CHP’s recognition as a CDP "Forests Leadership Level" company. We strictly adhere to our No-Deforestation Policy and combine ecosystem conservation with carbon management, ensuring that nature-derived paper craftsmanship continues to flourish alongside healthy ecosystems, creating a lasting dialogue between people and the land.

Table of Contents

Preface

About this Report	02
Message from the Chairman	06
Sustainable Evolution of CHP	08
Awards and Recognition	10

Sustainability & Corporate Governance

Sustainability

1. Sustainability	16
1.1 Sustainable Development Strategy	16
1.2 Stakeholder Engagement	18
1.3 Materiality Identification	20

Corporate Governance

2. Corporate Governance	26
2.1 About CHP	26
2.2 Board of Directors	32
2.3 Operations and Governance	42
2.4 Risk Management	44
2.5 Task Force on Climate-Related Financial Disclosures (TCFD)	48

Environmental Friendly & Circular Economy

Environmental Friendly

3. Products	57
3.1 Products and Market	57
3.2 Green Economy	62
3.3 Green Procurement	70
3.4 Supply Chain and Customer Services	71

Environmental Friendly

4. Green Production	76
4.1 Energy Management	79
4.2 Emissions Management	83
4.3 Water Resource Management	87
4.4 Reuse of Resource	90
4.5 Environmental Protection Investments andRegulatory Compliance	91
4.6 The Taskforce on Nature-related Financial Disclosures(TNFD)	92

Friendly Workplace & Co-Prosperity in Society

Friendly Workplace

5. Friendly Workplace	100
5.1 Talent Recruitment & Career Development	100
5.2 Employee Care	105
5.3 Occupational Safety and Health Management	112

Friendly Workplace

6. Social Caring and Inclusiveness	121
6.1 From Forest, Sustainable Reading for Endless Growth	122
6.2 AI Education: Rooting in Eastern Taiwan	124
6.3 Making Science Popular in Rural Areas	126
6.4 Grow up with the Dream project	128
6.5 Neighborhood Cohesion and Community Care	129

Appendix

1. GRI Standards Comparison Table	133
2. UNGC Comparison Table	136
3. UN SDGs Comparison Table	137
4. ISO26000 Guidance on Social Responsibility Comparison Table	138
5.Heating Values for Energy Calculation Comparison Table	140
6.SASB Standards Comparison Table	140
7. Third-Party Assurance Statement	142

Message from the Chairman

GRI 2-22

Dear Friends and Stakeholders of Chung Hwa Pulp, Warm Greetings!

In 2025, global sustainable development moved beyond mere promises to focus on concrete actions and tangible results. As climate change, biodiversity loss, carbon pricing mechanisms, and industrial transformation pressures accelerate simultaneously, companies are tested on their long-term resilience and forward-looking strategic layout. Facing a volatile international environment and market dynamics, Chung Hwa Pulp (CHP) remains steadfast in its commitment to prudent operations and long-term value creation, continuously deepening its core competitive strengths across forestry, pulp, and paper to meet high expectations for sustainable development from society and the environment.

Centering on Biodiversity: Shaping a Business Model for Industrial and Ecological Coexistence

Echoing the global consensus of COP30 on Nature-based Solutions, CHP continues to embed biodiversity into the core of its sustainability governance. We comprehensively evaluate the interactions between our operational activities and natural ecosystems, building long-term possibilities for the harmonious coexistence of industrial growth and ecological conservation. Through sustained efforts in managing and maintaining the Hualien Eco-pond, Jiutang Wetland, and Eastern Forestry Plantations, we actively restore aquatic environments, preserve native flora, create ecological habitats, and conduct ongoing biodiversity monitoring, progressively shaping welcoming habitats for local wildlife. Meanwhile, CHP rigorously enforces its No-Deforestation Policy to ensure zero impact on natural forests.

These dedicated efforts are reflected in our international benchmark ratings. CHP's score in the CDP Forests evaluation reached the prestigious "Leadership Level." By combining ecosystem conservation with carbon management, we harness



the carbon sink potential of our forests and soils. Furthermore, through environmental education venues, we foster a constructive dialogue between industrial development and nature preservation, demonstrating to society the potential for humanity and the land to thrive together.

Science-Based Climate Action and Energy Resilience

CHP stands as the only paper-making enterprise in Taiwan validated by the Science Based Targets initiative (SBTi). At the end of 2025, we officially secured approval for our Near-term targets, committing to a 42% reduction in Scope 1 and Scope 2 GHG emissions and a 25% reduction in Scope 3 emissions by 2030. Simultaneously, in response to domestic carbon fee mechanisms and sustainability financial disclosure standards, we have implemented custom reduction plans while proactively adopting IFRS S1 and S2 frameworks, internalizing external policy mandates into management momentum to comfortably navigate climate risks.

In response to power supply challenges, we invested NT\$3 billion to build high-efficiency

biomass energy generation facilities, demonstrating supply resilience far superior to intermittent renewable sources. This facility earned Taiwan's first ISO 13065 Sustainability Criteria for Bioenergy certification. Currently supplying 150 million kWh worth of Renewable Energy Certificates (RECs) annually, capacity is projected to surge to 360 million kWh following upcoming equipment upgrades, driving us steadily toward full energy self-sufficiency across our plants.

Driven by Smart Innovation: Deepening Green Products and Circular Value

We have woven AI and data analytics into our operational DNA. CHP applies Automatic Virtual Metrology (AVM) systems to digitize paper-making expertise, predicting quality in real-time and minimizing resource consumption. In operations management, the implementation of RFID smart inspection systems and sensor tags enables precise tracking of inspection logs and equipment lifespans. Combined with fully automated robotic arms and smart warehousing, we have built a safe, highly adaptable smart manufacturing environment. Regarding product strategy, CHP continues to cultivate high-margin green materials.

Our FDA-compliant Fluorine-free Grease-proof Paper has successfully expanded into global markets, providing food safety solutions free of PFAS for the global food industry. Additionally, our subsidiary, Xin Hua Feng Co., Ltd., transforms manufacturing by-products into "Huafeng No. 7 Organic Fertilizer."

Deepening Social Connections and Creating Long-Term Sustainable Value

CHP firmly believes that corporate sustainability stems not only from operational results, but also from long-term, stable trust relationships with society. We incorporate social responsibility into our development blueprint, stepping forward when local communities face hardships: during the post-disaster reconstruction in Guangfu Township, Hualien, in 2025, CHP promptly prepared 30,000 liters of dedicated environmental disinfection water, safeguarding local resilience through concrete actions.

We continue to deepen our connections with local communities and schools, driving educational transformation by combining "ecological fields" with "smart technology." The "CHP Charity Cup," held for six consecutive years, has become an important platform for promoting computational thinking in the Eastern region. At the same time, we have continuously donated supplies to institutions such as the Bethesda Home for the Disabled for over twenty years, translating social care into concrete action.

Let this be a shared encouragement to us all! Thank you, and best wishes to everyone!

"CHP is entering a new phase—shifting from an integrated pulp and paper model to diversified development in forestry, pulping, and papermaking. Guided by circular economy principles, we are advancing sustainable materials and green energy to enhance carbon value and long-term competitiveness."

Chairman

Kirk Hsu

Sustainability at Chung Hwa Pulp



Chung Hwa Pulp Corporation



1968

- Officially established the Company; initiated the construction for the Hualien mill.

1970

- Began trial at the Hualien mill.

1975

- The Company was stock listed [1905]

1978

- The production capacity of the Hualien mill was expanded to 120,000 tons of bleached pulp annually. It was officially put in production in 1980.

2009

- Received the FSC CoC certification for the cultural paper.

2006

- Founded Zhaoqing Dingfung Forestry Co., Ltd. in Guangdong Province, China.

2000

- Invested in Guangdong Dingfung Pulp & Paper Co., Ltd.
- Certified by ISO 14001, an international quality assurance certification.

1996

- Certified by ISO 9002, an international quality assurance certification.

2010

- Received the PEFC-CoC certification for the kraft hardwood bleached pulp and cultural paper; also received a product carbon footprint certificate for the Paper Star printer paper.

2011

- Eight CHP products were awarded the Taiwan EPA Green Mark ecolabel.

2012

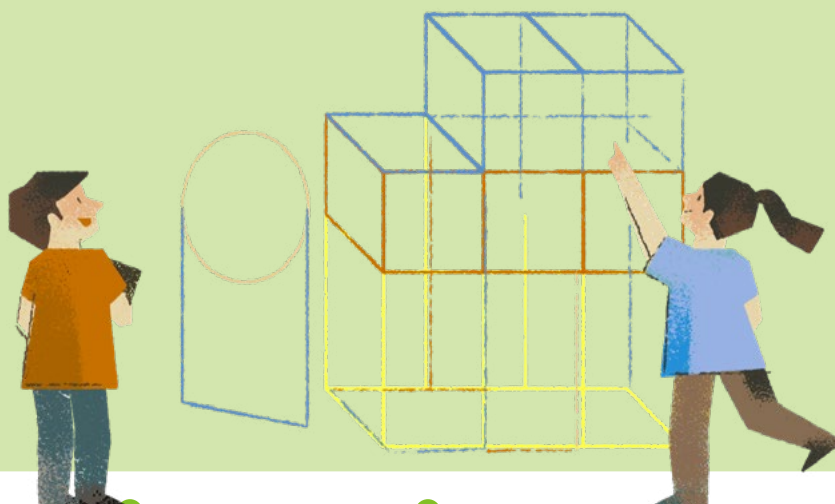
- CHP merged with the Paper and Paperboard Division of YFY Inc.
- Received the Award of Excellence in Energy Conservation from the Bureau of Energy, Ministry of Economic Affairs, and the Taiwan EPA's Energy Conservation and Carbon Reduction Action Mark.

2014

- Given an Excellent rating by the Taiwan EPA in Voluntary GHG Reductions Performance and an Excellent rating in Green Procurement Performance.

2015

- Published the company's first Corporate Social Responsibility Report.



2016

- The Company re-elected the 17th Board of Directors and Independent Directors, and set up the first Audit Committee to enter a new era of corporate governance.
- Received the AREA (Asia Responsible Entrepreneurship Awards) award under the category of Green Leadership.

2017

- The forestry land of a subsidiary, Zhaoqing Dingfung Forestry Co., Ltd., officially passed the SGS certification in China and obtained the FM/CoC certificate from the FSC (Forest Stewardship Council).
- Received the TCSA - Top 50 Sustainability Comprehensive Performance and Taiwan Sustainability Report Bronze Award (Manufacturing)
- Signed the United Nations Global Compact (UNGC).
- Signed and published the Forest and Pulp Sourcing Policy, Green Procurement Policy and Human Rights Declaration.

2018

- The non-fluorescent process was applied for all products.
- The Company successfully developed the Easy Straw Paper and non-fluorescent cultural paper.
- Received the TCSA - The Growth Through Innovation Award.
- Received EcoVadis Silver Rating for sustainability.

2021

- Received the 30th Taiwan Excellence Award, the most prestigious award for products made in Taiwan and Taiwan Excellence Silver Award.
- Received TCSA - Taiwan Sustainable Action Award- Gold Medal of Sustainable Consumption and Production, and the Corporate Sustainability Report Bronze Award.
- Received the Asia Pacific Enterprise Awards (APEA) - Inspirational Brand Award.
- Established Guizhou Yuan Fung Forestry Co., Ltd., CHP dedicated to afforestation and reforestation to expand forest operation and management, enhancing carbon sequestration and carbon reduction benefits.

2020

- Purchased land and manufacturing facilities in Taoyuan Guanyin Industrial Park to build a production base for non-plastic materials. At the Guanyin Plant, the CircuWell product series, a non-plastic all-paper recyclable solution, was developed by drawing on the concept of circular economy.
- Received AREA's Circular Economy Leadership Award.

2019

- Subsidiary Guangdong Dingfung Pulp & Paper Co., Ltd. established Zhaoqing Xinchuan Green Technology Co., Ltd. to develop environmentally friendly processing technology for process waste.
- Signed and published the Forest and Pulp Sustainability Policy, Corporate Governance Policy and Integrity Management Policy.



2022

- Received 2022 AREA Circular Economy Leadership Award & APEA Corporate Excellence Award.
- Received the TCSA - Top 100 Taiwan Corporate Sustainability Awards and the Corporate Sustainability Report Silver Award.

2023

- Received the TCSA - Top 100 Sustainable Model Companies, and Silver Award for Sustainability Report.
- Recognized by the Occupational Safety and Health Administration, Ministry of Labor - Top 10% Outstanding Company for proactive performance in occupational health and safety disclosure in sustainability reports.
- Received the Harvard Business Review Ding Ge Awards - Model Award for Manufacturing Industry, ESG Special Award.

2024

- Honored with the 17th Taiwan Corporate Sustainability Awards (TCSA) - Top 100 Taiwanese Sustainable Model Enterprises Award and Sustainability Report - Silver Class.
- Recognized as a "B" Management-level Enterprise across all three CDP domains: Climate Change, Water Security, and Forests.
- EcoVadis Bronze Medal.
- Recognized with the Joint Defense Support Contribution Award by the Ministry of Environment.

Awards and Recognition



SCIENCE
BASED
TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Approved SBTi Near-term Emission Reduction Targets

Leading the Paper Industry



CDP
Discloser
2025

CDP Forests:
Leadership Level (A-)

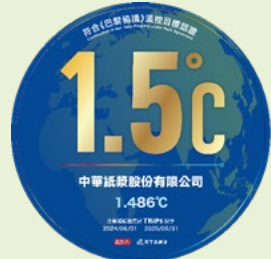
Climate Change & Water Security:
Management Level (B)



BRONZE | Top 35%
ecovadis
Sustainability Rating
MAR 2026

EcoVadis
Bronze Medal

Leading the Paper Industry



1.5°C
中華紙業股份有限公司
1.486°C

CommonWealth Magazine
1.5 °C Temperature Label-
Excellent Grade

Leading the Paper Industry



2025
碳·競爭力
Carbon Competitiveness
100

Ranked among Business Weekly's
Top 100 Carbon Competitiveness for
the 3rd time

Leading the Paper Industry



Won the Asia Enterprise Responsible
Entrepreneurship Awards (AREA) by
Enterprise Asia for the 2nd time

Leading the Paper Industry



績優獎

Global Views ESG Corporate
Sustainability Awards : Excellence
Award in Low-Carbon Operations

Leading the Paper Industry



TCSA
TAISE

TCSA Taiwan Corporate
Sustainability Award
· Sustainability Report,Category 1- Silver
· Taiwan Sustainability Excellence Award
TSAA Taiwan Sustainability
Action Awards
· SDG4 TOP4
· Silver Award

Governance	
《CDP》	Forests: Leadership Level" (A-), Climate Change & Water Security: Management Level" (B)
《EcoVadis》	Bronze Medal
《Taiwan Institute for Sustainable Energy (TAISE)》	CHP has been honored 7 times with the TCSA · TCSA – Sustainability Report Awards- Silver Award · TCSA – Overall Performance: Outstanding Sustainable Corporate Award · TSAA – SDG 4 Top 2 Silver Award
Environment	
《SBTi》	Near-term Emission Reduction Targets
《Commonwealth Magazine》	1.5 °C Temperature Label-Excellent Grade
《Business Weekly》	Top 100 Carbon Competitiveness Companies
《Global Views ESG Corporate Sustainability Awards》	Excellence Award in Low-Carbon Operations
《21st Century Foundation》	Net-Zero Industry Competitiveness Excellence Award
《Environmental Protection Administration》	Outstanding Unit for Green Procurement TOP3
《Ministry of Economic Affairs》	Outstanding Greenhouse Gas Emission Reduction Company Award
《Hualien County Environmental Protection Bureau》	Outstanding Adoption Unit for Air Quality Purification Zones
《Department of Environmental Protection, Taoyuan City Government》	Outstanding Unit for Air Pollution Control
Social (Human Right)	
《Enterprise Asia》	Asia Enterprise Responsible Entrepreneurship Awards (AREA)
《Ministry of Labor》	All sites actively participated in the National Workplace Safety and Health Week
《Ministry of Health and Welfare》	Health Promotion Label
《Hualien County Government》	Hualien Happiness & Friendly Workplace - Excellent Enterprise Award

Eco-Certification	
The first paper manufacturer in Taiwan to obtain FSC® (Forest Stewardship Council) certification.	
Obtained PEFC (Programme for the Endorsement of Forest Certification) certification since 2010.	
Launched “PAPER STAR” office paper—the first product certified with a carbon footprint label by the Ministry of Environment.	
In 2024, obtained ISO 14067 Product Carbon Footprint Certification for green electricity products.	
Achieved Taiwan's first ISO 13065 certification for electricity sustainability (Standard for Sustainability of Bioenergy)	
CircuWell Easy Seal Board & Pulp-molded products certification:	Industrial Compostability Certified Product (DINCERTCO)
	nternational Biodegradable Products Institute certified products (BPI)
	Australasian Bioplastics-Industrial Compostable verification programme (ABA)
	Australasian Bioplastics-Home Compostable Verification Programme (ABA)
	Home Compostable and Biodegradable Certified Product (DINCERTCO)
CircuWell Pulp-molded products certification	Industrial Compostability Product (Seedling Mark)
Consistent Award Wins	
· Ministry of Environment: 13-Time Recipient of the Outstanding Green Procurement Unit Award (2001-2005, 2007-2008, 2020-2025) · 7-Time Winner of the TCSA Taiwan Corporate Sustainability Awards (2017, 2018, 2021-2025) · 7-Time Recipient of the "Outstanding Adoption Unit for Air Quality Purification Zones" Award (2017-2022, 2025)	



ESG CHAMPION OF ASIA
AREA
Hualien County Government
2025

CHUNG HWA PULP CORPORATION
SOCIAL EMPLOYMENT CATEGORY
CARRYING KNOWLEDGE WITH PAPER

AREA
2025

 Won the AREA by Enterprise Asia



Won the AREA by Enterprise Asia

A New Milestone in Green Fibers:

Innovation and Industrial Application Advantages of CHP's Cellulose Dissolution Technology

Driven by sustainable development goals and global plastic-reduction policies, naturally biodegradable cellulosic fibers have become a core instrument in replacing single-use plastics and combating microplastic pollution. However, global cotton production is heavily impacted by climate change, with extreme droughts and floods causing severe supply instability. Developing cellulosic fibers in Taiwan not only strengthens industrial resilience but also holds the potential to substitute the massive annual import demand for rayon and cotton. According to projections by the U.S. non-profit organization Textile Exchange, global demand for the eco-friendly fiber "Lyocell" (Note 1) is experiencing rapid growth at an average annual rate of 15%, representing immense market potential.

Products manufactured using ECOCELL® match internationally renowned Lyocell fibers in skin-friendliness, breathability, and biodegradability,

Note 1: Lyocell is an eco-friendly regenerated fiber derived from natural wood (such as eucalyptus and beech) and produced via an innovative solvent-spinning method. It features a silky-smooth touch, superior moisture absorption and breathability, as well as cooling and antibacterial properties, making it ideal for apparel, bedding, and other applications.



Leveraging its profound R&D foundation, Chung Hwa Pulp (CHP) has partnered with the Taiwan Textile Research Institute (TTRI) to pioneer a next-generation ionic liquid process: ECOCELL®.

making them widely applicable across high-quality textile and industrial domains. The core distinction lies in a more eco-friendly spinning process: CHP's patented ECOCELL® technology is rooted in paper-making wet-end chemistry systems. It not only enables direct production using paper-grade pulp—drastically reducing raw material costs—but its ionic liquids also feature low volatility and excellent thermal stability. Consequently, the solvent can be recovered and reused simply through evaporation without generating waste, achieving a low-impact production process right from the source.

Applications of Pulp in the Textile Industry

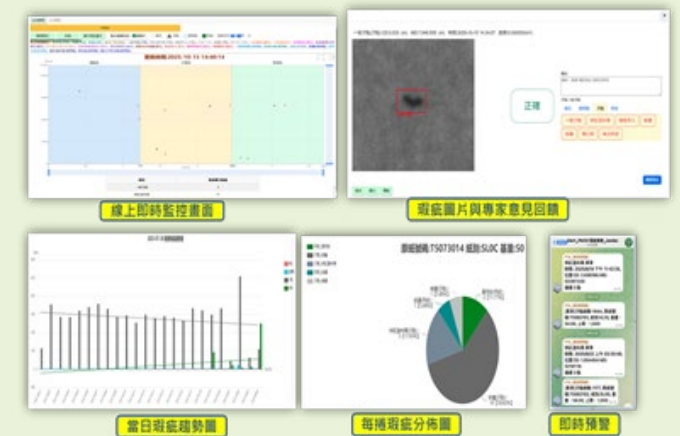


Redefining Digital Transformation:

Building a Low-Carbon, Smart Supply Chain Ecosystem

Papermaking has traditionally relied on experienced technicians to adjust processes and maintain product quality. Yet rising energy costs and increasingly complex continuous production make it difficult to respond to rapidly changing conditions through experience alone.

CHP therefore launched its "1+4 Smart Upgrading and Transformation Program", converting decades of papermaking expertise into structured data and building a predictive, measurable, and resilient management system. Beyond upgrading its own operations, CHP supports supply chain partners in creating an adaptive, low-carbon, and competitive smart ecosystem.



Smart Production and Quality Control: From Inspection to Prediction

- **Predictive quality management:** CHP continues to enhance its Automated Virtual Metrology (AVM) system to predict quality fluctuations and enable real-time monitoring. At the Kaohsiung Jiutang Plant, the system reduced rejected material requiring reprocessing by 50%, improving quality while preventing resource waste at the source.
- **Process optimization:** At the Hualien Plant, AI modeling dynamically balances chemical costs and lignin concentration, reducing production costs by approximately 46%.

Smart Equipment: Predictive Asset Management

- **Guanyin Plant:** CHP achieved 100% process data visualization and introduced early warnings through real-time monitoring, reducing losses from production downtime by 15% and strengthening supply reliability.

Smart Warehousing: Enhancing Logistics and Workforce Value

- **Hualien Plant:** A mobile Warehouse Management System (WMS) enabled 100% warehouse data transparency, saving 5,676 operating hours annually, reducing management risks, and improving workforce allocation.



A Smarter Supply Chain: Empowering Partners

- **Upstream and downstream collaboration:** CHP supported upstream partners in adopting predictive equipment maintenance and enhanced automation to stabilize production costs. It also helped downstream processors introduce AI visual recognition to improve inventory accuracy and reduce management costs.

Measurable Carbon Reduction

From July 2024 to October 2025, these digital initiatives delivered measurable environmental benefits, including **2,035 metric tons of energy savings**, a reduction of **874,000 kWh** in electricity consumption, and **1,235 metric tons of CO₂e** in avoided emissions.

For CHP, digital investment must translate into verifiable environmental value. Through data-driven management, the Company will continue transforming operational efficiency into natural capital and building a more resilient, low-carbon future.

Sustainability & Corporate Governance

Category	Indicator ^{Note1}	2025 Performance	Short, Medium, and Long-Term Targets		
			2030	2040	2050
Board Structure	Percentage of Independent Directors	42.8%	Independent directors account for over 40% of the Board.		
	Percentage of Female Directors	28.5%	Female directors account for over one-third of the Board.		
Ethical Business Practices	Incidents of Ethical Business Violations	0	0	0	0
	Ethical Business Training Hours	1,361 hours	>1,400 hours	>1,500 hours	>1,600 hours
	Material Information Security Incidents	0 incidents	Maintain zero information security incidents	Obtain ISO 27001 certification	Implement ISO 27001:2022 information security management systems at key operating sites
Regulatory Compliance	Material Violations	0 incidents	0	0	0

Note 1: The indicator scope for this chapter primarily covers the Taiwan parent company.



Sustainability



Sustainable Development Strategy

Core Strategy

Sustainability ensures a balance between environmental, economic, and social objectives and facilitates the longevity of corporate competitiveness.

In response to the complex and ever-changing challenges of the global economy and world markets, we accelerated the transformation of our products, business approaches, and factory management, and integrated upstream, mid-stream and downstream suppliers to recycle used products back into our manufacturing processes to form a complete product cycle.

Each cycle not only lowers social costs, but also strengthens connections between industrial development and nature, as we embrace ESG and share the benefits with the environment and all stakeholders.

Sustainable development is the highest common denominator of our corporate operations.

Our core policy is built on the R³ sustainable management system. With the “3R cycle” (Recycle\Reclaim\Regenerate) as our core strategy, we are working to develop a production system that integrates the forestry, paper, and pulp manufacturing processes. In the future, CHP hopes to become a global paper and pulp industry leader through its establishment of a streamlined service platform.

As a part of our “ECO” business philosophy, we maintain communication with stakeholders and are steadily implementing a new roadmap for circular economy.



GRI 2-22



“Co-prosperity in society” is an inherent principle that we abide by to fulfill our social responsibility.



Implementation Principles

With “people” at the core of our values, CHP developed a learning culture to demonstrate the truth, goodness, and beauty of nature and achieve our vision of pursuing knowledge transfer and cultural continuity. We have drawn on the concept of the tree of life to describe the spirit of sustainability in business operations, the product life cycle, and the circularity of energy resources; and emulate the laws of nature to transform raw materials into finished products in a never-ending. This vision also reflects our dedication to cultural heritage, communication, education, commitment, harmony, and sustainability, highlighting CHP’s deep commitment to sustainable development.

- Adhere to honesty and integrity in dealings with shareholders, employees, customers, and the general public.
- Obey the rule of law and act in accordance with the law.
- Oppose corrupt and unlawful behavior.
- Emphasize the importance of corporate governance and strive to achieve a balance of interests among shareholders, employees and all stakeholders.
- Care for the well-being of communities and continue to sponsor education and cultural activities.
- Actively conserve energy and reduce carbon emissions to protect earth and the environment.

Stakeholder Engagement

Stakeholder Engagement

CHP employs multiple communication channels to strengthen its interaction with stakeholders and increase the speed and accuracy of information disclosure. Representatives of business departments and production units are called on to jointly identify stakeholders. A range of channels are used to determine issues of concern, ensure the speedy delivery of operations- and finance-related information, and communicate key issues. These channels include company spokespersons, the Market Observation Post System (MOPS), annual reports, investor conferences, and the company website. In addition, contents related to key issues are posted on the company's website to facilitate the exchange of opinions and enable stakeholders to stay informed on the current status of CHP.

Stakeholder Identification

CHP's ESG Office designed stakeholder identification questionnaires based on the five principles of the revised AA1000AP (2018) stakeholder engagement standards: dependency, responsibility, influence, diverse perspectives, and tension. Accordingly, seven categories of stakeholders were identified, namely, the community members, employees, shareholders/investors, customers, suppliers, government agencies, and non-government organizations (NGOs). Issues of concern to stakeholders are addressed by publishing Sustainability Reports and also through the regular use of existing communication channels. The disclosed information below primarily focuses on stakeholder engagement in Taiwan.



GRI 2-29



Stakeholder	Issues of Concern	Communication Method/Frequency	Response Strategies	2025 Engagement Performance
Employees	Ensuring Labor Rights - Labor-Management Communication - Talent Training and Development - Occupational Health and Safety - Employee Rights, Diversity and Equality	- Employee complaint mailbox / real-time - Board of supervisor meetings (employee feedback issues) / quarterly (also ad hoc meetings as needed) - Meetings of Safety Operations Management Committee / every 2 months - Interviews with human resources / as needed - Employee Welfare Committee meetings / quarterly - Labor Safety Committee meetings / quarterly - Labor-management meetings / quarterly - Company newsletter / monthly - Employee Activities / as needed	- We adopt a well-established compensation system, employee benefits, and performance management mechanism, upholding the principle of sharing achievements with employees to attract and retain talent. - Occupational safety seminars and health promotion activities are organized to cultivate a safe and healthy corporate culture, and to strengthen employees' ability to identify and respond to workplace risks. - We follow the principles and spirit of the United Nations Universal Declaration of Human Rights, the UN Global Compact, the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, and the OECD Guidelines for Multinational Enterprises.	- ESG awareness and training programs were held, covering occupational safety, compliance, human rights, and environmental topics. In 2025, a total of 18,251 participants received 43,638 training hours. - All plants in Taiwan have obtained ISO 45001 certification and adopted the PDCA cycle to operate occupational health and safety management systems, serving as a foundation for sustainable business dev
Customers	Enhancing Customer Satisfaction - Green Products - Product Quality - Customer Relations and Service - Sustainable Supply Chain and Green Procurement - Innovative Technologies	- Customer satisfaction survey / annually - Product launch events or exhibitions / as needed - Market research, visits to customers / as needed - Technical analysis or guidance / as needed - Customer Service section on company website / as needed	- We have strengthened our customer service system by establishing dedicated hotlines and email channels to ensure timely responses. - Low-carbon and recycled paper products are being developed as part of our commitment to sustainability. - Certified product information and inquiry services are provided in accordance with international standards such as FSC, PEFC, and ISO.	- Achieved an 88% customer satisfaction rate in 2025. - Partnered with Kang Hsuan Educational Publishing Group on book recycling and recycled paper production, realizing a circular and sustainable customer collaboration model.
Suppliers	Building a Sustainable Supply Chain - Green Procurement - Regulatory Compliance	- Meetings by phone, in-person business meetings, email correspondence / as needed - Supplier assessments / every 4 months	- Supplier review and collaboration guidelines have been established to ensure proper qualification of new suppliers, using tools such as supplier questionnaires, integrity commitment statements, and codes of conduct. - Based on an internal scoring system, supplier evaluations are conducted twice a year, with improvement suggestions provided—or partnerships terminated—if a supplier fails to meet requirements. - Green procurement (e.g., FSC /PEFC certifications) and sustainability policies related to human rights are promoted to strengthen supply chain responsibility.	- In 2025, operating sites and suppliers had zero violations of workers' freedom of association or collective bargaining rights, with a union participation rate of 78%. - Evaluated a total of 1,581 supplier instances in 2025, achieving a 100% compliance/qualification rate. - Green procurement accounted for 77% in 2025, with the proportion continuing to rise. 100% implementation of Due Diligence Systems (DDS) for wood chips and supplier sustainability management questionnaires. - Officially adopted the "Chung Hwa Pulp Biodiversity and No-Deforestation Commitment." - Participated in the international EcoVadis sustainability rating and was awarded the Bronze Medal. - Achieved "Leadership Level" (A-) in the CDP Forests Questionnaire.
Shareholders/ Investors	Enhancing Information Transparency and Strengthening Investor (Shareholder) Confidence - Corporate Governance - Operational and Financial Performance - Risk Management and Opportunities - Information Security - Transparency in Information Disclosure	- Investor conferences / quarterly - Annual general meeting / annually - Disclosure of financial information on company website / updated as needed - MOPS / updated as needed - Visits to investors / multiple times yearly	- Institutional investor conferences are held to foster proactive and effective communication, ensuring transparent disclosure of financial and operational information. - The TCFD framework has been adopted to analyze climate-related risks, enabling identification and management of potential impacts and reducing operational disruptions.	- Held 4 investor conferences in 2025 and publicly disclosed information to enhance sustainability transparency. - Launched an English website to strengthen international information dissemination. - Completed TCFD conformance verification in 2023, achieving the highest rating of Level 5: "Excellence."
Government Agencies	Regulatory Compliance - Material Management - Energy Management - Water Resource Management - Greenhouse Gas Management - Air Pollutant Management	- Monitoring of regulatory amendments and compliance with government laws / real-time - Audits by government agencies / as needed - Labor inspections / regularly - Attendance at policy meetings / as needed	- Compliance with relevant laws and regulations, including energy reporting, is actively maintained. - The company also participates in government programs on water conservation, energy saving, and the circular economy, including the Ministry of Economic Affairs' Self-determined Reduction Plans.	5% in 2025. - Greenhouse gas emissions in 2025 totaled 903,000 metric tons of CO2e, a 10.3% reduction compared to the base year (2021). - NOX emissions reduction rate in 2025 decreased by 22% compared to the base year 2022.
Community	Enhancing the positive image of CHP in the Communities Community communication and care	- Organization and assistance with community charitable activities / as needed - Documentation of and responses to the opinions of community residents / real-time - Volunteer activities / as needed	The company has long been committed to promoting science education in rural areas, organizing volunteer teams and engaging in social welfare initiatives to embody its corporate spirit of local cultivation and shared prosperity with the community.	- Established the Chung Hwa Pulp Environmental Education Park, with nearly 1,000 participants in 2025. - Focusing on science education for remote areas, having helped tens of thousands of students in remote schools to date.
NGOs	Increasing Positive Exposure - Transparency in Information Disclosure - Community communication and care - Biodiversity and forest conservation	- Communication with news media / as needed - Hosting or support of community activities / as needed	Information disclosure and media exposure have been strengthened through the proactive and ongoing release of company policies and product news.	- Responded to and actively committed to the Science Based Targets initiative (SBTi) science-based emission reduction targets. - Promoted Taiwan forest management carbon credit projects.

Board members participate in stakeholder engagement through various channels, including investor conferences, annual general meetings, community events, year-end staff gatherings, labor-management meetings, sports events, government consultations, and industry association meetings. Feedback collected from these occasions serves as a reference for subsequent decision-making.

CHP 2025 Sustainability Report

Material issues

📄 GRI 2-14 / 3-1 / 3-2 / 3-3

Material Topic Identification and Stakeholder Engagement

Chung Hwa Pulp conducts an annual assessment of material topics involving senior executives, members of the Sustainable Development Committee, and task force teams. Following the materiality assessment process of the GRI Standards 2021 and incorporating the European Union's double materiality principle, we thoroughly evaluate the impacts of issues on "CHP's organizational operations" and "CHP's impacts on the economy, environment, and human rights," thereby screening for core issues with a high degree of impact.

To ensure the assessment results align with the organization's long-term strategy, our highest governance body (the Board of Directors) bears the ultimate responsibility for supervising and approving this process. Every year, upon completion of the impact assessment and material topic selection by the Sustainable Development Committee, the results must be formally reported to the Board

of Directors to ensure that core sustainability topics are tightly integrated with corporate governance.

Referring to the stakeholder engagement principles of the AA1000 Assurance Standard (AA1000 SES 2015), quantitative scoring is conducted across five dimensions: dependency, responsibility, tension, influence, and diverse perspectives. Through senior management, Sustainable Development Committee members, and task force members, we identify seven key stakeholder groups based on our operational scope: (1) Employees, (2) Customers, (3) Shareholders/Investors/Financial Institutions, (4) Suppliers/Contractors, (5) Governments/Industry Associations, (6) Neighboring Communities, and (7) Non-Governmental Organizations. Through diverse channels of regular and ad-hoc communication, we capture stakeholder expectations and translate their feedback into crucial information sources for impact assessment. The materiality assessment process, analysis, and results for 2025 are as follows:

Topic Identification

23 ESG issues

- Referring to international sustainability standards and frameworks (GRI, ISO 26000, SDGs, SASB), sustainability ratings, industry standards and benchmarks, stakeholder feedback, and current events, 23 ESG issues were compiled.

Stakeholder Concern Level

166 questionnaires

A total of 166 questionnaires were collected to understand stakeholder concern levels regarding various issues.

- Internal: Subcommittees of the Sustainable Development Committee
- External: Seven key stakeholder groups (Employees, Customers, Shareholders/Investors/Financial Institutions, Suppliers/Contractors, Governments/Industry Associations, Neighboring Communities, and NGOs).

Double Materiality Analysis

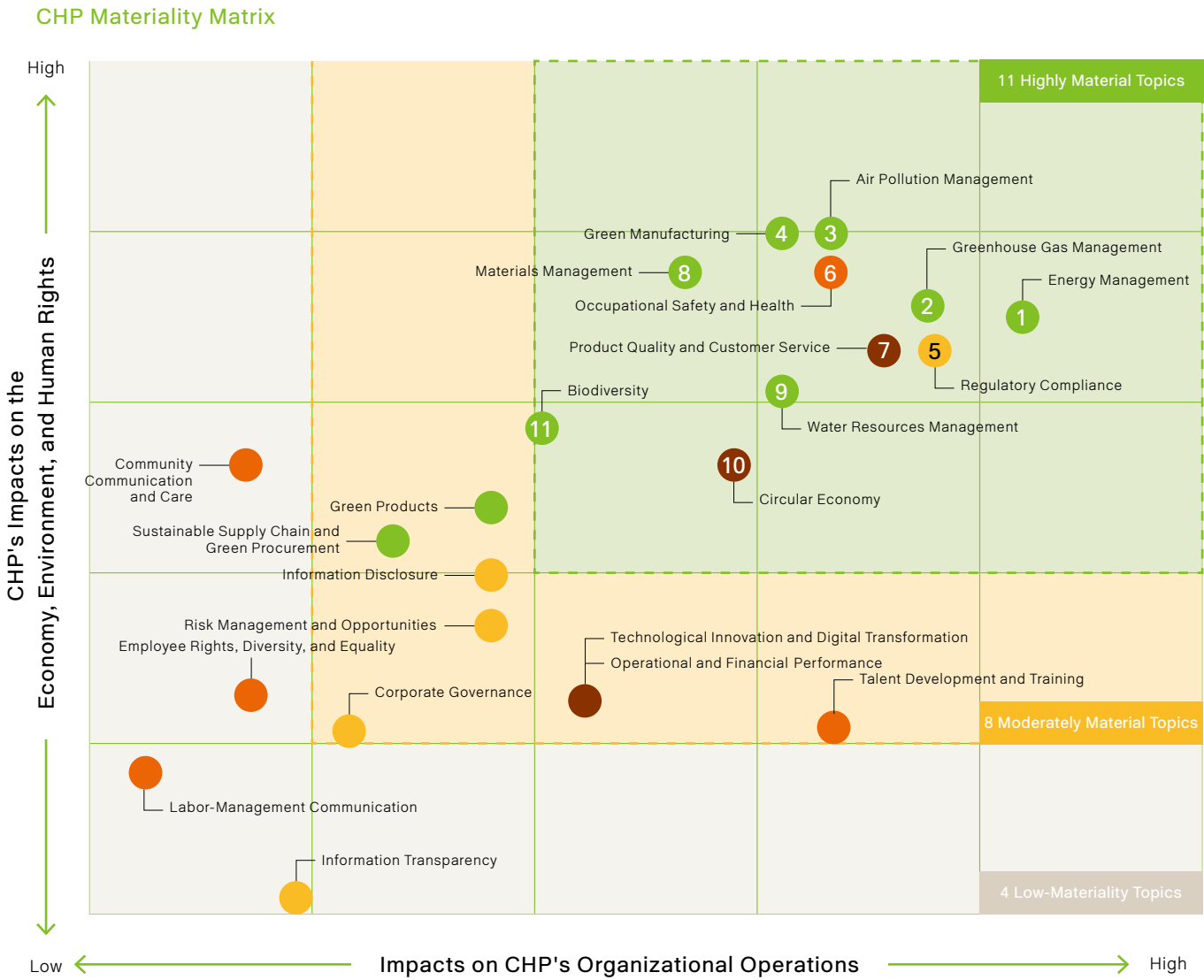
11 highly material topics

- Senior executives, Sustainable Development Committee members, and team leaders (total of 22 individuals) conducted quantitative scoring on impact severity, narrowing the list down to 11 highly material topics.
- The sustainability team integrated internal and external perspectives along with consultant recommendations to focus on material topics with significant positive and negative impacts, which were then submitted to the Board of Directors for approval.

Regular Performance Tracking and Review

Review/Adjust Targets

- Establish management approaches and strategic action plans for material topics with high positive and negative impacts, and review target achievement status annually at the Sustainable Development Committee.



Considering international policy trends, industry characteristics, peer experiences, and national regulations, CHP evaluated various material aspects and assessed their impacts both within and outside the organization. Aligning with the GRI Standards 2021, we defined the information disclosure boundaries to respond to CHP's stakeholders. Following a questionnaire evaluation, the sustainability report for this year (2025) covers 11 material topics. As CHP actively adopts AI smart manufacturing and data analytics, "Technological Innovation" has been renamed to "Technological Innovation and Digital Transformation." Additionally, product quality control and after-sales technical services have been integrated, merging "Product Quality" and "Customer Relations and Service" into "Product Quality and Customer Service." Furthermore, since forest conservation is encompassed within the scope of biodiversity, "Biodiversity and Forest Conservation" has been renamed to "Biodiversity."

Material Topic Ranking

Material Topic	2025 Ranking	Increase/Decrease
1 Energy Management	1	▲
2 Greenhouse Gas Management	2	▼
3 Air Pollution Management	2	-
4 Green Manufacturing	3	New
5 Regulatory Compliance	3	▲
6 Occupational Safety and Health	3	New
7 Product Quality and Customer Service	4	New
8 Materials Management	5	New
9 Water Resources Management	6	▼
10 Circular Economy	7	-
11 Biodiversity	8	New

Environmental

Governance

Social (Human Rights)

Economic

Aspect	Material Topic	Value Chain Impact Assessment			Impact Description	CHP Actions	Report Chapter	Indicator
		Upstream Supply Chain	CHP	Downstream Customers				
		Impact Engagement Level ● Direct ◎ Indirect ○ Commercial						
Governance	Regulatory Compliance	○	●	○	Negative Actual Impact: Although there were penalty cases last year, relevant improvements have been implemented; see Section 4.5 Environmental Investment and Regulatory Compliance for details.	- Comply with domestic or local government ESG and human rights regulations. - Integrate compliance and internal audit units, and implement employee training.	4.5 Environmental Protection Investments and Regulatory Compliance	GRI 2-27
Environmental	Energy Management	○	●	○	Negative Actual Impact: Corporate operations generate energy consumption; for relevant measures, see Section 4.1 Energy Management.	- Save energy consumption through the implementation of energy projects (such as equipment upgrades, energy efficiency improvements, and waste heat recovery). - Introduce low-carbon and renewable energy sources (such as expanding investments in biomass fuel and solar power generation) to reduce carbon emissions.	4.1 Energy Management	GRI 302-1 / 302-3 / 302-4
	Greenhouse Gas Management	-	●	-	Negative Actual Impact: Corporate operations generate greenhouse gas emissions; for relevant measures, see Section 4.2 Gas Emission Management.	- Save energy consumption through the implementation of energy projects (such as equipment upgrades, energy efficiency improvements, and waste heat recovery). - Introduce low-carbon and renewable energy sources (such as expanding investments in biomass fuel and solar power generation) to reduce carbon emissions.	4.2 Emissions Management	GRI 305-1 / 305-4
	Air Pollution Management	-	●	-	Negative Actual Impact: Corporate operations generate air pollutant emissions; for relevant measures, see Section 4.2 Gas Emission Management.	Continuously increase air pollution control equipment and exercise strict monitoring, ensuring compliance with the regulations of the local competent authorities where facilities are located.	4.2 Emissions Management	GRI 305-7
	Water Resources Management	-	●	-	Negative Actual Impact: Corporate operations consume water resources; for relevant measures, see Section 4.3 Water Resources Management.	- Follow water-saving targets, increase process water recycling rates, and reduce water resource waste. - Strengthen effluent water management.	4.3 Water Resource Management	GRI 303-2~5
	Green Manufacturing	-	●	○	Positive Actual Impact: Developed low-carbon, biodegradable fiber products to help customers achieve plastic reduction targets.	- Follow water-saving targets, increase process water recycling rates, and reduce water resource waste. - Strengthen effluent water management.	4.1 Energy Management 4.2 Emissions Management	GRI 302-4 / 305-4
	Materials Management	-	●	○	Positive Actual Impact: Implemented source sorting and in-house recycling inputs, substantially reducing reliance on external disposal and directly lowering environmental burdens.	- Follow water-saving targets, increase process water recycling rates, and reduce water resource waste. - Strengthen effluent water management.	4.4 Reuse of Resource	GRI 306
	Biodiversity	○	●	○	Positive Actual Impact: Afforestation and sustainable forest management protect biodiversity and increase green carbon sinks. Negative Actual Impact: Plant operations consume energy and water resources, impacting local species habitats.	- Implement scientific forest land management and conduct regular FSC verification for forests. - Ensure harmonious coexistence between operations and nature through regular biodiversity surveys and habitat compensation measures, moving toward a nature-positive transition.	4.6 The Taskforce on Nature-related Financial Disclosures(TNFD)	GRI 101-1~5 / GRI 101-8
Social (Human Rights)	Occupational Safety and Health	-	●	-	Negative Actual Impact: Although occupational accidents occurred in 2025, improvements have been made; see Section 5.3 Occupational Health and Safety Management for details.	Implement daily safety patrols, strengthen contractor management, and regularly conduct emergency response drills to achieve the ultimate goal of "Zero Disasters, Zero Accidents."	5.3 Occupational Safety and Health Management	GRI 403-1~9
Economic	Circular Economy	-	●	○	Positive Actual Impact: Material recycling and the remanufacturing of process by-products drive product innovation and waste reduction.	- Continuously research and develop innovative fiber technologies, advancing innovative applications of pulp and paper. - Pursue "Zero Waste, Zero Emissions," fully recovering and recycling residual materials.	3.2 Green Economy 4.4 Reuse of Resource	GRI 306
	Product Quality and Customer Service	-	●	●	Positive Actual Impact: Provide high-standard, certified green non-plastic materials and green electricity certificates to substantially assist downstream customers in achieving plastic reduction, supply chain decarbonization, and net-zero transition goals.	Strengthen a rigorous quality control system from raw material traceability to finished product delivery, and establish a responsive customer technical service center.	3.1 Products and Market 3.4 Supply Chain and Customer Services	GRI 416-1~2

Note: In accordance with GRI Standard requirements, the impact boundaries of GRI-specific topics and their relationship with CHP are described. The impact boundaries consider key stakeholders in the value chain. CHP's involvement in the impacts is categorized into three levels: whether CHP directly causes the impact, contributes to the impact together with other entities, or is directly linked to the impact through its business relationships.

Corporate Governance



Vision	Integrating new paper and pulp applications into everyday activities
Mission	Achieving balance and symbiosis between the environment and society
Business Philosophy	Increasing the value of circular economy and technology
Core Values	Integrity and a people-oriented, innovation-driven culture

About CHP

CHP was founded in 1968 and merged with the paper and cardboard department of YFY Inc. in October, 2012. The Company is committed to becoming a practitioner of net-zero and a circular economy leader. CHP currently owns/operates subsidiaries and factories in China (Guangdong Dingfung Pulp and Paper, which specializes in integrated paper and pulp manufacturing), Kaohsiung Jiutang (specialty papers), Hualien (integrated papers and pulp manufacturing), Taitung (recyclable eco-friendly papers), and Taoyuan Guanyin (special fiber materials). As a major paper/pulp manufacturer in Taiwan, the Company mainly engages in the production and sales of pulp, cardboard, printing paper, and specialty papers, as well as value-added products for food safety, health care, textiles, and computer, communication, and consumer electronics. We are also focused on developing the field of fiber materials by introducing biotechnologies and chemical modification technologies, and on improving our environmental practices so that eco-friendly pulp-making methods are adopted, energy is used more efficiently, and waste is more effectively recycled. CHP is a benchmark enterprise in Taiwan’s paper industry with the island’s most comprehensive, integrated line of forestry, pulp,

and paper mills. As an industry leader, we have embraced diversification to deliver outstanding business performance. We pledge to become a role model of near zero carbon emissions for others to emulate, and we will strive to fully realize our sustainability vision by adhering to the principles of integrity, upholding a people-oriented core value system, adopting ESG principles, and incorporating corporate governance, environmental, economic, and social (Human rights) aspects into our operations in accordance with the United Nations SDGs.

