



2020

Hair O'right Corporate Sustainability Report





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About Our Corporate Sustainability Report

O'right's 2021 Corporate Sustainability Report marks our 8th annual report on sustainability topics with regard to environmental, social and governance (ESG) issues that are material to our stakeholders and to our business. This Report details our sustainability initiatives, performance and impact and focuses on activities in 2020.

The data and information disclosed within this Report focuses on the operational performance in 2020 of the parent company, O'right Green Headquarters, located in Longtan District, Taoyuan City, not including our subsidiaries in Shanghai and Japan. This Report highlights our current achievements in sustainability and details our progress towards a greener tomorrow. We remain future-focused, reflecting on the data and building on last year's progress to develop strategies that achieve positive change in the world and create a better future for people and for the planet.

This Report was planned jointly by our Chairman Steven Ko and CSR team and integrated and written by the Sustainability and Risk Management Department. We gathered important global economic, environmental and social issues. We identified 12 stakeholder groups and addressed the issues they consider material. This Report also includes information on biodiversity and environmental engagement and further elaborates on occupational safety and health issues, covering a total of 12 topics and corresponding to 10 standard disclosures included in the GRI sustainability reporting standards.

The purpose of this Report is to engage in constructive and productive dialogue with stakeholders in order to evolve our strategies to live up to stakeholders' expectations and move towards a greener tomorrow together.

Our Sustainability Reporting

The Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and externally assured by SGS Taiwan Limited (see Appendix 2 Third Party Guarantee Declaration).

Our Corporate Sustainability Report is published annually. Out of consideration for the environment, our latest and previous Reports are available for downloading and viewing on our website.

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Next issue: December 2022

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Letter from the Chairman

The natural environment as our stakeholder

O'right is not like other businesses. We consider the terrestrial and aquatic ecosystems as stakeholders. We achieve social and economic growth on the premise of delivering environmental benefits.

More respect for nature, less impact on the environment

In 2020, our Zero Carbon Year, we continue to measure the environmental impact of operations and maximize resource utilization. We achieved carbon neutrality across our organization, manufacturing operations and 77 products as verified by SGS. We also put a price on carbon to internalize our environmental cost.

Making a bigger difference through green products and services

We design product ingredients and packaging that fit into the biological and technical cycles. In our book, natural is biobased, and vice versa. We manage the greenhouse gas emissions associated with products, manufacturing operations and organization.

In 2020, we revolutionized the toothpaste industry with our groundbreaking green toothpaste – O'right Toothpaste N° Zero. Containing 100% biobased content and free from 6 chemicals, this innovative design was also announced the New Sustainable Product winner at the Sustainable Beauty Awards and awarded the Good Design Gold Award.

Guided by core values Green, Sustainability and Innovation, we aim to deliver products and services that respect the environment and society and stay true to our green DNA. It is our dream to make the world a greener place, which is why we made our slogan TogetherGreener.

Sustainability is more than a corporate responsibility. It offers new opportunities, builds competitive advantage and is crucial for business survival. A good design is simply not enough; companies should use the power of design to create a sustainable service, sustainable company and sustainable ecological chain.



Chairman of O'right





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A Sustainable Business



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1.1 About O'right

In 2018, we began to direct our strategy towards achieving our zero carbon goal by leading zero carbon initiatives guided by core values Green, Sustainability and Innovation. Ever since the birth of our first shampoo, we have been committed to product responsibility, social responsibility and environmental responsibility. We aspire to be great instead of big, taking giant leaps to make a big difference for the environment in our race to zero carbon and zero impact.

Our Common Future, also known as the Brundtland Report published by the United Nations World Commission in 1987, coined the term "sustainable development" and defined it as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Promoting this approach to sustainability has been at the heart of our guiding principles and values. The O'right logo, which represents our commitment to doing what's best for future generations and our planet, is proof that we have been on the right path since the very beginning of our green journey towards sustainable development.

The "O" in "O'right" symbolizes our vision of a beautiful, sustainable planet while "right" refers to doing the right thing for people, the society and environment.



● Figure 1-1 O'right logo

1.1.1 The Story

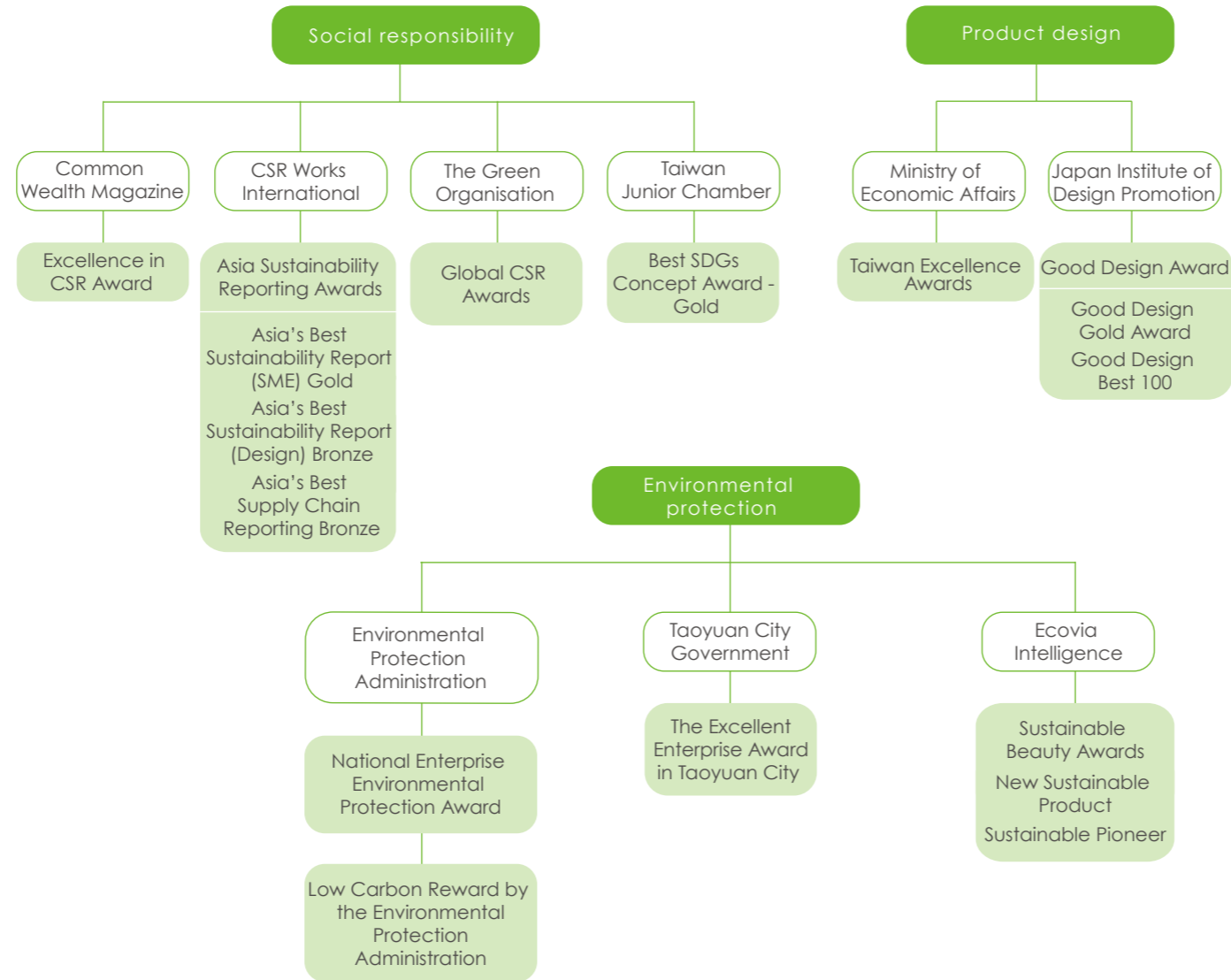
Hair O'right International Corporation was registered on August 28, 2001 and began operations the following year on March 8, International Women's Day. As a distributor of international brands at first, O'right realized that the hair care products manufactured by most companies are no different from chemical products in general.

In 2002, the same year in which O'right was established, Chairman of O'right, Steven Ko, grief-stricken over the death of his parents from kidney disease and cancer, and having grown up with allergies, vowed to take protective measures against exposure to chemical substances. His personal experience fueled his determination to transform O'right into a green company dedicated to developing hair care products containing natural plants and no harmful chemicals.



● Figure 1-2 O'right Green Headquarters is the first GMP certified gold-level green cosmetic plant in Asia and the first Diamond-level carbon footprint green building in Taiwan.

1.1.2 Awards and Accolades



● Figure 1-3 Awards and accolades of 2020



● Figure 1-4 Our first toothpaste was awarded with the New Sustainable Product and Good Design Gold Award

1.1.3 Corporate and Organizational Involvement

O'right is also fully aware of the importance of inter-industry collaborations in order to achieve sustainability. To adhere to our corporate philosophy of Natural, Pure and Eco-friendly, O'right plays an active role in various groups and organizations, incorporating corporate sustainability and earth's resources into associations in Taiwan to thoroughly achieve environmental protection practices.

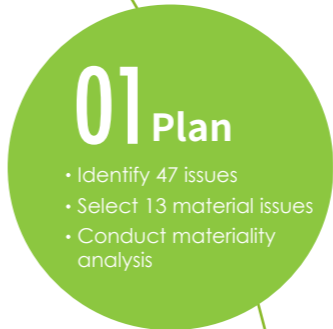
O'right may be best known to the world as a professional hair care brand, so what most people do not know is that we have always made it our responsibility to optimize the beauty salon industry and achieve sustainable development. In 2019, we started the Sustainable Salon Association with U-Fresh Technology and SGS Taiwan to help promote sustainable development in salons (or social/public spaces), meet Sustainable Development Goals, promote sustainable consumption and production, encourage a healthy, environmentally-conscious environment, promote renewable energy and contribute to the society. The aim and purpose of the association is to promote healthy, safe and green public spaces.



● Figure 1-5 The Sustainable Salon Association founded by O'right, U-Fresh Technology and SGS Taiwan

1.1.4 Stakeholder Engagement

The Green Council for Sustainable Development gets together every season to discuss environmental issues and the CSR Committee meets during the third season to discuss the need to reevaluate stakeholder concerns. Material aspects are also part of the meeting agenda.



● Figure 1-6 Stakeholder engagement process



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● Figure 1-7 Materiality analysis

Stakeholders' issues of concern were identified in the Green Council for Sustainable Development meeting held in 2020. Eight types of stakeholders were identified, including employees, consumers, channel customers, distributors, suppliers, subcontractors, shareholders and communities.

To ensure that our company development does not deviate from stakeholder expectations, we conducted a questionnaire survey for stakeholders to indicate their level of interest or concern in each sustainability issue as well as a materiality analysis to determine how each issue impacts our operations based on the 1,180 surveys distributed and 932 received and completed. A total of 13 material issues were identified and determined based on stakeholders' level of concern and the level of impact on company operations that scored above 6. The 13 material issues identified correspond to 17 GRI Standards as shown in Table 1-1. In response to the global impact of the COVID-19 pandemic, Cruelty-free and Biodiversity, Environmental Expenditure and Occupational Health and Safety has been included in the issues of concern, covering a total of 12 topics and corresponding to 10 standard disclosures from the GRI sustainability reporting standards (Table 1-1).

We proposed future strategies and actions in corresponding chapters as a response to the stakeholders' material concerns (Table 1-1). The engagement of the first 8 groups of stakeholders are outlined in Table 1-2.



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● Table 1-1 Issues of concern and its corresponding GRI standards

No.	Issues of Concern	GRI Standards	Corresponding Chapter	Importance to O'right	Strategy	Target	Responsive Actions	Results
A.	Impact of raw materials on the environment	308 Supplier environmental assessment	4.1	To minimize the environmental impact of our products, we build a strong supply chain that reflects O'right's core values Green, Sustainability and Innovation.	<ul style="list-style-type: none"> Reduce shipping carbon footprint. Create a green supply chain that is good for the society and environment. 	<ul style="list-style-type: none"> Increase the percentage of local raw material procurement to 90% by 2025. Increase the percentage of green raw material suppliers to 85% by 2030. 	<ul style="list-style-type: none"> Develop green raw materials locally sourced in Taiwan. Encourage suppliers to sign the Supplier Declaration on Corporate Social Responsibility Code of Conduct. 	<ul style="list-style-type: none"> Eighty-nine raw material suppliers have signed the Declaration.
B.	Local ingredient and raw material procurement	301 Materials	2.2 2.3 4.1	2020 is O'right's zero carbon year and we made reducing our shipping carbon emissions a priority. Additionally, developing ingredients locally also helps to gain competitive advantage and sustain business growth.	<ul style="list-style-type: none"> Guided by principles of Natural, Pure and Eco-friendly, we adopt clean production, aim towards earning USDA certification and develop products that are gluten-free, non-GMO and free from ingredients that are harmful to people and the environment. Establish strict standards on green ingredients and materials, maintain product formula and packaging quality with continuous improvement, design and develop products that are optimized for the biological or technical cycles under a circular economy mindset and enforce a reduce, reuse and recycle campaign. 	<ul style="list-style-type: none"> Earn the USDA Certified Biobased Product Label for 5 more products in 2021. Improve more than 3 packaging items with recyclable and remanufactured materials. 	<ul style="list-style-type: none"> Develop eco-friendly bottles made from recycled materials to reduce the use of natural resources and waste and pollution. 	<ul style="list-style-type: none"> Formula: Implement our 8 Free standard; as of 2020, 53 products and 2 ingredients have earned the USDA Certified Biobased Product Label. Packaging: Developed 100% renewable bottles in 2016; switch all bottles to renewable ones in 2018, which became certified by EuCertPlast (issued by Germany leading expert, Cyclos); developed the renewable pump in 2019.
C.	Water resource management	303 Water	2.1	Water scarcity is inextricably linked to climate crisis. The production of hair and skin care products require a lot of water. Therefore, improving our water management can help to maximize productivity.	<ul style="list-style-type: none"> Save water and reduce reliance on drinking water. 	<ul style="list-style-type: none"> Achieve zero liquid discharge by 2020 	<ul style="list-style-type: none"> Measure our water footprint, formulate a water resource management system and improve efficiency. Improve product formulas to reduce water consumption. 	<ul style="list-style-type: none"> Establish a water balance chart to manage our on-site water footprint.



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No.	Issues of Concern	GRI Standards	Corresponding Chapter	Importance to O'right	Strategy	Target	Responsive Actions	Results
D.	Effluents and waste	306 Effluents and waste	2.3	With zero carbon, zero impact as our goal, we view mitigating negative environmental impacts as a topic of high concern.	<ul style="list-style-type: none"> Adopt clean production guided by principles of Natural, Pure and Eco-friendly 	<ul style="list-style-type: none"> Reduce waste at the source and increase wastewater recycling rate to achieve zero liquid discharge. 	<ul style="list-style-type: none"> Adopt clean production and eliminate the use of ingredients that are harmful to people and the environment. Improve our shampoo preparation tank to significantly reduce water consumption. Improve product formulas to reduce water consumption. Adopt natural solutions to prevent water pollution. 	<ul style="list-style-type: none"> Industrial wastewater has a COD of below 50 mgO₂/L, reaching irrigation water quality standards. A total of 2,294 tons of wastewater discharge has been reduced so far.
E.	Cruelty-free and biodiversity	Self-declared	2.2	We respect all living things and strive to restore the balance with nature.	<ul style="list-style-type: none"> In addition to the cost of supplies and labor, we also take into consideration the social and ecological costs that our products bring. 	<ul style="list-style-type: none"> Offer cruelty-free products (no animal testing) and develop vegan products (no animal-derived ingredients). 	<ul style="list-style-type: none"> Promote alternatives to animal testing (cruelty-free methods) and develop animal-friendly, vegan products. Build a nature-inspired Green Headquarters to protect biodiversity and restore natural resources. 	<ul style="list-style-type: none"> All of our products have not been tested on animals since 2020 and we continue to develop vegan products free from animal-derived ingredients.
F.	Greenhouse gas emissions	305 Emissions	1.3 2.3	To effectively reduce the impact of extreme climate events on the economy, society and the environment, we monitor our greenhouse gas emissions and set energy-saving goals to reduce operational costs.	<ul style="list-style-type: none"> Reduce emissions and take responsibility for the emissions associated with our operations 	<ul style="list-style-type: none"> Establish a carbon reduction plan in 2020 with the aim to achieve net zero emissions. Achieve 50% electricity generation from renewable sources by 2022 and 100% by 2025. Minimize our business' Scope 2 emissions. 	<ul style="list-style-type: none"> Measure our annual greenhouse gas emissions and product carbon footprint, formulate a carbon reduction plan, achieve organizational and product carbon neutrality and set an internal price for carbon to serve as a useful decision-making tool. Investigate on-site energy use and aim to install renewable energy equipment. 	<ul style="list-style-type: none"> Achieved carbon neutrality across business operations and for 77 products across entire product portfolio.



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No.	Issues of Concern	GRI Standards	Corresponding Chapter	Importance to O'right	Strategy	Target	Responsive Actions	Results	
G.	Employer/employee relations	401 Employer/employee relations	3.1	Employees are a company's most important asset and are considered one of our key stakeholders. Maintaining great labor relations is a key indicator of business success.	<ul style="list-style-type: none"> Manage activities related to labor relations, facilitate employee-management communication, prevent labor conflicts and increase employee job satisfaction. 	<ul style="list-style-type: none"> Keep our turnover rate at below 3%. 	<ul style="list-style-type: none"> Implement a performance appraisal system in which employee job performance is rated by a direct manager; managers and employees discuss the past year's goals, review accomplishments and make future plans in order to reach the annual goal of the company. 	<ul style="list-style-type: none"> Establish a Labor Relations Committee in conformity with the Labor Standards Act and Regulations for Implementing Labor-Management Meeting. Initiate the Sowing the Seeds program where a new employee is assigned an onboarding buddy to help get them onboard with our company culture. 	
			3.2		<ul style="list-style-type: none"> Stay updated on market wage and national minimum wage. 	<ul style="list-style-type: none"> Offer a minimum of 3% pay increase per year. 	<ul style="list-style-type: none"> Review employees' annual performance to determine whether it merits a pay raise. Develop high-potential employees and provide a reasonable pay rate. 	<ul style="list-style-type: none"> Offer a minimum of 3% annual pay increase for 10 years. Adhere to our Promotions and Transfers Policy for staff development and improvement. 	
H.	Occupational health and safety	403 Occupational health and safety	3.4	Due to the impact of the COVID-19 pandemic, improving workplace health and safety can help to protect employees and enhance business operations.	<ul style="list-style-type: none"> Ensure a safe and healthy working environment for our employees, suppliers and subcontractors. 		<ul style="list-style-type: none"> Implement an employee health management program and adopt infection prevention and control strategies to reduce transmission among employees and maintain healthy business operations. Provide educational training, offer health lectures and implement health checks to promote employee health and wellbeing. Provide comprehensive health services to prevent occupational hazards and increase employee satisfaction. 	<ul style="list-style-type: none"> Implement the ISO 45001 standard for occupational health and safety as a tool to combat the impacts of worldwide pandemics and form a dedicated pandemic response team to prepare us from the impacts of global emergencies (e.g., pandemics) and minimize adverse effect on the health and safety of employees. Arrange for occupational health nurse practitioners to offer professional consultancy and services to improve the health, safety and well-being of employees and balance their body, mind and spirit. 	<ul style="list-style-type: none"> Implement programs designed to promote employee health and reduce the impact of the pandemic on the company. Achieve a Frequency Severity Indicator of 0, lower than the industry average 0.23. Complete 3 health courses, which were well-received by staff. Complete annual health checks.



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No.	Issues of Concern	GRI Standards	Corresponding Chapter	Importance to O'right	Strategy	Target	Responsive Actions	Results
I.	Customer health and safety	416 Customer health and safety	2.2 5.4	Safeguard the health and safety of customers with holistic green lifestyle solutions, which helps to increase customer satisfaction and repeat purchase rate.	<ul style="list-style-type: none"> Starting at the source to achieve sustainability and offer holistic green lifestyle solutions guided by principles of Natural, Pure and Eco-friendly 	<ul style="list-style-type: none"> Source sustainable ingredients instead of petrochemicals; in 2021, 5 more products earned the USDA Certified Biobased Product Label. Ensure the safety and efficacy of products in our TAF accredited laboratory and follow ISO 17025 standard every year. 	<ul style="list-style-type: none"> Deliver green products, green services, social value and biological value. Develop sustainably-sourced products that are free from ingredients that are harmful to people and the environment. 	<ul style="list-style-type: none"> Implement our 8 Free standard; As of 2020, 53 products and 2 ingredients have earned the USDA Certified Biobased Product Label. Comply with the ISO 17025 standard for 5 years.
J.	Product-led communication	417 Marketing and labeling	2.2 5.4	Ensure our products meet high quality standards and develop innovative green ingredients; therefore, effectively communicating with customers and providing product transparency is essential to building trust.	<ul style="list-style-type: none"> Every genuine O'right product comes with security features to protect consumer safety and safeguard our brand. 	<ul style="list-style-type: none"> Create a product authentication feature on our website by 2020 for consumers to verify the authenticity of our products. 	<ul style="list-style-type: none"> Attach security labels with anti-counterfeit codes to our product packaging to prove its origin and authenticity. Create a product authentication feature on our website to enable verification of the product. Hire professional legal specialists to protect our brand against counterfeiting and infringement. 	<ul style="list-style-type: none"> Every authentic product comes with a 21-digit security barcode to track the product along the supply chain to prevent counterfeiting. Create a product authentication feature on our website for consumers to verify the authenticity of our products. Our legal specialist investigate possible instances of counterfeiting and take legal action.



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No.	Issues of Concern	GRI Standards	Corresponding Chapter	Importance to O'right	Strategy	Target	Responsive Actions	Results
K.	Economic performance	201 Economic performance	1.4	Make sure investors and stakeholders are aware of the competitive advantages sustainable practices give us through our economic performance.	<ul style="list-style-type: none"> Minimize the economic risks stemming from climate change to keep our financial performance at an optimal level. 	<ul style="list-style-type: none"> Integrate the TCFD recommendations on climate and environmental risks into our overall risk management by 2022. 	<ul style="list-style-type: none"> Establish a cross-departmental team to organize book clubs and identify disclosures. 	<ul style="list-style-type: none"> Disclose climate-related practices of 2020 under the TCFD reporting framework.
M.	Environmental engagement; Environmental expenditure and investment	Self-declared	1.3	Since we began our transformation into a green brand in 2006, we exerted considerable efforts in environmental protection to show our determination to sustainability. In addition to economic performance, we also manage internal environmental expenditure and investment and externally disclose issues of concerns.	<ul style="list-style-type: none"> In addition to the cost of supplies and labor, we also take into consideration the social and ecological costs that our products bring. 	<ul style="list-style-type: none"> Calculate our annual environmental expenditures. 	<ul style="list-style-type: none"> Publish an environmental accounting report every year to disclose our expenditure on environmental protection. 	<ul style="list-style-type: none"> Green expenditures in 2020 include product research and development, laboratory upgrade and expansion, environmental activities, environmental maintenance and corporate sustainability report verification, accounting to NT\$98 million.



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● Table 1-2 Issues of concern and its corresponding GRI standards

Stakeholders	Issues of concern / expectations	Communication channels	Frequency	How we engage	Performance
Employees	g / c / f	Web portal / E-mail / Announcements / Telephone / Communication software	Ad hoc	Promote our efforts in environmental protection and sustainability through product development and manufacturing, corporate sustainability report and accolades.	Enhance employee identification with the company, increase employee engagement and promote our core values of sustainability as a team.
Consumers	g / c / e / h	Corporate website / E-mail / External documents / Telephone / Communication software	Ad hoc	Communicate our brand philosophy, products and product labelling.	Increase consumers' willingness to purchase and brand identity.
Customers	g / c / f / h	E-mail / External documents / Telephone / Communication software	Ad hoc	Promote our green vision, brand positioning and green values through our Concept Stores and use communication software and social media to communicate with customers. 1. We obtained organizational carbon neutrality and carbon neutrality for 9 of our products by SGS in 2019. 2. We aim to source 100% renewable energy across our operations by 2025.	Increase our green impact to communicate our commitment to sustainability and ensure customers buy into our corporate vision.
Distributors	f / d / h	E-mail / External documents / Telephone / Communication software / Distributor meeting	Ad hoc	Communicate our green values, promote marketing events and share international awards and certifications through social media and annual assessments.	Increase collaboration opportunities by creating a connection and a sense of belonging in distributors.
Suppliers	g / f / h / n	E-mail / External documents / Telephone / Communication software / Distributor meeting	Ad hoc	Provide information through our corporate sustainability report and It's O'right newsletter/e-paper and publications.	Increase suppliers' connection with the brand and promote our green supply chain.
Subcontractors	c / f / d / o	E-mail / External documents / Telephone / Communication software	Ad hoc	Send e-cards to stakeholders on special holidays while communicating our corporate sustainability actions or important milestones.	Increase subcontractors' connection with the brand and improve the quality of collaboration between O'right and subcontractors.
Shareholders & investors	g / c / h / n	Shareholders' meeting (annual general meeting) / E-mail / External documents / Telephone	Annually	Share status report of our corporate responsibility at the annual meetings	Better communicate our company message with shareholders and gain their long-term support.
Community residents	b / d / f / i / k	Corporate website / Social media sites / Forums / Visitation (Green Headquarters) / Communication software	Ad hoc	Promote our green practices via forums, visitation and community events.	Increase community identification with the company and create a friendly environment.

O'right Chairman Steven Ko and Green Council for Sustainable Development identified 12 stakeholders to communicate with, including employees, consumers, customers, distributors, suppliers, subcontractors, shareholders and investors, government, communities, non-governmental organizations, financial organizations and the media.

O'right Chairman Steven Ko and CSR Committee refer to the 5 attributes of stakeholder engagement standards, which includes dependency, responsibility, influence, diverse perspectives and tension, in the identification of stakeholders. Seven stakeholder categories have been identified, including employees, consumers, customers, distributors, suppliers, subcontractors and shareholders and investors. We engage the stakeholders in the 7 categories through communication channels and achieved results that are reported in the Report.



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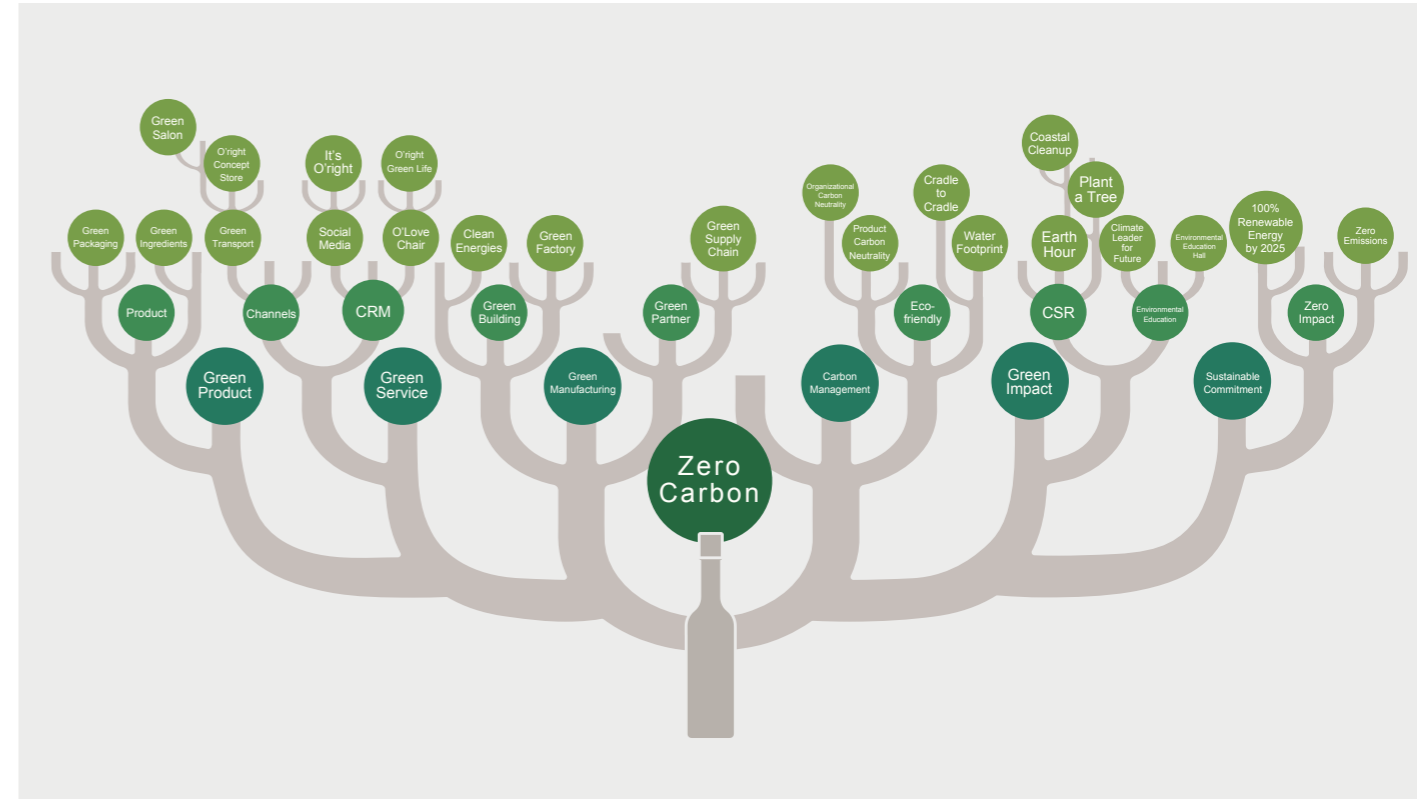
1.2 Philosophy & Policies

1.2.1 Green Innovative Planning

As the leading green beauty brand in Taiwan, Hair O'right International Corporation is the home to Asia's first GMP certified green cosmetics plant, which is certified to ISO 9001, ISO 22716, ISO 50001, ISO 14001, ISO 45001, ISO 14067 and Carbon Neutrality PAS 2060 by BSI. Our product manufacturing relies on renewable clean energies of solar and wind power, along with water recycling systems. O'right is one of the very few beauty manufacturers established in Taiwan that engages in green research and development, green design, green processing and creative marketing.

