

Morn Sun Feed Mill Corp. 2025 Sustainability Report

Morn Sun Feed Mill Corp.

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Message from the Chairman

Environmental protection, social responsibility, and corporate governance (ESG) have become essential components of global sustainable development. To achieve sustainable growth, enterprises must possess the ability to identify operational risks, recognize potential opportunities, and respond to transformation needs. In addition to the external risks, enterprises' economic activities may also generate impacts on the environment and society. By enhancing information transparency, they can gain a better understanding of how to promote sustainable operations and strengthen their ability to gain insight into the market.

As an enterprise in the agricultural and livestock industry, we have observed the increasing occurrence of natural disasters and extreme weather events worldwide in recent years. We recognize that these phenomena are largely attributable to the long-term destruction of the Earth's ecosystems resulting from human activities. Morn Sun operates with integrity and adheres to the principles of "Focus, Diligence, Conscience, Safety". Besides continuously improving operational efficiency and creating sustainable value, the Company is committed to fulfilling its corporate social responsibility, minimizing its environmental impact, and providing customers with safe and high-quality products, so that consumers can enjoy our products with confidence. Rapidly evolving geopolitical, economic, market, climate, and environmental risks around the world are reshaping global supply chains and corporate operating models. In response, companies must continuously enhance their competitiveness and resilience. The Company manages operational risks with sustainable development as a guiding principle, while deepening and innovating its core values, maintaining competitiveness, and balancing the interests of all stakeholders. The Company's growth and development today are the result of the dedication and collective endeavors of our management team and employees. In 2025, our collective efforts resulted in earnings per share (EPS) after tax of NT\$4.86. In corporate governance, the Board of Directors includes three independent directors and has established an Audit Committee to oversee the Company's operations, management, and financial affairs, thereby protecting shareholders' interests. Environmentally, the Company assesses potential risks and opportunities related to greenhouse gas (GHG) emissions, water resources, and waste. Socially, the Company places emphasis on employee well-being and actively gives back to the community. In terms of governance, the Company strives to maintain a sound corporate governance framework that supports profitability while protecting shareholders' interests.

As awareness of environmental protection and occupational safety continues to grow, food safety has likewise become a paramount concern for consumers. We will continue investing in initiatives that improve efficiency, protect worker safety, and minimize pollution. Food safety remains one of the world's foremost concerns. We have

progressively adopted CAS, ISO 22000, and HACCP systems, supported by rigorous quality control procedures. Through rigorous quality control operating procedures, we strictly enforce end-to-end quality control and full production-to-sales traceability across raw material supply chain management, production processes, warehouse management, and product transportation.

Our ESG Sustainability Report is an integral part of the Company's annual performance reporting. It is our duty to regularly share with all stakeholders the concrete sustainability initiatives and key data achieved by Morn Sun during the year. Apart from meeting regulatory disclosure requirements, this report reflects our progress and continued efforts toward sustainable development. As global sustainability expectations continue to evolve, Morn Sun is pursuing not only revenue and profitability growth but also the integration of ESG principles into day-to-day operations and management decisions. To support this commitment, we have established the Sustainable Development Committee that reports to the Board of Directors at least annually on sustainability performance and strategic progress.

In May 2025, Taiwan was officially recognized by the World Organisation for Animal Health (WOAH) as a “classical swine fever-free country.” This milestone opens new opportunities for exports of domestically produced meat and could provide a fresh growth driver for the Company, supporting increases in both feed demand and sales.

Lastly, on behalf of the Company's directors, management team, and employees, I sincerely thank our shareholders, customers, business partners, and banking partners for their continued support. We will remain focused on integrating upstream and downstream operations across our core businesses, enhancing product quality, improving customer satisfaction, and delivering the benefits of our operating achievements to our shareholders.

Chairman: Qing-De, Wu

About the report

Morn Sun Feed Mill Corp. (hereinafter referred to as Morn Sun or the Company) presents its operational results to shareholders through annual reports and shareholder's meetings. To achieve sustainable corporate development and fulfill our environmental and social responsibilities, we have compiled and published the 2025 Corporate Sustainability Report (hereinafter referred to as the Report) in 2026. The Report presents our strategies, practices, and phased achievements regarding non-financial information and material issues across environmental, social, and governance aspects. This serves as a key channel for communicating with relevant stakeholders, addressing their concerns, reviewing and enhancing sustainable performance, proactively disclosing climate-related topics (TCFD), and incorporating greenhouse gas inventory results into the Report. The data and information in the Report were collected and provided by relevant departments of the Company. After compilation and editing, the Report was submitted to the Board of Directors for review and approval before final publication.

Boundaries and Scope of the Report

The information disclosed in the Report covers the period from Jan. 1, 2025, to Dec. 31, 2025. To ensure comparability, certain data is also reported retrospectively for the preceding two years (i.e., 2023 and 2024).

The scope of data disclosure in the Report primarily covers Morn Sun's business locations in Taiwan. Financial information from the Company's financial statements is derived from IFRS financial statements and is calculated in New Taiwan Dollars (NT\$). Relevant statistical figures are calculated based on internationally recognized standard indicators. Environmental and employee-related data are independently compiled by responsible departments and reviewed by department heads for confirmation. Non-financial information primarily covers the Company's business locations in Taiwan, including:

Main office: 2F., No.30, Sec. 1, Heping W. Rd., Zhongzheng Dist., Taipei City

Kaohsiung factory: No. 60, Daye S. Rd., Xiaogang Dist., Kaohsiung City

Zhushan Livestock Farm: No. 71, Ln. 222, Sec. 2, Qianshan Rd., Zhushan Township, Nantou County (Plus three livestock farms leased from third parties and 30 third-party contract farming sites)

Preparation Basis and Verification

The content structure of the Report follows the 2021 edition of the Global Reporting Initiative (GRI) Standards. Disclosures are made in accordance with the "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEx Listed Companies" and the Task Force on Climate-Related Financial Disclosures (TCFD) guidelines. An index of GRI Standards is attached to the Report for reference by stakeholders.

The Report prepared by the Company has been reviewed and verified by department heads.

No external verification was conducted.

Publication Frequency

This is the 2025 Sustainability Report published by Morn Sun Feed Mill Corp. To enhance transparency and accessibility of disclosed information, the electronic version is available for download on the official website of Morn Sun.

Website of Morn Sun: <https://www.morn-sun.com.tw/>

Information disclosure period covered by the Report: Jan. 1, 2025 – Dec. 31, 2025

Report publication frequency: Annually

Contact Information

We sincerely welcome any comments, inquiries, or suggestions regarding the Report or the sustainable development of Morn Sun.

Morn Sun Feed Mill Corp.

Corporate Governance Officer: Xin-Hong, Lin, Manager of the Management Department

E-mail: bedford@morn-sun.com.tw

Main office: 2F., No.30, Sec. 1, Heping W. Rd., Zhongzheng Dist., Taipei City

Stakeholder engagement

Identification of primary stakeholders

Stakeholders are groups that influence or are influenced by the Company. Each department initially screened the types of stakeholders encountered through routine dealings. Based on the frequency of interaction, level of influence, and importance of each stakeholder with/to the Company, internal discussions and reference to industry practices led to the identification of six primary stakeholder categories: government agencies, investors (financial institutions/shareholders), customers, employees, suppliers/contractors, and local communities.

Stakeholder Communication

(1) Stakeholder communication and response

To understand the opinions and respond to the priority concerns of various stakeholders, Morn Sun has integrated internal departments—including Finance, Business Operations, Factory Production and Factory Affairs, Quality Assurance and R&D, Internal Audit, Procurement, General Administration (General Affairs, Shareholder Services, Information), and Environmental Protection, Safety, and Health—to address issues raised by employees, customers, government agencies, investors (financial institutions/shareholders), suppliers/contractors, and local communities. Through questionnaires and statistical analysis, we assess and understand the material issues prioritized by stakeholders, and use this as a reference foundation for communicating and responding to issues of concern to stakeholders.

We commit to systematically integrating the identified material issues and their corresponding indicators into internal management in the future, in addition to transparent disclosure of relevant information in the Report. We will also incorporate ESG items into annual work plans of relevant departments to effectively advance these issues, review and report on implementation outcomes, and provide appropriate responses and proper handling. Annual reports will be submitted to the Board of Directors for confirmation.

(2) Analysis method and process

Identifying Morn Sun's stakeholders and establishing effective communication with them forms the essential foundation for continuous progress and sustainable development. Therefore, the primary step in compiling Morn Sun's sustainability report is to identify primary stakeholders with significant relevance to the Company. Through the stakeholder identification process, Morn Sun proposes categories and specific entities of primary stakeholders with close ties to the Company, then reviews and evaluates communication

channels and topics with each stakeholder, analyzes material issues and proposes management policies through customer visits, telephone interviews, or questionnaire surveys, and addresses them in the Report.

(3) Stakeholder identification

Morn Sun conducted discussions based on the five assessment factors (including dependency, accountability, tension, influence, and multiple perspectives) of the stakeholder engagement standard (AA1000 SES:2015). Representatives from each department collectively listed stakeholders for each dimension based on their routine interactions and records, encompassing all individuals/organizations with direct or indirect relevance. After discussion and resolution, six categories of stakeholders were identified: employees, customers, government agencies, suppliers/contractors, investors (financial institutions/shareholders), and local communities.

The issues concerned by stakeholders and the communication channel/frequency with them, are listed as follows:

Summary table of issues concerned by stakeholders and communication channel/frequency					
Primary stakeholder	Importance to the Company	Topics	Communication channel/frequency	Communication practice statistics	Report response section
Government agencies	Government agencies oversee and audit the Company's compliance with various regulations.	1. Compliance with laws and regulations 2. Workplace health and safety 3. Waste management	Contact channel: Management Department / mornsunesg@morn-sun.com.tw Policies and correspondences from competent authority/Irregularly Website of the Ministry of Environment/Monthly Phone, email/Irregularly	1. Correspondence with competent authorities 2. Phone/email exchanges	Corporate governance Energy management Workplace health and safety
Investors (financial institutions/ shareholders)	Shareholders are the Company's capital providers. The Company shall protect the shareholders' rights and interests, treat all shareholders fairly, and ensure shareholders have full rights to information, participation, and decision-making on material matters of the Company.	1. Operation performance 2. Corporate governance 3. Compliance with laws and regulations	Contact channel: Accounting Department / mornsunesg@morn-sun.com.tw Annual General Meeting of Shareholders/ Annually Investor Relations Section on Official Website/Irregularly MOPS/Irregularly Phone, email/Irregularly	1. Attendance rate of 2025 Annual General Meeting of Shareholders: 58.56% 2. Held 2 earnings calls/year 3. Handled investor hotline calls	Stakeholder engagement About Morn Sun Corporate governance Operation performance Compliance with laws and regulations Information protection

Customers	Customers are the primary source of the Company's revenue. The Company regards product quality and after-sales service as commitments to customers. Maintaining high customer satisfaction is the most effective means for the Company to retain customers.	1. Compliance with laws and regulations 2. Product liability 3. Customer service	Contact channel: Feed Business Department and Zhushan Livestock Farm/mornsunesg@morn-sun.com.tw Business visits/Irregularly Customer satisfaction surveys/Annually Phone, email/Irregularly	1. Customer service hotline 2. Customer satisfaction surveys 3. Phone exchanges	Corporate governance Operation performance Risk management Customer service
Employee	Employees are the foundation of the Company's operations. The Company is committed to providing a workplace environment that supports employees' physical and mental well-being and enables diverse development, allowing all employees to work without distractions.	1. Compliance with labor rights laws and regulations 2. Employee-Employer Relations 3. Education and training	Contact channel: Management Department / mornsunesg@morn-sun.com.tw Employee engagement/Irregularly Complaint channel/Irregularly	1. Provide a stable employment environment for employees 2. Build a healthy and safe workplace 3. Provide quality education and training for employees	About Morn Sun Operation performance Workplace health and safety Employee-Employer Relations Education and training

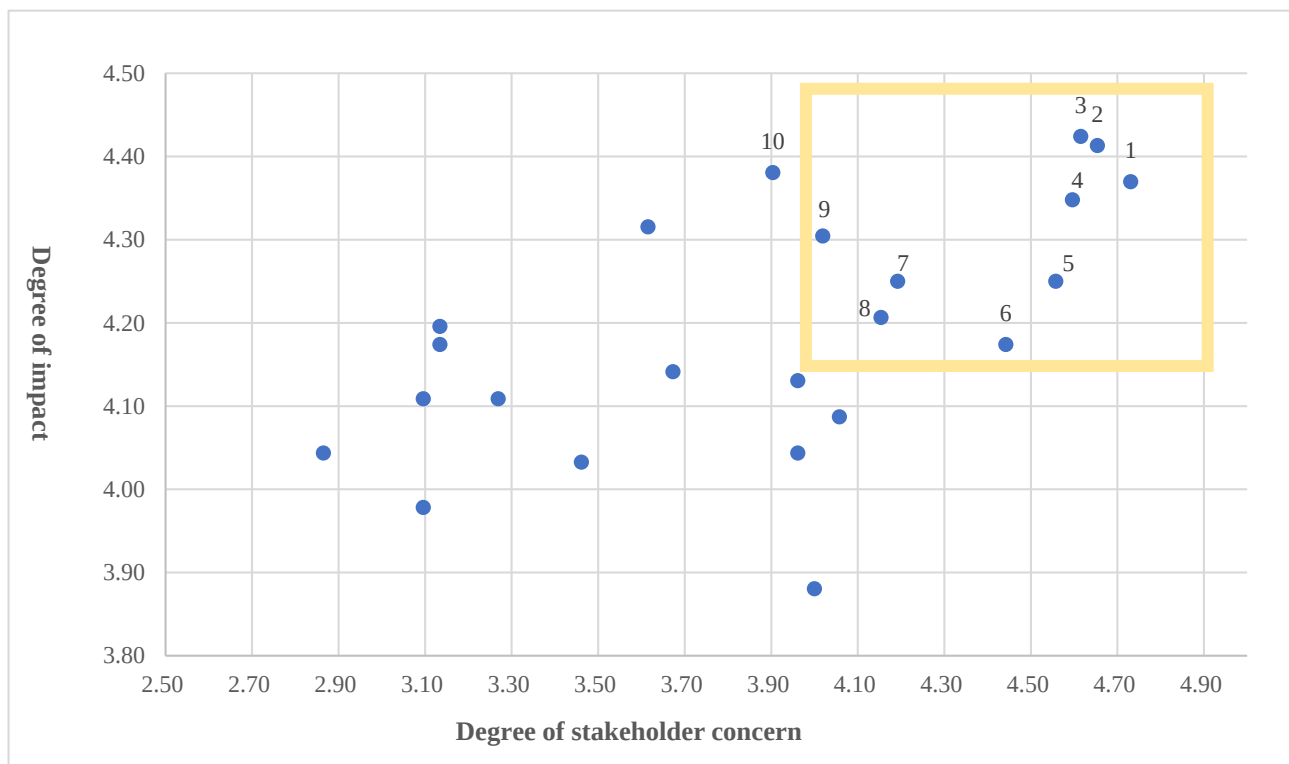
Suppliers / Contractors	The Company maintains long-term, positive interactions with suppliers. Our products and services rely on numerous suppliers for the stable supply of raw materials and production equipment and components. Furthermore, we communicate with suppliers to prevent environmental pollution and violations of labor rights.	1. Sustainable supply chain 2. Energy conservation and carbon reduction	Contact channel: Management Department / mornsunesg@morn-sun.com.tw Supplier visits/Irregularly Supplier meetings/Irregularly Phone, email/Irregularly	1. Document exchange with suppliers 2. Phone exchanges	Supply chain management Product liability
Local communities	The Company participates in community maintenance initiatives, and fosters neighborly relations with local communities	1. Compliance with environmental laws and regulations 2. Community investment	Contact channel: Management Department / mornsunesg@morn-sun.com.tw Community engagement/Irregularly Complaint channel/Irregularly	1. Participate in neighborhood activities 2. Donate funds or goods to neighborhoods	Social participation Waste management

Prioritization and identification of material topics

Following discussions between Morn Sun department heads and ESG consultants, a questionnaire survey was distributed to primary stakeholders to assess their most concerned sustainability topics regarding Morn Sun (targeting employees, customers, government agencies, suppliers/contractors, investors (financial institutions/shareholders), and local communities). A total of 144 valid questionnaires were collected, the level of concern and impact for each sustainability topic by primary stakeholders were rated. The scores were then totaled, averaged and consolidated to generate a material topic matrix. Following internal discussions, nine material topics were identified as priorities for disclosure by Morn Sun for the current year. The Company will state the management policies and related disclosures for each material topic in the Report.

Based on these nine material topics, Morn Sun identified three ESG pillars for the year. Economic aspect: maintaining product competitiveness, generating increased profits; social aspect: appropriately sharing gains with employees, enhancing competency training; environmental aspect: providing a safe workplace, and implementing robust environmental controls to minimize excessive environmental impact. Morn Sun also disclosed outcomes from its participation in public welfare activities.

Material topic matrix



Material topics in 2025

Prioritization	Sustainability topic category	Material topics
1	Economic aspects	Financial governance: The Company's financial governance controls and stability
2	Economic aspects	Business continuity: The degree to which the Company's operations, business development, and reputation are affected
3	Economic aspects	Customer business services: The degree of customer satisfaction with the quality of the Company's business services
4	Economic aspects	Operational performance: The integrity of the Company's operational performance and corporate governance systems
5	Economic aspects	Integrity and ethics: The degree of importance the Company places on integrity and ethics
6	Social aspects	Information security: The establishment and promotion of the Company's information security efforts
7	Social aspects	Talent cultivation and development: The Company's professional certifications and business operations
8	Economic aspects	Corporate governance: The integrity and implementation of the Company's management system
9	Environmental aspects	Environment and health: The impact of the company's environmental and health management

Compared to the 2024 Sustainability Report, stakeholders in 2025 showed increased concern regarding the Company's operating performance, financial governance, and information security. Two new areas of concern, talent development and corporate governance, were also added, while “sustainable environmental protection” and “waste management” were removed.

The changes in material topics between 2025 and 2024 are summarized in the table below:

Prioritization	Material topics in 2024	Material topics in 2025	Changes and differences
1	Business continuity	Financial governance	Up
2	Financial governance	Business continuity	Down
3	Customer business service	Customer business service	Level
4	Integrity and ethics	Operational performance	Up

5	Operational performance	Integrity and ethics	Down
6	Environment and health	Information security	Up
7	Information security	Talent cultivation and development	New
8	Sustainable environmental protection	Corporate governance	New
9	Waste management	Environment and health	Down

Principles for preparing sustainability topic reports

Morn Sun adheres to the GRI Standards and prepares its Sustainability Report based on the eight principles for sustainability reporting (accuracy, balance, clarity, comparability, completeness, sustainability, timeliness, and verifiability), and six key stakeholder groups were identified. Accuracy: The reported information shall be sufficiently accurate and comprehensive to enable stakeholders to evaluate the Company's ESG performance. Balance: The reported information shall reflect both positive and negative performance aspects, enabling stakeholders to make reasonable assessments of Morn Sun's overall performance; Clarity: Information is presented in a manner easily understood and accessible to stakeholders using the Report; Comparability: Information is collected and disclosed using internationally accepted standards, presented in a way that allows stakeholders to analyze the Company's long-term performance; Completeness: The material topics and internal/external boundaries covered in the Report adequately reflect Morn Sun's significant economic, environmental, and social impacts; Sustainability: Disclosures explain how Morn Sun addresses economic, environmental, and social development trends in its operational locations and surrounding areas to improve or mitigate impacts; Timeliness: Morn Sun provides key operational information promptly, enabling stakeholders to grasp the Company's status immediately and enhancing information transparency; Verifiability: Information disclosed by Morn Sun is collected, compiled, and disclosed in a manner that allows for review, establishes information quality, and ensures materiality.