Chung Hwa Pulp Corporation	
Date of Establishment	July 5, 1968
Capital	NT\$11 billion
Operating Revenue	NT\$18.77 billion (2025)
Address	12F, No. 51, Chongqing S. Road Sec. 2, Taipei City
Chairperson	Kirk Hwang
General Manager and Spokesperson	Ray Chen, General Manager
Telephone	(02)2396-2998

GRI 2-1 / 2-2 / 2-6 / 2-9 / 2-28 / RR-PP-000.A / RR-PP-000.B

Production and Service Locations

Taiwan		China	
Location	Nature of Business	Location	Nature of Business
1 Hualien Paper Mill	Integrated Pulp and Paper Mill	8 Syntax Communication Shanghai Representative Office	Service Location
2 Kaohsiung Jiutang Paper Mill	Specialty Paper Mill	9 Shenzhen Jing Lun Paper Co., Ltd.	Service Location
3 Taitung Paper Mill	Recyclable Eco-Friendly Paper Mill	10 Syntax Communication (HK) Ltd.	Service Location
4 Guanyin Paper Mill	Non-Plastic Materials Production Base	11 Guangdong Dingfung Pulp & Paper Co., Ltd.	Integrated Pulp and Paper Mill
5 Taipei Branch	Service Location	12 Zhaoqing Dingfung Forestry Co., Ltd.	Reforestation and Afforestation
6 Taichung Branch	Service Location		
7 Tainan Branch	Service Location	13 Guizhou Yuanfung Forestry Co., Ltd.	Reforestation and Afforestation

Association Memberships

2025					
Association Memberships	member	management role	Association Memberships	member	management role
Taiwan Paper Industry Association	V	Director/Chairman	Kaohsiung Industrial Association	V	
Taiwan Technical Textile Association	V	Chairperson	Taichung Paper Commercial Association	V	
Taiwan Carbon Capture Storage and Utilization Association (TCCSUA)	V	Executive Director	Tainan Paper Commercial Association	V	
Taiwan Technical Association of the Pulp & Paper Industry	V	Director	Kaohsiung Paper Commercial Association	V	
Taiwan Institute for Sustainable Energy	V	Director	Taiwan Stock Affairs Association	V	
Taiwan Acid and Alkali Industries Association	V	Director/Supervisor	TUCA Taiwan-US Carbon Capture, Utilization, and Storage (CCUS) Industry Promotion Alliance	V	
Media Business Association of Taipei	V		Chinese National Association of Industry and Commerce	V	
Taipei Paper Commercial Association	V		Taiwan Regional Association of Adhesive Tape Manufacturers	V	

Overview of Affiliates

Name	Date of Establishment	Address	Paid-In Capital (NT\$ Thousand)	Main Business or Production Items
CHP INTERNATIONAL (BVI) CORP.	March 15, 1990	Citco Building, P.O.BOX 662, Road Town, Tortola, British Virgin Islands	US\$61,040	Investment
Hwafeng Investment Ltd.	February 4, 1994	12F, No. 51, Chongqing S. Road Sec. 2, Taipei City	NT\$66,000	Investment
Genovella Renewables Inc.	August 30, 2010	No. 100, Guanghua St, Ji'an Township, Hualien County	NT\$14,000	Fertilizer, retail sale of food products and groceries, growing of crops etc., refractory materials manufacturing, cement and concrete products manufacturing, wholesale and retail sale of building materials and refractory materials, manpower services, wholesale and retail sale of chemistry raw materials
Guangdong Ding fung Pulp and Paper Co., Ltd.	August 18, 2000	Shouyue Village, Nanjie Town, Guangning County, Zhaoqing City, Guangdong Province	US\$85,630	Production and sales of pulp, writing and printing paper, and wood-free paper
Zhaoqing Ding fung Pulp and Paper Co., Ltd.	April 1, 2006	Shouyue Village, Nanjie Town, Guangning County, Zhaoqing City, Guangdong Province	US\$21,880	Cultivation and sale of seedlings, afforestation, logging, and sale and processing of timber
Shenzhen Jing Lun Paper Co., Ltd.	June 24, 2008	Rm. 1705, 17F Tongxing Building, No. 5020, Binhe Boulevard, Futian District, Shenzhen City, Guangdong Province	RMB3,200	Paper sales and import/export of goods or technology
Syntax Communication (HK) Ltd.	May 31, 1985	Unit 16, 23/F., Metropole Square, 2 On Yiu Street, Shek Mun, Shotin, N.T., H.K.	HK\$34,088	Trade, printing, and sales of paper products, and management of paper and associated businesses
Zhaoqing Xinchuan Green Technology Ltd.	September 19, 2019	Shouyue Village, Nanjie Town, Guangning County, Zhaoqing City, Guangdong Province	RMB2,000	Environmental protection equipment and technology R&D; construction of wastewater, waste gas, noise, solid waste treatment facilities; solid waste treatment and water purification projects; installation and operation of environmental protection equipment; environmental technology consulting; sale of environmental protection equipment and chemical raw materials; import/export of goods and technology
Guizhou Yuanfung Forestry Co., Ltd.	December 3, 2021	Room 4, 1F, Zone B, Qiandao Lake Hotel, Wuxing Village, Longping Town, Luodian County, Qiannan Buyei and Miao Autonomous Prefecture, Guizhou	RMB50,000	Cultivation and sale of seedlings, afforestation, logging, and sale, processing, and transportation of timber and other forest products

Overview of Operations

In 2025, CHP recorded consolidated net revenue of approximately NT\$18.77 billion and a net loss attributable to owners of the Company of approximately NT\$610 million. Amid shifts in global policies, supply chains, and market demand, the Company continued to strengthen its operational resilience and adapt to evolving industry conditions.

Looking ahead to 2026, CHP will continue optimizing its green product portfolio and has invested NT\$3 billion in a new high-efficiency biomass energy recovery and power generation facility. This investment will enhance green power generation efficiency and advance the Company toward renewable energy self-sufficiency and zero emissions across the plant.

2025 Major Business Operation					2025	
	Produc-tion(MT)	Local (MT)	Export (MT)	Subtotal (MT)	Direct Economic Value (NT\$ thousands)	
Pulp	363,710	57,810	64,749	122,559	Operating revenue	18,766,991
Paper	371,726	189,088	231,379	420,467	Distributed Economic Value (NT\$ thousands)	
Pape board	110,758	111,810	28,062	139,872	Operating Costs ^{Note 1}	16,358,562
Note 1: The definition of operating costs in this table differs from that in the income statement of the annual report. In this table, employee salaries and benefits are listed separately, so the operating costs must exclude factory employee salaries.					Employee Compensation and Benefits	2,251,083
					Payments to Shareholders	327,873
					Payments to Government	2,626
					Community Investment	8,552
					Retained Economic Value (NT\$ thousands)	
					-181,705	

Item	2022	2023	2024	2025
Operating revenue (NT\$ thousands)	23,651,129	20,955,451	20,767,530	18,766,991
Number of Employees (people)	2,865	2,862	2,876	2,856
Sales per employee (NT\$ thousands)	8,307	7,312	7,221	6,571
Total assets (NT\$ thousands)	35,429,171	35,429,227	38,617,733	40,441,347
Current liabilities (NT\$ thousands)	6,343,318	14,362,527	16,058,702	17,573,778
Non-current liabilities (NT\$ thousands)	11,001,243	3,582,806	4,366,325	4,280,428
Equity attributable to shareholders of the parent (NT\$ thousands)	15,784,442	15,165,486	15,698,077	16,128,834
Equity Attributable To Former Owner Of Business Combination Under Common Control	-	-	-	-
Non-controlling interest	2,310,168	2,318,408	2,494,629	2,458,307
Capital Stock (in thousands)	11,028,353	11,028,353	11,028,353	11,028,353
Book Value per Share (NT\$ thousands)	14.52	13.95	14.44	14.62
Return on total assets (%)	1.89	-1.03	0	-0.93
Return on equity (%)	3.02	-3.12	-1.25	-3.42
Pre-tax income to capital (%)	4.94	-6.34	-2.78	-6.97
Profit Margin (%)	2.28	-2.65	-1.07	-3.36
Earnings per share,EPS (NT\$)	0.41	-0.53	-0.23	-0.56
Cash Dividend (NT\$)	0.3	-	-	0
Average Stock Price Per Share	18.96	22.40	21.99	13.31
Price-to-Book Ratio (P/B Ratio)	1.31	1.61	1.52	0.91

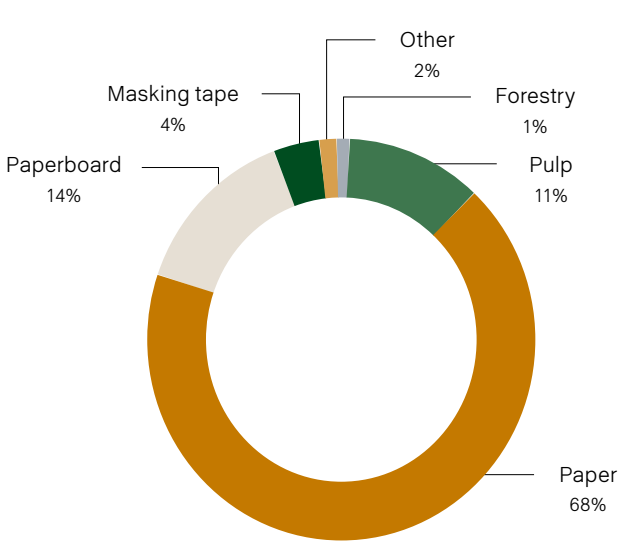
Overview of Affiliates

Unit: NT\$1,000

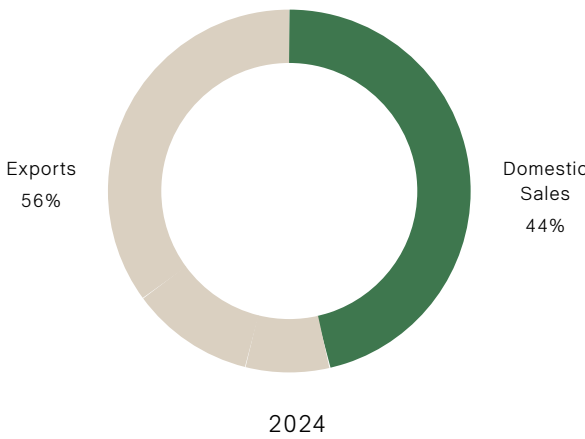
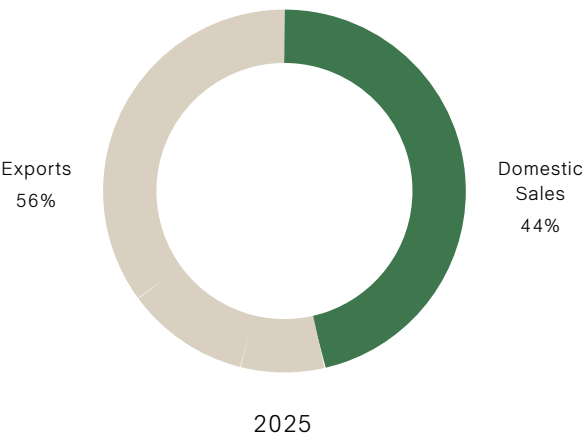
Major Divisions	Total Sales in Year 2025 (NT\$ thousands)	(%) of Total Sales
Forestry	96,919	0.52
Pulp	2,111,420	11.25
Paper	12,855,367	68.50
Paperboard	2,679,536	14.27
Masking tape	700,644	3.73
Other	323,105	1.72
Total	18,766,991	100.0

Operating Revenue in 2025

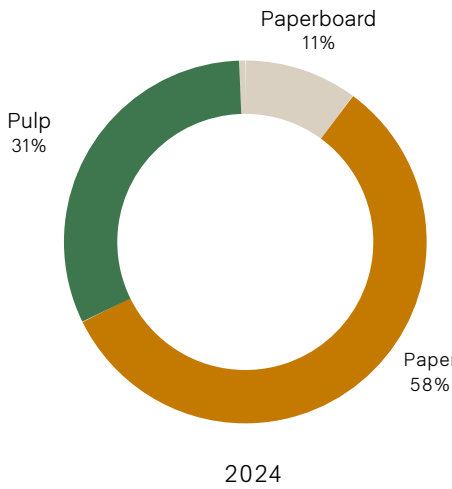
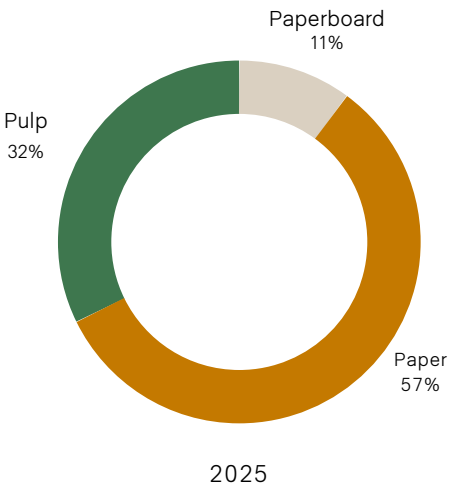
Unit: NT\$1,000



Domestic Sales/Exports in Past 2 Years



Output Distribution in Past 2 Years



Sustainability Economic Activities

To enhance sustainable operations and information disclosure, CHP conducted a preliminary self-assessment of its core business activities in accordance with the second edition of the Reference Guidelines for Sustainable Economic Activities issued by the Financial Supervisory Commission (FSC). The assessment reviewed the relevance of the company’s operations to environmental objectives such as climate change adaptation and mitigation, resource circulation, and pollution prevention. This evaluation was based on the six environmental objectives and recognition principles outlined in the guidelines, aiming to determine whether CHP’s operational activities meet the basic criteria of “substantial contribution to environmental goals” and “no significant harm to other objectives.”

Taking into account its current operations, process characteristics, and product applications, CHP identified three activities that have positive sustainability impacts. For areas that do not yet fully meet the guideline criteria, the company has proposed future improvement directions and promotion strategies. The preliminary assessment results are disclosed in this report as a foundation for advancing green transformation and strengthening sustainability governance in the future.

Primary Economic Activity	Papermaking	Lignin-Based Renewable Energy Generation	By-product Circular Economy
Share of Total Revenue in the Past Year	>98%	<1%	<1%
Category under the Guidelines for Sustainable Economic Activities	General Economic Activity (Manufacturing)	Enabling Economic Activity (Renewable Energy Generation)	General Economic Activity (Waste Reuse)
Compliance with the Guidelines			
Criterion 1: Substantial Contribution to Environmental Objectives	Partially Aligned (Climate Change Mitigation) The unit GHG emissions of pulp, paperboard, printing & writing paper, and specialty paper products produced in Taiwan partially meet the technical screening criteria.	Aligned (Climate Change Mitigation) Investment in renewable energy generation equipment as defined in the Renewable Energy Development Act. Activities that support the development of technologies or solutions contributing to any of the six environmental objectives can be considered as having substantial contribution.	Aligned (Transition to Circular Economy) Reutilization of industrial waste into organic fertilizers, alternative fuels, and sustainable construction materials.
Criterion 2: No Significant Harm to Other Environmental Objectives	Aligned No major violations or penalties related to environmental regulations.		Aligned No major violations or penalties related to environmental regulations.
Criterion 3: No Significant Harm to Social Safeguards	Aligned No major violations or penalties related to labor, human rights, or social regulations.		Aligned No major violations or penalties related to labor, human rights, or social regulations.
Transition Plan in Place?	Yes	Yes	Yes
Overall Sustainability Assessment	In Transition	Aligned, but with limited revenue contribution	Aligned, but with limited revenue contribution
Future Improvement Directions and Strategies	1. Measure energy consumption and carbon emissions across all product lines 2. Implement voluntary emission reduction plans 3. Expand adoption of smart papermaking technologies	1. Increase installed capacity of renewable energy systems 2. Establish green syndicated loan financing	1. Enhance brand awareness 2. Invest in new equipment and apply for government subsidy programs to boost revenue

Board of Directors

GRI 2-9~2-13 / 2-15 / 2-17~2-20

Chung Hwa Pulp Corporation (CHP) is committed to conducting business with integrity and transparency while safeguarding the rights and interests of shareholders and stakeholders. CHP believes that a sound and effective Board of Directors is fundamental to good corporate governance and sustainable operations.

Accordingly, the Board has established and delegated responsibilities to the Audit Committee, Remuneration Committee, and Sustainable Development Committee. Each committee assists the Board in fulfilling its duties, and its chairperson regularly reports the committee’s activities and resolutions to the Board. In addition, the internally established Business Development and Strategy Committee strengthens short- and long-term business planning, ensuring that major decisions support both operational resilience and the Company’s sustainability vision.

Organizational Structure

The Board of Directors is CHP’s highest governance body for economic, environmental, and human rights strategies and is chaired by the Chairperson. All Board members completed the required sustainability-related training within the prescribed period. The courses covered corporate sustainability management and the formulation of sustainability goals and strategies, strengthening the Board’s ability to discuss, define, and respond to material topics. Details of the training are disclosed on p. 28 of the 2025 Annual Report and are relevant to the material topics of Regulatory Compliance and Biodiversity. The Board’s key functions and responsibilities include:

- Risk Identification and Management Strategies: Guides the identification and management of strategic, operational, financial, hazard-related, and other potential risks, and promotes the integration of proactive and cost-effective risk management mechanisms.
- Regulatory Compliance and Sustainability Oversight: Establishes internal policies and management systems, oversees business performance, and regularly reviews and approves key information disclosed in the Sustainability Report.
- Long-term Development and Corporate Culture: Sets the Company’s long-term strategic direction, shapes its corporate culture, and cultivates senior management talent.
- Professional Oversight and Guidance: Leverages the expertise of its functional committees and the Business Development and Strategy Committee to facilitate in-depth discussion and guidance on major matters, including business plans, material asset transactions, and sustainable development, ensuring that decisions balance operational resilience with long-term sustainability value.

Board diversity

CHP adopts a candidate nomination system for the election of directors based on the principles of fairness, impartiality, and transparency. In accordance with the Procedures for Election of Directors and the Corporate Governance Best Practice Principles, the selection process considers diversity, independence, and cross-disciplinary expertise. The ability to oversee ESG impacts has not yet been formally incorporated into the nomination and selection criteria.

The election of the 20th-term Board was completed on June 1, 2025. Accordingly, the Board’s composition changed from six men and one woman in the first half of 2025 to five men and two women in the second half. CHP will continue to advance gender equality in Board composition and aims for women to account for one-third of director nominees in the coming year.

Board Composition and Diversity

In 2025, the Board held six meetings, with an overall attendance rate of 100%. CHP’s Board comprises four directors and three independent directors, including senior executives, university professors, directors of listed companies, and executives from renowned multinational corporations.

Their professional backgrounds are relevant to the material topics identified in this Report, including energy management, greenhouse gas management, corporate governance, green products, and the circular economy. Among the directors, Director Kirk Hwang specializes in materials research, development, and innovation; Director Huey-Ching Yeh possesses extensive public-sector expertise in energy policy and carbon management; and Directors Guu-Fong Lin and Ray Chen have extensive experience in the pulp and paper industry.

Among the independent directors, Independent Director Shun-Chin Lee specializes in occupational safety technologies and policy communication, with expertise in energy self-sufficiency and energy innovation. Independent Director Wan-Yu Liu specializes in environmental issues such as climate

change and the agricultural and forestry circular economy, while Independent Director I-Son Ng has expertise in the circular economy and carbon neutrality. The Board also includes representatives of stakeholder groups, including employees and shareholders/investors.

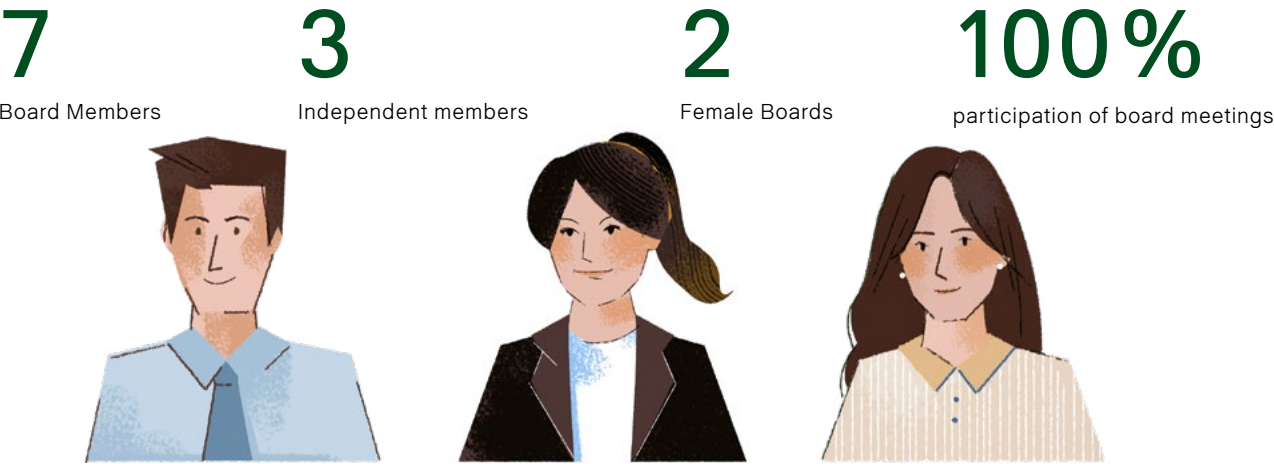
The current Board is characterized by its strong representation of professional managers, independent directors accounting for over 40% of its members, and increased participation of women in decision-making.

Drawing on its members’ extensive academic and professional experience, the Board contributes valuable insights to major business decisions and long-term development strategies. Supported by the Audit Committee, Remuneration Committee, and Sustainable Development Committee, the Board broadens the scope and effectiveness of its oversight through professional specialization and dedicated meeting arrangements. By deepening its understanding of the Company and expanding its participation in business operations, the Board seeks to strengthen corporate governance and establish CHP as an industry benchmark.

Members of the Board of Directors

Diversification Name	Gender	Age			Accounting and financial analysis	Transnational operations	Paper industry	Material research and development	Risk management
		< 50 years old	50-70 years old	70 and above					
Kirk Hwang	Male			V	V	V	V	V	V
Huey-Ching Yeh	Male		V		※	-	-	-	V
Guu-Fong Lin	Male			V	V	V	V	-	V
Ray Chen	Male		V		※	V	V	※	V
Wan-Yu Liu	Female	V			V	-	V	-	V
Shun-Chin Lee	Male			V	V	V	-	-	V
I-Son Ng	Female		V		-	-	-	-	V

1: ※Indicates partial capability
2: The Chairperson and the President of the Company are not the same person.



Conflict-of-Interest Recusal

Certain directors also serve on the boards of other companies engaged in businesses related or similar to those of CHP. For details, please refer to pp. 8–9 of CHP’s 2025 Annual Report. Following review, these concurrent positions were determined not to interfere with the directors’ performance of their duties. The Board submits proposals to the shareholders’ meeting for approval to release the relevant directors and the corporate shareholders they represent from non-compete restrictions, thereby addressing potential competition and conflicts of interest.

Where a director or the corporate shareholder they represent has an interest in a Board agenda item that may conflict with the interests of the Company, the director shall recuse themselves from both discussion and voting. Information on cross-shareholdings with other stakeholders, controlling shareholders, and related parties is disclosed on pp. 53–55 of the 2025 Annual Report. Details of related-party transactions and outstanding balances are available in the Related-Party Transactions section.

Board Performance Evaluation

To strengthen corporate governance and enhance Board effectiveness, CHP adopted the Regulations Governing Board Performance Evaluations at the third meeting of the 18th-term Board on November 13, 2019, which were subsequently amended on November 12, 2020. The 2025 Board performance evaluation was conducted by an external evaluator. The evaluation process comprised a review of relevant documents provided by the Company, director self-assessment questionnaires, and on-site interviews, culminating in a comprehensive performance evaluation report. The complete evaluation results were presented to the Board on March 13, 2026.

The overall performance of the Board and its functional committees in 2025 received near-perfect scores across all five evaluation dimensions, based on a five-point scale. The results reflect the Board’s diverse and well-balanced composition, with members contributing a broad range of professional expertise. The Board, Audit Committee, Remuneration Committee, and Sustainable Development Committee convene regularly, with all directors and independent directors demonstrating a high level of engagement. Board members also undertake continuing education to stay informed of the latest developments, enhance their responsiveness, and effectively fulfill their oversight responsibilities. The ability to oversee ESG impacts has not yet been incorporated into the evaluation criteria. The detailed evaluation dimensions are presented in the table below.

Evaluation Scope	Evaluation Factors	Evaluation Results
Board of Directors	A. Board composition and professional development	4.74
	B. Quality of Board decision-making	4.88
	C. Effectiveness of Board operations	4.93
	D. Internal control and risk management	4.90
	E. Board participation in corporate social responsibility	4.94
Functional Committees	A. Participation in the Company’s operations	5.00
	B. Understanding of functional committee duties	5.00
	C. Enhancement of decision-making quality	4.94
	D. Composition and selection of functional committee members	5.00
	E. Internal control	5.00

Board Functional Committees

CHP remains committed to enhancing corporate governance and ensuring that financial information is transparent, timely, and equally accessible. To strengthen organizational operations, the Board has established the “Audit Committee,” “Remuneration Committee,” and “Sustainable Development Committee.” In addition, the Company has internally established the Business Development and Strategy Committee outside the Board structure to further enhance its corporate governance practices.



Audit Committee

At the Annual General Meeting held on June 17, 2025, the Company elected three independent directors and established the Audit Committee in accordance with the Securities and Exchange Act to assume the responsibilities previously performed by supervisors. Under CHP’s Audit Committee Charter, the Committee convenes at least once every quarter. The Audit Committee assists the Board in reviewing matters related to the Company’s financial statements, internal control systems, internal audit activities, accounting policies and procedures, material asset transactions, appointment of independent auditors, and appointment or dismissal of the officers responsible for finance, accounting, and internal audit. Through these responsibilities, the Committee helps ensure that the Company’s operations comply with applicable laws, regulations, and professional practices.

Effective internal control and audit systems are fundamental to sound corporate governance. To maintain effective risk management and financial and operational controls, the Audit Committee regularly receives and reviews reports from the internal audit function. It also periodically evaluates the independence of the independent auditors to uphold integrity and transparency in accounting, auditing, and financial reporting. The Audit Committee held 4 meetings in 2025, with an attendance rate of 100% among its independent directors.

Key Focus Areas of the Audit Committee in 2025

Reviewed the 2024 financial statements audited by the independent auditors of PricewaterhouseCoopers Taiwan, together with the accompanying audit report.	Reviewed the effectiveness of the Company’s internal control systems, including financial, operational, risk management, information security, legal and regulatory compliance, and sustainability-related controls.	Approved the remuneration and appointment of the independent auditors responsible for auditing the Company’s financial statements.
Assessed the independence and suitability of the Company’s independent auditors.	Approved amendments to certain provisions of the Company’s Operating Procedures for the Preparation and Assurance of Sustainability Reports.	Approved amendments to certain provisions of the Company’s internal control procedures for the payroll cycle.
Approved the sale of all of Lot No. 18-7 and part of Lot No. 18-3, Subsection 5, Industrial Park Section, Guanyin District, Taoyuan City, to E Ink Holdings Inc. to accelerate asset revitalization and strengthen the Company’s financial structure.	Approved the termination agreement for the land lease between the Company and E Ink Holdings Inc.	Approved the lease of all Company-owned buildings and part of the vacant land located at Lot No. 18-3, Subsection 5, Industrial Park Section, Guanyin District, Taoyuan City, to E Ink Holdings Inc. to generate additional rental income.

Remuneration Committee

The committee consists of three independent members chosen for their ability to maintain the objectivity, professionalism, and fairness of the committee while avoiding any conflicts of interest with the company. The Remuneration Committee is responsible for reviewing the performance and remuneration policies and system of directors, senior executives, and managers, as well as employee incentives and bonuses.

Under CHP’s Remuneration Committee Charter, the Committee shall convene at least twice a year. In 2025, the Committee held two meetings, with an attendance rate of 100%. The Committee regularly reviews remuneration policies and plans to ensure that the Company can attract, motivate, and retain the pro-

fessional talent required for its operations and development. As authorized by the Board, the Committee annually reviews and approves matters relating to directors’ remuneration. Remuneration is allocated based on each director’s responsibilities, independence, and additional duties, such as serving as the chairperson of a functional committee. The allocation is reviewed by the Remuneration Committee and is subject to approval by the Board. CHP periodically reviews its remuneration allocation policy in consideration of the overall business environment, operating performance, and development strategies.

Key Activities of the Remuneration Committee in 2025		
Allocation of directors remuneration	Distribution of employee remuneration	Review of remuneration for key managerial personnel

Remuneration Policy

Guided by its people-oriented philosophy, CHP’s remuneration and incentive framework focuses on attracting, retaining, developing, and motivating talent. The Company is committed to establishing an incentive system that is market-competitive, internally equitable, and closely aligned with business performance. CHP believes that sharing business achievements with employees and management effectively supports stable organizational growth.

The Remuneration Committee, as authorized by the Board, regularly reviews the Company’s remuneration policy by considering industry benchmarks, achievement of corporate objectives, and the responsibilities and risks associated with each position. This approach aligns remuneration with business performance and long-term corporate value while maintaining sound risk controls, thereby supporting the Company’s sustainable operations.

Employee, Director, and Supervisor Remuneration

CHP’s remuneration system is founded on sharing business achievements and promoting sustainable operations. Under Article 31 of the Company’s Articles of Incorporation, if the Company generates a profit in a given year, at least 1% shall be allocated as employee remuneration and no more than 2% as directors’ remuneration. If the Company has accumulated losses, an amount shall first be reserved to offset such losses.

Directors’ remuneration may only be paid in cash, while employee remuneration may be distributed in cash or shares. Eligible recipients may include employees of subsidiaries who meet the criteria established by the Board. The allocation ratios and methods must be approved by a resolution adopted by a majority of the directors present at a Board meeting attended by at least two-thirds of all directors and subsequently reported to the shareholders’ meeting.



2025 CHP Annual General Meeting



Remuneration of Directors and Senior Executives

Under CHP’s Remuneration Committee Charter, the performance evaluation and remuneration of directors and managerial officers shall take into account prevailing industry standards, individual performance, the Company’s operating performance, and the reasonableness of their relationship with future risks.

Remuneration includes cash compensation, share options, profit-sharing in the form of shares, retirement benefits or severance payments, allowances, and other substantive incentive measures. Its scope is consistent with the provisions governing the remuneration of directors and managerial officers under the Regulations Governing Information to be published in Annual Reports of Public.

Remuneration structure of the highest governance body

	Salary	Transportation Allowance	Severance Pay	Pension / Retirement / Termination Benefits	Other Incentive Plans
Regular Directors	Variable remuneration (linked to Company performance; total director compensation doesn't exceed 2% of pre-tax net income)	V	-	-	-
Independent Directors	Fixed remuneration	V	-	-	-
Senior Management	Fixed and variable remuneration (linked to Company performance)	-	In accordance with the Labor Standards Act	In accordance with the Labor Standards Act	Employee Bonus Distribution and Stock Options (ESOs)

Note1: Not yet linked to ESG impact oversight performance.
Note2: "-" indicates not provided or not applicable.

CHP Manager Performance Evaluation Criteria

CHP closely aligns the performance evaluation of senior executives with the Company’s medium- and long-term development goals. The evaluation framework comprises financial and non-financial metrics, ensuring that the remuneration mechanism reflects not only current profitability but also promotes long-term competitiveness and environmental and social value.

Category	Key Performance Indicator	Details and Alignment with Objectives
Financial Indicators	Operating Performance	Evaluates core profitability and capital efficiency, with the objective of maintaining sound cash flow and profitability.
	Profit Contribution	Promotes the transition toward high-value-added products and effective cost management. Measures each business unit's contribution to overall profitability while improving processes, reducing waste and operating costs, and increasing output value per unit of resources invested.
	Achievement of Operating Targets	Links strategy execution with organizational resilience, ensuring that the Company can effectively implement its operating strategies amid market fluctuations.
	Operating Growth Rate	Tracks market competitiveness and supports the Company's continued expansion and influence within the green and circular economy.
Non-Financial Indicators	Environmental (E): Emissions Reduction and Energy Efficiency	Evaluates the use of low-carbon alternative energy, water conservation performance, and circular economy benefits.
	Social (S): Occupational Safety and Employee Well-being	Focuses on preventing workplace accidents and occupational injuries, while assessing community relations and the effectiveness of social engagement to promote shared prosperity with local communities.
	Governance (G): Regulatory Compliance and Governance Resilience	Ensures that operating processes comply with the latest domestic and international regulations and standards, such as IFRS, while strengthening the implementation of internal controls and risk management systems.

Remuneration of the President and Vice Presidents

Unit: NT\$1,000

Title	shareholding	Salary(A)	Severance Pay (B)	Bonuses and Allowances (C) (Note 1)	Employee Compensation (D) (Note 2)	Ratio of total compensation (A+B+C+D) to net income (%)	Remuneration from ventures other than subsidiaries or from the parent company
	number of shares	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	Companies in the consolidated financial statements	
General Manager	45	9,229	216	11,126	0	20,571 (8.21%)	0
CFO	49,132						
CTO for Advanced Materials	-						

Note 1: Includes expenses related to vehicle rental, amounting to approximately NT\$858 thousand.
Note 2: Refers to the figures approved by the Board of Directors on March 13, 2026.
Note 3: Income from the conversion of treasury shares into stock options in 2025 is not included in the remuneration statistics.

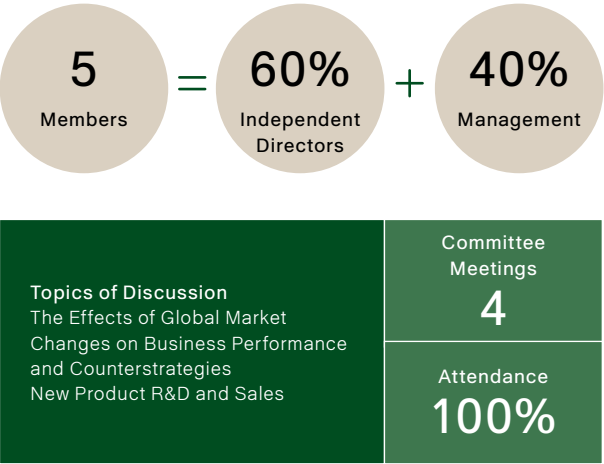
Long-Term Incentive and Remuneration Mechanisms

To create shared long-term value and foster stable partnerships with employees, CHP adopts a multi-level incentive framework that closely aligns individual goals with the Company's long-term development:

Transfer of Treasury Shares to Employees	Multi-Dimensional Long-Term Incentives	Transparent Career Development Pathways	Stable Benefits and Employee Protection
CHP periodically implements share repurchase programs and transfers the repurchased shares to employees. By enabling employees to become shareholders, the program allows them to directly share in the Company's operating achievements.	Under the Company's Articles of Incorporation, when the Company generates an annual profit, at least 1% shall be allocated as employee remuneration. This mechanism ensures that employees' contributions are directly reflected in tangible rewards.	CHP has established a fair and transparent promotion mechanism. Vacancies are filled by prioritizing internal promotions or cross-departmental transfers, encouraging employees to build long-term careers and pursue continuous development within the organization.	CHP strictly complies with labor laws and provides comprehensive retirement contributions, insurance coverage, and statutory employee benefits, creating a secure and supportive working environment.

Business Development and Strategy Committee

CHP established the Business Development and Strategy Committee on October 19, 2020 to strengthen the company's short-, medium-, and long-term business development strategies and improve business performance. The committee consists of three independent directors and executives, with Chairperson Kirk Hwang as convener. The committee convenes four regular meetings every year, during which progress and performance reports are presented by various task forces. Employees are invited to the meeting as necessary. In 2025, 4 committee meetings were held, and the attendance rate was 100%.



ESG Committee

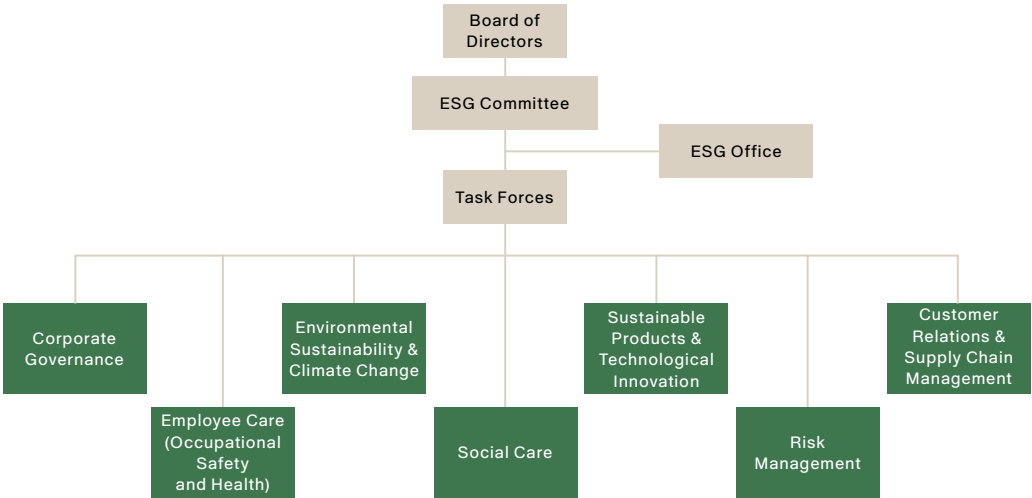
The ESG Committee is CHP's highest-level internal sustainability governance body. In 2023, at the eighth meeting of the 19th-term Board, the Board approved the establishment of the ESG Committee and formally adopted the ESG Committee Charter, which clearly defines the Committee's composition, responsibilities, and meeting procedures.

Chairperson Kirk Hwang was elected by the directors to chair the Committee. The Committee comprises five members, including three independent directors and two directors, reflecting the Board's strong commitment to and active involvement in sustainability matters. Its core responsibilities include formulating environmental sustainability policies, planning and implementing resource reuse initiatives, and regularly reporting sustainability performance to the Board.

Dedicated Unit and Seven Task Forces

Seven task forces have been established under the ESG Committee: Environmental Sustainability and Climate Change, Sustainable Products and Technological Innovation, Corporate Governance, Customer Relations and Supply Chain Management, Employee Care, Social Care, and Risk Management. Each task force is led by the senior executive responsible for the relevant function, while the ESG Office serves as the Executive Secretary, facilitating cross-functional communication and coordinating the implementation of sustainability initiatives.

To enhance the reliability of sustainability disclosures, CHP formally incorporated its sustainability report preparation procedures into its internal control system in 2023. The ESG Office is responsible for ensuring that the Report's scope, reporting period, and reporting standards comply with applicable international standards and regulatory requirements.



Note: On November 6 and November 8, 2018, the "Corporate Sustainability and Social Responsibility Code" was approved by the Audit Committee and the Board of Directors, respectively, as a guideline for promoting corporate social responsibility and sustainability-related matters. In response to the Financial Supervisory Commission's "Corporate Governance 3.0 Sustainable Development Road Map," CHP renamed the "CSR Office" to the "ESG Office."

2025 ESG Committee Implementation Summary

The ESG Committee held three meetings in 2025, with an attendance rate of 100% among all members. The meetings focused on strengthening environmental governance resilience and alignment with regulatory requirements. Key agenda items included:

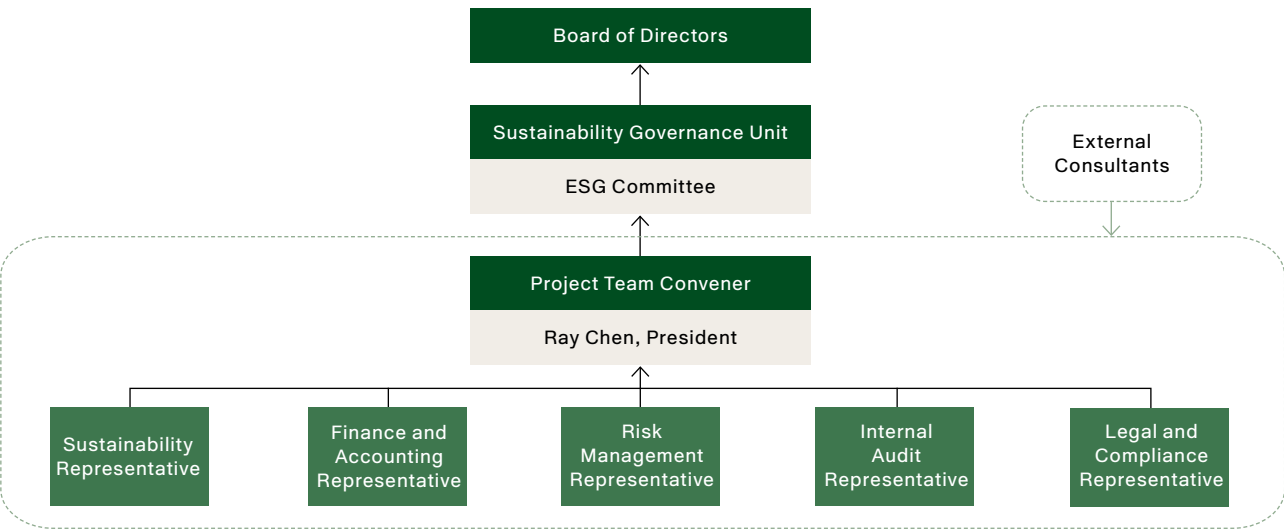
- Progress on greenhouse gas inventory and verification schedules.
- Preparation of the 2024 Sustainability Report.
- Stakeholder engagement and material topics.
- Establishment and tracking of sustainability targets.
- Changes to the heads of the ESG Committee's task forces.
- Updates on major international ESG ratings.
- Amendments to the Company's Operating Procedures for the Preparation and Assurance of Sustainability Reports.
- Performance evaluation of the ESG Committee.
- Reports from the ESG Committee's task forces.



Adoption of International Financial Reporting Standards S1 and S2

To ensure the successful adoption of IFRS S1 and S2 in compliance with regulatory requirements and to enhance corporate information transparency, CHP follows the roadmap for aligning with IFRS Sustainability Disclosure Standards announced by the Financial Supervisory Commission (FSC) on August 17, 2023. According to the FSC’s designated path for listed companies, as outlined in the “IFRS Sustainability Disclosure Standards Section,” CHP—classified as a listed company with paid-in capital exceeding NT\$10 billion, is required to adopt IFRS S1 and S2 beginning in the 2026 fiscal year. In addition, referring to the sample plan announced by the Taiwan Stock Exchange on July 3, 2024, titled “International Financial Reporting Standards (IFRS) Implementation Plan for ‰ Company”, CHP has formed a cross-departmental task force responsible for driving the adoption of IFRS S1 and S2. The task force has also developed an implementation roadmap and timeline. The implementation progress is to be reported to the Board of Directors at least on a quarterly basis for oversight.

Members of the IFRS



IFRS Planning and Implementation Plan

Goals and Expectations: In accordance with Taiwan Stock Exchange regulations, CHP aims to advance the implementation of IFRS S1 and S2 by completing the identification of material risks and opportunities as well as the collection of relevant financial information. Scope: CHP Corporation and subsidiaries within the consolidated financial reporting boundary.				
Implementation Phase	Analysis & Planning	Design & Execution	Implementation	Adjustment & Optimization
Planned Schedule	Q4 2024 to Q2 2025	Q2 2025 to Q1 2026	Q2 2026 to Q4 2026	From Q1 2027 onward
Implementation Progress	Completed	Completed	In Progress	In Progress
Execution focus	1. Establish a cross-departmental IFRS task force 2. Conduct a preliminary gap analysis between current sustainability disclosures and IFRS requirements 3. Consult with external advisors	1. Host material sustainability risk and opportunity identification workshops 2. Build and revise internal processes including financial and non-financial reporting, information systems, supply chain management, internal control mechanisms, and departmental operations	1. Draft trial versions of the sustainability disclosure section 2. Update or create relevant operation manuals	Disclose IFRS information in the sustainability chapter of the 2026 annual report
Expected Key Deliverables	1. Task force formation, role assignments, and meeting records 2. Gap analysis and recommended adjustments 3. Implementation roadmap	1. Identification of material sustainability-related risks, opportunities, and value chain boundaries; financial impact analysis 2. Written records of internal workflow revisions and meetings	1. Initial draft of the sustainability disclosure section 2. IFRS-related internal control manuals and training plans with progress updates	Public disclosure and submission of the sustainability chapter alongside the 2026 financial statements

Auditing System

The Audit Office is responsible for the auditing of all financial, business, and other operational and management systems. Apart from routine audits carried out in accordance with annual auditing plans, other special audits are also performed as needed. This is to ensure that any possible deficiencies in the company’s internal control system can be identified immediately to facilitate the proposal of recommendations for improvements. Implementation status or results are regularly reported to the Board of Directors and the Audit Committee.

The Audit Office checks whether the relevant units are in compliance with laws and regulations and meet the competent authority’s corporate governance requirements and expectations. The Audit Office is also charged with urging internal departments to improve their management systems; assisting with the establishment of systematic and preventive controls; reviewing and streamlining operating procedures to set control points and integrate control mechanisms into operational processes; and improving processes to optimize and enhance the operational efficiency of the organization.

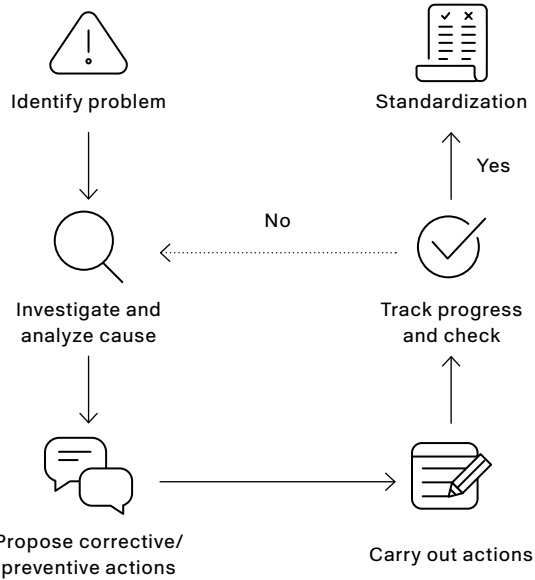
The management and operating system is used to develop working papers, integrate auditing methods, and implement special audits and risk audit mechanisms. The purpose of these systems is to ensure the quality of audits, including risk auditing, improved sampling models and computer assisted auditing techniques, the optimization and feasibility of improvement recommendations, and the reasonableness of improvement completion dates. The system is independent of all other systems, allowing management to obtain complete transparency for company-level problems and to establish preventive system controls to support the implementation of system projects.

All internal departments and subsidiaries of CHP perform self-assessments at least once a year. Relevant units check system operations to identify any problems or instances of human error. The units being audited are required to take corrective and preventive action and implement improvement measures. The Audit Office tracks progress, and the results are organized and compiled into a report that is presented to senior executives to keep them informed of current system operations and the appropriateness and effectiveness of the systems. This entire internal audit procedure ensures that our environmental management systems are continuously effective. Each unit is given guidance on operations and the law, and related operations are coordinated so as to achieve company goals and increased profits.

CHP’s internal audit department regularly audits the compliance of the Company and our vendors, suppliers, and customers with relevant laws and regulations. The department also assists the Board of Directors and management in inspecting the company’s internal control system and reviewing the adequacy of its design and its operational effectiveness to ensure that:

- Financial, managerial, and operating information is accurate, reliable, and timely
- Legislative or regulatory issues impacting the company are recognized and addressed properly
- Employee’s actions are in compliance with policies, standards, procedures, and applicable laws and regulations
- Resources are acquired economically, used efficiently, and adequately protected.

Emphasis on Preventive Measures



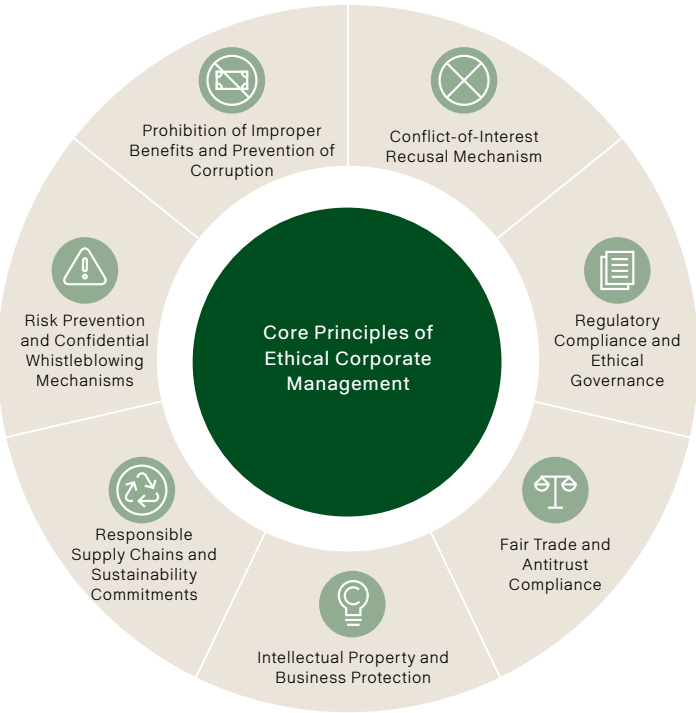
Operations and Governance

GRI 2-16 / 2-25~27

Implementing Ethical Corporate Management

CHP has consistently upheld the core principle of conducting business with integrity and has embedded ethical practices into its governance systems. Since 2018, the Board has adopted the Corporate Governance Best Practice Principles and the Ethical Corporate Management Best Practice Principles. These policies explicitly prohibit the acceptance of improper benefits and all forms of direct or indirect bribery, while establishing requirements for conflict-of-interest recusal and the prevention of anti-competitive conduct.

Related requirements are also incorporated into the Company's internal policies and documents, including the Employee Code of Conduct, employment agreements, the Integrity, Confidentiality and Intellectual Property Agreement, the Undertaking to Prevent Insider Trading, and the Rules of Procedure for Board Meetings. Together, these mechanisms establish a comprehensive ethical framework that strictly prohibits corruption, bribery, and insider trading.



I. Embedding a Culture of Ethical Governance and Oversight

CHP has established the Ethical Corporate Management Best Practice Principles in accordance with applicable laws and formed an Ethical Corporate Management Task Force, creating a governance framework directly overseen by the Board. To ensure clear accountability and impartial decision-making, the Board strictly implements its conflict-of-interest recusal mechanism. When an agenda item involves a director's personal interests, the director concerned proactively recuses themselves from voting. Ethical corporate management is also fully integrated into the Company's internal control system. The internal audit function conducts regular audits, with employee integrity incorporated as a key audit principle. Through independent oversight, CHP maintains a robust ethical governance framework.

II. Zero Tolerance: Anti-Corruption, Anti-Bribery, and Fair Competition

CHP adopts a zero-tolerance policy toward corruption, bribery, and unfair competition, extending its commitment to ethical conduct across the organization and to its business partners. All employees receive communication on the Employee Code of Conduct and sign the associated compliance undertaking. To manage operational risks, CHP regularly conducts corruption risk assessments covering 100% of its operating sites. No material violations occurred in 2025. In addition, all new suppliers and business partners are required to sign an Integrity Transaction Commitment and are informed of the Company's anti-corruption policies. Ethical requirements are incorporated into procurement contracts to prevent improper benefits throughout the value chain and uphold fair market practices.

III. Information Governance: Protection of Trade Secrets and Privacy

To maintain business trust and safeguard stakeholder rights, CHP regards information security and privacy protection as integral components of corporate governance. In addition to complying with the Personal Data Protection Act, the Company requires employees to sign the Integrity, Confidentiality and Intellectual Property Agreement and enters into confidentiality agreements where appropriate, thereby establishing comprehensive safeguards for trade secrets. Beyond legal compliance, CHP continues to strengthen data access controls through its internal management mechanisms and regularly provides awareness programs on business ethics and information security. These efforts embed the protection of confidential information and respect for privacy into employees' everyday conduct.