Since 2006, we began initiating a green innovative plan to fully promote green practices and concepts and become a social enterprise that is focused on creating green value. From the procurement, raw materials, design, production, delivery, usage and recycling of green products, we strive to create an eco-friendly environment for everyone and future generations to enjoy. We are fully against the use of harmful substances, and therefore our products do not contain endocrine disrupting chemicals, colorants and plasticizers. As a green advocator, we insist on using formulas that benefits human but also benefits the environment.

In 2018, we reframed our sustainability strategy to a zero carbon and zero impact one with the aim to reduce our business environmental footprint. Knowing what customers need is not enough, we have to think about the impact of our products on the environment as well.



● Figure 1-8 Zero carbon plan



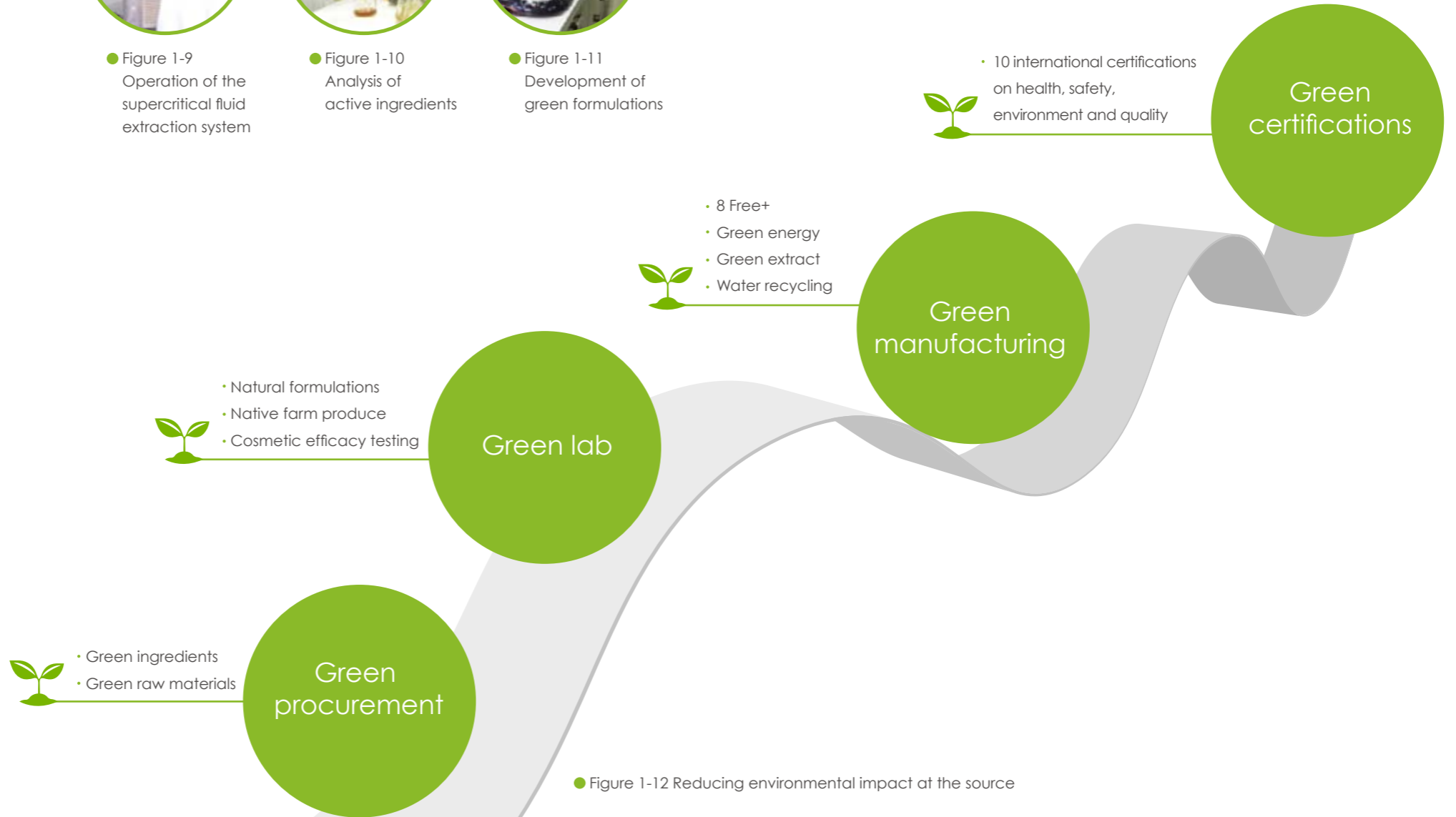
● Figure 1-9
Operation of the supercritical fluid extraction system



● Figure 1-10
Analysis of active ingredients



● Figure 1-11
Development of green formulations



● Figure 1-12 Reducing environmental impact at the source

1.2.2 Sustainable Policies

O'right's green policies include the following: "employee engagement, involvement and participation" means that each and every employee takes an active part and engages in environmentally friendly practices; "energy saving and carbon reduction" refers to the use of renewable resources to reduce waste and carbon emissions caused by product and marketing activities; "green innovation" refers to our commitment to constant innovation by using the world's most eco-friendly materials and developing low-carbon products and services; "environmental protection" refers to the promotion of eco-concepts through employee participation in activities related to environmental protection; "sustainability" refers to creating green value together.

O'right is governed by a green mission, vision and core values that guide our business. This year, we joined the RE100 campaign, a global initiative to reach the goal of 100% renewable electricity. We made a commitment to purchase 100% of the electricity we use from renewable sources by 2025. As such, we are committed to upholding the most rigorous eco-standards and concepts, from the design and facilities of our green building, eco-friendly policies to our green supply chain.

(1) Green Building Design and its Facilities

Designed according to the site's wind direction and built without any gates, fences or walls surrounding, O'right Green Headquarters is located 300m above sea level, where the temperature is 2°C cooler than low land areas. Abundant sunshine and wind make the Green Headquarters ideal for harnessing solar and wind energy for power generation. In 2012, our headquarters was certified with the EEWB Gold-level Green Building Label, meeting 7 green building indicators. In 2016, we were awarded the Green Factory Label and the Diamond-level Building Carbon Footprint Label. The design and facilities of our green building were all created and installed with the aim of co-existing in harmony with nature. We are committed to lessening the impact on the environment and restore natural resources. For more information on the design of O'right Green Headquarters, please refer to Chapter 2.

¹Led by The Climate Group in partnership with CDP and in collaboration with the International Renewable Energy Agency (IRENA) and others, RE100 is a global corporate leadership initiative bringing together the world's most influential companies committed to 100% renewable power. Apple, Google, Microsoft, Nike, IKEA, H&M, Nestlé, Philips and BMW are among the 122 members that are reshaping the energy market through their global investment decisions and accelerating a zero emissions economy.

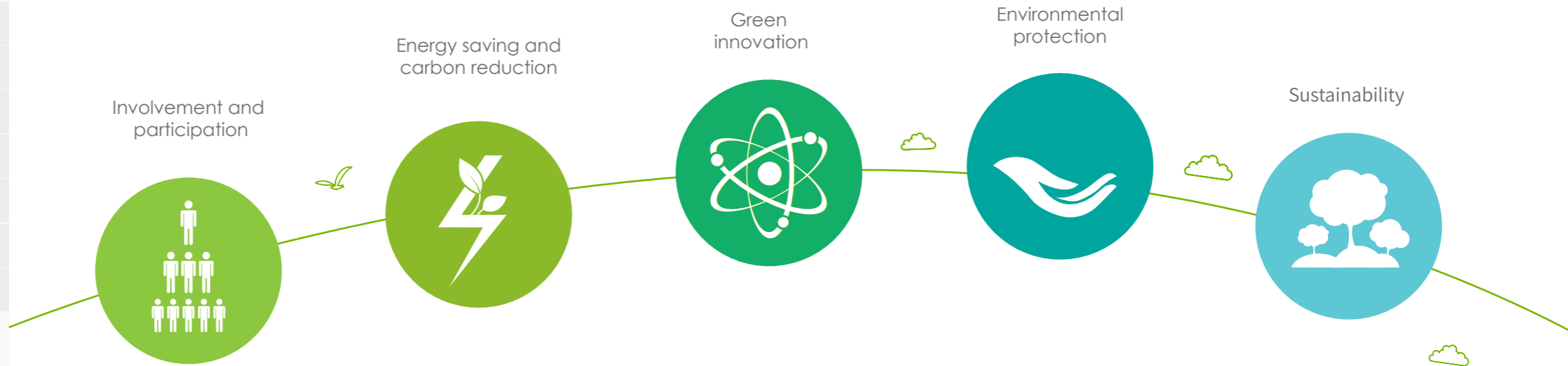


Figure 1-13 O'right sustainable policies



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(2) Green Accounting

In addition to the cost of supplies and labor, we also take into consideration the social and ecological costs that our products bring. In other words, aside from corporate, employee, client and stakeholder benefits, we place a bigger importance on social and ecological benefits. Our commitment to a better tomorrow can be seen in our environmental and social investments. We publish an environmental accounting report annually to track our greenhouse gas emissions and disclose environmental data.

In 2020, we spent approximately NT\$98 million on product research and development, laboratory renovations and construction, environmental activities, environmental maintenance and CSR report verifications.

From a financial viewpoint, these are all expenses; but if we look at these figures from an environmental and social point of view, they are investments worth every penny. As a green enterprise, we are making a difference, and that's what counts!

Note: Environmental accounting is also known as green accounting. It is a field that identifies resource use, measures and communicates costs of a company's economic impact on the environment. Green accounting allows companies to think beyond the economics they gave little consideration to in the past and to quickly assess how they can improve in the future. Since 2014, O'right has adopted green accounting to measure our company's environmental costs.

● Table 1-3 O'right's green investments of 2020 Unit: NTD (New Taiwan Dollars)

Items of expenditure	Capital expenditure	Current expenditure	Total
Operating ¹	0	2,136,211	2,136,211
Supply chain ²	0	84,311,807	84,311,807
Management ³	0	5,003,360	5,003,360
Research and development ⁴	0	5,137,412	5,137,412
Social ⁵	0	396,307	396,307
Remediation ⁶	0	0	0
Taxes and others ⁷	0	695,536	695,536
Total	0	97,680,633	97,680,633

Note:

¹Pollution prevention, global environmental protection and resource circulation

²Green procurement, resource recycling, product services from promoting environmental protection, packaging and containers from minimizing environmental impacts

³Environmental protection training, verification and certifications, environmental monitoring and measurements, handling of environmental impacts and environmental protection insurance

⁴Development of environmentally-friendly products, product sales and environmental impact assessments

⁵Protection of the natural environment and forests, donations to environmental charity events in communities, donations to environmental groups and announcements and promotions of environmental information

⁶Environmental solutions, compensations, reimbursements, punishments, lawsuits and the quality maintenance of living environment and urban landscape

⁷Air, soil and water pollution and other costs charged and collected by the government

(3) Green Policies

O'right always encourages an environmental conscious workplace in order to cultivate sustainable employees. For this purpose, the Green Council for Sustainable Development was established to raise environmental awareness among staff and encourage sustainable living. The resolutions adopted by the Council also serve as guidelines for the formulation of regulations by the administrative department.

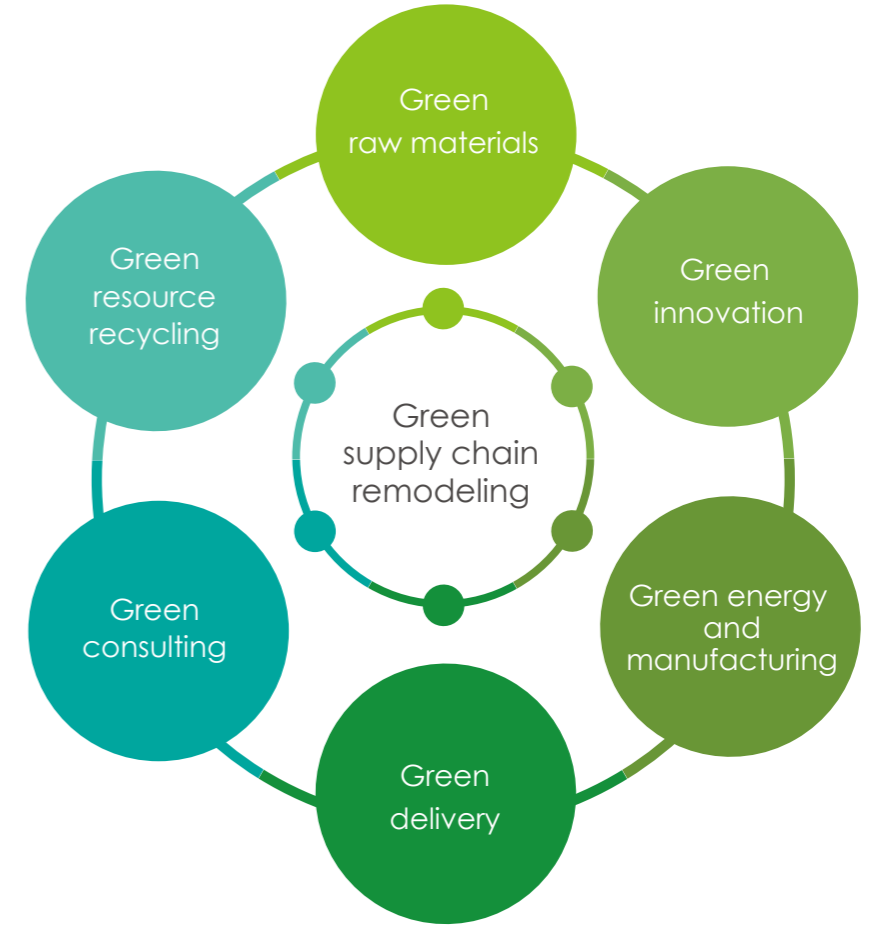
In addition to promoting environmental activities such as the adoption and planting of trees, we also encourage employees to bring their own cups and tableware and to carpool to work to lower carbon emissions. We also reduce paper consumption in the workplace by making use of electronic files. If printing is necessary, we select double-sided printing, reducing paper consumption by 50%. We use office supplies with green or energy labels. Moreover, we promote waste recycling and water and energy saving, encourage employees to take the stairs instead of the elevator and establish environmental education regulations in the Green Living Guidelines.

We encourage employees through educational training to think of ways that can help O'right achieve the Sustainable Development Goals (SDGs). We assign the task to teams composed of multi-disciplinary individuals with different functional expertise from different departments working toward a common goal to increase the level of creativity.

Driven by the common goal to achieve the SDGs and corporate sustainable development, we established 3 sustainability communities (task forces)—Environment (zero carbon), People (communication) and Society (charity). The communities each established a goal that aligns with corresponding SDGs, which are then served as a key foundation in our corporate governance and future development's decision-making process. (For more information, please refer to Chapter 1.3 O'right and the SDGs)

1.2.3 Green Supply Chain

O'right strives to reduce environmental impact in every way, from manufacturing to recycling. Our actions include replacing plastic made from petroleum with organic plastics, developing green innovative products, using green energy during green manufacturing process, implementing a low-carbon delivery system, assisting customers in green renovations and provide green consulting services and building a green resource recycling system. We save energy and reduce carbon, making sure to fulfill our corporate social responsibility to protect the earth. For more information on the green supply chain, please refer to Chapter 4.



● Figure 1-14 Energy saving and emission reducing actions

1.3 O'right and the SDGs

1.3.1 Associating Our Core Values with the SDGs

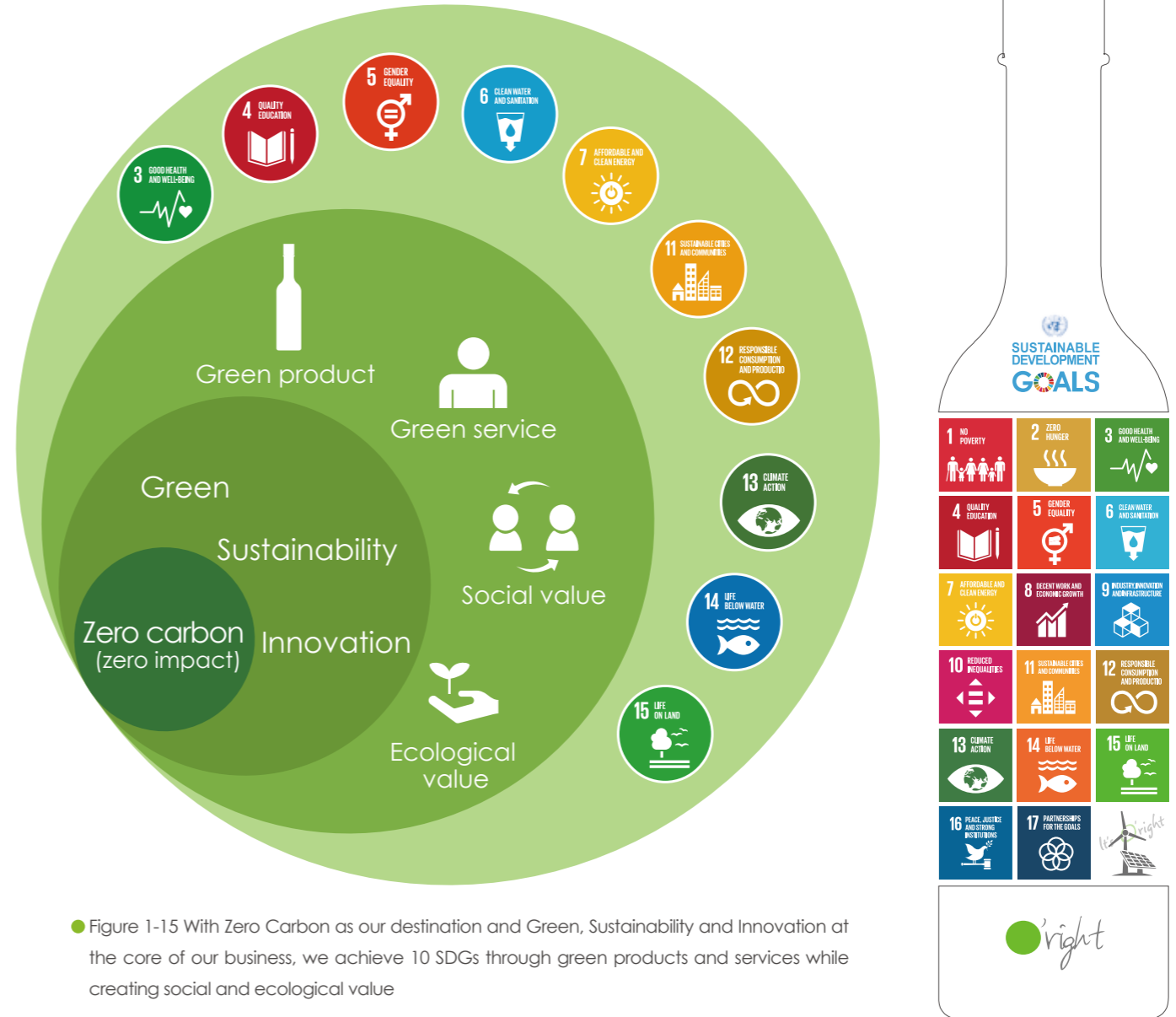
The UN's SDGs has become a common language for corporate reporting on societal issues. Countries, businesses and individuals recognize that the SDGs provide a framework for communicating progress in a globally-recognized language. This Chapter details O'right's efforts in achieving the goals and increasing our impact.

In 2018, we focus on 10 of the SDGs that align with our activities to scale up our green impact and become closer to achieving our visions for a greener tomorrow.

The SDG framework stimulates action on 5 key themes: people, planet, prosperity, peace and partnerships. Guided by our core values Green, Innovation and Sustainability, O'right strives to create green products, green services as well as social and ecological value.

1.3.2 Implementing the SDGs

As such, our efforts have already aligned with 14 goals and 31 targets (see Table 1-4 and Figure 1-16). We have chosen to focus on contributing to 10 of the SDGs (Figure 1-15).



● Figure 1-15 With Zero Carbon as our destination and Green, Sustainability and Innovation at the core of our business, we achieve 10 SDGs through green products and services while creating social and ecological value

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● Table 1-4 Our contributions to the SDGs

Social	Corresponding SDGs	Our actions
 <p>Green upgrade</p>		<ul style="list-style-type: none"> • Create economic value in agricultural products, earned INCI names for ingredients and develop products with clean energies and high tech extraction methods to promote sustainable consumption. • Equipped with a biosafety level 2 (BSL-2) laboratory accredited by TAF in 5 categories and became the first hair and skin care company in Taiwan to perform preservation efficacy testing in accordance with ISO 11930 standards.
 <p>Entry-level training</p>		<ul style="list-style-type: none"> • Make supervisors' work schedules public and share each department's weekly report to create a transparent work environment. • Establish task forces, also known as sustainability communities, to address sustainability issues with solutions.
 <p>Hazardous chemicals and deaths</p>		<ul style="list-style-type: none"> • Establish the Green Living Guidelines and prohibit smoking in the workplace. • Adopt steam sterilization • Promote the use of electric vehicles and provide free charging services to reduce carbon emissions. • Convert agricultural waste into materials with economic value and earn INCI names for ingredients. • Disclose the percentage of natural ingredients in our products and earn the USDA Certified Biobased Product Label with 100% biobased content. • Founded the Sustainable Salon Association to promote sustainable management in hair and beauty salons. • Established the Organic Plant Extraction R&D Center and collaborate with Academia Sinica, National Chung-Shan Institute of Science & Technology and Hungkuang University to develop green ingredients from agricultural products grown in Taiwan.

Social	Corresponding SDGs	Our actions
 <p>Water scarcity</p>		<ul style="list-style-type: none"> Established 3 water management systems and move towards achieving zero emissions by 2020 in our cosmetic plant. Organize Earth Hour, Plant a Tree and Coastal Cleanup events to raise environmental awareness and communicate our sustainability message through products. Pioneered the 8 Free initiative, opt for agricultural products instead of chemical-based ones and promote a healthier earth and healthier people with formulas that can be biodegraded in water in 28 days.
 <p>Road injuries and deaths</p>		<ul style="list-style-type: none"> Set up mobile offices and encourage mobile payment to reduce road injuries and transport emissions.
 <p>Global pandemic (COVID-19)</p>		<ul style="list-style-type: none"> Develop natural and pure resources to help fight the spread of COVID-19 without compromising the well-being of the environment.

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Social	Corresponding SDGs	Our actions
 <p data-bbox="964 608 1119 632">Gender inequality</p>		<ul data-bbox="1629 443 2553 533" style="list-style-type: none"> • Curate Hair Talk to raise awareness about women, empower women and promote gender equality. • Create a family leave policy superior to that provided for by the government to show appreciation for child care providers.
 <p data-bbox="964 983 1119 1007">Climate change</p>		<ul data-bbox="1629 667 2553 1070" style="list-style-type: none"> • Joined the RE100 initiative with a target of sourcing 100% renewable electricity by 2025. • Construct Asia's first GMP certified cosmetic plant, which has earned the EEWB Gold-level Green Building Label and Diamond-level Building Carbon Footprint Label. • Became the first beauty company to set a price on carbon, adding value to natural resources and factoring it into business operations. • Use renewable energy and high tech extraction methods and develop green, sustainable products. • Organize Earth Hour, Plant a Tree and Coastal Cleanup events to raise environmental awareness and communicate our sustainability message through products. • Attended exhibitions or gave speeches on green innovation and sustainable responsibility at numerous conferences, including the APEC SME Summit 2011, United Nations Sustainable Development summit 2013, Asia Carbon Footprint Network Seminar 2014, Cosmoprof Asia 2018, European Innovation Week 2018, Founder Said Annual Speech Conference 2018, Cosmoprof Bologna 2018/2019, CHINAPLAS 2019, Asia Sustainability Reporting Summit 2019 (by CSRWorks) and COP 25.
 <p data-bbox="848 1361 1236 1385">Lack of awareness on climate change</p>		<ul data-bbox="1629 1110 2553 1406" style="list-style-type: none"> • Welcome visitors to our Green Headquarters for a guided tour and insight into our sustainability values. • Organize Earth Hour, Plant a Tree and Coastal Cleanup events to raise environmental awareness and communicate our sustainability message through products. • Publish the It's O'right newsletter to keep readers up-to-date on the latest news and trends on sustainability and raise awareness about climate change. • Measure our carbon reduction achievements and encourage stakeholders to follow suit and make a green influence. • Inspire green thinking by incorporating our sustainable journey in school textbooks. • Initiate the Climate Leader program to encourage students to take climate action.

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Social	Corresponding SDGs	Our actions
 <p data-bbox="964 630 1117 651">Marine pollution</p>		<ul data-bbox="1629 391 2558 614" style="list-style-type: none"> • Designed the Re Office, giving new life to marine waste. • Organize Earth Hour, Plant a Tree and Coastal Cleanup events to raise environmental awareness and communicate our sustainability message through products. • Established 3 water management systems and move towards achieving zero wastewater discharge by 2020 in our cosmetic plant. • Developed the world's first renewable plastic shampoo bottle and renewable plastic pump and switched all shampoo, conditioner and body wash bottle into renewable ones.
 <p data-bbox="945 967 1139 987">Waste management</p>		<ul data-bbox="1629 740 2566 963" style="list-style-type: none"> • Introduce the world's first 100% renewable plastic bottle and pump, becoming the first company in Asia to receive the recyclability certification from Cyclos. • Establish a green supply chain system and procure 80-100% plant-sourced raw materials from suppliers with the aim to replace chemicals with agricultural goods and to reduce chemical waste. • Establish a green supply chain system and procure biodegradable, recyclable and renewable materials from suppliers with the aim to reduce waste. • Designed the Re Office, giving new life to marine waste.
 <p data-bbox="798 1300 1277 1321">Lack of environmental education in rural areas</p>		<ul data-bbox="1629 1169 2539 1217" style="list-style-type: none"> • Work with outside organizations to help underprivileged children in rural areas acquire knowledge on sustainability.



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1.3.3 Addressing key sustainability issues from targets

In 2020, the Green Council for Sustainable Development established 3 sustainability communities, Environment (zero carbon), People (communication) and Society (charity).

The community members review the 169 targets and address sustainability issues with the best solutions for our company. The communities each completed multiple projects in 2020, greatly improving our corporate governance quality.

a. Sustainability community—Environment (zero carbon)

The purpose of measuring our carbon footprint is to assess the environmental impact of our products. Zero carbon goes beyond zero carbon dioxide emissions, but also encompasses zero environmental impact. This sustainability community focuses on exploring and assessing our environmental impact.

This community selects Goals 6, 7, 11, 12 and 14 to provide guidance on how we can align our strategies and manage our contribution to the realization of the SDGs. Projects include enhancing green procurement system to ensure the quality of green ingredients and raw materials, optimizing the water balance chart to manage the quality of on-site water resources and proposing water conservation plans to reduce water use by 10%.

b. Sustainability community—People (communication)

This sustainability community communicates with stakeholders by putting ourselves in their shoes, accurately delivering messages across various media platforms to bring us closer to all of our stakeholders.

This community selects Goals 3, 4, 5, 11, 12 and 17 to provide guidance on how we can align our strategies and manage our contribution to the realization of the SDGs. Projects in 2020 include short videos to show gratitude for our stakeholders and supplier convention to give our suppliers a chance to know O'right better and to introduce them to our newly constructed Green Education Hall. In addition, we use interactive Q&A sessions to improve our communication with stakeholders.

c. Sustainability community—Society (charity)

This sustainability community interacts with social groups to promote environmental education and make a bigger green impact.

This community selects Goals 1, 2, 3, 4, 5, 8, 9, 10, 14, 16 and 17 to provide guidance on how we can align our strategies and manage our contribution to the realization of the SDGs. Projects include the Climate Leader program, which aims to cultivate environmental awareness among kids and help them develop sustainable habits that are likely to stick with them as they grow up and increase their influence. Many labor and material resources were used to make this program happen.



Sustainable Development Goals	Our actions ¹
SDGs 16	3,16,17
SDGs 17	16,19,37,38
SDGs 7	2,24,30,31
SDGs 8	13,29,34
SDGs 9	2,29,30
SDGs 11	15,25,29,33
SDGs 3	9,10,11,22,25,26,29,34
SDGs 4	7,8,18,19,20
SDGs 5	5,6,12,13,14,21
SDGs 12	18,19,27,36
SDGs 13	1,18,19,27,28
SDGs 14	19,33
SDGs 15	4,19,35

● Table 1-5 O'right board of directors

Chairmann/ CEO	Steven Ko
Directors	Development Cultural and Creative Value Investment Co., Ltd.
	Xin Zhi Yun Ting Investment Co., Ltd.
	Qing He Tang Cultural and Creative Co., Ltd.
	Li-ying, Ko
Supervisory members	Zhang Xiao-ling (Coco Chang)
	Jian-zhi, Lin

1.4.1 Corporate Governance

(1) Board of Directors

The board of directors plays an important role in overseeing business operations, disclosing important information, maximizing profits to shareholders, making decisions on capital expenditure, dividend reinvestment plans and dividend distribution. They review management's proposed corporate strategies and drive strategic change. The Chairman is responsible for approving decisions made by the board and managing the planning and execution of strategies, business, production and marketing and operating goals based on the decisions made.