Identification of material topics and boundaries

Material topics identified: Morn Sun has determined nine material topics in 2025, and will continue to strengthen management and disclose relevant information in its sustainability report.

Aspect	Material topics	Impact boundary				Corresponding chapter
		Within the Company	Upstream	Downstream	Government & communities	
Economic aspects	Financial governance	*	*	*		1.2 Operation performance
Economic aspects	Business continuity	*	*	*		2.1. Corporate governance
Economic aspects	Customer business service	*	*	*		2.2 Customer service
Economic aspects	Operational performance	*	*	*		1.2 Operation performance
Economic aspects	Integrity and ethics	*	*	*		2.1. Corporate governance
Social aspects	Information security	*	*	*		2.4. Information protection
Social aspects	Talent cultivation and development	*	*	*		4.3 Education and training
Economic aspects	Corporate governance	*	*	*	*	2.1. Corporate governance
Environmental aspects	Environment and health	*			*	4.2. Workplace health and safety

Chapter 1. Company profile

1.1 About Morn Sun

1.1.1. Organizational overview

Company name	Morn Sun Feed Mill Corp.
Registered address of the Company	2F, No. 30, Sec. 1, Heping W. Rd., Zhongzheng Dist., Taipei City
Paid-in shares capital	NT\$ 442,324 thousand
Business locations	Main office: 2F., No.30, Sec. 1, Heping W. Rd., Zhongzheng Dist., Taipei City Kaohsiung factory: No. 60, Daye S. Rd., Xiaogang Dist., Kaohsiung City Zhushan Livestock Farm: No. 71, Ln. 222, Sec. 2, Qianshan Rd., Zhushan Township, Nantou County (Plus 30 third-party contract farming sites and three leased livestock farms)

1.1.2. Organizational activities & value chain

Industry Sector	Feed manufacturing industry
Main product items	Manufacturing, processing, and trading of various poultry and livestock feeds and their raw materials; pig breeding and sales; colored chicken breeding and sales
Category of supporting supply chain	Bulk raw materials supplier
Number of employees	95 persons in Morn Sun Feed Mill Corp.
Annual revenue (2025)	NT\$ 1,777,902 thousand
Revenue from main products	Poultry and livestock feed revenue: NT\$ 1,317,961 thousand Livestock farming revenue: NT\$ 368,451 thousand Revenue from trading of bulk raw materials: NT\$ 87,868 thousand Other revenue: NT\$ 3,622 thousand

Value Chain Diagram (Upstream, Midstream, Downstream)

Upstream	Midstream (the Company)	Downstream
Bulk grain suppliers Other raw material suppliers	Feed manufacturer Pig breeding and sales Colored chicken breeding and sales	Livestock and poultry farms Meat distributors, wholesalers and electric slaughtering plants

The Company operates as a feed manufacturer and pig/colored chicken farm in the midstream of the livestock industry chain. Downstream companies include livestock farms, meat distributors, and electric slaughtering plants. Nearly all grains used in Taiwan's feed formulation rely on imports, primarily corn, wheat, and soybeans. The Company's pig farming operations (including both self-operated and outsourced farms) use self-produced feed, and it has expanded into poultry farming (i.e., colored chicken), adhering to an integrated operational model spanning feed production and livestock farming, realizing vertical integration of the industry chain.

1.1.3. Affiliated enterprises of Morn Sun

Centered around Morn Sun Feed Mill Corp., the Group primarily engages in feed sales and poultry/livestock farming. The affiliated enterprises include Morn Sun Food Corp., which specializes in procuring raw eggs from poultry farms, which are then washed, graded, and packaged at its facilities before being sold. The Company also sells raw eggs directly to wholesalers. This year's report continues to cover Morn Sun Feed Mill Corp. as the reporting entity and does not yet include Morn Sun Food Corp.

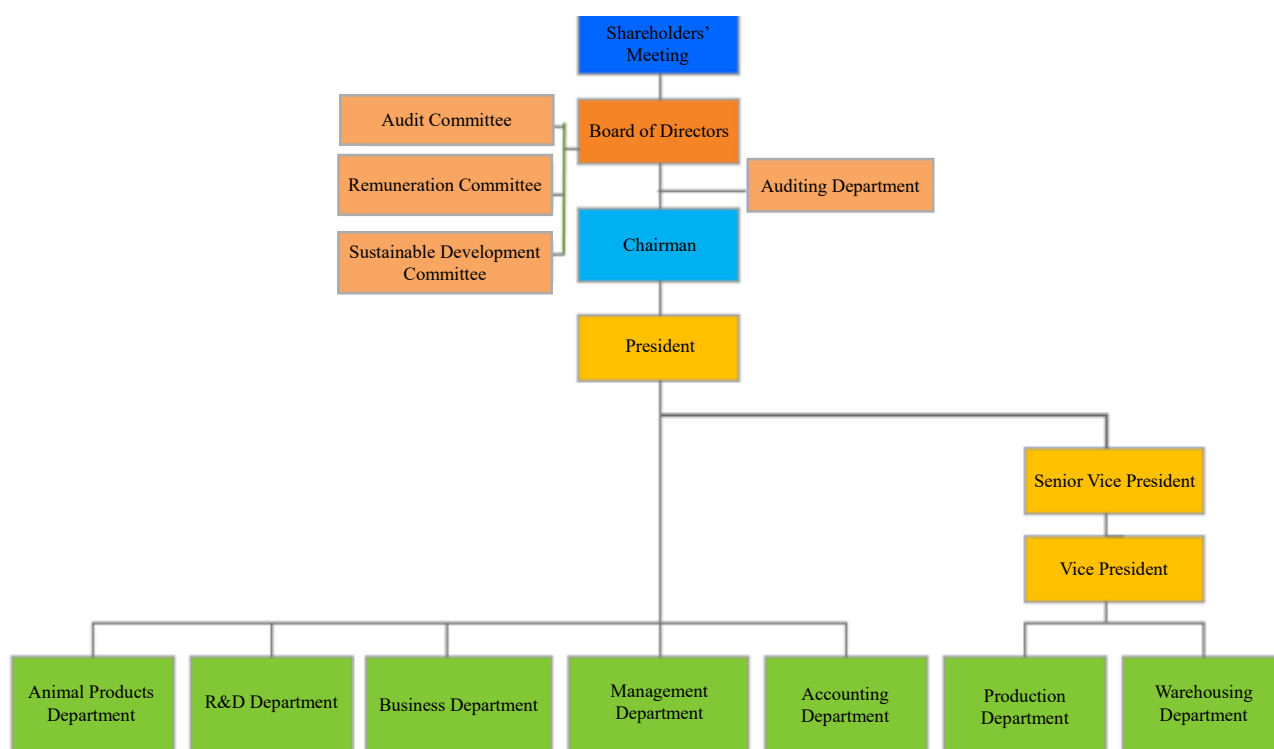
1.1.4. Company history

Establishment date: Feb. 18, 1967

Time	Milestones
Feb. 1967	The Company was established at No. 2, Lane 2, Jinjiang Street, Taipei City, Taiwan, with a paid-in capital of NT\$5,000 thousand.
Sep. 1967	Purchased a piece of land at No. 51, Sec. 1, Guangfu Road, Sanchong City, Taipei County, where a factory was planned to be constructed.
Feb. 1968	The new factory was started, and was equipped with the first Swiss import pelletizer and a flat bulk warehouse.
1969	Constructed a 250-ping 2-story warehouse and an office building.

Time	Milestones
Aug. 1969	Conducted technical cooperation with Quaker (USA) to produce “Fuweng Brand” complete feeds and concentrated feeds.
May 1976	Constructed a 6,000 tons bulk grain warehouse and upgraded production automation equipment to increase production capacity.
Aug. 1980	Installed Jet spolder corn and soybean ripening equipment to improve piglet breeding rate and meat conversion rate.
Jan. 1982	Completed the second 200HP pelletizer and production line, increasing the monthly production capacity to 8,000 tons.
May 1986	In order to expand the business area, the Company decided to establish Kaohsiung Factory in Kaohsiung.
Nov. 1987	Purchased a piece of land at No. 60, Daye S. Rd., Xiaogang Industrial Park, Kaohsiung City, and gradually started the construction of the factory in the middle of 1988, planning for office building, plant and warehouse and purchasing production machinery and equipment.
2014	The Company established a drug-free blank feed production line, updated the production equipment and computerized manufacturing process, and obtained ISO 22000 and HACCP certifications.
May 2015	The Company acquired 36.84% of stock equity in Top Food Industry Corporation in order to expand market.
Sep. 2016	In accordance with the Business Mergers and Acquisitions Act, the Company carried out demerger and capital reduction by NT\$159,315 thousand, with a paid-in capital of NT\$211,185 thousand.
Mar. 2017	In order to expand market, the Company cooperated with others to jointly operate pig farms.
Jul. 2018	Taipei Exchange approved the capital increase of NT\$29,420 thousand by cash before the listing of the stock on OTC.
Aug. 2018	On Aug. 8, 2018, the Company's stock was officially listed on the OTC, and the paid-in capital was NT\$330,000 thousand.
Oct. 2018	In order to expand market, the Company cooperated with farmers to raise and sell poultry.
Sep. 2019	The Company established a joint venture subsidiary, Morn Sun Food Corp. Obtained ISO 22000 and HACCP certification in 2020.
May 2024	Established the Sustainable Development Committee.
Sep. 2024	The shareholders' meeting resolved to capitalize retained earnings, resulting in paid-in capital of NT\$413,387 thousand.
May 2025	Completed 2024 GHG inventory data collection and secured Board approval of the 2024 Sustainability Report.
Sep. 2025	The shareholders' meeting resolved to capitalize retained earnings, resulting in paid-in capital of NT\$442,324 thousand.

1.1.5. Organizational chart



1.2 Operation performance

Since its establishment, Morn Sun has been dedicated to the development of the livestock feed industry and businesses involving bulk agricultural commodities, including soybeans, wheat, and corn. The Company continuously enhances and rigorously monitors the quality of its feed products, promoting consumer health from the source. From feed formulation to the management of pig and poultry farming operations, Morn Sun is committed to delivering high-quality and healthy products to end customers. Morn Sun upholds its corporate social responsibility by integrating upstream and downstream operations across its core agricultural and livestock businesses and implementing initiatives such as energy conservation and carbon reduction in accordance with sustainable development principles, thereby contributing to environmental protection. For relevant financial information, please refer to Morn Sun's 2025 Annual Report.

Direct economic value generated and distributed

Unit: NT\$ thousand

Item	2023	2024	2025
Direct economic value			
Operating revenue	2,242,895	1,972,491	1,777,902
Operating costs	1,962,352	1,709,867	1,490,165
Distributed economic value			
Remuneration to the Directors and supervisors	5,900	6,000	8,000
Cash dividends	NT\$ 2.2 per share	NT\$ 2.7 per share	NT\$ 3.0 per share
Stock dividends	NT\$ 0.5 per share	NT\$ 0.7 per share	NT\$ 0.5 per share
Tax expense (income tax)	36,903	38,864	16,688
EPS	4.12	4.34	4.86
Employee remuneration and benefits	110,857	106,506	104,792
Community investment	0	0	0
Government grants	0	0	2,700

1.2.1. Operational performance

Policies	Morn Sun continues to strengthen its core poultry and livestock feed business while strategically expanding into downstream farming and related agricultural products. By actively developing diverse distribution channels, the Company aims to further expand the Group's business presence.
Commitments	1. Increase revenue to meet planned annual operational targets. 2. Maintain sound management to lower operational risks.
Short-term targets	Achieve higher pre-tax net income than in 2024 and strive to improve profitability across all business units.
Medium- and long-term targets	1. Expedite upstream and downstream integration to maximize the benefits of vertical integration. 2. Drive sales growth while maintaining a stable capital and financial structure.
Specific strategies	1. Capital investment: Allocate relevant human and material resources. 2. Specific achievements: According to the equipment replacement/upgrades and operational outcomes, properly plan for capital sources and dividend distribution policies, and moderately adjust dividend payout ratios to meet shareholder and investor expectations. Maintain adequate capital reserves for future capital expenditures.

Responsible department & appeal mechanism	Manager Qiu, Finance and Accounting Department mornsunesg@morn-sun.com.tw
Evaluation mechanism	2025 revenue: NT\$1,777,902 thousand. 2025 net income after tax: NT\$214,940 thousand.

1.2.2. Main operation

(1) Product categories and their revenue shares

Main product categories and their revenue shares for 2024–2025

Unit: NT\$ thousand

Product item \ Year	2024		2025	
	Net revenue	Proportion (%)	Net revenue	Proportion (%)
Poultry and livestock feed	1,474,771	74.77%	1,317,961	74.13%
Revenue from breeding	355,432	18.02%	368,451	20.73%
Revenue from trading of bulk raw materials	137,758	6.98%	87,868	4.94%
Others	4,530	0.23%	3,622	0.20%
Total	1,972,491	100.00%	1,777,902	100.00%

(2) Output volume and value for the last two years

Year	2024				2025			
Output volume and value	Capacity	Output	Capacity utilization rate (%)	Output value (thousand)	Capacity	Output	Capacity utilization rate (%)	Output value (thousand)
Main product categories								
Poultry and	152,000	91,425	60.14	1,135,991	152,000	100,958	66.42	1,166,586
Breeding (pcs)	1,060,168	882,421	83.23	304,731	878,698	786,855	89.55	286,253
Total	1,212,168	973,846	80.34	1,440,722	1,030,698	887,813	86.14	1,452,839

Note: Capacity refers to the planned design output for each item; Output refers to the actual output for the year.

(3) Sales volume and value for the last two years

Year	2024		2025	
Sales volume and value Main product categories	Sales volume	Sales value (NT\$ thousand)	Sales volume	Sales value (NT\$ thousand)
Poultry and livestock feed (tons)	100,599	1,474,771	95,515	1,317,961
Bulk raw materials (tons)	16,915	137,758	10,938	87,868
Breeding (pcs)	864,166	355,432	807,874	368,451
Others	-	4,530	-	3,622
Total	981,680	1,972,491	914,327	1,777,902

1.2.3. Participation in external organizations (guilds, associations, etc.)

Participating Guilds and Organizations				
Association/ Organization Name	Type of Participation	Position Held	Year of Participation	Number of Participants
Taiwan Feed Industry Association	Corporate Member	Director, Supervisor	2025	5
Kaohsiung Chamber of Industry	Corporate Member	-	2025	4
Poultry Association Republic of China	Corporate Member	-	2025	1
Kaohsiung Commercial Association of Feeds and Animal Health Products	Corporate Member	-	2025	1
Taiwan Xianglong Evergreen Lohas Promotion Association	Corporate Member	Director	2025	1

1.2.4. Business continuity

Policies	Uphold a corporate culture of ethical management and continue to enhance corporate governance.
Commitments	Embed sustainable development into the Company's core strategies and day-to-day operations, working in partnership with our customers and suppliers to contribute to business growth and social advancement.
Short-term targets	- Integrate information security, EHS, and related functions to establish an emergency response mechanism. - Implement a business continuity management system to manage business risks such as disasters and supply chain disruptions, ensuring stable operations and dependable delivery performance for our customers.
Medium- and long-term targets	

Specific strategies	Monitor stakeholders' interests and strike a balance between sustainability and profitability.
Responsible department & appeal mechanism	Manager Lin, Management Department mornsunesg@morn-sun.com.tw
Evaluation mechanism	- Whether the Company has formulated various sustainability issues and ensured their implementation. - Whether these issues meet stakeholders' needs.

1.2.5. Financial governance

Policies	- Financial performance reflects the stability and efficiency of corporate operations. By strengthening financial structure and implementing cost control, the Company consistently and steadily drives economic value enhancement, and returns benefits to all stakeholders, to achieve long-term sustainable development goals. - Policy: Continuously enhance product value and optimize product and gross profit structures.
Commitments	Properly plan for capital sources and dividend distribution policies, and moderately adjust dividend payout ratios to meet shareholder and investor expectations.
Short-term targets	Short-term: Reduce costs and increase operational efficiency - Maintain corporate loan interest rates at the lower range of market rates, with loan interest expenses below 0.5% (interest expense/operating revenue). - Achieve an inventory turnover ratio exceeding 9.0 (cost of goods sold/inventory).
Medium- and long-term targets	Medium-term: Continuously enhance product value and improve gross profit structure. Long-term: Smooth fluctuations in operational performance to provide better returns to stakeholders.
Specific strategies	- Capital investment: Allocate relevant human and material resources. - Specific achievements: According to the equipment replacement/upgrades and operational outcomes, properly plan for capital sources and dividend distribution policies, and moderately adjust dividend payout ratios to meet shareholder and investor expectations. Maintain adequate capital reserves for future capital expenditures.
Responsible department & appeal mechanism	Manager Qiu, Finance and Accounting Department mornsunesg@morn-sun.com.tw

Evaluation mechanism	Evaluation indicators: 1. Loan interest 2. Rate of stock turnover
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1.2.6. Benefit plan obligations and other retirement plans

1. The Company established the Employee Welfare Committee in Mar. 1988 and formulated its organizational charter. The committee comprises seven members: one ex officio member appointed by management and six members elected by the Company's employees.
2. The Employee Welfare Committee convenes quarterly meetings and may hold special sessions as necessary. It also organizes various welfare activities, including year-end dinners, lotteries, employee benefit subsidies, and employee trips.
3. The Company provides locally mandated social insurance and related securities in accordance with the law. The Company consistently prioritizes employee compensation and benefits, actively cultivates talents, implements labor laws, and safeguards employee rights and interests, to create a harmonious and pleasant work environment. Employees and the Company achieve sufficient communication and effective problem-solving through channels such as department meetings and labor-management meetings. Adopt humanized management and uphold the principle of labor-management unity in business operations to strengthen employee cohesion.
4. To secure employees' post-retirement livelihoods, the Company contributes to retirement funds for employees subject to the New Pension System in accordance with regulations. Based on salary level, 6% of monthly wages will be deposited into employees' individual retirement accounts. For employees subject to the old system, the Company has deposited full retirement reserves in dedicated accounts. Employees meeting statutory retirement eligibility may submit retirement applications. Upon completion of the application process, retirement procedures can be handled. Employees subject to the old system may receive old-system retirement pay. Employees subject to the new system may receive retirement pay from their individual accounts in accordance with regulations. In 2025, two employees applied for retirement and received retirement pay in accordance with regulations.

1.2.7. Financial assistance received from government

In 2025, the Company received NT\$2,700 thousand in subsidies from the Ministry of Economic Affairs under the “Subsidy Program for Low-Carbon and Smart Upgrading and Transformation of Small and Medium-Sized Manufacturing Enterprises.” The program is designed to subsidize enterprises in implementing smart manufacturing and optimizing operational management, including information visualization, predictive fault detection, and automated control, with the goal of improving operational management as well as product or service quality and efficiency. It also supports the adoption of low-carbon practices and technologies to lower carbon emissions. The Company used the subsidy to upgrade process equipment at its Kaohsiung feed mill, reducing energy consumption and, in turn, helping to lower carbon emissions.