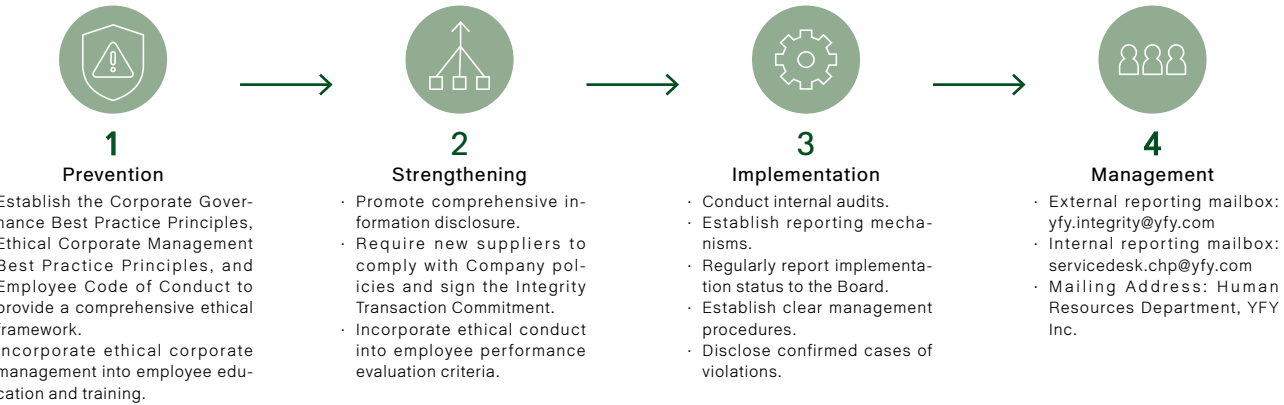
Regulatory Compliance

Compliance with applicable laws and regulations is a fundamental principle of CHP's operations. The Company continuously assesses the potential impacts of domestic and international regulatory developments on its operations and strengthens compliance through education, training, and whistleblowing mechanisms. All employees receive communication on CHP's core values and compliance systems. In addition to issuing guidance on key ethical conduct issues, CHP requires stakeholders—including suppliers, contractors, and other business partners—to adhere to the same ethical standards applicable to the Company's managerial officers and employees. In 2025, CHP recorded no material violations, with zero cases

involving either monetary or non-monetary sanctions. Details of environmental and labor-related fines are provided on pp. 64 and 68 of the CHP 2025 Annual Report.

Year	Total Number of Violations	Total Amount of Fines (NTD)
2025	11	2,205
2024	18	2,363

* For monetary penalties, a single fine of NT\$1 million or more is considered a major violation. For non-monetary penalties, actions such as government-ordered suspension of operations, business closure, or revocation of pollution-related permits are considered major violations.
* The disclosure scope covers Taiwan operations only.



Education, Training, and Awareness

Through a systematic training framework, CHP provides relevant courses and awareness programs to embed a strong understanding of ethical corporate management from the beginning of employment. In 2025, the Company continued to invest resources in three key areas: ethical corporate management, regulatory compliance, and information security. Ethical corporate management training reached 1,361 participants and totaled 1,361 training hours. Regulatory compliance courses, featuring in-depth professional and practical content, totaled 1,848 training hours, strengthening employees' knowledge of and sensitivity to legal and regulatory requirements. CHP also provided specialized training on key risks such as information security, enabling employees to accurately identify potential risks arising from business operations.

2025 Training Outcomes Related to Ethical Corporate Management		
Topic	Ethical Corporate Management	Regulatory Compliance
Total Participants	1,361	574
Total Training Hours	1,361	1,848

Comprehensive Reporting Mechanisms and Whistleblower Protection

To ensure the timely detection and prevention of misconduct, CHP has established comprehensive miscon-

duct reporting mechanisms that provide multiple reporting and grievance channels for internal and external stakeholders. The Company also implements rigorous whistleblower protection measures. Employees who report suspected violations or participate in investigations are fully protected, and any form of retaliation, discrimination, or unfair treatment is strictly prohibited.

Upon becoming aware of a potential violation of its codes or policies, CHP forms a dedicated investigation team to review the matter. Where a violation is substantiated, the Company takes disciplinary action or pursues legal liability in accordance with applicable requirements. No material incidents occurred in 2025.

Information Disclosure

CHP complies with all applicable laws and regulations, the Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, and the Procedures for Press Conferences Concerning Material Information of Listed Companies. The Company's Chairman discloses material information on MOPS and on the company's website to increase information transparency. Investor conferences are held at least once every quarter. Pursuant to law, relevant information is disclosed on the company's website-News Center (Latest News, Press Releases, and Material Information) for investors to access In 2025, 27 items of (material information) were published.



Risk Management

GRI2-25 / RR-PP-140a.2

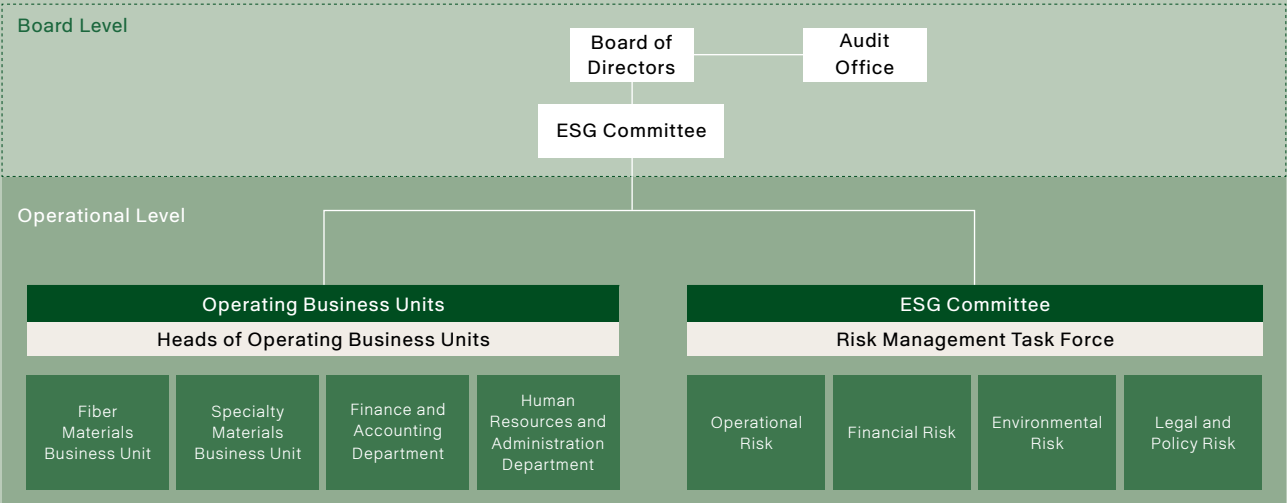


CHP regards risk management as a cornerstone of sound and stable operations and has established a comprehensive risk management framework extending from the Board to the operational level. In addition to formulating management procedures in accordance with applicable laws and regulations, the Company has developed its Risk Management Policy and Procedures, which are scheduled to be submitted to the Board for approval in November. This policy will further institutionalize risk management and strengthen risk identification across environmental, social (human rights) and corporate governance dimensions.

In response to global climate change, CHP established its climate-related financial disclosure framework in alignment with the TCFD recommendations in 2023. At the annual business management meeting, the Chairperson and President incorporate climate-related risks into the Company’s long-term strategic planning to strengthen organizational resilience against external challenges. To align proactively with international sustainability disclosure standards, CHP began implementing the IFRS Sustainability Disclosure Standards in 2025 in accordance with the implementation roadmap issued by Taiwan’s Financial Supervisory Commission. Through more transparent and quantitative disclosures, the Company seeks to strengthen its resilience to climate-related impacts. The relevant information is scheduled to be publicly disclosed in CHP’s Annual Report beginning in 2027.

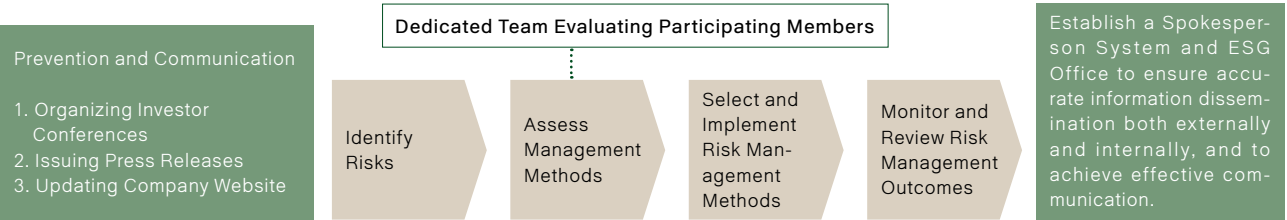
Risk Management Organizational Structure

To ensure top-down oversight and bottom-up implementation, the Board serves as the highest governing body for risk management and is responsible for approving the Company’s risk management policies. The ESG Committee oversees the Risk Management Task Force and supervises the implementation of risk control measures. At the operational level, the senior executive responsible for each business unit implements risk management measures within their respective areas of responsibility. The Internal Audit Office regularly reviews implementation to ensure that the risk control mechanisms operate effectively.



Risk Early-Warning and Assessment Process

CHP has established a systematic risk management mechanism that begins with identifying sources of risk. Dedicated task forces then analyze and assess the identified risks, develop appropriate response measures, and conduct ongoing monitoring and review. Prevention and communication are integrated throughout the process. Through investor conferences, press releases, and the spokesperson system, CHP ensures the accurate communication of operational information to internal and external stakeholders.



Key Risks and Response Measures

Risk Category	Risk Item	Response Measures
Operational Risk	Corporate Image	Embed the people-oriented and environmentally responsible philosophy into operations, incorporate ESG standards into supply chain and workplace management, and foster a positive corporate culture through public welfare participation.
	Technological and Industry Changes	Invest in the research and development of fiber materials, circular materials, and low-carbon products, while introducing digital tools and smart manufacturing to enhance competitiveness.
	Information Security	Strengthen information system access controls, server room management, and ransomware protection. Conduct regular audits and training, engage external consultants to perform vulnerability assessments, and establish data backup and disaster recovery mechanisms.
	Supply Chain Risk	Maintain multiple sources for key raw materials, with at least two to three suppliers for each major material, and diversify customers and markets so that no single customer accounts for more than 10% of sales, thereby reducing supply and sales concentration risks.
Legal and Policy Risk	Policy and Regulatory Monitoring	Regularly consolidate the Group's legal resources, monitor regulatory developments, and assess their potential operational and financial impacts.
	Operational Compliance	Collaborate across functions to update internal policies and translate regulatory requirements into operating procedures. Regularly convene labor-management meetings to facilitate communication, ensure alignment with the Labor Standards Act, and promote harmonious labor relations.
Financial Risk	Interest Rate Volatility	Dynamically assess debt positions and financing policies, maintain adequate liquidity, and optimize the debt structure to reduce interest expenses.
	Foreign Exchange Rate Volatility	Implement dynamic hedging mechanisms and rigorous cost controls while balancing risks and benefits to minimize the impact of exchange-rate fluctuations.
	Inflation	Strengthen supply chain and cost management and closely monitor changes in global supply and demand to mitigate the potential impact of inflation on profitability.
Environmental Risk	Water Resources	Promote water balance management, water conservation improvements, water quality monitoring, and effluent management. Direct treated effluent into constructed wetlands for ecological restoration and develop lignin recovery technologies to reduce water-related risks.
	Energy Resources	Conduct energy audits and equipment improvements, increase the use of low-carbon fuels, apply smart meters, and improve the efficiency of lignin-based biomass power generation.
	Production By-products	Develop diverse applications for fiber materials and advance process redesign through lignin recovery technologies, supporting the circular economy and progress toward the zero-waste target.
	Greenhouse Gas Emissions	Implement the voluntary emission reduction plan, diversify the use of low-carbon fuels, upgrade pollution prevention equipment, and establish an internal carbon disclosure management platform.

Intellectual Property

To strengthen its intellectual property management system, CHP has established a dedicated unit responsible for intellectual property matters and formulated an Intellectual Property Management Plan to enhance the protection of patents, trademarks, copyrights, and trade secrets. CHP regards intellectual property rights as a core element of its competitiveness. By protecting R&D outcomes, the Company reduces operational risks, encourages employee innovation, and incorporates intellectual property considerations into the decision-making and implementation processes of all business units.

I. Safeguarding the Foundation of Innovation: Clear Protection of Rights

CHP is actively transforming into a diversified materials company rooted in forestry, pulping, and papermaking, with core process parameters and technical formulations regarded as key competitive advantages. By integrating intellectual property management with product risk controls, CHP establishes robust protection for the development of expanded applications, including textile fibers, farmland paper, and the CircuWell Series.

In terms of personnel management, CHP implements confidentiality clauses in employment agreements and requires departing employees to sign confidentiality declarations. The Company also conducts regular training to strengthen intellectual property awareness among all employees. From the outset of employment or collaboration, CHP establishes clear agreements with employees and business partners to protect the Company’s brand identity and proprietary technologies.

II. R&D Investment and Applications

In response to the rapid growth of the global technology industry, CHP continues to invest in innovative R&D to move beyond the conventional boundaries of paper products and develop diversified product applications. The Company also invests in resource-based product development to improve material utilization efficiency and undertakes joint R&D projects through industry-academia collaboration. In 2025, CHP received NT\$13.066 million in government financial assistance under the Ministry of Economic Affairs’ Program for Low-Carbon and Smart Upgrading and Transformation of the Manufacturing Sector through Supply Chain Collaboration. R&D expenditures totaled approximately NT\$126 million. The Company plans to invest approximately NT\$110 million to NT\$130 million in R&D in 2026.

Develop technologies and products

Pulp and Paper Products	CHP reduces wood chip consumption by improving production efficiency and develops strong and durable molded pulp products as alternatives to foam plastics. The Company also incorporates innovative technologies into the development of multi-purpose specialty papers, thereby enhancing production efficiency and product added value. Patented technologies: Web cutting machine; dissolving and deaeration equipment.	
Sustainable Packaging	Through the CircuWell Series, CHP applies its proprietary multilayer papermaking modification technology and patented water-based biodegradable surface coating technology as alternatives to plastic lamination. This enables paper straws, paper cups, and paper sealing films to enter conventional paper recycling streams directly, supporting plastic, carbon, and waste reduction. Patented technologies: Paper straw; composite sheet and food container; recyclable heat-sealable paper and sealed container.	
Biomaterials	CHP has developed biodegradable “Richland” farmland paper that is free of heavy metals and offers high water permeability and breathability. The product effectively suppresses weed growth while protecting crop roots. After harvesting, it can be plowed directly into the soil without requiring labor-intensive collection, helping improve soil conditions and supporting a natural, land-friendly cycle. Patented technology: Biodegradable farmland paper.	

Risk Early-Warning and Assessment Process

Through a dedicated information security management platform and professional team, CHP optimizes resource allocation and centrally manages, upgrades, and updates its existing cybersecurity infrastructure and mechanisms as appropriate. These efforts ensure that the Company’s information security protection continues to evolve in response to emerging threats. In 2025, CHP experienced no material cyberattacks or information security incidents and was not involved in any related legal proceedings or investigations.

I. Information Security Governance Structure and Policies

- **Governance Structure:** In 2023, the Board approved the appointment of a Chief Information Security Officer (CISO) and the establishment of a dedicated information security unit. An IT professional management service platform coordinates information security governance, risk assessments, and policy implementation.
- **Management Framework:** CHP focuses on the integration of technology applications and information security governance. Through complementary controls covering people, systems, software, and hardware, the Company ensures compliance with applicable regulatory requirements. Dedicated information security personnel complete at least 12 hours of professional training annually.
- **Audit and Oversight:** The internal audit function regularly reviews the implementation of information security measures. The information security steering organization reviews action plans every six months and periodically reports implementation progress to the Board.

II. Management Measures and Technical Defenses

- **Perimeter and Network Protection:** High-performance firewalls are deployed to detect threats and maintain activity logs. Demilitarized zones (DMZs) are also implemented, with vulnerabilities patched promptly to prevent unauthorized intrusion.
- **Physical Server Room Management:** Critical server rooms are equipped with uninterruptible power supply (UPS) systems, emergency generators, and automatic fire suppression systems. Around-the-clock access monitoring is implemented to protect hardware assets.
- **User Endpoint Management:** CHP implements access controls for personal computers, enterprise antivirus protection, and email security measures. The Company also applies the Group’s Online Electronic Document Control Procedures to reduce operational risks.
- **Disaster Recovery Drills:** Disaster recovery drills are conducted at least annually on an unannounced basis to verify the feasibility and effectiveness of recovery plans. In 2025, firewall disaster recovery drills were completed at four mills.

III. Information Security Risk Management and Awareness

- **Training and Drills:** CHP publishes a monthly information security bulletin and provides employees with two hours of general information security training. Social engineering simulations are conducted every six months to strengthen employees’ awareness of cybercrime techniques.
- **Vulnerability Management and Security Assessments:** CHP engages professional service providers to conduct company-wide information security assessments. In 2025, two rounds of vulnerability scanning, retesting, and remediation were completed for critical information systems, ensuring that the Company’s defenses remain effective and up to date.



Monthly Information Security Awareness Briefing

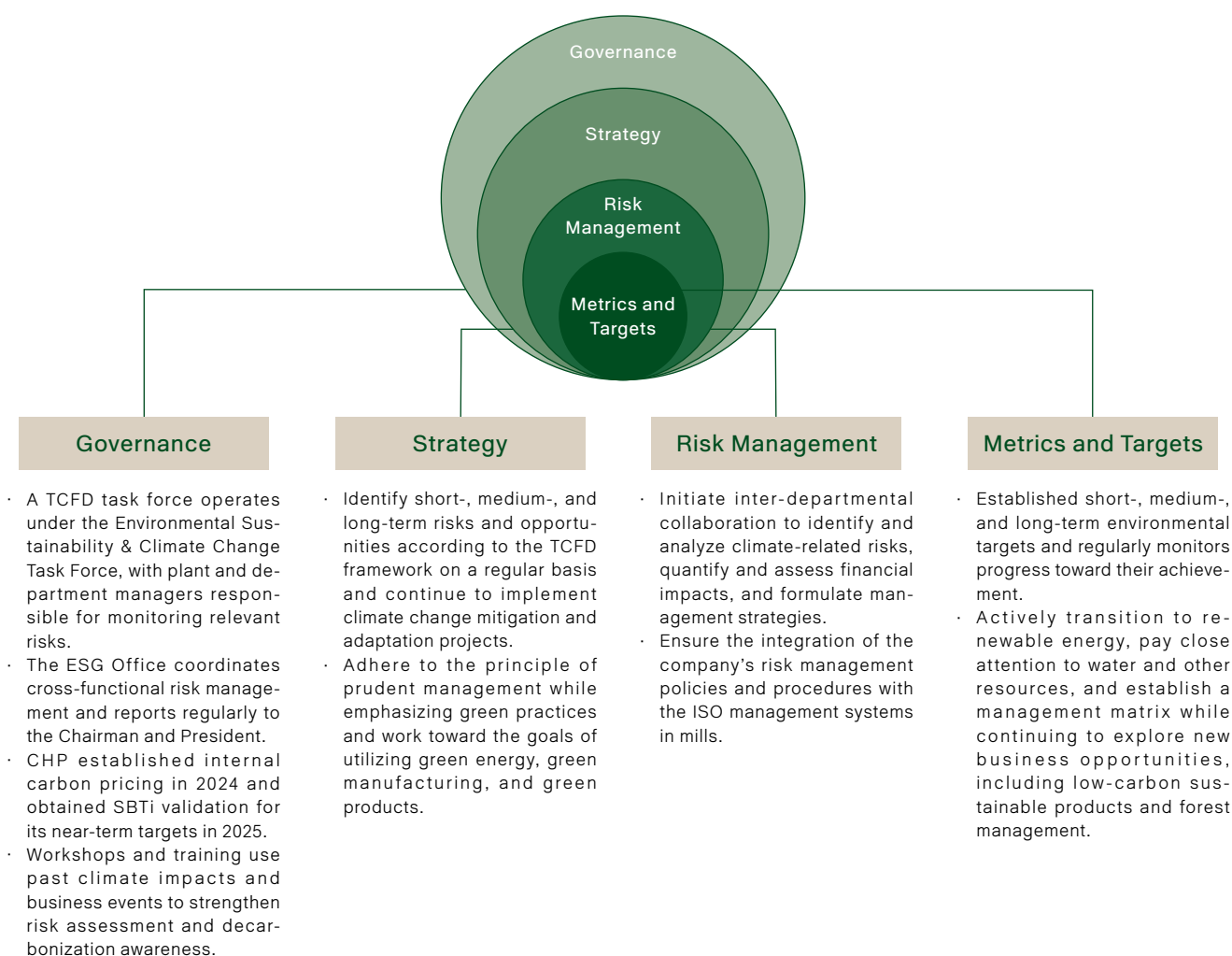
Managing Climate Change Risks and Opportunities

Task Force on Climate-Related Financial Disclosures (TCFD)

To strengthen climate sustainability governance, we formulated risk management measures in 2021 based on the Task Force on Climate-Related Financial Disclosures (TCFD) framework. The management framework was introduced in 2022 and covered the four TCFD aspects: governance, strategy, risk management, and metrics and targets. The third-party compliance audit was completed in March 2023. The auditor BSI determined that CHP's climate-related financial disclosure maturity model has achieved the highest grade Level-5: Excellence. We have disclosed the risks and opportunities brought about by climate change in the short, medium and long-term, accelerated our response to and deployment of low-carbon development and adaptation strategies, emphasized climate change strategies as key competitive advantages, pursued proactive solutions to mitigate climate change, and bolstered business development related to sustainable operations.



Four Major Aspects of TCFD Implementation Summary



Internal Carbon Pricing

CHP introduced Internal Carbon Pricing (ICP) in 2023, initially using an implicit carbon price based on coal substitution, energy-saving projects, and renewable energy investments. To align with Taiwan's carbon fee mechanism, CHP subsequently set its internal carbon price at NT\$300 per metric ton of GHG emissions. The Company will continue standardizing the mechanism to promote decarbonization and support its net-zero transition.



CHP "Carbon Tax, Carbon Credits, Carbon Fees Explanation and Supply Chain Trends" Trainin

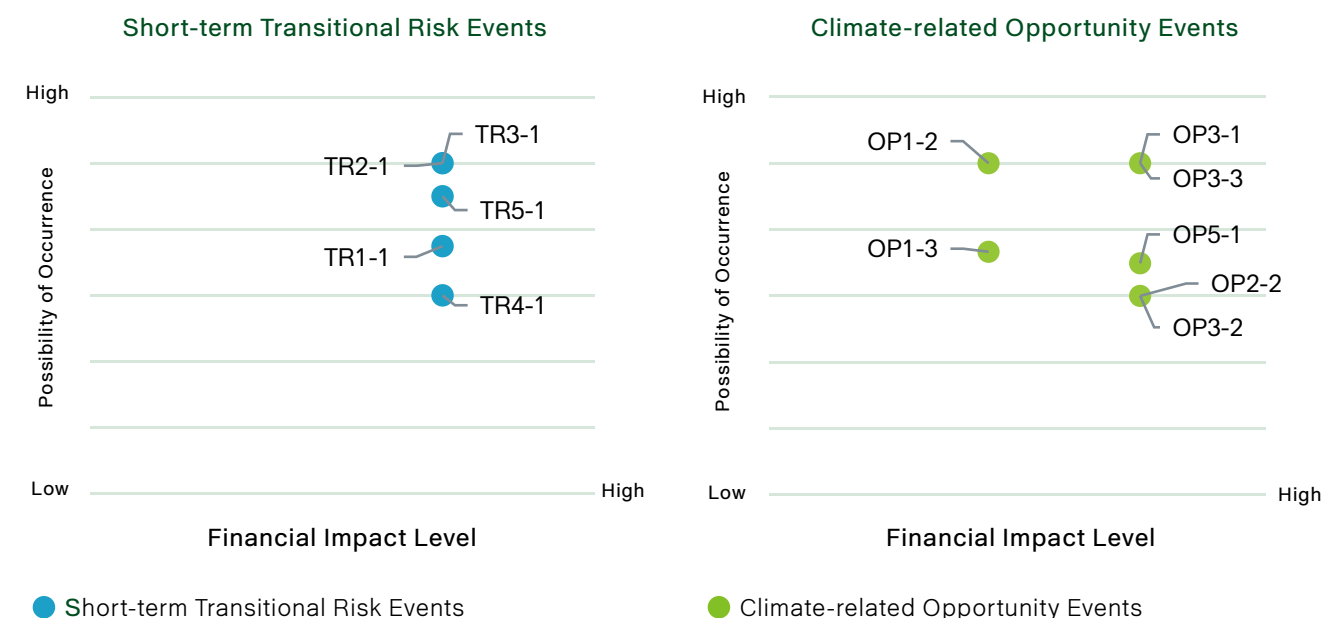


CHP "Internal Carbon Pricing and Implementation Practices" Special Lecture

Climate Change Risk and Opportunity Materiality Assessment

CHP holds annual working group meetings to review and validate risk management results and plans to perform updated assessments every three years or when significant changes occur. We assess and formulate measures to mitigate, transfer, accept, and control risks, as well as reduce the losses resulting from risks. Risks are graded according to their timeline, possibility of occurrence, and financial impact; meetings are convened accordingly to determine the material risks and opportunities and propose short-, medium- and long-term response measures with a focus on material issues. We combined the "financial impact level" score and "possibility of occurrence" to identify a total of five significant transitional risks and three climate-related opportunities (OP1-1 and OP1-2 were combined to correspond to response measure TR2).

CHP's Short-term Transitional Risk Events (Left) and Climate-related Opportunity Events (Right)



TFCD Risks, Opportunities, and Response Strategies

Financial Impact: Reduction of 0.31%~11.68% per year (Increased Operating Costs: 0.04%~1.18% per year, Increased Capital Expenditure: 0.09%~8.45% per year, Reduced Revenue/Output: 0.18%~2.05% per year)			
	Topics	Description of Events and Impacts	Response Strategies and Management Measures
Transitional Risks	TR1 Domestic and international carbon pricing systems	TR1-1 Increased costs resulting from carbon tax	- Short-term: Company mills have started to conduct inventory on greenhouse gas and product carbon emissions. - Medium- and long-term: Adopt low-carbon technology and transform energy structure to reduce the impact of carbon pricing system.
	TR2 Energy-related regulations and policies and the transition of energy consumption structure	TR2-1 Energy transition aligned with the national goal of net zero carbon emissions	- Short-term: Improve the operational efficiency of energy equipment. - Medium- and long-term: Focus on coal substitution and continue to expand the employment of biomass fuels, alternative fuels, and renewable energy.
	TR3 Renewable Energy Trends and Regulations	TR3-1 Increase in operating and capital expenditures to meet energy efficiency and energy structure transition requirements	- Short-term: Conduct inventory on the geographical characteristics of each location and the structure of each mill, evaluate the inclusion of renewable sources such as solar energy, biogas, alternative fuels, etc. - Medium and long-term: Decide on self-use or transaction purposes based on demands of the renewable energy market.
	TR4 Regulations related to water resources or groundwater	TR4-1 Increased spending on water treatment equipment and water consumption	- Short-term: Maintain and strengthen water recycling. - Medium- and long-term: Set goals for water conservation.
	TR5 Tightened Air pollution quality and total quantity control	TR5-1 Increased spending on air pollution prevention and control equipment and pollutant discharge	- Short-term: Initiate internal planning on installing additional prevention and control equipment in compliance with relevant regulations. - Medium- and long-term: Continuously evaluate clean fuel sources and obtain and maintain optimal boiler operation technology.
Financial Impact: Increase of 1.59%~11.27% per year (Reduced Operating Costs: 0.05% per year, Increased Revenue: 0.54%~10.22% per year, Increased Asset Value: 1% per year)			
	Topics	Description of Events and Impacts	Response Strategies and Management Measures
Climate-related Opportunities	OP1 Promotion of low-carbon production and low-carbon energy transition	OP1-2 Promote low-carbon fuel substitution and transition, reduce the use of fossil fuels and air pollution, and adapt to the reduced demand in the air quality zone in the future.	Incorporated into TR2 response measures.
		OP1-3 Employ more efficient and energy-saving manufacturing equipment.	Incorporated into TR2, TR5 response measures.
	OP2 Participate in international renewable energy initiatives and green power trading	OP2-2 Participate in renewable energy (carbon credit offsets) trading market to increase operating income.	- Short-term: Actively obtain biomass energy generation certificates. - Medium- and long-term: Continue to expand the development of biomass fuels and renewable energy and incorporate renewable energy certificates to SBT target-setting.
	OP3 Develop and promote low-carbon sustainable products and acquire relevant certifications	OP3-1 Promote the research and development of all-paper recycling green products to increase market share.	- Short-term: Continue to develop and promote recyclable low-carbon products. - Medium- and long-term: The market positioning of low-carbon products will be included in internal carbon pricing system as evaluation metrics, which is conducive to targeting export markets (CBAM, etc.)
		OP3-2 Obtain relevant environmental labels for products to expand green business opportunities.	
		OP3-3 Aligned with global efforts to reduce plastic consumption and ensure food safety, low-carbon and low-plastic food safety products are advantageous for developing new markets and enhancing corporate image.	
	OP5 Corporate goodwill and brand value	OP5-1 Strengthen low-carbon green energy manufacturing, obtain FSC international forest certification, adopt virgin pulp reduction and other circular economy/low-carbon transition strategies, and actively communicate with stakeholders to improve industry image and change customer behavior.	- Short-term: Continue to maintain the Forest Stewardship Council (FSC) certification. - Medium- and long-term: Expand recyclable low-carbon product certification projects, increase communication with consumers, and enhance market positioning.

Metrics and Targets

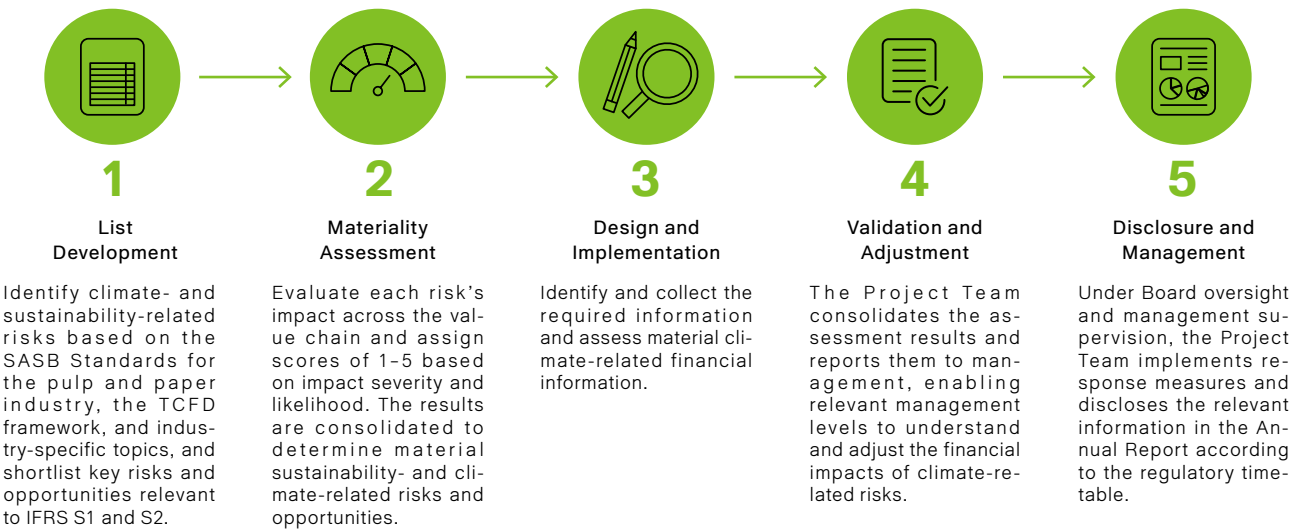
CHP employs metrics such as GRI 302 (energy), GRI 303 (water resources), and GRI 305(emissions) to enhance the monitoring of various energy performance and evaluate climate-related risks. Response measures and management plans are also integrated into the company-wide risk management, which include integration with regular audits or operating procedures of the company's quality management system (ISO 9001), environmental management system (ISO 14001), energy management system (ISO 50001), and greenhouse gas management system (ISO 14064-1). The implementation progress is reviewed at ISO meetings and operations meetings.

Strategy	Metrics (Base Year)	2024	2025	Targets			Description
		Achievement Status	Achievement Status	Short-term	Mid-term	Long-term	
Net-zero Emissions	GHG emissions (base year: 2022) ¹	7.35%	10.90%	42%	50%	Near Zero	GHG emissions totaled 703,600 metric tons in 2025, representing a reduction of 78,970 metric tons, or 10.90%, from the base year, in line with the Company's reduction pathway.
	Fossil Fuel Substitution Rate	48%	49.5%	30%	50%	100%	Continue increasing the use of low-carbon and biomass fuels, with steady progress toward the medium-term target.
	Renewable Energy Generation Share (Base Year: 2022)	29%	30%	30%	60%	100%	In 2025, the share of renewable energy generation reached 30%, in line with the short-term target pathway.
	NOx Emissions Reduction Rate (Base Year: 2022)	14%	22%	25%	30%	40%	All mills maintain rigorous monitoring and comply with local regulatory requirements.
Focus on water resources	Process water consumption	28,655 million liters	29,582 million liters	<30,000 million liters			Annual process water withdrawal has remained below 30,000 million liters in recent years.
	Paper Machine White Water Recovery Rate	86.7%	86.5%	≥ 90%	≥ 93%	≥ 95%	All mills continue to improve their white water recovery rates.
Low Carbon and Sustainability	Renewable Energy Certificates Acquired	126,158 RECs	135,010 RECs	150,000	180,000	200,000	The first batch of renewable energy certificates was issued in June 2023. A total of 125,404 certificates were transferred in 2025.
	Acquisition of afforestation carbon credits	Establishing a task force		A demonstration of afforestation carbon credits project has been planned in eastern Taiwan.			
	Reduction in Product Emissions Intensity (Base Year: 2022)	2.6%	4.7%	5%	10%	15%	In 2025, the emission intensity per unit of product was 1.02 t CO2e/t.
	Green Product Sales Share ² (Base Year: 2021)	43.6%	42.6%	50%	55%	60%	An annual increase of 1% relative to the base year.

Note 1: The reporting scope covers Chung Hwa Pulp Corporation only.
Note 2: The green product categories were reassessed to include products made from FSC-certified, PEFC-certified, eco-labeled, recycled paper, and fully recyclable CircuWell materials.

Alignment with IFRS S1 and S2

To gain a deeper understanding of risks and opportunities across its operations and value chain, CHP formally launched its IFRS S1 and S2 implementation project in 2025. Through a systematic identification process, the Company completed a gap analysis and identified climate-related risks and opportunities. CHP also began collecting financial information to quantify the impacts of sustainability-related matters on its operations. The assessment covers CHP and all subsidiaries within its consolidated financial reporting boundary, with disclosures scheduled for inclusion in the 2027 Annual Report.



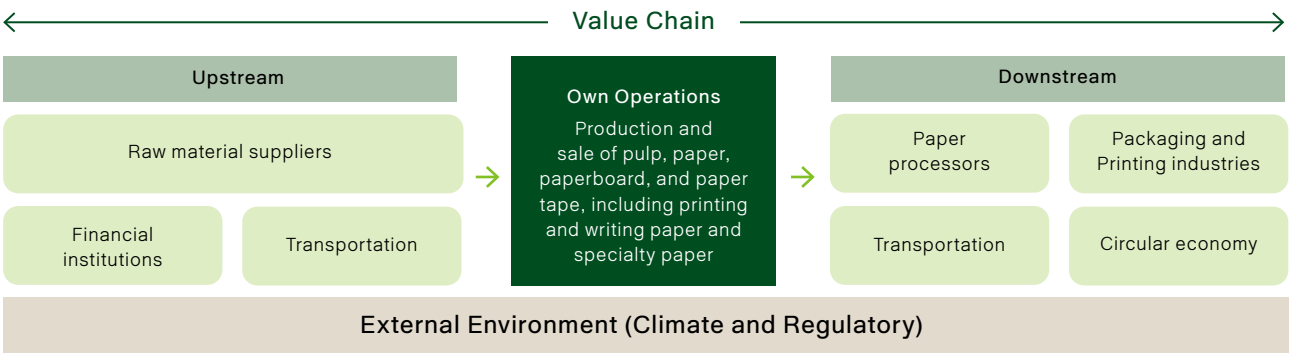
IFRS Training and Strategy Form Completion Instruction Meeting



Formation of a Cross-Departmental Task Force for IFRS Sustainability Disclosure Standards

Value Chain Risk and Dependency Analysis

CHP conducts an in-depth review of its operations' dependencies and impacts on resources and relationships throughout the value chain to identify potential sustainability- and climate-related risks and opportunities.



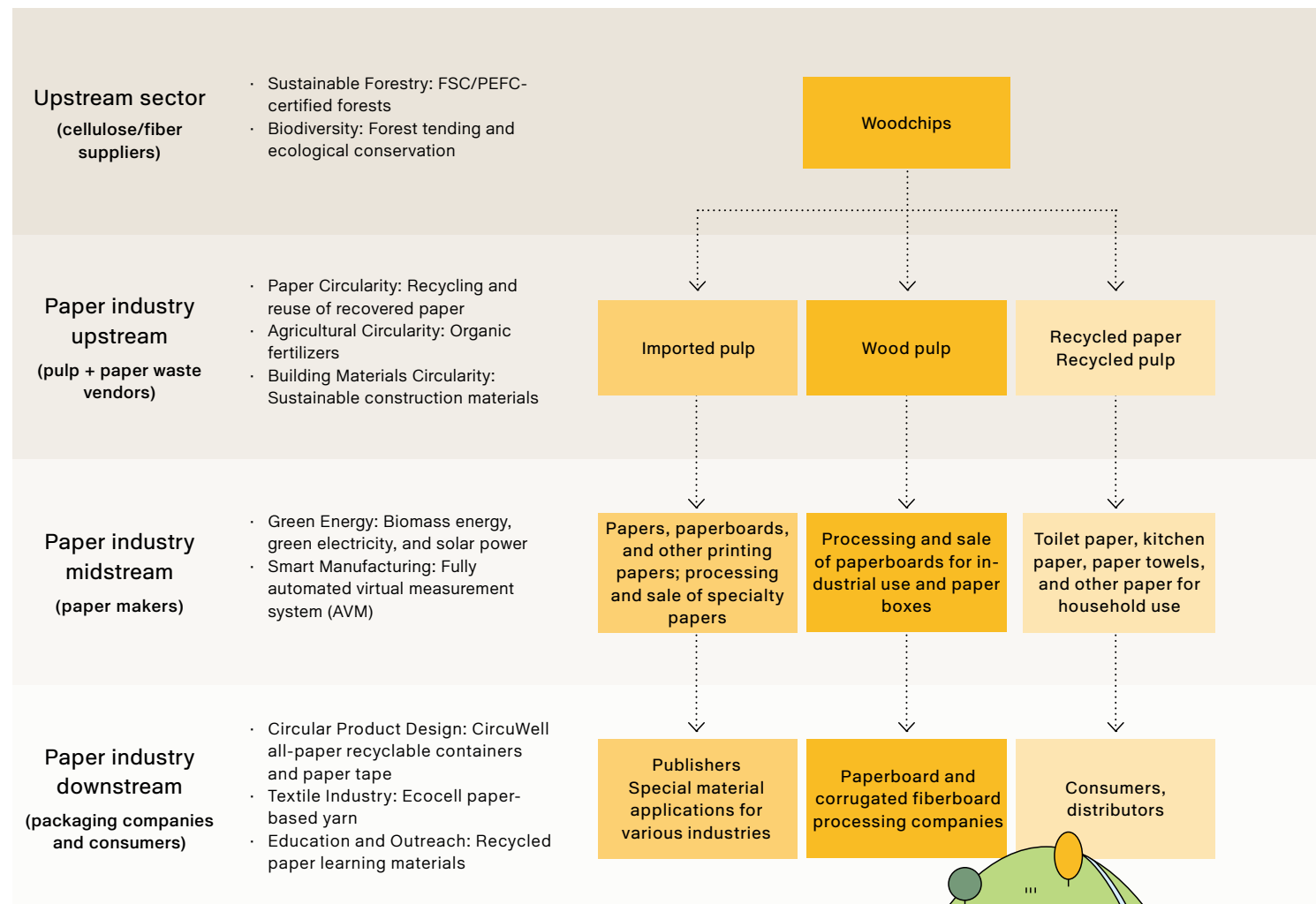
Response Measures for Material Climate-Related Risks and Opportunities

	Material Topic	Description	Time Horizon	Value Chain Scope	Response Strategies
S1	Air Quality	Risk: Stricter air pollution regulations may require equipment upgrades and affect operational adaptability. Opportunity: Improved pollution controls can enhance resilience, support net-zero goals, and strengthen corporate reputation.	Short to long term	Upstream	- Improve the efficiency of pollution control equipment. - Recover and utilize biomass energy and process by-products. - Implement smart monitoring and real-time early-warning systems.
	Greenhouse Gas Emissions	Risk: Carbon regulations and fees may increase equipment investment and operating costs. Opportunity: Energy efficiency and biomass fuels can reduce emissions, carbon cost exposure, and enhance competitiveness.	Short to long term	Upstream and downstream	- Introduce de-carbonization equipment and improve energy efficiency. - Transition toward lower-carbon fuels. - Conduct carbon fee simulations and financial impact assessments. - Develop low-carbon products through circular resource utilization. - Obtain international sustainability-related certifications.
	Water Resource Management	Risk: Climate change and stricter water regulations may require upgrades to water recycling and treatment systems. Opportunity: Greater water recovery can reduce withdrawal, secure water quality, and support biodiversity.	Long term	Upstream	- Optimize water-efficient production processes. - Upgrade water pollution control equipment. - Implement digital and real-time monitoring.
S2	Energy Management	Risk: The transition away from fossil fuels may require energy and equipment upgrades, affecting production costs. Opportunity: Low-carbon energy self-sufficiency can reduce power supply risks and meet demand for low-carbon products.	Short to long term	Upstream and downstream	- Advance the transition away from coal and expand renewable energy deployment. - Upgrade high-efficiency energy equipment.
	Supply Chain Management	Risk: Sustainability certification, carbon disclosure requirements, and geopolitical changes may affect supply chain stability. Opportunity: A transparent green supply chain can support supplier de-carbonization and strengthen partnerships with global brands.	Long term	Upstream and downstream	- Diversify and localize the supply chain. - Comply with international responsible procurement and no-deforestation commitments. - Develop high-fiber-yield pulping technologies.



CHP 2025 Sustainability Report

CHP 2025 Sustainability Report



Products

Products and Market

An integrated paper and pulp operation model enables the company's paper mills to produce at a capacity that allows the company to maintain a steady supply to meet domestic demand, thereby reducing the risk of fluctuations in the global market. In recent years, we have focused on increasing the value of our R&D capacity by bringing about successful technological transformation. As our way of responding to environmental trends, the Company has actively invested in the development of eco-friendly products that apply hybrid materials to create papers that can be used not only for reading and writing, but also for a whole range of everyday activities, thus helping CHP to become a valuable industry that specializes in non-plastic papers and special-use papers.

In response to changes in the global market, CHP continues to actively transform its business. In 2021, the Company established the Fiber Materials

Division and Specialty Materials Division. With the integration of the Taoyuan Guanyin Mill, the Specialty Materials Division focuses on fiber technology R&D, the development of pulp fibers as functional materials, and innovative applications for pulp and paper. These efforts support the development of environmentally friendly and fully recyclable fiber materials within the circular economy.

The Hualien Mill has also expanded pulp applications and introduced a molded pulp production line. CHP continues to deepen its specialty materials strategy by investing in high-performance, environmentally friendly fiber materials to enhance product added value. In 2025, CHP recorded no incidents of non-compliance with health and safety regulations related to products and services, nor any violations concerning product marketing communications, information, or labeling.



*CHP does not sell controversial products or violate laws and regulations related to marketing promotion.

Business Development

CHP has maintained growth in international market operations due to its superior quality and continuous transformation towards producing specialty papers. Faced with fluctuations in international pulp prices, CHP Supply Group's various mills have adjusted their demand for short-fiber pulp to mitigate the impact of market price volatility on profitability. In the Printing and Writing paper market, flexible production and marketing strategies will be employed, alongside the continuous expansion of diversified trading-oriented sales models, to sustain reasonable profits and market share. Furthermore, CHP remains committed to ongoing research and development, exploring high-value specialty paper markets, food safety paper, and special materials, to broaden its range of diverse

applications.

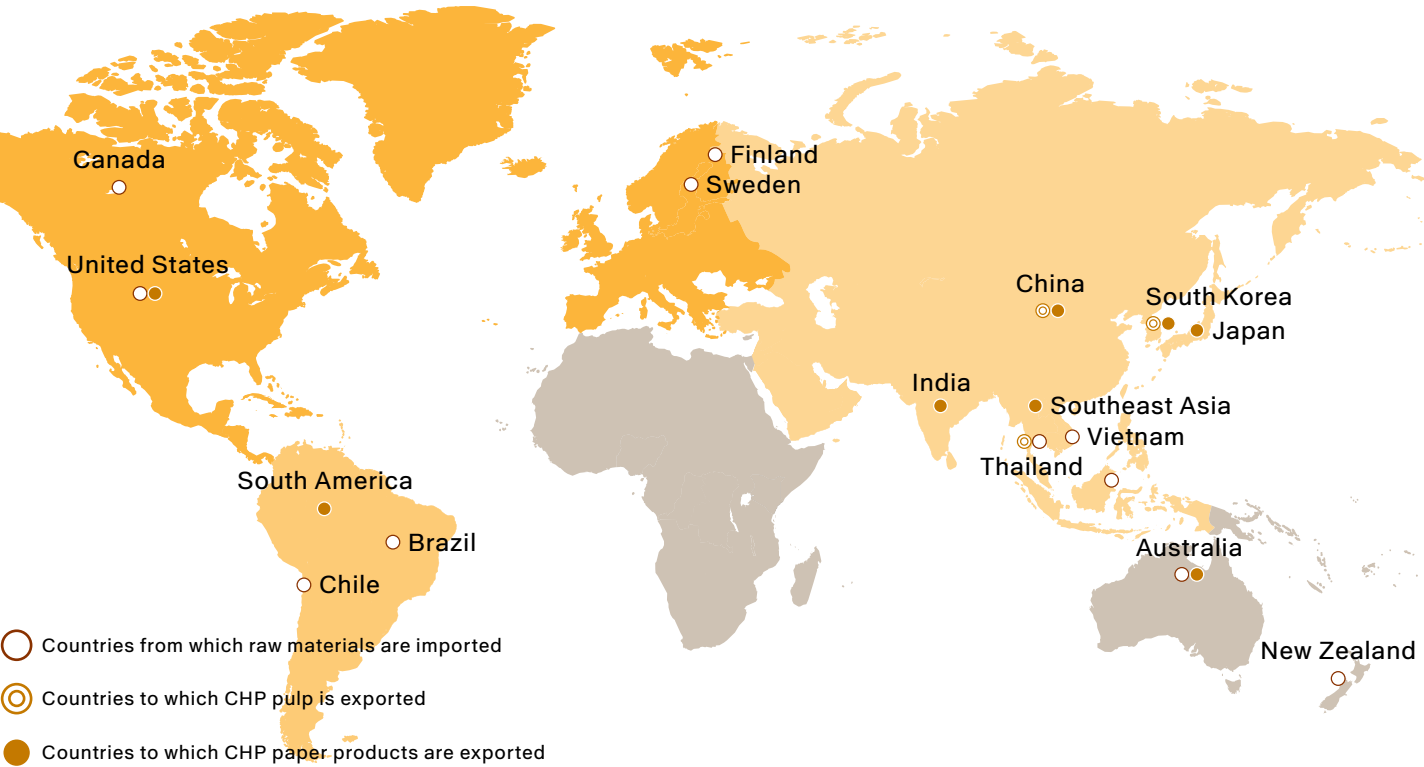
In 2025, sales of pulp, paper, and paperboard amounted to NT\$2,111 million, NT\$12,855 million, and NT\$2,679 million, respectively, with corresponding sales volumes of 122,559, 420,467, and 139,872 metric tons. Looking ahead to 2026, increasingly stringent international environmental regulations and growing customer demand for sustainable products continue to reinforce the role of pulp and paper products as sustainable fiber-based materials. CHP will continue improving its production processes and energy efficiency, strengthening environmental management, and steadily advancing its green manufacturing system.

Short-Term Plan	Actively improve manufacturing processes and management, and enhance transformational capacity. Strengthen the research and development of niche products, develop fiber-based and fully recycling products, and gain a firm foothold in the eco-friendly product market. Vertically integrate the supply chain, forge stronger ties with downstream processing plants, and increase the competitiveness of the entire industry. Strengthen information integration, make use of big data analytics, and improve procurement and production/sales processes. Provide customers with innovative payment and logistics services and strengthen our ability to keep abreast of market conditions.
Medium/Long-Term Plan	Develop environmentally friendly, sustainable, and high value-added fiber-based products, and continue to promote the transformation in product composition. Commit to sustainable recycling, using the R3 cycle (recycle, reclaim, regenerate) to maximize material utilization rate and diversify product portfolios. Implementing a talent development plan and establishing a successor team to elevate ourselves into the ranks of world-class materials companies.

Sale/Supply of Main Products

Our pulp is exported to mainland China, and Thailand.

Our paper products are exported to mainland China, Japan, South Korea, Southeast Asia, Australia, India, South Africa, the United States, and South America.



Cellulosic Materials Business

Pulp, Papers, and Cardboard

CHP mainly produces short-fiber pulp using wood chips from broad-leaved trees or eucalyptus radiata as the main component for pulp-making. Tree species are selected according to the paper mill's requirements. Different types of pulp are produced through a series of processes, including digestion, washing, bleaching, pulp dispersing, and drying. Because of its fiber characteristics, pulp products are used to produce toilet paper and paper for printing, industrial use, and special uses.