O'right's board of directors consists of 5 directors and 2 supervisory board members (see Table 3), among which 2 are aged 30-50, and the remaining are over 50 years old; 43% of the board seats are held by women and 57% by men. In 2020, 7 meetings were held with an average attendance rate of 100%.

(2) Risk Management

We integrate risks and uncertainties into corporate strategic planning in accordance to various management systems and climate change conditions and develop relative response strategies. Risk sources can be affected by internal and external events or scenarios such as global trends, external suppliers, government regulations, customer preference and market trends. We develop control measures to move towards achieving our strategy and strategic objectives.



● Figure 1-17 O'right risk management flow chart



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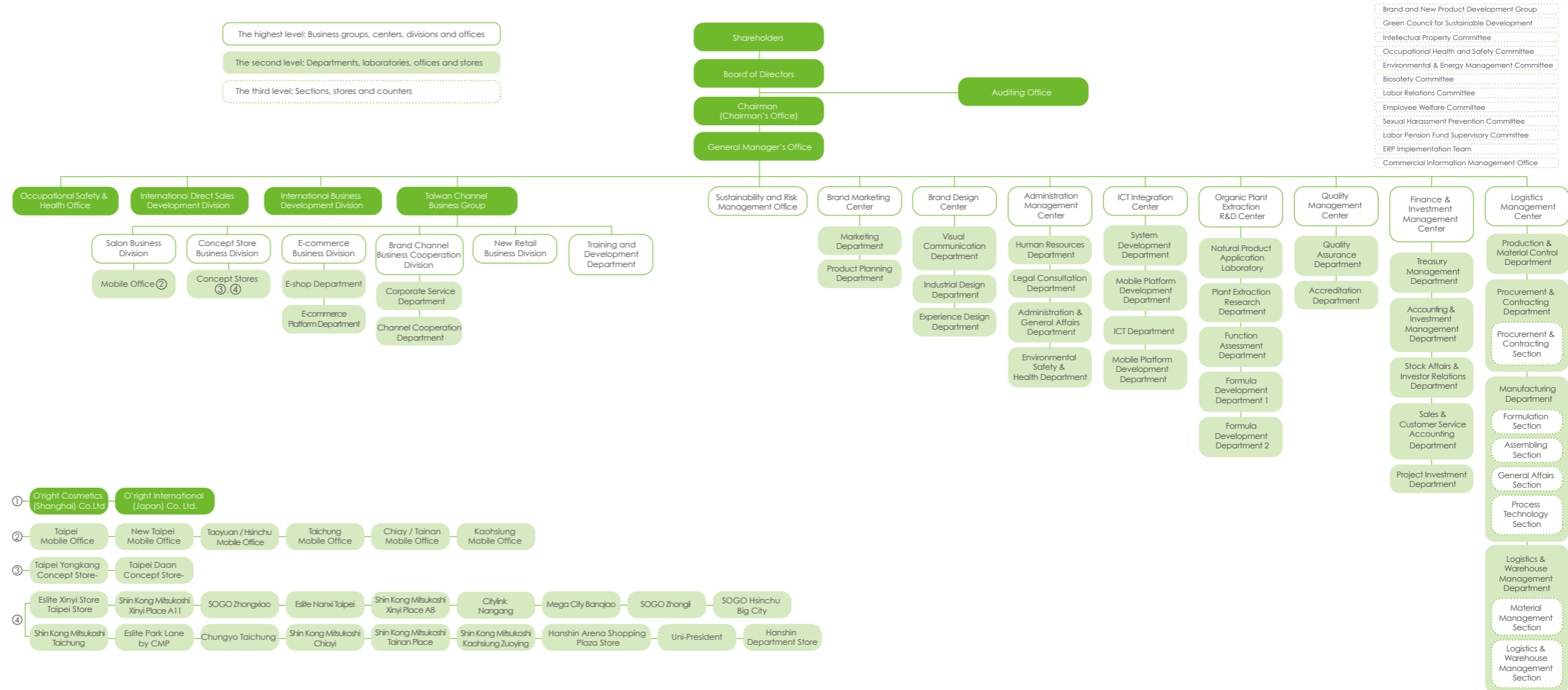
1.4.2 Composition of Company

(1) Organizational Structure

In 2014, we established the Internal Audit Unit responsible for our company's internal auditing. On August 8 and 12 of the same year, a Sexual Harassment Prevention Committee and Labor Relations Committee, respectively, were established. On November 1, the Biosafety Committee was formed. For more information on the committees, please see Table 1-6.

O'right's organizational hierarchy can be split into three levels: the highest level is comprised of 1 business group, 8 centers, 7 divisions and 3 offices; the second level is made

up of 34 departments, 6 mobile offices, 20 concept stores and 1 laboratory; the third level includes 7 sections. In addition, our company also has 10 groups and committees. See Figure 1-18 for O'right's company organizational chart of 2020.



● Figure 1-18 O'right organizational hierarchy of 2020



● Table 1-6 O'right groups and committees

Groups and committees	Relation	Date of establishment	Objective
Green Council for Sustainable Development	Organization related	2013/05/10	This committee consists of all heads of departments with the aim to gather valuable suggestions regarding sustainability and energy conservation and carbon reduction. For example, ways to source local raw materials and develop extraction technologies and ways to simplify manufacturing process and reduce waste in production.
Brand and New Product Development Group	Organization related	2009/06/22	This group is responsible for setting brand marketing strategies and the direction for product development.
Intellectual Property Committee	Organization related	2013/09/11	This committee was established with the aim to manage patent applications and copyrights and review and file patent applications requested by employees.
Occupational Health and Safety Committee	Labor related	2014/11/25	This committee was established in accordance with the Occupational Safety and Health Act to prevent occupational hazards and promote employee health and safety. In 2015, the committee officially changed its name to the Occupational and Environmental Health and Safety Committee with more than 1/3 of labor representatives.
Environmental & Energy Management Committee	Organization related	2013/12/04	This committee aims to ensure the implementation of energy efficient measures and achievement of energy saving goals.
Biosafety Committee	Organization related	2014/11/01	This committee aims to oversee the laboratory's biosafety program and planning to achieve self-management goals. The chairman is responsible for coordinating matters to ensure biosafety control measures and planning, inspection of infectious biological materials, management and training of laboratory personnel, disinfection and sterilization and emergency response procedures are properly executed. Safety and biosafety inspections should also be implemented on a regular basis. The first meeting was held in December of 2014 to discuss the establishment of the BSL-2 laboratory, which was expected to officially begin operating on the January 5, 2015.
* Labor Relations Committee	Organization related	2014/8/12	This committee aims to coordinate labor-management relations, promote cooperative relations, prevent labor disputes and encourage voluntary cooperation and partnership between labor and management. The policies are designed by representatives from both parties at regularly held meetings. The proposals are decided by the majority vote of the representatives present at the meetings. The representatives are directly elected by the entire staff.
* Employee Welfare Committee	Labor related	2009/01/01	This committee was established to optimize employee benefits and improve work efficiency and benefit policy, creating a workplace culture with mutually beneficial and reciprocal relationships between employees.
* Sexual Harassment Prevention Committee	Labor related	2014/08/08	This committee was established with the aim to provide a complaint mechanism to prevent sexual harassment and promote gender equality in the workplace. The representatives are directly elected by the entire staff.
* Labor Pension Fund Supervisory Committee	Labor related	2001/09/28	This committee was established to set up a labor pension fund scheme to provide retirement benefits and security after retirement as well as effectively utilize medium- to long-term funds in order to support major economic infrastructure plans.

*Committees that are considered mandatory by the government

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1.4.3 Climate Change Risk Assessment

Climate change is viewed as gray rhinos by the majority of businesses – a risk that is highly obvious, highly probable but still neglected. COVID-19, however, has taught the world a lesson that should remind us of the perils of ignoring gray rhino risks. It reminds us how vulnerable we are and how fragile life is, but it also makes us better at dealing with crisis and more resilient to crises in general.

Climate change has a devastating impact on human life and its effect will only continue to grow and worsen over time. We cannot expect to see improvement overnight, but we can try to slow down the process and minimize its impacts. At O'right, we assess the risks of climate change and use it to underpin adaptation actions.

(1) Global Environmental Policies

Each of the last 3 decades has been successively warmer at the earth's surface than any preceding decade since 1850, according to the IPCC. The period from 1983 to 2012 was likely the warmest 30-year period of the last 1,400 years in the northern hemisphere, where such assessment is possible.

With greenhouse gas emissions now higher than ever, sooner or later, countries have no choice but to consider introducing carbon tax to help reduce greenhouse gases that cause global warming. William D. Nordhaus, the Yale economist who shared the Nobel prize in economic sciences with Paul Romer, argued that instituting carbon taxes would work best to tackle the problem and curb global warming.

In 2020, O'right was validated as carbon neutral across our operations. Every year, we measure the carbon footprint associated with operations and products. We also implement carbon reduction plans to cut our carbon emissions and manufacture our products by verifying our carbon footprint and carbon neutrality on an annual basis. When governments worldwide begin to set a price that emitters must pay for each ton of greenhouse gas emissions they emit, O'right will be fully prepared.

During our carbon footprint inventories, we found that the amount of carbon emissions consumers emit is higher than that produced during the product manufacturing process. Thus, we set the following policy:

A. Cut our shipping emissions

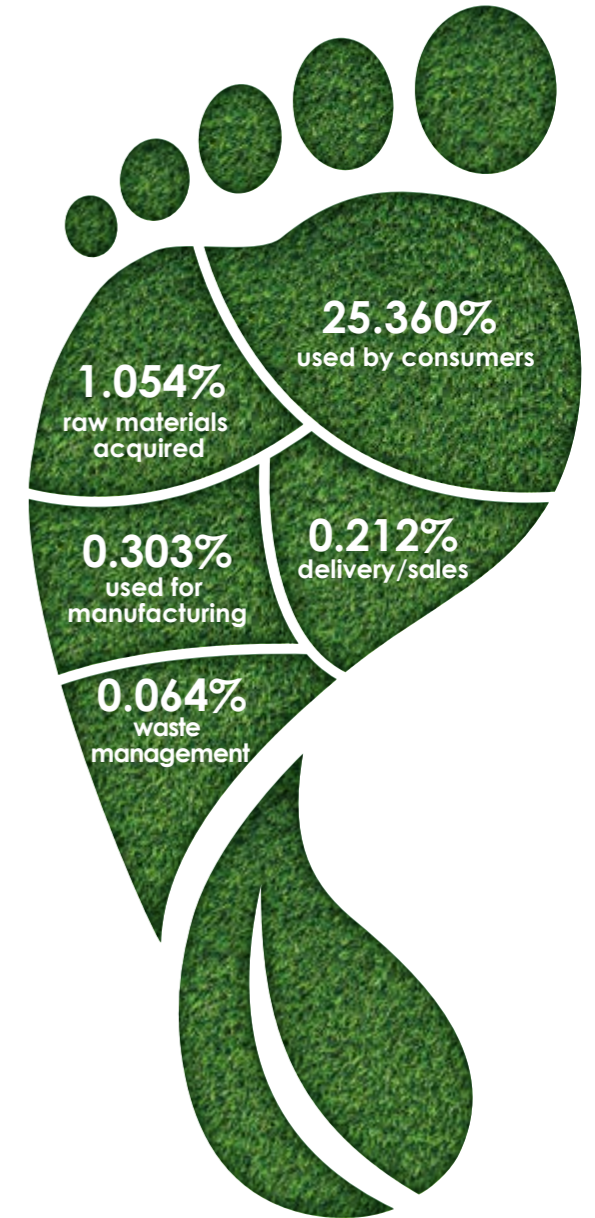
In efforts to cut carbon emissions, despite putting our orders at risk of being canceled, we set a high free shipping threshold of NT\$1,500 to encourage consumers to think before they place orders to reduce carbon footprint from shipping.

B. Cut our product carbon footprint

While other companies in the industry maximizing their profits and efficiency in product design, we are developing natural alternatives to synthetic ingredients and conducting efficacy testing to improve our formulations. Test results showed a significant difference in consumers' hair and skin and the time spent in blow drying their hair after using our improved formulations, thus reducing the emissions generated during use. In addition, we developed post-consumer recycled plastic bottles reprocessed from plastic waste that has been recycled, sorted, washed and remelted to reduce the need for virgin petrochemicals.

C. Join RE100

The government is amending the Renewable Energy Development Act to set a new goal of pushing the total energy capacity and accelerate renewable energy development. Leading the way in sustainable development, O'right recently joined RE100 and made the commitment to become the first company in Taiwan to use 100% renewable power by 2025.



● Figure 1-19 We manage greenhouse gas emissions from our operations every year to minimize our carbon dioxide emissions

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● Figure 1-20 O'right shampoo product bottles are all made from 100% post-consumer recycled materials

(2) Extreme Events and Climate Risk

Reduction

A. Calculate annual carbon footprint and implement carbon reduction plan

- Validated as carbon neutral for 77 of our products and throughout our organization in 2020. We also implement carbon reduction plans to cut emissions. Once laws and regulations worldwide begin to set a price on carbon, O'right will be ready.
- Set a free shipping threshold of NT\$1,500 to encourage planned consumption and reduce shipping/transport emissions.
- Launch exclusive offers on large size products to encourage consumers to buy large packages and to reduce shipping emissions.
- Choose recyclable, light air cushion packaging to reduce shipment's weight and carbon footprint.

B. Reduce carbon footprint produced by consumers

- While beauty manufacturers are maximizing the profits and performance/efficacy of products, we are searching for natural alternatives to synthetic ingredients.
- Conduct efficacy testing and experiments to improve formulations. In terms of the cleansing performance and time spent in blow drying, consumer satisfaction of the upgraded formulations greatly increased, thus reducing emissions generated during use.
- Develop 100% post-consumer recycled plastic bottles reprocessed from recycled consumer goods.

C. Minimize the impacts of energy scarcity

- The world is facing the rapid depletion of conventional energy sources. This, along with air pollution increasing energy costs, is sure to push nations worldwide to go green.
- In 2012, O'right Green Headquarters became a solar- and wind-powered building. In 2019, we installed solar panel systems with a capacity of 27.4 kW to lower the environmental impact of non-renewable energy sources.

Adaptation

A. Minimize the impact from sea-level rise, flooding and earthquakes

- O'right Green Headquarters is located in the mountainous area of Taoyuan's Longtan, which can mitigate the impact of rising seas.
- Red gravel soil is stable and has shown no signs of liquefaction. In the past 40 years, there have only been 2 earthquakes that measured over 4.0 on the Richter scale.
- Customer service and sales personnel are distributed across Taiwan and are therefore more likely to be affected by natural disasters. To protect the rights of the company and employees, we introduced the Mobile Office Plan that allows employees to work at places they find most convenient and not be restricted by transportation (see 1.4.5 for details).

B. Reduce the effects of drought and water shortage

- Calculate our water footprint to help us better understand our water-related impacts in the manufacturing process, which serves as a basis for formulating sustainable water strategies and policies.
- Equipped with 3 water recycling systems for the management of rainwater, reclaimed water and wastewater (see 2.1 for details) to reduce our reliance on tap water.
- Install mechanical foot pedal faucets to save 65.5% of water and mitigate the operational impacts of drought.

C. Reduce the impact of law amendments

- The government is currently amending the Renewable Energy Development Act and may set a new goal of pushing the total energy capacity and accelerate renewable energy development.
- Lead the way in sustainable development and joined RE100 to commit to become the first company in Taiwan to use 100% renewable power by 2025.



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1.4.4 Business and Management Operations

(1) Business Operating Conditions

O'right continues to experience a rise in its revenue every year, indicating a strong economic performance and proving that our green strategies have successfully earned the recognition of consumers (see Table 1-7 for further financial information). We have also attracted investments of up to NT\$183 million from outside investors such as CDIB CME Fund and CDIB Capital Group.

O'right is the first company in Taiwan to request outside investors to sign a corporate social responsibility declaration every year. In the future, outside investors will be asked to implement a socially responsible investing approach to put O'right's green power to good use.

● Table 1-7 O'right financial highlights (unit: thousand NTD)

Category	2018	2019	2020
Operating revenue (growth rate)	553,624 (+26.34%)	552,666 (-0.17%)	535,729 (-3.06%)
Cost of goods sold ¹ (growth rate)	469,719 (+21.91%)	484,992 (+3.25%)	461,907 (-4.76%)
Operating profit	83,905	67,673	73,822
Wage expense	177,877	174,357	180,498
Employee benefits	3,329	3,387	3,214
Government subsidies	<ul style="list-style-type: none"> • International Exhibition of Inventions Geneva – Bureau of Foreign Trade • Bureau of Foreign Trade – Importers and Exporters Association of Taipei • Mobile Payments Rewards Program – Phase 1 • Human Resource Improvement Plan 	<ul style="list-style-type: none"> • Cosmoprof Asia • Motor-driven Systems Subsidy Project – Bureau of Foreign Trade • Cosmoprof Bologna – Ministry of Economic Affairs • Mobile Payments Rewards Program – Phase 2 • Greenhouse Gas Management Fund Project • Taoyuan Youth Employment Reward • Multi-beneficiary Vocational Training Program • Ministry of Economic Affairs Industrial Development Bureau Electric Motorcycle Subsidy Incentive 	<ul style="list-style-type: none"> • Work Life Balance Award • Taoyuan Youth Employment Reward • Mobile Payments Rewards Program – Phase 3 • Greenhouse Gas Management Fund Project • One Touch – Phase 1 • Relief and Revitalization Measures for Businesses Affected by Severe Pneumonia with Novel Pathogens (April-June salaries) • Relief and Revitalization Measures for Businesses Affected by Severe Pneumonia with Novel Pathogens (operations)
Total assets	522,391	519,656	543,910
Retained earnings	86,579	74,179	94,878

Source: O'right financial statement ¹Fees for promotion, management and research and development



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Despite our company showing steady performance and maintaining profitability, 2020 was still not a peaceful year for the world. Brexit (the withdrawal of the United Kingdom from the European Union), China-United States trade war and COVID-19 were all factors that affected the global economy. As a result, in 2020, we experienced a 3.06% decline in revenue growth compared to that of the previous year. This year, our net income after tax (or net operating profit after tax), earnings per share (EPS), return on assets (ROA) and return on equity (ROE) were NT\$3.34, 13% and 22%, respectively (see Table 1-8 for details).

● Table 1-8 Financial analysis (Unit: Thousand NTD)

issue	Item	2018	2019	2020
Operating performance	Total assets	522,391	519,656	543,910
	Shareholders' equity	311,245	296,777	317,108
	Operating revenue	553,624	552,666	535,729
	Net income	71,937	52,403	67,978
Profitability	ROA	15%	10%	13%
	ROE	25%	17%	22%
	EPS	3.53	2.57	3.34

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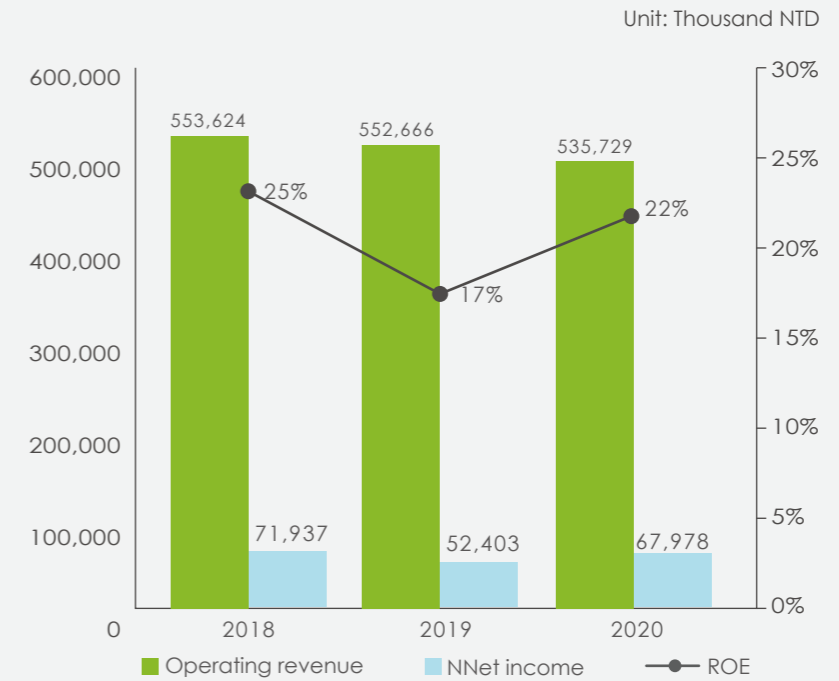
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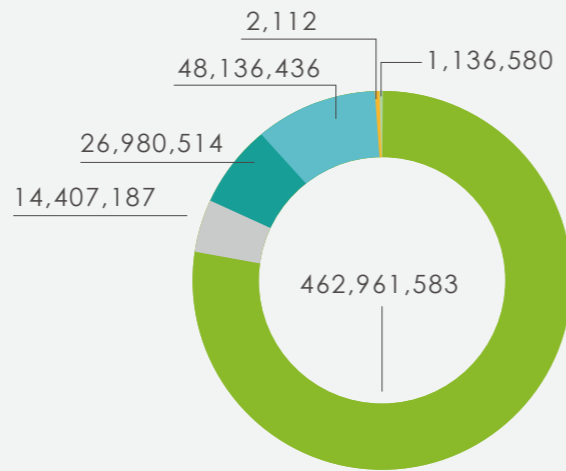


● Figure 1-21 O'right applauded as honest taxpayer by the 2020 Excellent Business Award



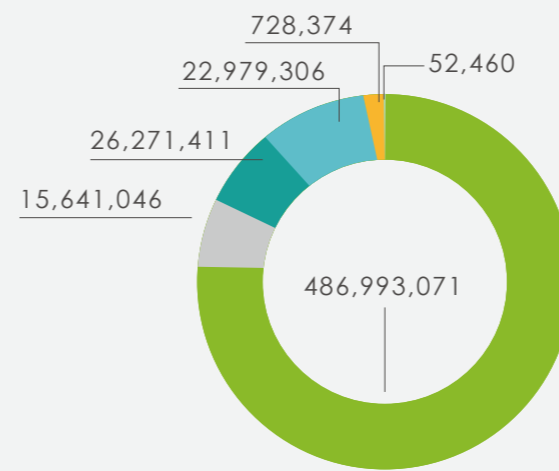
● Figure 1-22 Financial analysis

Unit: Thousand NTD



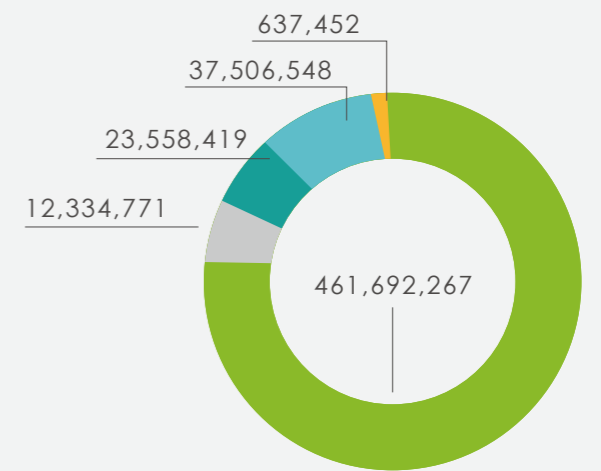
(Taiwan market share is 82.62% and the international market share is 16.38%)

● Figure 1-23 Export sales in 2018



(Taiwan market share is 88.12% and the international market share is 11.88%)

● Figure 1-24 Export sales in 2019



(Taiwan market share is 86.18% and the international market share is 13.82%)

● Figure 1-25 Export sales in 2020



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(2) Sales Operations

Our sales departments include Salon Business Division, Brand Channel Business Cooperation Division, International Business Development Division (business-to-business) as well as Concept Store Business Division, E-commerce Business Division and International Direct Sales Development Division (business-to-customer).

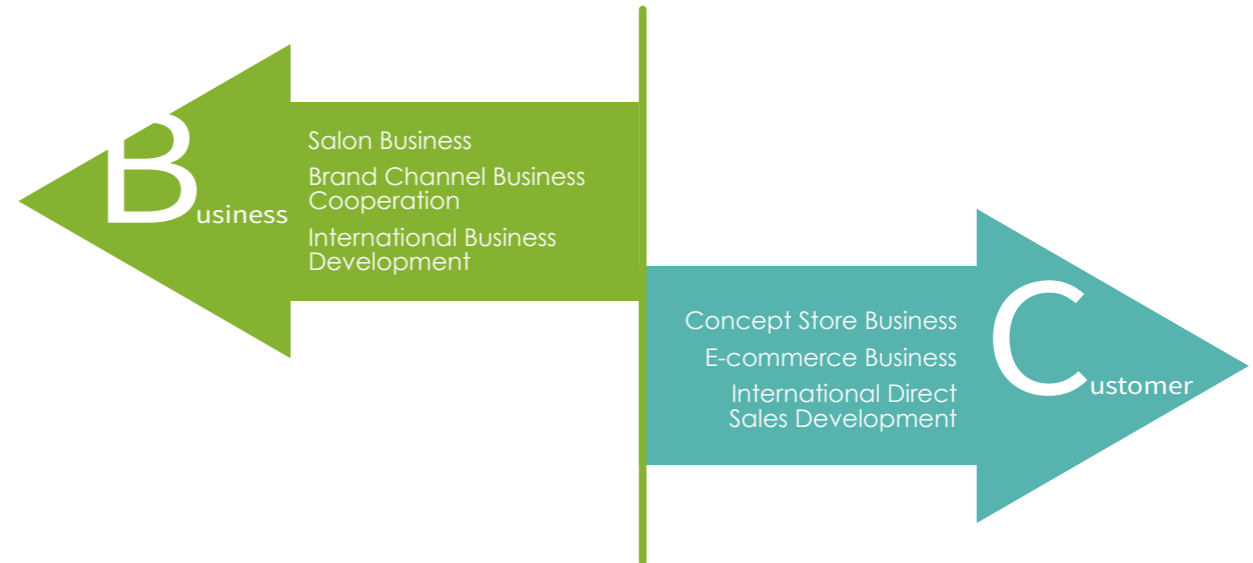
(A)Taiwan Business Division

Customer service specialists are responsible for finding new customers and gathering customer information. They promote our brand concepts and brand image as well as provide instructions for using our products to increase brand awareness and make a green impact together as a team.

We regularly invite salon customers to attend events such as Green Life, Earth Hour, Plant a Tree and Coastal Cleanup with the aim to bring our company values to life.

In 2018, we began to promote the use of mobile payment in traditional salons, which not only helps to save energy and carbon, but also improves the payment process and reduces risks. Also, customers are able to check their order history and status, greatly reducing the paper consumption and postage costs.

Since then, we have had 25,500 payments (NT\$210 million) made through convenience stores.



● Figure 1-26 B2B and B2C omnichannel operations



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(B) International Business Division

Zero carbon marketing has always been a core part of our international business strategy. Like our Taiwanese market, we started our "road to zero" by partnering with distributors of professional salon supplies to make our presence felt in the professional hair care industry worldwide. In recent years, due to our Taiwanese market's successful omnichannel strategy, our International Business Divisions began embracing a B2B and B2C omnichannel approach as well.. Our innovative green products have revolutionized the global market and are currently sold in 44 countries and territories across Europe, Asia, China, Middle East, North America and Oceania.

In 2020, we celebrated the grand openings of O'right Concept Store at Isetan, a leading department store located in the heart of Tokyo's Shinjuku, and Yurakucho Marui OIOI, a department store owned by the Marui Group who is also an RE100 member.

2020 (44 countries)

Asia (9 countries):

Singapore, Malaysia, Korea, Japan, Hong Kong, Vietnam, India, the Philippines and Thailand

Europe (23 countries):

Austria, Poland, the Netherlands, Belgium, Germany, Italy, Denmark, Bulgaria, Sweden, Belarus, Lithuania, Finland, Russia, Romania, Switzerland, Luxembourg, Slovenia, Croatia, Montenegro, Serbia, Bosnia, Herzegovina, Portugal and the United Kingdom.

The Middle East (7 countries):

Turkey, United Arab Emirates, Qatar, Oman, Bahrain, Kuwait and Saudi Arabia

America (3 countries):

Canada, the United States and Chile

Oceania (2 countries):

Australia and New Zealand



● Figure 1-27 O'right's global presence



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(C) E-commerce Division

Our team established the O'right official online shop in 2014, providing customers with a more convenient and better shopping experience to purchase green hair care products with ease.