Chapter 2. Ethical governance

2.1 Corporate governance

2.1.1. Governance structure

1. Board of Directors

The highest corporate governance body at Morn Sun is the Board of Directors, which currently has nine members, following the 2025 Annual Shareholders' Meeting's election that increased the number of directors (including regular and independent directors) from seven to nine. The Board comprises five general directors and four independent directors, elected by the shareholders' meeting for a three-year term. Board meetings are convened at least quarterly, with accountants and relevant business managers invited to attend as observers.

To ensure conflict avoidance, directors may not participate in discussions or voting on matters involving their personal interests or those of entities they represent. They also may not exercise voting rights on behalf of others. In 2025, Morn Sun convened six board meetings. In addition to ensuring compliance with requirements of competent authorities, each meeting focused on overall operational performance, reviewing quarterly operational results, investment opportunities, industry trends, international issues of concern, and financial metrics.

In accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, Morn Sun conducts annual performance evaluations of the Board of Directors, individual directors, the Audit Committee, and the Remuneration Committee. The results of these evaluations are submitted to the Board of Directors and serve as a reference for director selection or nomination. Directors and the Board conduct annual self-evaluations. All four evaluations—2025 Board Performance Evaluation, Self-Evaluation of Director Performance, Audit Committee Performance Evaluation, and Remuneration Committee Performance Evaluation—met all measurement criteria, with results exceeding standards. The results of the director performance evaluation were submitted to the Board of Directors on Mar. 9, 2026.

To stay abreast of global management trends and enhance corporate governance and risk response capabilities, Morn Sun's Board members are committed to continuously advancing their industry expertise and enriching their corporate governance experience, in order to elevate and consolidate the collective knowledge of Morn Sun's highest governance body regarding sustainable development. Morn Sun periodically arranges training for directors, comprehensively covering economic, environmental, and social aspects to

enhance the governance knowledge and trend insights required by board members. In 2025, the board members received a total of 69 hours of training, equivalent to 7.67 hours per person.

Attendance rate of Board meetings

Title	Name	Actual attendance (%)	Number of positions as a director in other companies	Possession of relevant industry/ ESG background/ experience
Chairman	Qing-De, Wu	100	5	Industry/corporate governance
Director	Representative of Longde International Co., Ltd.: Da-Zhong, Huang	100	0	Industry
Director	Representative of Maoyuan International Inc.: Ren-Fen, Luo	100	0	Industry
Director	Wei-Hong, Xu	100	0	Industry
Director	Can-Hui, Huang (Note 1)	100	0	Industry
Independent Director	Qian-Shan, Han (Note 2)	100	0	Finance/corporate governance
Independent Director	Jian-Yu, Li	100	0	Finance/corporate governance
Independent Director	Heng-Wei, Wei	83.33	0	Industry/corporate governance
Independent Director	Zhen-Yuan, Liao (Note 1)	100	0	Industry/corporate governance
Independent Director	Rong-Ming, Zhang (Note 1)	100	3	Finance/corporate governance

Note 1: Newly elected directors as of Jun. 23, 2025.

Note 2: Outgoing directors as of Jun. 23, 2025.

2. Board performance evaluation

TWSE/TPEX listed companies are required to disclose the cycle, duration, scope, method, and content of board self-evaluations (or peer-evaluations) performed. Evaluation metrics include board performance, individual director performance, audit committee performance, and remuneration committee performance, etc.

Performance Evaluation of Directors,
Board, Audit Committee, and Remuneration Committee

Self-evaluation (questionnaire)	2023	2024	2025
Director	The 2023 self-evaluation results were reported on Mar. 11, 2024, with “Excellent” ratings accounting for 80.1% of director self-evaluation results.	The 2024 self-evaluation results were reported on Mar. 10, 2025, with “Excellent” ratings accounting for 81.84% of director self-evaluation results.	The 2025 self-evaluation results were reported on Mar. 9, 2026, with “Excellent” ratings accounting for 86.47% of director self-evaluation results.
Board of Directors	The 2023 self-evaluation results were reported on Mar. 11, 2024, with “Excellent” ratings accounting for 73.0% of Board self-evaluation results.	The 2024 self-evaluation results were reported on Mar. 10, 2025, with “Excellent” ratings accounting for 74.0% of Board self-evaluation results.	The 2025 self-evaluation results were reported on Mar. 9, 2026, with “Excellent” ratings accounting for 76.54% of Board self-evaluation results.
Audit Committee	The 2023 self-evaluation results were reported on Mar. 11, 2024, with “Excellent” ratings accounting for 89.4% of Audit Committee self-evaluation results.	The 2024 self-evaluation results were reported on Mar. 10, 2025, with “Excellent” ratings accounting for 87.9% of Audit Committee self-evaluation results.	The 2025 self-evaluation results were reported on Mar. 9, 2026, with “Excellent” ratings accounting for 76.14% of Audit Committee self-evaluation results.

Remuneration Committee	The 2023 self-evaluation results were reported on Mar. 11, 2024, with “Excellent” ratings accounting for 77.2% of Remuneration Committee self-evaluation results.	The 2024 self-evaluation results were reported on Mar. 10, 2025, with “Excellent” ratings accounting for 89.5% of Remuneration Committee self-evaluation results.	The 2025 self-evaluation results were reported on Mar. 9, 2026, with “Excellent” ratings accounting for 76.32% of Remuneration Committee self-evaluation results.
Sustainable Development Committee	Not yet established.	Not yet established.	The 2025 self-evaluation results were reported on May 11, 2026, with “Excellent” ratings accounting for 80.88% of Remuneration Committee self-evaluation results.

3. Board-related matters

Disclose the procedures for disclosure and recusal when board discussions on specific matters involve conflicts of interest for individual directors	Directors with personal interests in matters under resolution at meetings shall disclose important content and recuse themselves from voting. In 2025, directors with conflicts of interest regarding certain Board agenda items recused themselves from the relevant proceedings in accordance with applicable laws and regulations.
If the Chairman serves as President concurrently, please explain the rationale for this arrangement.	The feed industry is a mature sector. When the Chairman serves as President concurrently, it enables the Board to gain a more comprehensive grasp of raw material procurement and all aspects of company operations. Furthermore, a flatter organizational structure allows the Company to make decisions more swiftly and respond with greater agility.

Again, if the Chairman serves as President concurrently, how does the Company ensure conflict avoidance	Due to conflicts of interest and recusal requirements, the Chairman may not participate in discussions or voting. Independent directors and other general directors present shall deliberate and decide on approval.
Process for communicating key material events to the Board of Directors	No key material events occurred in 2025.
Nature and total number of key material events communicated during the year	There were no significant concerns requiring communication in 2025.
Method for identifying stakeholder complaints, including whether a dedicated channel is established	No stakeholder concerns were raised in 2025. The Company has established a dedicated stakeholder section on its website currently, with the following communication channels: Investor Relations: Manager Lin, Management Department Customers: Assistant Manager Lin, Business Department Suppliers: Deputy Factory Manager Wu Employees: Section Chief Cai, Human Resources Department Each stakeholder category has a designated contact responsible for addressing relationship-related matters.
Procedures for remediating adverse impacts	No remedial procedures for adverse impacts in 2025.
Explain how stakeholders participate in designing, reviewing, operating, and improving this mechanism	The Company will form an investigation committee to incorporate stakeholder feedback (suppliers/affected individuals/customers).
Explain how the organization monitors the effectiveness of the complaint mechanism and remedial actions, including stakeholder feedback	No grievances or incidents requiring remediation occurred in 2025.

Role of the Chairman or President in developing and approving corporate management policies and ESG strategies	The Chairman shall approve corporate management policies, track subsequent implementation progress, continuously incorporate emerging issues, and review ESG action plans and their execution. At the end of 2024, the Chairman set the Company's management strategies and direction for 2025 during the management and performance evaluation meeting.
The role of the Board of Directors during the Company's due diligence process	The Board's role is to take appropriate measures to prevent and mitigate potential adverse impacts, eliminate existing adverse impacts, or reduce their scope, when such impacts arise from operations or within the value chain of existing business relationships. Relevant supplier management personnel are also requested to provide irregular reports on the effectiveness of the due diligence policy.

4. Training on ESG information

Total training hours for the entire board (9 directors)	69 hours
Training hours of ESG-related courses for directors (Note 2)	18 hours
Percentage of ESG-related courses for directors (Note 1)	26%

Note 1: $(\text{Total hours of ESG-related courses} / \text{Total training hours of directors}) \times 100\%$

Note 2: In 2025, directors attended ESG-related training courses, including “ESG Sustainability Policies and Disclosure Responsibilities” and “ESG Sustainability: Green Transition and the Financial Action Plan—Development Blueprint and Directors' Responsibilities,” organized by the Securities and Futures Institute, as well as “ESG Sustainability, Low-Carbon Economy, and Corporate Sustainability Strategies” and “ESG Trends, Sustainability Analysis,” and “Presentation of Financial Statements under IFRS 18,” organized by the Taiwan Corporate Governance Association.

Liability insurance coverage for directors purchased by the Company	NT\$90,000 thousand
Appointed a supervisor as the Corporate Governance Officer. Key responsibilities and annual achievements of the Corporate Governance Officer (e.g., enhancing corporate governance evaluation metrics, completing corporate governance related courses, and reaching the required hours)	1. Key responsibilities of the Corporate Governance Officer include safeguarding shareholder rights and strengthening board functions. 2. Training achievements for the current year: (1) Oct. 2, 2025 Taiwan Academy of Banking and Finance: Key Information Security Regulations, Standards, and Compliance 3 hours (2) Oct. 15, 2025 Taiwan Stock Exchange: 2025 Taiwan Week: New Trends in ESG Sustainability, IR & Engagement 3 hours (3) Oct. 16, 2025 Financial Supervisory Commission: 15th Taipei Corporate Governance Forum 6 hours
Evaluation results of corporate governance competent authorities	According to the 2025 evaluation results of competent authorities, the Company ranked within the 21%-35% range among all TPEX listed companies, indicating that our corporate governance performance meets or exceeds a certain standard. TPEX listed companies are categorized into seven tiers: (Top 5%, 6%-20%, 21%-35%, 36%-50%, 51%-65%, 66%-80%, 81%-100%).

5. Board member diversity indicator

			2023		2024		2025	
			Head count	%	Head count	%	Head count	%
Director	Gender	Male	6	85.71	6	85.71	8	88.89
		Female	1	14.29	1	14.29	1	11.11
	Age	Under 30 years old	-	-	-	-	-	-
		Age 31-50	-	-	-	-	-	-
		Over 51 years old	7	100.00	7	100.00	9	100.00
	Education	Graduate School	4	57.14	4	57.14	6	66.67
		College	3	42.86	3	42.86	3	33.33
		Others	-	-	-	-	-	-

The percentage of Directors who are employees of the Company was 44.44%, and the percentage of Independent Directors was 44.44%. There is one female director, accounting for 11.11%.

6. Channels for complaints/submitting opinions

The Company offers multiple channels for employees, regulatory authorities, and stakeholders to provide feedback or raise concerns regarding labor-management relations, operations, business practices, etc.

No complaints or feedback cases were received in 2025.

Channels for complaints/submitting opinions	Cases received in 2025	Processed	Closed
Audit Mailbox	0	-	-
HR Mailbox	0	-	-
Received by competent authorities	0	-	-
Stakeholder mailbox on official website	0	-	-

7. Settings of Board of Directors and various committees, as well as nomination and election processes

Currently, the Audit Committee, Remuneration Committee, and Sustainable Development Committee have been established under the Board of Directors. The directors shall be elected by a candidate nomination system in accordance

with the Articles of Incorporation. The Audit Committee comprises all independent directors, while the members of other committees are appointed in accordance with relevant regulations.

8. Organization of the Audit Committee

To enhance corporate governance mechanisms and assist the Board in decision-making and execution, Morn Sun established an Audit Committee comprised of all independent directors since Aug. 11, 2017. The Committee exercises its powers in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies. This committee convened five meetings in 2025, discussing matters including consolidated financial reports, rule amendments, internal control audits, and CPA audit fees, and submitted the resolutions to the Board of Directors for discussion.

9. Remuneration policies

Item	Board of Directors	Manager
Fixed and floating salary	The Board of Directors resolved to allocate no more than 5% as director remuneration	In accordance with the Company's internal regulations
Retirement benefits		
How the Board of Directors and managers link goals and performance on economic, environmental, and social themes to remuneration policies	Currently, the Company does not link ESG goals and performance to the individual remuneration of the directors and managers. However, the Company will continue to monitor this issue and will consider implementation once ESG initiatives have matured further.	

10. Remuneration Committee

To implement corporate governance and establish a sound remuneration system for directors and managers, Morn Sun established a Remuneration Committee in accordance with Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. The committee's organizational procedures were established by the Board of Directors for compliance. Members of the Remuneration Committee were nominated by the Board of Directors, reviewed for qualifications, and appointed upon confirmation. Morn Sun's Remuneration Committee consists of four members. In 2025, the Committee convened two meetings to deliberate on employee compensation, director

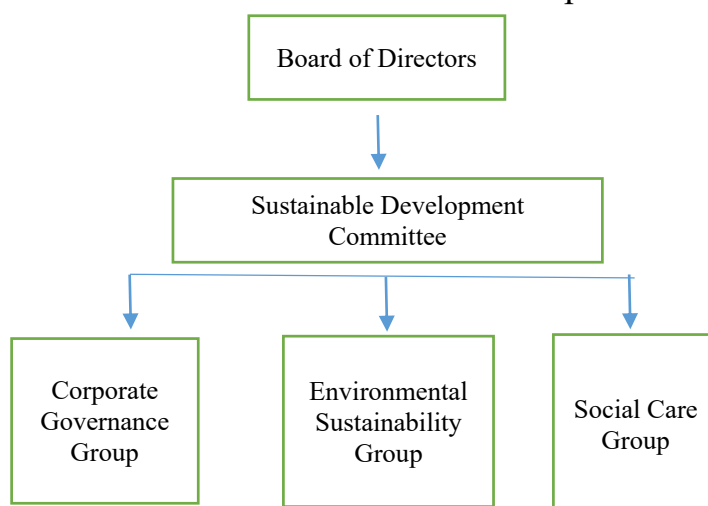
compensation, and the year-end bonus system and payment arrangements for managers. The resolutions were subsequently submitted to the Board of Directors for consideration. Morn Sun has not yet linked ESG targets to compensation but will consider doing so in the future, as appropriate.

11. Sustainable Development Committee

Process for formulating and reviewing the “Sustainable Development Best Practice Principles”	It had been implemented following Board approval on May 10, 2024. The content mainly includes: 1. Implementing corporate governance; 2. Developing a sustainable environment; 3. Safeguarding social welfare; 4. Enhancing disclosure of sustainable development information.
Organizational chart of Sustainable Development Committee	The organizational structure is illustrated in the "Organizational Chart of Sustainable Development Committee"
Overview of Sustainable Development Committee Operations	1. The Board of Directors approved the establishment of the Sustainable Development Committee. 2. This committee comprises five members: the Chairman serves as the Chairperson (convener), with the remaining members consisting of three independent directors and the Vice President of Factory Affairs. 3. The committee shall meet at least once annually. Each working group shall collect stakeholder suggestions and opinions for discussion and resolution at the meeting. The resolution shall be submitted to the Chairperson (Chairman) for review, and approved by the committee. After the meeting, the implementation results will be reported to the Board of Directors. The Committee convened the first meeting on Nov. 11, 2024. Following the meeting, it reported to the Board of Directors on the preparation status of the Sustainability Report, provided ongoing recommendations for company reference. On May 8, 2025, the Sustainability Report was approved and submitted to the Board of Directors for consideration. Morn Sun subsequently published its first Sustainability Report in late Aug. 2025. 4. Upon completion of the report, the Sustainable Development Committee will convene a meeting to jointly confirm that the annual report comprehensively

	addresses all material ESG topics for that year. 5. The Company has established operating procedures for preparing and verifying the Sustainability Report, which will be incorporated into the internal control system. 6. The Board of Directors reviewed and approved the 2025 Sustainability Report and raised no recommendations or comments.
Implementation Results and Goals of Sustainable Development Committee	ESG goals are not currently included in the Company's KPIs. The Company plans to discuss aligning ESG targets with corporate KPI metrics at future meetings of the Sustainable Development Committee.

Organizational chart of Sustainable Development Committee



12. Corporate Sustainability Governance

Beyond implementing corporate governance to ensure robust controls over daily operations, Morn Sun further practices corporate social responsibility. To align with international sustainable development trends and make more contributions to national economic growth, improve the quality of life for employees and the communities, and build a competitive advantage rooted in social responsibility, the Company considers environmental, social, and governance requirements while pursuing sustainable operations and profitability, and incorporates them into corporate management policies and business activities.

Based on materiality principles for sustainable development, Morn Sun conducts risk evaluations for key topics, and establishes the following risk management policies or strategies according to the evaluated risks:

- (1) Environmental topics: Adhere to the government's environmental protection related regulations, and regularly implement environmental management and improvement measures throughout the production process to mitigate and eliminate adverse environmental impacts associated with production activities. Feed mills establish the “Environmental and Facility Management Procedures” to ensure production processes do not pollute surrounding communities or the environment, and to properly treat wastewater and waste.
- (2) Social topics: Regarding food safety and quality, annual management review meetings are held to propose improvement measures for annual targets, internal/external regular audit results, and unaccomplished matters. A drug residue monitoring system ensures 100% drug-free products and raw materials. Regarding occupational safety, regular meetings are held to discuss work-related accident prevention and promote workplace safety improvements.
- (3) Governance topics: The Company has established the Corporate Governance Best-Practice Principles, and ensures all personnel and operations strictly comply with relevant laws and regulations through its governance framework and internal control mechanisms.

13. Ethical corporate management policy:

To fulfill corporate social responsibilities, Morn Sun and its affiliated enterprises emphasize “integrity” as the foundation for business operations, and actively promote this principle to directors, managers, and all employees. It is explicitly prohibited for any employee to engage in malpractice, accept bribes, commissions, or kickbacks, or falsify information, causing losses to the Company. Furthermore, the Company regularly conducts employee training and awareness programs to ensure full understanding of the commitment to ethical corporate management of the Company and its affiliated enterprises. Violations of work discipline may result in disciplinary actions including warnings, reprimands, or demerits based on severity. Supervisors may also bear joint liability alongside the violating employee. In 2025, no incidents of employee violations of the ethical corporate management policy occurred at the Company. All external donations or sponsorships made by the Company in 2025 were conducted in accordance with relevant laws and regulations, as well as internal regulations of Morn Sun. No instances of bribery, accepting bribes, or illegal political contributions occurred.

14. Risk management:

The Board of Directors is responsible for developing and controlling Morn Sun's risk management policies. These policies are established to identify and analyze risks faced, set appropriate risk limits and controls, and oversee compliance with

risks and risk limits. Internal auditors assist the Board in its oversight operations by conducting periodic, exceptional reviews of risk management controls and procedures, reporting findings to the Board.

Regarding raw material procurement risks, sourcing globally is essential to obtain the lowest-cost materials and services. In this competitive environment, we will leverage the Company's operational scale to reduce raw material procurement costs, thereby enhancing product quality and after-sales services.

With persistent food safety incidents and lingering concerns related to avian influenza and drug residue in agricultural and livestock products, the Company will pursue upstream and downstream integration in its product structure to diversify feed business risks and maintain stable profitability.