Market Overview	Resilience Amid Market Changes The pulp and paper market remained stable in the first half of 2025. Despite short-term fluctuations caused by global tariff policies, the market showed signs of recovery toward year-end. Stricter environmental regulations also continued to drive demand for sustainable fiber-based materials. Building on its pulping expertise, CHP is transforming into a fully circular materials provider by developing recyclable fiber products. The Company will continue maximizing resource value and meeting demand for sustainable, low-carbon solutions.
Strategies	Strategy 1: Digital Transformation and Intelligent Management By introducing automated equipment, CHP enhances production efficiency, reduces labor, saves energy, and boosts overall productivity. Strategy 2: Customized Services Be the first provider of product customized services in Asia, develop customized pulps and products that meet the various needs of customers and differentiate CHP from other competitors. Strategy 3: Integrated forest, pulp, and paper production Equip paper mills with both paper-making machinery and technologies to make paper directly without having to go through intermediary processes (digesting, drying), thereby saving costs and reducing carbon emissions.

Packaging Papers	Cardboard for a variety of packaging applications such as cosmetics, medicine, toys, candy, cookies, tissues, shoes, and spare parts
Printing Papers	Our paper can be coated or calendered, depending on user needs. Coated and calendered products can range from a matte look to a smooth and glossy finish; these products are suitable for albums, magazines, children's picture books, cosmetic advertisements, catalogues , calendars, posters, and cover pages. Micro-coated or uncoated papers are suitable for textbooks, reference books, product manuals, reference works, notebooks, loose-leaf paper, and other writing paper.
Office Papers	Paper for office use and communication purposes.

Specialty Papers

CHP's transformation was focused on specialty paper products, with plans to transform our product portfolio of printing paper into specialty materials for industrial use in the health care, packaging, food products, and electronic products fields. We have achieved significant breakthroughs in product technology, quality, and specifications, and are gradually replacing some import markets. Today, CHP's specialty papers are in wide use in labeling,

adhesive tapes, health care, food products, interior decoration, and the electronics industry. Specialty paper is frequently found in "unexpected" places—glass, metal, plastic products, adhesive labels on daily necessities, writing tables/chairs/cabinets, disposable surgical gowns, clothing patterns, etc. Even tech industries such as display and solar panel manufacturers are heavily reliant on specialty papers produced by CHP.

Market Overview	With respect to the sale and development of specialty papers, global trends in plastic reduction and the impacts of COVID-19 have resulted in increased demand for medical supplies and packaging paper. In addition, the demand for paper food safety products has grown substantially, as people switch to online shopping and delivery services in an effort to minimize outdoor activities. CHP actively promoted a non-plastic food packaging paper that has no plastic coating and is completely recyclable, so as to achieve the three goals of plastic reduction, carbon reduction, and waste reduction.
Strategies	Focus on the development of specialized paper products, and gradually realize the plan to transform our product portfolio of printing papers into specialty materials for industrial use in packaging, food products, electronic products, etc. Continue to refine product quality, strengthen control over the stability of raw material and import supplies, expand product applications, and improve local services. Continue to strengthen expansion plans for non-plastic food safety papers and paper straws, etc. to take advantage of our pulp-making processes to produce fully recyclable products and develop a circular economy. Proceed with application for ISO22000 certification to keep pace with global trends in food safety development.

Specialty Materials Business

Masking (paper) tape, Kraft paper tape, OPP tape, Latex-impregnated Paper, non-plastic paper board

In line with the emerging global trend of green carbon reduction and plastic reduction, CHP embraces the concept of circular economy in its production process and actively develops "all-paper recyclable, low-carbon" products in an effort to replace plastic products made from fossil fuels. Guanyin Mill joined CHP's product lines in 2021 and was designated as

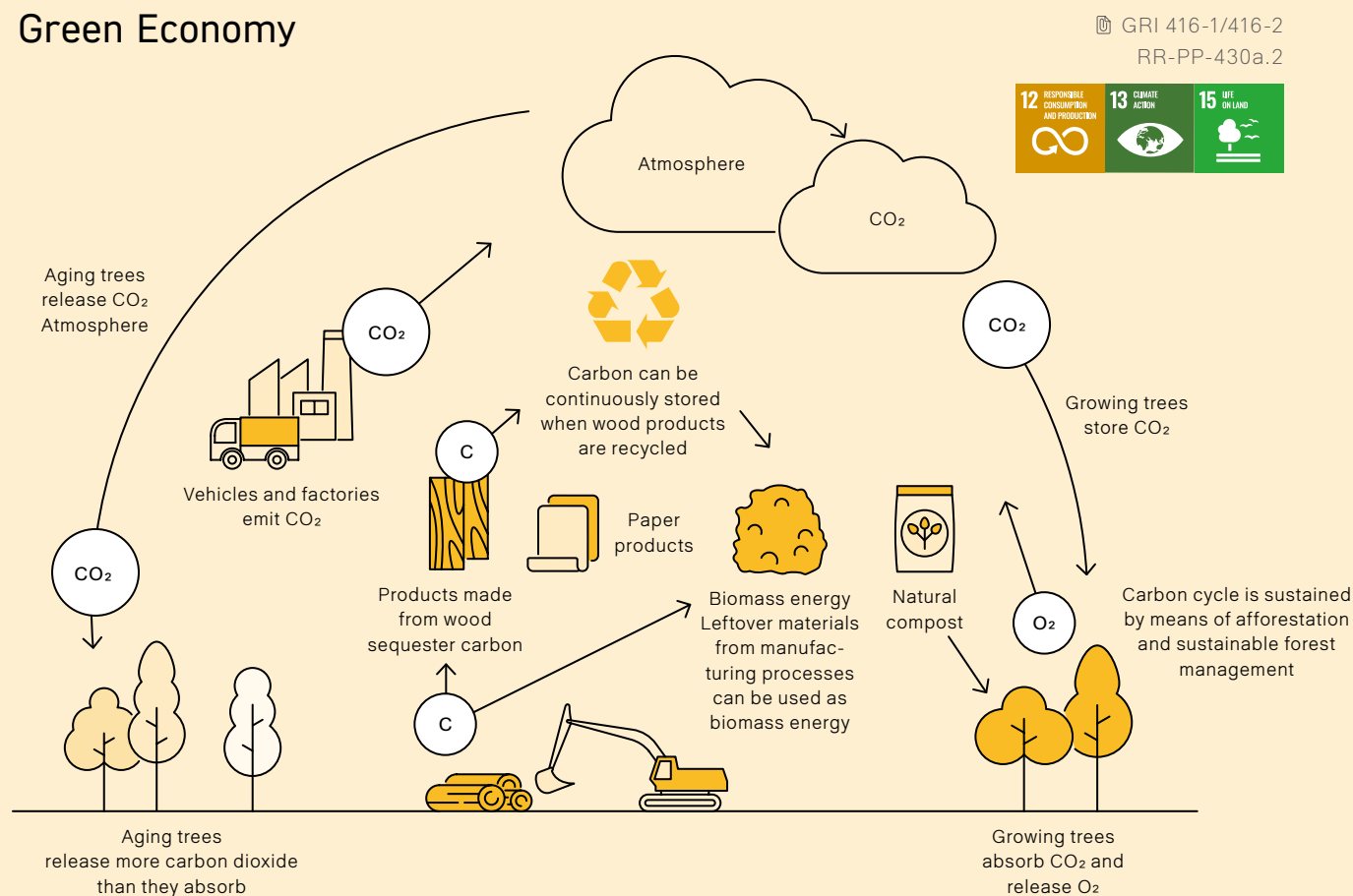
a low-carbon material development base. In addition to retaining the production of OPP tape and masking tape, CHP continues to broaden product applications, increase the added-value of its products, and improve customer service by capitalizing on its long-term advantages in the circular paper manufacturing industry.

Current Status	- Masking paper tape is currently the main production item at Guanyin mill. Simultaneously, active collaboration with the CHP paper manufacturing domain knowledge is underway to develop base papers with various functionalities. This effort aims to achieve vertical integration advantages within the supply chain and further enhance stability in raw material supply. - CHP actively promotes low-carbon products, such as full-paper recyclable food paper and kraft paper tape that can be tossed into the paper recycling system, to strengthen global connections, accommodate SDGs requirements, and achieve the three goals of plastic reduction, carbon reduction, and waste reduction.
Strategies	- Utilize the Group's advanced technology to develop low-carbon kraft paper tape made from recycled fibers for packaging applications. The product will be used for logistics transportation and general sealing purposes. It provides eco-friendly packaging materials in the booming e-commerce and packaging markets, offering innovative solutions and simultaneously expanding its presence in the international market. - Continue to strengthen product deployment such as all-paper recyclable and food safety paper, leverage our advantages in pulp manufacturing to produce full-circular end products and focus on the development of circular economy.

Cross-Industry	Features	Product Applications
Food packaging industry CircuWell All-paper Recyclable food safety paper	CHP has developed grease-resistant papers and paper bags to reduce the use of plastic packaging while preserving food safety and protecting the environment. The innovative CircuWell all-paper recyclable food safety paper products are free of 5P plastics and allow for full-paper recycling of paper food containers, making life more convenient and environmental protection simpler. SGS-certified and FDA-compliant, the products are non-toxic and safe for food contact. *Products: CircuWell all-paper recyclable food safety paper series (CircuWell Seal Board, Film Paper, Straw Paper), flexible packaging paper, grease-proof paper, and grease-proof paperboard.	
Label industry	CHP provides surface paper for labels and release base papers. These products have excellent processing and adhesion properties, which help downstream customers improve processing efficiency and reduce manufacturing costs. *Products: Glassine, Clay Coated Kraft (CCK), release base paper for PE-lamination, one-sided coated papers.	
Adhesive Tape Industry	CHP offers papers for tape-making which include double-sided paper, masking tape base paper, and medical paper tape. These products are widely applied in daily life in various industries and offer suitable options that meet the printing, adhesive application, and various other processing needs of adhesive tape manufacturers. *Products: masking tape base paper (crepe), latex-impregnated masking tape paper, and kraft paper tape.	

Cross-Industry	Features	Product Applications
Medical Industry	CHP provides complete solutions for medical applications. Our products serve as an effective bacteria barrier in steam or γ-ray radiation sterilization procedures. In addition, our medical-grade papers are clean and lint-free and exhibit excellent printing and heat-sealing properties. All products comply with EN868 and ISO11607 standards. *Products: Hi Lead and Hi Peak series, both in compliance with EN868 and ISO11607 standards.	
Specialized Applications in Industry	Our interleaving products developed for specialized industrial applications are already in use in Taiwan and overseas. Interleaving papers protect metal and glass surfaces during the manufacturing, storage, and transportation processes to ensure product quality for clients.	
Interior Decorating Industry	Environmentally friendly and durable, Saturating Kraft is made from recycled pulp, can be used as a construction material and in furniture applications such as room partitions and tables, and serves as an alternative to plastic and wood board. Products made from Saturating Kraft paper are characterized by their superior stiffness and impact resistance. They are also eligible for the FSC Recycled label, rendering the construction materials and furniture we use in everyday life sustainable. *Product: Saturating Kraft paper	
Textile Industry	Pulp is transformed into high-strength and durable base paper through a specialized papermaking process, then processed by slitting and twisting, which Paper fiber yarn is produced. Paper fiber yarn provides an alternative to petrochemical fibers such as polyester and nylon used in clothing, simplifying the conventional textile-making process with low energy consumption, low carbon emissions, and biodegradable yarn materials that facilitate the development of eco-friendly fashion. *Product: Ecocell®	

Green Economy



Forests, for a Sustainable Life

The primary raw material for paper comes from the fibers in wood, which are provided by the forests of nature. Forests not only nurture the development of human civilization but also serve as the best capturers of carbon dioxide.

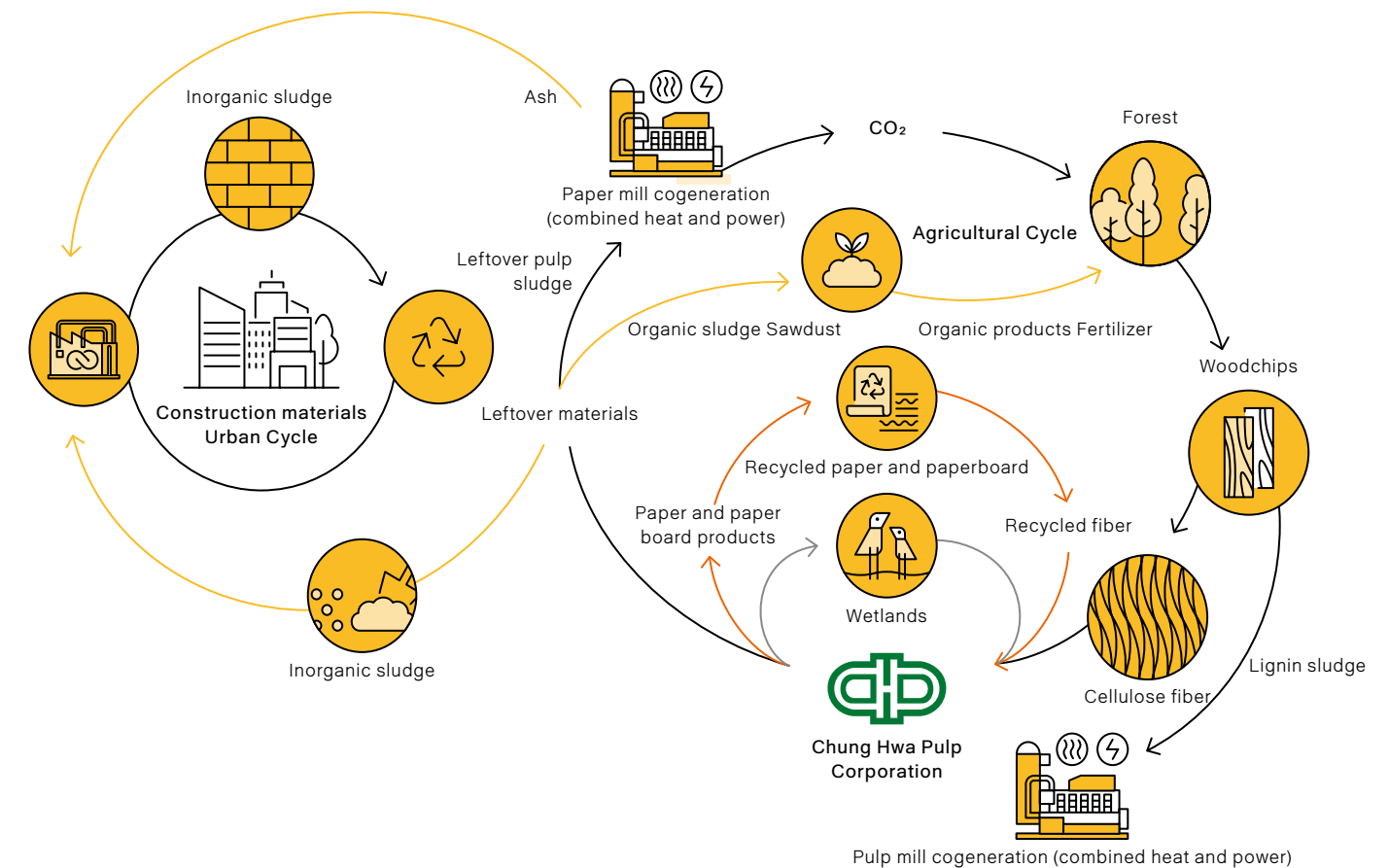
However, forest resources are not inexhaustible. If the role of a tree can be cycled multiple times, serving different functions, the demand for timber can be reduced, indirectly leading to fewer trees being cut down. Natural forests can be cultivated on a large scale through artificial means, and under a systematic and regulated management model, we can meet human needs for timber while also sequestering atmospheric carbon. This allows for maximizing the benefits of limited land and promotes the sustainable development of the ecological environment.

The photosynthesis of plants and microorganisms in nature requires sunlight, air, and water, which represent a longstanding carbon cycle principle that can naturally solve the carbon dioxide problem. Because all that exists eventually returns in this circular system and all our production processes occur within this system, as long as we return the system to its original state, life can be sustained. The agriculture and forestry sector is the custodian of

the world's largest carbon sink, the key to reducing carbon emissions, and the earliest member of the ecological chain in the natural carbon cycle.

Pulp and Paper Circular Economy

CHP is the only company in Taiwan that has more than 50 years of experience in afforestation. By focusing on afforestation and integrating our forestry, pulp, and paper production operations, CHP has formed a carbon fixation industry chain. Our afforestation activities in Taiwan and China provide contributions in terms of carbon sinks and carbon credits that enable CHP to achieve carbon neutrality, which is a great niche for us to be in. CHP also puts the concept of circular economy into practice through the use of biological substrates, which are products of photosynthesis (e.g., carbohydrates, cellulose, and starch), to develop raw materials applications such as plastic-free food-safe paper. Although this type of paper is a paper substrate, the cellulose fibers on its surface have been modified so that the paper becomes water and oil resistant even without a layer of PE coating. Used plastic-free food-safe paper can be discarded as general paper and enter the paper recycling system to be converted into raw materials for papermaking.



Eco-friendly Building Material – Circular Bricks

The Hualien Mill makes effective use of Leftover materials from paper/pulp mills ash, and inorganic sludge generated from its cogeneration system to develop "circular bricks" through a cold-pressing process. This circular reuse solution was initiated and led by CHP internally, in collaboration with domestic universities to conduct material science experiments. The project successfully transformed residual materials into recycled products, effectively improving raw material reuse rates while significantly reducing the energy consumption and carbon emissions associated with traditional high-temperature firing, embodying the core circular economy concept of "resource regeneration and zero waste."

Circular bricks not only set a new benchmark for the building materials industry in terms of "low-carbon manufacturing," "local recycling," and "green upgrading," but have also been practically applied in the entrance landscape design of CHP's Hualien Mill. This integration brings sustainable materials into everyday urban architecture, becoming an important bridge between industrial development and environmental sustainability.



Circular Bricks Wall at the Hualien Mill Entrance

Organic Fertilizer– HwaFeng NO. 7

CHP sends secondary raw materials to Genovella Renewables Inc. for redevelopment and design, giving them a new product life cycle and creating economic value. Residual wood chips are blended with organic materials and rice bran to produce a natural organic fertilizer that replaces soil for cultivation. Experiments show that land using organic-based fertilizer stores more carbon than regular soil.

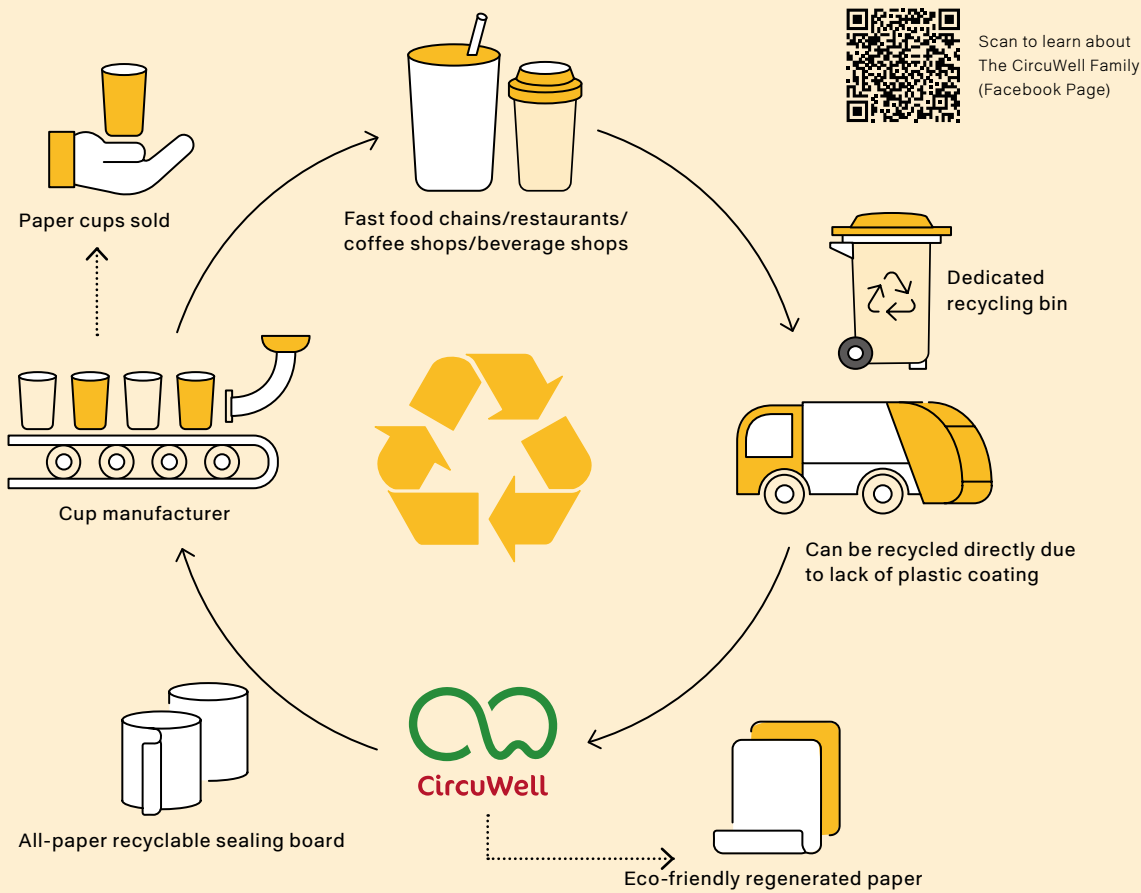


Organic Fertilizer–HwaFeng NO.7

A Revolution in Sustainable Materials:
CircuWell Series

An All-Paper Recyclable Food Container Solution

In Taiwan, two billion single-use drinking cups are used each year, creating not only a mountain of waste but also challenges in waste recycling. Specifically, the need to recycle paper containers and general waste paper separately is quite difficult and can lead to greenwashing practices. For this reason, CHP developed a series of all-paper containers that can be directly recycled, thereby making recycling easier for recycling companies and consumers. Our CircuWell products are a one-stop all-paper recycling solution.

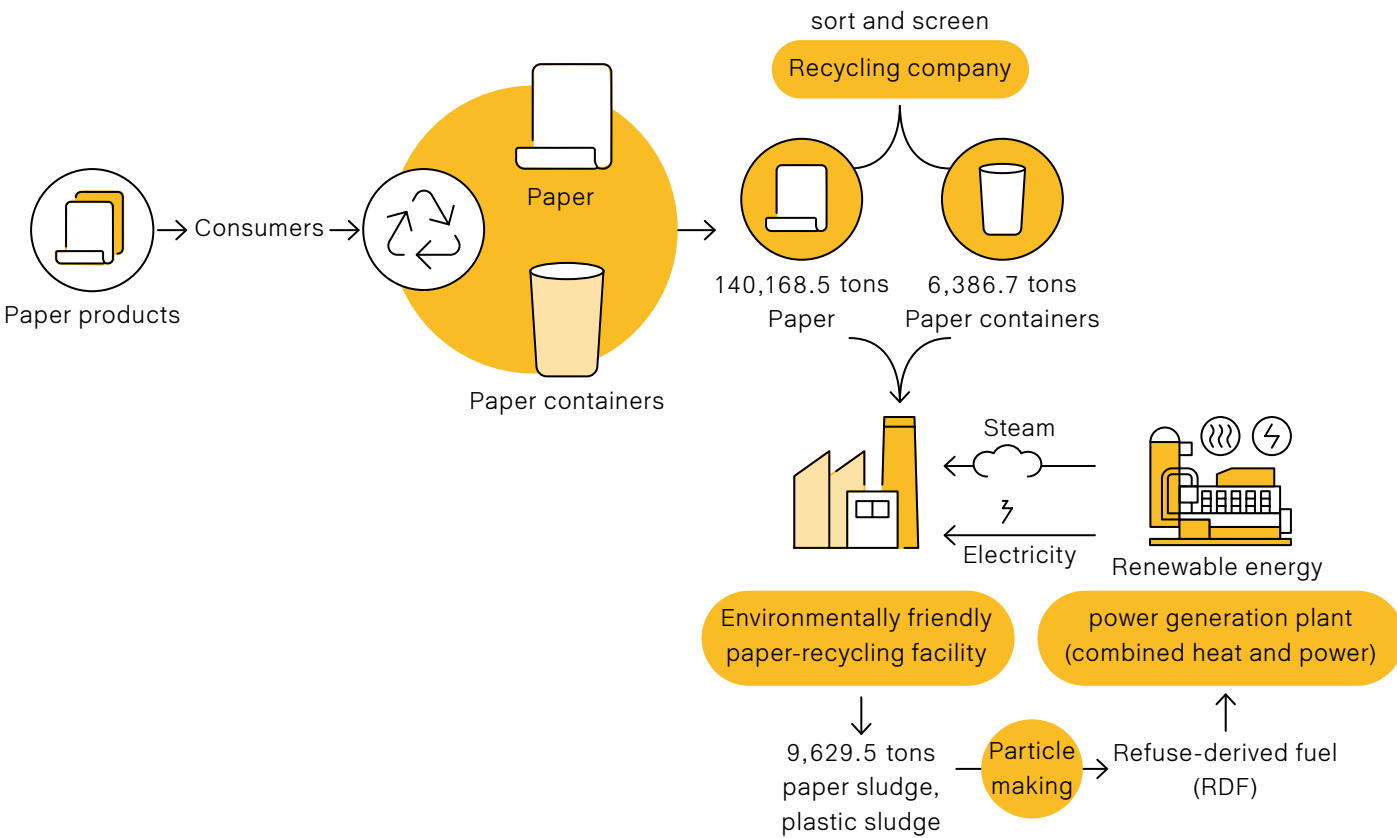


Milestones in CHP's Transition to Plastic-Free Production	
2018/10	CHP launched raw paper for paper straws, taking the first step to plastic-free production.
2020/07	CHP launched a line of non-plastic food-safe paper products, called CircuWell, that includes paper cups, sealing film, disposable tableware, and fluorine-free grease-proof paper.
2020/10	The Board of Directors of CHP approved an investment of NT\$2 billion to purchase land for the Kuanyin Paper Mill, with plans to construct a production base for non-plastic materials.
2021/03	CHP announced the launch of the company's largest transformation plan yet. CHP established the "Fibrous Material Business Unit" and "Special Material Business Unit," demonstrating its full commitment to going plastic-free.
2022/06	CHP Guanyin Mill has completed the installation of a special coating machine. Investment has been made in producing kraft paper tape and masking tape using recycled fiber.
2023/05	The national team for fully recyclable paper container supply chain has been established, gaining the support of four major breakfast chain stores, which began adopting Plastic-Free recyclable meal boxes starting in May.

Eco-Friendly Recycled Paper Mill

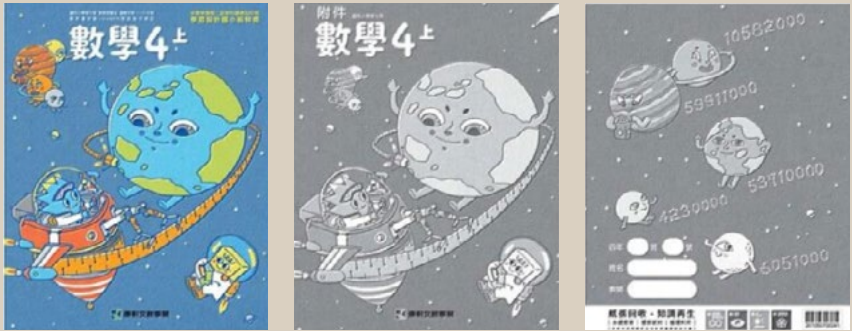
Complete Paper life-cycle from Cradle-to-Cradle Map

Taitung Mill is an eco-friendly recycled paper mill that separately processes recovered paper and paper containers. In 2025, the mill recycled 140,168.5 metric tons of recovered paper and 6,386.7 metric tons of paper containers. Recycled fiber materials totaled 146,555.2 metric tons, accounting for 91% of the mill's total raw material use. Commercial paper containers are generally coated with plastic. Mixing them with recovered paper during pulping requires longer processing and generates more impurities, which may affect recycled pulp quality. CHP separates PE coatings and packaging films from recovered paper and paper containers, producing 9,629.5 metric tons of solid recovered fuel, including 1,602.3 metric tons from paper containers. The fuel is used to generate electricity and steam for mill operations and paper drying, extending the paper life cycle and promoting material circularity.



Case Study

CHP has long been committed to circular economy and sustainable innovation. In partnership with Kang Hsuan Educational Publishing, the company participated in the "Recycled Books Circular Regeneration - Green Supply Chain Project." Through collection and paper recycling processes, Kang Hsuan's returned textbooks were transformed into card paper used for elementary school mathematics workbooks, realizing the circular reuse of educational resources.



Kang Hsuan Elementary School Mathematics Workbook Cards

Forestry and Agriculture

CHP's sustainable business encompasses afforestation, pulp and paper-making, and agriculture and forestry. Our agriculture and forestry business plays a pivotal role in the economic cycle of the paper-making industry. Considered a starting point in the paper-making industry, our agriculture and forestry business is responsible for cultivating seedlings for afforestation and environmental restoration. It also represents a terminal station in which organic waste from manufacturing processes is reintroduced to nature, so as to build a completely connected industry chain.

Forestry

Principles of Sustainable Development and Utilization – Operating Sustainable Forestry

Since 1980, in line with the government's 20-year Eastern Region Comprehensive Development Plan, CHP began promoting afforestation in eastern Taiwan. Today, the company operates five forest farms in Taiwan. In addition to eucalyptus, tree species introduced over time include Calocedrus formosana, Michelia compressa, Machilus thunbergii, Acacia confusa, Melia azedarach, and Zelkova serrata. CHP has planted about 2 million trees across nearly 1,000 hectares, managing its forests with a long-term focus on conservation, sustainability, and a diversified forest economy.

Taiwan has adopted digital forest management, building a resource survey database and promoting biodiversity monitoring. Using GPS, GIS, and satellite tools, periodic surveys collect comprehensive growth data to support forest management, climate adaptation, and carbon sequestration assessments.

CHP's forest management supports local economies and livelihoods, especially in indigenous and mountain communities. By respecting indigenous ecological culture, promoting local economic development, and providing jobs, the company fosters strong community partnerships central to its sustainable forestry efforts.

Ding Feng Forestry, manages plantations in China that supply raw materials for papermaking. Its forest base covers 433,000 mu, all of which is forested land, spanning 501 forest compartments across 52 townships in nine counties of Guangdong and Guangxi. The company also operates a 25-mu nursery that produces 1.4 million qualified seedlings annually

for afforestation and replanting. In recent years, Ding Feng Forestry has strengthened biodiversity conservation, while its growing stock has exceeded 1.35 million m³.

Species Conservation: Safeguarding Mountain Forest Life

At CHP's Dianguang Forest Farm in Guanshan, Taitung, nearly 100 native and threatened plant species are carefully preserved. This thriving forest has also become a vital refuge for wildlife legally protected in Taiwan, including the Formosan pangolin, Taiwan blue magpie, and Swinhoe's pheasant—bringing biodiversity conservation to life within the forest landscape.

Sustainable Raw Material Forest Management and Ecological Value in Practice

The company's raw material forests not only provide economic benefits but also enhance regional forest resources and ecological value. Through sustainable management and silviculture, it improves forest quality, boosts timber supply, and strengthens water conservation, carbon sequestration, and other ecosystem services. In mainland China, operations follow sustainable harvest principles, applying ecological logging and phased management to optimize forest structure, protect biodiversity and watersheds, maintain carbon balance, and minimize environmental impact.



Dingfung Pulp and Paper Co., Ltd., an overseas subsidiary of CHP, launched FSC-certification efforts in January, 2016 and obtained an FSC Certificate (SGS-FM/COC-010955) on February 22, 2017.

Agriculture

CHP strives for sustainability by adhering to the principle of giving back to nature and endeavoring not to produce waste. The paper-making industry usually generates fibrous waste. Sawdust, high concentrations of lignin from mixing wood chips with rainwater, and sludge from water treatment facilities are all rich in organic matter. While other manufacturing sectors may view organic matter as useless substances, in the eyes of CHP, such matter comprises “leftover” raw materials for which we have not yet found a purpose. However, mixing sludge from water treatment facilities

with leftover sawdust from the pulp-making process and allowing the mixture to ferment for some time eventually turns it into a natural compost that contains neither hazardous substances nor heavy metals and that increases soil porosity, which contributes to a more stable product quality. Utilizing such fertilizer in nature gives soil the most balanced nutrient supply, improves barren land, and nurtures saplings, thereby creating new value and more business opportunities. CHP's sawdust and fertilizer products are in compliance with laws and product labeling regulations.

Agriculture Material Industry	CHP sends organic-rich process residues and surplus wood chips from pulping to Genovella Renewables Inc., where they are co-fermented into natural organic fertilizer. Certified and subsidized by the Agriculture and Food Agency, the fertilizer is widely used in agriculture and forestry nurseries. Sales reached 3,000 metric tons in 2025, reflecting strong recognition among farmers. Product: HwaFeng NO. 7 fertilizer	
	CHP has also developed the "farmland paper" for weeding and mulching with water-permeable and breathable properties that could replace traditional plastic-made agricultural mulches and effectively protect the growth of crops. After harvesting, the crops are returned to the land to increase soil carbon sinks, which benefits both the environment and the economy. *Product: "Richland" farmland paper	

The Landscape of CHP Hualien Forest Farm

Products with Environmental Certification

	FSC™ certified products	CHP was the first papermaking company in Taiwan to be certified by the Forest Stewardship Council in 2007, and began producing FSC-certified paperboard in 2008.
	PEFC certified products	CHP was verified by the Programme for the Endorsement of Forest Certification (PEFC) in 2010, when the company launched our PEFC-certified eco-friendly paperboard. These products can be used for carton packaging or in books.
	Carbon footprint certified products	CHP launched the first office paper with carbon footprint certification, "PAPER STAR Copy Paper." The product underwent a full life cycle assessment, from raw material acquisition, transportation, pulping, papermaking, packaging, to consumer use and recycling. It also applied for the first carbon label for copy paper from the Environmental Protection Administration.
	Eco-friendly recycled photocopy papers	Our Hyacinth series photocopy paper is made of 60% recycled paper to save forest resources.
	Industrial Compostability Certification Product (DINCERTCO)	CircuWell Easy Seal Board obtained certification in June 2021.
		CircuWell Pulp-molded products obtained certification in Dec. 2021.
	International Biodegradable Products Institute (BPI) certified products	(1) CircuWell Easy Seal Board obtained certification in Oct. 2021.
		(2) CircuWell Pulp-molded products obtained certification in Jan. 2022.
	Industrial Compostability Certification Product (Seedling Mark)	CircuWell Pulp-molded products obtained certification in Jun. 2022.
	Australasian Bioplastics-Industrial Compostable verification programme(ABA)	(1) CircuWell Easy Seal Board obtained certification in Nov. 2023.
		(2) CircuWell Pulp-molded products obtained certification in Nov. 2023.
	Home Compostable and Biodegradable Certified Product (DINCERTCO)	(1) CircuWell Easy Seal Board obtained certification in May. 2023.
		(2) CircuWell Pulp-molded products obtained certification in Sep. 2023.
	Australia's Home Compostable and Biodegradable Certified Product (ABA)	(1) CircuWell Easy Seal Board obtained certification in Jul. 2023.
		(2) CircuWell Pulp-molded products obtained certification in Nov. 2023.

*FSC™ CoC verification (License Code: FSC™-C016878, FSC™-C012657, FSC™-C118028)

Products with the Green Mark

Mark No	Product Name	Specifications and Standards/Environmental Appeal
25122	Clear Lotus series recycled paper (for office automation)	Recycled paper for office automation (OA)
6004	Hyacinth series photocopy paper	
25179	Clear Lotus series wood-free paper	Stationery and writing paper made of recycled paper
25162	Recycled Kraft paper (wrapping paper and paper bags)	
25163	Clear Lotus series recycled paper board	Packaging products made of recycled paper
25164	Chip board	
23009	Clear Lotus Recycled Two Sides Coated Solid Board	
23010	Coated Duplex Board With White Back	
23011	Coated Duplex Board With Grey Back	
23012	Chip Board	
23013	Core Board	
23014	Kraft Top Liner	

Product Responsibility and Quality Management

CHP's domestic and overseas production sites have obtained FSC™ CoC and PEFC™ certifications and conduct carbon footprint assessments to strengthen carbon management. CHP's quality control system integrates DCS/QCS automated controls, online defect detectors, and color sensors to monitor paper quality in real time and ensure consistent printability.All paper products meet applicable international quality, environmental, food safety, or medical device standards and are tested for substances such as fluorescent agents and bioaccumulative toxins. Scan the QR

code to view the product testing reports.

During the reporting period, CHP recorded zero incidents of non-compliance with product and service health and safety regulations or voluntary codes, including cases resulting in fines or warnings. The Company will continue applying ISO management systems and strict quality controls to maintain this record.



	Pulp	Printing Paper	Packaging Paper	Specialty Paper
PEFC-CoC	o	o	o	o
FSC™-CoC	o	o	o	o
FSC™-Recycled		o	o	o
HACCP				o
FDA.TFDA				o
CNS Mark		o	o	
Restriction of Hazardous Substances Directive (RoHS)		o	o	o
Dimethyl fumarate (DMF)		o	o	o
Substance of very high concern (SVHC)		o	o	o
Perfluorooctane sulfonic acid/Perfluorooctanoic acid (PFOS/PFOA)		o	o	o
Halogen		o	o	o
EN 868				o
Green Mark		o	o	
Carbon Footprint Mark		o	o	
Industrial Compostable and Biodegradable				o
Home Compostable and Biodegradable				o

*FSC™ CoC verification (License Code: FSC™-C016878, FSC™-C012657, FSC™-C118028)

Green Procurement

As part of the global green supply chain, CHP prioritizes local suppliers to reduce costs, support local industries, and strengthen resource circularity. In 2025, locally sourced recovered paper accounted for 92% of total recovered paper procurement of 146,555 metric tons, reducing reliance on imported materials. As many production sites are near rural areas, CHP also sources maintenance equipment and materials locally wherever possible, supporting regional industries and creating employment opportunities.

CHP supports green procurement, incorporating environmentally certified materials into procurement guidelines and actively participating in government green procurement initiatives. In 2025, green procurement by CHP and its subsidiaries reached NT\$4.6 billion, including materials from third-party-certified forests and investments in renewable energy equipment. Green wood chips and pulp accounted for 77% of total raw material procurement of 743,187 metric tons, while the remaining 23% met other fiber sourcing standards. CHP is also constructing a high-efficiency biomass power generation facility at the Hualien Mill to enhance lignin recovery and advance energy self-sufficiency and fully renewable-powered production.

With global environmental protection and green sustainable development gaining widespread attention, the paper industry is inherently seen as an eco-friendly sector with a green image. As part of its corporate responsibility, CHP is even more committed to addressing these issues. The company has achieved outstanding results in promoting green procurement, actively prioritizing the purchase of eco-labeled, energy-saving labeled, and FSC™ internationally certified

green products for raw materials, in-factory facilities, and office supplies. Reducing environmental impact is key to CHP's pursuit of sustainable growth, and the company strives to position the paper industry not only as one that provides socio-economic benefits but also as a value-added industry that makes even greater contributions to society as a whole.

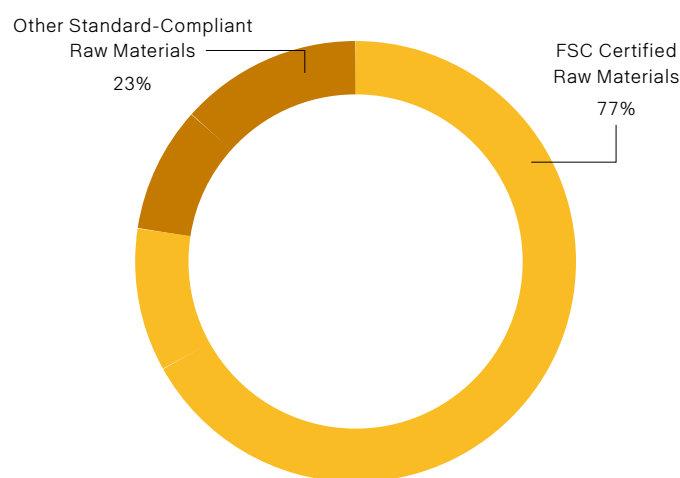


CHP being honored with the Ministry of Environment's Outstanding Unit for Green Procurement and Green Consumption Promotion award, as well as Taipei City's Outstanding Green Procurement Award for Private Enterprises and Organizations.

RR-PP-430a.1 / RR-PP-000.C

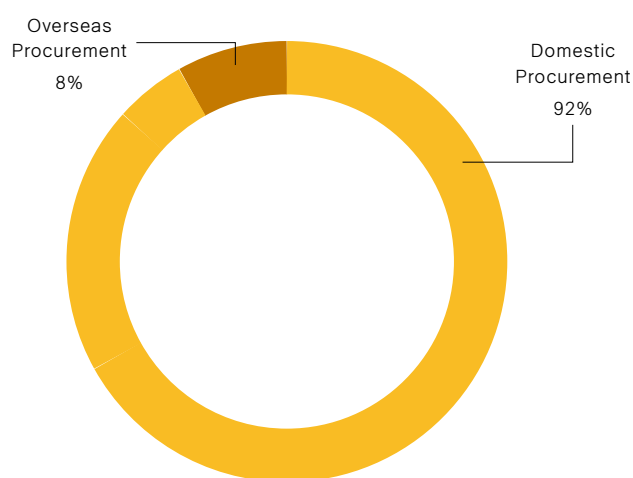
Raw Material Procurement Categories

Unit: Tons



Sources of recovered paper procurement

Unit: Tons



Supply Chain and Customer Services

Raw Materials Procurement

CHP relies on imports for wood chips and pulp needed for papermaking, making production costs susceptible to fluctuations in the international market. In 2025, approximately 607,000 tons of raw materials were imported, with the top three sources of wood chips and pulp being Southeast Asia (47.5%), New Zealand and Australia (29.9%), and North America (9.9%). To manage the volatility in raw material prices, CHP continuously monitors market supply and demand changes and closely monitors the quality of sources to stabilize raw material costs. All raw materials procured by CHP are certified or legally sourced from the local governments of the exporting countries, ensuring 100% renewable materials. Additionally, to provide responsible products, traceability of raw materials is a crucial task, and all relevant information is registered with internationally recognized environmental alliances, providing customers with full transparency and fulfilling corporate social responsibility.

Supply Chain Management

Facing the challenges of global environmental and social issues, supply chain management has become increasingly important. Especially for CHP, whose operations rely heavily on the gifts of nature, there is an obligation to fulfill social responsibility. Managing the entire supply chain is a significant challenge. With frequent incidents of illegal logging and deforestation affecting international forest resources, we are particularly cautious in selecting raw material suppliers. We carefully choose suppliers that are certified by international standards and comply with local regulations to avoid contributing to the destruction of rainforest ecosystems.

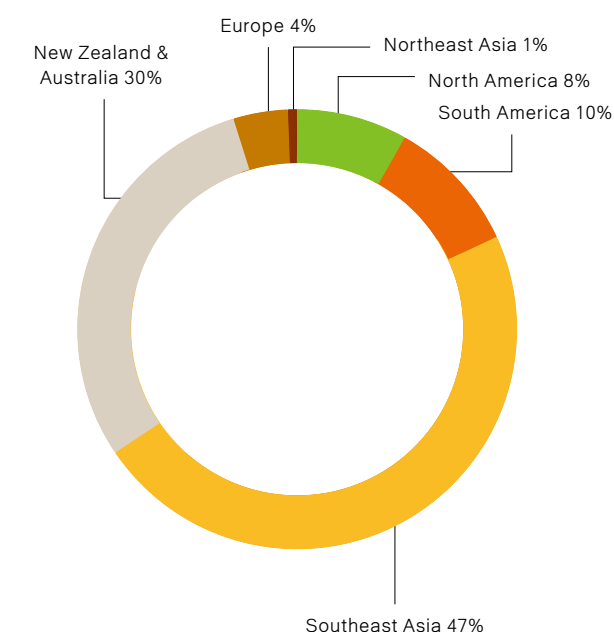
Our mission as a sustainable and responsible company is to responsibly source and use raw materials, while continuously developing more environmentally friendly technologies to protect global forest resources. Approved by the Chairman, we have established a "Procurement Policy" for raw materials, committing to the protection of ancient and endangered forests, peatlands, high carbon stock (HCS) forests, and high conservation value (HCV) areas. This ensures that our operations and procurement practices contribute to sustainable forest management.

In terms of human rights standards, CHP regulates supplier management through the "Procurement Declaration" and the "Human Rights Declaration." We require suppliers to commit to complying with labor safety and human rights regulations established by local governments, prohibiting discrimination, child labor, and forced labor. After a due diligence process in 2025, none of CHP's operational sites or suppliers were found to be in violation of workers' rights to freedom of association or collective bargaining. For detailed information on supplier management, please refer to the "Wood Chip Procurement Policy" and "Environmental Sustainability - Sustainable Forestry" sections on the CHP official website.

GRI 2-6 / 2-23 / 2-24 / 2-26 / 101-5 / 416-1



Sources of Raw Materials



Biodiversity and No-Deforestation Commitment

Core Values:

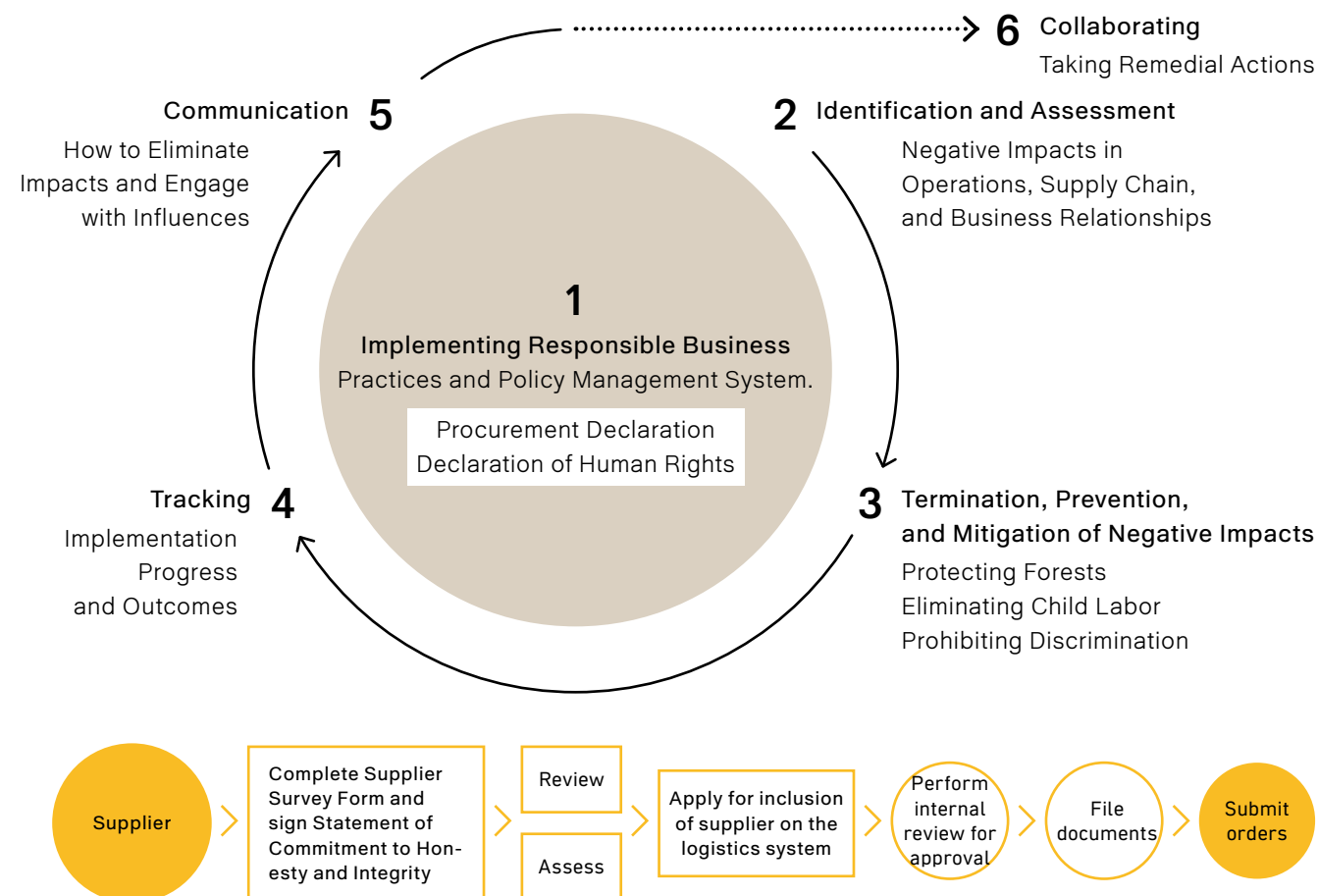
- Responsible Governance, Reduced Ecological Impacts**
 Comply with applicable laws, select sites carefully, and avoid impacts on important biodiversity areas.
- Impact Mitigation and Nature Recovery**
 Apply the mitigation hierarchy—avoid, minimize, restore, and offset—to pursue no net loss and a net positive impact.
- Responsible Sourcing and Forest Protection**
 Strengthen raw material traceability, prioritize certified sustainable materials, and eliminate deforestation risks.
- Natural Carbon Sinks and Carbon-Negative Solutions**
 Collaborate with academic and research institutions to advance nature-based solutions, enhance natural carbon sinks, and mitigate climate change.
- Partnerships for Nature-Positive Outcomes**
 Work with value chain partners to promote conservation and strengthen public awareness of biodiversity.