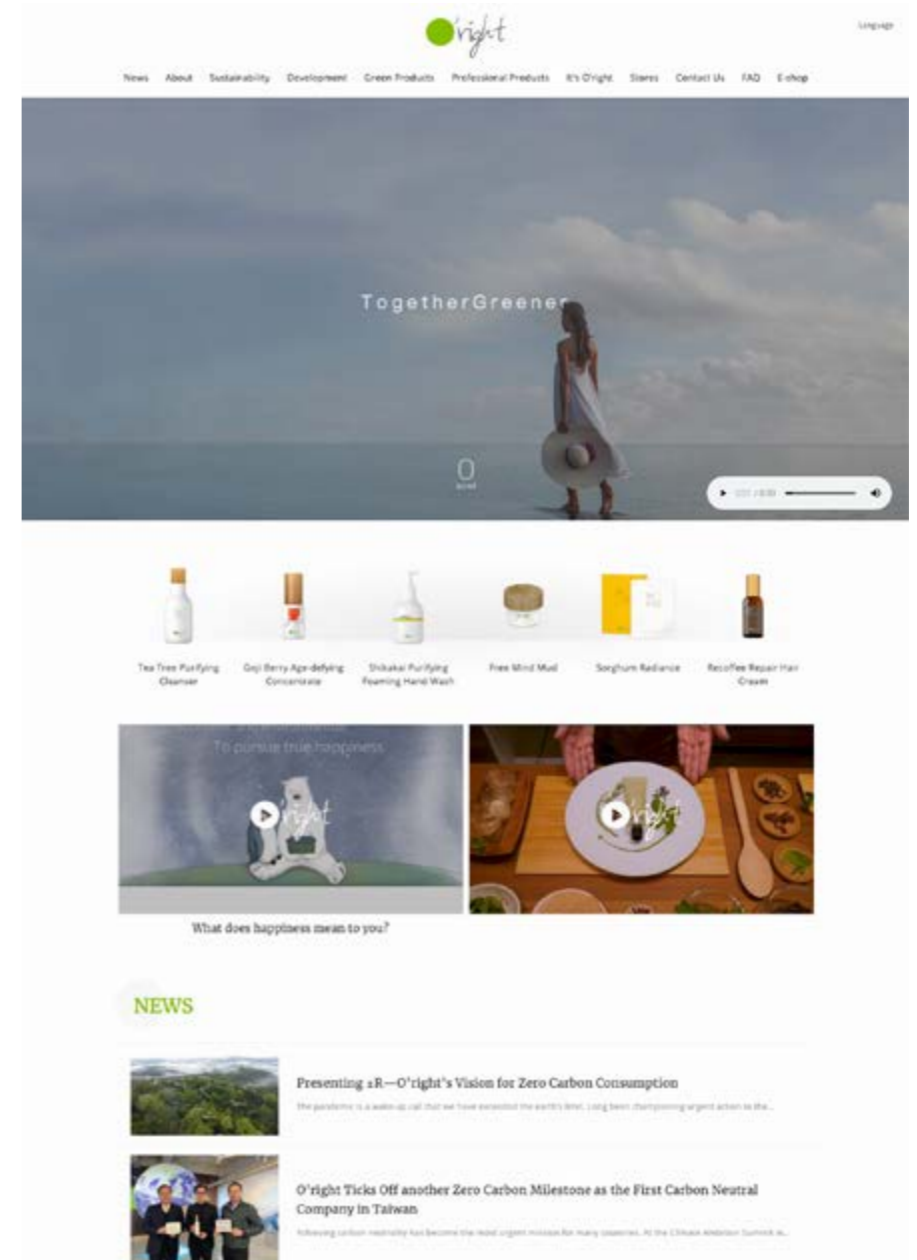
In 2016, in addition to our own official e-commerce store, we also partnered up with various online platforms and organized promotional events to boost brand exposure and awareness and reach more consumers through advertisements. In 2018, we began working with Taiwanese e-commerce online shopping platform Momo to increase brand visibility while ensuring that consumers has another platform to purchase our products in the event that our online shop is under maintenance.

Additionally, the E-commerce Division also manages the O'right Shop Facebook page, Instagram handle Oright_tw and Line account O'right, which not only offer consumers more ways to communicate with us but also bring us closer to consumers through direct B2C communication on our brand concept, product image, directions for use, promotional events and consumer feedback.

These social media platforms give us the opportunity to communicate our green values in hopes of motivating more people towards sustainability.



● Figure 1-28 O'right e-commerce platforms



● Figure 1-29 O'right official website



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(D) O'right Concept Store

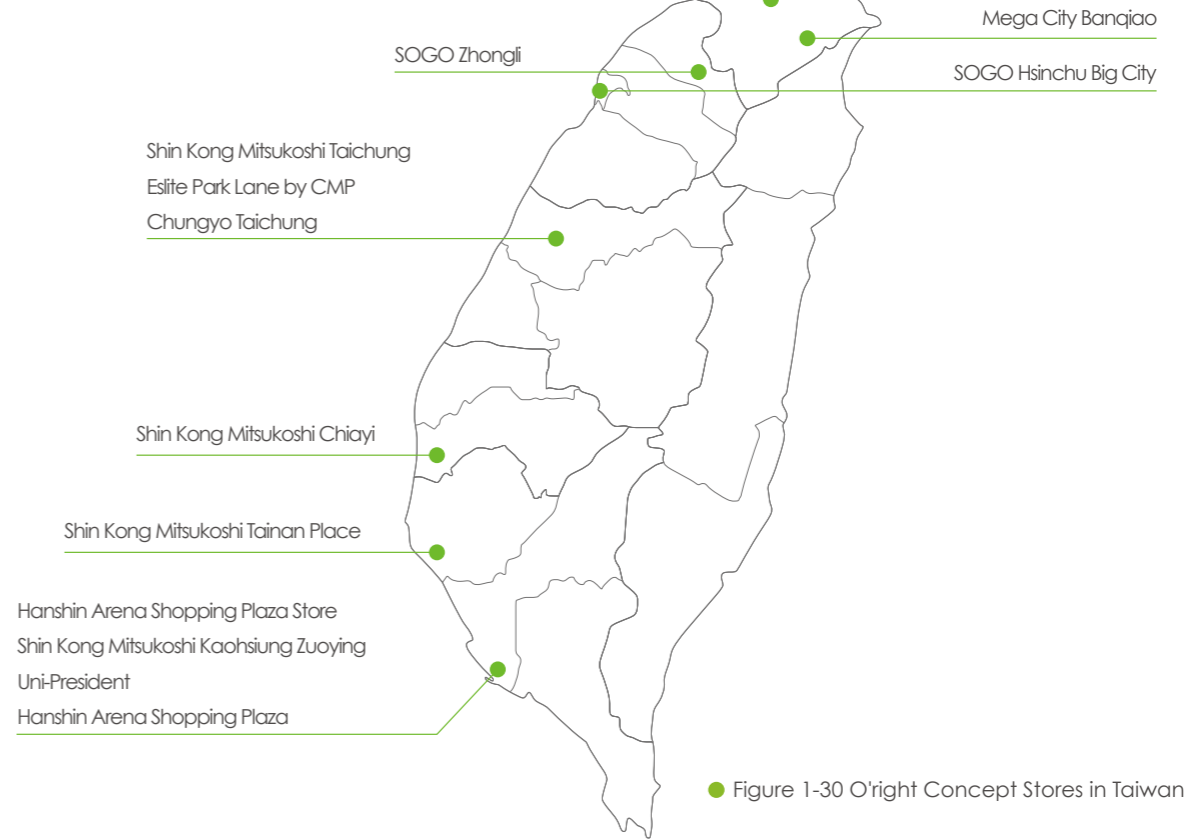
In 2016, we kicked off our plan to open store locations to expand our business into new markets. Each uniquely designed, O'right Concept Stores give us more opportunities to get more people engaged with our brand and excited about our green values. They tell the story of O'right through sustainable designs, natural products and aromatic experiences.

Consumers can get up close and personal with our extensive range of natural beauty products while receiving professional hair and skin advice and experiencing the green beauty of O'right.

Since 2016, we have opened 20 O'right Concept Stores in Taiwan, namely the cultural icon Eslite, the largest department store chain Shin Kong Mitsukoshi and a few of the most popular department stores nationwide.

O'right Concept Stores can be found in major cities across Taiwan, bringing our green products closer to our consumers.

- Yongkang Concept Store
- Daan Concept Store
- Citylink Nangang
- SOGO Zhongxiao
- Eslite Xinyi Store Taipei Store
- Eslite Nanxi Taipei
- Shin Kong Mitsukoshi Xinyi Place A8
- Shin Kong Mitsukoshi Xinyi Place A11



● Figure 1-30 O'right Concept Stores in Taiwan



● Figure 1-31 Daan Concept Store featuring a storefront signboard made from wood-plastic-textile composites



● Figure 1-32 A unique design that allows water to be recycled and reused

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As retailers, O'right Concept Stores have the following features:

Distributed across the Western Taiwan; Provides It's O'right Green Lifestyle newsletter, which covers global environmental issues as well as the latest green news.

Regularly holds environmental events and invites consumers and retailers to show their support.

We established the following measures to improve product quality and increase customer satisfaction:

Products

- Salespeople are required to take product training programs and be evaluated in order to be qualified to serve customers at stores with the latest product knowledge.
- Create a knowledge base of FAQs (frequently asked questions), including product knowledge, ingredients and benefits), for educational training purposes.

Information

- Store customer data into a software so that sales staff can have immediate access to information and identify customer needs. Keep customers updated on the latest news via LINE or Facebook.
- Establish an effective internal communication strategy to make sure that the latest news is properly delivered and improve both vertical and horizontal communication.

People

- Create an SOP to ensure that services are delivered consistently.
- Provide customer feedback to quality assurance and research and development staff to ensure their problems are solved and needs are fulfilled.
- Sales' job is not just to serve customers, but also to convey our green values, which is why we arrange for them to take educational programs every season.
- Distribute customer satisfaction surveys each year to improve customer satisfaction levels and our communication strategy.



● Figure 1-33 Sales training program



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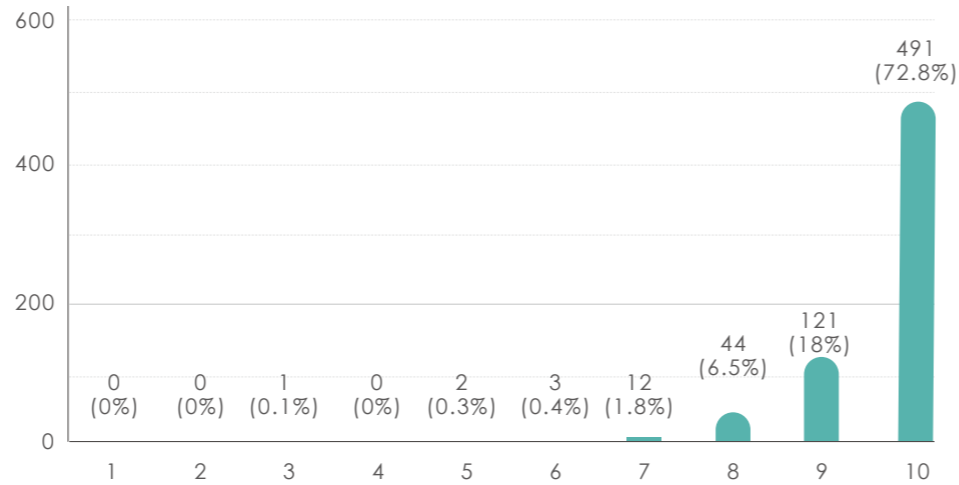
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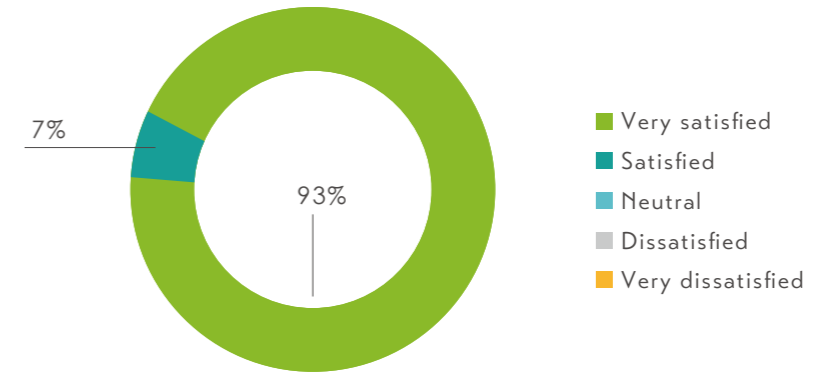
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● Figure 1-34 O'right sales assistants



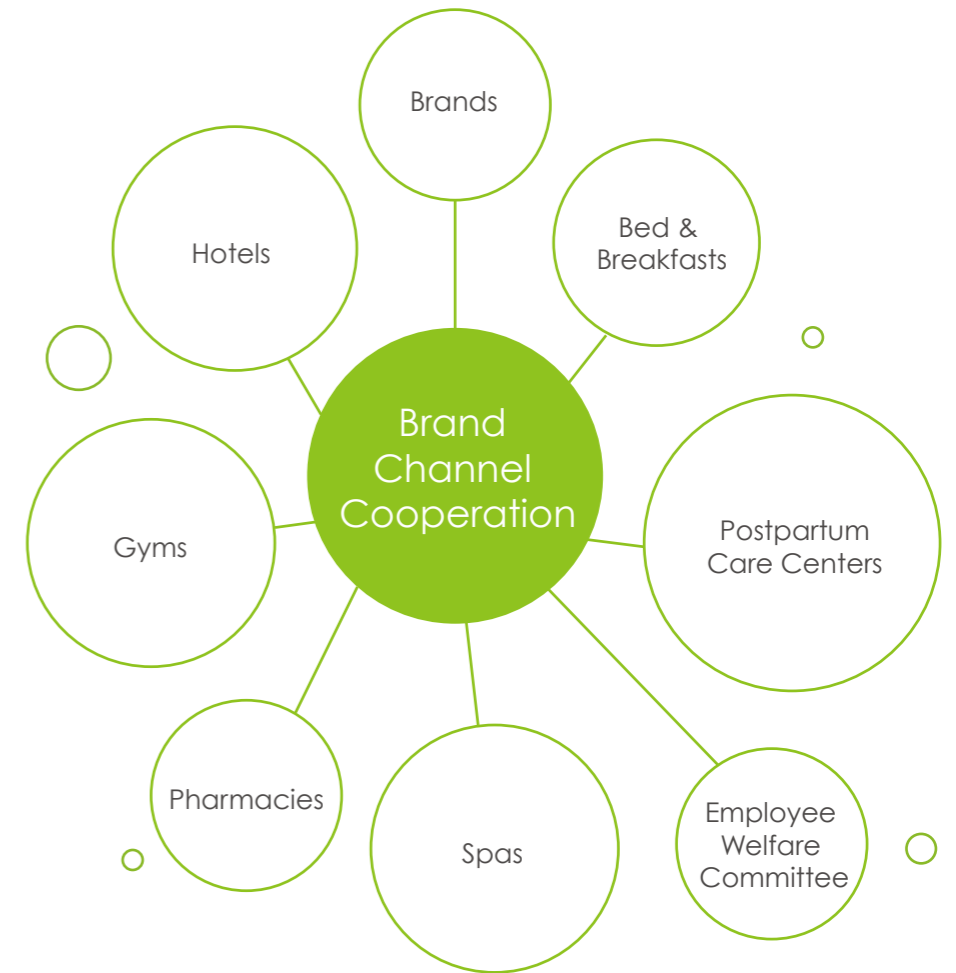
● Figure 1-35 Service quality feedback (overall)



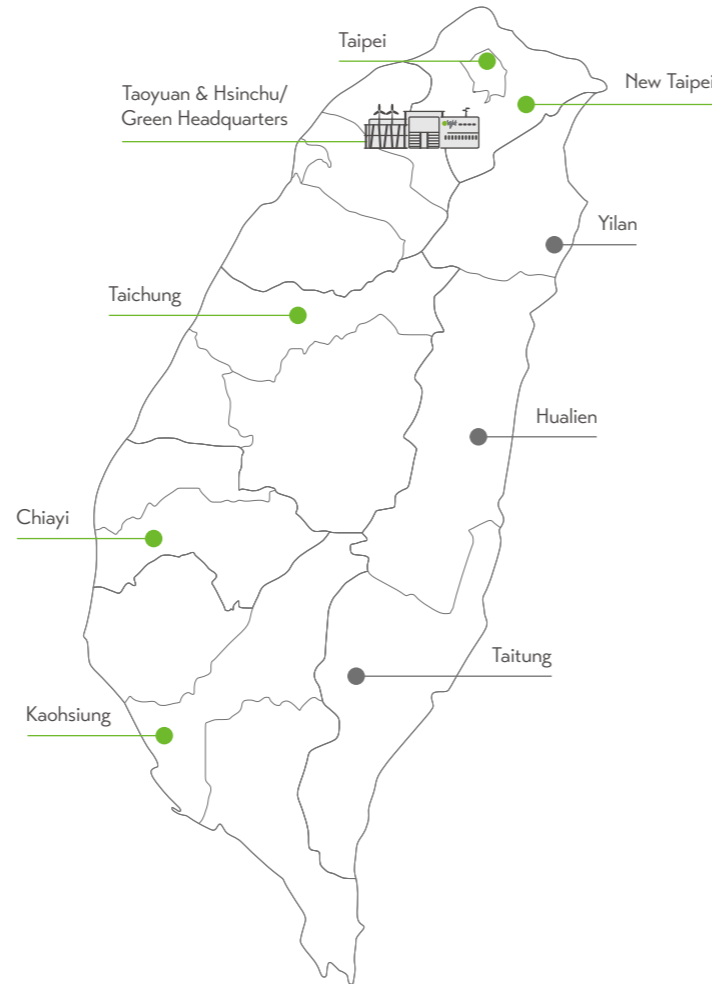
● Figure 1-36 Service quality feedback (friendliness/communication/enthusiasm)

(E) Brand Channel Cooperation Business Division

In addition to professional hair salons, international distributors, e-commerce channels and stores, we also form partnerships to expand our green footprint. Due to a recent rise of environmental awareness and eco-tourism, hotels are gradually taking the sustainable route and going green for a better tomorrow. As such, our Brand Channel Cooperation Division have begun incorporating natural, pure and eco-friendly concepts into green tourism. O'right has formed partnerships with 58 hotels, 59 bed & breakfasts, 23 postpartum care centers, 6 spas and 6 gyms, which is 37 more partnerships compared to 2019. Our aim is to infuse O'right green bath amenities into traveling and life in hopes of sharing our sustainable values with travelers from all around the world.



● Figure 1-37 O'right Brand Channel Cooperation Division



● Figure 1-38 O'right customer service network

Note: The green spots are locations of mobile offices; the white spots in Yilan, Hualien and Taitung are home offices (i.e., customer service specialists who work from home)

1.4.5 Customer Service

O'right has always been known for its green hair care products. However, while we have made a name for ourselves in the green beauty world, we believe that in order to truly make a difference, we have to ensure that our green values are communicated as well. A brand is a lot more than the products it sells. When customers buy and use our green products, they are presented with a clear depiction of our mission and values; then they tell their friends and families about our sustainability effects and inspire them to jump on board.

We care about customer privacy. We implement a multi-layered security system and installed an advanced antivirus software to ensure that all threats are detected and blocked to prevent data breaches.

Additionally, we implement the following strategies to enhance brand value with excellent services:

(1) A Widespread Customer Service Network

With a presence in various locations across Taiwan, including Taipei, New Taipei, Taoyuan, Hsinchu, Taichung, Tainan, Chiayi and Kaohsiung, O'right is able to promptly respond to customer needs and improve customer service quality. Customers can find customer service specialists closest to them to cater to their needs.

We make sure we are fully prepared and have collected sufficient information about the foreign market before taking our next step and bringing the latest trends to countries and to markets that offer potential benefits beyond our expectations. By attending annual exhibitions and events, our global customer base and service points have expanded. O'right hair, body and skin products are now sold across Europe, America and Asia. This year, we broke into Japan's omnichannel retail and e-commerce market.

More and more people prefer to shop online due to the convenience of the internet. Our online stores and customer service are available 24 hours a day. Consumers can shop anytime they want and send us messages to our Facebook or Line account with any inquiries.



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(2) A Variety of Customer Services

O'right offers a wide variety of green services including visiting hair salons to personally share green concepts and demonstrations, encourage salons and hairdressers to take part in environmental charity events and assist salons in holding eco weeks to promote green concepts among customers.

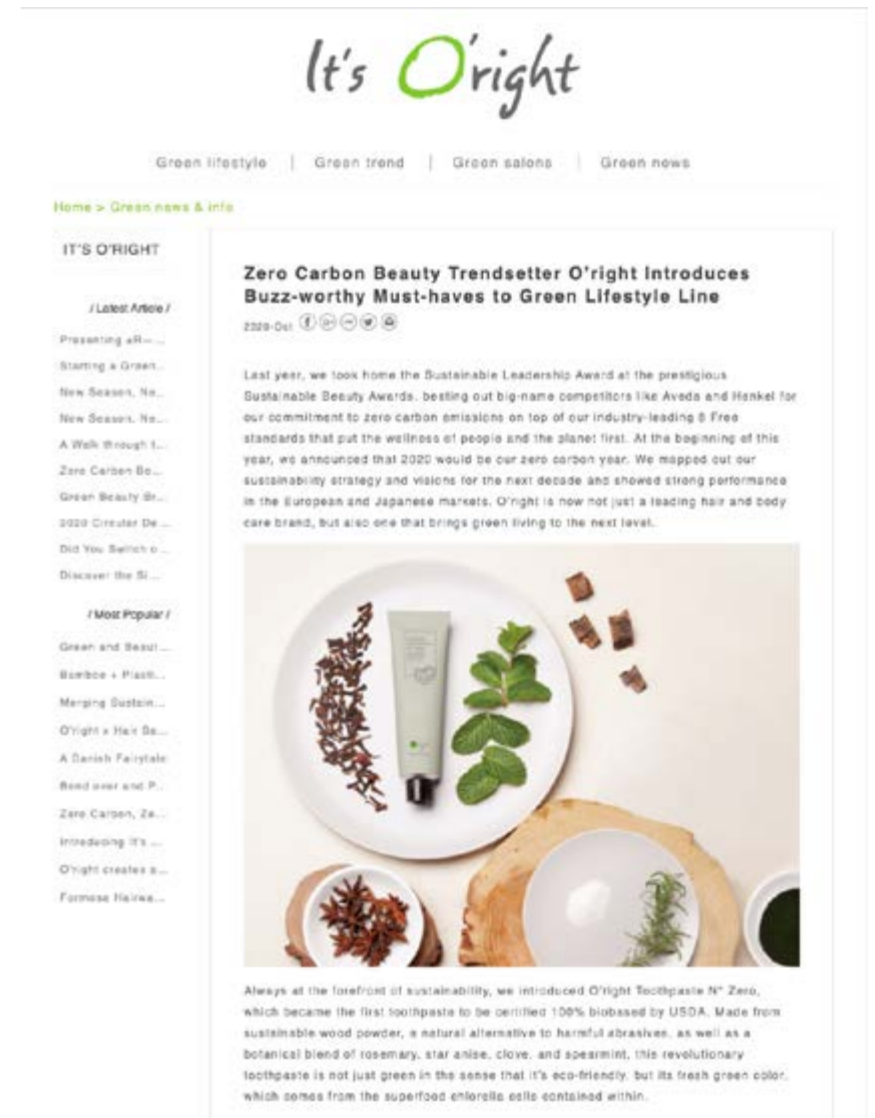
Our close-knit service network enables us to provide so many services all across Taiwan. We have around 40 customer service specialists to cater to satisfy a variety of customer needs.

In terms of our international distributors, we provide a comprehensive brand and product educational training and visit them overseas to offer guidance on the design and planning of stores. We also give materials for the promotion of products and services and any other practical information that could help the foreign markets.

Moreover, we encourage distributors and salons to take part in environmental protection events and communicate sustainable values to foreign customers.

(3) A Focus on Green Service

At O'right, we take the initiative in promoting zero carbon both internally and externally. We share information about environmental protection and motivate customers to embrace sustainability. It's O'right articles are published online every month in Chinese and English. We also hold annual environmental events such as Coastal Cleanup, Earth Hour and Plant a Tree where we encourage customers to join and show their support.



● Figure 1-39 It's O'right



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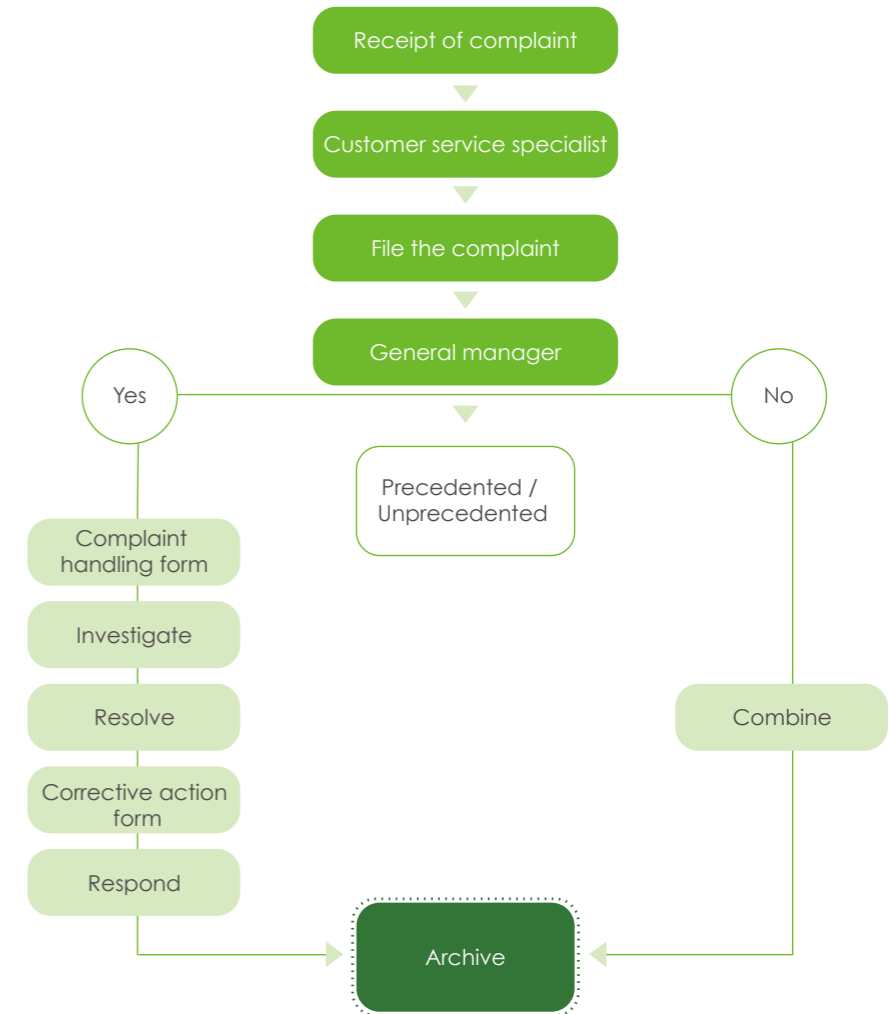
(4) An Effective Customer Complaint Resolution Process

Responding to customer inquiries and complaints efficiently is essential for customer satisfaction. We have a complete SOP for handling customer complaints. All complaints received from customers are reported back to the Headquarters by customer service supervisors, who then forward the request to the Chairman for his stamp of approval. It is important to handle and resolve complaints and give customers a satisfying response in the shortest time possible after receipt. There is a database in complaints are stored in. We also make customer complaints public to prevent the same issues from occurring.

Customer complaints greatly decreased from 2015 to 2020, which indicates that we are meeting customer demands with improved product quality. However, this resulted in an increasing number of authorized O'right products being sold through unauthorized channels, causing a rise in consumer conflicts.

Consumers can make inquiries or provide feedback via multiple customer support channels such as Facebook, LINE, Instagram and Twitter.

Overall, we are receiving less customer complaints, which indicates that consumers' perception of our brand (i.e., brand image) is increasing.



● Figure 1-40 Customer complaint process



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(5) An Effective Customer Satisfaction Program

Customer satisfaction surveys are conducted at least once a year, focusing on measuring customer perceptions on product quality, logistics and delivery, personnel service quality and 4 other categories. For more information, please refer to the customer satisfaction survey SOP.

From 2012 to 2020, we have conducted customer satisfaction surveys to continuously improve customers' level of satisfaction and key performance indicators (KPIs). The customer satisfaction survey in 2020 was completed by customers (i.e., hair salons) with the most orders. The satisfaction score increased from 75 to 80. We also continue to enhance customer-related management, improve handling of complaints and implement educational trainings.

As for privacy issues, O'right ensures that customer information is properly and securely stored. So far, there have been no customers complained about any invasions of privacy or information disclosure. In order to constantly enhance product quality and customer satisfaction, we established the following strategies:

(1) Product information source

When delivering messages, customer service personnel must make sure salons will receive the message and give a response; otherwise, they have to contact salons the next day via telephone to ensure they received the information.

(2) Customer complaint response

- *Create a standard customer complaint response and regularly check the accuracy of customer service personnel's responses.
- *Simplify the customer complaint internal handling process.

(3) Product quality satisfaction

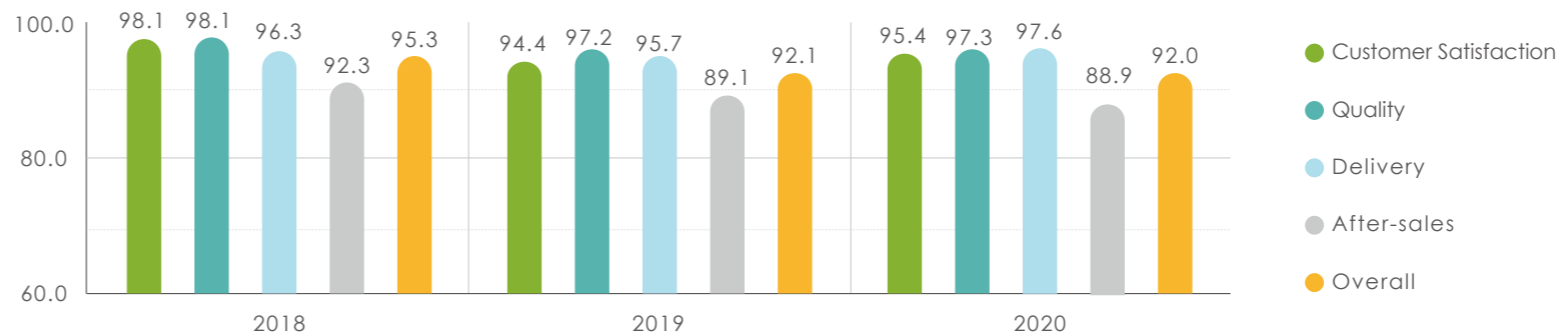
- *Ensure customer service specialists are properly trained regarding products.
- *Collect and provide relative data to product quality assurance units.
- *Come up with strategies to prevent temperature changes from affecting product quality during shipping.