15. Internal control policies:

The auditors assist the Board of Directors and managers in examining and reviewing deficiencies in the internal control system, measuring operational effectiveness and efficiency, and providing timely improvement recommendations, in order to ensure the internal control system is continuously and effectively implemented. This also serves as the basis for reviewing and revising the system. The audit report will detail the audit objectives, scope, materiality, and proposed solutions. When non-compliance is identified, the responsible unit is required to submit an improvement report. Progress is regularly tracked to verify completion of improvement actions according to the action plan. In 2025, a total of 104 audit cases were filed, and eight non-compliance issues requiring improvement were identified, with corrective actions taken in accordance with applicable laws and regulations. Quarterly re-examinations were conducted, and follow-up reports were prepared until improvements were completed.

16. Human rights protection policies and commitments:

The Company's remuneration policy ensures that salary evaluations are not influenced by an employee's gender, age, race, religion, or political stance. The Company also complies with labor rights regulations, and trains new hires and existing employees on important information about human rights protection, and labor rights and interests. Furthermore, should any employee engage in conduct that infringes upon others' rights, the Company provides a reporting channel for employees to raise concerns. Reports are handled by designated personnel, who conduct responsible investigations while maintaining confidentiality of the reporter's personal information. If allegations are substantiated, the Company commits to taking no adverse action against the whistleblower. The Company had no incidents or records of human rights violations in 2025.

17. Collective bargaining agreements

In accordance with the Regulations for Implementing Labor-Management Meetings, the Company has established a labor-management meeting mechanism, convening quarterly meetings. Labor representatives and management representatives each account for 50.00% of the meeting participants. Labor representatives are nominated by employees, while management representatives are designated by the Company. The Company held five labor-management meetings in 2025. Details of the meeting contents are provided in **Section 4.3.6 “Defined Benefit Plan Obligations and Other Retirement Plans” of Chapter 4 “Labor Care and Social Relations.”**

2.1.2. Corporate governance and compliance with laws and regulations

Policies	Morn Sun's core business philosophy is “Focus, Diligence, Conscience, and Safety.” The Company strives to enhance corporate governance performance, uphold compliance with laws and regulations, effectively manage risks, and maintain stable operations. Morn Sun has established an Ethical Corporate Management Best Practice Principles, which requires relevant personnel to strictly comply with applicable laws and regulations, refrain from dishonest conduct, and observe relevant regulations and the Company's internal policies. A dedicated internal audit unit oversees internal audit and compliance with laws and regulations matters, while the corporate governance officer assists the directors in carrying out their corporate governance duties.
Commitments	1. Prohibit bribery, corruption, and illegal political contributions. 2. Prohibit inappropriate gifts, hospitality, improper benefits, charitable donations, or sponsorships. 3. Protect intellectual property rights and prohibit the disclosure of trade secrets. 4. Protect stakeholder interests and prohibit unfair competition.
Short-term targets	1. Continuously review and improve corporate governance evaluation criteria. 2. Since the first quarter of 2024, the Company has announced Board meeting dates in advance to safeguard shareholders' right to know. 3. Promote Board gender diversity by requiring at least one director of each gender and strengthen independent director functions by limiting their tenure to no more than three consecutive terms. 4. Revise internal control procedures to define the compensation and scope for entry-level employees. 5. Revise management procedures covering endorsements and guarantees, and the acquisition or disposal of assets.

Medium- and long-term targets	1. Conduct regular external performance evaluations of the Board of Directors and functional committees. 2. The Board of Directors maintains a diverse composition to meet the Company's operational structure, business development needs, and future development trends.
Specific strategies	1. Enhance Board diversity: As of 2025, the Board included one female director and comprised members with diverse professional expertise, qualifications, and backgrounds. 2. The corporate governance officer assesses the qualifications and independence of independent directors and reports the findings to the Board of Directors.
Responsible department & appeal mechanism	Manager Lin, Management Department mornsunesg@morn-sun.com.tw
Evaluation mechanism	1. The Company regularly evaluates Board performance based on the evaluation procedures and criteria established under the “Regulations for Board Performance Evaluation.” 2. No incidents involving violations of professional ethics or the Company's integrity culture were reported in 2025. 3. All directors completed the required continuing education hours in 2025 in accordance with the “Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEX Listed Companies.”

2.2 Customer service

2.2.1. Customer satisfaction

To meet customer needs, enhance service quality, and strengthen the Company's corporate image, Morn Sun is committed to properly handling and responding to customer complaints and concerns. When customer complaints occur, Morn Sun actively communicates and coordinates with customers, provides appropriate responses, and conducts internal reviews to implement corrective measures and prevent recurrence.

We also engage closely with customers by sharing our quality control expertise and technical knowledge and addressing questions related to livestock and poultry farming. Through continuous improvement, we aim to build long-term relationships and create mutual value with our customers. Recognizing the importance of customer feedback, Morn Sun provides multiple communication channels, including telephone, LINE, and written submissions, to enable timely and effective interaction with customers.

Listening to customers, continuously enhancing product quality, and establishing long-term, stable relationships with customers are key foundations for the Company's sustainable operations. “Enhancing customer satisfaction” is therefore one of the core operating principles of the Sales Department. By continuously improving in response to customer needs and satisfaction, we aim to increase overall sales, support steady business growth, and continue investing in downstream products and services.

The Company's feed mills have set a target of no more than three customer complaints per month. Monthly customer complaint statistics are shown in the table below.

2025 Customer Complaint Statistics

Month	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Target complaints	3	3	3	3	3	3	3	3	3	3	3	3	36
Actual complaints	1	0	1	1	1	1	2	1	1	1	0	1	11

2.2.2. Customer privacy

1. Confidentiality obligations

Under Morn Sun's “Employee Code of Conduct,” employees are required to respect personal privacy, refrain from spreading rumors or defamatory information, and carefully protect information and confidential matters learned in the course of their work. Unless disclosure has been authorized by the Company or is necessary for work-related purposes, employees must not disclose such information to others or use it for any purpose outside their job responsibilities. This obligation continues after termination of employment. Protected information includes personnel and customer information and personal data, inventions, business secrets, technical information, product designs, manufacturing know-how, financial and accounting information, intellectual property, and other non-public information that could be exploited by competitors or whose disclosure could cause regulatory non-compliance or harm to the Company or its customers.

2. Formula management

Morn Sun maintains strict controls over customized feed formulations through dedicated technical formulation and plant management functions. If a customer requests feed based on another customer's proprietary formulation, sales personnel will immediately decline the request and promptly inform the formulation owner. The Company will also confirm that no confidential formulation information has been disclosed, ensuring the confidentiality of proprietary formulations and reinforcing customer trust.

3. Personal privacy protection

Morn Sun is committed to protecting personal data and obtains written consent from data subjects prior to the collection, processing, and use of their personal data. To accommodate foreign employees who may be unable to read Chinese, Morn Sun provides bilingual versions of the Personal Data Use Consent Form for their review and signature. The consent form specifies the purposes and categories of personal data collection, the period and geographic area of use, and the methods of collection. It also outlines individuals' rights to access, review, copy, supplement, and correct their personal data, as well as to request the cessation of collection, processing, or use and the deletion of their personal data. By the end of 2025, all active employees had signed the Personal Data Use Consent Form. No complaints related to personal privacy data leakage were received in 2025.

2.2.3. Customer business service

Policies	We prioritize the customer, value the long-term relationships and transaction processes with each customer, and meet customer needs through superior quality and prompt service.
Commitments	We serve customers according to the principles of “Focus, Diligence, Conscience, Safety”.
Short-term targets	According to the quarterly sales targets (in tons) for 2025.
Medium- and long-term targets	- Whether the number of customer complaints meets the ISO 22000 annual targets and the Company's internal regulations. - Whether order delivery time meets the Company's internal regulations.
Specific strategies	- Invest capital and allocate relevant human, material, and other resources. Ensure the quality of products and services to increase customer satisfaction. - Specific actions: Focus on three key areas: service, quality, and delivery time. Service refers to sales personnel's ability to professionally and enthusiastically resolve customer issues; quality refers to the Company's strict production quality requirements for feed; delivery time refers to both transportation quality and timeliness meet customer requirements. Strengthening these three areas will achieve sales volume and revenue targets while reducing customer complaints to comply with the Company's internal regulations.
Responsible department & appeal mechanism	Assistant Manager Lin, Business Department mornsunesg@morn-sun.com.tw

Evaluation mechanism	Monthly production and sales meetings review: 1. Monthly sales target (in tons). 2. Monthly number of target sales customers. 3. Number of customer complaints, their causes, and countermeasures.
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2.3 Compliance with laws and regulations

2.3.1. Information on compliance with laws and regulations

Morn Sun collects relevant laws and regulations across various fields, such as environmental, HR, and corporate governance-related regulatory requirement. Based on applicable regulations, we identify legal compliance requirements and establish relevant policies and procedures for collective compliance. This prevents illegal incidents from impacting the Company's ongoing operations, finances, and other aspects. As national regulations will be revised and updated from time to time, the relevant departments of the Company will review applicable legal amendments annually, at the end of each year, and understand the latest regulatory content to ensure ongoing compliance.

2.3.2. Violations of laws and regulations

Year	Category	Violation	Loss amount	Countermeasures
2023	Economic aspects	The invoice from National Taxation Bureau became invalid, and a supplementary payment was required	NT\$ 2 thousand	Followed the requirements of the National Taxation Bureau.
	Environmental aspects	Violation of Water Pollution Control Act	NT\$ 22 thousand	Improved wastewater quality
	Social aspects	-	0	None
2024	Economic aspects	Supplementary payment for the provisional income tax by National Taxation Bureau	NT\$ 4 thousand	Improved in accordance with the requirements of the National Taxation Bureau.
	Environmental aspects	Violation of Water Pollution Control Act	NT\$ 213 thousand	Improved wastewater quality
	Social aspects	-	0	None

2025	Economic aspects	-	0	None
	Environmental aspects	Violation of Water Pollution Control Act and administrative fines imposed by environmental protection authorities	NT\$ 55 thousand	Improved wastewater quality
	Social aspects	-	0	None

Note: The Company's Livestock Division incurred penalties from the Environmental Protection Bureau after public complaints led to inspections revealing non-compliance with discharge standards for wastewater generated during pig farming cleaning processes. Currently, the Company has reconstructed and upgraded wastewater discharge facilities to ensure compliance with regulatory standards.

2.4 Information protection

Information security safeguards data against diverse threats, minimizes business and operational losses, ensures business continuity, and enhances the Company's defensive value.

Policies	1. Implement ICT security training and ICT security promotion programs for new hires to enhance employees' awareness of ICT security. 2. Effectively manage information assets, conduct continuous risk evaluations, and take appropriate protective measures. 3. Protect information and ICT systems from unauthorized access, and maintain their confidentiality. 4. Prevent unauthorized modifications to safeguard the integrity of information and ICT systems. 5. Ensure authorized users can access information and ICT systems when required. 6. Comply with legal and regulatory requirements. 7. Evaluate the impact of various man-made or natural disasters and establish recovery plans for core ICT systems to ensure the continuity of core business operations. 8. Implement audit execution and management review processes to enable continuous improvement of the information security management system. 9. Implement OEM management to ensure the security of ICT services.
Commitments	Implement audits and information security management processes.
Short-term targets	Enhance employees' awareness of ICT security.

Medium- and long-term targets	Medium-term: Zero ICT security incidents every year. Long-term: Zero ICT security incidents passed the audits. Introduce ISO 27001 according to actual conditions in the future.
Specific strategies	The Company's information personnel are organized within the Management Department, and an ICT Security Group has been established, which will conduct annual meetings. During the meeting, it will discuss the ICT security risk management and establish various ICT security control measures. For example: control and management of server room, operational computer, mobile devices, access control systems, networks, personnel access permissions, daily off-site backups of system data, encryption for confidential information transmission, timely updates of antivirus software, regular vulnerability scans/penetration tests/ICT security incident drills, periodic checks of inactive/privileged accounts, unscheduled internal ICT security awareness programs for all employees through intranet, and social engineering drills. Annual ICT security audits will also be conducted.
Responsible department & appeal mechanism	Assistant Manager Zeng, Information Office of Management Department mornsunesg@morn-sun.com.tw
Evaluation mechanism	1. No significant deficiencies were identified during internal/external audits. 2. Annual meetings are held to ensure zero ICT security incidents.

2.4.1. Significance of information security to the Company

Information security safeguards all company data, and ensures confidentiality, integrity, and availability to maintain normal business operations. The Information Office under the Management Department continuously monitors and manages its information technology infrastructure to protect the security of corporate information and data.

2.4.2. Evaluate the effectiveness of information protection management measures

1. Zero ICT security incidents occurred in 2025.
2. Conducted ICT security audits in 2025, and the results confirmed that all requirements were met.
3. No complaints were received from internal or external stakeholders during the year.
4. No significant deficiencies were identified in internal audits or customer audits.

2.5 Supply chain management

Morn Sun procures raw materials in accordance with the “food safety and traceability management” principles. Rigorous supplier audits are implemented to ensure feed safety for livestock farms. Morn Sun procures all raw materials exclusively from qualified suppliers that meet quality requirements. In selecting supplier partners, Morn Sun prioritizes legality, sound credit standing, and excellent reputation. When selecting cooperative suppliers, we conduct comprehensive analyses of their products, alongside multi-faceted evaluations on raw material origins, production methods, and environmental impacts. Below is the procurement status of main raw materials over the past three years:

1. Supply chain (procurement items, volume, and ratio)

Unit: mt; set; pcs

Product name	2023					2024				2025			
	Unit	Usage amount	Usage rate	Total procurement volume	Domestic procurement ratio	Usage amount	Usage rate	Total procurement volume	Domestic procurement ratio	Usage amount	Usage rate	Total procurement volume	Domestic procurement ratio
Corn	mt	68,810	92.78%	74,165	3.66%	74,039	94.68%	78,199	6.85%	67,157	95.34%	70,438	3.04%
Soybeans (Note 1)	mt	17,568	97.28%	18,060	100.00%	18,379	99.21%	18,525	100.00%	17,948	97.99%	18,317	100.00%
Auxiliary materials	mt	29,260	94.65%	30,913	46.15%	21,707	90.71%	23,932	59.83%	25,527	94.38%	27,048	43.62%
Packaging materials	Set	47,876	61.50%	77,849	100.00%	42,398	63.62%	66,646	100.00%	52,579	74.08%	70,978	100.00%
Poultry/ livestock	Unit	Numbers raised	Rearing ratio	Numbers procured	Domestic procurement ratio	Numbers raised	Rearing ratio	Numbers procured	Domestic procurement ratio	Numbers raised	Rearing ratio	Numbers procured	Domestic procurement ratio
Chicks	Thousands	863	89.42%	965	100.00%	561	54.28%	1,034	100.00%	682	80.57%	846	100.00%

Breeding pigs (Note 2)	Pcs	82	78.10%	105	100.00%	280	95.89%	292	100.00%	-	-	-	-
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Note 1: Soybeans are purchased from domestic importers rather than directly from overseas exporters.

Note 2: The calculation covers purchased breeding pigs only and excludes in-house breeding.

2. Supply chain management and procurement practices

(1) Supplier selection mechanism

To ensure all suppliers meet appropriate levels and standards, Morn Sun conducts written and quality audits of suppliers. Written audits include documents such as factory registration certificates and business registration certificates. Suppliers must provide manufacturing registration certificates or import permits for their products to prove lawful operation. Additionally, supplier evaluation surveys are conducted: First-time suppliers collaborating with Morn Sun undergo preliminary review and evaluation by the procurement department. This primarily involves written audits and product quality inspections. For eligible suppliers, the purchaser shall complete the “Supplier Evaluation Form” for approval, and then the supplier will be listed as qualified suppliers and entered into the list of qualified suppliers.

The purchaser conducts annual evaluations of key domestic and international suppliers from the previous year. After approval by the supervisor, evaluation dates are scheduled to evaluate the quality, price, service, coordination, and delivery performance of goods or services provided by qualified suppliers over the past year, and the results are recorded in the “Supplier Annual Evaluation Scorecard.” If a supplier's product quality is found to be unstable during the evaluation year, a re-evaluation may be conducted within that same year, with the results recorded in the “Supplier Annual Evaluation Scorecard.” Suppliers must be legitimate entities. If product quality is in question, Morn Sun will also send samples to internationally accredited inspection agencies for testing.

(2) Supplier evaluation

Morn Sun conducts regular on-site audits of suppliers annually. Audit items include production equipment, historical self-inspection data, and raw material verification to ensure product safety from the source. Beyond scheduled visits, Morn Sun also performs unscheduled audits to safeguard raw material quality. Morn Sun actively supports the government's implementation of HACCP certification for food businesses and gives priority to certified manufacturers during procurement. Consequently, Morn Sun communicates with suppliers to facilitate the adoption of certifications such as ISO 22000, ISO 9001, and HACCP, confirming whether suppliers have established and implemented various international management system certifications.

Statistical Data of the 2025 “Supplier Annual Evaluation Scorecard”

Main product evaluation category	Number of suppliers evaluated	Evaluation rating status
Corn	11	Rating A: 1 supplier; Rating B: 10 suppliers
Corn distillers’ grains	5	Rating A: 2 supplier; Rating B: 3 suppliers
Feed oil	4	Rating A: 2 supplier; Rating B: 2 suppliers
Soybean meal	3	Rating A: 1 supplier; Rating B: 2 suppliers
Hulled soybean meal	3	Rating A: 1 supplier; Rating B: 2 suppliers
Full-fat soybean meal	3	Rating A: 1 supplier; Rating B: 2 suppliers
Oyster shell powder	2	Rating A: 1 supplier; Rating B: 2 suppliers
Meat and bone meal	3	Rating A: 2 supplier; Rating B: 1 suppliers

Note: A-rated suppliers are classified as outstanding, while B-rated suppliers are classified as excellent.

2.6 Product liability

2.6.1. Product quality and health and safety management

1. Quality management

In addition to complying with relevant legal regulations, product safety must be managed throughout the entire process from raw material sourcing, to receiving, storage, production, finished goods, and shipping. Customer satisfaction requires that product safety meet customer expectations, and customer complaints must be addressed thoroughly.

The annual performance targets for product quality and health and safety across all Morn Sun business units are proposed by department heads during the annual KPI budget meeting, and implemented after approval by the Chairman. Each department must regularly analyze data, track progress, conduct variance analysis, and report improvement measures for unmet targets at the meeting.

The annual KPI budget meeting is convened once a year, chaired by the Chairman, with participation of all business units, procurement, R&D, management, finance and accounting, HR, IT, and audit departments. Each department's presentation covers annual targets, periodic audit results, and improvement strategies for unmet targets.

In addition, the Company's Quality Assurance Laboratory features:

- (1) Precision instruments are housed in separate compartments. Organic solvents and exhaust gases generated during experiments are extracted via dedicated air conditioning systems to prevent cross-contamination.
- (2) Emergency shower facilities are installed to enable an immediate response to accidents, ensuring laboratory personnel safety.
- (3) Located on the second floor of the Kaohsiung feed factory, the laboratory features on-site equipment for basic online quality control of feed product hardness, abrasion resistance, and particle size. Incoming raw materials and finished feed products can also undergo nutritional component testing within the minimal time.

2. Health and safety management

In terms of health and safety management, to comply with government regulations, Morn Sun regularly maintains and improves the production environment to eliminate adverse factors, thereby enhancing production quality and efficiency. The feed factory has established the “Environmental and Facility Management Procedures.” The content covers factory environment disinfection, cleaning and maintenance, contributing to improved quality and efficiency. Disinfection operations are contracted to certified service providers, while environmental cleaning and maintenance are performed by designated personnel responsible for their assigned areas. Industrial waste is disposed of by external contractors in accordance with regulations.