New Supplier Selection and Evaluation

CHP cooperates with a considerable number of suppliers and contractors. Most of our materials are purchased from local suppliers and vendors, except for fibers, which suffer from insufficient production in Taiwan as well as fiber quality. Thus, we are able to support local businesses and concurrently reduce the impact that the transport of raw materials has on the environment. Our selection and procurement of our primary raw materials is 100% based on social standards. We maintain favorable relations with at least two suppliers. CHP has developed a Declaration of Human Rights, and we comply with the requirements

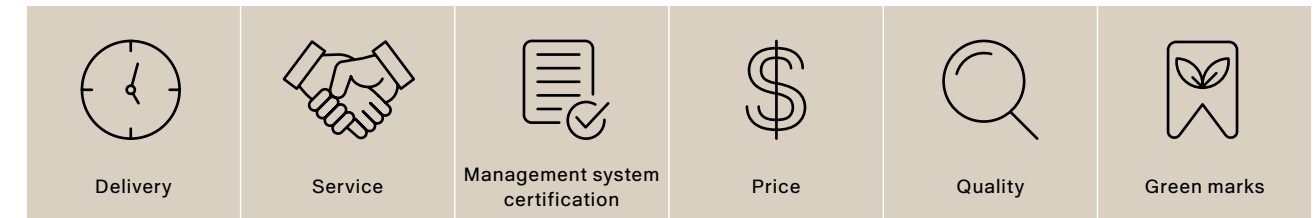
stipulated in this declaration and ensure that our suppliers do the same. For example, the declaration includes a statement of commitment to compliance with labor laws enforced in the location or country where the business is registered, the prohibition of child labor, and an adherence to the spirit of human rights for sustainable development. It also states that CHP will only work with suppliers who commit to this declaration and will sever ties with those with risk potential. Furthermore, CHP has formulated management procedures to select new suppliers and evaluate existing suppliers.

6 Key Steps of Due Diligence Process and Establishment of Management System



New suppliers must complete a Supplier Information Survey, including an Integrity Commitment. Only suppliers that pass the internal assessment may be registered in the procurement system. Approved suppliers are evaluated at least twice a year. In 2025, CHP conducted 1,581 evaluations of 315 suppliers (814 in the first half and 767 in the second) with a 100% pass rate. Suppliers must score at least 70 out of 100 to qualify. Procurement contracts also strictly prohibit bribery, kickbacks, and other unethical conduct.

Supplier Evaluation Items



Suppliers are graded based on system-generated data of past procurement cases and the evaluation scores given by units that used the supplier's services. Suppliers who fail the evaluation are issued an improvement notice or blacklisted on our procurement system.

Customer Service

CHP, Taiwan's largest producer of cultural paper and paperboard, enhances competitiveness by developing unique products and maintaining a strong brand image. We regularly engage with customers to gather feedback, adjust sales strategies, and provide product briefings with technical support. Digital services, such as an online ordering system and CRM, improve efficiency and service quality. Looking ahead, CHP will continue innovating, strengthening product differentiation, advancing digital transformation, and delivering tailored solutions to maintain market leadership and provide superior products and services.

On-Time Delivery

To ensure on-time delivery, CHP has fully implemented an electronic order management system. Customers can place orders online, while the production team plans and schedules production based on order volume and delivery dates, providing confirmed timelines through the system. Once delivery dates are set, customers can check real-time inventory, arrange logistics, and manage shipments the same day, ensuring smooth supply and improved customer satisfaction.



CHP provides greenhouse gas inventory training to help customers strengthen their carbon management capabilities.



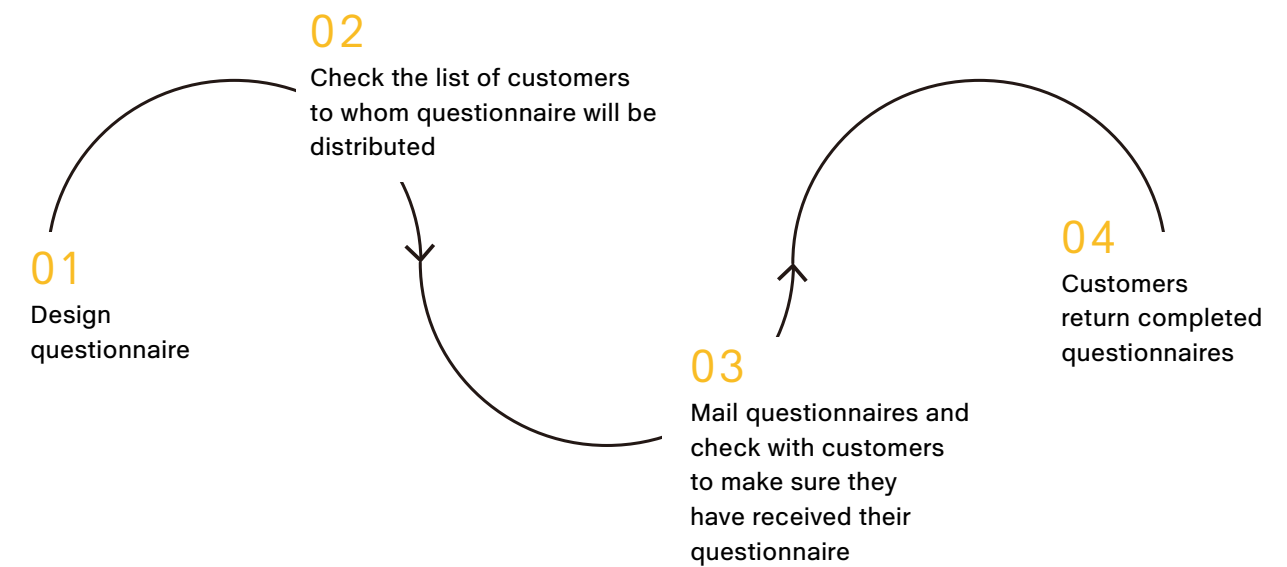
Customer Feedback

Taiwan's paper industry has reached a mature stage. While CHP remains the largest producer of cultural paper and paperboard in Taiwan, it also faces global competition. In addition to developing unique products, the company enhances market competitiveness by maintaining a strong brand image. To ensure alignment between the intended brand message and customer perception, CHP conducts satisfaction surveys across various service stages as a key reference for improvement. In 2025, CHP and its subsidiary Ding Feng distributed 109 customer satisfaction questionnaires and received 73 valid responses, representing a response rate of 67%. Overall, 87.7% of respondents were satisfied with the services provided.

CHP's customer satisfaction survey covered six dimensions, each rated on a five-point scale. Overall service satisfaction averaged 3.95, indicating a "satisfied" rating, although both the score and satisfaction rate declined slightly from 2024. Transportation, product information, and technical support received the highest ratings. Transportation services scored 4.32, with 92% of respondents reporting that they were "satisfied" or "very satisfied." Satisfaction with delivery punctuality and order accuracy improved from the previous year. For product information services, customers indicated that product specifications, paper samples, and quality comparisons with competing products were most important. Overall satisfaction fell between "satisfied" and "very satisfied," leaning toward "satisfied." For technical support, 82% of respondents were "satisfied" or "very satisfied," with no dissatisfied responses. Customers particularly valued CHP's professional service, prompt handling, and timely communication.

Research Process

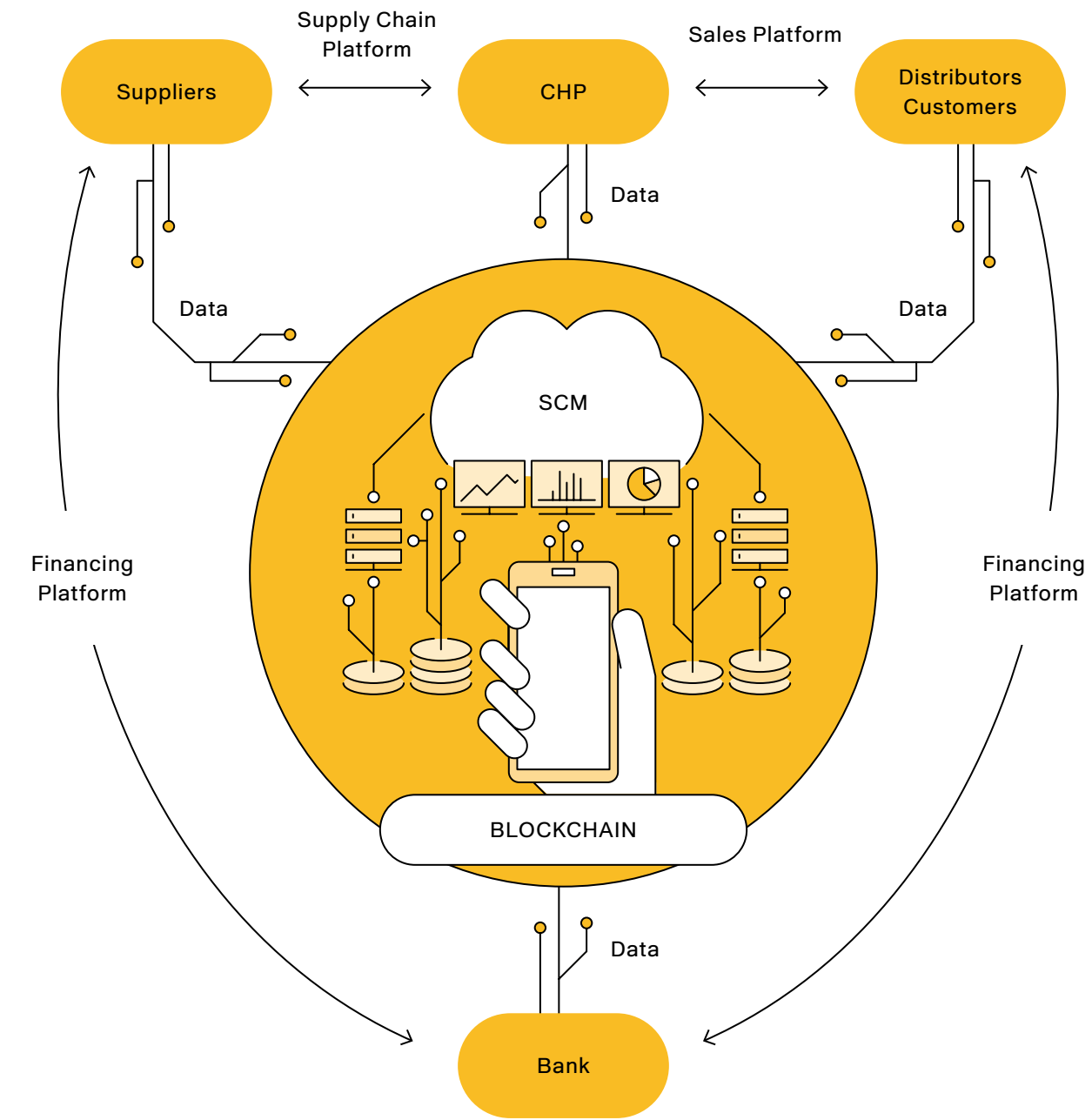
The questionnaire design is based on customer characteristics (direct seller, distributor, processing plant, specialty papers) and the essential elements of our service processes. The questionnaires were distributed by mail.



Item	Overall Satisfaction	Technical Assistance	Product Information	Product Quality	Order Processing	Transport Services
2024	4.03	4.11	4.25	3.95	4.10	4.08
2025	3.95	4.15	4.27	3.86	4.07	4.32

Note: Customer Satisfaction with CHP Services

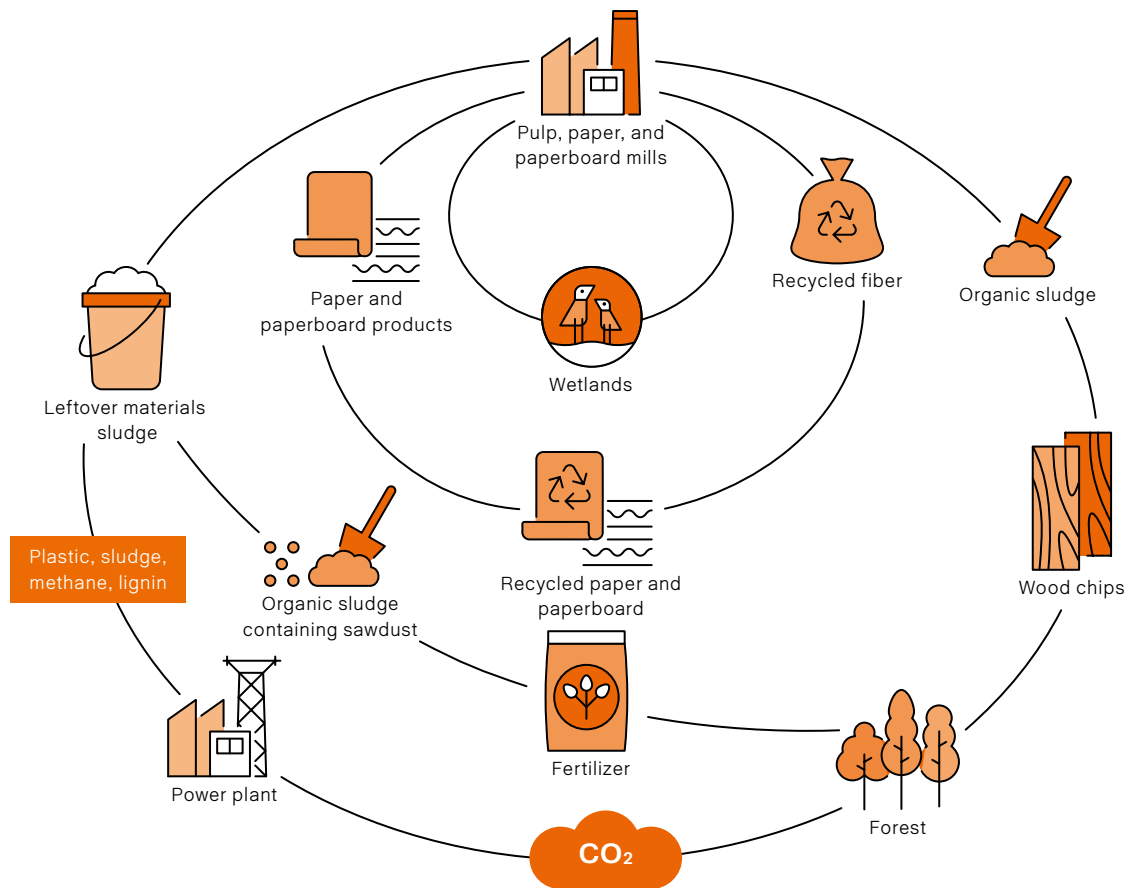
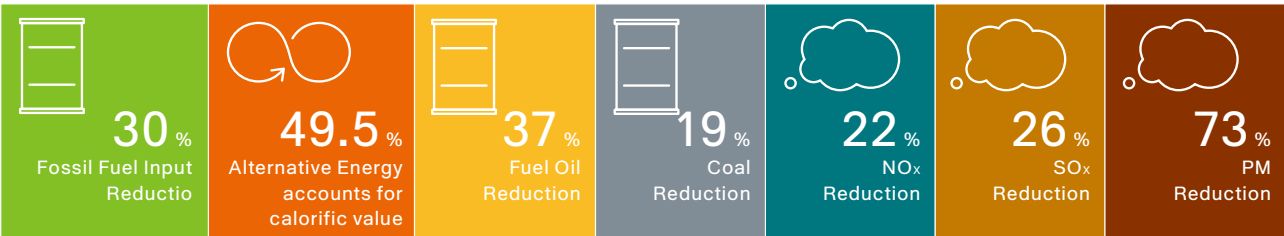
Digital Development for Triple Win Outcomes



Since 2018, CHP has joined the group's supply chain management project and established the SCM (Supply Chain Management) platform to optimize the digitalization of supply chain processes. Currently, 1,388 suppliers have been integrated into the platform, promoting collaboration and communication between the upstream and downstream supply chain, thereby enhancing the efficiency and quality of cooperation.

In August 2022, the blockchain-based supply chain financial platform officially went live, with CHP being one of the group's sites. By combining supply chain finance with blockchain technology, the platform allows upstream and downstream companies (suppliers, customers) and banks to share resources, risks, and information. This helps small and medium-sized enterprises address funding challenges, improve operational efficiency, reduce risks, and promote long-term business development.

Green Production

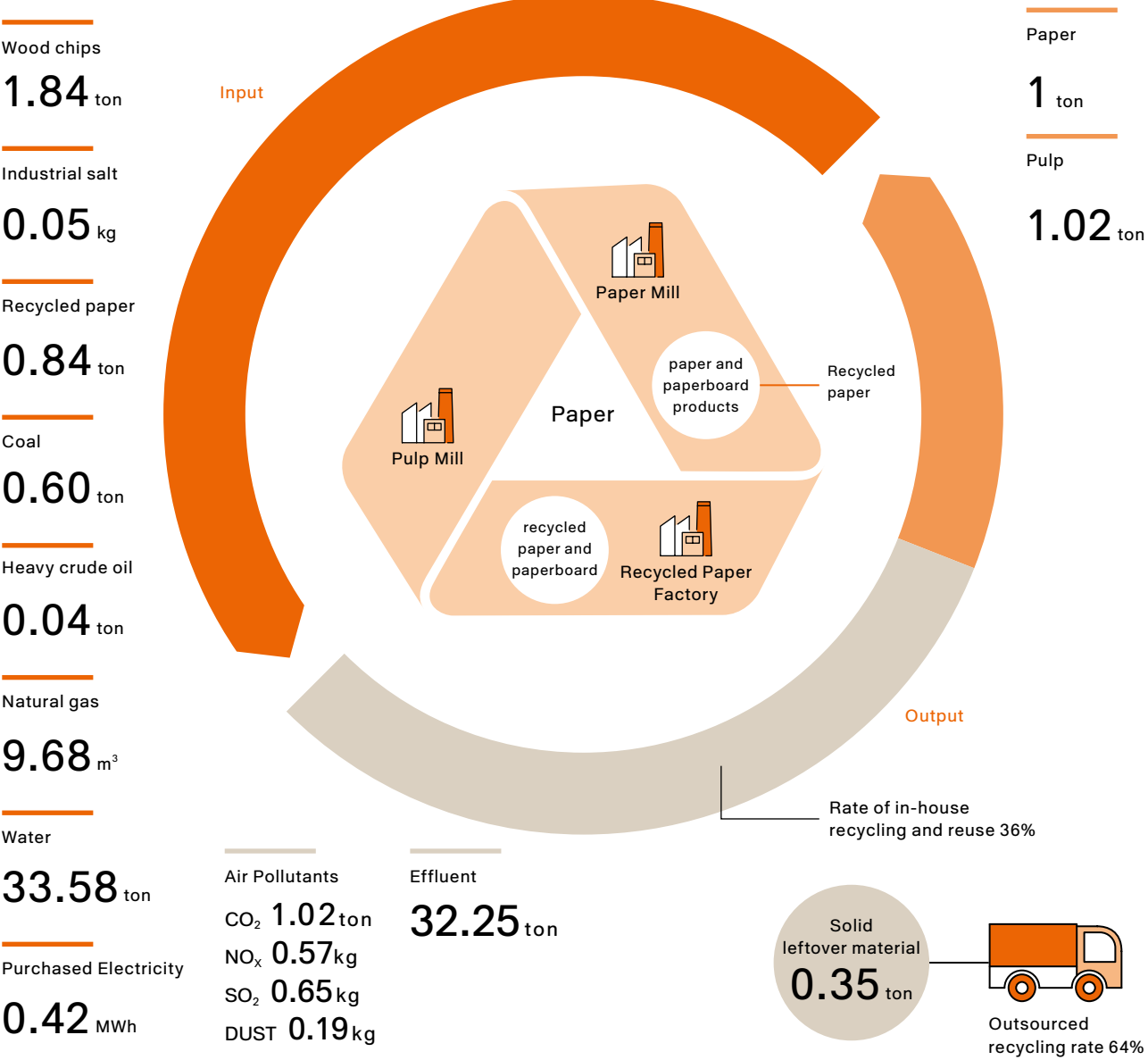


With global environmental protection and green sustainable development gaining the attention of countries around the world, the paper industry, driven by corporate responsibility, is naturally more concerned with these issues. The key to CHP's pursuit of sustainable growth lies in transitioning from a traditional, resource-dependent linear economy to an economy that relies on ecological resource recycling. Accelerating the shift towards a circular economy-driven innovative business model is the critical challenge that will determine whether the paper industry can achieve sustainable development.

The paper industry inherently has a green image as an environmentally friendly sector. In future production processes, introducing and strengthening

new production concepts will require full consideration of the carrying capacity of natural ecosystems. It is essential to conserve natural resources as much as possible, continuously improve the efficiency of resource utilization, and fully utilize resources from the very beginning and throughout the entire production process. This approach aims to achieve low input, low emissions, and high efficiency in every step of production, minimizing waste, maximizing resource use, and ensuring harmless disposal. In addition to its socio-economic benefits, the paper industry as a green industry can further position itself as a value-added sector that contributes even more to society as a whole.

Energy Input and Output



In alignment with global sustainable development policies, CHP has voluntarily implemented multiple clean production initiatives, striving to improve the efficiency of water and energy resource usage, bringing our operational performance closer to achieving 'zero waste, zero emissions'.

Save energy costs, reduce transportation costs, and minimize water waste	
Past	Type of pulp: Dry pulp Long-distance transportation of pulp requires ensuring quality and ease of preservation, so the finished product must be dried before being sold to paper mills. When paper mills use the pulp, additional water must be added to dilute it before it can be used.
Present	Type of pulp: Semi-wet pulp or liquid-pumped pulp - When semi-wet pulp is directly transported to paper mills, there is no need to spend additional energy and steam for drying, and the paper mill does not need to use excessive water to disperse the pulp, resulting in water and energy savings. - When the paper mill is adjacent to the pulp mill, pipelines can be used for direct transportation, significantly reducing the costs associated with pulp pressing, processing, packaging, and transportation.

Management Systems

CHP has established the 'ISO Quality, Environmental, Occupational Safety, FSC, and PEFC Management Committee,' and set quality, environmental, and health and safety policies and commitments. In addition to continuing its involvement in community development, we also requires suppliers and contractors to commit to, comply with, and fulfill environmental, integrity, and other obligations. In terms of management and execution, a bottom-up management approach is adopted, where employees bring up environmental considerations. These are communicated to mid- and

senior-level management through regular management committee meetings. Major environmental considerations identified are reviewed in regular committee meetings, where the implementation status is evaluated. After assessing legal regulations, other requirements, technical trade-offs, financial, operational, business, and stakeholder perspectives, improvements are made through process control or specific projects. The validity periods of the relevant management system certifications currently held are as follows:

	ISO 9001	ISO 14001	ISO 14064-1 (Note 3)	ISO 50001	ISO 45001	ISO 22000	HACCP	FSC™ CoC certificate (Note 1)	PEFC certificate (Note 1)	Level 3 Safety Production Standardized Enterprise (China)	FSC™ FMcertificate (Note 2)	High-Tech Enterprise (China)
Hualien Mill	2029.05	2028.04	2026.08	-	2027.06	2028.04	2028.04	2028.08	2025.09	-	-	-
Taitung Mill	2026.12	2028.12	2026.08	2026.11	2025.12	-	-	2028.10	-	-	-	-
Jiutang Mill	2028.05	2029.06	2026.08	2026.12	2026.06	-	-	2027.12	-	-	-	-
Guanyin Mill	2028.05	2028.05	2026.08	-	-	2026.03	2026.03	2028.09	-	-	-	-
Dingfung Mill	2026.07	2026.08	-	-	-	-	-	2029.08	-	2027.01	2027.02	2027.11

Note 1: FSC™ CoC certification refers to Chain of Custody certification (License Codes: FSC™-C016878, FSC™-C012657, FSC™-C118028); PEFC certification (Certificate SGS-PEFC/COC-1176).

Note 2: FSC™ M (Forest Management) Certification.

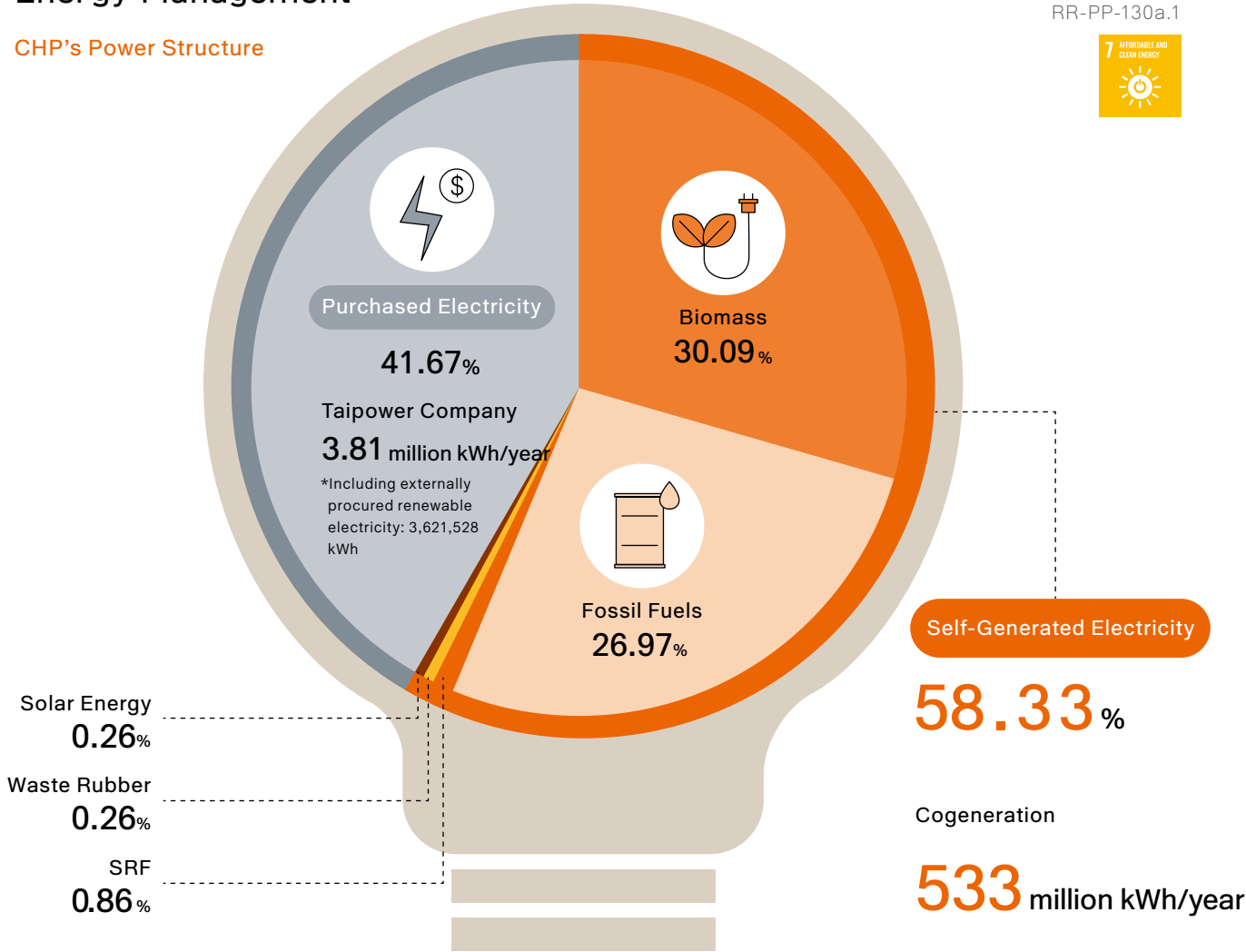
Note 3: ISO 14064-1 refers to the verification approval date, and verification is conducted annually on a fixed schedule.

Energy Management

GRI 302-1/302-3/302-4
RR-PP-130a.1



CHP's Power Structure



CHP's primary energy source utilizes a Cogeneration System, which supplies 50-90% of the electricity required for operations. During off-peak hours, excess electricity can be fed back to alleviate regional electricity demand. The cogeneration system simultaneously produces both thermal and electrical energy, unlike traditional power generation systems where waste heat is released into the atmosphere. The fuel cost invested in the cogeneration system provides the dual benefits of electricity and usable thermal energy, reducing waste heat emissions, improving energy efficiency, and lowering the use of fossil fuels. CHP's cogeneration system derives its thermal energy from black liquor, coal, biomass energy, pulp and paper sludge, and SRF solid fuel. Through optimized electricity distribution, energy is used efficiently.

CHP Energy Usage

In 2025, the total internal energy consumption of the organization was 16,908,821 GJ. Purchased electricity accounted for 1,371,239 GJ (comprising 9% grey electricity and 0.1% externally procured green electricity), while internally generated steam and electricity consumption totaled 15,537,582 GJ, with biomass accounting for 47.40% (8,015,552 GJ) and solar energy (as a percentage of other renewable energy sources) accounting for 0.24%.

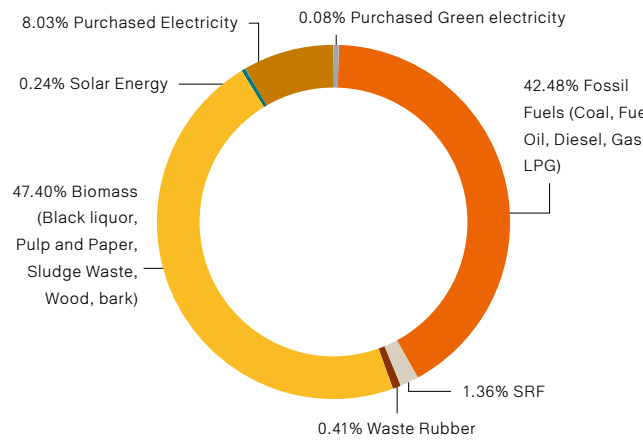
CHP actively promotes energy conservation and the expansion of green energy. In terms of internal self-generation and self-consumption in 2025, the

proportion of biomass increased from 45.39% in the previous year to 47.40%, while the proportion of fossil fuels decreased from 43.07% to 42.48%, driven primarily by the use of lignin as a substitute, alongside the utilization of SRF and recycled waste in alignment with government policies. Additionally, the proportion of solar energy increased from 0.09% to 0.24%, and newly procured green electricity at the Hualien Mill accounted for 0.08% of the total energy input this year. Regarding energy intensity, it was 19 GJ per unit of product (metric ton) this year, representing a 26% decrease compared to the base year.

Management Systems

CHP is committed to recycling and reuse, reviewing sludge, wood, and bark that cannot be returned to the production line for reprocessing, as well as plastic residue mixtures screened from recycled paper. Through crushing, screening, and pelletizing operations, these materials are processed into SRF. This fuel can replace coal as an alternative fuel for boiler co-firing, feeding into the cogeneration system to provide operational electricity. To measure the actual performance of the green energy substitution initiative, the "fossil fuel consumption of the existing process before the implementation of alternative fuels" is used as the calculation baseline. In 2025, the company-wide implementation of the alternative fuel project successfully replaced 47,565.02 metric tons of coal demand, directly reducing traditional fossil energy consumption by 223,604.90 GJ. CHP's Hualien, Taitung, and Jiutang plants have each established cogeneration systems. To realize carbon reduction targets, the company is gradually increasing the proportion of renewable energy as the calorific value source for power generation. The Hualien plant obtained 20,000 kW renewable energy power generation equipment certification in 2023, and the generated electricity can acquire green power certificates, mutually achieving carbon reduction goals through industrial cooperation and transactions. The Taitung and Jiutang plants completed the installation of rooftop renewable energy solar photovoltaics

at the end of 2022, with installed solar capacities of 1,187 kWp and 810 kWp, respectively, and substantially increased the use of solid recovered fuel and renewable biomass energy, achieving significant carbon reduction results. The Guanyin plant invested in the construction of liquefied natural gas (LNG) equipment, which was put into operation at the end of 2023 to fully replace heavy oil and practice low-carbon production.



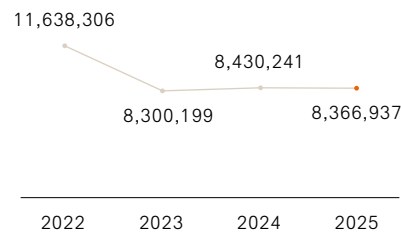
Alternative Fuel	Coal replacement (calculated by calorific value)
Pulp and Paper Sludge	4,939.06 tons/year
SRF	3,552.18 tons/year
Waste Rubber	3,495.02 tons/year
Waste Wood, bark	35,578.77 tons/year
Total	47,565.02 tons/year

Category		2023	2024	2025	2023 Proportion	2024 Proportion	2025 Proportion
Self-Generated Electricity (GJ)	Biomass	8,298,031	8,050,536	8,015,552	46.71%	45.39%	47.40%
	Waste Rubber	532	15,748	68,790	0.003%	0.09%	0.41%
	Solar energy	1,636	8,329	40,358	0.01%	0.05%	0.24%
	SRF	369,224	355,628	229,199	2.08%	2.00%	1.36%
	Fossil Fuels	7,651,556	7,990,220	7,183,683	43.07%	45.05%	42.48%
Total self-generation		16,320,979	16,420,461	15,537,582	91.88%	92.58%	91.89%
Purchased Electricity (GJ)	Grey Electricity	1,443,328	1,316,787	1,358,201	8.12%	7.42%	8.03%
	Green electricity	-	-	13,038	-	-	0.08%
Total purchased electricity		1,443,328	1,316,787	1,371,239	8.12%	7.42%	8.11%
Total internal energy consumption		17,764,307	17,737,248	16,908,821	100%	100%	100%

Note 1: Alternative fuels include biomass, waste, solar energy, SRF (solid recovered fuel), and externally procured green electricity.

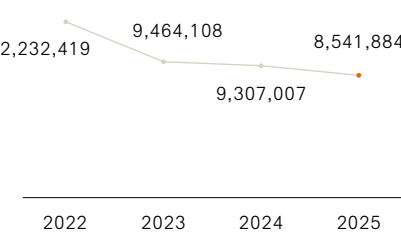
Renewable Energy

Unit: GJ



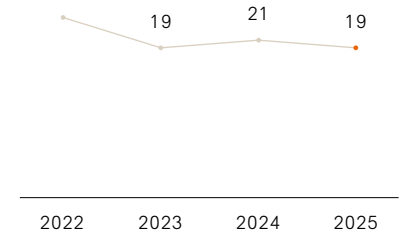
Non-Renewable Energy

Unit: GJ



Energy Intensity

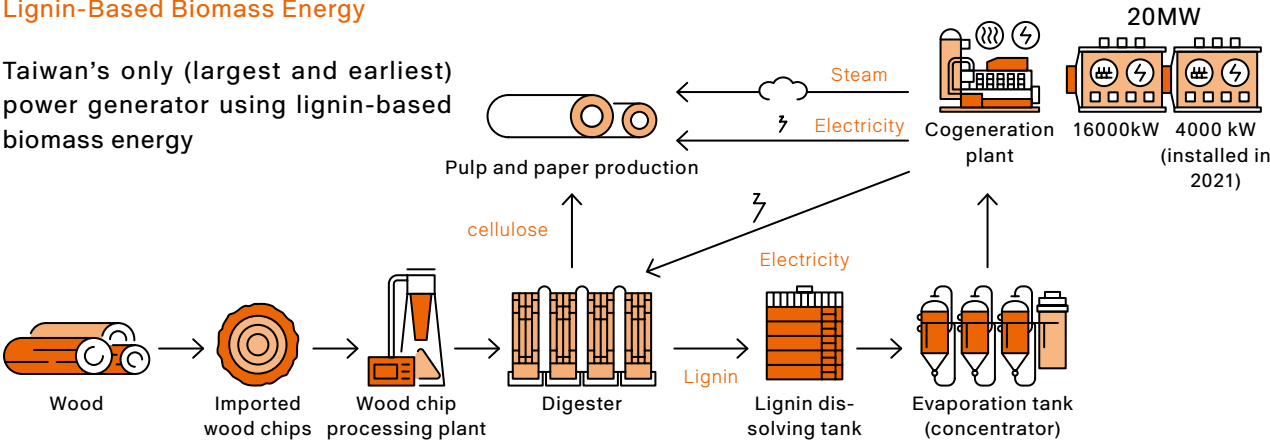
Unit: GJ/ton (product)



Note: Energy intensity = Total internal energy consumption of the organization (GJ) / Total product output (tonnes)

Lignin-Based Biomass Energy

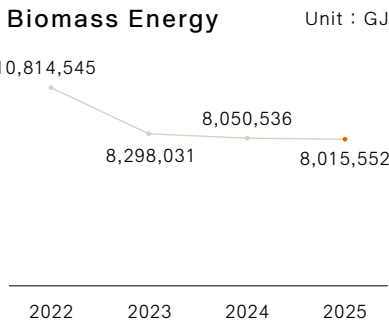
Taiwan's only (largest and earliest) power generator using lignin-based biomass energy



The process of pulp production at CHP involves cooking wood to separate the wood fibers, producing pulp and paper. The resulting solution, primarily lignin (commonly known as black liquor), contains lignin, wood essential oils, pectin, starch, hemicellulose, and small amounts of cellulose and other organic substances. This solution is concentrated in an evap-

oration tank to 63-70% high-concentration lignin and then sent to a recovery boiler for combustion. The combustion replaces heavy oil to generate steam, which is further utilized in the cogeneration system to supply steam and electricity for the production process.

Since 2021, CHP's Hualien integrated pulp and paper mill has undergone a low-carbon transformation into a biomass energy generation system, with lignin accounting for 96% of the mill's self-generated electricity. In 2025, CHP's total biomass energy fuel input had a thermal value of 8,015,552 GJ. CHP is actively planning to invest in the development of biomass energy technologies and aims to expand its renewable energy generation capacity in 2025, contributing to the national goal of achieving net-zero carbon emissions.



Energy Saving Project

In 2025, CHP implemented energy-saving projects, which can be categorized into system energy saving, energy efficiency improvement, and equipment replacement. The total carbon reduction for 2025 amounted to 25,232 tCO₂e.

The energy-saving benefits are calculated as the difference between the energy consumption of the equipment before the project and the estimated energy consumption after the project. Carbon reduction calculations in 2025 were based on the weighted average of the company's own emission factors. The emission factor for electricity was 0.474 kg CO₂e per kWh, and for steam, it was 0.2447 metric tons CO₂e per metric ton.

	System Energy Saving	Energy efficiency enhancement	Equipment replacement
Project Items	Dryer cylinder and hood improvements, and heat recovery	Upgrading to high-efficiency motors, pumps, impellers, and optimizing operating parameters	Replacement of aging air compressors, refiners, dewatering equipment, and vacuum pumps
Energy Savings	Steam savings: 29,850 tons Electricity savings: 5,980 MWh Energy Savings: 120,024 GJ	Steam savings: 53,046 tons Electricity savings: 2,548 MWh Energy Savings: 155,657 GJ	Electricity savings: 2,456 MWh Energy Savings: 8,461 GJ
Carbon Emission Reduction (metric tons of CO ₂ e)	9,118	15,000	1,114
Subtotal (metric tons of CO ₂ e)	25,232		



A Low-Carbon Hydrogen-Powered Paper Mill in Hualien

CHP has set a precedent for the manufacturing industry in Taiwan. Currently, hydrogen is produced by converting hydrocarbon fossil fuels and water electrolysis. Hydrogen produced from fossil fuels has a low purity of 75%. Our integrated pulp and paper mill in Hualien produces hydrogen using the salt water byproduct of electrolysis (produced during the production of recycled pulping agent), which sets a precedent in the manufacturing industry. In 2025, approximately 490 tons of hydrogen byproducts with 95% purity were produced.* By utilizing clean energy technologies as auxiliary energy supply for the lime kiln, there was a substitution of 1,460 gallons of heavy oil and lead to a reduction of 4,542 metric tons CO₂e in carbon emissions.

Carbon Reduction Performance

CHP has long been committed to self-directed carbon reduction actions. In addition to continuously upgrading process facilities and motor efficiency, we have implemented comprehensive energy-saving initiatives for electricity and steam usage. In recent years, we've focused on energy-saving measures for pulping equipment and mill-wide steam/gas heat recovery to reduce heat loss and effectively improve energy efficiency, thereby reducing the need for fuel oil. Additionally, we have enhanced lignin concentration equipment to improve the efficiency of biomass energy generation.

In 2025, the heavy fuel oil consumption was 673,012 GJ, achieving a 37% reduction performance compared to the 2022 base year; the coal consumption in 2025 was 6,074,704 GJ, achieving a 19% reduction performance compared to the 2022 base year.

Emissions Management

GRI 305-1 / 305-4 / 305-7
RR-PP-110a.1 / RR-PP-110a.2 / RR-PP-120a.1

GHG Management

To provide more environmentally friendly products, greenhouse gas reduction initiatives are an ongoing effort, dedicated to seeking high-efficiency production models and technological advancements. By the end of 2025, CHP's parent company obtained validation for its SBTi near-term emission reduction targets. Compared to the base year (2022), Scope 1 and 2 emissions must be reduced by 42% by 2030, and a reduction of 10.90% has been achieved so far.

Management Approach

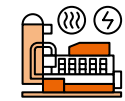
In 2022, the Financial Supervisory Commission (FSC) proposed the "Sustainable Development Roadmap for TWSE- and TPEX-Listed Companies," which mandates that listed companies with a paid-in capital of NT\$10 billion or more must complete greenhouse gas inventories for consolidated subsidiaries by 2025 and obtain assurance from a third-party verification agency by 2027. Chung Hwa Pulp has established a "Greenhouse Gas Reduction Task Force" and introduced professional consultants this year to continuously monitor the carbon inventory and verification schedules of all parent and subsidiary companies. In addition to making disclosures in annual reports and sustainability reports as required, it also concurrently

aligns with the Ministry of the Environment's carbon fee guidelines and the Science Based Targets initiative (SBTi).



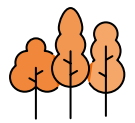
Renewable Electricity Development

Installation of solar panels and increases in the installed capacity of power generators that use lignin biomass energy (integrated pulp and paper mill).



Carbon Reduction Strategies

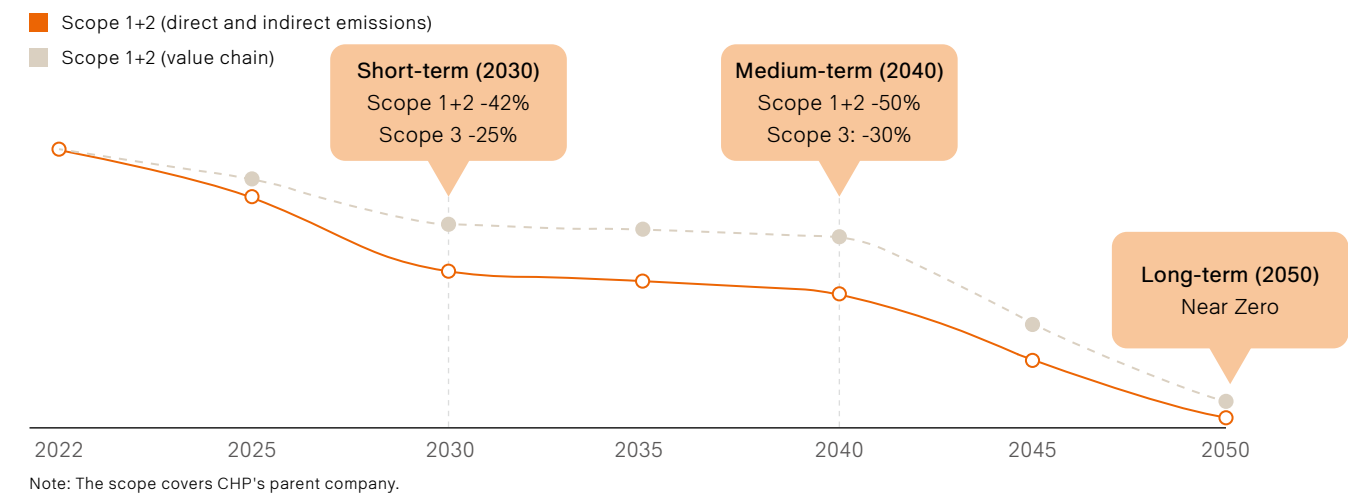
Reduced use of fossil fuels, increased use of alternative fuels, and investment in biomass fuels.



Forestry Management

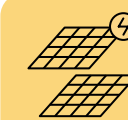
Afforestation, reforestation, and forest management to achieve carbon storage and carbon fixation functions to increase carbon reduction.

Goals



Circular Economy

- Taiwan's largest and earliest lignin biomass power generation
- Process residue recycling + energy recovery rate up to 99%
- Processing process residues, wood, and bark into SRF to replace coal



Energy Transition

- Guanyin Plant transitioned completely from heavy oil to natural gas
- Installation of green electricity equipment such as solar power
- Cogeneration boiler modifications for co-firing wood chips and wood pellets



Process Improvement

- Modifications to paper machine equipment, vacuum turbomachines, and steam condensate systems
- Replacement of outdated steam control systems and lignin equipment
- Implementation of smart energy-saving systems



Innovative Application

- Investment in low-carbon R&D and innovative technologies
- Adoption of Internal Carbon Pricing (ICP) and active commitment to SBTi
- Promotion of forest management projects to increase carbon sinks

Scope 1 and Scope 2 Inventory

To comply with the Financial Supervisory Commission's consolidated reporting disclosure requirements (including domestic and overseas office locations and plants) for this year, the greenhouse gas inventory data disclosed in the sustainability report adopts the internationally accepted GHG Protocol standard, and emissions are calculated by referencing the Global Warming Potential (GWP) values from the IPCC AR6.

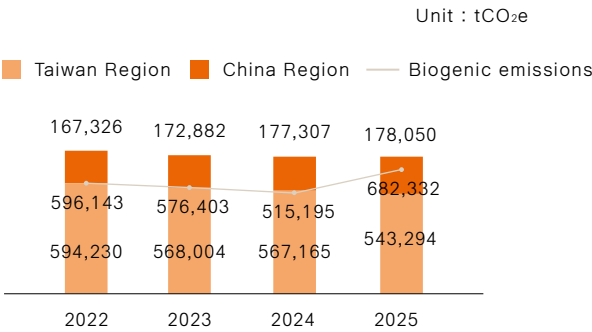
In 2025, direct and indirect emissions in the Taiwan region decreased by 10.90% compared to the base year (2022); the total direct and indirect emissions

across global regions decreased by 10.61% compared to the base year (2021). The consolidated inventory results have been provided to the third-party verification agency DNV for assurance. However, the carbon fee reporting for plant locations in Taiwan follows the regulations of the Ministry of the Environment, using AR5 coefficients for calculation and reporting. The data for each plant has also been reported to the enterprise greenhouse gas emission disclosure platform of the Climate Change Administration, Ministry of the Environment.

Note 1 : In December 2025, CHP's parent company passed the SBTi near-term emission reduction target validation, so the base year was adjusted to 2022.

Note 2 : The base year for CHP's consolidated parent and subsidiary companies is uniformly set to 2021 with YFY Inc.'s parent company

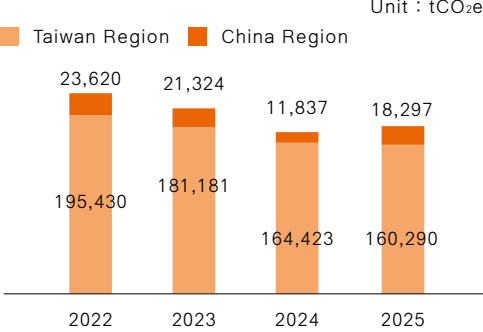
Global Scope 1 Emissions



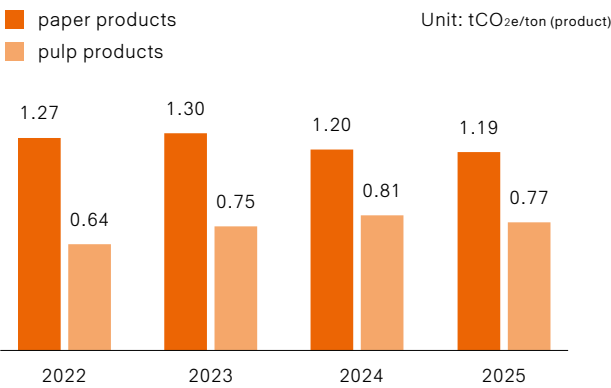
Note 1 : Scope 2 greenhouse gas emissions are calculated using the location-based method.

Note 2 : The annual Scope 2 emission data from 2020 to 2025 are based on the following emission factors:
Taiwan region: Electricity emission factors published annually by the Energy Administration (factor varies by year)
Mainland China: The national average electricity emission factor of 0.5306 kgCO₂/kWh (2023)

Global Scope 2 Emissions



CO₂ emission intensity of pulp and paper products



Note 1: Greenhouse gas quantification includes the following seven gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). CHP does not emit ozone-depleting substances (ODS).

Note 2: The annual Scope 2 emission data from 2020 to 2025 are based on the following emission factors:
Taiwan region: Electricity emission factors published annually by the Energy Administration (factor varies by year)
Mainland China: The national average electricity emission factor of 0.5306 kgCO₂/kWh (2023)

Note 3: Emission intensity includes only greenhouse gas emissions from Scope 1 and Scope 2.

Scope 3 Inventory

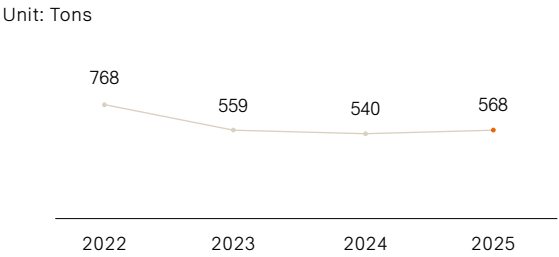
To actively respond to the Financial Supervisory Commission's disclosure guidelines on Scope 3 greenhouse gas emissions for listed companies, the company has initiated Scope 3 inventory and estimation operations. For the 2025 Scope 3 greenhouse gas emissions of Chung Hwa Pulp's parent company, please refer to the sustainability section on the official Chung Hwa Pulp website. In the future, we will continue to optimize the inventory scope and data integrity, implement science-based carbon reduction, and strengthen the management foundation for indirect emissions.