(4) Product satisfaction

- *Arrange for instructors or educators to teach and train hair salons and customer service personnel by demonstrating how to use each product.
- *Collect and provide relative data to R&D personnel.

(5) Product delivery accuracy

- *Customer service specialists must confirm the order details with hair salons before accountants input information in the computer system.
- *Collect and provide relative data to the logistics department.



● Figure 1-41 Customer satisfaction of the Salon Business Division

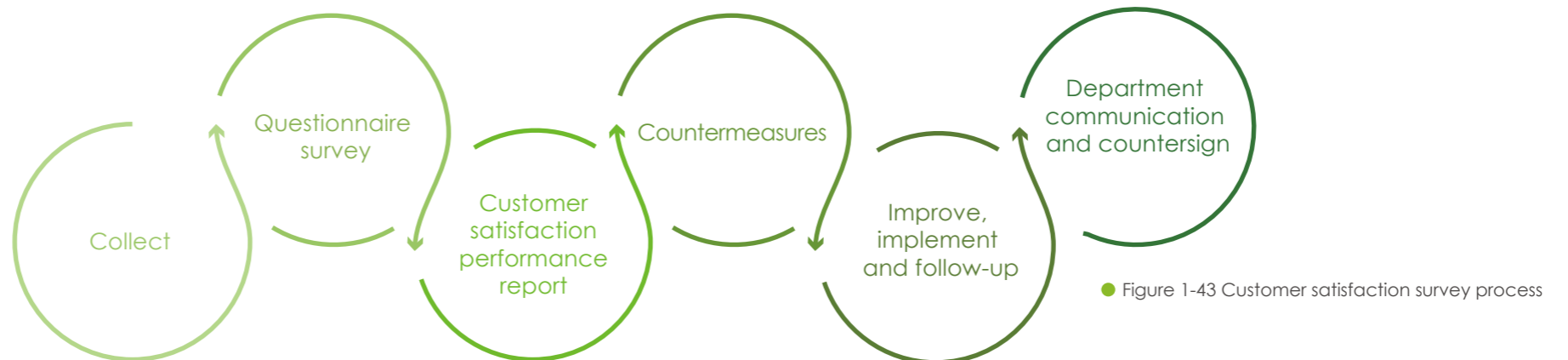
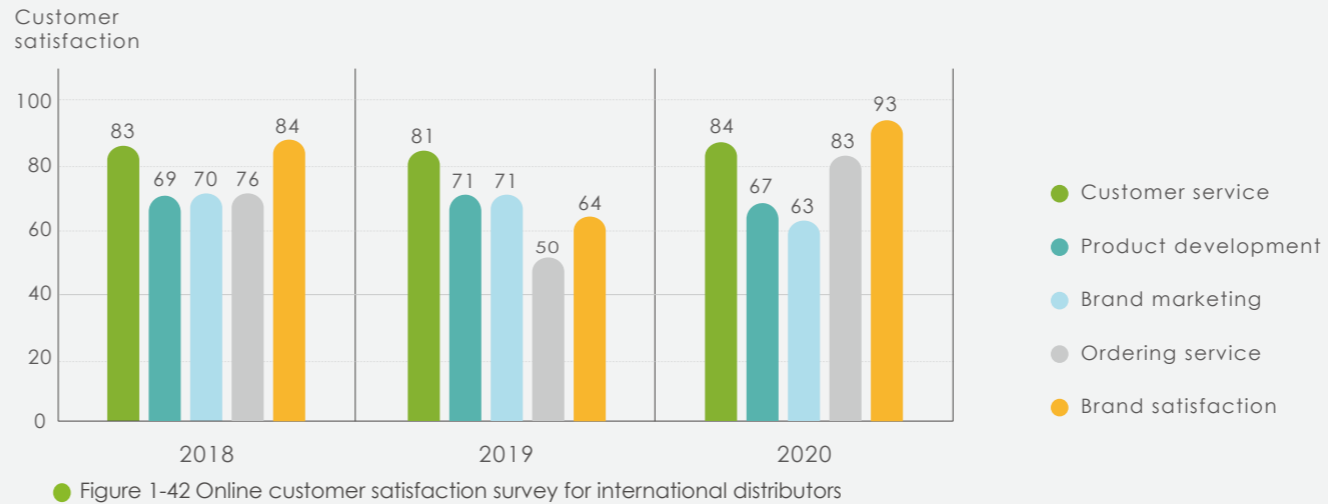
For international distributors, we take the following actions to enhance customer satisfaction and product quality:

(1) Product quality and information

The International Business Division assigns a specialist responsible for providing product information and FAQs.

(2) Marketing materials and planning

The International Business Division appoints a person responsible for providing marketing materials and event planning for the international market.





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● Figure 1-44 O'right Newspaper

(6) A Customer-centric Culture

In 2020, we published the O'right Newspaper. The information-rich, yet richly-illustrated Newspaper contains all of O'right's firsts and achievements as a global green beauty champion from Taiwan to bring us closer to our suppliers, international partners and consumers and show the world that O'right is more than just a hair, skin and body care company, but rather a brand that truly delivers on our promise to give people, society and the environment the best care they deserve.



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1.4.6 Legal Compliance and Code of Conduct

O'right ensures compliance with the Cosmetic Hygiene and Safety Act and integrates management systems including ISO 50001:2018, ISO 14001:2015, ISO 22716:2007, ISO45001:2018 and TIPS (Taiwan Intellectual Property Management System) into our overall efforts to improve our business. ISO management system standards help us identify the statutory and regulatory requirements relative to our company regulations on energy, environment, fire safety, health and safety and intellectual property rights, etc.

Creativity and employee training are a part of our business. We provide appropriate energy, environmental, fire safety, health and safety and intellectual property rights training to all employees. We hire external instructors to our headquarters for advanced courses on basic regulations and legal compliance.

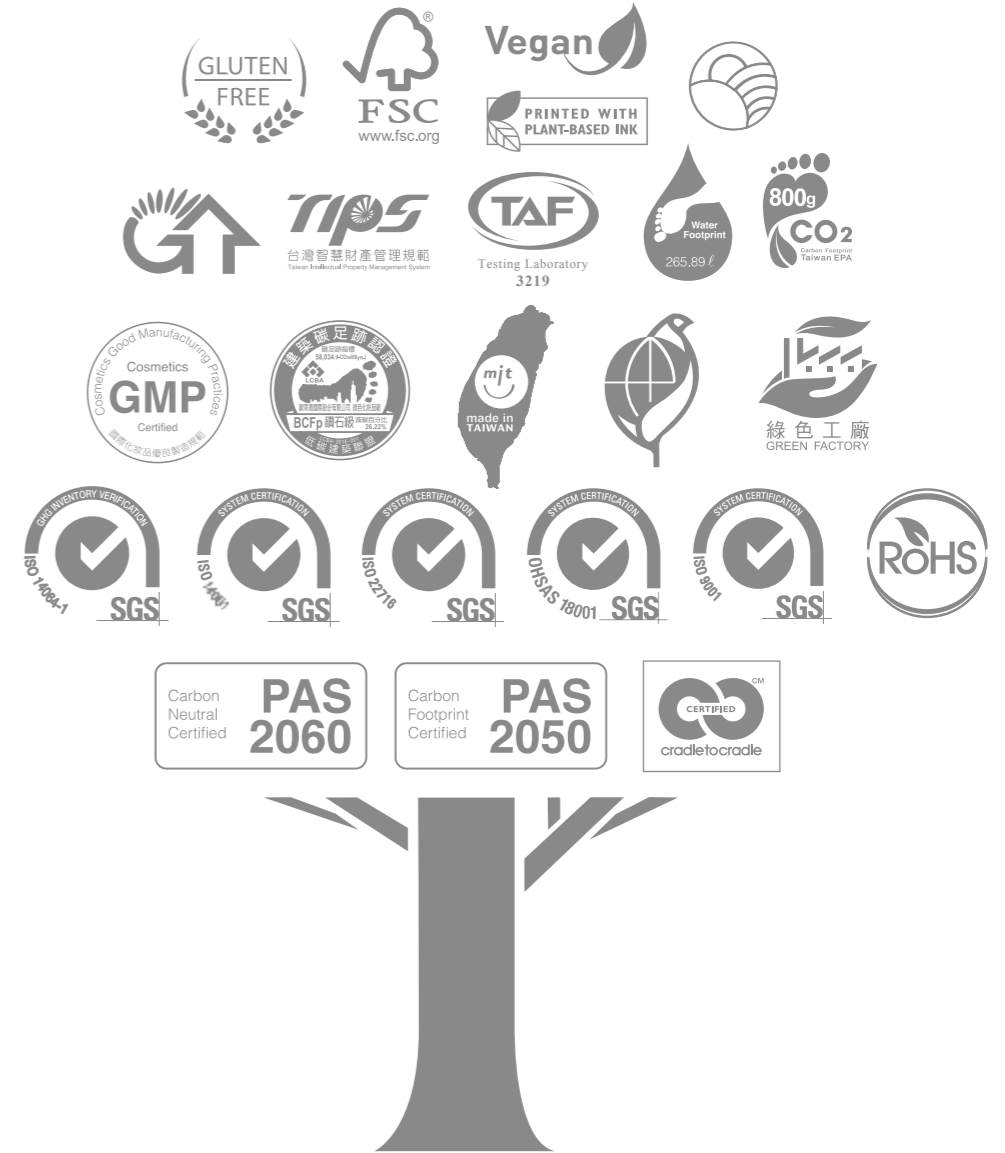
We joined cosmetics organizations, which allows us to convene meetings on new cosmetics regulations enforced by the Taiwan Food and Drug Administration (FDA) and to exchange knowledge with other members. Then, on behalf of the organization, we gather feedback and pass it to the FDA for reference. In addition, we ensure that amendments to our company's code of conduct must be made in accordance with the regulations of the Department of Health and FDA.

In 2020, we continue to maintain the highest quality and practices by standardizing our business process with ISO, such as for internal control and audit, educational training and maintain competitor communication to ensure legal compliance. Therefore, we did not receive any notice of violation in 2020.

Unfortunately, in 2019 we became the victim of harassment and defamation. Someone in the same industry deliberately spread malicious rumors and made false statements against O'right and even went on to harass our customers over the internet. In 2020, the person issued the false accusations through press releases. We urge everyone to verify the false claims through official O'right channels, including our website, Facebook page, Instagram or blog to avoid being misled or deceived.

We have never fined for natural claims. All of our products are developed in our P2 laboratory and manufactured according to GMP regulations from SGS. We are accredited under more than 10 ISO standards and are the first company in Taiwan to earn the USDA Certified Biobased Product Label for containing 100% biobased content.

We ensure compliance with current regulations. Our critically-acclaimed products have won numerous awards worldwide and are sold in more than 40 countries, proving that we are indeed leading the way in sustainable beauty. We welcome well-meaning criticism, but we will not tolerate any maliciously false allegations, rumors or defamation.



● Figure 1-45 O'right enhances quality through green certifications



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Green Innovative Manufacturing



● Figure 2-1 A natural, pure and eco-friendly green building

2.1 GMP Certified Green Cosmetics Plant

O'right's philosophy and mission is to bring our philosophy of Natural, Pure and Eco-friendly to a whole new level. It is part of everything we do at O'right. That includes our Green Headquarters – an ecological garden, a green production center and a low carbon office for our staff and our green products – manufactured in our Organic Plant Extraction R&D Center.



O'right Green Headquarters is an energy- and water-efficient building.

● Table 2-1 Energy consumption between Green Headquarters and Pingzhen Factory

Factory	Green Headquarters		
Year	2018	2019	2020
Area (m ²)	1,500	1,500	1,500
Total electric power consumption (kWh)	439,577	430,480	417,830
Annual electric power consumption per ping (kWh)	293.051	286.987	278.907
Electrical efficiency of Green Headquarters (%)	11.82%	13.65%	14.78%
Units produced(pcs)	1,551,819	2,487,733	2,083,868
Environmental control system	Control area & Cleanroom	Control area & Cleanroom	Control area & Cleanroom
Water control	8-step ultrapure water	8-step ultrapure water	8-step ultrapure water
Management system	ISO9001 , GMP, ISO22716 , ISO50001, OHSAS18001 , ISO14001 ISO14064 , ISO17025 , TIPS	ISO9001, GMP, ISO22716, ISO50001, ISO45001, ISO14001,ISO14064, ISO17025,TIPS	ISO9001, GMP, ISO22716, ISO50001, ISO45001, ISO14001, ISO14064-1, ISO17025,TIPS

The average energy consumption from 2015 to 2016 was used as the energy baseline.

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In terms of water recycling, 100% of rainwater and pre-production wastewater is recycled and reclaimed for daily water consumption, air-conditioning, irrigation and other purposes. At our Green Headquarters, we make sure that not one drop of precious water is wasted (Table). In 2018, we unveiled our plan to achieve zero liquid discharge and transformed wastewater treatment. In 2020, we saw an increase of 2.93% in water consumption compared to 6,487 metric tons in 2019, and wastewater recycling rate went up from 56.81% in 2019 to 79.49%. Currently, all of our wastewater meets irrigation water standards. We are on the path to achieving zero liquid discharge from wastewater treatment

● Table 2-2 Total amount of water consumed and recycled

Year	2018	2019	2020
Tap water consumed per metric ton (L*)	8,564	6,487	6,677
Ultrapure water per metric ton (for production)	4,924	2,356	2,050
Reclaimed water recycled per metric ton (t)	2,481	2,397	2,676
Wastewater recycled (t)	482	696	1,116
Percentage of water reused	34.60%	47.68%	56.79%
Water used for manufacturing per metric ton	7.64	3.66	2.84
Recycled water (%)	26.37%	56.81%	79.49%
Effluent flow	1,828	1,225	1,404

Reuse reclaimed water for daily use, air-conditioning and irrigation in our factory
 Water used for manufacturing per metric ton=Process water (pure water) ÷ Annual production volume (pcs)
 Wastewater=Effluent+Wastewater recycled
 Industrial pure water=Pure water-Reclaimed water-Domestic water



● Figure 2-2 Our industrial wastewater has a COD of below 50 mgO₂/L



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2.1.1 Natural: Ecological Garden

A green building not only provides the setting for human activities, but also enhances and protects biodiversity and ecosystems and conserves and restores natural resources. Natural is unpredictable and rich in biodiversity. The built environment should learn from the complicated yet sound nature.

O'right Green Headquarters was built without walls or fences with the aim to lessen the impact on the environment and restore natural resources. We believe that it's not just about building a beautiful environment, but also about incorporating green concepts into human life to achieve a balance. We should learn to co-exist in harmony with nature, and welcome nature in our lives. Our green philosophy is reflected in the four green building indicators of Taiwan's green building evaluation system EEWH: greenery, soil water retention, water resource, and CO2reduction. Three of our indicators exceed the standards set by EEWH (Table 23).

(1) Greenery

Our Green Headquarters is rich in biodiversity:

A.Large area of trees:

Home to a total of 60 trees and 16 species including cherry, camphor, maple and cypress trees; 600 shrubs such as Jasmine orange, Taiwan rhododendron, golden dewdrop; 100 vines including Boston ivy and creeping fig.

B.10,000 plants:

Home to *Arachis duranensis*, a herb that is less susceptible to insect pests and weeds. They don't need to be regularly trimmed to maintain its lush green appearance. *Arachis duranensis* also reduces 30% of nitrogen loss and increase soil carbon sequestration to mitigate climate change.

C.Green Hallway:

The vertical garden, which takes up a space of 47.5 m², is completely covered with greenery such as Devi's ivy (*Epipremnum aureum*), Boston fern (*Nephrolepis exaltata*) and arrowhead vine (*Syngonium podophyllum*). This green wall is a natural air-filter that absorbs carbon from the atmosphere, creating a cleaner, more invigorating environment for the staff as well as visitors. The plants are watered with rainwater and pre-production wastewater for 2 minutes twice a day. Three digital interactive touch screens nestled among the green leaves infuse guests with the latest environmental news and information.

²Vertical gardens act as a natural air purifier by removing formaldehyde and other volatile organic compounds.

D.Sky Farm:

The Sky Farm features a collection of solar panels and a bird habitat. Due to the construction project, the plants inhabiting the area had to be temporarily moved elsewhere. After construction completed, we consulted the Society of Wilderness before migrating the plant habitats back to their original home. The flourishing green habitat on the roof of the Green Headquarters is now the home to 11 species including the Australian laurel (*Pittosporum tobira* Ait), Silvery messerschmidia (*Messerschmidia argentea*) and Ceylon ardisia (*Ardisia squamulosa* Presl). Pebbles are used as a ground cover for the farm to retain rainwater and decrease indoor temperature. The combination of plants, green land and water significantly contributes to reducing greenhouse gas emissions and avoiding the impacts of climate change.

E.Organic Vanilla Garden:

Located on the third floor, the Organic Vanilla Garden has a variety of plants, which can be used to provide staff and guests Mt. Lemmon marigold or rosemary infused water. At the end of April, we found an endangered plant species listed in Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Chinese spiranthes (*Spiranthes sinensis*).

The Chinese spiranthes is a species of orchid in bloom around the Tomb Sweeping Festival, so it is also called the Tomb Sweeping Plant.

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● Table 2-3 EEWB green building indicators exceeded by O'right Green Headquarters

Indicator	Benchmark	O'right	Margin
Greenery	TCO _{2c} =250,920	TCO _{2c} =913,814	TCO _{2c} =Total CO ₂ O'right achieved a value 3.7 times higher than the benchmark
Soil water retention	Water originally retained is 24.1	Water designed to retain is 59.7	The designed value is 2.5 times higher than the benchmark
Water resource	2.0	6.0	3 times higher than the benchmark

(2) Soil Water Retention

It is important for a building to be constructed on soil that retains water to prevent water from entering public drainage systems. A building site with good water retention abilities can prevent flooding and preserve soils. The lot size of O'right Green Headquarters is 2,788m² and water retainable area (including green land, eco pond, rainwater pond and rooftop garden) is 1,103m², which is 40% of the total area. Permeable paving includes ditches, drains and rivers, used for draining and retaining water. A sustainable drainage system allows surface water to penetrate through the ground rather than directly running into drain pipes.

(3) Water Resource

- The toilets, sink and shower facilities all meet water efficiency standards.
- Rainwater harvesting area on the rooftop on the third floor is 1,123m².
- Three innovative water recycling systems are established to reduce water consumption:
 - a. Rainwater harvesting**
Rainwater is collected and stored for irrigation and the waterfall to reduce the building's temperature. Recycled rainwater can also be used for aquatic plants and fish in the ecological pond.
 - b. Water reclamation**
Reclaimed water from the water purification process is rich in natural minerals and can be reused for cleaning, toilet flushing, irrigation, the waterfall, and for decreasing indoor temperature.
 - c. Wastewater treatment**
After adjustment, containment, hydrolytic oxidation, and hydrogel precipitation, wastewater discharged from the production process is purified. Clean water is then discharged into eco-ponds that are occupied by aquatic plants and about 600 frogs.

(4) CO₂ Reduction

This indicator aims to reduce CO₂ emissions from building materials during the production stage. It is mainly assessed under 2 categories: lightweight structure and rational structure. The green structure coefficient (CCO₂) of O'right Green Headquarters is 0.79, which meets the criteria.

2.1.2 Pure: Green Production

O'right uses wind and solar power to generate electricity for production. This green energy has to be sold back to the grid at Taiwan Power Company before it can be used by O'right. In 2020, we generated 62,841 kWh of green energy. Since the establishment of our green building, we have generated 454,029 kWh.

● Table 2-4 O'right green energy

Year	2018	2019	2020
Green energy generated	41,439 kWh	35,761 (kWh)	62,841 kWh

To achieve the goal we set upon joining RE100 (to source 100% renewable electricity), we installed a 27.44 kW solar panel system to generate green power for use in our green building.

The green production center is designed with 3/4 built underground to protect the cleanroom from environmental impacts and minimize energy consumption by decreasing the need for air-conditioning due to the decrease in temperature. In order to create a healthy working environment for staff, a makeup air unit (MAU) is installed to maintain indoor air quality by diluting airborne contaminants and sterilizing the air with UV light. O'right's green production area minimizes any potential pollution to the area. Therefore, compared to cosmetic products in general, our products contain the minimum amount of preservatives to protect our consumers' health.

The green production center is equipped with 7 energy-efficient designs, as detailed below:

(1) Two Main Areas

- A. Controlled area: A fingerprint identification system is installed to provide access control; people have to enter an air shower so that pressurized air nozzles remove particles of contamination.
- B. Cleanroom: A high technology manufacturing area with a controlled level of contamination to ensure the highest product quality and minimize the use of preservatives.

(2) Three Energy-efficient Designs

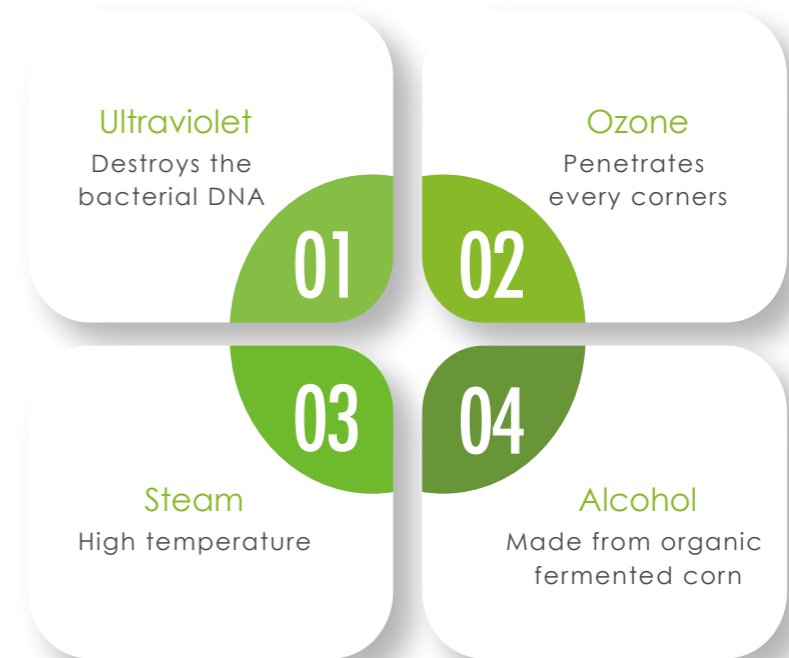
- A. PCW (Process Cooling Water) system
- B. Total Heat Exchanging System
- C. Heat exchanger for semi-finished products: A cooling equipment is installed to quickly lower the temperature of semi-finished products from 80°C to 25°C to make the particles smaller and finer for better absorption.

(3) Four Sterilization Methods

All manufacturing equipment and bottles are thoroughly cleaned through 4 rigorous and natural sterilization processes, ultraviolet sterilization, ozone sterilization, steam sterilization and alcohol sterilization (made from organic fermented corn), to ensure products are free from contamination.



● Figure 2-8 Clean energy display panel



● Figure 2-9 Four sterilization methods

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(4) Five Preventive Measures



Personnel
People are required to wear a cleanroom suit, or bunny suit, before entering the cleanroom. An air shower is installed at the entrance to minimize particulate matter entering or exiting the controlled environment.

Raw materials
Material preparation workers follow product guidelines to prepare the materials and place them in the center of the buffer area. After informing the engineers to claim the materials, they measure the weight and check the items in the weighing room before delivering the materials to the emulsification room for production.

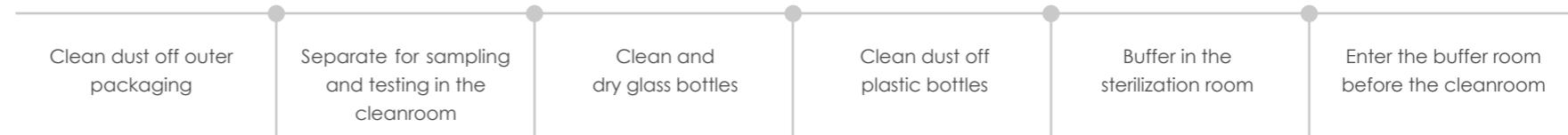
Products
Semi-finished products are first delivered to the waiting room. After quality assurance engineers make sure the products meet standards, they are sent to the filling room before being sealed and packaged.

Air
A fan filter unit is installed above the cleanroom, using a high efficiency particulate air filter to clean the indoor environment.

Wastewater
A human machine interface is adopted in the emulsification room. Engineers can manually operate the equipment to achieve automated production. The inside of the tank is made from SUS316 stainless steel. It is cleaned and sterilized with pure water and 121°C steam every time a product is manufactured.

● Figure 2-10 Five preventive measures

(5) Six Cleaning and Buffering Procedures



● Figure 2-11 Six cleaning and buffering procedures

(6) Six Wastewater Treatment Ponds

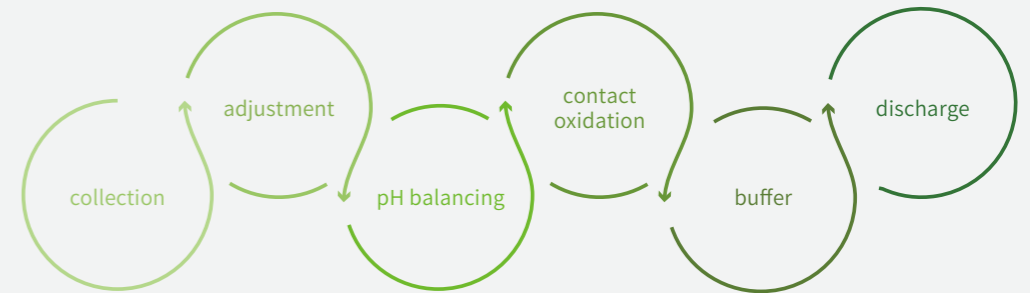
O'right Green Headquarters has 6 ponds or basins designed to treat wastewater generated during the product manufacturing and equipment cleaning processes. After going through the collection, adjustment, pH balancing, contact oxidation, buffer and discharge processes, wastewater, or greywater, is discharged into rivers without causing any damage to the environment.

Natural, Pure and Eco-friendly is the way we do things at O'right. We properly manage our industrial wastewater and ensure that our wastewater treatment process complies with effluent discharge regulations by following strict guidelines and purchasing testing devices. According to industrial effluent regulations, the Chemical Oxygen Demand, or COD, which is the indicative measure of the amount of oxygen that can be consumed by reactions in a measured solution, should be lower than 100 mg/L and the pH should range from 5-9. We monitor our industrial wastewater daily and outsource to a testing company approved by Taiwan's Environmental Protection Administration. The results indicated a COD of below 50 mgO₂/L and that it is neither acidic nor alkaline (pH neutral), which is 50% lower than governmental regulations.

We monitor and record the data on a daily basis, which is reviewed every month by top-level managers. Additionally, 2 companies provide wastewater testing services each month and season to collect and analyze samples. Industrial effluent regulations state that testing must be performed at least once every 6 months.

We proposed the following improvement actions to be taken:

- A.Improve the waterproofing capacity of the ponds
- B.Increase the volume of the pond and increase the processing period of bacteria for better water quality
- C.Increase the dissolved oxygen in the wastewater treatment plant to extend the survival rate of bacteria
- D.Use the discharged wastewater to water plants



● Figure 2-12 Six wastewater treatment ponds

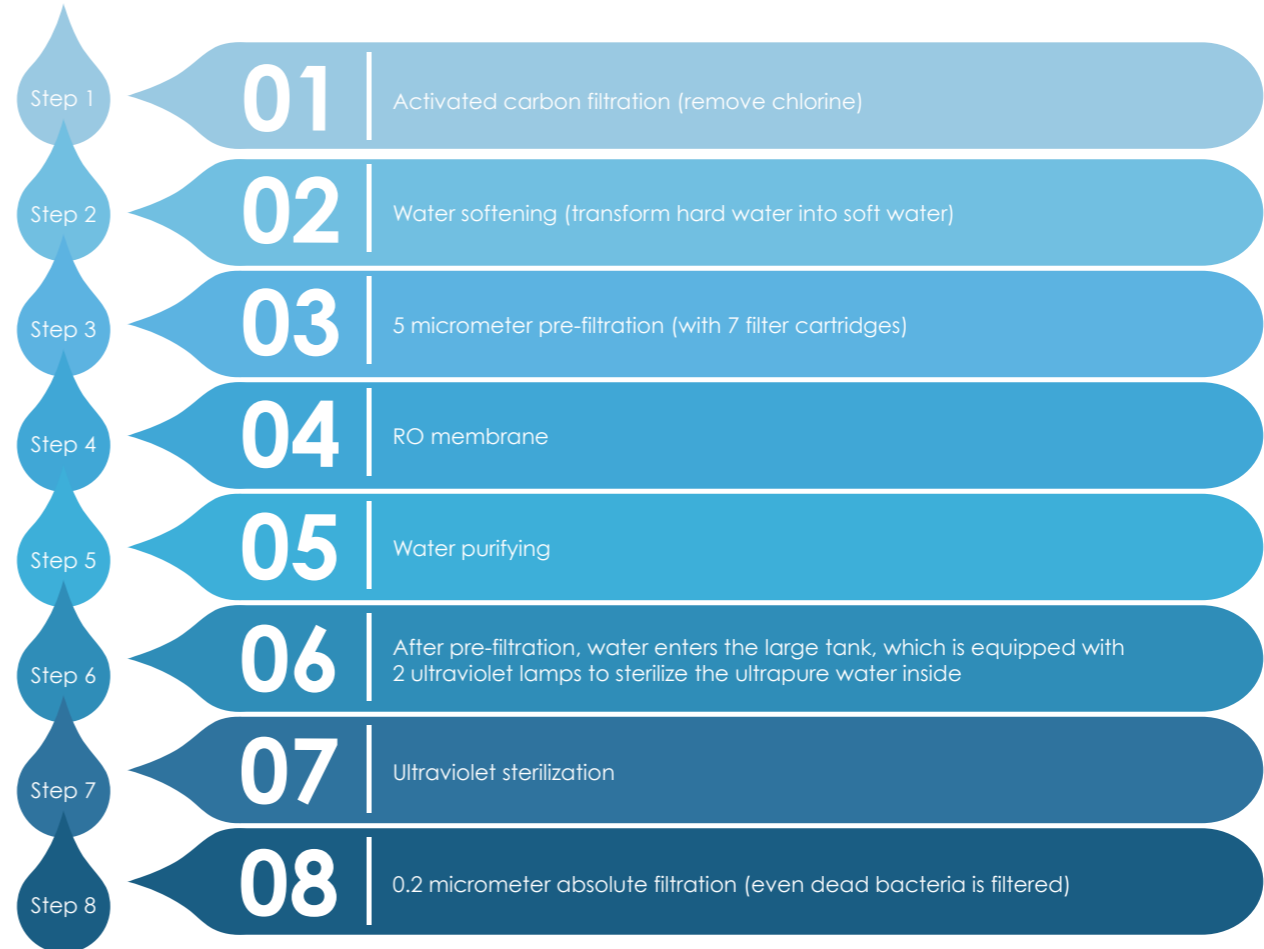


● Figure 2-13 Wastewater management

(7) Eight-step Ultrapure Water Manufacturing Process

O'right adopts an 8-step ultrapure water manufacturing process in an SUS316 stainless steel water storage tank, internally equipped with an ultraviolet lamp to maintain the stability of water quality.