3. Food safety management

Through rigorous production and sales traceability systems, Morn Sun has established a high-quality, responsible supply chain system. This encompasses comprehensive oversight from bulk raw materials at the source, feed production, nutritional formulation, pig breeding, and contract breeding. We independently implement a drug residue monitoring system to ensure 100% drug-free products and raw materials. In 2025, Morn Sun did not violate any health and safety regulations concerning products and services, or information and labeling regulations for products and services.

4. System verification

Morn Sun conducts routine self-management according to international verification standards, and strives to obtain various verifications to produce products worthy of consumer trust. To further ensure the quality and safety of the feed manufacturing process, Morn Sun is committed to implementing the ISO 22000 Food Safety Management System. The Company adheres to ISO 22000 management standards, HACCP procedures, and other administrative measures,

various laws and regulations, and safety and quality management operating procedures, encompassing all personnel, health management systems, and quality assurance systems. The Company has established the health and safety management system, and will conduct regular health and safety inspections according to the relevant checklists.

5. Personnel and management system

The Company provides personnel with training on applicable food safety laws and regulations to help prevent violations. The Company has also established health management and quality assurance systems to ensure that its products comply with applicable health and quality standards. The measures implemented and their effectiveness are described below:

Item	Action	Benefit
Personnel	Regularly conduct training sessions focusing on new requirements and regulations issued annually regarding feed and food safety, promoting awareness and ensuring compliance.	The supervisors and employees gain a clearer understanding of various safety regulations, facilitating implementation and judgment during practical operations.
Health management system	The quality control department regularly performs health inspections and records the scores.	Long-term record rating ensure the factory maintains compliance with health management requirements and guarantees product quality.
Quality assurance system	Regular discussions and improvements are conducted to ensure compliance with current management systems and the latest regulatory requirements.	Guarantee the production meets the latest regulations, maintains product quality above regulatory standards, and ensures product safety.

Relevant certificates:



6. Safety inspections

The inspection and testing results for feed safety in 2025 are summarized below:

Item	Category	Number of samples	Numbers qualified	Qualified rate
Feed	Raw materials	3,361	3,361	100%
	Finished products	5,111	5,111	100%

Note: Finished products that do not meet specified compositional standards may undergo secondary processing to meet customer requirements before sale.

In 2025, all raw materials and finished products passed inspection, with no cases of non-conformity identified.

2.6.2. Animal welfare

1. Premium environment

To create an optimal breeding environment that balances biosafety and animal welfare, Morn Sun spends a huge amount of money to build the most advanced enclosed water curtain barns. These facilities feature automatic control systems that dynamically adjust the air speed and humidity according to the set temperature/humidity. They provide excellent ventilation with sufficient air exchange, minimize temperature variations within the barn, and prevent disease vector contamination from external livestock, thus creating a comfortable space for economic animals, like poultry and livestock.

To minimize environmental impacts on pig and chicken farming, enclosed water curtain systems represent the current trend. Particularly in recent years, as climate change intensifies, disease outbreaks proliferate, and awareness of environmental protection and animal welfare rises, traditional production models are being phased out. The industry must adapt to natural changes and contemporary trends by transforming production concepts and farming equipment, perform effective management of the farming environment and enhance operational efficiency to achieve sustainable operations.

2. Premium feed

For superior quality in pigs, chickens, and eggs, biosecurity control in the breeding environment and feed free of veterinary drugs are paramount. Morn Sun possesses outstanding R&D and quality control teams. We design phased feed formulations tailored to the nutritional requirements of laying hens at different ages and growth stages, providing complete nutritional support for egg production. To produce pure, natural fresh eggs, Morn Sun has established a management system traceable to the farm of origin (including chicken and breeding management), rigorously controlling quality at every stage. The

shipment of raw eggs can be tracked through the Ministry of Agriculture's Information Management System for Traceable Agricultural Products (TAP). In addition, we will design phased feed formulations tailored to the nutritional requirements of pigs at different growth stages, ensuring comprehensive nutritional support and delivering premium pork to the market.

3. Circular economy

Livestock farmers often face challenges such as foul odors from animal manure, inadequate disposal methods, and high treatment costs that contribute to pathogen spread and impact farm operations. Morn Sun has invested in contract farming, establishing its own sow farms and nursery farms to supply piglets to farmers for breeding and subsequent sale. The pig breeding farm features a three-stage wastewater treatment facility that thoroughly treats the wastewater. The treated effluent is discharged in compliance with government regulations.

2.7 Integrity and ethics

Material topics	Integrity and ethics
Policies/Commitments	Morn Sun adheres to laws and regulations, and has established guidelines, such as the “Code of Ethical Conduct”, “Ethical Corporate Management Best Practice Principles”, and “Corporate Governance Best-Practice Principles”, to serve as standards and guidance for employee operations. Morn Sun strictly prohibits bribery, corruption, fraud, money laundering, collusion, and other misconduct, and upholds ethical corporate management standards.
Targets	Short-term (1-3 years) 1. Major integrity violations: 0. 2. Corruption incidents: 0. 3. Continue implementing training and awareness programs. Long-term (over 3 years) Same as short-term targets.
Management mechanisms	1. Establish the Ethical Corporate Management Best Practice Principles, and incorporate ethical corporate management topics into internal control and internal audit procedures to comply with legal regulations. 2. Regarding the compliance with laws and regulations related to environmental protection, labor safety, financial statements preparation, internal controls, insider trading, intellectual property/confidential information protection, personal data and privacy protection, document retention and destruction, and raw material procurement, relevant codes of conduct have also been established to provide guidance for employees in performing their duties. 3. Regarding intellectual property protection, new employees are

	required to personally sign confidentiality agreements, understand relevant rights and obligations, and comply with relevant requirements. Additionally, integrity-related guidelines are promoted through email communications and new employee orientation programs. 4. Internal training courses, such as “Trade Secret Protection and Anti-Corruption”, are conducted within the Company to ensure all employees understand the importance of trade secret protection. Emphasis is placed on promoting these principles during new employee training and on-the-job training, hoping that every employee could understand and adhere to the Company's integrity requirements, conduct business activities based on the principles of fairness, honesty, and trustworthiness, implement the ethical corporate management policy, and actively prevent unethical behavior.
Responsible department & appeal mechanism	Assistant Manager Zeng, Audit Office mornsunesg@morn-sun.com.tw
Evaluation mechanism	1. Conduct annual reviews of current status and target achievement. 2. Conduct inspections of internal audit and internal control processes within each fiscal year. 3. Continuously monitor implementation progress and target achievement through the Sustainable Development Committee.

2.8 Risk management

To ensure sustainable operations and long-term development, department heads evaluate and identify risks associated with operation performance, employees, and environmental sustainability, and develop appropriate countermeasures to address and minimize risks arising from business activities.

1. Operation performance risk

Risk description	Countermeasures
Ethical integrity risk	The Company has established the Ethical Corporate Management Best Practice Principles. To implement ethical corporate management policies and proactively prevent unethical behavior, robust corporate governance and risk control mechanisms have been established, and a sustainable business environment has been built.

Information disclosure transparency risk	1. At least two earnings calls are held every year to explain the Company's operational status and future outlook to investors. 2. In the event of significant impact on the Company's financial or business operations, material information will be disclosed externally as required. 3. If you have any questions on the Company's information disclosure, please contact the Company Spokesperson or Deputy Spokesperson for communication and clarification.
Market competitiveness risk	The Company conducts training and development for its sales team, establishes effective competency indicators for sales personnel and performance indicators for supervisors.
ICT security incident risk	1. Determine whether an incident constitutes an ICT security incident, its category, and severity level. 2. Analyze the cause and proposed countermeasures, conduct analysis and evaluation, and implement the measures upon approval. 3. Implement countermeasures to mitigate the extent of harm, and maintain proper incident records. 4. Review incident causes and handling processes to develop improvement mechanisms.
Product liability risk	1. Monitor quality status across all stages through an internal quality management system to ensure compliance. 2. Enhance coordination and communication with customers to fully understand their needs, and take them into consideration for internal management of product liability and safety.

2. Employee risk

Risk description	Countermeasures
Occupational injury risk	1. Conduct quarterly Occupational Safety Committee meetings to review current occupational safety protection status. 2. Hold monthly environmental safety meetings to evaluate the occupational safety management status and improve the deficiencies.
Long working hours risk	1. Conduct quarterly Occupational Safety Committee meetings to monitor employee working hours. 2. Establish employee complaint channels for feedback on excessive working hours, and implement necessary reviews and improvements.

3. Sustainable environment risk

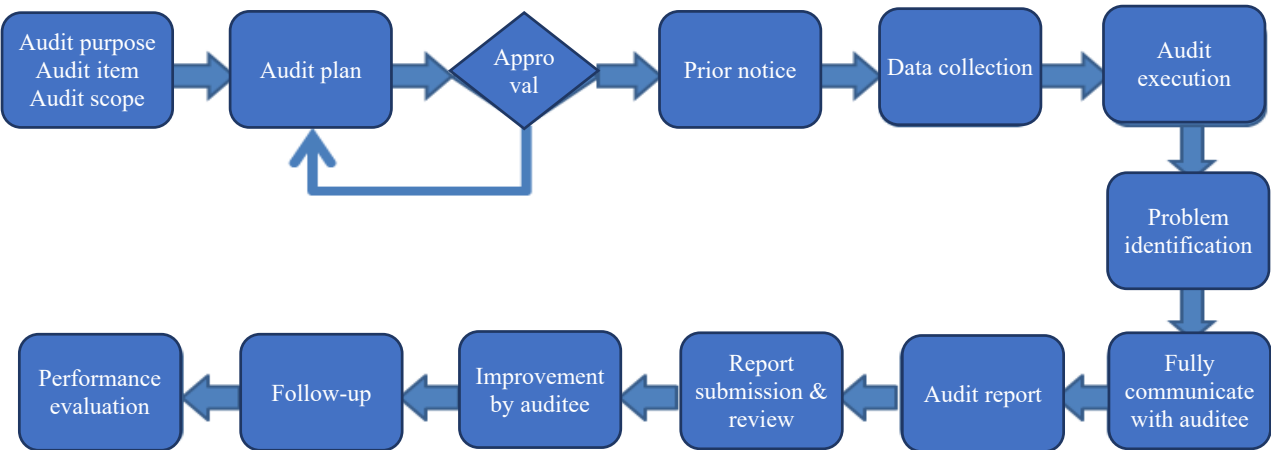
Risk description	Countermeasures
Risk of increased in greenhouse gas emissions	The Production Department serves as the primary management unit, holding regular meetings to review greenhouse gas reduction targets and progress on improvement measures.
Risk of ineffective energy conservation	Strengthen employee awareness programs on energy conservation improvements, develop and implement annual energy conservation improvement plans.

2.9 Internal audit

2025 Internal Audit	
Internal audit process	Provide the following internal audit flowchart
Is a focused audit conducted on specific operations/departments?	Conduct focused audits on the following operations: 1. Management of expiration dates for customer-supplied drugs 2. Implementation of production equipment maintenance procedures 3. Implementation of food safety control procedures 4. Implementation of factory safety control procedures
Total number of audit items for the year	104 items
Number of proposed improvements/nonconformities in the audit report	8 items
Audit compliance rate	92.31%
Rate of completing the improvements for all non-conformities within deadlines	100%

The Company's 2025 internal audits identified eight non-conformities, primarily involving outdated information, incomplete records, and inadequate follow-up measures for identified abnormalities. The Auditing Department promptly issued a “Corrective Action Response Form for Recommendations or Abnormalities” to the responsible units, which completed all required corrective actions.

Internal audit results were also presented and reviewed with department heads at the annual management meetings, with follow-up improvements implemented to strengthen overall management effectiveness.



Chapter 3. Environmental protection

Morn Sun Feed Mill Corp. (hereinafter referred to as the “Company” or “Morn Sun”) defines the scope of its environmental disclosures to include its Taipei Main Office, Kaohsiung Feed Mill, Zhushan Livestock Farm, and livestock farms leased from third parties. The following sections provide an overview of the Company's performance against the disclosure requirements for environmental topics.

3.1 Energy management

3.1.1. Energy-related information

1. Energy consumption within the organization

To implement the policy of “promoting energy conservation and carbon reduction while improving energy use,” the Company continuously reviews and improves its energy consumption practices to reduce energy consumption and use costs, and enhance energy management intensity. The primary energy consumption categories were electricity and natural gas used for product manufacturing. The statistics for electricity and natural gas consumption from 2023 to 2025 are as follows:

Electricity consumption (10,000 kWh)		2023	2024	2025	Explanation of variation
1	Taipei Main Office	1.35	1.34	1.30	
2	Kaohsiung Feed Mill	382.94	378.06	373.40	Energy conservation measures for production equipment have been planned and implemented at the Kaohsiung Feed Plant, resulting in a year-by-year downward trend in electricity consumption.
3	Zhushan Livestock Farm	126.64	144.28	172.00 (Note)	

Natural gas (10,000 m ³)		2023	2024	2025	
1	Taipei Main Office	0	0	0	
2	Kaohsiung Feed Mill	35.65	30.44	31.81	At the Kaohsiung feed mill, natural gas is primarily used as a fuel source for heating boilers to generate steam for cooking soybeans and corn. Natural gas consumption varies with production volume.
3	Zhushan Livestock Farm	0	0	0	

Note: From 2025 onward, the scope includes the livestock farms leased from third parties (Maxing, Zhaoqing, and Shiquan).

2. Energy consumption outside of the organization

The electricity used by the Company is purchased from Taiwan Power Company, and natural gas is purchased from Nanjehn Natural Gas Co., Ltd.. The above energy resources are used in the Company's various factories and office premises. During use, relevant energy conservation measures are promoted to reduce energy consumption. The electricity and natural gas purchased by the Company are not used outside the Company.

3. Energy intensity

The Company's primary energy consumption arises from electricity used to produce poultry and livestock feed and to raise pigs and chickens. Given the different operating characteristics of the three sites, output is measured in persons, tons, or kilograms, as applicable. Energy intensity is therefore calculated based on the output of each operating site relative to its electricity consumption in kWh. The following table presents the energy intensity of the production facilities for 2023–2025, along with an analysis of YoY changes:

Energy Intensity Statistics

Intensity (electricity consumption/persons, tons, kilograms)			2023	2024	2025	Explanation of variation
1	Taipei Main Office	Persons	1,227.55	1,112.58	1,081.75	
2	Kaohsiung Feed Mill	tons	40.59	41.74	37.25	Through the implementation of energy-saving measures, the Kaohsiung feed mill has reduced its energy intensity.
3	Zhushan Livestock Farm	kg	0.55	0.67	0.74 (Note 1)	

Note 1: From 2025 onward, the scope includes the livestock farms leased from third parties (Maxing, Zhaoqing, and Shiquan).

Note 2: Energy intensity = Electricity consumption / production volume, representing electricity consumption per unit weight of product.

4. Reduction of energy consumption

The Company has adopted various energy-saving measures in recent years, including optimizing lighting usage and air-conditioning temperature settings. In 2025, improvements were also made to grinding equipment in the production process to reduce idle time and improve overall energy efficiency. In the future, energy will be utilized rationally and efficiently by upholding the spirit of continuous improvement in energy management. In doing so, the Company will progressively replace energy-consuming equipment annually, implement energy-saving and carbon reduction measures, and reduce energy consumption through power saving, greenhouse gas emission reduction, improved energy utilization rates, and resource recycling.

The Company plans to implement an energy management system to systematically improve the production equipment and conveyor system. By monitoring real-time information, the Company will track energy consumption throughout the production process, compare energy performance against historical baselines, and evaluate the effectiveness of energy improvement initiatives.

5. Reductions in energy requirements of products and services

The Company currently lacks green energy equipment. To align with government green energy policies, we will assess the feasibility of installing solar photovoltaic or biomass energy generation facilities to generate electricity and reduce its reliance on purchased energy throughout its operations.

3.2 Water and effluents

3.2.1. Water resource related information

1. Interactions with water as a shared resource

The Company's main facilities are located in Xiaogang District, Kaohsiung City, and Zhushan Township, Nantou County. The main office is situated in Zhongzheng District, Taipei City. None of these areas face water resource pressure.

The Company's primary water source is tap water supplied by Taiwan Water Corporation. To meet the substantial water requirements for cleaning at livestock farms, a portion of groundwater is also utilized. Tap water and groundwater are used for production processes, cleaning, and domestic purposes. Due to the water scarcity issues caused by extreme weather, the Company recognizes that climate change leads to water resource reduction, and water conservation becomes critical, and implements strategies such as condensate recycling and the use of purified wastewater. By adjusting water resource management and adopting water-saving and wastewater recycling measures, we effectively mitigate the impact of water shortages.

To ensure the generated wastewater could be treated effectively and meet standards for collection or discharge, wastewater treatment facilities are installed at Morn Sun's livestock farm in Zhushan Town, Nantou County. The wastewater will be treated before discharge.

Water usage and wastewater treatment facility status across factories and main offices of the Company are as follows:

Factory		Tap water usage	Groundwater usage	Condensate recycling	Wastewater treatment facilities
1	Taipei Main Office	v	None	None	None
2	Kaohsiung Feed Mill	v	None	v	None
3	Zhushan Livestock Farm (Note)	v	v	None	v

Note: From 2025 onward, the scope includes the livestock farms leased from third parties (Maxing, Zhaoqing, and Shiquan).

2. Management of water discharge-related impacts

Wastewater from some factories (farms) is treated on site to meet the industrial park's collection requirements or national regulatory discharge standards before discharge. Wastewater sampling is conducted through the industrial park's joint wastewater treatment plant once or twice a month. Additionally, factories (farms) equipped with wastewater treatment facilities will appropriately treat the wastewater on site. External testing companies are entrusted to conduct wastewater sampling once or twice a year, and the wastewater will only be discharged after it meets the discharge standards. In case of abnormalities, emergency response procedures will be implemented according to the water pollution prevention and control permit document approved by the competent authority. This serves to prevent environmental impacts from discharges, and ensure all wastewater meets either the industrial park's wastewater collection standards, national regulatory requirements, or discharge standards of local environmental protection bureau.

Wastewater treated at factories equipped with wastewater treatment facilities is discharged into dedicated sewers connected to the industrial park's joint wastewater treatment plant, then treated by the industrial park treatment plant, and discharged into general effluent drainage channels. All wastewater discharged as described above complies with statutory collection and discharge standards.

Water quality testing data and results for each factory of the Company are as follows:

Factory		Discharge method	Industrial wastewater (2025) m ³	Test data								
				2023			2024			2025		
				SS (mg/L)	BOD (mg/L)	COD (mg/L)	SS (mg/L)	BOD (mg/L)	COD (mg/L)	SS (mg/L)	BOD (mg/L)	COD (mg/L)
1	Taipei Main Office	☒ Collection ☐ Discharge	418.64	-	-	-	-	-	-	-	-	-
2	Kaohsiung Feed Mill	☒ Collection ☐ Discharge	451.00	25.25	0.00	145.00	15.23	0.00	109.60	16.13	0.00	147.5
3	Zhushan Livestock Farm	☐ Collection ☒ Discharge	39,190.20	109.31	63.17	397.17	96.00	67.00	479.50	100.00	62.15	426.50
	Average for leased farms (Note 1)	☐ Collection ☒ Discharge	13,098.01	-	-	-	-	-	-	124.00	68.17	493.33
Collection and discharge standards (Note 2)				SS (mg/L)	BOD (mg/L)	COD (mg/L)	SS (mg/L)	BOD (mg/L)	COD (mg/L)	SS (mg/L)	BOD (mg/L)	COD (mg/L)
Kaohsiung Feed Mill: Standards of Linhai				240	240	480	240	240	480	240	240	480

Industrial Park									
Environmental laws and regulations applicable to Zhushan Livestock Farm and leased farms	150	80	600	150	80	600	150	80	600

Note 1: From 2025 onward, the scope includes the livestock farms leased from third parties (Maxing, Zhaoqing, and Shiquan).