Air Quality Management

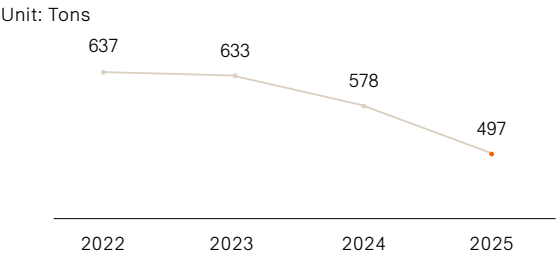
CHP's air quality management complies with government laws and regulations while continuously evaluating and improving technologies, resulting in no emissions of hazardous air pollutants. In recent years, CHP has replaced outdated equipment. In addition to helping achieve carbon reduction targets, total emissions of NO_x, SO₂, and VOCs all showed a decreasing trend in 2025 compared to the 2022 base year, with reductions of 22%, 26%, and 73%, respectively. The Guanyin Plant commenced operations in July 2021; due to the product characteristics of the plant (specialty materials such as OPP adhesive tape, impregnated paper, and plastic-free paper), VOC emissions were relatively high in 2022. However, following process improvements, emissions were re-

duced starting in 2023. Furthermore, due to product coating characteristics and equipment adjustments in the third quarter of 2024, VOC emissions increased, but improvements to VOC recovery equipment were completed in the fourth quarter of 2024. CHP continuously exercises strict monitoring and control over air quality to prevent the escape of process odors, and is dedicated to reducing air pollutant emissions while complying with regulatory emission control standards. To assess the impact of operations on air quality, the company continues to strengthen the emission control of suspended particulates (PM, including PM_{2.5} and PM₁₀) to facilitate tracking and improvement performance.

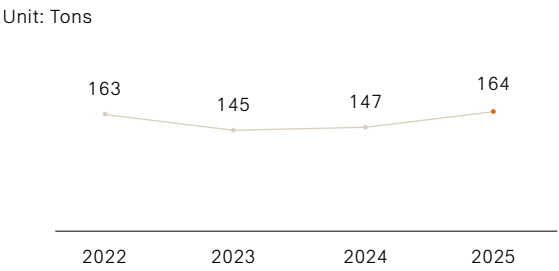
SO₂



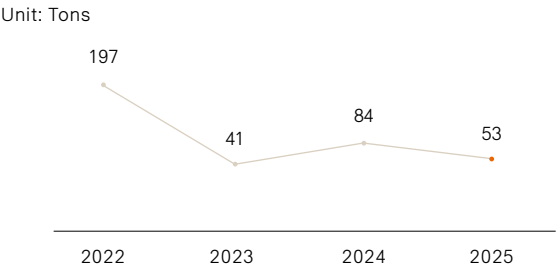
NO_x



PM



VOC_s



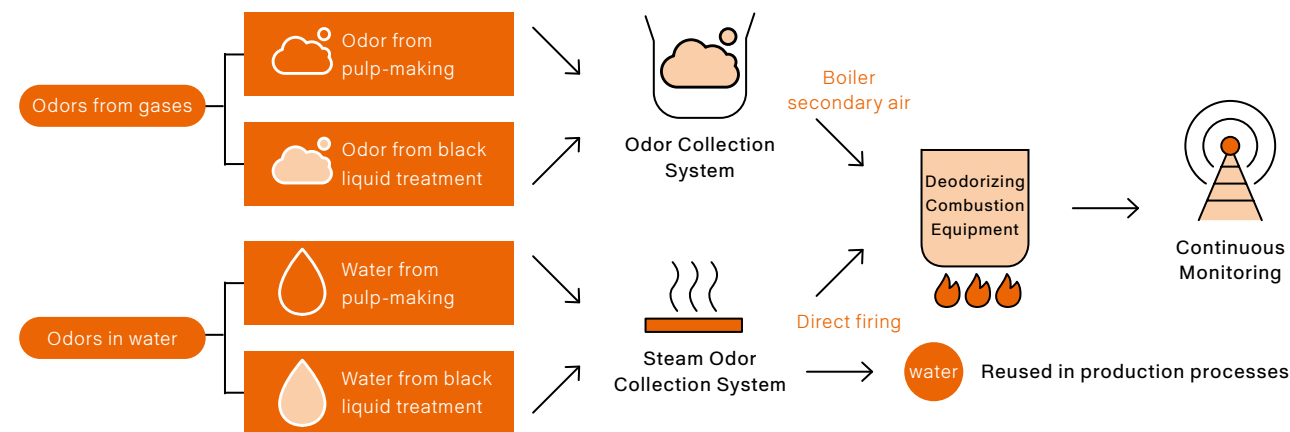
Item	Description
Black Liquid Recovery	After pulp washing, the diluted black liquid is concentrated and then transferred to a recycling furnace for combustion. The concentrate reacts with sulfur to form sodium sulfide, which is subsequently used in the manufacturing process. SO ₂ and NO _x emissions are lower than that found in ordinary furnaces.
Combustion in Lime Kiln	The lime kiln uses heat from oil combustion to convert sludge into lime. Because the chemicals in the sludge have sulfur and nitrogen fixation functions, sulfur oxide and nitrogen oxide emissions are reduced.
Dust Collection System Upgrade	In 2025, the primary control measure will focus on equipment upgrades, including the installation of high-efficiency dust collection systems. In some facilities, combined heat and power (CHP) units will be equipped with electrostatic precipitators and bag filters. Regular maintenance and optimized operation will be conducted to reduce particulate emission intensity per unit of output.

Odor control

Odorous gases generated during the papermaking process, such as hydrogen sulfide, methyl mercaptan, and dimethyl disulfide, contain calorific value, and the sulfur element in them is essential for the process. A gas recovery and combustion system is used to transport gases from odor-generating areas back to the recovery boiler for combustion. The high tempera-

ture and chemicals in the recovery boiler convert the odorous gases into process chemicals. Additionally, the introduction of a staged combustion system and improvements to the recovery boiler help eliminate odors from pulping and water treatment processes, while also saving fuel oil and reducing greenhouse gas emissions.

Odor Prevention Process



Cross-Domain Protection for Fresh Air: CHP Recognized with Air Pollution Control Indicators

The Hualien Plant of CHP actively responded to the Hualien County Government's "Odor Improvement Consultation Meeting," which included on-site visits and guidance from multiple experts and scholars. Through cross-disciplinary technical consultation, waste gas reuse and pollution reduction processes were optimized. From 2010 to 2024, the Hualien Plant accumulated an investment of NT\$1.604 billion in improvement funds, completing multiple odor control measures, such as adding gas collection equipment to 11 digesters, enclosing sludge scrubbers, and adding waste gas collection pipelines to effectively collect and treat odor gases. The Hualien Plant assists in managing the Daoxiang Road section of Provincial Highway 9 in Ji'an Township every week, including plant maintenance, road cleaning, and waste collection, and was awarded the "Excellent Air Quality Purification Zone Adoption Unit" Contribution Award by the Hualien County Environmental Protection Bureau in 2025.

In 2025, the Jiutang Plant increased its investments in greenhouse gas reduction and air pollution control, demonstrating achievements in technical transformation through the installation of denitrification agent mixing equipment, dust collector modifications, and waste heat recovery systems. The Taitung Plant received the honor of the first "Good Air Enterprise Excellence Action Label" from the Taitung County Environmental Protection Bureau, and the Guanyin Plant was awarded "Outstanding Unit for Air Pollution Control" by the Taoyuan City Environmental Protection Bureau. Moving forward, CHP will continue to introduce intelligent control equipment and green manufacturing processes to safeguard fresh air quality.



Guanyin Plant was awarded the "Outstanding Unit for Air Pollution Control" by the Taoyuan City Environmental Protection Bureau.



Taitung Plant received the "Good Air Enterprise Excellence Action Label" from the Taitung County Environmental Protection Bureau.



Hualien Plant actively responded to the Hualien County Government's "Odor Improvement Consultation Meeting."



Hualien Plant won the Contribution Award for "Excellent Air Quality Purification Zone Adoption Unit" from the Hualien County Environmental Protection Bureau.



Water Resource Management

GRI 303-2-5
RR-PP-140a.1 / RR-PP-140a.2



Pulp and paper manufacturing processes require a large amount of water for cleaning, dissolving, and transporting materials, making water resources one of the significant environmental aspects. The plant locations are rich in groundwater resources and are not located in water source replenishment sensitive areas. The groundwater used in the process is extracted from groundwater wells, and each well has applied for a legal water right and undergoes irregular monitoring of dynamic and static water levels to ensure that the groundwater level remains within a stable and safe range. The discharged water flows into nearby rivers (streams) or estuaries (surface water). Based on hydrological data reviews, river water quality, and dynamic and static water level records, there is no risk of affecting water bodies or causing land subsidence. We attach great importance to water resource management; efficient recycling in the manufacturing process and water conservation are important issues, and the terminal effluent provides a water source for ecological wetlands while simultaneously shaping the formation of an ecological chain.

Due to water scarcity in Taiwan, CHP has set an annual water withdrawal target of <30,000 million liters, and the total water withdrawal in 2025 was 29,582 million liters. We use the process water recycling rate as our core indicator. In 2025, the water recycling rate of CHP's paper mills was 86.5%. The short-, medium-, and long-term targets for the water recycling rate^{Note1} are 90% by 2030, 93% by 2040, and 95% by 2050, ensuring the sustainability of water resources.

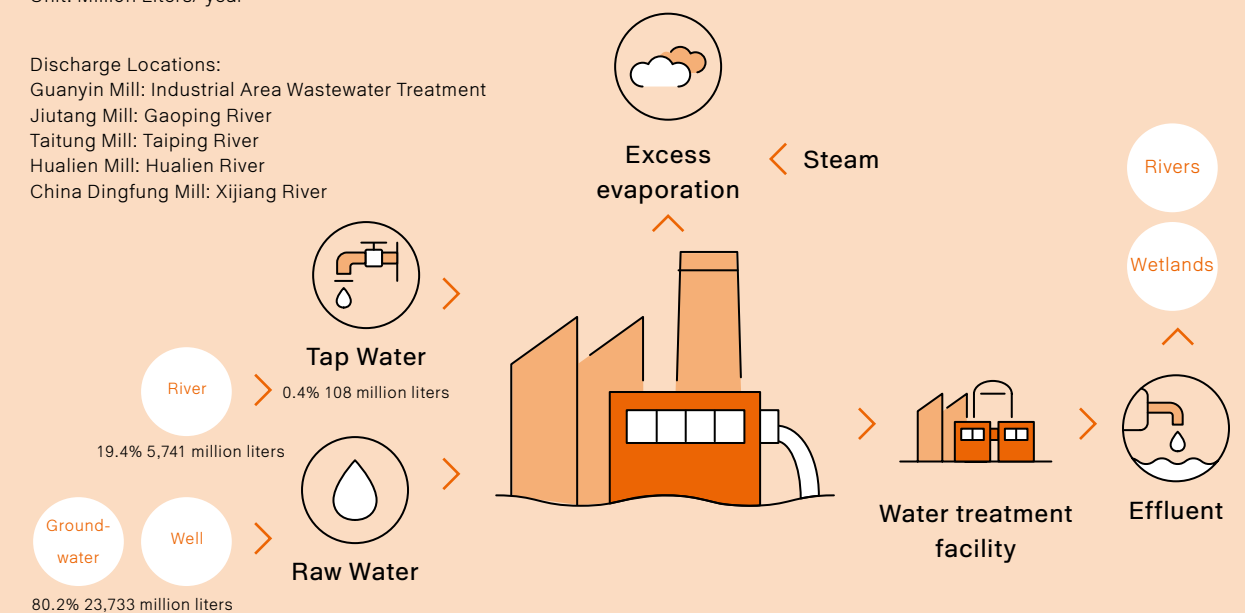
Since agricultural irrigation discharge channels near some production bases (averaging approximately 5.8 million liters per day) converge into the plant area and are discharged through the outfall, in accordance with the regulations of the "Water Pollution Control Measures and Testing and Reporting Management", the effluent flow meter should be installed at the end or exit of the discharge channel. As a result, the discharge volume is higher than the process water withdrawal volume. According to actual water meter statistics, the water consumption for this year was 1,204.8 million liters.

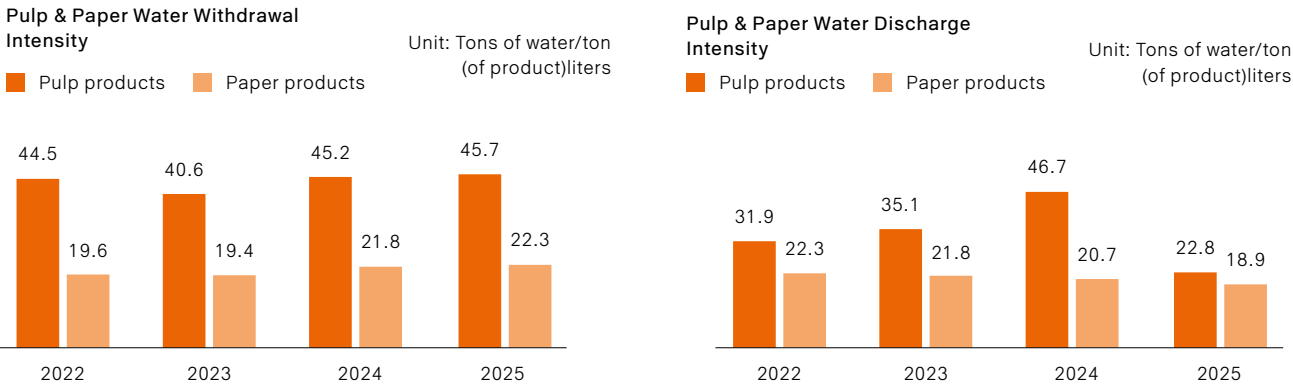
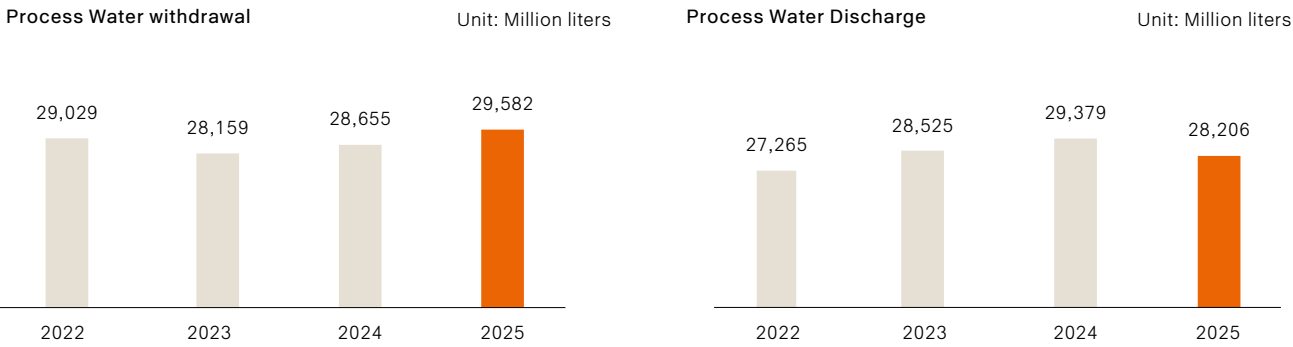
*According to the water risk assessment conducted in Q4 2025 using the World Resources Institute (WRI) Aqueduct Water Risk Atlas, all four Taiwan sites are located in low-to-medium water stress areas, while only the Dingfeng Mill is situated in a medium-to-high water stress region.

Water Resource Diagram

Unit: Million Liters/ year

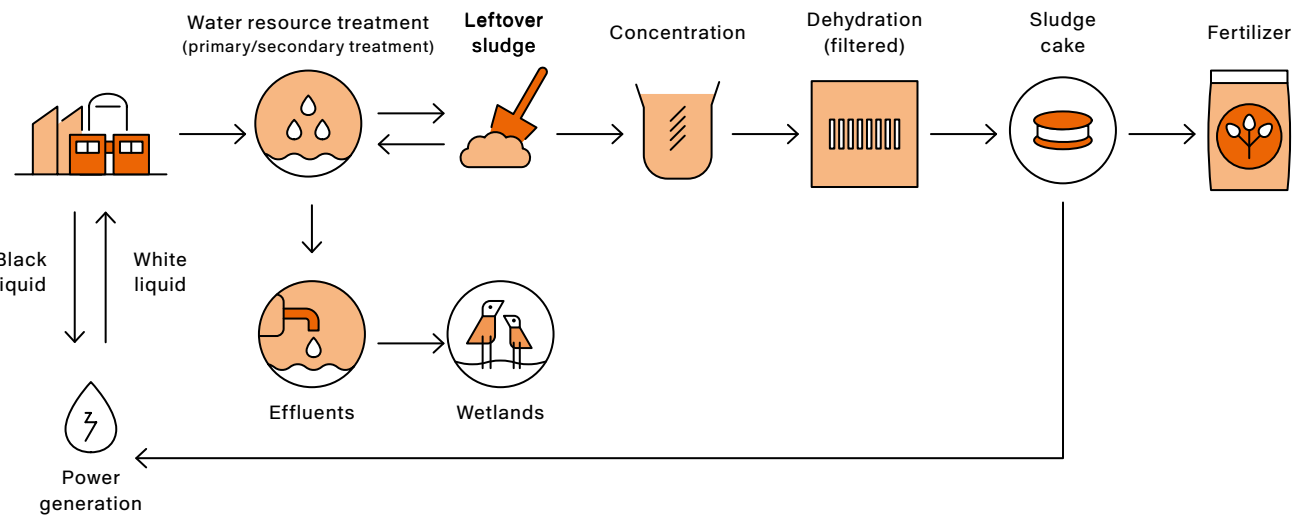
Discharge Locations:
Guanyin Mill: Industrial Area Wastewater Treatment
Jiutang Mill: Gaoping River
Taitung Mill: Taiping River
Hualien Mill: Hualien River
China Dingfeng Mill: Xijiang River





Note 1 : CHP calculates the water recycling rate using the Water Resources Agency, Ministry of Economic Affairs formula as follows:
$$\text{Water Recycling Rate (excluding internal circulation in cooling towers) R2} = \frac{(\text{Total recycled water volume} + \text{Total circulating water volume} - \text{Internal circulation volume in cooling towers} + \text{Rainwater withdrawal volume} + \text{Condensate withdrawal volume})}{(\text{Total water consumption volume} + \text{Total recycled water volume} + \text{Total circulating water volume} - \text{Internal circulation volume in cooling towers})}$$

To improve the quality of effluents, CHP has strengthened source control and installed primary chemical coagulation and sedimentation facilities, along with secondary biological treatment systems at the final stage. Chemical coagulants are used to precipitate suspended solids in the water, which is then sent to biological treatment ponds where aerobic microorganisms break down the chemical oxygen demand (COD) and biochemical oxygen demand (BOD). By recycling and reusing white water, effluent discharge and chemical usage are minimized. Measures such as controlling and reducing the use of bleaching agents, and upgrading outdated equipment, are implemented to protect water resources. Treated water is only discharged once it meets regulatory water quality standards, and is then used as a water source for artificial wetlands, which not only reduces environmental impacts but also aids in restoring natural ecosystems.



To manage water quality, CHP monitors all process water before treatment to prevent system overloads and ensure regulatory compliance, pioneering an automated alert system for effluent issues that enables emergency shutdowns when necessary.

Amid climate-driven extreme weather like typhoons and earthquakes, CHP maintains round-the-clock emissions monitoring with real-time data synchronized to the EPA. Backed by a Disaster Response Team with 50 years of experience, the company continually strengthens its flood prevention plans and upgrades facility earthquake resilience.

Water Resource Management	
CHP has set a water resource management target, with the total annual process water intake being less than 30,000 million liters.	
Recycling and reusing process water	Through the white water recovery system and overflow tank interconnection, the paper mill achieved a water recycling rate of nearly 90%, and the pulp mill expects to continuously improve its water recycling rate through deep process optimization and the reduction of cooling water loss. In July 2025, the Hualien Plant introduced a DO management system. While ensuring stable effluent water quality, it saved up to 5% in power output, achieving a win-win outcome for water conservation and energy savings.
Improving water quality and optimizing water treatment procedures	Improving wastewater quality from the source, AI predictive models accurately regulate process chemicals to reduce the accumulation of salts and impurity concentrations in circulating water. A primary chemical coagulation-sedimentation and secondary aerobic biological treatment system is established. Through precise control and automated monitoring, suspended solids in the water are effectively removed, and the COD/BOD load is significantly reduced.
Establishing and disclosing our water footprint	Conducting risk assessments and opportunity responses in accordance with the ISO 14001 management system, we establish in-house control standards that are stricter than regulatory requirements. 100% of our production sites regularly conduct testing and reporting in accordance with the law, while regularly updating, disclosing, and passing third-party verification.
Conserving wetlands and nurturing ecosystems	The factory effluent undergoes a wetland purification process, successfully restoring wetland ecology, maintaining biodiversity, and serving as a physical field for promoting TNFD. There are currently two wetlands: one is the Kaohsiung Old Railway Bridge Wetland, where 90% of the water source comes from the paper mill's effluent; the other is the natural wetland beneath the Hualien Bridge, located adjacent to the estuary of the Hualien River.

Annual Average Quality of Effluents Discharged by CHP							
Item		Unit of Measure	Hualien Mill	Jiutang Mill	Taitung Mill	Guanyin Mill ^{Note 1}	Dingfung, China
Suspended solids (SS)	Actual	mg/L	2.00	6.13	17.50	13.40	21.0
	Regulatory Standard		<50	<30	<30	<25	<30
Chemical oxygen demand (COD)	Actual	mg/L	103.98	58.68	96.80	69.30	45.63
	Regulatory Standard		<150	<100	<180	<80	<72
Biochemical oxygen demand (BOD)	Actual	mg/L	12.05	11.85	8.90	4.50	4.29
	Regulatory Standard		<30	<30	<30	<25	<20
ADMI color value	Actual	-	235.00	0	122.00	25.00	13.00
	Regulatory Standard		<400	<400	<400	<400	<50 ^{Note 2}

Note1: The Guanyin mill is located within the Guanyin Industrial Park. After preliminary treatment in the mill, the effluent is discharged to the park's sewage treatment mill for further purification. This complies with the sewer discharge water quality limits set within the industrial park.
Note2: China uses a different standard to that of Taiwan when measuring the color of wastewater effluent.

Reuse of Resource

Forest trees are the primary natural resource on which CHP relies and also a vital asset of human civilization. After the manufacturing process, there are often unused parts or materials left over, such as bark, sawdust, inorganic sludge from water treatment, and organic sludge. To reduce waste and maintain the community environment, we endeavor to seek different methods of recovering and reusing leftover materials and creating more value with these materials.

We are committed to improving our manufacturing technology and production efficiency to continuously move toward our reduction goals. Apart from increasing our use of alternative fuels as a substitute for heavy oil and coal, we have also developed technologies to recover and reuse leftover materials and generate less waste. Waste from the pulp/paper-making industry is largely fibrous materials that can be regenerated into new products, which is in keeping with our “R3” strategy.

GRI 306



Most of the process residues generated by CHP are fibrous in nature and classified as non-hazardous waste. Based on treatment methods, these residues are categorized into three types: (1) Turned into Usable Resource (2) incineration with energy recovery, and (3) incineration without energy recovery. The company prioritizes on-site resource utilization and waste-to-energy practices. Combustible residues with calorific value are used as alternative fuels, while sludge is recycled through composting or turned into innovative products. Some off-site process residues are repurposed as raw materials for cement production.

To ensure proper handling and traceability of waste streams, CHP carefully selects licensed contractors for waste removal, treatment, and recycling. The company continues to strengthen vendor audits and maintain rigorous tracking and management of waste flows to ensure compliance and environmental responsibility.

CHP contractually requires all third-party waste clearance and treatment vendors to comply with Taiwan's Waste Disposal Act. To ensure accountability, CHP implements three lines of defense:

- Reconciliation and Reporting: Daily verification via the Ministry of the Environment's reporting system, cross-referencing manifest weights with on-site scale data to ensure complete match.
- On-site Audits: Annual inspections by environmental safety personnel at vendor facilities, covering storage volumes, operating conditions, pollution control records, and final destinations.
- Qualification Reviews: Annual reviews of government permits and environmental penalty records, with immediate contract termination for major violations.

Waste Composition	Quantity (metric tons)	Turned into Usable Resource	Incinerated (including energy recovery)	Incinerated (without energy recovery)
Biomass sludge	22,204	64.3%	35.6%	0.1%
Pulp sludge	58,346			
Fly ash/bottom ash	68,392			
Inorganic sludge	11,723			
Plastic waste compounds	9,544			
Waste wood	3,452			
Waste Fiber Residue	21			
Domestic waste	355			
Waste oil	74			
Non-Hazardous Combustible Mixtures	42			
Total	174,153		100%	

General Waste (Non-hazardous)	On-site (metric tons)	Off-site (metric tons)
Preparation for reuse	-	-
Recycling	15,288	96,664
Recovery	47,597	14,604
Total amount	174,153	

*Preparation for reuse: checking, cleaning, or repairing operations, through which products or components that have become waste are prepared to be reused for the same purpose as originally intended.

*Recycling: The process of reprocessing products or components that have become waste to create new materials.

General Waste (Non-hazardous)	On-site (metric tons)	Off-site (metric tons)
Incinerated (including energy recovery)	47,596	14,562
Incinerated	-	42
Turned into reuse resources	15,288	96,664
Total amount of directly disposed waste	174,153	

*Recovery: The preparation of products, components, or materials that are about to become waste through any operational method, so they can be used to replace new products, components, or materials intended for the same purpose

Environmental Protection Investment and Regulatory Compliance

GRI 2-27

Environmental Protection Investment

The environmental risks of climate change far outweigh the benefits of sacrificing the environment and people's health. Each year, CHP identifies risks and develops improvement plans through frequent inventories, evaluations, and environmental assessments. In 2025, the Company invested approximately NT\$30.696 million in environmental protection initiatives, which mainly include water resource treatment and air quality control.

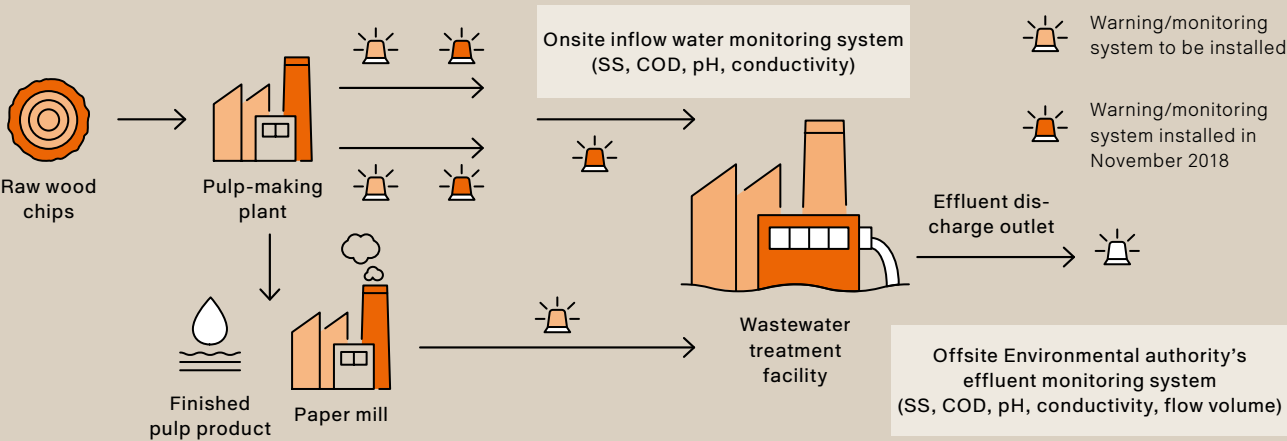
In accordance with the Regulations Governing the Verification and Disclosure of Material Information by Companies with Listed Securities of the Taiwan Stock Exchange, Chung Hwa Pulp had no major violations (fines exceeding NT\$1 million) in 2025, including any non-monetary penalty cases. For details regarding related environmental and labor fines, please refer to the 2025 CHP Annual Report. Furthermore, CHP did not receive any reports of violations concerning insider trading, money laundering, or other financial, accounting, or antitrust laws, nor were there any reported incidents of violations regarding the protec-



tion of customer personal data or loss of customer data. CHP continues to strengthen inspection and emergency response education and training, installing multiple real-time monitoring and alarm systems within the manufacturing processes to handle abnormalities immediately from the source. In addition, CHP has proactively enhanced the transparency of environmental information by establishing a real-time monitoring platform for effluent and air pollution control on its official website, providing stakeholders with real-time access.

Strengthened self-monitoring for source control

Schematic Diagram of CHP's Water Monitoring Process



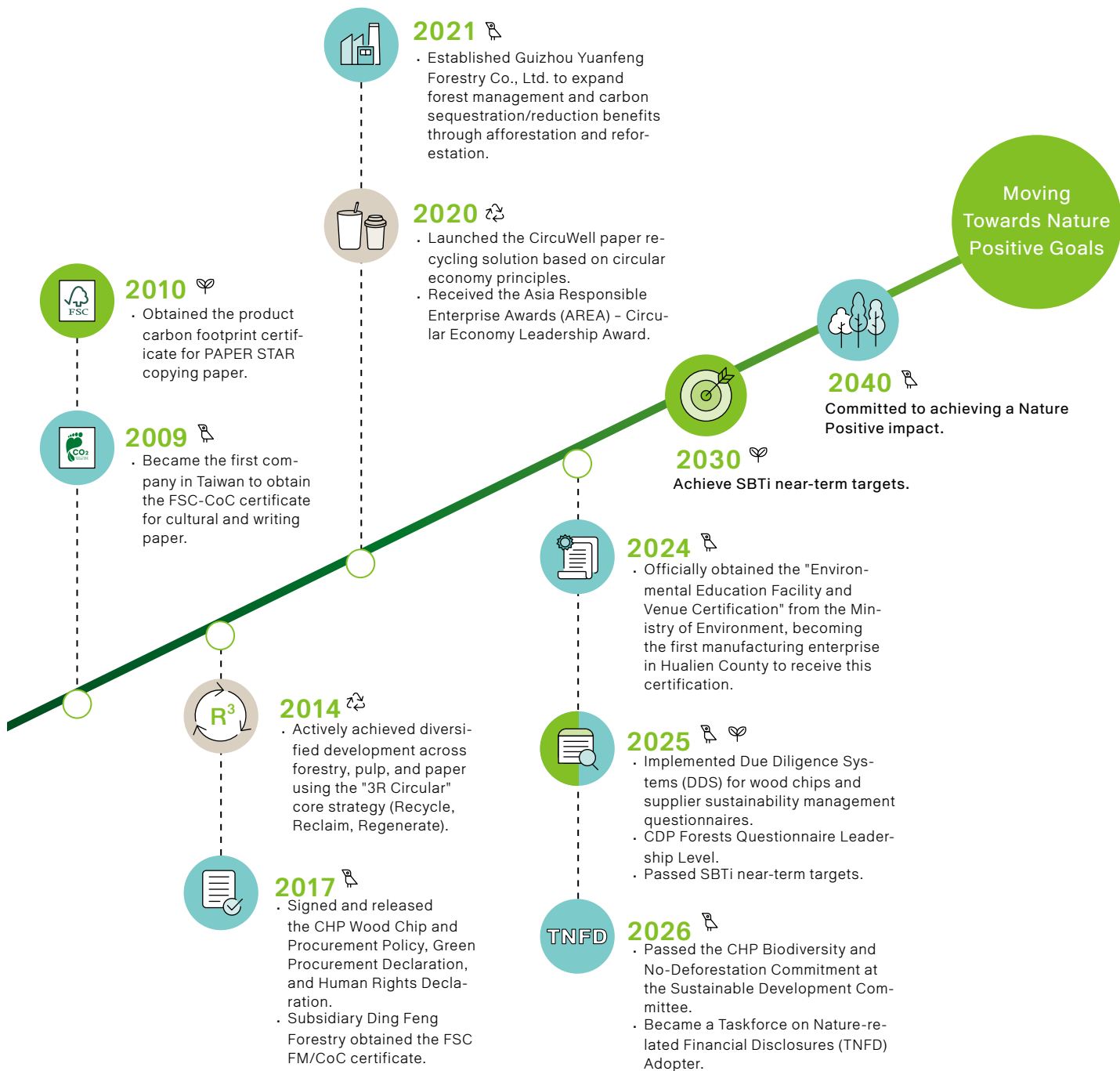
Taskforce on Nature-related Financial Disclosures (TNFD) GRI 101-1~5、8

[Sustainability Statement and Commitment]

Chung Hwa Pulp officially announced its status as a TNFD Adopter in 2026, fully adopting the LEAP approach and the AR3T action framework. Believing firmly that "the foundation of the paper industry lies in the land, and the health of the land depends on the integrity of biodiversity," we commit to achieving the vision of Nature Positive and Zero Deforestation by 2040. For further details, please refer to the Chung Hwa Pulp Taskforce on Nature-related Financial Disclosures (TNFD) Report.

CHP's Nature Strategy and Action Plan

Carbon Reduction Biodiversity Circular Production



Nature and Biodiversity Governance Structure

CHP has established a top-down, robust nature governance network. The Board of Directors serves as the highest decision-making body, authorizing its Sustainable Development Committee (chaired by the Chairman and comprising 3 independent directors and 2 directors) to oversee material topics such as biodiversity, forest resources, and water resources. In the first quarter of 2026, the Committee formally reviewed and approved the Biodiversity and No-Deforestation Commitment, substantively integrating nature risk assessment results into annual strategy and capital expenditure decisions.

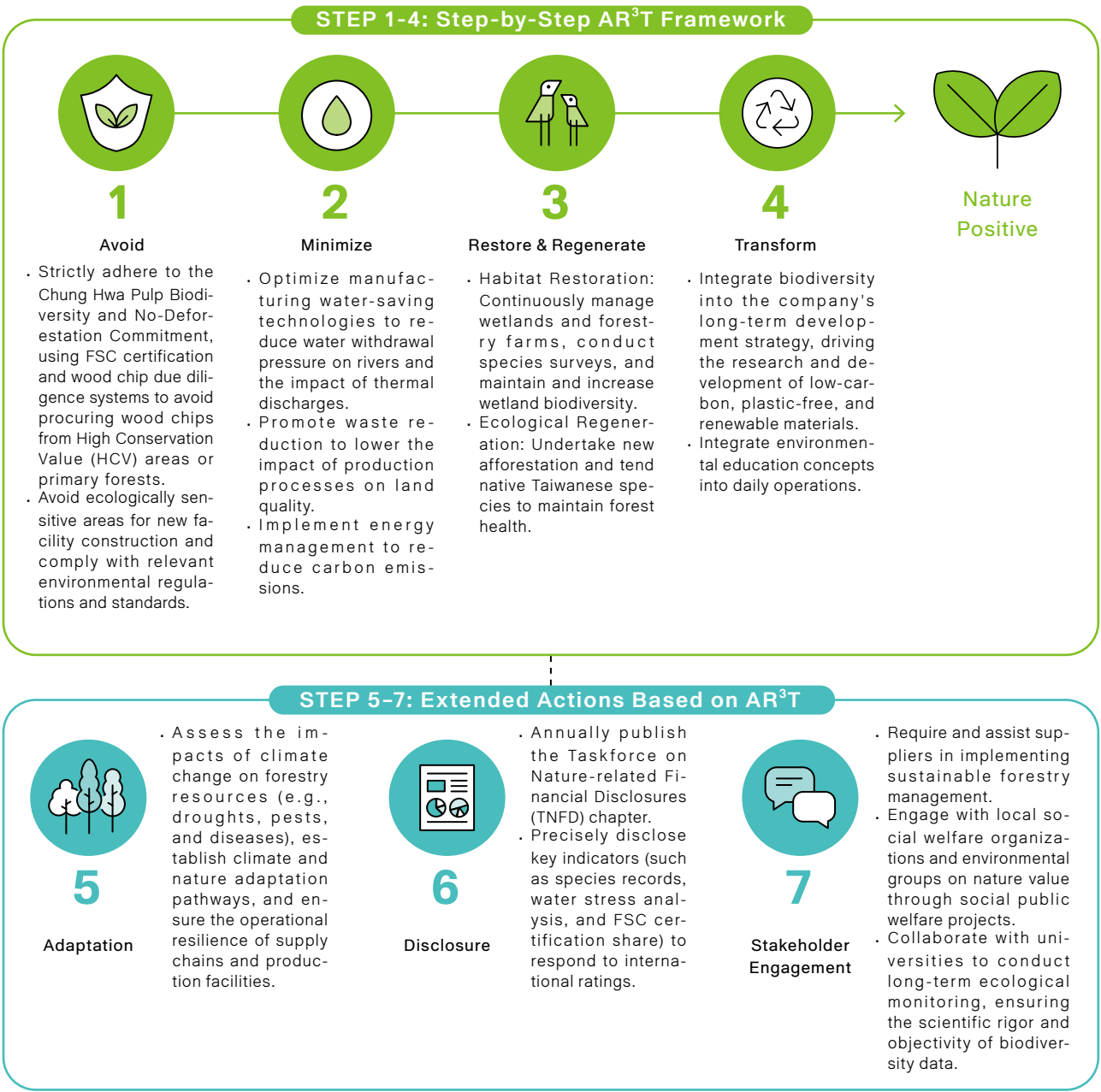
Stakeholder Engagement and Human Rights Safeguards: CHP values ecological dialogue with

local communities and professional NGOs, and has formulated a human rights policy based on the United Nations Guiding Principles on Business and Human Rights.

It incorporates its operations, supply chain, and business partners into the scope of human rights and ecological due diligence, ensuring that the utilization of natural resources aligns with the rights and interests of local indigenous peoples and communities.

CHP implements nature-related actions across all operational links, mitigating risks and enhancing opportunities through the AR³T+ framework.

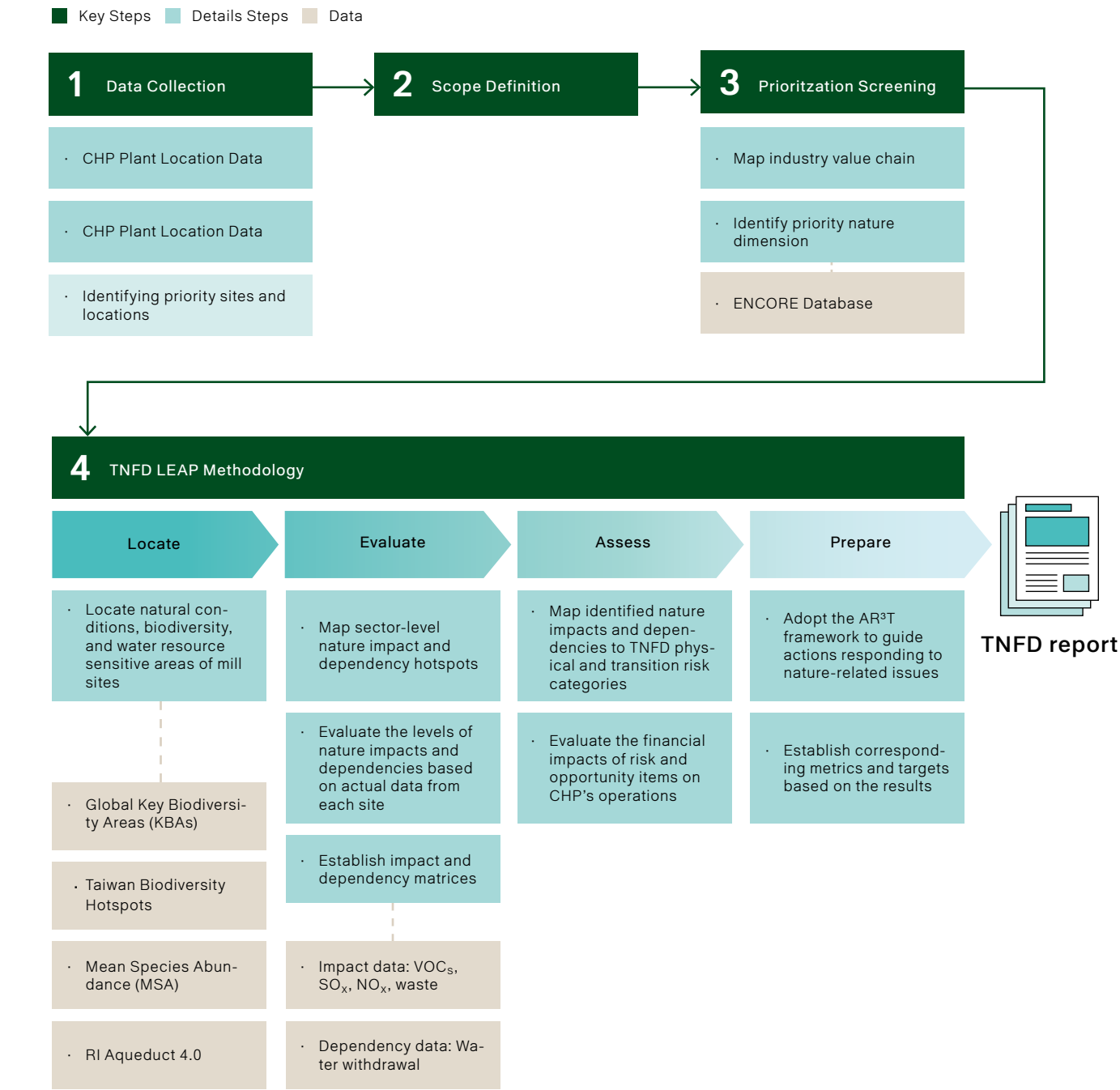
CHP Nature Action Strategy Pathway



TNFD LEAP Nature Risk and Impact Management Process

CHP adopts the TNFD LEAP approach to identify nature-related risks, sequentially executing the four steps of Locate, Evaluate, Assess, and Prepare as tools to recognize, identify, and evaluate nature-related impacts, dependencies, risks, and opportunities. First, "Locate" identifies the ecological sensitivity of operational sites and forest resources; next, "Evaluate" assesses dependencies and impacts on water resources and forests; further, "Assess" evaluates material risks and potential financial opportunities related to biodiversity; and finally, "Prepare" develops response strategies.

Prioritization screening is conducted first by introducing the ENCORE tool developed by the United Nations Environment Programme (UNEP) to map industry-level nature issue hotspots, identifying natural capital and ecosystem services in the value chain that require primary focus. According to industry characteristics and environmental interfaces, we focus on "biological resources," "water consumption," and "pollutants (waste and air emissions)" as priority evaluation dimensions for nature-related impacts and dependencies, ensuring harmonious coexistence between manufacturing operations and surrounding ecologically sensitive areas.



TNFD LEAP Nature Risk and Impact Management Process

[Spatial Analysis Results]

Following ENCORE hotspot screening, Chung Hwa Pulp (CHP) combines site-specific interface assessments with risk matrix integration to prioritize management sites. First, measured operational data—including VOCs, air pollutants, waste, and water metrics—calibrated the correlation between activities and nature. Next, GIS spatial analysis integrating KBAs, protected areas, and WRI water risk data plotted a dual-axis matrix of "Nature Impact" versus "Water Dependency" across five management tiers.

This cross-identification designated the Hualien Mill^{Note1} as a high-impact site due to process-related environmental loads, while Jiutung and Dingfeng mills emerged as high-dependency hotspots driven by surrounding ecological sensitivity and water resource pressures. These locations represent CHP's highest priority sites for allocating conservation resources and strengthening water resilience.

Note 1: The Hualien Mill is located in the Guanghua Industrial Park, Jian Township, Hualien County, covering an area of approximately 91.14 hectares.

ASSESS: Analyzing Nature-Related Risks and Opportunities

Based on the aforementioned dependencies and impacts on nature, the potential financial risks and development opportunities faced by CHP are analyzed in the table below:

CHP Assessment Result (Dependency/Impact)	TNFD Risk/Opportunity Category	Description of Risks and Opportunities	Financial Impact
Dependency (Water Resources)	R1 Physical Risk: Chronic water stress	For example, rising global temperatures affecting tree growth cycles (pulp price fluctuations), or long-term droughts leading to restricted water withdrawal.	Operating expenses ▲ Operating revenue ▼
	R2 Physical Risk: Acute water stress	For example, extreme weather leading to forest damage or plant shutdowns due to floods.	Operating expenses ▲ Operating revenue ▼
Dependency (Water Resources)	R3 Transition Risk: Policy and legal	High risk of being subject to stricter ecological regulations and supervision.	Operating expenses ▲
	R4 Transition Risk: Market	Customers require products to prove that their production processes do not harm biodiversity; otherwise, orders will be lost.	Operating revenue ▼
Impact (Adjacent to Ecologically Sensitive Areas)	R5 Transition Risk: Reputation	Customers' demands for clean manufacturing processes are increasing.	Operating revenue ▼
Impact (Adjacent to Ecologically Sensitive Areas)	O1 Opportunity: Resource efficiency	For example, improving energy efficiency to save operating costs.	Operating expenses ▲
	O2 Opportunity: Products and services	Researching and developing plastic-free fiber materials to meet market demand for nature-friendly products.	Operating revenue ▼
	O3 Opportunity: Ecosystem restoration	Participating in habitat restoration programs to acquire nature credits or enhance brand premium.	Operating revenue ▼

Prepare: Full Value Chain Response Actions Based on the AR³T Framework

To respond to nature-related impacts and risks, Chung Hwa Pulp adopts the AR3T framework initiated by SBTN

Risk/ Opp.	AR ³ T Framework	Nature Issue	CHP Action	Partner		
				CHP	Value Chain	Stakeholders
R4	Avoid	Avoid activities in Important Biodiversity Areas	CHP passed the Biodiversity and No-Deforestation Commitment to ensure that future site selection will avoid Key Biodiversity Areas (KBAs) and statutory protected areas.	V	-	-
		Avoid the logging impacts of primary forests	By procuring wood chips with international certifications such as FSC/PEFC and conducting wood chip due diligence, upstream value chain impacts from primary forest logging are avoided.	V	V	-
R1/R2	Reduce	Reduce process water consumption	Set water recycling rate targets, promote process water recycling technology, and reduce water withdrawal.	V	-	-
R5		Air pollution control	Continuously optimize air pollution control equipment to reduce pressures on nature caused by VOCs, NOx, etc.	V	-	-
R3/O3	Restore & Regenerate	Wetland restoration	Promote ecological habitat creation or monitoring projects in the Dashu Old Iron Bridge Wetland and Hualien Wetland near the Jiutang Mill to enhance local species integrity (MSA).	V	-	V
		Sustainable forest management	Promote sustainable forest management in forestry farms to restore the ecosystem service functions of forests.	V	V	V

Risk/ Opp.	AR ³ T Framework	Nature Issue	CHP Action	Partner		
				CHP	Value Chain	Stakeholders
O1/O2	Transform	Develop low-carbon, plastic-free materials	Develop plastic-free fiber products to guide the market from the consumer end in reducing reliance on petrochemical products and natural resources.	V	V	V
		Advocacy participation and transparency	Become a TNFD Adopter, leading Taiwan's paper industry in establishing disclosure norms and integrating nature-related issues into corporate decision-making.	V	-	-

Metrics & Targets

To track performance on nature- and biodiversity-related issues, CHP establishes corresponding metrics for different targets as a basis for quantitative tracking. For related indicator targets and performance tracking, please refer to the Chung Hwa Pulp Taskforce on Nature-related Financial Disclosures (TNFD Report).

Biodiversity Spotlight Actions and Ecological Value Creation

To track performance on nature- and biodiversity-related issues, CHP establishes corresponding metrics for different targets as a basis for quantitative tracking. For related indicator targets and performance tracking, please refer to the Chung Hwa Pulp Taskforce on Nature-related Financial Disclosures (TNFD Report).

Pristine Effluent Nourishing Urban Ecological Oases

The Jiutang Mill has long invested in high-quality water management, with its stable effluent contributing up to 90% of the water source for the Dashu Old Iron Bridge Artificial Wetland in Kaohsiung. Even during annual plant maintenance periods, it insists on stable water supply, and has now successfully rehabilitated over 150 bird species (including 10 conserved species) with cumulative observed individuals exceeding 9,400. The Hualien Mill has also created an ecological pond on site through effluent, successfully observing 47 bird species (including 5 conserved species such as the pheasant-tailed jacana), transforming an industrial site into an important ecological replenishment station for nature migration.

Sustainable Practices from Circular Economy to Natural Carbon Sinks

Upholding the spirit of fair and equitable benefit-sharing, CHP has long shared the ecological benefits brought by its operations with society through voluntary actions. Since 2022, the company has voluntarily joined hands with professional academic teams such as National Chung Hsing University and National Pingtung University to conduct cross-disciplinary joint research, transforming packaging wood waste, wood chips, and pulp residue—originally intended for treatment in the manufacturing process—into nutrient-rich "black gold" organic fertilizers. In the first year after application, an increase of 6.8% in soil organic carbon content was witnessed. In 2025, it further joined hands with YFY, the Kaohsiung City Government, and the Water Resources Agency of the Ministry of Economic Affairs to launch Asia's first "Dashu Artificial Important Wetland Carbon Sink Enhancement Project," expecting to propose Taiwan's first domestic freshwater marsh wetland reduction methodology by 2027.

Responsible Procurement and Scientific Forestry Safeguarding Green Capital

As forests are core to Chung Hwa Pulp (CHP), 77% of 2025 wood chip and pulp procurement passed third-party international certification, alongside a 100% implementation of Due Diligence Systems (DDS) to eliminate primary forest deforestation and human rights violations.

Furthermore, the CHP Dingfeng Forestry farm holds FSC FM certification, complying with strict legal, environmental, and indigenous rights standards. CHP shares its findings freely to support Taiwan's wetland reduction methodology while ensuring 100% of its self-managed and Dingfeng forestry farms are FSC-certified, directing green capital benefits back into local community and ecological restoration.