The water transmission pipelines are sterilized via ultraviolet rays, ozone and steam.



● Figure2-14 Eight-step ultrapure water manufacturing process

2.1.3 Eco-friendly: Low Carbon Office

As a green corporation, we built a low carbon office in our headquarters to motivate sustainability among our staff and the guests that visit our green building.

(1) Low Carbon Office

With pleasant, spacious environment and good lighting, along with an advanced indoor air quality monitoring system, the low-carbon office is an eco-friendly and healthy work environment for employees.

A. Open space office: The office area is well-ventilated, so that even during the hot summer season, the apparent temperature is relatively low. As a result, air conditioning is rarely needed. In 2019, the air conditioner was only turned on for 92.25 hours total.

B. LED lighting: The building is installed with LED lights, which helps reduce up to 63,168kWh of electricity a year.

C. Total Heat Exchanging System and Touchscreen Indoor Air Quality Monitor: When indoor CO2 levels exceed 800ppm, the system will be activated and fresh air from the outside will be pumped in, which not only saves electricity but also provides staff with a high quality work environment.

D. Desk electricity control switch: Each desk has a switch that switches the electricity of that desk on and off. The last person who leaves the office after work is responsible for switching the power off to reduce unnecessary power consumption.

E. Overhanging eaves: This design helps limit exposure to the sun, which lowers the need for air conditioning.

F. Acacia wood desks: Acacia trees, a species native to Taiwan, are one of the best natural carbon sinks due to its excellent ability to absorb carbon. In the early days, acacia was commonly used as a light pole, which results in lots of pieces of wood being leftover. O'right requested the help of a carpenter in Dazi to build office desks that are not only beautiful but also eco-friendly. Not one nail is used, only recycled wood waste.

G. Green Mark certified printing paper:
 -Use 80% recycled paper to help conserve forest resources.
 -Encourage staff to print with recycled paper for informal documents.

H. FSC certified printing paper:
 -Paper that is legally harvested from well-managed forests to protect rainforests and primary forests.
 -Conserves forests and maintain ecological balance.
 -High quality sustainable paper is eco-friendlier than recycled paper.

I. FSC certified tissue paper:

- Paper that is legally harvested from well-managed forests to protect rainforests and primary forests.
- Conserves forests and maintain ecological balance.
- High-quality sustainable paper is eco-friendlier than recycled paper.
- Can be directly thrown in toilets to prevent solid waste pollution.

J. Eco towels: Replaces hand dryers and paper towels to reduce electricity and waste.

- Greatly reduces greenhouse gas and air, water and solid waste pollution.

K. Eco cloths: Each made from a 600ml recycled plastic bottle, reducing 25.2g of carbon emissions, 88.6ml water consumption and 0.52ml of oil.



● Figure 2-15 Low Carbon Office

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● Figure 2-16 Foot pedal faucet

Sensor-operated	Foot-operated
Energy consumption per faucet 5Wh/hr	Energy consumption per faucet 0Wh/hr
Annual energy consumption per 40 faucets 1,752kWh/year	Annual energy consumption per 40 faucets 0kWh/year

● Table 2-5 Energy efficiency of foot pedal faucets

(2) Eco-friendly Meeting Rooms

Our Green Headquarters is equipped with 3 meeting rooms named Earth, Home and Seed to symbolize the earth as our home. The tables in the meeting rooms are covered with eco-tablecloths each made from 42 600ml recycled plastic bottles. For the health of our staff, Earth is equipped with a total heat exchanging system and smart indoor air quality monitoring system. When indoor CO2 levels exceed 800ppm, the total heat exchanging system will be activated and fresh air from the outside will be pumped in.

(3) Water- and Energy-efficient Foot Pedal Faucets:

Faucets play an important role in the water conservation of our green building. At the beginning of construction, we discovered that the whole building needs 40 faucets! If we use conventional manually-operated faucets (or taps), it will result in a huge amount of water consumed.

We first believed that installing automatic or sensor-operated, touch-free faucets is the greener solution. However, automatic faucets operate 24 hours a day, meaning that it is still running (and consuming electricity) even after working hours. Each sensor consumes 5 watts per hour.

If 40 automatic faucets were to be installed, 1,752 kWh of electricity would be produced per year (40 automatic faucets × 5 watts × 24 hours × 365 days). Since we only work 8 hours a day, there is only around 200 working days a year. This shows just how much power would be wasted from installing automatic faucets (Table 2-5). Instead, we adopted an eco-friendlier approach: foot pedal faucets. No electricity is needed, which allows us to save 17 million watts on a yearly basis. That's a water conservation rate of 65.5%.

(4) Vision Hall

Vision Hall is built at the entrance at the top of the stairs of our Green Headquarters. This design adopts buoyancy-driven ventilation to keep the area cool and adequately ventilated. Rainwater collected on the rooftop flows down from the 3-storey-high waterfall landscaping design, not only making it a natural landscape but also effectively lowering the temperature of Vision Hall since hot air rises and cold air sinks. This also allows the cool breeze to enter the low-carbon office area.

According to Table 2-6, our Green Headquarters reduced a total of 42% of carbon emissions, which equals to a carbon inhibition of 58%. A low-carbon building has to meet the following requirements: (1) Reduce the surface area exposed to the outside elements of sun, rain and wind; (2) Maintain good ventilation to improve indoor air quality; (3) Provide insulation and cooling with green roofs; (4) Utilize good thermal building insulation materials so that there is no need for air conditioning for over 300 days a year even during the hot and humid summer season in Taiwan.



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(5) The energy efficiency achievements of our low-carbon office can be shown from the following 3 green building indicators:

A. Daily Energy Saving:

Air-conditioning: At the Green Headquarters, air conditioners are activated mostly only during hot summer days. In 2020, our air-conditioning system was only turned on for 188.15 hours (44working days). According to Taiwan Power Company, companies in general have the air conditioning system on 8 hours per day for 88 days (excluding the weekends and public holidays) during the summer season from June to September with chillers consuming up to 60 tons of energy. In 2020, O'right saved up to 22,491.06 kWh, reducing 11,290.51 kg of carbon emissions, which is equivalent to planting 1,026 20-year-old trees.

B. Indoor Environment

Good soundproofing materials: The walls are 15-25cm thick with airtight windows.

a. Floor-to-ceiling windows: The office area is surrounded by floor-to-ceiling windows, half of which can be opened to welcome natural sunlight and cool breeze from outside.

b. Interior decoration: Green building materials are used for the ceiling, wall and floor; over 50% of the ceiling and walls have not been decorated.

● Table 2-6 Energy efficiency of air conditioning

	Other	O'right	Energy efficiency of O'right
AC energy consumption in 2018	29,299.2 kWh 43.6 x 8(hr) x 84(day)=29,299.2kWh	4,022.1 kWh 43.6 x 92.25(hr)=4,022.1 kWh	86.27% 25,277.1 kWh
AC energy consumption in 2019	28,950.4 kWh 43.6 x 8(hr) x 83(day)=28,950.4Wh	6,540 kWh 43.6 x 150(hr)=6,540 kWh	77.41% 22,410.4 kWh
AC energy consumption in 2020	30,694.4 kWh 43.6 x 8(hr) x 88(day)=30,694.4 kWh	8,203.34 kWh 43.6 x 188.15(hr)=8,203.34 kWh	73% 22,491.06 kWh

Note: 1kWh=Unit of electricity | AC energy consumption per hour is 43.6kWh

⁴ Source: Hsinchu Science Park Bureau, Ministry of Science and Technology http://saturn.sipa.gov.tw/SPA/EPI/page_detail.do?&fmeLv1Id=5cf6ff61-1f23-4f47-8f58-59b227637629&fmeLv2Id=72ff7cc3-72be-409b-beb3-4265c1fb2ded



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C.Sewage and Garbage Improvement

a.Waste disposal site: A designated location is provided for the disposal of waste.

In addition to our constant innovation in products and manufacturing, we also continue take our role as a green enterprise seriously and responsibly by motivating employees to maintain a green work environment.

b.Incineration of business waste: Business waste, or commercial and industrial waste, is incinerated by qualified waste clearance companies. In 2020, a total of 10.19 metric tons of garbage was disposed of (2.58% less than 2019) and 15.858 metric tons of recycled waste (e.g., paper, iron, plastic and aluminum) was taken out (14.87% more than 2019).

c.From January to December of 2020, 1,404 metric tons of wastewater was converted and 1,116 metric tons was used for watering plants, achieving a recycling rate of 79.49%. Since 2015, we succeeded in reducing 97.8% of wastewater. Domestic wastewater is eventually discharged into Laojie River.

d.We classify our waste into garbage bins in different colors and clear labels to make it easier for staff to identify what type of trash goes in which bin. There is also a bin especially designed for kitchen food waste to be disposed in. Separated sewer lines are installed to eliminate combined sewer overflow, which helps to prevent pollution. Rainwater can be recycled and reused for domestic consumption.

e.In order to regulate the amount of preservatives used in formulations by maximum permitted levels, O'right became the first hair and skin care company in Taiwan to be accredited under ISO 11930 preservative effectiveness test. However, this resulted in the generation of infectious waste, which is being handled and incinerated by qualified waste clearance companies .

● Table 2-7 Annual industrial waste comparison

Category (metric tons)	2018	2019	2020
Recycled goods (paper, iron, plastic and aluminum)	12.920	13.805	15.858
Industrial waste disposal	12.550	10.46	10.19
Infectious waste disposal	0.384	0.469	0.474



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2.2 Green Products

O'right has never been just a hair and skin care company, but a brand that is dedicated to giving people, society and the environment the best care they deserve.

Twenty years ago, a global demand for a clean economy (i.e., the production of goods and services with an environmental benefit) began picking up. A clean economy is one that benefits the government, markets and consumers and one that provides products and services that reduce carbon emissions in the entire economy and improve efficiency in the use of natural resources. However, a clean economy is expensive; not everyone could afford to buy green and it did not help that green products often fail to deliver the desired result.

In order to make a breakthrough, we use green energy in the manufacturing of our products and environmentally-friendly packaging. Our products contain a high amount of natural ingredients with low environmental impacts. Our green building in which our products are manufactured is innovative and benefits the environment.

In addition, most of O'right's raw materials, packaging, and products are accredited by nationally or internationally recognized certifications that reflect our high standards for quality and safety. To enhance customer satisfaction, we comply with ISO 9001, ISO 22716, and Taiwan's Voluntary Cosmetic Good Manufacturing Practice (GMP) requirements and standards (see Appendix 3 for details).

Quality is characterized by strict adherence to guidelines, standards, procedures and specifications to ensure that our green products have the highest quality. Affordable shampoo, the kind you find in the supermarket or pharmacies, are great at removing the oil and dirt from our hair and scalp; but they are not very good at protecting consumers and the environment.

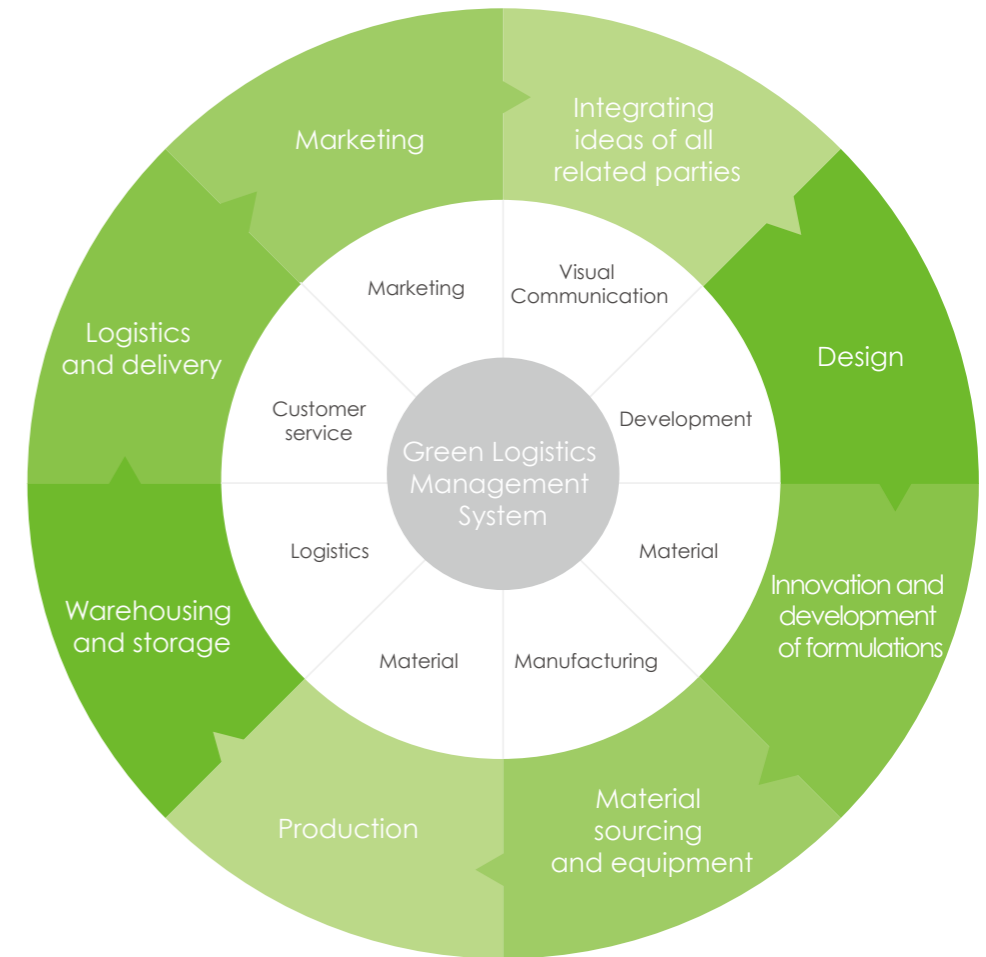
We apply and adhere to a strict set of quality standards internally and externally, nationally and internationally, making a name for ourselves in the green hair and skin care sector.

Our extensive range of green beauty products (133 total) includes shampoo, conditioner, hair oil, scalp revitalizers, styling and skin care, all of which are formulated with authentic sustainably-sourced ingredients and free of fossil fuel-derived materials (petrochemicals). As a socially responsible business, we owe it to our consumers to provide transparency and guarantee of quality. As such, the percentage of sustainable ingredients in each product is clearly displayed as part of our long-standing commitment to creating a greener world. Consumers can rest assured that their hair, scalp, body and skin are given the best care. Because when we say "green beauty," we mean it.

O'right pioneers carbon reduction initiatives and leads the effort for a greener world. Earning the USDA Certified Biobased Product Label in 2020 confirmed that we are on the right path of sustainability – the path towards zero carbon and zero impact. Biobased carbon can help reduce carbon dioxide emissions, which is the key to securing a sustainable future for all.

Going green is becoming the new norm in the world of cosmetics. But not every brand considers the certification route. We validate our green claims with trusted third-party certifications worldwide. The result is transparency and authenticity, which build trust in our brand and empower consumers to choose healthier products and live a greener lifestyle. In 2018, we took our green beauty products to the next level by making them vegan, gluten-free and non-GMO, demonstrating our commitment to doing what's best for people and for the planet.

In 2011, we introduced the world's first carbon neutral shampoo. The following year, our newly constructed O'right Green Headquarters became the first Diamond-level green cosmetic factory in Asia. Then, we introduced the world's first 100% renewable plastic shampoo bottle and renewable plastic pump in 2016 and 2018, respectively. In 2018, we became the first company in Asia with product bottles certified by EuCertPlast, which is issued by Germany leading expert, Cyclos. We will adopt climate-friendly practices for sourcing raw materials and ingredients, manufacturing and selling products to cut greenhouse gas emissions and achieve carbon neutrality in 2021, thus bringing our emissions reduction path in line with the goal of making a zero carbon and zero impact world a reality.



● Figure 2-17 O'right green logistics management system



Non-GMO

Gluten-free

Vegan

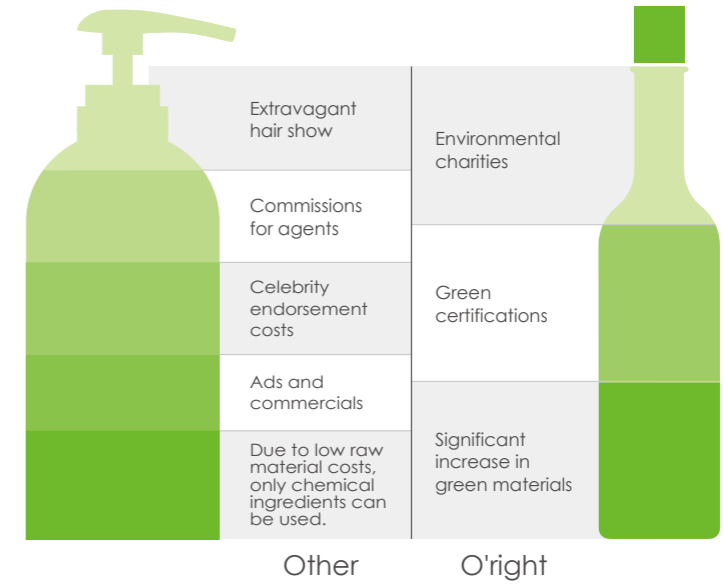
● Figure 2-18 O'right green logistics management system

2.2.1 Innovations in Green Formula

O'right's Organica Plant Extraction R&D Center is responsible for the quality control and safety of products as well as the development of green ingredients. We have always strived to incorporate the concepts of Natural, Pure and Eco-friendly by increasing the percentage of sustainable ingredients in our products.

Plastic microbeads are commonly found in face and body scrubs or cleansers due to its exfoliating abilities. However, they also raise concerns about the pollution of the marine environment. O'right bans the use of microbeads in our products; instead we use natural hinoki powder to achieve the same effect without compromising the well-being of people and the environment. Sustainability can be beautiful and beauty can be sustainable – and sustainable beauty is exactly what O'right aims to achieve.

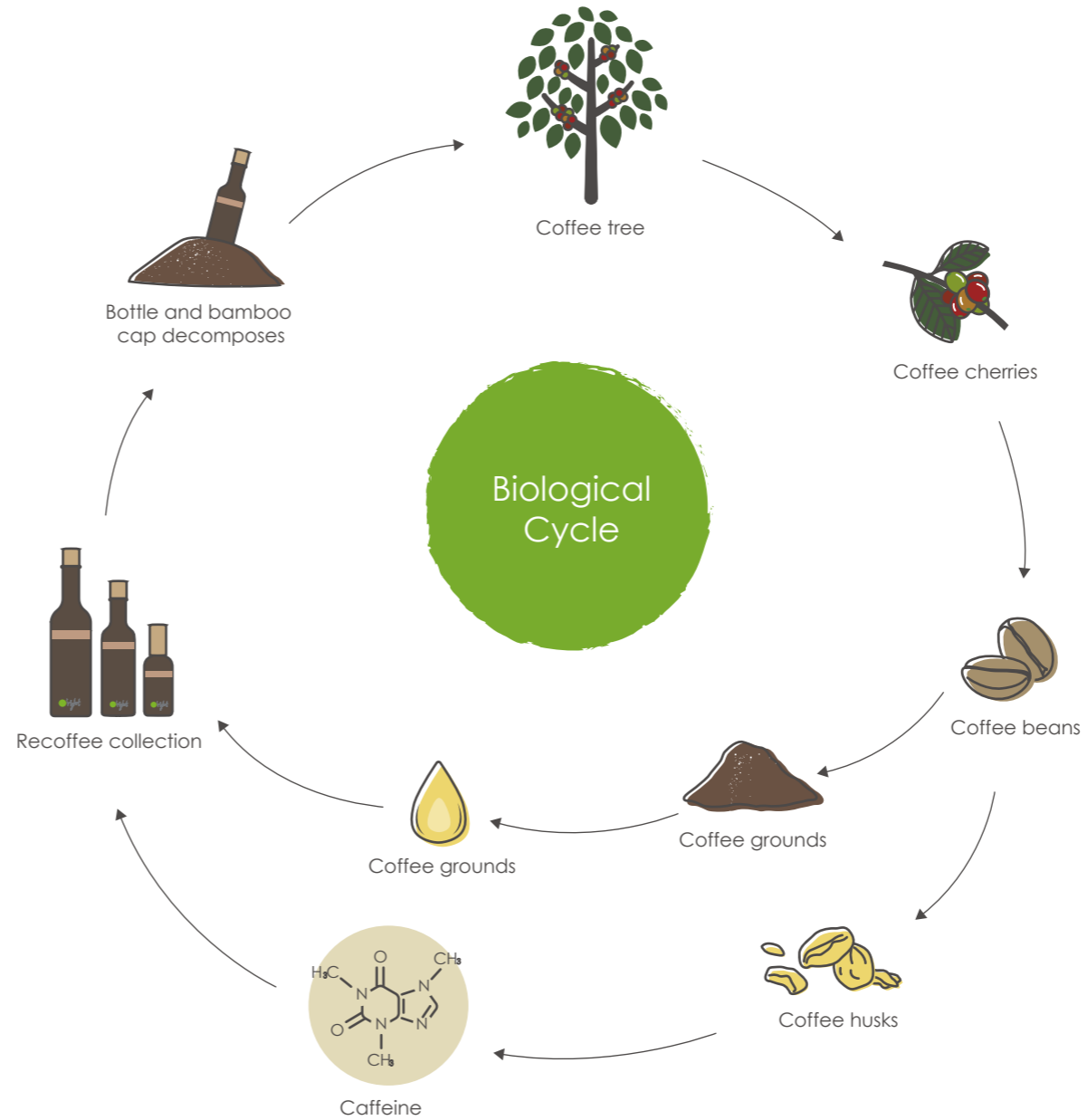
All of our products are tested for its safety, heat tolerance and package compatibility. Semi-finished goods are required to meet cosmetics GMP requirements which include 6 tests on aerobic plate count and purified water quality, etc. Before products are launched, they are to be registered first. Products that are being exported to European countries must undergo product safety assessments according to the cosmetics regulations.



● Figure 2-19 Comparison between O'right and other hair brand products



● Figure 2-20 O'right offers 133 products to cater to different needs



● Figure 2-21 Naturally-sourced green innovative products



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(1) 8 Free

As a green brand, we have dedicated ourselves to developing innovative green products on quality alone, without the help of endorsements and advertisements. Our commitment to green development has successfully led to the introduction of our 8 Free formula. Free of 8 harmful chemical substances, O'right's green beauty products are healthy and safe for consumers and for the earth.

O'right offers a complete range of shampoo and body wash products that do not contain environmental hormones, parabens, formaldehyde, colorants, phthalates, sulfate surfactants, thickeners, diethanolamine (DEA) and ethylene oxide derivatives to provide consumers with a healthier and eco-friendlier lifestyle choice. Figure 2-23 is an 8 Free poster given to hair salons to put in their salons for customers to see.

O'right will continue to adhere to our green philosophy of "Natural, Pure, and Eco-friendly" and develop animal-friendly products. We believe that a wonderful future involves not only building better lifestyles for people but rather co-existing in harmony with all creatures in nature. Therefore, we support animal welfare and adopt alternatives to animal testing during the development of product formulations.



ANIMAL WELFARE MATTERS

The greatness of a nation and its moral progress can be judged by the way its animals are treated." – Ghandi

● Figure 2-22 Cost comparison of O'right products and other hair products

8 Common Household Toxins

It's O'right



Keep A Toxin-Free Life

1. Endocrine disrupter substances (Nonylphenol)

Nonylphenol, an artificial hormone which structure is similar to the female hormone estradiol, mimics that which is naturally found in our bodies and may cause an endocrine imbalance, interfering with the synthesis of androgenic hormones, leading to a reduced sperm count, male feminization, and a decreased reproduction rate.

Source : <http://toxipedia.org/display/toxipedia/Nonylphenol+and+Nonylphenol+Ethoxylates>



2. Plasticizers (Phthalates)

A substance generally used to improve materials' flexibility, viscosity, and luster. In high doses, it can affect fetal brain development; it is also harmful to the male reproductive system, and can cause precocious puberty in females.

Source : <http://kenyghubpages.com/hub/Health-Risks-of-Phthalates>



3. Preservatives (Parabens)

With excellent antibiotic properties, parabens is the most utilized artificial preservative. It has also been clinically proved to be absorbed by the skin and enter the human body, interfering with the endocrine system, in particular estrogen. It is related to endocrine disrupter substances and carcinogens.

Source : <http://www.breastcancerfund.org/clear-science/chemical-glossary/parabens.html>



4. Formaldehyde (Methanal)

Methanal, or formaldehyde when it dissolved in water, is utilized for preserving, sterilizing, and bleaching. It is a strong irritant to human skin and mucous membrane and can suppress all cell functions. Currently, methanal has been classified by the WHO as a carcinogen as well as a teratogen (increases the incidence of abnormal prenatal development).

Source : <http://www.cancer.gov/cancertopics/factsheet/Risk/Formaldehyde>



5. Sulfate surfactants

Used for cleaning, sterilizing, and soaking, these can seep into and weaken cells. Long-term contact in high concentrations can destroy the outer layer of the skin, allowing other carcinogenic substances to easily penetrate the body, possibly increasing the risk of cancer.

Source : <http://gasmartmonkey.com/resources/sulfates.pdf>



6. Chemical Thickeners (DEA derivatives)

Used to adjust the viscosity and fluidity of different products. In high concentrations, they are easily absorbed into the skin where they can be stored, causing chronic intoxication.

Source : <http://en.wikipedia.org/wiki/Diethanolamine>



Let's work together for a better and healthier life



7. Chemical Colorants

Most contain toxic substances, such as methanal and benzene. These pigments are considered as an allergen and often cause skin inflammation. Skin reactions can be more severe for people with sensitive skin.

Source : <http://www.back2nature.co.nz/the-ppd-problem/>

8. Ethylene Oxide derivatives

A central nervous system suppressor, irritant, and mutagen which was formerly used in the manufacturing of germicides. When in contact with the skin it causes inflammation followed by the appearance of blisters after several hours. Repeated contact increases skin sensitivity and long-term contact in low concentrations may lead to psychological disorders or malfunctions of the autonomic nervous system.

Source : <http://monographs.iarc.fr/ENG/Monographs/vol100F/mono100F-28.pdf>



● Figure 2-23 8 Free



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(2) Extraction of Locally-grown Ingredients

In order to upgrade our green formula and develop botanical ingredients, we invested in supercritical fluid extraction (SFE), ultrasonic extraction and essential oil distillation equipment to obtain active ingredients of agricultural products such as organic tea leaves, bamboo leaves, goji berry roots, coffee grounds and sorghum from local organic farms in Taiwan for extraction to foster the development of the Taiwanese organic farming industry as well as reduce import dependence and carbon emissions from shipping.

(3) Independent Research Laboratory

We strive to invest in laboratory facilities to enhance product development. In 2015, O'right became the first beauty company in Taiwan to be equipped with 3 independent research laboratories: Natural Formula Development Lab, Taiwan Agricultural Product Extraction Lab and Cosmetic Efficacy Verification Lab.

These laboratories are especially designed to extract sustainable ingredients, develop green formulas and perform product efficacy testing to ensure that the beauty products we put on the shelves are 100% healthy and safe for people and for earth.

In 2016, we were accredited by TAF to use ISO 11930 preservative efficacy test method. In 2019, we became the first certified laboratory in Taiwan to perform 3 efficacy tests of skin care products.

a. Natural Formula Development Lab:

The Natural Formula Development Lab searches for and experiments on various natural, organic and sustainable ingredients to development and improve our green product formulas.

Currently, 53 products and 2 ingredients have earned the USDA Certified Biobased Product Label, which is a federally administered and run label that uses accelerator mass spectrometry (AMS) in accordance with ASTM D6866 to quantify the biobased content of a product.

b. Taiwan Agricultural Product Extraction Lab:

The Taiwan Agricultural Product Extraction Lab is responsible for developing native plants and local farm produce or other wastes, using eco-friendly ultrasonic and supercritical extraction technologies to obtain active ingredients for our product formulas.