Note 2: Wastewater testing results for the Company's Kaohsiung Feed Mill, Zhushan Livestock Farm, and leased farms were all in compliance with applicable standards for sewerage discharge and wastewater discharge.

3. Water withdrawal

To meet production process, and general domestic needs, the Company utilizes tap water and some groundwater. Water consumption at each factory is shown in the table below.

Factory		2023 Water withdrawal (megaliters)			2024 Water withdrawal (megaliters)			2025 Water withdrawal (megaliters)			Area with water resource pressure
		Ground water	Tap water	Total water withdrawal	Ground water	Tap water	Total water withdrawal	Ground water	Tap water	Total water withdrawal	
1	Taipei Main Office	—	0.43	0.43	—	0.38	0.38	—	0.43	0.43	No
2	Kaohsiung Feed Mill	—	8.10	8.10	—	9.20	9.20	—	9.43	9.43	No
3	Zhushan Livestock Farm (Note)	Data incomplete, hence no statistics were compiled						52.81	6.54	59.35	No

Note: From 2025 onward, the scope includes the livestock farms leased from third parties (Maxing, Zhaoqing, and Shiquan). Groundwater is used due to the substantial water requirements for cleaning and sanitation during the livestock farming process.

4. Water discharge

After utilizing tap water or groundwater for production processes and general domestic use, wastewater generated by the Company, the Zhushan Livestock Farm, and leased farms undergoes treatment through wastewater treatment facilities before it is discharged. The Kaohsiung Feed Mill sends its wastewater to the industrial park's wastewater treatment plant, while the Zhushan Livestock Farm treats its wastewater through a dedicated treatment process before discharge.

The wastewater discharge status for each factory of the Company in 2025 is as follows:

2025			
Factory		Water discharge (megaliters)	Discharge method
1	Taipei Main Office	0.42 (Note 2)	☐ Surface water ☒ Wastewater treatment plant (Taipei City Government)
2	Kaohsiung Feed Mill	0.45	☐ Surface water ☒ Wastewater treatment plant (Industrial Park)
3	Zhushan Livestock Farm (Note 1)	52.29	☒ Surface water (treated and discharged) ☐ Wastewater treatment plant
Total water discharge (megaliters)		53.16	

Note 1: From 2025 onward, the scope includes the livestock farms leased from third parties (Maxing, Zhaoqing, and Shiquan).

Note 2: Obtained through estimates and calculations

5. Water consumption

The Kaohsiung Feed Mill has installed condensate storage tanks to recycle and reuse condensate water. Soybeans and corn absorb water during the steaming process, which contributes to the higher water consumption at the Kaohsiung plant.

The water consumption for each factory of the Company in 2025 is as follows:

2025				
Factory		Total water withdrawal (megaliters)	Total water discharge (megaliters)	Total water consumption (megaliters)
1	Taipei Main Office	0.43	0.42	0.01
2	Kaohsiung Feed Mill	9.43	0.45	8.38
3	Zhushan Livestock Farm (Note)	59.35	52.29	7.06
Total		69.21	53.16	16.05

Note: From 2025 onward, the scope includes the livestock farms leased from third parties (Maxing, Zhaoqing, and Shiquan).

3.3 Waste management

3.3.1. Waste-related information

1. Waste generation and significant waste-related impacts

To effectively manage waste, the Company sorts and stores waste at designated locations within each factory. Certain wastes are contracted to qualified waste disposal agencies approved by environmental authorities for removal, and contract reuse or treatment is also considered. The waste types in each factory of the Company are as follows:

Taipei Main Office	General industrial waste (e.g., office paper waste, discarded office supplies, household waste, etc.)
Kaohsiung Feed Mill	General industrial waste (e.g., raw material packaging bags, raw material plastic drums, waste pallets, scrapped equipment parts, etc.)
Zhushan Livestock Farm	General industrial waste (e.g., raw material packaging bags, raw material plastic drums, scrap iron plates, scrapped equipment parts, livestock manure, etc.)

2. Management of significant waste-related impacts

The Company maintains strict control over waste flow, carefully selects waste removal and treatment contractors, and ensures all waste undergoes lawful and proper disposal.

The Company's waste removal and treatment status in 2025 is as follows:

Unit: mt

2025											
Factory		Removal and treatment contractors									
		Waste PP bags (raw material packaging materials)	Waste plastic drums (raw material packaging materials)	Scrap wooden pallets	Scrap iron plates	Waste lubricants	Waste metal (non-hazardous)	Waste sludge	Livestock manure waste	General industrial waste (domestic garbage)	Others
1	Taipei Main Office	-	-	-	-	-	-	-	-	0.50	-
Removal and treatment contractors		-	-	-	-	-	-	-	-	Taipei City Sanitation Team	
2	Kaohsiung Feed Mill	5.25	0	3.30	-	-	-	-	-	14.62	-

Removal and treatment contractors	Wansheng Environmental Protection			-	-	-	-	-	Meihuayuan Environmental Protection	
3 Zhushan Livestock Farm	-	-	-	-	-	-	28	82	2	
Removal and treatment contractors	-	-	-	-	-	-	Provided to nearby agricultural land for use as fertilizer		Nine Join Environmental Protection Enterprise Co., Ltd.	

3. Waste generated

To understand the types and quantities of waste generated by the Company, waste data collection and statistics were conducted from 2023 to 2025, to assess actual conditions and implement effective management.

Factory	Waste type	2023 (mt)	2024 (mt)	2025 (mt)
Taipei Main Office	General industrial waste (domestic garbage)	0.46	0.50	0.50
	Other (please specify)	-	-	-
Kaohsiung Feed Mill	Waste PP bags (raw material packaging materials)	6.84	28.03	5.25
	Waste plastic drums (raw material packaging materials)	-	4.11	0
	Scrap wooden pallets	3.00	9.00	3.30
	Waste lubricants	-	-	-
	Waste metal (non-hazardous)	-	-	-
	General industrial waste (domestic garbage)	22.61	17.89	14.62
	Other (please specify)	-	-	-
Zhushan Livestock Farm (Note)	Waste sludge	-(No data available)	-(No data available)	28
	Livestock manure waste	-(No data available)	-(No data available)	82
	General industrial waste (domestic garbage)	-(No data available)	-(No data available)	2
	Other (please specify)	-(No data available)	-(No data available)	-

Note: The scope includes the livestock farms leased from third parties (Maxing, Zhaoqing, and Shiquan).

For factories generating waste sludge, the sludge will be removed by licensed contractors for subsequent reuse. General waste is transported by waste haulers to government-operated incinerators for incineration. All waste collection and treatment complies with regulatory requirements. Following solid-liquid separation, livestock manure waste is provided to nearby agricultural land for use as fertilizer.

4. Waste diverted from disposal

Waste disposal and transfer methods in 2025				
Factory	Waste type	2025		
	Disposal method	Reuse	Recycling	Others
Taipei Main Office	General industrial waste (domestic garbage)	X	X	X
	Other (please specify)	X	X	X
Kaohsiung Feed Mill	Waste PP bags (raw material packaging materials)	○	X	X
	Waste plastic drums (raw material packaging materials)	○	X	X
	Scrap wooden pallets	○	X	X
	Waste lubricants	X	X	X
	Waste metal (non-hazardous)	X	X	X
	General industrial waste (domestic garbage)	X	X	X
	Other (please specify)	X	X	X
Zhushan Livestock Farm	Waste sludge	○	X	X
	Livestock manure waste	○	X	X
	General industrial waste (domestic garbage)	X	X	X
	Other (please specify)	X	X	X

5. Waste directed to disposal

General domestic waste is collected and incinerated at incineration plants without recycling. Waste PP bags, waste plastic drums, scrap wooden pallets, and waste sludge are collected and transported by licensed waste disposal contractors and subsequently handled by licensed contractors for treatment and reuse.

3.4 Carbon emissions

3.4.1. Carbon emissions related information

As the world pays increasing attention to low-carbon emissions, and the low-carbon economy emerges as a development trend, enterprises must play a vital role in environmental risk management. To manage carbon emissions, the Company collects and analyzes carbon emission data to quantify its GHG emissions. In 2025, carbon emissions across the Company were collected and statistically analyzed under Scope 1, Scope 2, and Scope 3 categories. Based on these results, the Company will implement energy-saving and carbon reduction measures through installing solar energy equipment and optimizing production processes and office operations.

The 2025 carbon emissions status is as follows:

2025					
Category		Scope 1	Scope 2	Scope 3	Total GHG emissions
Factory		CO ₂ equivalent emissions			
1	Taipei Main Office	15.99	6.31	0.44	22.74
2	Kaohsiung Feed Mill	270.91	1,716.60	0.07	1,987.58
3	Animal Products Department (pigs and chickens)	5,875.36	752.18	0.04	6,627.58
Total		6,162.26	2,475.09	0.55	8,637.90

The 2024 carbon emissions status is as follows:

2024					
Category		Scope 1	Scope 2	Scope 3	Total GHG emissions
Factory		CO ₂ equivalent emissions			
1	Taipei Main Office	15.22	6.38	No data available	21.60
2	Kaohsiung Feed Mill	278.15	1,810.13	No data available	2,088.28
3	Animal Products Department (pigs and chickens)	No data available	No data available	No data available	No data available
Total		293.37	1,816.51	No data available	2,109.88

To understand the Company's greenhouse gas emission intensity, we calculate and track the intensity based on: Scope 1: Direct GHG emissions from raw materials and products; Scope 2: Indirect GHG emissions from purchased electricity, purchased energy, and other fossil fuel-derived energy sources; Scope 3: Other indirect GHG emissions associated with external activities, including raw material and product transportation, business travel and customer visits, product use, recycling, and waste disposal. The Company calculates and monitors GHG intensity based on the number of employees at the Taipei Main Office, production volume at the Kaohsiung Feed Mill, and sales volume of pigs and chickens from the Zhushan Livestock Farm, leased farms, and contract farming operations. The results serve as a reference for identifying and implementing energy-saving improvements.

Carbon emissions data collection and intensity in 2025

2025							
Category		Output (persons; metric tons; kg)	Scope 1	Scope 2	Scope 3	Total	CO2 intensity
Factory			Carbon dioxide emissions (CO ₂ equivalent)				
1	Taipei	12	15.99	6.31	0.44	22.74	1.895
2	Kaohsiung	100,231.5	270.91	1,716.60	0.07	1,987.58	0.0198
3	Zhushan	2,317,176.5	5,875.36	752.18	0.04	6,627.58	0.0029

Note: Energy-saving improvements implemented at the Kaohsiung Feed Mill in 2025 contributed to a decrease in energy intensity compared to 2024.

2024							
Category		Output (persons; metric tons)	Scope 1	Scope 2	Scope 3	Total	CO2 intensity
Factory			Carbon dioxide emissions (CO ₂ equivalent)				
1	Taipei	12	15.22	6.38	No data available	21.6	1.8
2	Kaohsiung	90,573.5	278.15	1,810.13	No data available	2,088.28	0.023
3	Zhushan	No data available					

3.4.2. Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

As a specialized poultry and livestock feed manufacturer, the Company has pursued sustainable development since its inception. In response to global warming and environmental changes, we are committed to achieving environmentally harmonious and sustainable growth. Our production processes minimize the generation of

environmentally harmful substances to eliminate pollution.

The Company does not generate emissions such as nitrogen oxides, volatile organic compounds, or particulate matter. The Kaohsiung Feed Mill is equipped with air pollution control devices, including baghouse dust collectors and scrubbers, all air pollutant monitoring values remain below environmental protection regulations.

3.5 Environment and health

Policies	1. Focusing on carbon reduction and resource conservation, we have established a net-zero carbon emissions target by 2050. 2. Established a robust environmental, safety, and health policy and pursues continuous improvement through ongoing ISO certification efforts.
Commitments	1. We promote energy-saving initiatives, set energy conservation and carbon reduction goals, and commit to achieving net-zero carbon emissions by 2050. 2. We attach importance to employee safety and health, and commit to providing a safe working environment.
Short-term targets	1. Conduct the greenhouse gas inventory in 2025. 2. Replace with energy-efficient equipment. 3. Aiming for zero workplace accidents, we actively promote employee safety and health awareness to ensure safety.
Medium- and long-term targets	1. Be sure to achieve the net-zero carbon emissions management goal by 2050. 2. Replace with energy-efficient equipment within the factory. 3. Conduct greenhouse gas inventories and assurance. 4. Achieve the ultimate objectives of zero occupational disasters, zero workplace accidents, and zero environmental pollution to maintain corporate sustainable development and fulfill corporate social responsibilities.
Specific strategies	1. Analyze the impact of environmental changes on the Company's operations. 2. Conduct annual greenhouse gas emission inventories. 3. Actively promote various environmental protection, energy conservation, and carbon reduction measures. 4. Replace with energy-efficient equipment year by year to reduce total greenhouse gas emissions and mitigate operational impacts. 5. Establish an environmental, health, and safety management system, conduct regular inspections to ensure compliance with relevant regulations, and guarantee adherence to requirements. 6. Foster an EHS corporate culture, allocate sufficient time and resources, and encourage employees and their representatives to participate in the implementation of the EHS management system.

Responsible department & appeal mechanism	Manager Lin, Management Department mornsunesg@morn-sun.com.tw
Evaluation mechanism	1. Evaluate the effectiveness and implementation status of the Company's energy management mechanisms and environmental protection, energy conservation, and carbon reduction measures. 2. Evaluate and analyze annual greenhouse gas emissions. 3. Conduct internal audits at least once annually, take timely corrective actions for nonconformities, and provide audit reports to relevant management units. 4. Compile statistics on the number of government-recorded incidents and disaster accident investigation reports. 5. Perform hazard identification and risk evaluation, and implement improvements based on risk levels. 6. Review the need to adjust management policies based on incidents occurring during the year and risk evaluation.

3.6 Climate change risk management and response

In recent years, climate change has led to environmental impacts from extreme weather events. Therefore, Morn Sun discloses its governance of climate-related risks and opportunities, actual and potential climate-related impacts, ways to identify, evaluate, and manage climate-related risks, and the metrics and targets used to evaluate and manage climate-related topics.

Through internal review and evaluation of climate change risks and response measures, identify potential crises and mitigate operational and financial impacts caused by climate change to enhance the climate resilience of the Company. Global warming has led to abnormal weather patterns, significantly increasing the risk of cargo damage. Furthermore, raw materials previously relied upon imports from the United States. To avoid supply disruptions and diversify sourcing, procurement has been shifted to other countries such as Brazil and Argentina.

Climate related risks

Risk evaluation	Short-term	Medium-term	Long-term
Transition risk	Greenhouse gas inventory Plastic reduction in packaging materials	Greenhouse gas reduction methods Product carbon footprint Increased carbon reduction costs	Internal carbon pricing Export carbon tax imposition

Physical risk	Transportation disruptions, cargo losses Impact on employee attendance	Impact on imported raw material supply and price	Rising temperatures increase energy consumption for logistics air conditioning and reduce raw material availability
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Climate-related financial impacts

Risk evaluation	Financial impact
Extreme weather events (typhoons, floods, droughts)	Disrupted transportation of raw materials or products, leads to increased warehousing and shipping costs. Damage to factory facilities resulting in asset impairment. Loss of raw materials or products causing increased operating costs and reduced revenue.
Rising annual average temperature	Impact on cooling equipment operation. Reduced raw material supply. Increased energy consumption for logistics air conditioning, and electricity costs. Increased transportation costs.

Climate risk management and response measures

Risk management	Countermeasures
Raw material import	The raw materials required for our production primarily originate from overseas. Climate changes affect crop growth and harvests globally, thereby influencing price trends. Morn Sun will monitor regional climate changes and their impacts to effectively manage risks associated with raw material price volatility.
Feed formulation	Climate change may alter the composition of imported raw materials. Morn Sun possesses the expertise to adjust feed formulations for economic animals, balancing feeding costs with animal nutrition.

Chapter 4. Labor care and social relations

4.1 Employee-employer relations

4.1.1. Employee related information

The Company does not discriminate against employees on the basis of gender, race, nationality, or age. Guided by the principles of diversity and respect for workplace human rights, the Company provides equal opportunities for all employees. Through its comprehensive Employee Code of Conduct, the Company is committed to maintaining a healthy and safe working environment, prohibiting all forms of sexual harassment, violence, threats, and intimidation. The Company also provides equal opportunities for employment and career development and strives to place employees in positions that match their qualifications and capabilities.

As of Dec. 2025, the Company had 95 employees. Production in our factories is largely automated, resulting in a low proportion of on-site operating personnel. New entry-level employees on the production floor are predominantly male, while most female employees hold office administrative positions.

In 2025, 19 employees resigned, three more compared to the 16 resignations in 2024. When an employee submits a resignation application, the HR department confirms with the department supervisor and arranges an exit interview to understand the reasons for resignation and offer care and well-wishes. Where necessary, adjustments to job duties or resolution of personal factors are conducted to retain the employee.

List of new/resigned employees from 2023 to 2025

Analysis of employee entry and resignation		2023		2024		2025	
		Total (persons)	Ratio (%)	Total (persons)	Ratio (%)	Total (persons)	Ratio (%)
Number of employees for the year (total)		98	—	97	—	95	—
New employee							
By age group	Under 30 years old	7	7.14%	3	3.09%	9	9.47%
	Age 30-50	4	4.08%	12	12.37%	6	6.32%
	Over 50 years old	3	3.06%	0	0.00%	2	2.11%
By gender	Male	9	9.18%	10	10.31%	14	14.74%
	Female	5	5.10%	5	5.15%	3	3.16%

Departing employees							
By age group	Under 30 years old	5	5.10%	3	3.09%	4	4.21%
	Age 30-50	16	16.33%	8	8.25%	9	9.47%
	Over 50 years old	3	3.06%	5	5.15%	6	6.32%
By gender	Male	14	14.29%	12	12.37%	15	15.79%
	Female	10	10.20%	4	4.12%	4	4.21%

New hire ratio = total number of new hires / total number of employees at year end

Turnover ratio = total number of resignations/ total number of employees at year end

Workforce structure changes from 2023 to 2025

By gender, age, and local hiring ratio			2023		2024		2025	
			Head count	%	Head count	%	Head count	%
Corporate governance members (Including managers and above)	Gender	Male	19	79%	18	75%	17	71%
		Female	5	21%	6	25%	7	29%
	Age	Employees under 30 years old	0	0%	0	0	0	0%
		Employees aged 30-50 years old	9	38%	8	33%	6	25%
		Employees over 50 years old	15	62%	16	67%	18	75%
	Local hiring ratio		2	8%	2	8%	2	8%
Entry-level employees (Including section, management, and technical employees)	Gender	Male	28	38%	45	62%	45	64%
		Female	46	62%	28	38%	26	36%
	Age	Employees under 30 years old	8	11%	8	11%	13	19%
		Employees aged 30-50 years old	29	39%	33	45%	30	42%
		Employees over 50 years old	37	50%	32	44%	28	39%
	Local hiring ratio		19	26%	19	26%	17	24%

Note: The Company's operations encompass the Kaohsiung Factory in Xiaogang District, Kaohsiung City; the Taipei Main Office in Zhongzheng District, Taipei City; and the Livestock Farm in Zhushan Township, Nantou County. To fulfill corporate social responsibility, local hiring is prioritized in recruitment.