友善職場 & 社會共融

Category	Indicator ^{Note1}	2025 Performance	Target		
			2030	2040	2050
Employee Care	Diverse Employee Benefits	· Marriage, childcare, and bereavement subsidies provided. · Two employee engagement events held. · Dedicated parking spaces and lactation rooms provided for pregnant employees.	Continue enhancing benefit programs and improving employee well-being.		
	Health Promotion	· Regular health examinations provided, with 470 employees receiving special health examinations. · Physical and mental health seminars totaled 676.5 hours. · Obtained the Ministry of Health and Welfare's Healthy Workplace Certification and Workplace Health Promotion Participation Certificate.	Obtain Healthy Workplace Certification at all mills and establish comprehensive physical and mental health support systems. Provide follow-up counseling and health improvement support to 100% of high-risk employees.		
	Employee Pension Plan Coverage	100%	100%	100%	100%
Talent Retention	Average Training Hours per Employee	15.3 hours	>15hours		
	Employee Turnover Rate	10.7%	<15%		
	Performance Appraisal	100%	100%		

Category	Indicator ^{Note1}	2025 Performance	Target		
			2030	2040	2050
Employee Care	Entry-Level Salary Premium	29% above the statutory minimum wage	Continue maintaining entry-level salaries above the statutory minimum wage.		
Human Rights and Equality	Human Rights Policy	Established a Human Rights Declaration and Personnel Review Committee.	Conduct human rights due diligence and human rights risk assessments.		
	Equal Employment Opportunities	Employed 460 persons with disabilities, Indigenous employees, and foreign employees.	>400 employees	>400 employees	>400 employees
	Human Rights and Sexual Harassment Complaints	0 cases	0 cases		
Labor Relations	Labor Union Participation Rate	78%	>79%	>80%	>81%
Safety and Health Promotion	Participation in occupational safety, health, and health promotion activities	1,773 person-times	1,800 person-times	1,900 person-times	2,000 person-times
	Participation in occupational health services	1,900 certificates	2,000 person-times	2,050 person-times	3,000 person-times
Workplace Safety Culture	7S competition evaluation score (average across four mills)	84.5 points	86points	88points	90points
	Realizing zero workplace disasters	No major occupational disasters occurred in the company	Achieve zero workplace disasters	Achieve zero workplace disasters	Achieve zero workplace disasters
On-site Environmental Management	Participation rate in the Occupational Safety and Health Administration (OSHA) National Workplace Safety and Health Week	100%	100%	100%	100%
Social Public Welfare Investment	Total value of social public welfare investment	NT\$ 2.94 million (including employee attendance)	NT\$3 million	NT\$3.5 million	NT\$4 million
	Number of beneficiaries from social public welfare activities	3,712 people-times	3,800 people	4,000 people	4,200 people
	Volunteer participation person-times in public welfare projects	190 people	200 person-times	230 person-times	250 person-times
Environmental Education	Environmental Education (Cumulative sessions and number of beneficiaries)	22 sessions / 991 people	47 sessions / 1,800 people	72 sessions / 2,600 people	122 sessions / 4,200 people
Local Contribution	Person-times and hours invested in environmental maintenance	428 people / 1,451 hours	450 people / 1,500 hours	480 people / 1,600 hours	500 people / 1,700 hours
	Total value of mill supplies and donations	NT\$ 1.2 million	NT\$1.5 million	NT\$1.8 million	NT\$2 million

Note 1: The scope of indicators in this chapter is based primarily on the Taiwan parent company.



Talent Recruitment and Career Development

GRI 2-7 / 2-8 / 2-21

Diversity and Gender Equality

mpartiality and fairness are important principles that we abide by in our corporate culture. Legal compliance and the creation of a welcoming workplace for employees are the most fundamental commitments that we make to our employees. We believe that every employee is deserving of respect and fair treatment. We recruit talent on the principles of equality and transparency to ensure that our employees are not discriminated against due to race, gender, age, disability status, religion, or ethnicity. For the same job conditions, starting salaries do not differ based on gender. In addition, the Labor Standards Act forbids employers to hire anyone under the age of 15, and states that child workers over 15 but less than 16 years old are not permitted to perform work that is potentially dangerous or hazardous in nature.

All CHP sites adhere to the Universal Declaration of Human Rights. We treat all employees with kindness and respect, endeavor to reduce risks related to work, and strictly abide by labor laws and regulations. Since our establishment, we have only employed workers over 18 years old in accordance with the law. We ask employees to provide identity documents on the day they report for duty so as to ensure legal compliance.

According to Article 38 of the Persons with Disabilities Rights Protection Act, CHP is required to employ 20 persons with disabilities. In 2025, we employed 40 employees with disabilities, far more than the number required of us. CHP has

2,856 employees in total (2,057 in Taiwan and 799 overseas), including 126 indigenous peoples and 299 foreigners. We respect their cultural practices; equality and anti-discrimination principles have always been at the core of our approach to treating employees from different cultures.

Local residents account for 100% of CHP's senior management. Local residents are defined as individuals residing in the county or city where the respective mill is located. To strengthen the Company's overall knowledge base, CHP employs two doctoral degree holders and 168 master's degree holders.

non-employees	2023	2024	2025
Taiwan (people)	5,740	5,289	5,118
China (people)	93	105	157

In 2025, non-employee workers at CHP's Taiwan operations were reported based on the cumulative number of persons working during the year. These workers perform work for CHP without a direct employment relationship and include outsourced contractor personnel, such as cleaners, security guards, and agency workers. As several construction projects have been completed in recent years, the overall number has declined.

For operations in China, the number of non-employee workers was calculated based on contractor personnel participating in annual health examinations. The number working on-site remained broadly unchanged from 2024.

Master's and Doctorate Employment Statistics Table

Degree	Number of Employees	Percentage (%)	Number of People	2023	2024	2025
Doctorate	2	0.07%	People with Disabilities	40	40	35
Master's	168	5.88%	Indigenous People	118	109	126
			Foreign Employees	130	240	299

2025 CHP Employee Composition (Classified by Employment Type and Contract Type)

Regional Distribution		Taiwan		Overseas		Total	
Number of Employees		2,057		799		2,856	
Gender (Number of Employees)		Male	Female	Male	Female	Male	Female
		1,807	250	636	163	2,443	413
Employment Type (Number of Employees)	Full-time	1,803	249	636	162	2,439	414
	Part-time	4	1	0	1	4	2
Contract Type (Number of Employees)	Permanent	1,479	235	600	143	2,079	378
	Contract /Temporary	328	15	36	20	364	35

- Data Scope: Employees from Taiwan's Taipei Operations Headquarters, various business locations, Kaohsiung Jiutang Mill, Hualien Mill, Taitung Mill, Taoyuan Guanyin Mill, as well as employees from the overseas subsidiaries, including Guangdong Dingfeng Paper and Zhaoqing Dingfeng Forestry.
- "Permanent" refers to employees who have signed an indefinite employment contract with CHP.
- "Contract" refers to employees who have signed a fixed-term employment contract with CHP.
- "Full-time" refers to permanent employees who work 40 or more hours per week.
- "Part-time" refers to temporary employees who work fewer than 40 hours per week. CHP has no non-guaranteed-hours employees.

Distribution of Total Permanent Employees (by Age Group)

Year		2023		2024		2025	
Gender (Number of Employees)		Male	Female	Male	Female	Male	Female
		2,437	425	2,467	409	2,443	413
Under 30 Years Old	Number	305	44	346	44	355	42
	Percentage	12.52%	10.35%	14.03%	10.76%	14.53%	10.17%
30-50 Years Old	Number	1,580	267	1,566	269	1,511	271
	Percentage	64.83%	62.82%	63.48%	65.77%	61.85%	65.62%
Over 50 Years Old	Number	552	114	555	96	577	100
	Percentage	22.65%	26.82%	22.50%	23.47%	23.62%	24.21%

- Data Scope: Employees from Taiwan's Taipei Operations Headquarters, various business locations, Kaohsiung Jiutang Mill, Hualien Mill, Taitung Mill, Taoyuan Guanyin Mill, as well as employees from the overseas subsidiaries, including Guangdong Dingfeng Paper and Zhaoqing Dingfeng Forestry.
- Percentage Calculation: (Number of employees in that category / Total number of male or female employees) X 100%.

Management Level Ratio

Region	Taiwan				Overseas				Total
Gender	Male		Female		Male		Female		
Level	Managerial roles	Non-Managerial roles	Managerial roles	Non-Managerial roles	Managerial roles	Non-Managerial roles	Managerial roles	Non-Managerial roles	
Number of Employees (people)	123	1,684	18	232	39	597	6	157	2,856
Percentage (%)	4.31%	58.96%	0.63%	8.12%	1.37%	20.90%	0.21%	5.50%	100%

- Data Scope: Employees from Taiwan's Taipei Operations Headquarters, various business locations, Kaohsiung Jiutang Mill, Hualien Mill, Taitung Mill, Taoyuan Guanyin Mill, as well as employees from the overseas subsidiaries, including Guangdong Dingfeng Paper and Zhaoqing Dingfeng Forestry.
- Management Positions are divided into three categories:
 - Junior Level: 7th grade management positions with personnel responsibility.
 - Mid-Level: 8th to 10th grade management positions with personnel responsibility.
 - Senior Level: 11th grade and above management positions with personnel responsibility.
- Management Position Percentage: (Number of management positions for that nationality / Total number of employees) X 100%.

Recruitment and Employee Selection Policy

Employee selection, employment, development, and retention are the four vital functions of human resource management. A company’s human resource operations begin with talent selection. A suitable talent pool is the key to creating a sound organization and thus ensuring corporate sustainability. We insist on rigorousness and professionalism in our recruitment and selection processes.

Recruitment and Employment Process				
Units review their employment needs	HR launches recruitment	HR screens and selects talent Hiring unit interviews selected talent	Probation	Official employment
Needs Review	Recruitment channels	Interview	Probation	Employment contract signing
Unit conducts regular review of their new talent needs. Unit ensures that its workforce plan meets the organization's development needs. Unit starts recruitment process after human resource inventory.	Internal recruitment: Recruitment announcement is sent internally to existing employees. External recruitment: Job listings are posted on the Internet/on campus/by recruitment agencies/through executive search firms.	Structured interview: HR staff performs preliminary screening and selection by reviewing printed information and meeting candidates in person to understand their educational background and experiences. Hiring unit schedules an interview over the phone and administers written and online tests to determine candidates' professional knowledge and job suitability. Hiring unit uses STAR principles to conduct structured interview.	Probationary period is based on the employment status of permanent employees. An existing employee is appointed to mentor new employee during probation period. Employer confirms whether to hire employee as long-term employee.	Employee signs employment contract and checks that the company has all the necessary information. Employee is officially assigned to the unit where they will work. Orientation training is provided, including training in ethics and professional competencies.

Note: The STAR principle refers to four key elements: Situation, Task, Action, and Result.

In 2025, CHP hired 246 new employees, and 388 employees left the company. The new employees were mostly under the age of 30 and were hired to fill positions that were left vacant after other employees retired or resigned. Departing employees include those who applied for retirement. The overall turnover rate was 13.59 %. As our Dingfung subsidiary expanded its production capacity, a human resources inventory showed that our companies and production bases in Taiwan have a large pool of professionals with extensive experience to draw on. Following discussion, we made suitable arrangements and plans with our in-house talent with respect to their career development. We promote in-house employees to higher positions, thus creating more opportunities for them to gain overseas work experience and obtain job promotions. In addition, we have adjusted our salary and benefits over the years and engaged in dialogue with the employees in all our production bases (in both Taiwan and China) to provide them with increased, long-term stability.

In 2025, 17 employees were eligible for unpaid parental leave. 18 employees (14 men and 4 women) with application rate 106% (82% of eligible men and 24% of women) applied for unpaid parental leave. The 19 employees (12 men and 7 women) should have returned to work after the leave period, and 7 men, 7 women returned, resulting in a reinstatement rate of 58% for male employees and 100% for female employees.

Regarding retention rates, in 2024, 3 males and 4 females returned to work. Of those, the number of males and females who returned in 2024 and remained employed for over 12 months by 2025 was 1 males and 3 females. Therefore, the retention rate was 33% for males and 75% for females.

New Employees							
Category		2023		2024		2025	
		No. of Employees	%	No. of Employees	%	No. of Employees	%
Gender	Male	243	9.97%	282	11.43%	211	8.64%
	Female	49	11.53%	50	12.22%	35	8.47%
Age	< 30	139	39.83%	169	43.33%	122	30.73%
	30-50	141	7.63%	152	8.28%	111	6.23%
	> 50	12	1.80%	11	1.69%	13	1.92%
Region	Taiwan	225	11.31%	267	12.58%	212	10.31%
	Overseas	67	7.68%	65	8.63%	34	4.26%
Total		292	10.20%	332	11.54%	246	8.61%

Data Scope: Employees from Taiwan's Taipei Operations Headquarters, various business locations, Kaohsiung Jiutang Mill, Hualien Mill, Taitung Mill, Taoyuan Guanyin Mill, as well as employees from the overseas subsidiaries, including Guangdong Dingfeng Paper and Zhaoqing Dingfeng Forestry
Percentage Calculation Formula: (Number of new hires during the year / Number of employees in that category at the end of the year).

Recruitment and Employment Process							
Category		2023		2024		2025	
		No. of Employees	%	No. of Employees	%	No. of Employees	%
Gender	Male	246	10.09%	275	11.15%	325	13.30%
	Female	49	11.53%	64	15.65%	63	15.25%
Age	< 30	91	39.83%	75	19.23%	91	22.92%
	30-50	146	7.63%	179	9.75%	221	12.40%
	> 50	58	8.71%	85	13.06%	76	11.23%
Region	Taiwan	228	11.46%	254	11.96%	276	13.42%
	Overseas	67	7.68%	85	11.29%	112	14.02%
Total		295	10.31%	339	11.79%	388	13.59%

Data Scope: Employees from Taiwan's Taipei Operations Headquarters, various business locations, Kaohsiung Jiutang Mill, Hualien Mill, Taitung Mill, Taoyuan Guanyin Mill, as well as employees from the overseas subsidiaries, including Guangdong Dingfeng Paper and Zhaoqing Dingfeng Forestry.
Percentage Calculation Formula: (Number of resignations during the year / Number of employees in that category at the end of the year).

2025 Maternity/Paternity Leave Data (for Males and Females)		Male	Female
Employees eligible for parental leave in 2025		11	6
Employees who actually used parental leave in 2025		14	4
Employees expected to return after parental leave (A)		12	7
Employees who actually returned to work (B)		7	7
Employees who returned to work after parental leave in 2022 (C)		3	4
Employees who remained employed for 12 months after returning from parental leave in 2024 (D)		1	3
Return Rate (B/A)		58%	100%
*Retention Rate (D/C)		33%	75%

Data Scope: Employees from Taiwan's Taipei Operations Headquarters, various business locations, Kaohsiung Jiutang Mill, Hualien Mill, Taitung Mill, Taoyuan Guanyin Mill, as well as employees from the overseas subsidiaries, including Guangdong Dingfeng Paper and Zhaoqing Dingfeng Forestry.

Salary and Benefits

Under the principles of responding to external business conditions and ensuring internal fairness, the company adopts a comprehensive compensation system, employee benefits, performance management, and a leave policy that exceeds legal requirements. Upholding the philosophy of profit-sharing with employees, the company aims to attract, retain, develop, and motivate talent.

Current employee compensation and benefits are benchmarked against industry and market salary surveys, and salaries are determined based on education, work experience, skills, and job position. Salary adjustments are made upon promotion, regardless of gender or age. In 2025, the average monthly starting salary for new university graduates was 29 % higher than the statutory minimum wage, with a female-to-male ratio of 1:1—demonstrating no gender-based differences.

Average and median salary of full-time employees (Taiwan region)

Average and Median Compensation for Full-Time Employees in Non-Managerial Roles ^{Note}				
Item	2023	2024	2025	Growth rate
No. of full-time employees in non-managerial roles	2,002	1,994	1,970	-1.20%
The average salary for non-managerial employees (NT\$1,000)	727	743	720	-3.10%
The median salary for non-managerial employees (NT\$1,000)	673	691	666	-3.62%

Note 1 : This data is limited to Taiwan and is calculated based on the reporting standards from the Taiwan Stock Exchange.

Note 2 : Definitions for managerial and non-managerial roles can be found in the "Non-Managerial Full-Time Employee Salary Information Review Form."

Note 3 : These statistics are not governed by GRI standards but are based on the "Guidelines for Preparing and Submitting Corporate Social Responsibility Reports" as stipulated by the Taiwan Stock Exchange's regulations, Article 4, Paragraph 4. The requirements include reporting the number of non-managerial full-time employees, the average and median salary of non-managerial full-time employees, and the difference from the previous year for these figures.

Gender Pay Gap

In accordance with Taiwan Stock Exchange requirements, CHP annually reports the number, average salary, and median salary of full-time non-managerial employees, together with the corresponding gender pay ratios. In 2025, CHP employed 2,028 full-time non-managerial employees, comprising 1,794 men and 234 women. The median annual salary was NT\$665,604. The male-to-female pay ratio was 1:0.95 for average salary and 1:0.92 for median salary.

According to the company's Articles of Incorporation, if there is annual profit, at least 1% must be allocated to employee compensation. Bonuses are distributed based on company performance and employees' job grades and achievements, aligning with market levels and designed to motivate and reward contributions. The ratio of the annual total compensation of CHP's highest-paid individual to the median annual total compensation of all other employees was 3.69. The ratio of the percentage change in the highest-paid individual's annual total compensation to the median percentage change in the annual total compensation of all other employees was −0.83.

2025 Gender Pay Gap Analysis	
Indicator	Gender Pay Gap (NT\$1,000)
Male mean	724
Female mean	687
Male median	676
Female median	619

Note: Data refers to employees in Taiwan.

Gender pay gap is calculated as:
[(Male employee salary - Female employee salary) / Male employee salary] × 100%

Employee Care



Human Rights and Equality

CHP supports and respects the principles and spirit of the International Labor Organization's Tripartite Declaration of Principles, the OECD Guidelines for Multinational Enterprises, the UN Universal Declaration of Human Rights, and the UN Global Compact, as well as the principles of other relevant international initiatives. We adhere to local labor laws and laws related to gender equality in employment; have developed human rights protection and labor policies; and have implemented related measures including formulating a Human Rights Declaration and establishing a Personnel Review Committee, among other

organizational practices, to provide employees with grievance channels, which are advertised in public areas used by all our employees. Any issues raised by employees are handled appropriately to create a safe and healthy work environment for our employees. We organize regular safety and health training in compliance with the law, and have set up an Institutional Rules and Regulations Review Group that regularly reviews labor laws and regulations and announces any regulatory amendments in a timely manner. In 2025, the Company did not receive any discrimination-related complaints.

We emphasize the following core labor rights:

Work

Freely chosen employment, young workers rights, appropriate working hours, good wages and benefits, humane treatment, non-discrimination, and freedom of association.

Ethics

Business integrity, no undue gain, disclosure of information, intellectual property rights, fair business practices, advertising and competition, protection of identity, responsible sourcing of minerals, privacy, and non-retaliation.

Young workers

CHP's policy specifically states that the use of child labor (under 16 years old) is prohibited and any practice that may lead to the use of child labor is forbidden.

Employment relationship

All labor contracts entered into between CHP and our employees are in compliance with local laws and regulations.

Freely chosen employment

As part of the hiring process, all workers must be provided with a written employment agreement that contains a description stating that the employment relationship is founded on the consent of both parties. Forced labor, trafficking of persons, and slavery are not permitted.

Working hours

All overtime is voluntary. CHP rules state that working hours may not exceed the maximum set by local law. The company has an attendance system that features an automatic reminder function, inspections and control are conducted regularly to manage working hours, and supervisors and employees are regularly reminded of the above rules in labor-management meetings.

Fairness

Any form of sexual harassment or discrimination, whether tangible or intangible, in the workplace is strictly prohibited. Race, gender, age, marital status, political affiliation and religious beliefs are not considered in the hiring, evaluation, and promotion of employees. The company only cooperates with those that abide by the same principles.

To protect human rights, CHP's orientation training includes an introduction to the company's Code of Conduct and human rights and labor laws and regulations. We pay attention to the human rights management at each of our business locations. Regarding employees' health and work-life balance, we perform monthly review of overtime, and if we find any excessive overtime, we ask department heads to rearrange employees' workload or find ways to improve the work process so as to reduce overtime hours, thereby ensuring compliance with human rights regulations. In 2025, no CHP production bases were reported for human rights commitment violations, nor did they receive any human rights complaints. In 2025, no violation of the Labor Standards Act was found.

CHP as adopted the following requirements in accordance with its Human Rights Declaration and Employee Code of Conduct:



Develop administrative guidelines and management regulations.



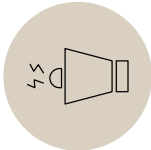
Monitor how human rights are managed at business locations and by suppliers, review overtime status, ask department heads to rearrange employee workloads or find ways to improve the work process, and provide overtime pay or days off as necessary.



Install a working hour reminder function in the attendance system to maintain control over working conditions.



Ask employees to attend training in human rights and labor laws.



Attend plant labor-management meetings to remind supervisors and employees of the company's human rights policy.



Act upon employee feedback or human rights complaints.

Health Management

In accordance with the Regulations Governing Labor Health Protection, we arrange general physical and health examinations for general employees, and special annual health examinations for workers who are involved in tasks involving potential health hazards (e.g., tasks involving noise, dust, ionizing radiation, etc.). Health examinations are provided by medical institutions that are designated by the Ministry of Labor and Ministry of Health and Welfare. Examination results are compiled into a health report, which is then mailed to the employee and filed by our administration unit. Employees' health reports are retained for 10 years. If an employee receives an abnormal examination result, the hospital immediately contacts our responsible unit, which then notifies the employee concerned and assists with subsequent matters (e.g., further checkups and treatment) until employee fully recovers. Our other health prevention and safety promotion measures are as follows:

Health Promotion Scheme	Description
Medical Care	- Our plants are equipped with first aid kits, which are clean and stocked at all times, as well as automated external defibrillators (AEDs). - A full-time medical officer is stationed at each plant to provide health care, health consultations, and emergency treatment. - AED suppliers are invited to teach employees during work shifts how to use an AED so as to strengthen their ability to perform first aid and respond to medical emergencies.
Health Examinations and Consultation	- Employees are given regular health and follow-up examinations. - Manager or higher positions receive biennial health checkups (which are usually reserved for senior executives), in addition to the annual health examination. - Follow-up counseling is provided. - Detailed descriptions of health tests and health information are enclosed in health examination reports. - We assess possible occupational disease risks; however, we have not identified any high risk factors for occupational diseases. - In 2025, 470 employees (In Taiwan sites) underwent special health examinations.
Health Courses	Conducting a variety of health and hygiene seminars in collaboration with YFY Inc. that cover topics such as the following: - Workplace hazard prevention - Common Post-COVID Sequelae and Traditional Chinese Medicine Health Care - Workplace Psychological Crisis Response and Resource Introduction - Effective Parent-Child Communication Techniques - Smart Eating for Effective Exercise - Nutrition Course

A Healthy and Energetic Workplace

CHP continues to promote employee well-being through health initiatives. Walking activities encourage regular exercise, while expert-led seminars on proper sitting posture and ergonomics provide practical health and posture-adjustment guidance. Together, these efforts raise health awareness and foster a healthier, more energetic workplace.



CHP's seminar on proper sitting posture

Health Risk Prevention and Management for Mothers

The government has promulgated a number of laws in recent years to ensure the well-being of female workers. The Occupational Safety and Health Act stipulates that employers should consider the impact of gender differences and pregnancy on health risks and implement the necessary maternal health protection action and management. To protect the health of our female employees, we have developed health protection measures in support of the Ministry of Labor's policies concerning allowances for unpaid parental leave and greater rights to childcare and family care leave. With reference to the Ministry of Labor's Workplace Maternal Health Protection Guidelines, we conduct health risk assessments for female employees who return to work after their one-year maternity leave (after pregnancy and childbirth), and communicate the results with them so that we may adjust their work arrangements if needed. We provide health tips as well as restrooms and breastfeeding rooms especially for pregnant or breastfeeding employees. We create a women-friendly work environment while ensuring both maternity protection and women's equal access to employment.



The picture shows the sign of "Parking Space for Pregnant Moms" for pregnant employees

Employee Benefits

At CHP, we view our employees as our most important partners. We hope that all employees at CHP are able to work comfortably and steadily to achieve their goals and ours. We abide by a philosophy of treating our employees as family: planning a comprehensive range of employee benefits, providing adequate care in all aspects of employees' lives, and taking care of employees' family members. CHP's Taiwan sites have

established an Employee Welfare Committee jointly with YFY Inc. In addition, we organize employee welfare activities using our employee welfare fund, which is collected by deducting 0.5% from the monthly wage of each employee, appropriating 0.1% of total monthly business revenue, and appropriating 40% of the proceeds from the selling of tailings.



Universal Employee Benefits

- Gifts for Lunar New Year, Mid-Autumn Festival, International Workers' Day, and the Dragon Boat Festival
- Birthday gifts
- Affiliates' resources and discounts on products sold by partnering merchants



Marriage and Childbirth

- Wedding and baby shower gifts
- One-year subscription to Hsinex's monthly publication on newborns, early childhood education, and childcare practices
- One-year subscription to Hsin Yi Children's Magazine for employees with pre-school children (under 3 years old)
- Education scholarships for school-age children



Personal Safety and Insurance

- Accident insurance and medical insurance, in addition to labor insurance and national health insurance, is provided to employees; group insurance policies (accident insurance, medical insurance, and cancer prevention insurance) are offered at discounted rates, enabling employees to freely choose a more comprehensive insurance plan.
- Consolation payment in the event of hospitalization for injury or illness, disability, or death



Grants for Continuing Education

- Grants for university credit programs or MBA courses
- Subsidies for language training



Social Gatherings for Employees

- Year-end banquet and parties during the Lantern Festival and Mid-Autumn Festival
- Annual sports events and carnivals for current and retired employees as a means of encouraging them to exercise
- Employees who have served the company for more than 15 years are awarded a commemorative gold coin to express our gratitude for their service.
- Subsidies for self-empowerment activities

Retirement Care

To ensure a secure retirement for our employees and help them plan for retirement, we opened a labor pension account with the Central Trust of China (CTC) in accordance with law. The account is overseen by CHP's Retirement Reserve Fund Supervisory Committee. The committee convenes meetings regularly as required by law, and more than half of the committee members are workers' representatives who are elected by the labor union. The committee oversees whether the retirement reserve fund is sufficient and whether the company handles employee retirement



matters in accordance with the law. Each year, the Company hires Willis Towers Watson & Co. to conduct pension actuarial and contributions. When the Ministry of Labor launched the new pension system in July 2005, we asked our employees which pension system (old or new) they wished to select. For employees who

switched to the new system and for new employees, 6% of their monthly salary is contributed to their pension fund and deposited to their individual account. Seniority under the old system is reserved, and pensions are distributed upon retirement. In 2025, CHP allocated approximately NT\$5.88 million monthly. CHP employees are 100% covered by the retirement pension system. Our subsidiary in Mainland China enrolls employees in the social insurance plan in accordance with the Social Insurance Law of the People's Republic of China. Monthly contributions are made to endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and the housing provident fund in order to better protect employees throughout their lives. In addition, to pass on our technical know-how to younger generations, CHP has hired retired employees to work as consultants and share their experience with younger employees so that the new generation can learn from their elders and thus better plan their retirement.

Career Development

We regard our employees as CHP's most important asset. The core values of a complete organization, from its business philosophy, policy development, and strategy formulation to target setting and implementation, relies on the inherent skills and actions of all employees within the organization. Therefore, we place emphasis on talent development, provide a continuous learning environment for our employees, and help employees improve their professional competencies and personal development.

In-House Training			External Training
Competencies	Management Training	Corporate Culture and Competitiveness	
This type of training is focused on professional competencies, business competencies, and individual performance development. Professional competencies and knowledge required by each department are categorized and trained as needed for specific positions; all forms of training activities are planned and carried out, and corresponding training resources are provided.	This type of training aims to establish a common language among corporate leaders; improve management quality; contemplate management experience; encourage middle managers to utilize their managerial skills and teach and train their subordinates so as to improve the department's overall efficiency and competitiveness; share management development strategies used within and outside of the industry; and cultivate senior executives' strategic management capabilities and cross-industry perspectives. • Management seminars • Interdepartmental meetings with senior executives • Management associate (MA) training	This type of training aims to inculcate our philosophy and goals and common values into our employees, thereby helping them build a stronger feeling of belonging and sense of honor that they are part of the organization, and simultaneously to develop a global perspective to keep pace with global trends. • Orientation training • ESG courses (ICP, TCFD)	• Overseas study • On-the-job training, credit courses • Vocational training and skills certification

Education and Training

In 2025, we organized both in-house and external education and training programs for our employees; in total, 18,251 employees completed 43,638 hours of training, averaging 15.28 hours per person.

Breakdown By Course Category					
Course Category	Course Descriptions	No. of Sessions	Total Attendance	Total Training Hours	Total Cost (NT\$ 1000)
Professional Competencies	Includes functional skill certification, competency assessments, and overseas training opportunities.	653	10,332	31,939.04	3,358.67
Management and General Knowledge	Management development programs for senior managers, reserve cadre management/technical/financial education, both internal and external training, as well as general knowledge courses for all staff.	483	7,778	10,673.34	235.10
Cultural Competence for New Employees	Orientation programs that introduce new employees to the mill, environment, and relevant courses.	26	141	1,026.00	7.08
Total	-	1,162	18,251	43,638.38	3,600.84



Annual Training Hours and Programs

Performance Evaluations

“Focus on the process, not evaluation, and find solutions, not problems.” In performance management, we focus on “performance”, not “management.” Regular performance evaluations help managers place the right person in the right place, help subordinates unleash their potential (i.e., their future performance), and also encourage employees to focus on improving themselves to align with the company’s future needs. An appropriate incentive mechanism that stimulates employees’ passion for work and improves their competence enables them to more fully harness their skills and thereby unleash the company’s capabilities and potential. In 2025, 100% of managers, non-managers, males, and females who have been employed at CHP for over six months participated in performance evaluations.

Average Hours of Training Per Person			
Statistical Category		Total Hours	Per-Person Average
Position	Managerial	2,292.59	24.39
	Non-Managerial	41,345.79	14.97
Gender	Men	38,032.45	15.57
	Women	5,605.93	13.57
Total		43,638	15.28

*Employees in managerial roles are head of a department/division or higher-level unit.

Co-Prosperity in Labor Management

At CHP, we place strong emphasis on harmonious labor-management relations. Our mills in Jiutang, Hualien, and Taitung have each established their own labor union and Employee Welfare Committee. Each mill’s labor union is composed of member representatives elected by the mill’s employees. Directors, supervisors, and the union chairperson are elected by member representatives. There is no signed collective agreement, and member representatives convene one meeting every year. Directors and supervisors convene regular quarterly meetings. In these meetings, members provide constructive advice to the company and our production mills and assist with in-mill activities such as employee trips and occupational safety inspections. Union members also attend the meetings of the Safety and Health Committee. Every quarter, management and elected labor representatives hold direct two-way communication to reach consensus on labor issues. Given this mechanism, no formal collective agreement has been signed.

Union Participation Rate	
No. of Union Members	Percentage
2,218	77.7%

*Only our production plants have established unions. Employees decide whether or not to join the union.



Volunteer Leave for Wetland Restoration: Working Together to Protect the Ecosystem

A Friendly Workplace with Zero Communication Barriers

We have established a wide range of communication channels to effectively resolve employees’ problems in real time. Employees may choose to communicate either openly or anonymously. They can raise an issue by using the Employee Mailbox or the Feedback Box, which is placed in each production mill. When an employee files a complaint, we take their problem very seriously and actively respond to it. While handling complaints, we try to satisfy the employee’s request as much as possible, and trace the origins problems to reduce the possibility of recurrence. We urge the responsible unit to take corrective action as scheduled, and establish leadership management and communication courses in a timely manner to guide mill managers in adopting a humane and compassionate leadership approach.

To create a work environment that embraces gender equality, the Company complies with the Act of Gender Equality in Employment, among other applicable laws. We formulate and promulgate various anti-harassment policies and measures; put up workplace safety posters from time to time to provide information on anti-harassment channels and complaint procedures as well as examples of sexual harassment; and include anti-harassment classes in

orientation training. These actions all aim to inculcate a correct attitude toward gender equality in each employee so as to build a friendly workplace where gender equality is embraced.



December Birthday Celebration at the Taipei Office

Any issues concerning human rights, labor management, or sexual harassment can be reported using the Employee Mailbox, which allows us to assist employees in resolving matters related to their rights or unfair treatment at work, and serves as an effective bridge for two-way communication between the company and its employees.

- Employee Mailbox: servicedesk.chp@yfy.com

Occupational Safety and Health Management

2-27 / 403-1~9

Our goal is to meet the Chairman’s safety expectations:

- People are the core of the company’s value. Safety and health cannot be compromised.
- All occupational injuries are preventable.
- No safety awareness, no employment. All employees must receive safety training.
- Our contractors’ safety standards must be the same as ours.

Safety is an important need in our lives, second only to our physiological needs. Hygiene and sanitation are necessary to keep humans healthy and improve our quality of life. To increase production efficiency, maintain a strong labor force, promote employee health and well-being, and cultivate correct occupational safety and health concepts in employees, we must focus on safety and health work so as to treat the root cause of problems and achieve early prevention. CHP adopted a thorough occupational safety and health system many years ago. We obtained OHSAS 18001 system verification between 2012 and 2017, and ISO-45001 international standard verification in 2020 to cover both in-mill employees and long-term contractors (security guards and forklift operators). CHP Guanyin Mill officially commenced operations in July 2022. Although the employee count does not currently meet the legal requirement of 200 individuals, preparations are already underway proactively.

We manage occupational safety and health in our production bases by following the plan-do-check-act (PDCA) model to lay a solid foundation for corporate sustainability.



Taitung Mill Blood Donation Activity



Hualien Mill Traditional Chinese Medicine Acupoint Health Lecture

ISO 45001	Pulp & Paper Integrated mill (Hualien)	Paper Recycling mill (Taitung)	Specialty Paper Mill (Chiutang)	Paper Product Mill (Kuanyin)	China Paper Mill (Dingfung)
Effective	2027.06	2028.12	2026.06		Safety Production Standardization Certificate
Issuing Organization	SGS	Metal Industries Research & Development Centre (MIRDC)	DNV	In process	Zhaoqing Emergency Management Association, Guangdong

Occupational health services provided at the CHP's sites					
Item	Jiutang Mill	Taitung Mill	Guanyin Mill	Hualien Mill	Dingfeng Mill
Occupational Health Services	Occupational physician on-site service once a month Plant-wide health education and promotion twice a month Hearing health promotion for new personnel (migrant workers) On-site occupational physician services, individual health education after health checks, and return-to-work evaluations after occupational injuries	Occupational medicine specialist on-site service Chemical splash response First-aid education and training Heat hazard prevention promotion Mental health education and promotion	Occupational medicine specialist on-site service Occupational health nurse on-site service	Occupational medicine specialist on-site service CPR+AED training Tobacco hazard prevention seminar Mental health seminar Stress relief seminar	An on-site licensed physician assistant provides basic medical treatment and preventive care Occupational disease prevention seminars (e.g., noise-induced hearing loss, pneumoconiosis) CPR and AED training Mental health awareness seminar
	Number of participants: 98	610	115	480	597
Health Promotion Activities	Influenza vaccination administered on-site Noise prevention promotion	Four major cancer screenings Simple pulmonary function screening Blood donation activity Workplace unlawful infringement prevention, ergonomic hazard prevention, and various health education promotions	CPR + AED training Ergonomic protection seminar	Health consultations Health quiz activity with prizes Healthy diet promotion Healthy exercise promotion for chronic disease prevention Maternity protection promotion Mental stress relief and mindfulness seminar Blood donation activity Weight loss and three-highs reduction activities	Invited doctors from the Center for Disease Control to conduct health seminars Commissioned an external professional company to evaluate the company's occupational disease status and provide recommendations Company-wide team-building activities to promote employee health
	Number of participants: 144	532	20	480	597

Occupational Safety and Health Committee

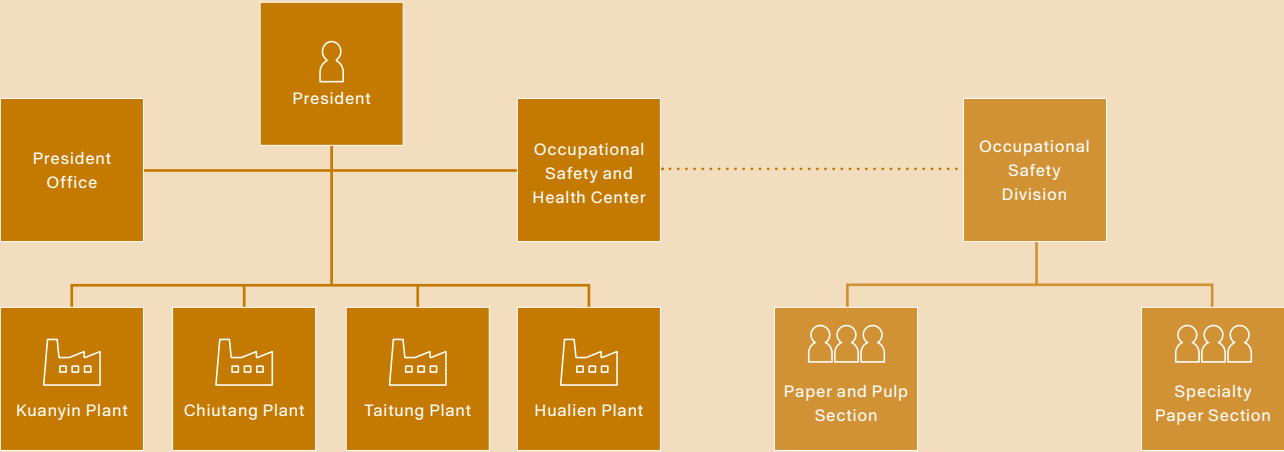
CHP has established an Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Management Regulations. The committee oversees the implementation status of occupational safety and health management plans and the company’s performance in safety and health management. The committee convenes meetings once every quarter and consists of 77 members, including 26 labor representatives (33% of the entire committee), all of whom are CHP employees. The committee regularly reports to the President of CHP. Additionally, the Safety Operations Management Committee has called on department supervisors and employees across the mill to form eight task forces: the 7S, SOP, Safety Education and Training, Workplace Safety, Contractor Safety Management, Equipment Safety Management, Fire Control, and

Audit Inspection task forces.

These task forces continuously inspect, audit, improve, and follow up on in-mill equipment operations, work environments, personnel, and operational standards to seek improvements and build a safer workplace environment.

Occupational Safety and Health Committee	
Purpose	To promote communication on and experience in safety issues
Functions	- Organizing the formation of labor safety and health teams in each mill - Regular reviews of mill status - Establishment of cross-mill resource sharing platform - Sharing experience with occupational safety and health management - Integrating and operating occupational safety and health management systems

Chung Hwa Pulp Corporation Occupational Safety and Health Management Organizational Chart



2025 Statistics on Disaster Prevention Education and Training		
Training Category	Frequency	No. of People Trained
Safety and Health Training	Once a year	3,438
Emergency Response Training/Drills	Twice a year	175
Disaster Prevention Training/Drills	Twice a year	1,440
First Aid Training/Drills	Third years a time	190
Machine Work Safety Courses	Once a year	1,543
Confined Space Work Education and Training	Once a year	147

2024 Occupational Safety and Health Management Meetings		
Meeting	Frequency	Highest Level Member
Executive Meeting	Once a month	Chairman
Occupational Safety and Health Committee Meeting	Once every quarter	Mill Manager
7S competition activity	Once or twice a year	Mill Manager
Occupational Safety Platform Meeting (4 mills)	Once a month	Manager of Occupational Safety and Health Center
Safety Operation and Zero Hazard Promotion Task Force Meeting	Once every two months	Mill Manager

Safety and Health Promotion

CHP’s Occupational Safety and Health Education and Training Rules stipulate that occupational safety and health work must be comprehensively planned with detailed education and training for both new and existing employees, as well as special training for workers who are involved in dangerous, hazardous, or special operations.



Contractor Safety and Health Meeting



Invite contractors to jointly declare a safety commitment pledge

Vision: Building an Incident-Free and Hazard-Free Friendly Workplace Environment to Create a Positive Safety Culture

	Goal	Approach
Short-Term (1-3 years)	- Promote and manage health - Incorporate job safety analysis (JSA) risk assessment tools - Integrate contractor management - Implement machinery entanglement hazard prevention and fall prevention measures	- Develop health management system and health risk classification management - Integrate JSA into operational risk control - Develop contractor management system - Organize education and training for all workers, and implement inspections and operational controls - Arrange weekly occupational safety and health activities (for employees and non-employees; examples include health examinations and blood donation)
Medium-Long-Term (3-5 years)	- Build a safety culture - Encourage investments in workplace safety - Introduce disaster prevention technologies	- Develop and launch mechanisms for incident prevention, classification, and management - Continue promoting the 7S competition to foster a strong corporate safety culture - Ongoing implementation of AI-based intelligent systems to enable early warnings and eliminate potential hazards

2025 Occupational Safety and Health Implementation Outcomes		
Systematic Management	- Contractor Management System: Fully implemented throughout the mill, including operational control and access card management for entry, to ensure proper management of operational risks in the mill. - Regular Safety Inspections: Contractors are regularly invited to participate in workplace safety inspections to enhance their hazard identification abilities through practical inspections. - Assisting Contractors: Help resident contractors establish occupational safety and health systems to improve their self-management capabilities. - Electronic Safety Bulletin Board: Present safety messages through animations and videos, replacing traditional paper-based occupational accident announcements. - Safety Meetings: Organize safety discussion meetings with resident contractors, emphasizing that safety is non-negotiable.	
Performance Indicator Design	- Zero Accident Safety Incentive Program: Integrating mill-wide initiatives to encourage zero accidents in the workplace. - Encouraging Investment in Safety: Implement safety indicators (safety signals) to reflect the safety atmosphere in the mill.	
Improvement Management Plan	- Improved Occupational Safety Plan: Completed the Mill's occupational safety and health management improvement plan, establishing a tiered accident prevention management system. - Regular Safety Discipline Committee Meetings: Hold regular safety discipline committee meetings at the mill, implementing cross-supervisor weekly inspection plans. - Enhancing Occupational Accident Elimination Plans: Promote self-management plans for occupational safety and health. - Continuously implementing improvement plans: Prevent accidents involving migrant workers.	
Access Control System	- Access Control System Improvement: Continued to improve the access control system, integrating facial recognition at all mill entry points for better personnel control, and including all contractors in the management system. - Surrounding Wall Improvements: Further improvements to the surrounding wall to prevent unauthorized personnel and animals from entering the mill.	

- Annual Safety Re-education Training: Provide annual re-education on safety for all mill employees to raise safety awareness and strengthen the 7S self-management program.
 - Monthly Safety Topics: Conduct monthly safety education training for mill employees and contractors to maintain operational safety.
 - Participation in National Workplace Safety Week: Actively participated in the Ministry of Labor's National Workplace Safety and Health Week activities for the year 113. Both the Hualien and Jiutang Mills received recognition from the Ministry of Health and Welfare with the "Health Activation Mark."
 - Safety Re-education for Violators: Provide re-education on safety for violating employees (including contractors) to prevent repeat offenses.



Certificate of Participation in the 114th Year Hualien Mill Workplace Health Week



Certificate of Participation in the 114th Year Taitung Mill Workplace Health Week



Certificate of Participation in the 114th Year Jiutang Mill Workplace Health Week



Certificate of Participation in the 114th Year Guanyin Mill Workplace Health Week



CHP Taitung Mill Collaborates with Fire Bureau to Host Fire Safety Seminar and Enhance Disaster Response Capacity for Radioactive Material Facilities

CHP Taitung Mill Collaborates with Fire Bureau to Host Fire Safety Seminar and Enhance Disaster Response Capacity for Radioactive Material Facilities

In February 2025, CHP's Taitung Mill partnered with the Taitung County Environmental Protection Bureau, the Taitung Fire Bureau's Taitung Corps, and the Fengtian Sub-branch to jointly host a "Fire Safety Seminar for Radioactive Material Use Facilities." The seminar covered key topics including fire prevention, initial firefighting operations, emergency evacuation procedures, and emergency response for radioactive material leaks. Participants not only learned how to effectively respond to fire risks but also strengthened crisis-handling capabilities through simulation drills, ensuring the ability to quickly make correct judgments in emergency situations to protect the safety of themselves, colleagues, and neighboring communities. All Chung Hwa Pulp mills regularly conduct safety drills and educational training.



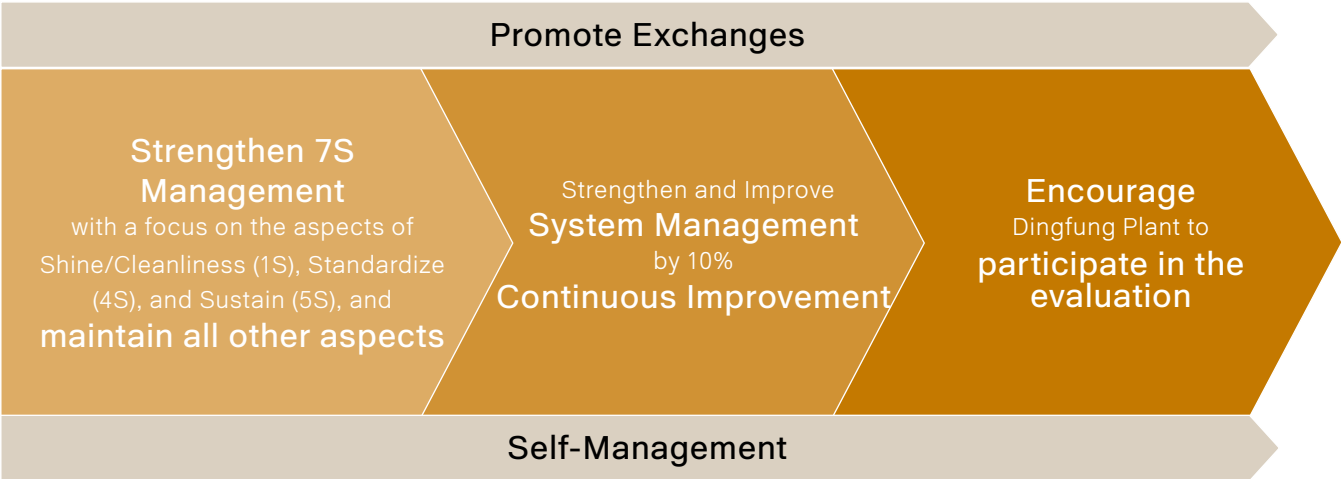
7S Management



Shaping a 7S Culture

Using Incentives to Elicit a Sense of Pride in our Employees

- Organized a 7S competition activity using motivational approaches, integrated into the factory's occupational safety and health performance evaluation in the autonomous management category. This initiative is combined with zero-accident incentive measures and involves assessing the autonomous safety and health management performance of various units.
- Conducted internal audits within the factory, identifying deficiencies and issuing occupational safety inspection reports for those with shortcomings
- Conducted internal self-assessments and carried out cross-mill peer evaluations.



Risk Identification and Disaster Prevention Management

Risk Identification

CHP's production plants have formulated hazard identification and risk assessment/management procedures in accordance with the ISO-45001 system to review and identify operational hazards. We assess and control operational risks and establish safety and protective measures to ensure operational safety and prevent accidents and other safety incidents (for details, see hazard identification and risk assessment flow chart). Persons in charge of hazard identification have been thoroughly trained and are qualified to identify hazards.

Hazard Identification and Risk Assessment Flow Chart



Incident Investigation

Report incident > Establish investigative team > Convene incident review meeting > Compile incident report > Take corrective action and track progress



Workplace Violence Prevention and Education and Training



Hearing Protection Education for Grade 2 and Grade 3 Noise-Exposed Personnel

Identified Risk	Risk/Hazard	Prevention Measures	2025 Performance
Entanglement	Paper formers, winding machines, rolling machines, burnishers, feeders and loaders are all sources of entanglement hazards.	- Installed protective shields, protective fences, and emergency brake devices. - Installed protective nets or cases over rotating shafts and flywheel devices on conveyor belts, as well as a bridge or cover. - Ensure that operators wear protective clothing.	- In 2025, through education and training, and safety observations, 3 entanglement incidents occurred. - Annual re-education for all employees is implemented, along with monthly themed training sessions conducted by department units. - Daily inspections identify equipment deficiencies, and emails or abnormal notification forms are issued to urge the responsible units to make improvements.
Noise	High-power heavy machinery is used in the production process. Noise-induced hearing loss during operations can gradually occur with increased exposure. Machinery operations are associated with contact-induced vibration hazards.	- Use low-noise machinery and parts to keep noise at a minimum. - Put up noise hazard warning signs in workplaces where workers are exposed to noise that exceeds 90 dBA for over 8 hours a day, and adopted engineering control to reduce workers' noise exposure time. - Ensure that workers wear hearing protection (e.g., earplugs, earmuffs). - Reduced noise from loud machines that produce strong vibration by using noise cancellation devices, vibration isolators, buffer damping, inertia blocks, and sound absorbers. - Conduct regular environmental testing and evaluate workers' exposure.	- Established a Hearing Conservation Program to protect employees' hearing health. - Noise-exposed workplaces require the use of hearing protection equipment. - An annual special health check for noise-related hazards is implemented. - A total of 385 people underwent the noise-related special health check.
Falls	Railings barricading the edges and openings in some work areas are rusting and are not strong enough; elevated walkways in work areas that are two meters above ground are potentially unsafe.	- We set up appropriate construction scaffolding and/or workstations for high-elevation operations, and we ensure that operators wear safety belts during operations. - Ladders, trestle ladders, or step stools are not used on scaffolds. - Secured railings at the edges/openings of work areas that are two meters above ground, and installed safe elevated walkways for high-elevation operations.	In 2025, one fall incident occurred. The work procedures have since been improved, and additional working platforms have been installed.
Exposure to Hazardous Substances and Confined Space Operations	Chemicals and organic solvents are frequently used during the production and manufacturing process. Some confined spaces have several potential hazards that may result, for example, in workers suffocating due to lack of oxygen, being buried, falling, or being cut by machinery.	- Focused on points of origin, routes of transmission, and points of exposure: (1) Use non-toxic, low-toxic, and low-hazard materials. (2) Installed ventilation devices and automatic detection and warning systems. (3) Use personal protective equipment and organize special health examinations for hazardous substances. - Practice administrative management by appointing a dedicated supervisor to manage dangerous operations, and implemented labelling system management. - Provide emergency medical care.	- We achieved zero incidents involving lack of oxygen. - Confined space operations require mechanical workers to retest gas levels for compliance and approval before entering the workspace.