⁷Carbon footprint refers to the amount of greenhouse gases (GHGs) produced during the life cycle of a product, a process or a service.



● Figure 2-24 Independent laboratories

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● Figure 2-25 Ultrasonic & supercritical extraction technologies

- (a) Ultrasonic extraction equipment: Extracts active ingredients from native plants to Taiwan as well as farm produce and other wastes with optimal extraction conditions.
 - I. Eco-friendly manufacturing process: Short extraction time and less use of solvents.
 - II. Extraction of active ingredients: Obtains optimal amounts of active ingredients under low temperature to prevent heat damage and contamination.
 - III. Optimal extraction efficiency: Ultrasound has strong penetration abilities to enhance extraction efficiency.
 - IV. Optimal ingredients: Extracts ingredients with small particles, high permeability and high solubility.
- (b) Supercritical extraction equipment: Extracts active ingredients from native plants to Taiwan as well as farm produce and other wastes with optimal extraction conditions.
 - I. High level of safety: Non-toxic with high biosafety.
 - II. The Three Rs (3Rs): Adopts the 3Rs approach (reduce, reuse and recycle).
 - III. Environmentally friendly: Uses carbon dioxide to prevent environmental damage.
 - IV. Extraction of active ingredients: Obtains optimal amounts of active ingredients under low temperature to prevent heat damage and contamination.

c. Cosmetic Efficacy Verification Lab:

The Cosmetic Efficacy Verification Lab analyzes the active ingredients, tests product safety and efficacy and examines the safety and preservation efficacy of green formulas. This Lab is equipped with a cosmetic efficacy testing lab, validation analysis lab and BSL-2 lab.

- (a) Cosmetic efficacy testing lab
 - Evaluates the safety and efficacy of cosmetics through a skin aging analyzer and skin diagnostic tool to ensure optimal efficacy of products.
- (b) Validation analysis lab
 - Performs quantitative and qualitative analysis on extracts and active ingredients, product stability testing and BSL-2 laboratory equipment pre-treatment.
- (c) BSL-2 (P2) lab:
 - Researches and tests level of antimicrobial activity to find the optimal preservation conditions of cosmetic products and enhance product safety and stability. This testing is generally called challenge testing or preservative efficacy testing. Compared to general BSL-1 laboratories, workers of BSL-2 laboratories must be adequately trained, qualified and experience in the field of pathology. Certain operations have to be performed in Class I or II biosafety cabinets or other containment facilities.



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(4) Research Objective and Results

A. Preservation formulation

In 2013, we collaborated with the Biomedical Technology and Device Research Laboratories of the Industrial Technology Research Institute to conduct various research inventories, which lead the Center to set our direction and goal. In 2014, we teamed up again on the Development of Preservative-Free Cosmetics project to develop paraben, DMDM hydantoin, MI, and MCI free cosmetic preservative systems and even new preservative-free formulations. Preservative challenge testing is performed on all formulations, which is an important indicator for foreign markets (e.g., member states of the EU). O' right products are now completely MI-free.

B.Coffee Husk

In May of 2016, our research findings on the extraction of coffee oil using supercritical extraction was published in Evidence-based Complementary and Alternative Medicine, once again receiving global recognition for our research efforts and achievements.

For our scalp revitalizer formulations, we obtained natural caffeine from coffee husks using ultrasonic extraction technology to stimulate hair growth and promote healthy hair and scalp. Clinical trials conducted by a third-party vendor showed that our Caffeine Botanical Scalp Revitalizer can help hair grow up to 7.2 cm longer in just 8 weeks. It is not only a safe and healthy product but also one that delivers the results consumers are looking for, leading to a repeat purchase rate of 90%.

C.Goji Berry Root

In October of 2014, a report by the Plant Extraction R&D Center on the effect of goji berry extract in skin care or dermatology published in BMC Complementary and Alternative Medicine caught the attention of the international academic society, marking the first such achievement by a Taiwanese hair and skin care brand and also the result of O' right' s commitment to green development.

In 2018, our research team developed the Goji Berry Ultimate Rejuvenating Collection, a natural age reversing secret skin care line that includes Goji Berry Lucent Intensifier Serum, Goji Berry Age-defying Concentrate, Goji Berry Awakening Essence and Goji Berry Harmonizing Cleanser. Our International Exhibition of Inventions Geneva and Taiwan Excellence award-winning Goji Berry Age-defying Concentrate is clinically-proven to improve skin hydration and elasticity levels and reduce melanin content.

We strive for continuous improvement in our laboratories and its equipment. Involvement in industrial-academic collaborations is also important way to enhance the abilities of R&D personnel. Our efforts and investments aim to ultimately produce the greenest and safest shampoo products for consumers.

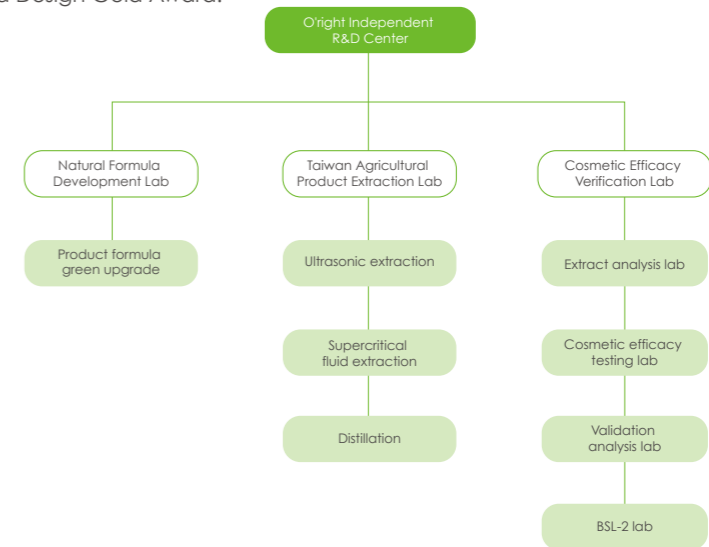
D. O'right Toothpaste N° Zero

Dental problems can be frustrating and devastating for many, which is why the kind of toothpaste you choose is important to maintaining good oral hygiene. However, the abrasives typically found in toothpaste can be harsh and wear away the tooth enamel. Another common ingredient found in toothpaste are surfactants, chemical compounds that cause irritation. We discovered that toothpaste formula has not evolved in over a hundred years. This marked the beginning of our mission to redefine and change the way toothpaste is made.

Pledging to remove toxic chemicals from our formulas and provide holistic green lifestyle solutions, we introduced O'right Toothpaste N° Zero after 3 years of development. Infused with 3 billion chlorella (green algae) cells and a blend of botanicals including licorice, yew plum pine, mint, wingleaf soapberry, glycerin, star anise, rosemary, clove and spearmint, O'right Toothpaste N° Zero provides a sustainable plant-infused experience and a natural solution for healthier teeth and gums.

We are dedicated to maximizing the value of resources. Replacing traditional abrasives with sustainable wood cellulose, O'right Toothpaste N° Zero takes you on a journey to discover the wonders of wood-infused care with food-grade ingredients and natural botanicals that are river-friendly and healthy for people.

O'right Toothpaste N° Zero has also been certified by USDA to contain 100% biobased content. The label assures consumers that our product contains a USDA-verified amount of renewable biological ingredients. Our green toothpaste was also announced the New Sustainable Product winner by the Sustainable Beauty Awards and awarded the Good Design Gold Award.



● Figure 2-26 O'right independent research laboratory



● Figure 2-27 O'right green packaging design

2.2.2 Green Packaging Design

We consider the environmental impact of each life cycle during product design and development stages. We are committed to developing recyclable, reusable and biodegradable sustainable packaging materials and eliminate fossil fuel-sourced materials. By using biodegradable PLA bottles, FSC-certified paper and bamboo caps, we are reducing packaging waste and carbon emissions. For packaging, we follow the 5Rs of O'right, the five essential components of our green brand.

With zero impact as our priority, among the procurement of NT\$47 million of materials in 2020 (see 4.1), NT\$40.7 million (86.73%) was spent on renewable resources that can be replenished by natural means in a short period of time, such as our bottle made of recycled coffee grounds, bottle cap made of bamboo and seed paper made of Manchurian wild rice hulls from Nantou of Taiwan and bagasse.

The non-renewable materials that cannot be easily replenished and are lurking around us have become a serious danger to humankind and our environment. The best solution is to make good use of these resources and not burn them.

We also incorporate our environmental practices into other materials by replacing plastics with green materials to make our packaging more sustainable.



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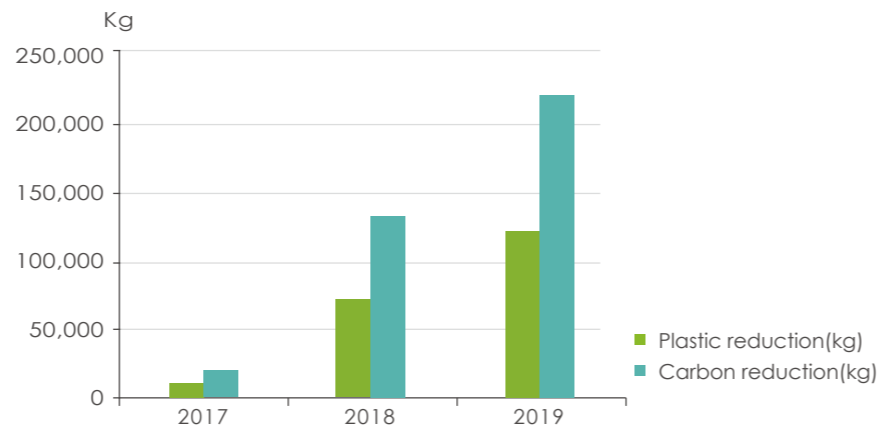
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(1) Towards a Circular Economy

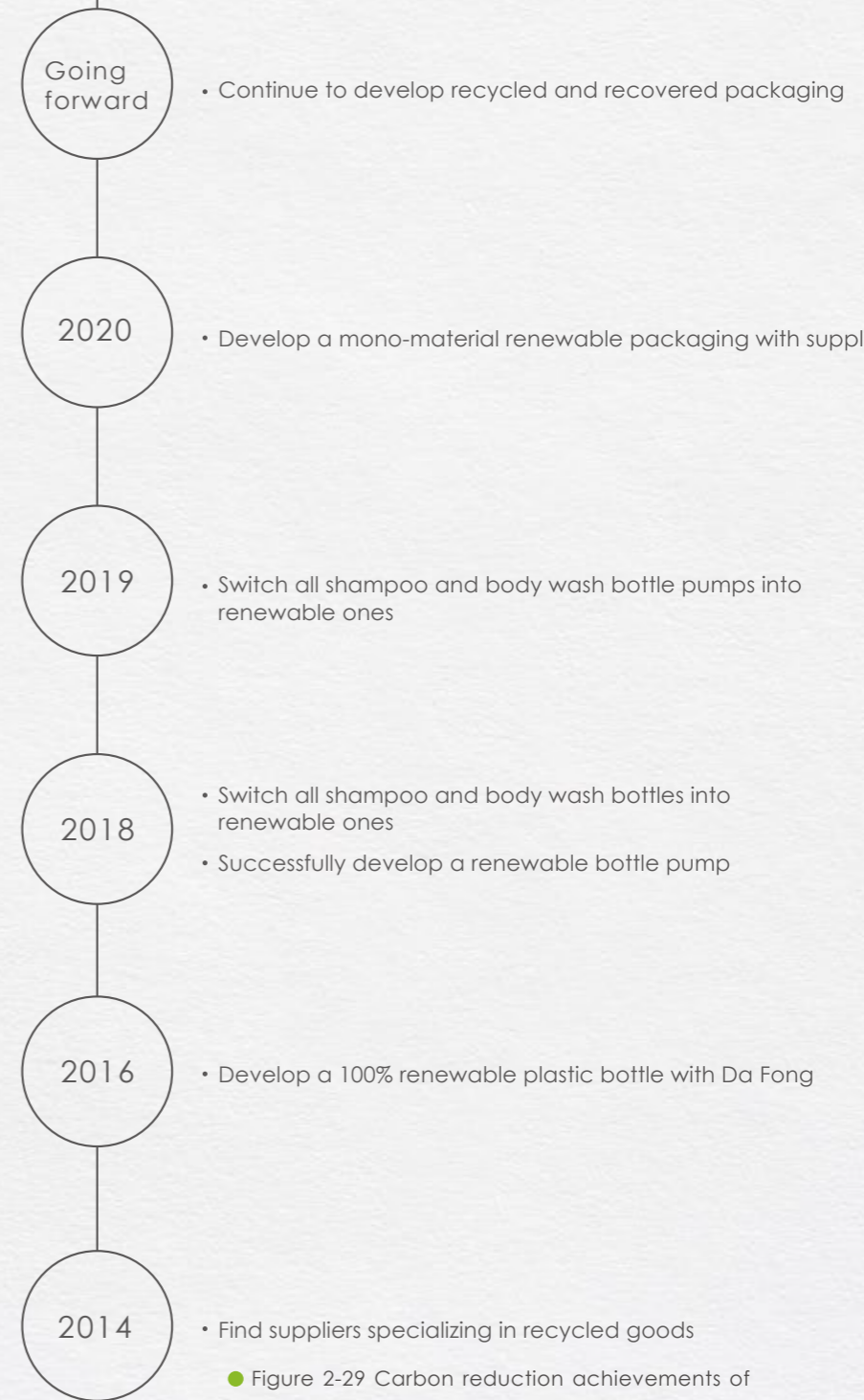
We are bold yet meticulous when developing products, ensuring that renewable plastic materials are properly sorted, packed, crushed, separated by gravity, mixed and pelletized. We also perform safety testing to ensure that our bottles do not contain any heavy metals for mass production.

Our green path towards a greener tomorrow does not end here. In 2018, we partnered with Da Fon Environmental Technology and Living Fountain to develop the world's first renewable plastic pump, once again leading the way in sustainable beauty.

Renewable packaging is made of recycled plastic materials and is 100% recyclable. The production of renewable plastic particles is complex and it costs more than new plastic. However, we are willing to increase corporate costs if it means reducing environmental impact. Switching to renewable plastic packaging significantly reduces our carbon footprint, which is why we changed all of our shampoo and body wash bottles into 100% renewable ones in 2018 and made the commitment to use renewable plastic pumps as well in 2019. Our efforts to create more environmentally friendly packaging solutions have greatly reduced our use of plastic and our carbon footprint (see below for details). Expect to see more recycled and reused packaging from O'right, made to lessen damage to earth's resources and to give new life to waste.



● Figure 2-28 Carbon and plastic reduction achievements of renewable packaging





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● Table 2-8 Carbon reduction achievements of renewable plastic packaging

NO.	Item	Quantity	Subtotal(kg)
1	HDPE bottle	Weight (kg)	131,380
		Carbon emission difference (kg)	236,518
2	PP renewable pump	Weight (kg)	22,451
		Carbon emission difference (kg)	29,912
3	PET bottle & cap	Weight (kg)	11,539
		Carbon emission difference (kg)	11,770
Total	Total	Total weight of renewable plastics(kg)	165,370
		Total amount of carbon reduced(kg)	278,199

Note :¹ Carbon emission difference = (Carbon emissions of new plastic - Carbon footprint of renewable plastic) x Weight of bottle x Usage ratio

² New plastic and renewable plastic carbon footprint calculation method by the Environmental Protection Administration

Plastic type	Carbon emissions ₂ of new plastic (kgCO ₂ e/kg)	Carbon footprint of renewable plastic (kgCO ₂ e/kg)	Usage ratio of renewable plastic	Carbon reduction achievement (Carbon reduction x usage ratio)
HDPE	2.25	0.449739	100%	80%
PP	2.01	0.418229	83.70%	66%
PET	2.35	1.33	100%	43%

(2) Inflatable Air Pillows

O'right does not use expanded polystyrene foam or any environmentally unfriendly materials when packing goods. Instead, we use eco-friendly inflatable air pillows, small air-filled bags made from LDPE (a code 4 plastic) that are placed inside shipping cartons or boxes to provide protection against shock and prevent goods from being damaged in shipping. Since 2011, in order to reduce plastic use and carbon dioxide emissions to a minimum, we upgraded our inflatable air pillows.

We believe that small steps can make a big impact on the environment. As such, in 2016, we adopted a lighter, thinner upgraded version of the air pillows, which contains less plastic and generates less emissions.

● Table 2-9 Carbon achievements of air cushions

Item	Inflatable air pillows	Super light inflatable air pillows
Weight	0.00235 (kg)	0.00093 (kg)
Material	LDPE	
Used in 2020	384,600	
Annual carbon emissions	$0.00235 \times 384,600 \times 6 = 5,422 \text{ kg}$	$0.00093 \times 384,600 \times 6 = 2,146 \text{ kg}$
Carbon reduced	$5,422 - 2,146 = 3,276 \text{ kg}$	
Note	1. 1kg of LDPE produces 6kg of CO ₂ . 2. According to the amount of super light inflatable air pillows procured in 2020, the amount used in 2020 is calculated as follows: $100 \text{ rolls} \times 3,846 = 384,600 \text{ pcs}$ (i.e., each roll is 500 cm long and each air pillow is 0.13 cm, meaning that there are 3,846 air pillows in each roll)	



● Figure 2-30 O'right green packaging



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(3) Moso Bamboo Cap: A Beautiful, Trendy Sustainable Design

O'right bottle caps are made of Moso bamboo. Its simple yet elegant design is a sustainable alternative to non-recyclable plastic or electroplated caps. Aside from our 1000 mL products, all of our shampoo and body wash products feature our signature Moso bamboo caps.

With its natural color and shine, unique, fine veins and exquisite texture, our Moso bamboo cap is the perfect fusion of craftsmanship and green trends. O'right stands tall and firm like bamboo in our goal in creating a healthy environment and eco-friendly products for consumers. Moso bamboo cap conveys O'right's commitment to sustainability in hopes of continuing to make an impact on each and every consumer who owns one.

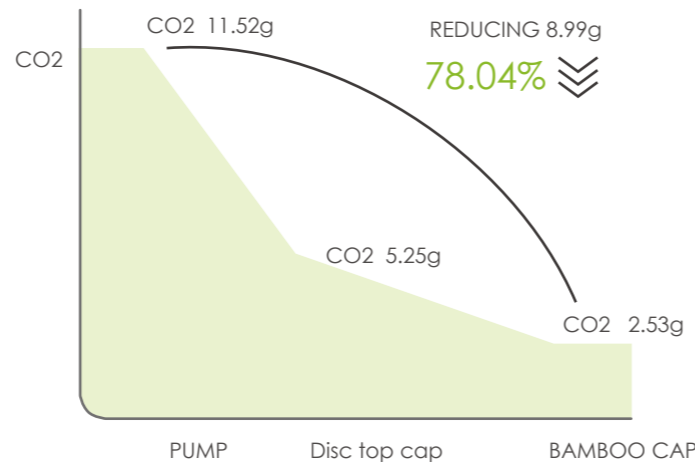
Our Moso bamboo caps help to reduce carbon emissions by 78%. We believe that small steps can lead to big changes in the environment. As our revenue grows, we also reduce even more carbon emissions. From 2012 to 2020, bamboo caps helped to reduce 178,633 kg of carbon, which is equivalent to planting 16,239 20-year-old trees.

Love the earth with eco-friendly caps

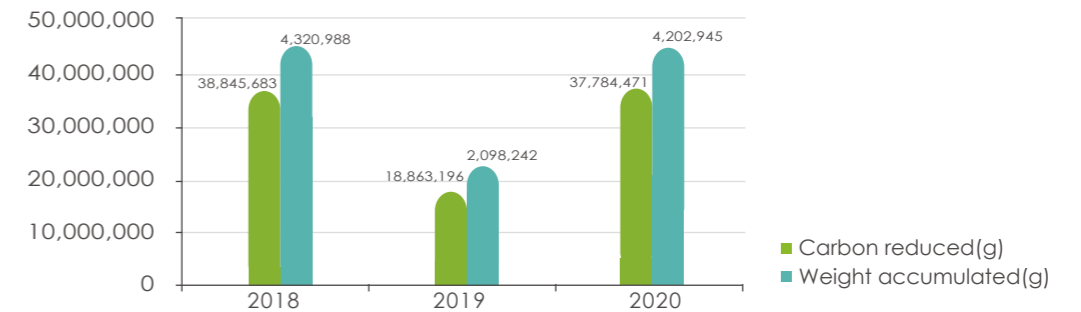


● Figure 2-32 Carbon emissions of bottle caps

CARBON EMISSIONS



● Figure 2-33 Carbon emissions of bottle caps



● Figure 2-34 Carbon achievements through bamboo caps in the past 3 years

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From 2011-2020, we sold 3,697,880 bottles with bamboo caps, which helped to reduce the use of

3,697,880 PP caps and

178,633 kg of carbon emissions.

This is equivalent to planting

16,239 20-year-old trees on earth.



Year	Procurement (pc)	Weight(kg)	Amount of carbon reduced(kg)	Number of 20-year-old trees planted
2012~2019	3,203,058	15,667	140,848	12,804
2020	494,822	4,202	37,784	3,435
Total	3,697,880	19,870	178,633	16,239

● Table 2-10 Carbon achievements through bamboo caps



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(4) Eco Pallets

The alarming amount of plastic waste we find on the beach every year during our annual coastal cleanups are a startling wake-up call to how much damage plastic pollution is doing to our planet. Plastics such as bottle caps are being found inside seabirds that have mistaken debris for food, eventually killing the innocent animal. O'right uses eco pallets each made from approximately 7,300 bottle caps to prevent this sort of tragedy from happening and protect marine life.

(5) Fren Bag: Stylish and Biodegradable

The Fren bag made from photolytic material is designed to reduce the use of paper bags. The eco-friendly design can be completely decomposed if exposed to direct sunlight for around three months. If kept out of direct sunlight, the Fren bag can be reused. We helped reduce the use of 269,824 plastic bags in 2020 alone, and 1,609,369 since Fren Bag was introduced to the world.

We strive to reduce our product packaging to minimize carbon emissions in any and every way possible. We communicate with our consumers through our website and social media platforms to motivate sustainability and spread our message to the world.

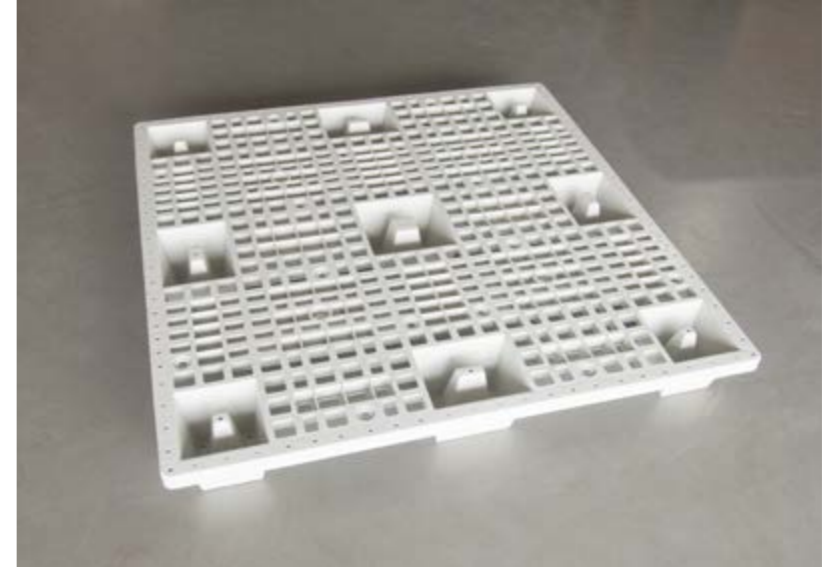
³Chris Jordan's photographs capture deceased seabirds with their stomachs overflowing with plastic litter. Take a look at the startling photographs here: <http://www.chrisjordan.com/gallery/midway/#CF000313%2018x24>

● Table 2-11 Carbon achievements by reducing the use of plastic bags

Year	Plastic bags reduced
2013~2019	1,339,544
2020	269,824
Total	1,609,368



● Figure 2-36 Fren Bag



● Figure 2-35 Eco pallet made from 7,300 recycled plastic caps



● Figure 2-37 The deadly impacts of plastic pollution on seabirds

2.3 Green Resource Circulation

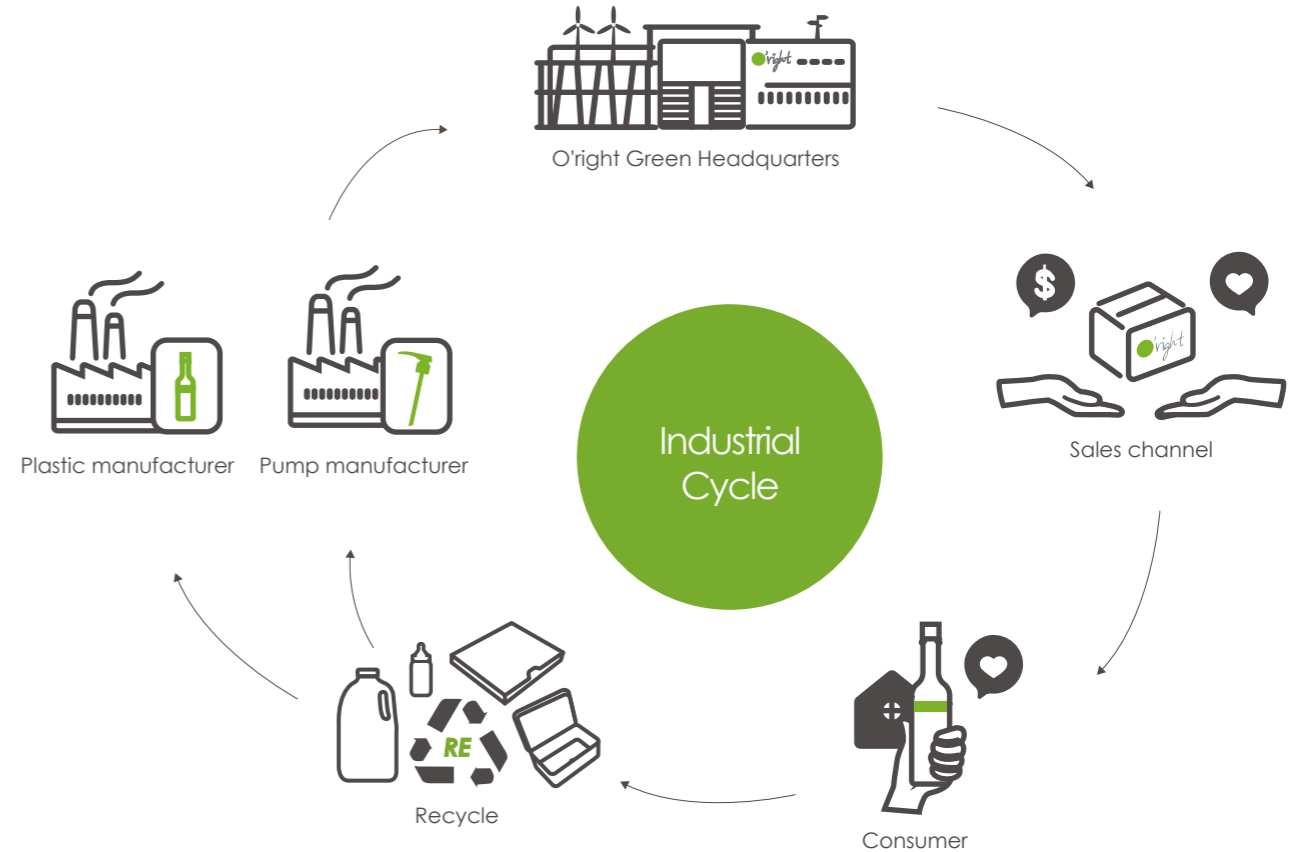
Climate change is not just an environmental issue, but a burning global problem that demands urgent action. Nations worldwide are working collectively to limit global temperature rise to below 1.5°C. Consumer choices are also a major cause of carbon dioxide emissions, which is why O'right has taken it upon ourselves to shift consumers towards sustainable behavior.

With sustainability at the heart of our business, we adopted a reverse logistics system for waste management to reduce waste and reuse resources. This year, our corporation and 9 of our products achieved carbon neutrality by SGS. Additionally, we joined RE100 to make a commitment to go 100% renewable by 2025.

2.3.1 A Reverse Logistics System

The shift towards a circular economy requires us to preserve resources. During our inventory process, we discovered that a circular supply chain requires a technical cycle that focuses on recovering and restoring materials through reuse or remanufacturing. As such, we developed a circular model for 3 types of resources, empty bottle cartons, product cartons and empty product bottles, to reuse resources and lower costs at the same time. This recycling model not only benefits the environment but also fulfills our corporate social responsibility, enhances our competitiveness and reduces carbon emissions and cost.

The introduction of our 100% renewable bottle in 2016 pushed us closer towards a circular economy. Consumers can recycle our bottles, which can be washed and manufactured into new bottles for O'right to use. With people and nature's best interests at heart, we continue to innovate to ensure our packaging is as sustainable as possible.



● Figure 2-38 Green resource recycling system

2.3.2 Product Carbon, Carbon Neutrality and Water Footprint

Guided by our core values of Green, Sustainability and Innovation, we are committed to achieving green certifications, developing innovative green products, providing green services and fulfilling corporate social responsibilities. To bring our sustainable business to the next level, we became the first company in Taiwan to conduct carbon footprint and water footprint inventories as promoted by the government.

Carbon footprint inventory is a life cycle assessment to help better understand the environmental impact of a product and its effect in the value chain and to improve our competitive advantages.