4.1.2. Employee benefits

Our remuneration package includes base salary, allowances, technical bonuses, perfect attendance awards, and vehicle subsidies. Salary adjustments, performance bonuses, and year-end bonuses are determined based on the performance evaluation results. Our remuneration exceeds the statutory minimum wage (Labor Standards Act) for entry-level employees, enabling them to work with peace of mind.

Furthermore, adhering to the principle of equal pay for equal work as stipulated in ILO Convention No. 100, our salaries are determined through comprehensive consideration of factors including job nature, performance evaluations, position, and seniority. No disparity in remuneration standards exists based on gender.

Furthermore, in accordance with Article 4 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the number of full-time employees not holding managerial positions (excluding managers) for the 2025 fiscal year is 85, the average salary is NT\$ 774 thousand, and the median salary is NT\$ 675 thousand.

Unit: NT\$ thousand

Disclosure of remuneration for full-time employees not holding managerial positions				
Item	2023	2024	2025	YoY change
Number of full-time employees	90	88	85	(3)
Total salary of full-time employees (NT\$ thousand)	59,717	65,077	65,827	750
Average salary of full-time employees (NT\$ thousand)	664	740	774	34
Median salary of full-time employees (NT\$ thousand)	579	649	675	26

Note: “Full-time employees not in managerial positions” refers to employees who are not managers as defined by Tai-Cai-Zheng-San-Zi Letter No. 920001301, and who are employed full-time with a continuous employment period of at least six months.

Compared to 2024, the Company's workforce decreased by three employees in 2025, while the total salaries, average salary, and median salary of full-time employees all increased. This reflects the Company's continued efforts to enhance employee well-being.

**Ratios of standard entry level wage by
gender compared to local minimum wage**

Year		Salary ratio					
		2023		2024		2025	
		Head count	Salary ratio	Head count	Salary ratio	Head count	Salary ratio
Supervisor level	Total salary	NT\$ 25,788 thousand		NT\$ 28,275 thousand		NT\$ 30,887 thousand	
	Male	19	0.79	18	0.80	17	0.74
	Female	5	0.21	6	0.20	7	0.26
Entry-level employees	Total salary	NT\$ 39,593 thousand		NT\$ 42,268 thousand		NT\$ 41,929 thousand	
	Male	28	0.61	45	0.61	45	0.62
	Female	46	0.39	28	0.39	26	0.38
Ratio of average monthly employee wages compared to local minimum wages (2025)							
Entry-level employees	Male	150% (=42,899/28,590)					
	Female	147% (=42,080/28,590)					

Note:

1. Employee standard salary: Base salary, allowances, technical bonuses, perfect attendance awards, meal allowances, vehicle subsidies, night shift allowances, etc.
2. Total remuneration: Employee standard salary plus year-end bonus and employee profit sharing.
3. Ministry of Labor Announcement: Monthly minimum wage in 2025: NT\$ 28,590.

4.1.3. Parental leave

In accordance with the Act on Gender Equality in Employment and the Regulations on the Implementation of Parental Leave, the Company encourages parents to jointly nurture their children's growth, and provides employees with opportunities to return to their positions, achieving a balance between family life and work responsibilities. To fulfill our responsibility in caring for employees, the Company welcomes and encourages employees who apply for parental leave to return to work and remain with the Company. All employees who applied for parental leave in 2023 and 2025 have returned to work and remained with the Company.

Parental leave statistics

Year	Employees taking parental leave or paternity leave		Employees utilizing parental leave		Employees who actually returned to work after completing parental leave		Employees still employed 12 months after returning from parental leave		Percentage of employees returning to work after parental leave		Percentage of employees still employed after parental leave	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2023	0	1	0	1	0	1	0	1	0%	100%	0%	100%
2024	0	0	0	0	0	0	0	0	0%	0%	0%	0%
2025	0	1	0	1	0	1	0	1	0%	100%	0%	100%

Note: 1. The return-to-work rate and retention rate for employees on parental leave in 2023 and 2025 were both 100%.

2. No employees took parental leave in 2024.

4.1.4. Childbirth incentive measures

To encourage employees to have children while fulfilling the Company's responsibility to support employee well-being, the Company implements childcare subsidies to alleviate financial burdens and foster a happy workplace and life for employees. For employees with children born on or after Jan. 1, 2022, a retroactive monthly subsidy of NT\$ 3,500 is provided. The subsidy period is three years, from Apr. 1, 2024, to Mar. 31, 2027.

4.2 Workplace health and safety

4.2.1. Occupational health and safety management system related information

In accordance with the occupational health and safety management system framework, the Company implements comprehensive safety and health management through the mechanism encompassing planning, execution, inspection, and improvement of safety and health, and fosters a safe and healthy work environment. Through a systematic and documented system, we actively conduct training to identify operational risks and regulatory compliance, propose risk control measures for high-risk items, incorporate into emergency response procedures or designate as special standard controls. Considering the factory's technical capabilities, costs, and impact levels, priority improvement targets are established within management plans. We hope to create a safe and healthy workplace environment, where all personnel can enjoy secure working conditions. Additionally, we proactively provide various protective measures and relevant warnings, striving to eliminate hazards and reduce risks.

The Company conducts hazard identification, risk and opportunity evaluation for all processes, activities, or services, in order to identify potential hazards associated with various operational activities, screen for high-risk items requiring immediate improvement according to procedures, develop relevant control measures based on risk characteristics, set targets, establish occupational safety and health management plans, and effectively mitigate operational risks.

The Company implements control measures in all operational procedures to prevent occupational accidents. Hazardous machinery and equipment used comply with regulatory requirements, and regular self-inspections are conducted to ensure safe operation.

If any hazardous incidents occur during operations, the Company adheres to the “Code of Conduct for Safety and Health” for incident investigation and resolution, and takes necessary corrective and preventive actions immediately. Through awareness programs and case studies, all employees across departments are informed of incident causes and required preventive measures to prevent recurrence of similar accidents.

4.2.2. Occupational health services/worker health promotion

The Company conducts triennial health examinations for all employees and foreign migrant workers in accordance with the Regulations Governing the Health Examination and Health Management. Based on the health examination results, professional physicians and medical staff provide consultations, offering sound health education and recommendations to examined employees.

In 2023, employee health examinations were conducted. For any abnormal findings, employees were advised to receive appropriate personal health services, guidance, or health consultations at medical institutions, and the Company conducted follow-up monitoring.

From 2024 to 2025, no employees required health examinations under regulations, so no examinations were conducted that year.

4.2.3. Worker participation, consultation, and communication on occupational health and safety

The Company holds monthly meetings as required by law to deliberate and coordinate matters related to occupational safety and health, in order to safeguard the workers' rights and interests and allow labor opinions to be fully expressed. The function of these meetings is to deliberate, coordinate, and make recommendations on matters related to labor safety and health. The meeting primarily reviews occupational safety and health items, tracks past work-related injury incidents and annual health examination results, and proposes review and improvement measures to reduce accidents and enhance operational safety for employees in the workplace.

Relevant occupational safety and health regulations are promoted to enhance safety and health awareness and concepts, ensuring workers strictly adhere to safety and health regulations during operations and properly use protective equipment. Safety and health personnel conduct unscheduled safety and health audits.

The Company convened 12 meetings in 2025 to discuss occupational safety and health issues. Based on the discussion results, each department implemented resolutions to improve or enhance safety and health management.

4.2.4. Worker training on occupational health and safety

To enhance individual professional competence and the Company's occupational safety and health performance, the Company has established the “Education and Training Management Procedure” and scheduled an annual training plan. On-the-job training is provided based on the professional competency requirements of field operations, enabling employees to cultivate correct and safe work attitudes. In addition to basic occupational safety and health management certificates, operational supervisors, equipment operators, and other professional competencies, specialized training is arranged according to different operational tasks to obtain necessary qualification certificates.

4.2.5. Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

To safeguard employee safety and health, the Company establishes safety operation guidelines for hazardous equipment used in production activities for on-site operational personnel to follow. Dust collection equipment is installed in areas where localized dust generation occurs. In zones where noise exceeds permissible standards, warning signs are posted, and earplugs are distributed to colleagues for protection. Occupational safety and health personnel conduct unscheduled inspections and urge improvements to safeguard the safety and health of on-site workers.

4.2.6. Workers covered by an occupational health and safety management system in 2025

The Company cooperates in the safety and health inspections required by the local government where the Company is located, monitors and controls the number of personnel within the factory, discloses relevant information based on internal audits, and conducts effective supervision and management.

Management system/ regulation	Inspection type	Head count	Ratio	Remark
Occupational Safety and Health Act	Internal audit	31	35.63%	Internal audits are conducted for the maintenance and servicing of forklifts and hazardous machinery/equipment. Currently, audits primarily target hazardous equipment, excluding non-hazardous equipment.
	Labor inspection	No labor inspection agency has conducted interviews or audits at our Kaohsiung Factory.		

4.2.7. Occupational injury and occupational disease related information

To eliminate hazards, reduce risks, and enhance workplace safety and health, preventing occupational accidents is a key company objective. The Company experienced no workplace safety incidents from 2023 to 2025. Should any occur, the Company immediately investigates and implements corrective measures to prevent recurrence.

At our operational sites, protective equipment is provided for employees working in hazardous areas. Employee health examinations are also conducted. Based on the usage of protective equipment and the results of health examinations, no employees have suffered from occupational diseases.

Employees/non-employees -- occupational injury and occupational disease statistics (I)

Statistics/Year		2023	2024	2025
Total working hours		180,831	183,301	180,189
Fatal accidents due to occupational injuries	Head count	0	0	0
	Ratio (%)	0.00%	0.00%	0.00%
Serious occupational injuries	Head count	0	0	0
	Ratio (%)	0.00%	0.00%	0.00%
Recordable occupational injuries	Head count	0	0	0
	Ratio	0.00%	0.00%	0.00%
Work-related ill health	Head count	0	0	0
	Ratio	0.00%	0.00%	0.00%
Recordable occupational diseases	Head count	0	0	0
	Ratio	0.00%	0.00%	0.00%

The Company experienced no work-related accidents from 2023 to 2025. We will continue to require employees to adhere to safety requirements and operating regulations to ensure safety during operation processes.

4.3 Education and training

4.3.1. Education and training-related information

1. Human resource development aligns with organizational evolution, government labor policies, relevant policies, strategies and education and training systems. Based on the budget plans for personnel recruitment, training, and development plans are established. Department heads submit annual training needs according to the actual needs by year-end, which the HR department compiles into an “Annual Education and Training Plan” for course implementation and talent cultivation.
2. In 2025, the Company organized both common training for all positions and specialized training by function according to the training system plan. The employee trainings reached 123 participants, with a total of 569 training hours.
3. Human resource requirements planned by department heads serve as the basis for developing employees' professional competencies and human resources. Beyond legally mandated certifications for air pollution control, fire prevention, first aid, boiler operation, energy management, and HACCP specialists, the Company also has occupational safety and health, forklift operation, and other relevant certifications.

The education and training system is as follows:

Position		Common training	Management competency development training by level	Professional training by function
Supervisory positions	Senior supervisors (manager/deputy manager level and above)	ISO 22000/HACCP system training	Senior Management Courses	On-the-Job Training (OJT)
	Middle supervisors (section chief/deputy chief)		Middle-supervisor Training Program (MTP)	
	Entry-level supervisors (Team leaders, management trainees)		Entry-level supervisor Training Program (TWI)	
Professional positions	Specialists	Safety, health, and environmental protection / Fire safety / Emergency response	Time management/project management	
	Engineers			
	Sales representatives			
Administrative positions	Employee			
	Assistants			
Technical positions	Technicians			
New hires	All employees	New employee orientation— ● Company profile and organizational introduction ● Work rules/personnel management regulations ● Quality management overview (ISO 22000/HACCP) ● Safety and health/environmental training ● Information security policy/personal data protection New employee mentoring program— ● Three-month on-the-job training ● Work and life mentoring and assistance		

Average training hours for supervisors and employees from 2023 to 2025

Year		2023	2024	2025
Supervisory positions (hr/year)	Male	5.3	3.8	7.2
	Female	3.9	3.5	5.8
Professional positions (hr/year)	Male	2.7	2.6	2.5
	Female	2.4	2.7	2.4
Technical positions (hr/year)	Male	5.6	7.5	10.8
	Female	7.5	8.0	3.0

Note:

1. Supervisory positions include management training for senior, middle, and entry-level supervisors.
2. Professional positions include professional training for specialists, engineers, etc., aimed at enhancing job-specific competencies.
3. Technical positions include technical training for entry-level employees, such as equipment operation and regulatory certificates.
4. Training hours for supervisory positions increased in 2025 compared to 2024, mainly due to their participation in overseas study visits and training programs. The Company also encourages technical employees to undertake professional training provided by external institutions, contributing to an increase in training hours in 2025 compared to 2024.

Education and training courses in 2025

Position category	Training course name	Training course hours	Number of participants
Supervisory positions	Legal Liability for Misrepresentation of Sustainability Information	3	1
	Sustainability Report Analysis and Information Audit Practices	6	1
	Using Generative AI for Cross-Disciplinary Creative Collaboration in Audit Activities	3	1
	2025 ITM Pig Reproduction and Farm Biosecurity Technology Study	30	1
	Guidelines on Workplace Sexual Harassment Prevention, Complaint Procedures, and Disciplinary Measures	3	16
	Beyond Legal Compliance: Rethinking Ethical Responsibilities in Internal Auditing	3	1
	European Poultry Conference and Cargill R&D	36	1

	Center Visit		
	HACCP Continuing Education	8	2
	Focused Auditing of Operational Systems and Cross-Cycle and Process Integration	6	1
	Information Environment Auditing and Understanding Carbon Footprints	6	1
	In-Service Master's Degree Program in Technology Management	60	1
	2025 Seminar on Technological Innovation in the Upstream and Downstream Feed Industry Supply Chain	6	1
	Seminar on Egg Washing and Sorting, Food and Agriculture, and Food Safety	6	1
	Corporate Fraud Prevention: Common Cases and Key Considerations for Internal Controls	3	1
	2025 Labor Standards Act Compliance Promotion Seminar	3	1
	Sustainability Report Analysis and Information Audit Practices	6	1
	Applying Big Data to Enhance Internal Audit Activities	6	1
	Continuing Education Program for Accounting Managers of Issuers, Securities Firms & Stock Exchanges	12	1
	Special Seminar on Operational Audit Practices in the Manufacturing Industry	3	1
	Common Deficiencies in IT Internal Control Audits for TWSE- and TPEx-Listed Companies	3	1
	2025 Feed Quality, Hygiene, and Safety Training Course	3	2
	Director and corporate governance officer-related courses	6	11
Professional positions	Granule Quality Management and Packaging Quality Management	2	6
	Warehouse Management	2	5
	Packaging, Shipping, Quality Management, and Inventory Check	2	10
	HACCP Awareness Promotion	2	7
	Feed Recycling Control and Uniformity	2	5

	Operations		
	Overview of the Hazards Associated with Noise Exposure and Preventive Measures	3	27
	CCP Point Operator Training Program	3	7
Technical positions	First aid personnel refresher course	3	1
	Forklift operator refresher course	3	3
	Manufacturing Occupational Hazard Prevention Promotion Meeting in the Industrial Park	3	1
	Level B technician for boiler operation refresher course	3	1
	Level B technician for boiler operation safety and health education and training	50	1
	2025 Occupational Hazard Promotion Meeting	3	1
New hires	New Employee Education and Training	4	13

4.3.2. Programs for upgrading employee skills and transition assistance programs

The Company allocates funds for on-the-job supervisors and employees to participate in external academic courses, professional training, or continuing education during their employment to enhance position- or job-related capabilities.

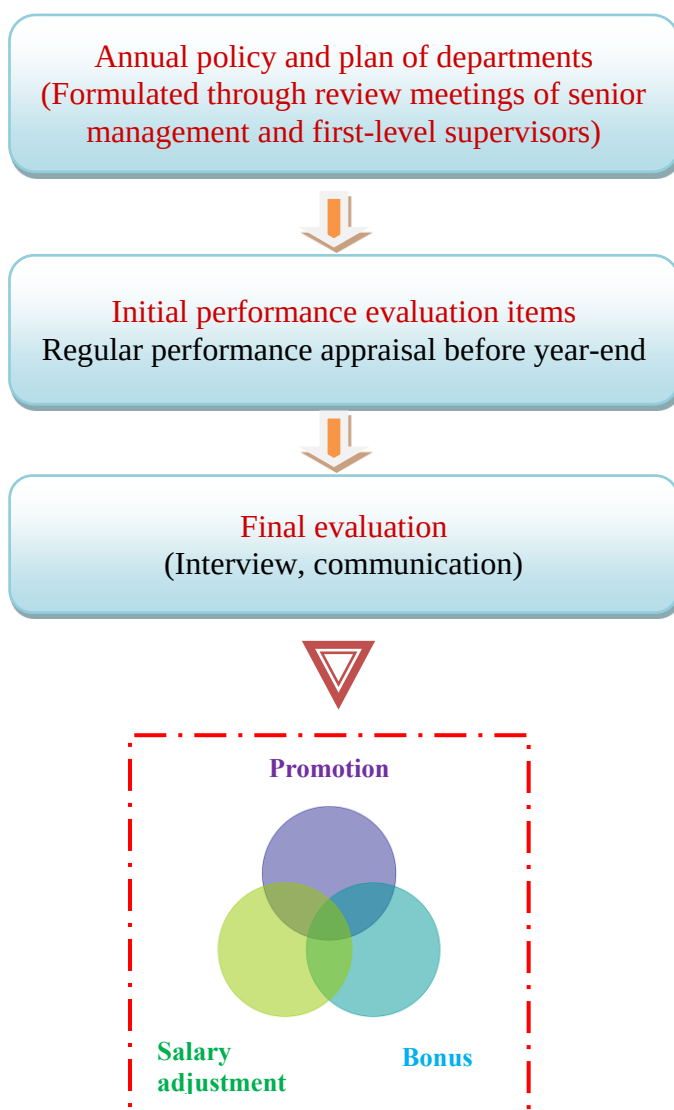
No.	Name	Content	Others
1	Supervisor/employee training subsidy program	The Company allocates funds as needed for supervisors or employees to pursue continuing education: 1. From 2021 to 2023, the Company subsidized two supervisors to pursue Executive Master of Business Administration (EMBA) programs at universities. 2. From 2025 to 2027, the Company subsidized one specialist from the Management Department to pursue continuing education through the in-service master's program in Technology Management (EMBA).	The Company will continue to allocate funds for professional competency training for supervisors or employees when necessary.

4.3.3. Percentage of employees receiving regular performance and career development reviews

The Company has established a performance appraisal system to evaluate the work performance of employees and confirm their job status.

1. In the fourth quarter of each year, the Company's management and department heads jointly establish the performance evaluation (KPI) framework for the following year, which provides the basis for subsequent employee performance assessments.
2. Department heads conduct annual performance assessments of employees who have been employed for at least three months, based on their performance and in accordance with the Company's regulations.
3. By the end of each year, the HR Department shall compile the “Supervisor (General) Personnel Evaluation Forms” from all departments, record and collect the employee performance scores, and submit them for superior review. These evaluations serve as the basis for future promotions, salary adjustments, and bonuses.