Absence and Disabling Injury Statistics																	
	Item	Entanglement	Falls	Burns	Electrocution	Cuts/Abrasions	Sprains	Noise	Traffic Accidents	Object Falling	Collision	Pressure Injury	Human Factors	Puncture Wound	Chemical Splash	Slip	Total
2025	Employees	3	3	2	0	1	1	0	8	0	1	2	0	0	2	0	23
	Contractors	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
2024	Employees	5	3	1	0	3	0	0	9	1	2	4	0	0	3	1	32
	Contractors	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	2
2023	Employees	2	2	2	0	3	0	0	11	2	4	2	0	0	0	4	32
	Contractors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2022	Employees	1	0	1	1	1	1	0	8	0	2	6	0	1	3	1	25
	Contractors	0	1	0	0	2	0	0	0	0	1	1	0	0	0	0	5

Employee Occupational Injury Statistics	2025							
	Taiwan				Mainland China			
	Employed by CHP		Not Employed by CHP		Employed by CHP		Not Employed by CHP	
Gender	Men	Women	Men	Women	Men	Women	Men	Women
No. of Occupational Injuries	10	0	0	0	5	0	1	0
No. of Disabling Injuries	4	0	0	0	5	0	1	0
Disabling Injury Severity Rate (SR)	116.10		0		105.3		147.1	
Disabling Injury Frequency Rate (FR)	0.92		0		4.2		4.7	
No. of Deaths	0		0		0		0	
Injury Rate (IR)	0.18		0		0.8		0.9	
Lost Day Rate (LDR)	23.22		0		21.1		29.4	
Total Work Hours	4,332,299		807,816		1,196,218		210,692	
No. of Workdays Lost	503	0	0	0	126	0	31	0

*Disabling Injury Frequency Rate (FR) = No. of Disabling Injuries / Million Work Hours
*Disabling Injury Severity Rate (SR) = Total No. of Workdays Lost / Million Work Hours
*Injury Rate (IR) = Total No. of Injuries / Total Work Hours × 200,000
*Lost Day Rate (LDR) = No. of Workdays Lost / Total Work Hours × 200,000
*where '200,000' is equivalent to 100 full-time workers working 40 hours per week, 50 weeks per year
* "Non-employed" refers to contractors who are not under an employment contract or agreement.

Occupational Safety Incident Penalty Issued by the Occupational Safety and Health Administration (OSHA), Ministry of Labor in 2025				
Category	Number of Cases	Total Penalty Amount (Thousands)	Cause of Incident	Corrective Actions
Maintenance Work Safety Management Deficiencies	1	100	During fan maintenance work, the impeller detached from the axis and slipped, causing thumb impact injury.	- Strengthen education and training specifying that auxiliary support is required for lifting operations. - Re-arrange refresher training for lifting personnel.
Operating Procedure and Communication Control Deficiencies	1	220	A nip/entanglement accident occurred during paper-cutting machine operation.	- Install an infrared device on this paper-cutting machine. - Install machine pulley and belt guards. - Revise the pre-start alarm. - Conduct staff re-education and promotion. - Revise the migrant worker version of the operation SOP.
Equipment Safety Management Deficiencies	2	320	Insufficient nip/entanglement protection on processing machinery Failure to install	- Complete the installation of interlocking and repairs for the elevator. - Continuously pre-fabricate and progressively install related protective facilities.
			guards, fencing, or safety doors with interlocking performance, etc	Existing guardrails were not restored after being dismantled; reinforcement has been added to prevent arbitrary dismantling by personnel.
High-Altitude Work and Environmental Protection Deficiencies	1	110	During routine inspection of the paper machine maintenance platform, personnel stepped into space due to inattention to the ladder opening and fell.	- Remove the originally installed vertical ladder. - Replace with safe ascending and descending equipment featuring external stairs. - Parallel improvements completed across the remaining two paper machines in the plant.

Note: Enhance inspection and review of the work environment, equipment, and processes, and ensure all employees complete training on standard operating procedures (SOPs).

Disaster Prevention Management

CHP implements fire safety management to provide a safe work environment. We regularly test our in-mill fire prevention facilities, and we conduct fire drills with local firefighters to familiarize our mill employees with the proper methods to respond to and handle emergencies. We have established emergency procedures for major incidents, slurry leakages, wastewater treatment, gas leakages, suspicious odors, significant chemical spills, major industrial safety incidents, power outages, earthquakes, typhoons, and other natural disasters, and carry out emergency drills according to annual plans. In accordance with the law, we have placed a person in charge of fire prevention management and formulated a fire protection plan for our mills that includes a detailed self-defense fire-fighting organization that consists of a firefighting squad, notification squad, evacuation leader squad, safety protection squad, and first aid squad. The squads carry out firefighting drills every six months in cooperation with the fire department. Our contractors are also included in our twice-yearly emergency drills.

Safety and Health Performance Management

Under the framework of the occupational safety and health management system, our production mills have adopted active or passive performance indicators depending on their environmental safety and health management strategies. In 2019, we completely adopted active performance indicators (active monitoring, potential hazard identification, and safety improvement rates) to ramp up efforts to prevent incidents, eliminate hazards, ensure a safe work environment, and enhance safety awareness.

Our mill safety inspection system was launched in 2020. It is integrated with a safety inspection plan that involves staff at each level walking around the production workshops to identify any potential hazards and risks in the mill. Any deficiencies are logged into the system to classify and manage risks, bring them to the attention of managers of all levels, monitor risk status, achieve prevention, and ensure operational safety and health.



CHP conducted a joint fire drill involving employees and contractors to strengthen emergency response capabilities

Hazardous Substances and Chemical Management

CHP strictly inspects all raw materials and products for prohibited substances. We comply with international requirements and refer to the candidate list of 240 Substances of Very High Concern (SVHC) published by REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) on January 23, 2024. We require our suppliers to submit raw material test reports and conduct regular inspections and management of their production mills. The toxic chemicals used in our manufacturing processes include chlorine gas and sodium dichromate; we have obtained licenses for both substances and regularly report them. In addition, we appropriately manage chemicals with environmental and safety concerns to prevent or mitigate environmental pollution and ensure worker safety. All of our chemicals, including priority management chemicals, hazardous substances, and toxic substances, are subjected to chemical control banding (CCB) and management pursuant to law.

Contractor Safety Management

CHP cares deeply about the safety of our contractors; therefore, we manage the safety of contracted construction work by establishing detailed guidelines for system implementation, control processes, and emergency response. Our requirements and standards for contractors are the same as those for all CHP employees. In 2019, we introduced a contractor management system that includes construction control and access control management. We use the system to review the qualifications of our contractors; ensure that each contractor has been informed of and trained on hazards in the mill; review and file operational details to keep abreast of the status of contractors' work; review contract workers' qualifications and safety measures before they carry out special operations (e.g., hot work, lifting, confined space operations); and perform spot checks before, during, and after operations. The above control measures can effectively reduce the contractors' risk of operational hazards in the mill.



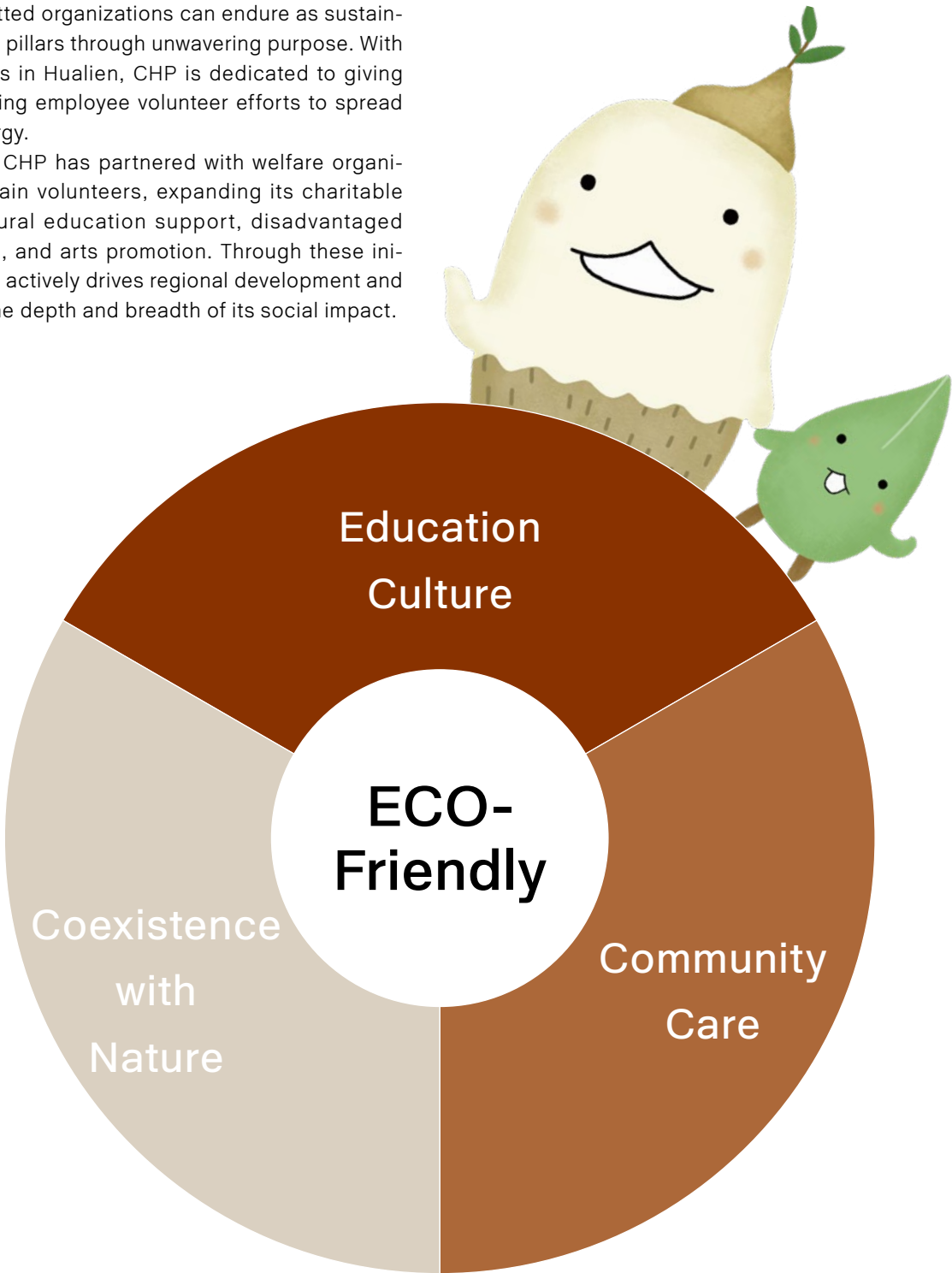
CHP employees took CPR and AED educational training

Social Caring and Inclusiveness



Unlike for-profit business cycles, charitable and socially committed organizations can endure as sustainable societal pillars through unwavering purpose. With over 50 years in Hualien, CHP is dedicated to giving back by uniting employee volunteer efforts to spread positive energy.

For years, CHP has partnered with welfare organizations to train volunteers, expanding its charitable reach into rural education support, disadvantaged student care, and arts promotion. Through these initiatives, CHP actively drives regional development and maximizes the depth and breadth of its social impact.





CHP employees and local residents participated in wetland walks, 3D paper art workshops, and Forest · Endless Life activities.

Sustainable Forests for a Sustainable Life: From Forest, Sustainable Reading for Endless Growth

Building on a 27-year partnership, CHP and the Kaohsiung Public Library reached a new milestone by extending reading beyond the library to the Old Railroad Bridge Wetland and communities surrounding the Kaohsiung Jiutang Plant. Through ecological walks, papermaking workshops, and forest-themed performances, CHP created a sustainability journey from wetlands to books for local children and residents.

From Pulp to Paper: Circularity in Our Hands

“Where does paper come from?” At the Colorful Pulp Workshop, 88 participants discovered the answer firsthand. Using CHP’s virgin pulp, they experienced each step of papermaking—from mixing and forming sheets to pressing, drying, and coloring. The workshop brought the craftsmanship of papermaking to life while revealing the creativity and circular value within every fiber.



Children discovering the joy of handmade papermaking

Where Water Meets the Forest: Reading the Wetland

During the spring event Green Treasures of the Forest, the Dashu Library mobile book van became a reading hub at the Old Railroad Bridge Wetland. Sixty residents and children cycled through the surrounding greenery and followed professional guides along the historic Old Caogong Canal. They learned how treated effluent from the Kaohsiung Jiutang Plant returns cleanly to nature, helping sustain the wetland ecosystem, and walked beneath trees planted by CHP employees. Reading became an experience rooted in the land.



CHP and local residents explored wetland ecology and water resource circulation at the Old Railroad Bridge Wetland

A Spark in the Shadows: Inspiring Young Forest Guardians

In summer, the library was transformed into a magical shadow theater. Adapted from CHP’s picture book Forest · Endless Life, the performance attracted 50 parents and children. Through storytelling, changing light, and interactive flashlights, children became part of the story and discovered the importance of protecting forests and the planet. These experiences culminated in the Forest · Endless Life: Sustainable Paper Art Exhibition. Held for three months at the Hi-Read Thematic Reading Corner, the exhibition at-

tracted 360 visitors. Each handmade paper creation reflected how the seeds of environmental education had grown throughout the year. From donating books and organizing ecological walks to offering creative workshops, CHP brings the SDGs on Quality Education and Sustainable Cities and Communities to life. By connecting reading with nature and sustainability with everyday experience, CHP continues to deepen its commitment to the land and local communities.



Shadow theater performance adapted from CHP’s picture book Forest · Endless Life



Children’s paper art displayed at the Hi-Read Thematic Reading Corner



Chung Hwa Pulp Charity Cup National Drone Computational Thinking Competition

Cultivating Popular Science Education in Hualien and Taitung

Chung Hwa Pulp Charity Cup National Drone Computational Thinking Competition

Since 2019, CHP has promoted foundational science education through the CHP Charity Cup. Now in its sixth year, the AI Autonomous Vehicle Computational Thinking Robotics Competition reached a record scale, bringing together 188 teams and more than 400 teachers and students from Yilan, Hualien, and Taitung. Through hands-on challenges, participants strengthened their computational thinking, logical reasoning, and problem-solving skills.

Connecting Industry with Education: From Automation to AI

As digital transformation accelerates, CHP believes that future talent must be cultivated from an early age. Reflecting current industry trends, the competition

featured four categories: Maze Defense, Robot Soccer, AI × RC Intelligent Combat, and AI Championship—Squid Challenge.

Students progressed from basic remote control to AI model training, turning theory into practical solutions. In AI × RC Intelligent Combat, participants designed autonomous vehicles capable of detecting and avoiding attacks. The AI Championship—Squid Challenge used the PAIA platform to guide students through AI model training and strategy development. A digital twin robot demonstration also showed how reinforcement learning can train robots in virtual environments, reduce hardware wear, and improve performance—giving students an early introduction to Industry 4.0 technologies.

As a local enterprise, CHP supports county government initiatives that promote programming and computational thinking among young people. After six

years of continued investment, the CHP Charity Cup has evolved from a science outreach event into a leading technology education platform in eastern Taiwan. CHP will continue strengthening collaboration among industry, government, and academia to advance educational innovation and cultivate a digitally resilient generation.



The AI autonomous vehicle competition showcased participants' creativity and hands-on capabilities

Coding Scratch Programming Language Course

Since 2019, CHP has partnered with the Codin Education Alliance to bring programming education to rural communities in Taitung. Now in its seventh year, the program reached five resource-limited elementary schools in 2025: Fengrong in the East Rift Valley, Fushan and Chenggong along the coast, and Wulu and Lidao in the mountains.

Turning Ideas into Code

A total of 56 students attended two Scratch programming classes each week. Starting with simple blocks of code, they learned to transform ideas into interactive creations. For these rural students, computers became more than entertainment—they became a canvas for creativity, while every exercise in logic and debugging opened a door to the digital world.

Empowering Local Teachers

The greatest challenge in rural programming education is often the shortage of qualified teachers. CHP therefore extended its support beyond student courses by investing in the Codin Coach Training Program. Through systematic training and teaching support, local teachers developed Scratch instruction and computational thinking skills. By building lasting teaching capacity within schools and Indigenous communities, the program ensures that learning continues despite changes in external teaching staff—putting the sustainable principle of “teaching people how to fish” into practice.

Celebrating Young Coding Stars

In 2025, CHP launched the Young Coding Star Popularity Contest to bring greater visibility to students' achievements. Teachers, parents, and the public voted for the most creative and popular projects, giving children a stage to share their work with confidence. Every vote became a meaningful source of encouragement, showing students that their creativity has the power to shape the future.



Students showcased their coding projects in the Young Coding Star Popularity Contest

Making Science Popular in Rural Areas

Exploring Science and Constructing Logic

Since 2013, CHP and the Yuan T. Lee Science Education Foundation have worked together to promote science education. In the program’s 13th year, the science journey arrived at Fuyuan Elementary School in Chishang and Guangming Elementary School in Taitung City—bringing opportunities for discovery to children regardless of geographic distance.

Hands-On Science: From Magnetic Monsters to Bouncing Balls

Designed around the Ministry of Education’s inquiry- and practice-based curriculum, the 2025 courses made science both engaging and inspiring. Guided by

professional instructors, students created Creative Spiral CD Tops and explored The Secrets of Light to learn about mechanical balance and optical imaging. Through the Bouncing Double Ball experiment, they also observed how momentum transfers between colliding objects. Science became more than classroom knowledge—it became a playful journey of discovery and creation.

Bridging the Rural Education Gap

From Taichang in Hualien to Chishang in Taitung, CHP’s science education program has reached more than 20 elementary and secondary schools and benefited thousands of students. In 2025, approximately 240 students in Taitung participated in the science

campus. By bringing professional science instructors into rural classrooms, CHP helps address limited educational resources and shows children that everyday objects—from discarded CDs and paper to magnets—can unlock the world of science. The program develops curiosity and problem-solving skills while advancing CHP’s mission to “Pass on Knowledge and Preserve Culture.”



CHP and the Yuan T. Lee Science Education Foundation have promoted science education together for 13 consecutive years

Chemistry for Everyone

In 2025, the Mobile Chemistry Lab traveled across the Hualien-Taitung Valley and coastline, bringing university-level laboratory resources directly to Ruisui and Guangfu junior high schools in Hualien and Fengtian and Baosang junior high schools in Taitung. A total of 240 students participated, transforming quiet campuses into lively stages for scientific discovery.

From Beverages to Silver: Making Chemistry Visible

The program opened with an exciting chemistry magic show. Using familiar beverages and acid-base indicators, instructors revealed chemical properties hidden from view. In the Silver-Plat-

ing Magic experiment, students watched ordinary metal gain a brilliant silver coating through an oxidation-reduction reaction. These hands-on demonstrations transformed abstract chemical principles into visible and tangible experiences, inspiring curiosity and bringing the spirit of learning by doing to life. Since 2017, CHP has partnered with the Tamkang University Science Education Center on the Fun with Chemistry program, bringing science resources to rural communities across Hualien and Taitung. Beyond narrowing the urban-rural education gap, the program helps students discover that chemistry is not only part of everyday life but also a powerful foundation for creativity and innovation.



The Mobile Chemistry Lab reached rural schools, guiding 240 students on a journey of scientific discovery

Hualien Artistic Realm x Technological Leap

Upholding its commitment to local prosperity, Chung Hwa Pulp (CHP) supports the Hualien County Government’s balanced education vision. At the 7th joint exhibition themed "Hualien Artistic Realm X Technological Leap," Chairman Kirk Hwang joined County Magistrate Hsu Chen-Wei and guests to celebrate student achievements in AI education and cross-disciplinary art across 86 themed booths.

As a long-standing local enterprise driving green papermaking, CHP recognizes talent as the core driver of net-zero and digital transitions. By supporting this event, CHP aims to bridge the digital divide, align students with AI trends, and integrate sustainability into tech exploration. During the ceremony, CHP received a certificate of appreciation for its dedication to local education development.



CHP Chairman and Hualien County Magistrate attended Hualien Artistic Realm x Technological Leap



CHP’s handicraft booth offers hands-on experiences for the public

Competition for Mathematical Whizzes

CHP has long supported education in the Hualien-Taitung region as a cornerstone of regional development. For five consecutive years since 2021, the company has backed the Keng Sheng Daily News Mathematics Competition—a vital academic event enhancing eastern Taiwan’s competitiveness and fostering logical reasoning.

The 2025 competition marked its 21st edition, co-organized by Tzu Chi Senior High School and National Taitung Senior Commercial Vocational School, drawing 1,259 student participants despite geographical hurdles. With attendance remaining above 90%, the event showcased local youth resilience. Through this long-term partnership, CHP aims to boost academic morale, inspire confidence in mathematics, and ensure every student’s potential is realized to foster shared social well-being.



Awarding ceremony for 2025 Keng Sheng Daily News Mathematics Competition

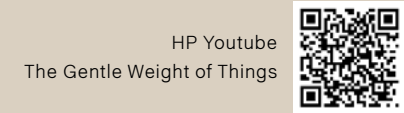
Grow up with the Dream project

Since Taiwan's rapid economic growth in the 1970s-80s, urban-rural disparities in cultural resources have widened, leaving many rural children without a personal record of their school years. To change this, CHP and the Taiwan Photographers Exchange Association launched the "Growing Up with You project" in 2022, offering free custom graduation photo albums to students from seven remote schools in Hualien, Taitung, and Lanyu. As of 2025, the project has reached 318 students.

Due to small graduating classes, many rural schools can't afford traditional albums. Leveraging its papermaking and printing expertise, CHP, along with corpo-

rate and photographer volunteers, creates personalized yearbooks that preserve childhood memories and Indigenous culture.

The project also gained support from National Taichung University of Science and Technology's Commercial Design Department, whose student volunteers assist with design and layout. Now in its 4th year, participating schools include Wanrung, Mingli, Jianqing, Mayuan, Xilin, Hongye (Hualien), and Dongqing Kindergarten (Lanyu). Over ten CHP employees volunteered in 2025 to join the photo shoots and accompany the children—turning paper, design, and photography into meaningful keepsakes of their youth.



A group photo of the graduates and teachers with the CHP volunteer team

Dating with Books for Students in Coastal Regions

In 2015, YFY Inc., the Cite Culture and Arts Foundation, and the Guanshan Office of Taiwan Fund for Children and Families (TFCF) collectively established the Taitung Tutorial Center as a reading and learning space for children from families who live in rural townships in Taitung County. CHP's Taitung Mill serves as our community representative in Taitung and has actively supported the program. Each year, approximately 15 CHP volunteers participated in the program by offering reading sessions to local children. To date, they have spent

nearly 5,000 hours reading to 55 children. The reading program has existed for 10 years. The purpose of the program is to promote reading, but what follows is a greater power of companionship. The constant companionship provided by volunteers compensates for these children's lack of physical and mental support and helps establish a relationship they can rely on outside of their families.

The project also includes an annual "Reunion Day," inviting children from Taitung to explore beyond their communities. Through long-term engagement, CHP volunteers and the Taiwan Fund for Children and Families (TFCF) have built a bridge of sup-

port, using reading as a source of confidence and inspiration for the children's future.



A joyful gathering of Taitung Tutorial Center volunteers and TFCF-sponsored children



Teachers and students from Department of Business Administration, Tzu Chi University visit CHP Hualien Mill

Environmental Education A Responsibility for All of Us

Environmental Education Facility Certification: Rooting Circular Economy Education into Curriculum Integration

Connecting the Possibilities of Environmental Education Through Paper: Chung Hwa Pulp Builds a Practical Field for Sustainable Learning

Recognizing education as vital for circular and low-carbon transitions, Chung Hwa Pulp (CHP) leverages its Hualien Mill's resources to establish the "CHP Environmental Education Park," integrating industry, ecology, and teaching into hands-on learning from biomass energy to carbon sinks.

Since 2022, CHP has collaborated with academic institutions—partnering with local high schools and universities on lesson plans, National Chung Hsing University on soil carbon sinks, National Cheng Kung University on eco-bricks, and the Hualien Bird Ecological Conservation Association on wetland surveys.

Following these efforts, the Hualien Mill earned the Ministry of Environment's "Environmental Education Facility and Venue Certification" in Sep-

tember 2024, becoming the nation's first certified pulping facility and Hualien County's first certified manufacturing venue. In June 2025, it hosted 500 environmental volunteers for experiential learning, showcasing FSC/PEFC-certified sustainable forestry, organic carbon sink experiments, and the "One Tree Per Household" greening initiative.



To date, more than 1,491 guests have participated in the environmental education courses.

In addition, the 10-hectare ecological pond within the park is also a key focus of teaching. Utilizing effluent that exceeds regulatory standards to create a friendly habitat not only effectively mitigates the urban heat island effect, but has also been confirmed by bird association surveys to host 47 bird species and diverse hydrophilic insects, demonstrating fruitful achievements in biodiversity. To date, more than 1,491 guests (including volunteers and students added in 2025)

1.Power from Wood

Itudents learn how wood is transformed into biomass energy through the pulping process and explore the principles of cogeneration. The course emphasizes full resource utilization and encourages energy-saving actions in daily life.



3.Turning Sludge into Bricks

Students explore how pulping residues are repurposed into eco-bricks, learning about circular design and waste-to-resource innovation.



CHP believes that when a company’s site becomes a nurturing ground for knowledge, and when every participant builds a connection with nature through hands-on experience, sustainability is no longer just a goal—it becomes a lived part of everyday life.

have participated in the environmental education courses. The "CHP Retired Association Volunteer Group," which officially formed this year, has also joined in teaching and guided tours, passing on industrial knowledge. The park currently offers four major thematic courses, guiding participants to understand how resources are recycled and regenerated, closely integrating industrial knowledge, environmental science, and daily practice.

2.Soil and Sustainability

This course introduces the reuse of organic by-products—wood chips, rice bran, and biosludge—into organic fertilizers used in local farms and green spaces, helping students understand soil restoration and resource recycling.



4.Be Like Cai Lun

Students trace the history of papermaking and engage in a hands-on recycled paper activity to understand fiber reuse and paper product life cycles, promoting environmental awareness and sustainable choices.



CHP Supports NCHU Forest Week: Donates Eco-friendly CircuWell Paper Cups

Every May, students from the Department of Forestry at National Chung Hsing University independently organize the "Forestry Week" series of activities, conveying the concepts of forest conservation, friendly forestry, and green products to the public through exhibitions, experiences, and markets. As an enterprise closely connected to the forest industry, Chung Hwa Pulp shares a deep bond with National Chung Hsing University, with many employees being alumni of the university.

Therefore, the company has continuously supported the green promotion initiatives of the NCHU Department of Forestry over the years. CHP supported National Chung Hsing University’s annual Forest Week by donating 600 eco-friendly “CircuWell” paper cups and green products for event use. With many CHP employees as NCHU alumni, the company has long backed the school’s efforts in forest conservation and green living. Through real action, CHP promotes sus-



Certificate of Appreciation for Forestry Week

tainable choices in daily life and will continue supporting green initiatives to deepen public understanding of its eco-conscious values.



This year, CHP was invited to participate in the Forestry Week event, promoting eco-friendly products through practical action

Let the Land Breathe Again: Donating Organic Fertilizer to Support Campus and Community Greening

CHP produces natural organic fertilizer that can be used for growing vegetables, gardening, and improving soil quality. This initiative promotes diverse applications and fosters the creation of green spaces. By connecting production with ecology, and ecology with everyday life, CHP aims to build eco-friendly campuses and

communities that live in harmony with nature—coexisting, co-thriving, and co-integrating to realize sustainable environmental goals. In 2025, CHP donated a total of 65.04 metric tons of organic fertilizer to Guanghua Elementary School, Guanghua Mini Farm, and Ji’an Township Office, supporting school greening, local farming, and environmental beautification efforts. Through these contributions, CHP embodies the vision of integrating corporate operations with ecological sustainability.



CHP Donates Organic Fertilizer to Support School and Community Greening

Solid Steps to Dreams: Sponsoring the Fengtian Junior High School Football Team

Established in 2016, the football team of Taitung County Fengtian Junior High School comprises players mostly coming from remote areas of Taitung, with over half being indigenous student-athletes. Family financial resources are insufficient to support players in purchasing their own training equipment. On the other hand, junior high school students are in a growth stage with abundant energy, requiring four meals a day. Furthermore, regardless of which county or city they travel to for competitions, their overall expenses for transporta-

tion, accommodation, and meals are much higher than those of teams from other regions. Moreover, subsidies from the Taitung County Government are limited, and with a lack of local enterprises and companies to help raise funds independently, the league subsidies applied for from the Sports Administration are often exhausted after participating in just a few tournaments. Additionally, team equipment such as jerseys and football boots must be budgeted out of competition expenses, meaning the team is frequently forced to give up opportunities to participate in football matches due to fundraising difficulties. Consequently, as a local enterprise, the CHP Taitung Mill provides continuous

annual sponsorship to ensure the sustainable development of the Fengtian Junior High School football team, cultivating more outstanding national team athletes for the country's football sport and letting Taitung be seen.



As a local enterprise, the CHP Taitung Mill provides continuous annual sponsorship to ensure the sustainable development of the Fengtian Junior High School football team

Heartfelt Donation to Bethesda Home for the Disabled: Joining Hands with Hualien to Create Hope Together

Deeply rooted in Hualien for over 50 years, CHP has maintained its tradition of donating supplies to the Bethesda Home for the Disabled for over 20 consecutive years. Following 2024's natural disasters, which severely impacted local tourism and reduced vocational opportunities

and material support for residents, CHP provided essential supplies—such as rice, oil, dry goods, and cleaning items—to ease the institution's operational burden. Additionally, the CHP team visited the newly established "THE HOPE CAFE" to support trainees in baking and service programs, helping them build self-confidence. CHP remains committed to standing with the Hualien community through



"We aspire to be a company that does the right thing, year after year, with heart"

Public-Private Collaboration & Environmental Maintenance

Air Quality Purification Zones and Road Maintenance

Since 2012, the Hualien Mill has participated in Hualien County's "Air Quality Purification Zone" adoption program, maintaining a 1.5-kilometer green belt along Provincial Highway 9 through weekly pruning, cleaning, and waste disposal. Additionally, the Taitung and Dingfeng mills

deploy monthly volunteers for surrounding road maintenance. In 2025, CHP contributed 456 volunteers and 1,551 total service hours to local greening initiatives.

Beinan River Environmental Interpretation Park Adoption

Furthermore, the Taitung Mill maintains a long-term partnership with the Eighth River Bureau to adopt the 4.98-hectare Beinan River Environmental Interpretation Park in Taitung City. The mill assists with routine patrolling,

weeding, and garbage clearance to preserve this multi-functional riverside landscape, bikeway, and ecological education hub.



CHP Taitung Mill has established a partnership with the Water Resources Agency of the Ministry of Economic Affairs to adopt the Beinan River Environmental Interpretation Park

Disaster Relief and Homeland Reconstruction – Post-Disaster Rescue Operations for the Fata'an River Barrier Lake

Deeply bonded with Hualien, CHP swiftly responded to the Fata'an River barrier lake overflow in Guangfu Township. The Hualien Mill supplied large quantities of environmental disinfection water to the Mennonite Christian Hospital Foundation, the Army Hualien Defense Command, and affected communities to prevent infectious diseases.

Additionally, CHP employee volunteers deployed machinery and equipment to assist with silt removal and disinfection. Partnering with YFY Inc. and the Mustard Seed Mission, CHP also donated essential appliances like washing machines and gas stoves to families in greatest need, committing to ongoing support for local reconstruction.



CHP Spontaneous Material Donation Poster



CHP Hualien Mill Prepares Sodium Chlorate Disinfectant, Prioritizing Delivery to the Mennonite Christian Hospital Foundation, the Army Hualien Defense Command, and Affected Communities

Appendix

Appendix 1. GRI Standards Disclosure Index

Statement of use	Chung Hwa Pulp Corporation has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2025.
GRI 1 Used	GRI 1: Foundation2021
Applicable GRI Sector Standards	N/A

GRI Standard	Disclosure	Chapters	Pages	Note
GRI 2: General Disclosures 2021				
Organization and reporting	2-1 Organization details	2.1 About CHP	26	
	2-2 Entities included in the organization's sustainability reporting	2.1 About CHP About this Report	26 02	
	2-3 Reporting period, frequency and contact point	About this Report	02	
	2-4 Restatements of information	About this Report	02	
	2-5 External assurance	Appendix 7 About this Report	142 02	
Activities and workers	2-6 Activities, value chain and other business relationships	2.1 About CHP 3.4 Supply Chain and Customer Services	26 71	
	2-7 Employees	5.1 Talent Recruitment & Career Development	100	
	2-8 Workers who are not employees	5.1 Talent Recruitment & Career Development	100	
Governance	2-9 Governance structure and composition	2.1 About CHP 2.2 Board of Directors	26 32	
	2-10 Nomination and selection of the highest governance body	2.2 Board of Directors	32	
	2-11 Chair of the highest governance body	2.2 Board of Directors	32	
	2-12 Role of the highest governance body in overseeing the management of impacts	2.2 Board of Directors 2.4 Risk Management	32 44	
	2-13 Delegation of responsibility for managing impacts	2.2 Board of Directors	32	
	2-14 Role of the highest governance body in sustainability reporting	1.3 Materiality Identification	20	
	2-15 Conflicts of interest	2.2 Board of Directors	32	
	2-16 Communication of critical concerns	2.3 Operations and Governance	42	27 major announcements were released in 2025.
	2-17 Collective knowledge of the highest governance body	2.2 Board of Directors	32	
	2-18 Evaluation of the performance of the highest governance body	2.2 Board of Directors	32	
	2-19 Remuneration policies	2.2 Board of Directors	32	
	2-20 Process to determine remuneration	2.2 Board of Directors	32	
	2-21 Annual total compensation ratio	5.1 Talent Recruitment & Career Development	100	

GRI Standard	Disclosure	Chapters	Pages	Note
Strategy, policies and practices	2-22 Statement on sustainable development strategy	Message from the Chairman About this report 1.1 Sustainable Development Strategy	06 02 16	
	2-23 Policy commitments	3.4 Supply Chain and Customer Services	71	
	2-24 Embedding policy commitments	3.4 Supply Chain and Customer Services	71	
	2-25 Processes to remediate negative impacts	2.3 Operations and Governance 2.4 Risk Management 5.2 Employee Care	42 44 105	
	2-26 Mechanisms for seeking advice and raising concerns	2.3 Operations and Governance 3.4 Supply Chain and Customer Services	42 71	
	2-27 Compliance with laws and regulations	2.3 Operations and Governance 4.5 Environmental Protection Investments and Regulatory Compliance 5.3 Occupational Safety and Health Management	42 91 112	
	2-28 Membership associations	2.1 About CHP	26	
	2-29 Approach to stakeholder engagement	1.2 Stakeholder Engagement	18	
	2-30 Collective bargaining agreements	-	-	CHP has corporate union at mills, and although a collective agreement has not yet been signed, discussions and negotiations are ongoing.
GRI Standard	Disclosure	Chapters	Pages	Note
Material Topics				
GRI 3 : 2021	3-1 Process to determine material topics	1.3 Materiality Identification	20	
	3-2 List of material topics	1.3 Materiality Identification	20	
	3-3 Management of material topics	1.3 Materiality Identification	20	
Material Topic: Regulatory compliance (environmental, economic, social)				
GRI 2: General Disclosures				
2-27	Compliance with laws and regulations	2.3 Operations and Governance	42	
		4.5 Environmental Protection Investments and Regulatory Compliance	91	
		5.3 Occupational Safety and Health Management	112	

GRI Standard	Disclosure	Chapters	Pages	Note
Material Topic: Energy Management				
GRI 302: Energy 2016				
302-1	Energy consumption within the organization		79	
302-3	Energy intensity	4.1 Energy Management	79	
302-4	Reduction of energy consumption		79	
Material Topic: Greenhouse Gas and Air Pollutant Management				
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	4.2 Emissions Management	83	
305-4	GHG emissions intensity		83	
Material Topic: Air Pollution Management				
GRI 305: Emissions 2016				
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	4.2 Emissions Management	83	
Material Topic: Water Resource Management				
GRI 303: Water and Effluents 2018				
302-2	Management of water discharge-related impacts		87	
302-3	Water withdrawal	4.3 Water Resource Management	87	
302-4	Water discharge		87	
302-5	Water consumption		87	
Material Topic: Green Manufacturing				
GRI 302: Energy 2016				
302-4	Reduction of energy consumption	4.1 Energy Management	79	
GRI 305: Emissions 2016				
305-4	GHG emissions intensity	4.2 Emissions Management	83	
Material Topic: Circular Economy				
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts		90	
306-2	Management of significant waste-related impacts		90	
306-3	Waste generated	4.4 Resource of Reuse	90	
306-4	Waste diverted from disposal		90	
306-5	Waste directed to disposal		90	
Material Topic: Biodiversity				
GRI 101: Biodiversity 2024				
101-1	Policies to halt and reverse biodiversity loss		92	
101-2	Management of biodiversity impacts	4.6 The Taskforce on Nature-related Financial Disclosures(TNFD)	92	
101-3	Access and benefit-sharing		92	
101-4	Identification of biodiversity impacts		92	
101-5	Locations with biodiversity impacts	3.4 Supply Chain and Customer Services	71	
101-8	Ecosystem services	4.6 The Taskforce on Nature-related Financial Disclosures(TNFD)	92	

GRI Standard	Disclosure	Chapters	Pages	Note
Material Topic: Occupational Safety and Health				
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	5.3 Occupational Health and Safety Management	112	
403-2	Hazard identification, risk assessment, and incident investigation			
403-3	Occupational health services			
403-4	Worker participation, consultation, and communication on occupational health and safety			
403-5	Worker training on occupational health and safety			
403-6	Promotion of worker health			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			
403-8	Workers covered by an occupational health and safety management system			
403-9	Work-related injuries			
Material Topic: Green Products				
GRI 416: Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories	3.2 Green Economy	62	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.4 Supply Chain and Customer Services	71	

Appendix 2. United Nations Global Compact (UNGC) Comparison Table

Category	Principles	Corresponding Chapter	Page Number(s)
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights ; and	5.2 Employee Care	105
	make sure that they are not complicit in human rights abuses.		105
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;		105
	the elimination of all forms of forced and compulsory labour;		105
	the effective abolition of child labour; and		105
	the elimination of discrimination in respect of employment and occupation.		105
Environ-ment	Businesses should support a precautionary approach to environmental challenges;	2.4 Risk Management 3.1 Products and Market	44 57
	undertake initiatives to promote greater environmental responsibility; and	1.1 Sustainable Develop-ment Strategy 3.2 Green Economy	16 62
	encourage the development and diffusion of environmentally friendly technologies.	3.2 Green Economy 4. Green Production	62 76
Anti-Cor-ruption	Businesses should work against corruption in all its forms, including extortion and bribery.	2.3 Operations and Governance	42

Appendix 3. United Nations Sustainable Development Goals (SDGs) Comparison Table

Sustainable Development Goals			Corresponding Targets	Corresponding Chapter	Page Number(s)
Goal 4		Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.1 / 4.2 / 4.5	6. Social Caring and Inclusiveness	121
Goal 6		Ensure availability and sustainable management of water and sanitation for all	6.3 / 6.6a	4.3 Water Resource Management	87
Goal 7		Ensure access to affordable, reliable, sustainable and modern energy for all	7.2 / 7.3 / 7.3a	4.1 Energy Management	79
Goal 8		Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.2 / 8.5 / 8.6 / 8.7 / 8.8	5. Friendly Workplace	100
Goal 9		Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.1 / 9.4	1.1 Sustainable Development Strategy 3.1 Products and Market 4.Green Production	16 57 76
Goal 10		Reduce inequality within and among countries	10.2 / 10.3	5.2 Employee Care 6. Social Caring and Inclusiveness	105 121
Goal 11		Make cities and human settlements inclusive, safe, resilient and sustainable	11.2 / 11.3 / 11.4 / 11.6	3.1 Products and Market 4. Green Production 6. Social Caring and Inclusiveness	57 76 121
Goal 12		Ensure sustainable consumption and production patterns	12.2 / 12.4 / 12.5 / 12.6 / 12.8	1.1 Sustainable Development Strategy 3.2 Green Economy 4. Green Production 4.4 Resource of Reuse	16 62 76 90
Goal 13		Take urgent action to combat climate change and its impacts	13.1 / 13.2 / 13.3	2.4 Risk Management 3.2 Green Economy 4.6 The Taskforce on Nature-related Financial Disclosures (TNFD)	44 62 92
Goal 15		Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	15.1 / 15.2 / 15.4 / 15.5	3.2 Green Economy 3.1 Products and Market 4.6 The Taskforce on Nature-related Financial Disclosures (TNFD)	62 57 92
Goal 16		Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.5	2. Corporate Governance	26
Goal 17		Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	17.14 / 17.16	2. Corporate Governance 3.1 Products and Market	26 57

Appendix 4. ISO26000 Social Responsibility Guidance Comparison Table

Item	Article	Corresponding Chapter	Page Number
1. Organizational governance			
1.1	Decision-making processes and structures	1.1 Sustainable Development Strategy 2.2 Board of Directors	16 32
2. Human rights			
2.1	Due diligence	5.2 Employee Care	105
2.2	Human rights risk situations	5.2 Employee Care	105
2.3	Avoidance of complicity	2.3 Operations and Governance	42
2.4	Resolving grievances	5.2 Employee Care	105
2.5	Discrimination and vulnerable groups	5.1 Talent Recruitment and Career Development 5.2 Employee Care	100 105
2.6	Civil and political rights	5.2 Employee Care	105
2.7	Economic, social and cultural rights	5.2 Employee Care	105
2.8	Fundamental principles and rights at work	5.2 Employee Care	105
3. Labor practices			
3.1	Employment and employment relationships	5.1 Talent Recruitment and Career Development	100
3.2	Conditions of work and social protection	5.2 Employee Care	105
3.3	Social dialogue	1. Sustainability	16
3.4	Health and safety at work	5.2 Employee Care	105
3.5	Human development and training in the workplace	5.2 Employee Care	105
4. The environment			
4.1	Prevention of pollution	4. Green Production	76
4.2	Sustainable resource use	4.3 Water Resource Management 4.4 Reuse of Resource	87 90
4.3	Climate change mitigation and adaptation	4.1 Energy Management 4.2 Emissions Management	79 83
4.4	Protection of the environment, biodiversity and restoration of natural habitats	4.6 The Taskforce on Nature-related Financial Dis-closures(TNFD)	92

Item	Article	Corresponding Chapter	Page Number
5. Fair operating practices			
5.1	Anti-corruption	2.3 Operations and Governance	42
5.2	Responsible political involvement	Remain neutral, never participated in political contributions or activities	-
5.3	Fair competition	2.3 Operations and Governance	42
5.4	Promoting social responsibility in the value chain	3.4 Supply Chain and Customer Services	71
5.5	Respect for property rights	2.3 Operations and Governance	42
6. Consumer issues			
6.1	Fair marketing, factual and unbiased information and fair contractual practices	2.3 Operations and Governance	42
6.2	Protecting consumers' Health and safety	3.2 Green Economy	62
6.3	Sustainable consumption	3.4 Supply Chain and Customer Services	71
6.4	Consumer service, support, and complaint and dispute resolution	3.4 Supply Chain and Customer Services	71
6.5	Consumer data protection and privacy	1.2 Stakeholder Engagement	18
6.6	Access to essential services	3.4 Supply Chain and Customer Services	71
6.7	Education and awareness	5.2 Employee Care	105
7. Community involvement and development			
7.1	Community involvement	6. Social Caring and Inclusiveness	121
7.2	Education and culture	6. Social Caring and Inclusiveness	121
7.3	Employment creation and skills development	5.1 Talent Recruitment and Career Development	100
7.4	Technology development and access	3.1 Products and Market	57
7.5	Wealth and income creation	6. Social Caring and Inclusiveness	121
7.6	Health	6. Social Caring and Inclusiveness	121
7.7	Social investment	6. Social Caring and Inclusiveness	121

Appendix 5. Heating Value Comparison Table

Type of Energy	Heating Value	Unit of Measure
Fuel Oil	9,236	kcal/L
Diesel Fuel Oil	8,559	kcal/L
Natural Gas (NG)	9,100	kcal/m ³
Liquefied Petroleum Gas(LPG)	6,327	kcal/kg
Steam Coal	4,701	kcal/kg
Solid Recovered Fuel (SRF)	4,380	kcal/kg
Waste Tires	6,382	kcal/kg
Pulp Sludge	610	kcal/kg
Bark	2,565	kcal/kg
Waste Wood	3,280	kcal/kg
Lignin Biomass Fuel	2,946	kcal/kg
Electricity	860	kcal/kWh

Note: The fuel calorific value is based on the weighted average of in-house coefficients.

Appendix 6. Sustainability Accounting Standards Board (SASB) Comparison Table

Topic	SASB Code	SASB Index	Unit	CHP	Corresponding Chapter	Page Number
Greenhouse Gas Emissions	RR-PP-110a.1	Gross global Scope1 emissions	metric tons CO ₂ e	721,344.44	4.2 Emissions Management	83
	RR-PP-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	-	4.2 Emissions Management	83
Air Quality	RR-PP-120a.1	(1) Oxides of nitrogen (NOx)	metric tons	497	4.2 Emissions Management	83
		(2) Oxides of sulfur (SO ₂)	metric tons	568		
		(3) Volatile organic compounds (VOCs)	metric tons	53		
		(4) Particulate matter (PM)	metric tons	164		
		(5) Hazardous air pollutants (HAPs)	metric tons	-		

Topic	SASB Code	SASB Index	Unit	CHP	Corresponding Chapter	Page Number
Energy Management	RR-PP-130a.1	(1) Total energy consumed	GJ	16,908,821	4.1 Energy Management	79
		(2) Percentage grid electricity	%	41.67%		
		(3) Percentage from biomass	%	47.40% (net of sold green electricity)		
		(4) Percentage from other renewable energy	%	0.32%		
		(5) Total self-generated energy	GJ	15,537,582		
		(6) Coefficients which data conversion are based upon	-	-	Appendix 5. Heating Values for Energy Calculation Comparison Table	140
Water Management	RR-PP-140a.1	(1) Total water withdrawn	1000 m ³	29,582	4.3 Water Resource Management	87
		(2) Total water consumption	1000 m ³	1,376		
		(3) Total water withdrawn, percentage of each in regions with High or Extremely High Baseline Water Stress	%	0%		
		(4) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	%	0%		
Supply Chain Management	RR-PP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	-	Please refer to 2.4 Risk Management and 4.3 Water Resource Management.	2.4 Risk Management 4.3 Water Resource Management	44 87
	RR-PP-430a.2	Amount of recycled and recovered fibre procured	metric tons	146,555.2	3.2 Green Economy	62
Activity Metric	RR-PP-000.A	Pulp production	metric tons	363,710	2.1 About CHP	26
	RR-PP-000.B	Paper production	metric tons	482,484		
	RR-PP-000.C	Total wood fibre sourced	metric tons	743,187	3.3 Green Procurement Sum of the procurement volumes for wood chips, pulp, and recycled paper	70

Appendix 7. Third-Party Opinion Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

Chung Hwa Pulp 2025 Sustainability Report

The British Standards Institution is independent to Chung Hwa Pulp Corporation (hereafter referred to as CHP in this statement) and has no financial interest in the operation of CHP other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of CHP only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by CHP. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to CHP only.

Scope

- The scope of engagement agreed upon with CHP includes the followings:
- 1. The assurance scope is consistent with the description of Chung Hwa Pulp 2025 Sustainability Report.
 - 2. The evaluation of the nature and extent of the CHP's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.
 - 3. The assessment of disclosure to be in conformance with the applicable SASB industry standard(s) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement.
- This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Chung Hwa Pulp 2025 Sustainability Report provides a fair view of the CHP sustainability programmes and performances during 2025. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the CHP and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate CHP's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that CHP's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards and SASB Standard(s) were fairly stated.

Methodology

- Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:
- a review of issues raised by external parties that could be relevant to CHP's policies to provide a check on the appropriateness of statements made in the report.
 - discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
 - 6 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
 - review of key organizational developments.
 - review of the findings of internal audits.
 - review of supporting evidence for claims made in the reports.
 - an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).
 - an assessment of the organization's use of metrics or targets of SASB Standard(s) to assess and manage topic-related risks and opportunities.

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018), GRI Standards and SASB Standard(s) is set out below:

Inclusivity

This report has reflected a fact that CHP has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the CHP's inclusivity issues.

Materiality

CHP publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of CHP and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the CHP's management and performance. In our professional opinion the report covers the CHP's material issues.

Responsiveness

CHP has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for CHP is developed and continually provides the opportunity to further enhance CHP's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the CHP's responsiveness issues.

Impact

CHP has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. CHP has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the CHP's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

CHP provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the CHP's sustainability topics.

SASB Standards

CHP provided us with their self-declaration of in accordance with SASB Standard(s) (SASB Standard: Pulp & Paper Products, Version 2023-12). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) are reported, partially reported, or omitted. In our professional opinion the self-declaration covers disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard(s).

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

The moderate level assurance provided is in accordance with AA1000AS v3 in our review of SASB Standard(s).

Responsibility

The sustainability report is the responsibility of the CHP's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI: 
Joe Hsieh, Managing Director Northeast Asia, APAC Assurance



...making excellence a habit.™

Statement No: SRA-TW-838224
2026-07-06

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
BSI Taiwan is a subsidiary of British Standards Institution.



Inherit the papermaking craftsmanship
Sustain the ecological environment and prosper together