- **Performance Appraisal System Process**



Percentage of employees receiving regular performance and career development reviews

Employees reviewed in 2025		Number reviewed	Total number reviewed	%	Number promoted	Head count with salary adjustment
Supervisory positions	Male	17	24	79.20	2	17
	Female	7		20.80	2	7
General position	Male	42	67	38.00	0	42
	Female	25		62.00	0	25

Note: New employees with less than 3 months of service are excluded from performance evaluations. (As of the end of 2025, there were 5 new employees who were not subject to the review)

4.3.4. Salary adjustment incentives

To enhance employees' technical capabilities and ensure they acquire necessary skills through company-arranged training during employment, we encourage external training. Upon obtaining certifications, employees will receive salary adjustment incentives. In 2025, employees underwent external occupational safety and health training and obtained certification. The Company subsequently implemented salary adjustments and provided certification allowances for this employee. This initiative encourages employees to enhance professional competencies and ensures compliance with occupational safety and health/ environmental protection regulations.

Given the Company's good operating profit in 2024, the management decided to share profits with employees through a comprehensive salary increase effective in 2025.

4.3.5. Talent cultivation and development

Policies	Morn Sun promotes continuous learning and personal growth among all employees and is committed to comprehensive talent development. By helping employees enhance job-related skills and advance their careers, they can respond effectively to challenges arising from changes in the external environment, realize shared growth, and achieve a win-win outcome with the Company.
Commitments	Formulate education and training policies and implement training programs to enhance employees' key competencies.
Short-term targets	Arrange corresponding courses for employees to sustain their growth momentum. In 2025, a total of 569 learning hours were accumulated.
Medium- and long-term targets	The Company aims to improve employee retention and ensure that the competency requirements for each position align with its business development needs. In the long term, the Company will reinforce key competencies and establish a systematic competency development framework.
Specific strategies	1. Advancing holistic talent development: Develop employees' competencies across diverse dimensions and cultivate high-quality talent with strong analytical thinking, management, communication, and adaptability skills. 2. Developing a succession pipeline: Regularly assess employee potential, skills, and leadership capabilities to cultivate future successors. Establish comprehensive development plans, strengthen the talent pipeline for key positions, and utilize appropriate talent placement and incentive mechanisms to support shared growth between employees and the Company. 3. Fostering a high-quality workplace: Create an equitable, diverse, and friendly workplace that attracts and retains top talent, facilitating sustainable talent development and long-term growth for both employees and the Company.
Responsible department &	Section Chief Cai, Human Resources Department, Management Department

appeal mechanism	mornsunesg@morn-sun.com.tw
Evaluation mechanism	The effectiveness of training is evaluated through learning reports, certification attainment, performance tracking, and feedback. The Company reviews the evaluation results and makes corresponding adjustments to enhance the effectiveness of future training programs.

4.3.6. Defined benefit plan obligations and other retirement plans

Benefit plans

Upholding our commitment to employee care, the Company has established a welfare program, offering benefits such as travel expense subsidies, meal allowances, staff gatherings, profit-sharing, and childcare subsidies. The Company has established an Employee Welfare Committee, with employee-elected representatives discussing and planning annual welfare initiatives. The Company allocates a certain percentage of subsidy and submits the annual welfare plan to the competent authority for approval before implementing related employee benefits.

Benefit plan subsidy amount:

Employee benefit items	Benefit details	Subsidy amount in 2025 (NT\$ thousand)
Festival bonuses	Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival gifts, plus year-end raffle prizes	418
Employee trip	Domestic and international trips	660
Employee celebrations/condolences	Subsidies for weddings, funerals, and other significant life events	43
Academic scholarship subsidy for employees' children	Scholarship for outstanding academic performance	335
Childcare subsidy	Support for employees with children	116

Pension system

To ensure stable post-retirement living, the Company has established a “Supervisory Committee of Labor Retirement Reserve” in compliance with regulations to allocate retirement reserves for employees under the old retirement system. For employees choosing the new retirement system, contributions are made to the new labor retirement fund, alongside enrolling employees in labor insurance, health insurance, and other social insurance programs.

For employees under the old system, the Company makes full monthly contributions to the Labor Retirement Reserve Fund, which will be deposited into a dedicated retirement account at the Bank of Taiwan, and will review the fund's allocation and utilization to safeguard employees' rights and interests. For employees under the new system, monthly contributions of 6% are made to individual retirement accounts based on the employee's pension level.

Employees meeting statutory retirement conditions may submit retirement applications. Upon completion of procedures, those retaining old-system service years may receive old-system retirement benefits. Employees under the new system must reach age 60 to receive pensions from their individual accounts. In 2025, two employees applied for retirement and the Company provided the retirement benefits as required by law.

Labor-management agreement/meeting

Employees are the Company's most valuable asset, integral to its operational growth. We value employees' right to express opinions and provide open communication channels to foster positive labor-management relations and bridge the gap between employees and the Company. The Company regularly convenes labor-management meetings to discuss employee benefits and rights, fostering a sense of belonging among colleagues while ensuring they understand the Company's future operational direction and development strategies.

To safeguard the rights of both labor and management, labor-management meetings are held quarterly. Meeting members comprise representatives from both sides, with labor representatives elected internally by employees. Through these meetings, labor representatives can fully express opinions face-to-face, while senior management can promptly listen to employee concerns and communicate the Company operational updates. This establishes effective two-way communication, ensures all employees receive timely meeting information, strengthens labor-management relations, and safeguards employee rights. To date, labor-management relations remain harmonious with no major disputes occurring.

The Company held five labor-management meetings in 2025 as follows:

No.	Meeting date	Topic for discussion	Resolution
1	2025/02/25	Recruitment	The Company registered recruitment needs for production operators with the Employment Service Station of the Labor Affairs Bureau of Kaohsiung City Government.
2	2025/03/25	1. Promotion of the 2025 basic wage adjustment to NT\$ 28,590 and hourly wage adjustment to NT\$ 190. 2. Leave management. 3. Promotional items: Continue implementing the one fixed day off and one flexible rest day system.	1. Adjusted according to the announcement of the Ministry of Labor. 2. Employees who plan to [travel overseas] are required to submit a leave application for approval at least two weeks in advance and make appropriate arrangements for a designated work substitute during their absence. 3. To support stable factory operations and production efficiency, foreign workers' regular days off and rest days may be flexibly rotated between Saturdays and Sundays based on operational needs, helping to minimize disruptions to production and deliveries caused by temporary absences.
3	2025/6/23	1. Uniform salary adjustment in 2025. 2. Annual leave settlement.	1. In light of the soaring cost of living, to reward employees' efforts, balance wages with labor market supply and

			demand, enhance external competitiveness, and improve employee retention rates, a uniform salary adjustment was implemented in Apr. 2025. 2. Under Article 38 of the Labor Standards Act, the Company and employees have agreed to use a calendar-year basis for annual leave, with each leave year running from Jan. 1 to Dec. 31. Annual leave days are determined based on employees' length of service during the year. Unused annual leave at the end of the year is settled by payment in lieu of the unused days, with no carryover to the following year by mutual agreement.
4	2025/9/23	1. Leave and related matters during natural disasters such as typhoon. 2. Promotion of the convenient labor insurance “one-stop” service.	1. In accordance with the Guidelines for Labor Attendance Management and Wage Payment During Natural Disasters issued by the Ministry of Labor, the Company “does not provide wages for such leave; however, taking [natural disaster leave] does not result in any deduction from employees' perfect

			attendance bonuses.” 2. To simplify administrative procedures and facilitate access to services, the Bureau of Labor Insurance continues to collaborate with the Ministry of the Interior on the implementation of the “one-stop” service. When members of the public complete household registration procedures at a household registration office, they may simultaneously apply for labor insurance maternity benefits and family death benefits, completing the application process in a single step without submitting a separate written application by mail to the Bureau of Labor Insurance. This service streamlines administrative procedures and saves both postage and time.
5	2025/12/22	Guidelines on Workplace Sexual Harassment Prevention, Complaint Procedures, and Disciplinary Measures.	The Company provides dedicated telephone, fax, and email channels for filing sexual harassment grievances. Information regarding these reporting channels is prominently displayed in the workplace, and designated personnel or units are responsible for accepting,

			investigating, and handling sexual harassment grievances.
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4.3.7. Industry-academia cooperation

To cultivate talent, the Company engages in industry-academia collaborations with universities including National Pingtung University of Science and Technology, National Chiayi University, and National Ilan University. This fully demonstrates our commitment to giving back to institutions that nurture talent, fostering closer industry-academia cooperation in Taiwan. Over the years, the Company has utilized the technical resources of National Pingtung University of Science and Technology and National Chiayi University to obtain consultation and testing services related to the prevention and control of diseases affecting farmed animals in livestock farming operations.

4.4 Social participation

4.4.1. Community welfare

The Company regards social participation and assistance as vital to sustainable corporate operations. Consequently, it has long supported educational institutions, vulnerable groups in local communities, and non-profit organizations. Activities include community givebacks, care for vulnerable groups, educational institution sponsorships, and academic research. All engagements demonstrate Morn Sun's commitment to social participation.

In 2025, the Company implemented various community welfare initiatives as part of its commitment to corporate social responsibility and giving back to society. The Company's community welfare initiatives undertaken in 2025 are as follows:

Type	List of beneficiaries	Donation amount
Local communities and organizations	Guishe Banyue Local Sustainable Development Association, Chiayi County, Zhonghe Community Development Association, Zhushan Township, Nantou County, Laihui Community Development Association, Erlun Township, Yunlin County, Year-End Donation to Wenming Village, Xinzhuang District, New Taipei City, Charitable Donations to Baosheng Temple and Cihui Hall, Zhushan Township, Nantou County	117,000

Schools and educational institutions	Sponsorship Support for Jhonghe Elementary School, Nantou City, Sponsorship Support for the Parent-Teacher Association of Sijie Elementary School, Yilan County, Sponsorship Support for Wusha Junior High School, Yilan County, Community Contribution to National Taiwan University	503,000
Charitable organizations	Sponsorship Support for Yilan Wu Sha Culture Foundation, Taiwan Xianglong Evergreen Lohas Promotion Association, and Pingtung Christian Bethany Home	2,190,000
Others	Sponsorship Support for Poultry Association Republic of China and Dairy Association of Taiwan	25,000

Sustainability Report and GRI Standards Index

GRI2 General disclosures

GRI Standards	No.	Disclosure items	Corresponding chapter	Page no.	Remarks
The organization and its reporting practices	2-1	Organizational details	Company profile	16	
	2-2	Entities included in the organization's sustainability reporting	Company profile	16	
	2-3	Reporting period, frequency and contact point	About the report	5	
	2-4	Restatements of information	About the report	5	
	2-5	External assurance			Disclosed and confirmed by the Company, with no external assurance
Activities and workers	2-6	Activities, value chain, and other business relationships	Customer service	40	
			Supply chain management	46	
			Product liability	49	
	2-7	Employee	Employee-employer relations	73	
	2-8	Workers who are not employees	Supply chain management	46	
Governance	2-9	Governance structure and composition	Corporate governance	26	
	2-10	Nomination and selection of the highest governance body	Corporate governance	26	
	2-11	Chair of the highest governance body	Message from the	3	

			Chairman		
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate governance	26	
	2-13	Delegation of responsibility for managing impacts	Corporate governance	26	
	2-14	Role of the highest governance body in sustainability reporting	Corporate governance	26	
	2-15	Conflicts of interest	Integrity and ethics	53	
	2-16	Communication of critical concerns	Stakeholder engagement	7	
	2-17	Collective knowledge of the highest governance body	Corporate governance	26	
	2-18	Evaluation of the performance of the highest governance body	Operation performance	19	
	2-19	Remuneration policies	Corporate governance	26	
	2-20	Process to determine remuneration	Corporate governance	26	
	2-21	Annual total compensation ratio	Employee-Employer Relations	73	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Message from the Chairman	3	
	2-23	Policy commitments	Integrity and ethics	53	
	2-24	Embedding policy commitments	Integrity and ethics	53	
	2-25	Processes to remediate negative impacts	Risk management	54	
	2-26	Mechanisms for seeking advice and raising	Risk management	54	

		concerns			
	2-27	Compliance with laws and regulations	Compliance with laws and regulations	43	
	2-28	Membership associations	About Morn Sun	13	
Stakeholder engagement	2-29	Approach to stakeholder engagement	Stakeholder engagement	7	
	2-30	Collective bargaining agreements	Corporate governance	26	

GRI3 Material topics

GRI Standards	No.	Disclosure items	Corresponding chapter	Page no.	Remarks
Material topics	3-1	Process to determine material topics	Stakeholder engagement	7	
	3-2	List of material topics	Stakeholder engagement	7	
	3-3	Management of material topics	Stakeholder engagement	7	

GRI3 Material topics

GRI Standards	No.	Disclosure items	Corresponding chapter	Page no.	Remarks
Economic topics	201-1	Direct economic value generated and distributed	Operation performance	19	
	201-3	Defined benefit plan obligations and other retirement plans	Education and training	81	
	201-4	Financial assistance received from government	Operation performance	19	
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Employee-Employer Relations	73	
	202-2	Proportion of senior management hired from the local community	Employee-Employer Relations	73	
	204-1	Proportion of spending on local suppliers	Employee-Employer Relations	73	
	205-2	Communication and training about anti-corruption policies and procedures	Integrity and ethics	53	Code of conduct
	207-1	Approach to tax			Non-international company, not applicable
	207-2	Tax governance, control, and risk management			Non-international company, not applicable
Environmental topics	301-1	Materials used by weight or volume	Supply chain management	46	
	301-2	Recycled input materials used	Supply chain	46	

			management		
	301-3	Reclaimed products and their packaging materials	Supply chain management	46	
	302-1	Energy consumption within the organization	Energy management	41	
	302-2	Energy intensity	Energy management	41	
	302-3	Reduction of energy consumption	Energy management	41	
	303-3	Water withdrawal	Water and effluents	61	
	303-4	Water discharge	Water and effluents	61	
	303-5	Water consumption	Water and effluents	61	
	305-1	Direct (Scope 1) GHG emissions	Carbon emissions	68	
	305-2	Energy indirect (Scope 2) GHG emissions	Carbon emissions	68	
	305-4	GHG emissions intensity	Carbon emissions	68	
	305-5	Reduction of GHG emissions	Carbon emissions	68	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Carbon emissions	68	
	306-3	Waste generated	Waste management	65	
	306-4	Waste diverted from disposal	Waste management	65	
	306-5	Waste directed to disposal	Waste	65	

			management		
	308-1	New suppliers that were screened using environmental criteria	Supply chain management	46	
	308-2	Negative environmental impacts in the supply chain and actions taken	Supply chain management	46	
Social topics	401-1	New employee hires and employee turnover	Employee-Employer Relations	73	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee-Employer Relations	73	
	401-3	Parental leave	Employee-Employer Relations	73	
	403-1	Occupational health and safety management system	Workplace health and safety	77	
	403-2	Hazard identification, risk assessment, and incident investigation	Workplace health and safety	77	
	403-3	Occupational health services	Workplace health and safety	77	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Workplace health and safety	77	
	403-5	Worker training on occupational health and safety	Workplace health and safety	77	
	403-6	Promotion of worker health	Workplace health	77	

			and safety		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Workplace health and safety	77	
	403-8	Workers covered by an occupational health and safety management system	Workplace health and safety	77	
	403-9	Work-related injuries	Workplace health and safety	77	
	403-10	Work-related ill health	Workplace health and safety	77	
	404-1	Average hours of training per year per employee	Education and training	81	
	404-2	Programs for upgrading employee skills and transition assistance programs	Education and training	81	
	404-3	Percentage of employees receiving regular performance and career development reviews	Education and training	81	
	405-1	Diversity of governance bodies and employees	Employee-Employer Relations	73	
	405-2	Ratio of basic salary and remuneration of women to men	Employee-Employer Relations	73	
	406-1	Incidents of discrimination and corrective actions taken	Employee-Employer Relations	73	

	416-1	Assessment of the health and safety impacts of product and service categories			No violations during the 2025 reporting period
	416-2	Incidents of noncompliance concerning the health and safety impacts of products and services			No violations during the 2025 reporting period
	417-1	Requirements for product and service information and labeling			No violations during the 2025 reporting period
	417-2	Incidents of non-compliance concerning product and service information and labeling			No violations during the 2025 reporting period
	417-3	Incidents of non-compliance concerning marketing communications			No violations during the 2025 reporting period
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			No violations during the 2025 reporting period
	--	Promotion systems, employee well-being, employee privacy	Employee-Employer Relations	73	
	--	For example: social welfare activities, community development, social relations, etc.	Social participation	94	

SASB comparison table

Material topics	Standards	Disclosure indicators	Page no.
Greenhouse gas emissions	EM-MM-110a.1	Gross global Scope 1 GHG emissions	68-70
	EM-MM-110a.2	Description of long-term and short-term strategy to manage Scope 1 emissions, emission reduction targets, and analysis of performance against those targets	68-70
Air quality	EM-MM-120a.1	Air emissions of the following pollutants: (1) CO (2) NOx (excluding N2O) (3) SOx (4) Particulate Matter (PM10) (5) Hg (6) Pb (7) VOC	(1) CO 0 kg (2) NOx (excluding N2O) 0 kg (3) Sox 0 kg (4) Particulate Matter (PM10) 0 kg (5) Mercury (Hg) 0 kg (6) Lead (Pb) 0 kg (7) Volatile Organic Compounds (VOCs) 0 kg
Energy management	EM-MM-130a.1	(1) Total energy consumed (2) Percentage of grid electricity (3) Percentage of renewable energy	(1) Total energy consumed 32721.91 GJ (2) Percentage of grid electricity 0% (3) Percentage of renewable energy 0%
Water resource management	EM-MM-140a.1	(1) Total fresh water withdrawn, percentage in regions with High or Extremely High Baseline Water Stress (2) Total fresh water consumed, percentage in regions with High or Extremely High Baseline Water Stress	62-64
	EM-MM-140a.2	Violations of wastewater discharge regulations and quantity	43
Waste and hazardous	EM-MM-150a.1	Total weight of tailings waste, percentage recycled	Not applicable

materials management	EM-MM-150a.2	Total weight of mineral processing waste, percentage recycled	Not applicable
	EM-MM-150a.3	Number of tailings ponds classified as potentially hazardous by MSHA (mine identification number)	Not applicable
Ecological impacts	EM-MM-160a.1	Description of environmental management policies and practices	Not applicable
	EM-MM-160a.2	Percentage of mine sites where acid rock drainage is: (1) predicted to occur (2) actively mitigated (3) under treatment or remediation.	Not applicable
	EM-MM-160a.3	(1) Percentage of proven and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Not applicable
Human rights and community relations	EM-MM-210a.1	(1) Percentage of proven and (2) probable reserves in or near areas of conflict	Not applicable
	EM-MM-210a.2	(1) Percentage of proven and (2) probable reserves in or near indigenous land	Not applicable
	EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Not applicable
	EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Not applicable
	EM-MM-210b.2	Number and duration of non-technical delays	Not applicable
Labor practices	EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by Taiwan and foreign employees	No occurrences during the 2025 reporting period

	EM-MM-310a.2	Number and duration of strikes and lockouts	No occurrences during the 2025 reporting period
Employee health and safety	EM-MM-320a.1	(1) MSHA all incident rate (2) Fatality rate (3) Near miss frequency rate (NMFR) (4) Average hours of health, safety and emergency response training for full-time employees and contract employees	Not applicable
Business Ethics	EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	Not applicable
	EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perceptions Index	Morn Sun's production sites are in Taiwan, ranking 24th in the Corruption Perceptions Index