In 2010, our Green Tea Shampoo got certified by SGS PAS 2050. We measured product life cycle greenhouse gas emissions and set carbon reduction goals, kicking off our product carbon neutrality project. In 2010, we obtained our first product carbon neutrality.

We continue on our path to obtain carbon footprint and carbon neutrality certifications. In 2020, instead of measuring our carbon footprint, we calculated the greenhouse gas emissions associated with our products to achieve carbon neutrality by 2021.



● Figure 2-39 The 4 aspects of O'right's green management

Year	Product	
	Carbon footprint	Carbon neutrality
2018	27	2,509.40 emissions equivalent
2019	50	By 2020
2020	Measure the greenhouse gas emissions associated with our products and achieve carbon neutrality by 2021	

● Table 2-12 Carbon footprint and carbon neutrality verification

Year	Product	
	Greenhouse gas	Carbon neutrality
2018	Green Headquarters	315.100 emissions equivalent
2019	Green Headquarters	By 2020
2020	Achieve carbon neutrality of our products by 2021	

● Table 2-13 Carbon footprint products

We meticulously calculated the carbon footprint of our entire product portfolio to minimize our emissions.



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● Table 2-14 Carbon reduction actions at each stage

Stage	Description
Stage 1 Ingredient acquisition	<ol style="list-style-type: none"> 1.Procure non-toxic, safe organic ingredients to facilitate organic farming development, foster local organic agricultural industry and reduce shipping carbon emissions. 2.Extract active plant-based ingredients with supercritical extraction technology to greatly improve product efficacy.
Stage 2 Manufacturing	<ol style="list-style-type: none"> 1.Use green energy generated from solar and wind power for manufacturing. 2.Equipped with class 10,000 cleanrooms with a cfu limit of below 100. 3.Equipped with a PCW system to save energy. 4.Implement water recycling systems.
Stage 3 Delivery/sales	<ol style="list-style-type: none"> 1.Encourage customers to follow the minimum order quantity to reduce carbon emissions generated during shipping. 2.Replace expanded polystyrene foam with eco-friendly air cushions for packing.
Stage 4 Consumer use	<ol style="list-style-type: none"> 1.Encourage customers to install heat exchanging systems to reduce power consumption. 2.Replace expanded polystyrene foam with eco-friendly air cushions for packing.
Stage 5 Waste recycling	Establish business to business to consumer (B2B2C) reverse logistics systems for waste management.

To preserve water resources and achieve more efficient water use, we developed 3 water recycling systems and conduct water footprint inventory. We also improved our foaming agents to make our shampoo easier and quicker to rinse. In 2013, we obtained water footprint certification and adopted the Cradle to Cradle certified standard to design and make products that have a positive impact on people and the planet.

2.3.3 Organizational Greenhouse Gas Inventory and Organizational Carbon Neutrality

(1) Organizational greenhouse gas inventory

In 2020, we quantified and reported Category 3 (indirect GHG emissions from transportation, Category 4 (indirect GHG emissions from products used by the organization) and Scope 5 (indirect GHG emissions associated with the use of products from the organization) emissions within our defined reporting boundary. We chose 2018 as our base year for emissions inventory against which future emissions can be compared and tracked. We originally only included shampoos for our base year emission inventories; now we report the emissions associated with all of our products, therefore we adjusted the base year to 2020, during which we generated 14,537.446 CO2 emissions (metrics ton per capita).

(2) Organizational carbon neutrality

We proposed a greenhouse gas reduction program to help move O'right Green Headquarters towards carbon neutrality. In 2018, we purchased carbon credits to offset our greenhouse gas emissions to stay on the path to reach our carbon neutral goal throughout our operations.

Furthermore, we make continued efforts to maintain our status as a certified carbon neutral company by establishing ambitious goals to reduce emissions, minimize impact and make our vision of a zero carbon, zero impact world a reality.

In 2021, we will adopt climate-friendly practices for sourcing raw materials and ingredients, manufacturing and selling products to cut greenhouse gas emissions and achieve carbon neutrality.



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● Table 2-15 O'right's 7 main greenhouse gases

	CO ₂	CH ₄	N ₂ O	HFC _s	PFC _s	SF ₆	NF ₃	Total GHG CO ₂ equivalent*	Biomass emissions
Emissions equivalent (metric tons of CO ₂ equivalent per year)	14,492.143730	25.6343701	0.0803666	19.5876781	0.0000	0.0000	0.0000	14537.4461	0.0000
Percentage of gas	99.69%	0.18%	0.00%	0.13%	0.00%	0.00%	0.00%	100.00%	0.00%

● Table 2-16 Total GHG CO₂ equivalent

Item	CO ₂	CH ₄	N ₂ O	HFC _s	PFC _s	SF ₆	NF ₃	Total GHG CO ₂ equivalent
Emissions equivalent (metric tons of CO ₂ equivalent per year)	32.813917	25.634370	0.000303	0.265925	0.0000	0.0000	0.0000	78.11633
Percentage of gas	42.01%	32.82%	0.10%	25.08%	0.00%	0.00%	0.00%	100.00%

* GHG emissions occur from a variety of sources and are calculated with the emission factors and calculation method of IPCC 2013.

* The GMP value is obtained from the fifth assessment report by IPCC in 2013 and converted to CO₂e (metric tons/year).

The conversion coefficient is in accordance with the greenhouse gas emission coefficient management table (version 6.0.4) by the Environmental Protection Administration

● Table 2-17 Carbon reduction actions in each scope

Item	Category 1	Category 2	Category 3	Category 4	Category 5	Category 6	Total
2018	80.80586	234.29430	NA	78.71802	13,401.01520	NA	13,794.83338
2019	72.26377	219.11432	NA	60.42871	10,130.155534	NA	10,481.96214
2020	78.1163	209.7508	47.5942	939.1010	13,262.8837	NA	14,537.4461

Note: The 2018 and 2019 inventories are verified by SGS.



● Figure 2-40 ±R Plan circular concept

2.3.4 ±R Plan

Dedicated to doing what's best for people, society and the environment, we began developing the ±R Plan, which we expect to launch in 2021. Driven by the 3R's mindset Respond, Revive, Respect, ±R is a sustainable circular design that has been conceived to enhance respect for the environment and all living things. We believe that beauty doesn't mean a compromise on the health and beauty of planet earth.

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● Figure 2-41 Our zero carbon (zero impact) plan

RE 100

O'right

Hair O'right is a Taiwanese haircare brand. The company is a global leader in sustainable haircare and has won several awards for its products. O'Right joins RE100 with a target to source 100% renewable electricity for its operations by 2025.

● Figure 2-42 Joined RE100 to commit to 100% renewable electricity by 2025



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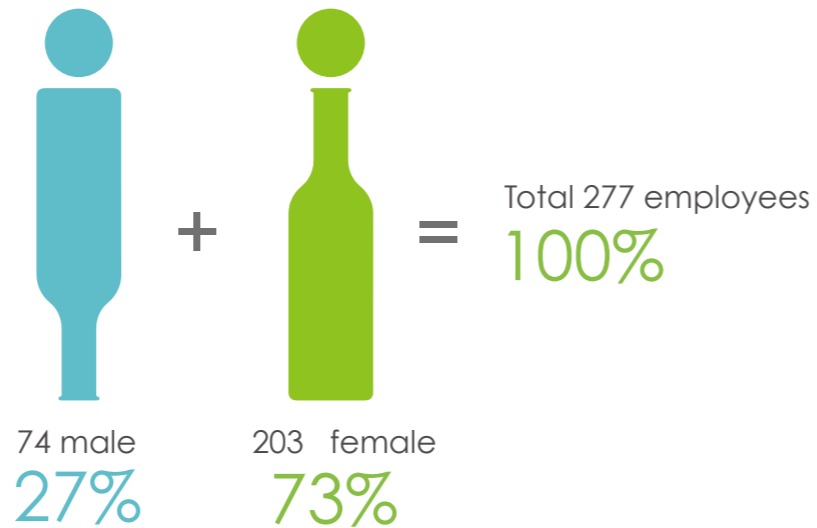
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3.1 Our Green Team

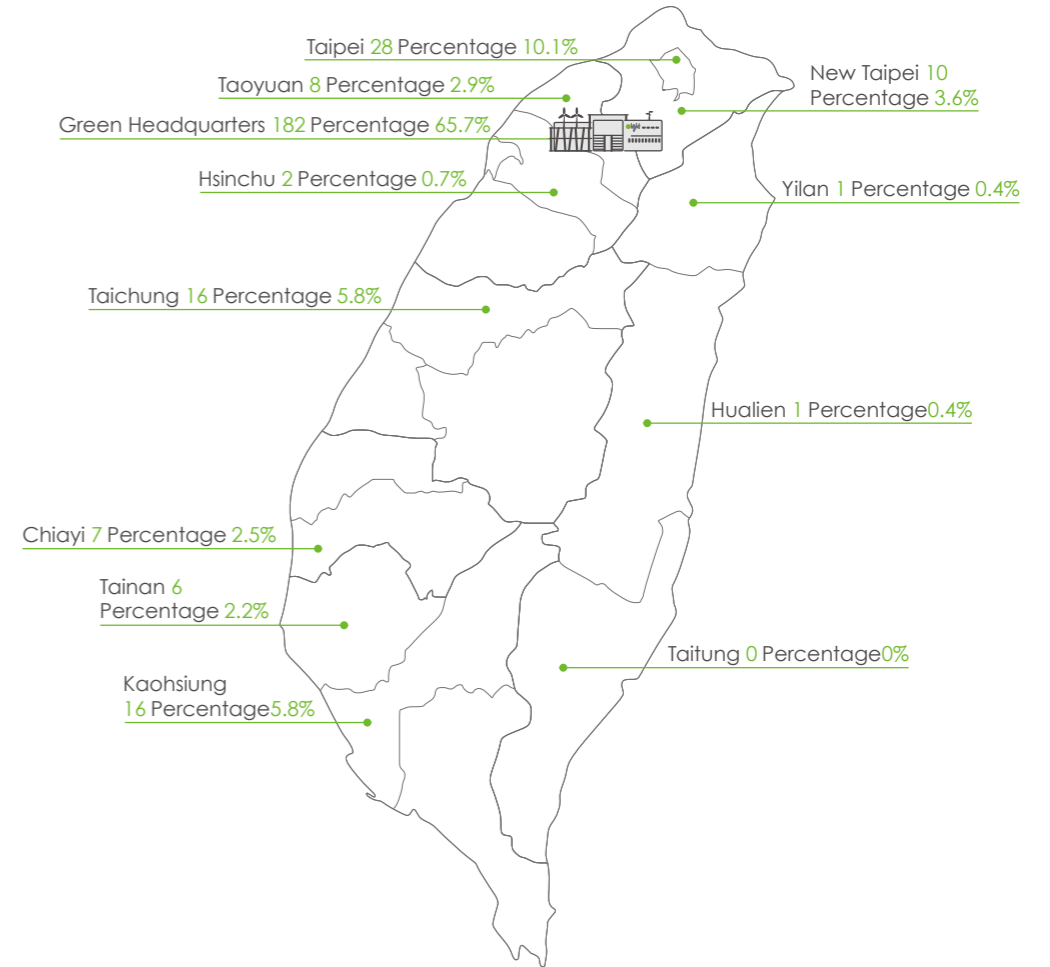
In order to build a law-abiding, effective, and responsible green team, each and every newcomer to O'right is given an employee handbook that includes pay and benefits, hours of work, retirement plans, maternity leave, rewards and punishment, health and safety at work, sexual harassment, and other guidelines and regulations employees are required to abide by to ensure orderly operations and provide the best possible work environment in the office.

3.1.1 Composition

In 2020, O'right has a total of 277 employees (excluding temporary employees), among which 65.7% of staff work at the Green Headquarters located in Longtan District. As beauty products mostly target a female audience, 73% of employees are women. In 2020, we hired 3 female customer service specialists for the night shift.



● Figure 3-1 Employee composition by gender



The number of employees was 277
Percentage 100%

● Figure 3-2 Employee composition by region

Note: The number of employees was 277 (as of December 31, 2020)

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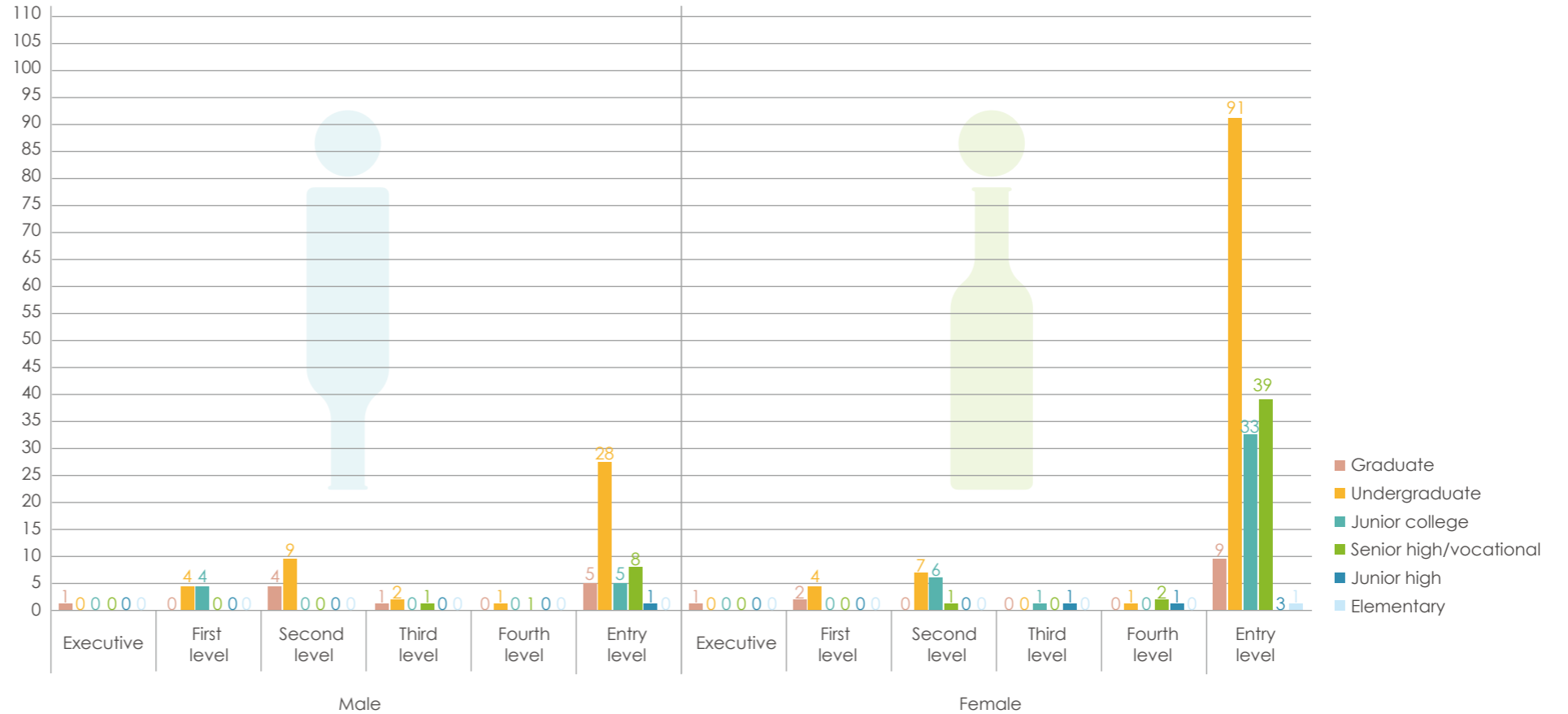
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All 277 were permanent employees (74 male and 203 female); no temporary employees. See Figures 21 & 22 for employment distribution by position, education and age.

Unit: Person



● Figure 3-3 Employee composition by education

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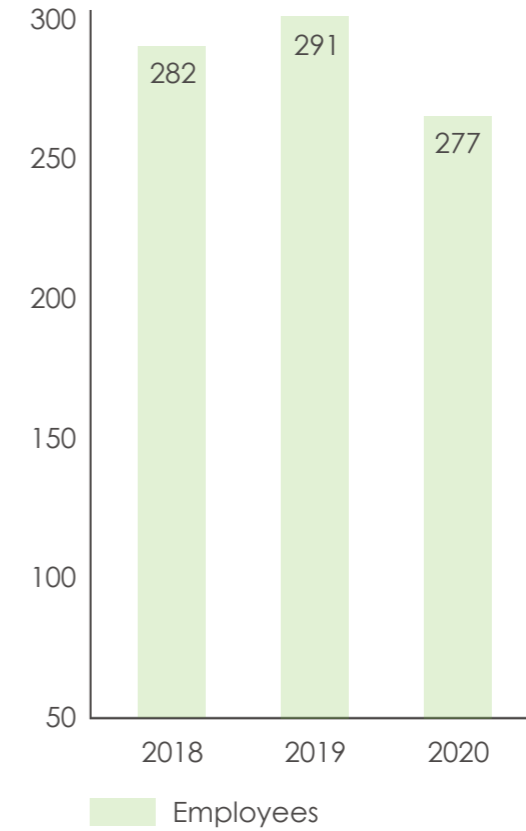
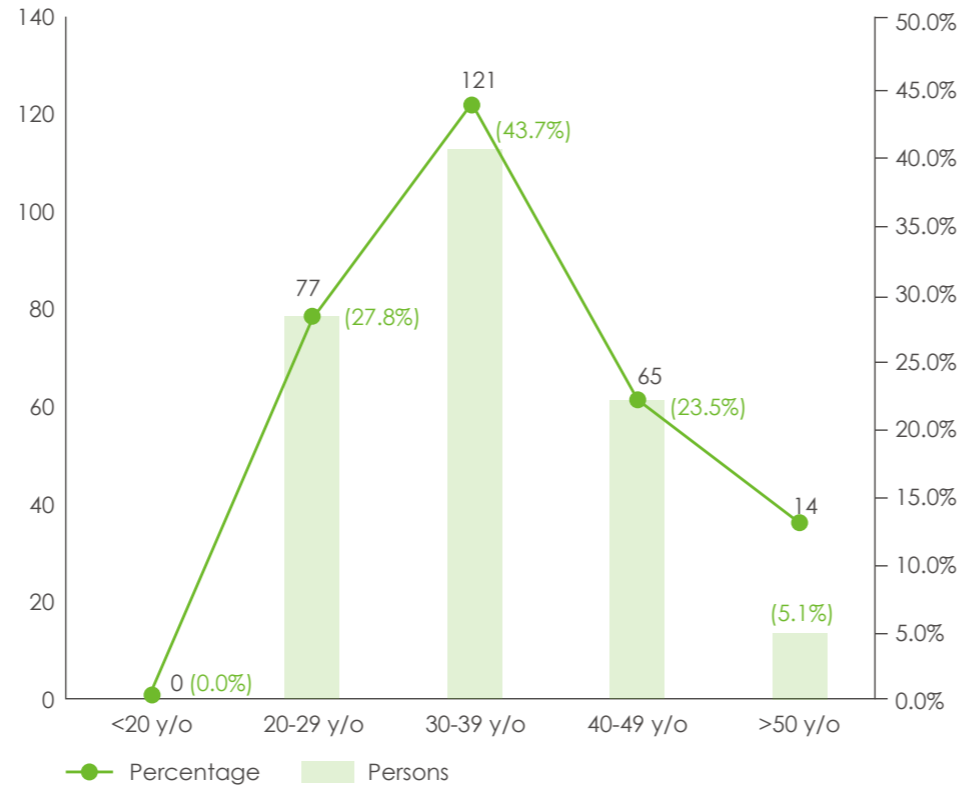
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● Figure 3-5 Number and growth rate of permanent employees

● Table 3-1 New and departed employee composition by gender, age and region

Among the 67 new employees we welcomed in 2019, 71.6% were female and 68.7% were from Taoyuan City. New employees accounted for 24.2% of the total number of employees.

Category	Age	Northern				Central				Southern				Total			
		Male		Female		Male		Female		Male		Female		Male		Female	
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
New	<20 y/o	0	-	0	0	0	-	0	0	0	-	0	-	0	-	0	-
	20-29 y/o	9	60%	20	38%	0	0%	5	125%	0	-	4	100%	9	56%	29	48%
	30-39 y/o	4	11%	10	15%	1	-	2	25%	1	25%	0	0	6	15%	12	14%
	40-49 y/o	4	27%	5	14%	0	-	0	0%	0	0%	2	20%	4	25%	7	14%
	>50 y/o	0	0	0	0	0	-	0	0%	0	-	0	-	0	0%	0	0%
	Total	17	-	35	-	1	-	7	-	1	-	6	-	19	-	48	-
Departed	<20 y/o	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
	20-29 y/o	5	33%	27	51%	0	0%	3	75%	1	-	3	75%	6	38%	33	54%
	30-39 y/o	7	19%	16	24%	1	-	3	38%	1	25%	1	9%	9	23%	20	24%
	40-49 y/o	2	13%	5	14%	0	-	2	100%	0	0%	2	20%	2	13%	9	18%
	>50 y/o	0	0	1	10%	0	-	0	0	0	-	0	-	0	0	1	9%
	Total	14	-	49	-	1	-	8	-	2	-	6	-	17	-	63	-

Note: : (1)New employees refer to new permanent (regular) employees, including contract employees, part-time employees and interns and excluding temporary workers; departed employees refer to employees who have resigned, including contract employees, part-time employees, interns, employees on leave without pay and excluding temporary workers.

(2)Region :

- a. Northern: Taipei, New Taipei, Keelung, Taoyuan, Hsinchu, Miaoli, Yilan, Hualien, Taitung
- b. Central: Taichung, Changhua, Nantou
- c. Southern: Yunlin, Chiayi, Tainan, Kaohsiung, Pingtung

(3) New employees=Current employees (according to age and gender groups)



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● Table 3-2 New and departed employees in the past 3 years

New hire turnover is common, especially during the 3 month probationary period. Male and female employees who resigned in less than 3 months accounted for 7.1% and 18.8%, respectively.

Year	Number of existing employees	Number of new employees	Employment rate per month	Number of departed employees	Turnover rate per month
2015	209	77	3.70%	121	5.97%
2016	226	151	5.43%	134	4.77%
2017	232	108	3.77%	102	3.56%
2018	258	113	3.60%	80	2.56%
2019	282	109	3.27%	91	2.73%
2020	277	67	1.94%	80	2.31%

Note : Monthly: Turnover/employment rate = No. of new/departed employees ÷ (No. of employees + No. of new employees of the current month)
Yearly: Turnover/employment rate = Average monthly turnover/employment rate

● Table3-3 Absence from work

Total working days	Number of employees	Total working hours	Number of days absent	Absence rate
69,250 Total days worked throughout the year × No. of employees	277 (insured)	554,000 Total days worked throughout the year × No. of employees × Hours of work per day	924 Sick leave, occupational sick leave, personal leave or absence without official leave	1.33% No. of days absent ÷ Total days worked



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3.1.2 Codes of Practice on Recruitment and Selection

In order to offer more job opportunities to local residents, job openings are posted to the public with the help of the local chief of village. We also actively participate in regional job fairs and recruiting events with the hope of welcoming more potential talents to the O'right family.

All new employees of O'right are required to sign an employment contract to protect the rights of the employer and employee. The contract is formulated in accordance with the Labor Standards Act.

The Safety and Health Manual was stipulated in accordance with Article 34 of the Occupational Safety and Health Act to prevent occupational accidents and promote health and safety in the workplace. New employees are required to take a pre-employment health check before starting work. We also schedule various health education seminars regularly.

In order to prevent corruption in the workplace, new employees are requested to provide a guarantor to hold liable should employees engage in bribery and corrupt practices. As stipulated in the new employee orientation training program, all gifts given by customers must be returned to O'right. Additionally, customer service specialists shall complete a payment receipt report and hand the payment over to the company the following day to prevent embezzlement. We also offer customers a credit card payment solution as well as credit card promotions and offers to minimize the risks of corruption.

Additionally, we formulated the Green Living Guidelines to promote sustainable living and eco-friendly practices in the workplace (see Chapter 4.4).

3.2 Employee Benefits

Employees are the most valuable assets an organization has. O'right prohibits any discrimination in recruitment, hiring, employment terms and conditions, promotions, transfer opportunities, demotions, reward and punishment, training, benefits or firing on the basis of race, social status, language, beliefs, religion, political affiliation, national origin, place of birth, gender, sexual orientation, age, marital status, appearance, mental or physical disability or past labor union membership. Any workplace changes that may affect employee rights or significant operational changes will only be enforced after considering employee rights and relative regulations. This chapter details the attendance, salary, employee performance appraisal and complaint policies.

● Figure 3-4 Staff attendance

Shift	Attendance	Employee
A	08:30-17:30 with a one hour lunch break and 15 minutes break each in the morning and afternoon	Production line workers and quality assurance workers
B	9:00-18:00 with a one hour lunch break	Administrative and sales staff
C	08:00-17:00 with a one hour lunch break	Cleaning staff

3.2.1 Staff Attendance and Leave Policy

(1) Flexible Attendance

O'right strictly abides by all laws and regulations regarding labor and human rights set in place by the Taiwan government and treats the entire staff with respect, equally and fairly. We promote employment equality and set out reasonable employment conditions.

Each working day is divided into 3 sets of time periods (A shift, B shift and C shift) during which 3 groups of employees perform their duties. The standard hours of work for employees are 8 hours a day. If employees are to work in excess of the statutory working hours when necessary, it shall not exceed 4 hours a day in a working week and 8 hours on a non-working day (i.e., the weekends or holidays).

As customer service personnel in the Taiwan Business Division have to meet with hair salon customers frequently, mobile offices make it much more convenient for them to do so. Not only does this save space, it also saves electricity as there is no dormant office present.

Mobile offices also reduce time spent commuting, which in turn mitigates carbon footprint. From 2015 to 2020, we saved up to 142,066 kg commuting emissions, which is equivalent to planting 12,915 trees a year.

(2) Absence

In 2020, a total of 6 employees took a maternity leave and 3 took a paternity leave. Among the 39 employees (12 male and 27 female) who were eligible, 3 female employees took a parental leave without pay.

In order to encourage employees to do something for our planet and engage in green practices, O'right began offering paid volunteer leave in 2014 for employees who take part in charitable activities organized by the company or other organizations. Due to COVID-19, no one took a volunteer leave in 2020.

3.2.2 Salary and Wages

Employees are important assets in a company. Education, professional knowledge and skills, professional experience and past performance are all considered to determine an employee's final value. Employees are evaluated without regard to sex, race, religion, political view and marital status. For more information, please refer to Table 14.

In terms of pension plans, the entire staff adopts the new labor pension system, among which 3 employees are covered by the old and new pension systems. According to Article 56 of the Labor Standards Act, employers shall appropriate labor pension reserve funds ranging between 2% and 15% of the total monthly wages of their employees and deposit

3.2.3 Employee Performance Appraisal System

We have a performance appraisal system in which employee job performance is rated by a direct manager once a year in accordance with the Codes of Practice. Employees are evaluated fairly and objectively based on their competency, knowledge and skills, productivity, performance quality, behavior, attitude and ethics and integrity in the workplace of the previous year. Managers and employees discuss the past year's goals, review accomplishments and make future plans in order to reach the annual goal of the company.

In 2020, the performance appraisal was performed on 255 employees whose date of employment was before June 30, 2020 based on their overall performance from January 1 to December 31, 2020. Of the 255 eligible employees, 253 participated in the annual performance review, indicating a participation rate of 99.22%

● Figure 3-5 Unpaid parental leave

Items	Total
Employees who were entitled to unpaid parental leave in 2020 (A)	39
Employees who took unpaid parental leave in 2020 (B)	3
Percentage of employees on unpaid parental leave in 2020 (B/A)	8%
Percentage of employees on unpaid parental leave in 2020 (B/A)	3
Employees who returned to work after leave in 2020 (D)	3
Percentage of employees who returned to work after leave in 2020 (D/C)	100%
Employees who returned to work after leave in 2019 (E)	2
Employees who continued to work for one year after leave in 2019 (F)	2
Employee retention rate after unpaid parental leave in 2020 (F/E)	100%

● Figure 3-6 Salary comparison between male and female employees in 2020 (based on insurance salary & minimum wage)

Gender	Minimum wage	Average salary at O'right	Average salary/minimum wage
Male	23,800	34,545	1.45
Female	23,800	32,100	1.35
Average	23,800	32,620	1.37

3.2.4 Employee Complaints and Communication Channels

O'right offers a channel for the reporting of sexual harassment, misconduct or any inappropriate behavior in the workplace by or against employees. The Labor Relations Committee established in 2014 plays a central role in managing activities related to labor relations and facilitate employee-management communication. The committee currently consists of 5 labor representatives and 5 management representatives. Meetings are convened once every 3 months to discuss issues on labor rights protection and ways to facilitate employee-management cooperation and increase work efficiency. We make it our priority to listen to employees and take their complaints seriously as we believe that it is the easiest and most important step to improving employee satisfaction.

We take problems and suggestions provided by staff very seriously. We have a complete system for employees to put forward their comments or feedback in the most efficient way possible. We encourage staff to communicate via social media platforms such as Skype, Line or Facebook in the workplace.

3.2.5 Benefits

We believe that it is important to cultivate the soil to nurture a healthy workplace environment and culture that helps employees develop and grow. We initiated the Sowing the Seeds program where a new employee is assigned an onboarding buddy during his/her first 3 months of employment (also known as the probationary period). The purpose of this project is for the buddy ("gardener") to help welcome new employees ("green seeds") and reaffirm their decision to join the team. The "gardener" is primarily responsible for offering advice and guidance regarding the daily aspects of working at O'right. The "gardener" helps bring the "green seeds" up to speed with our work environment, workflow process and general rules such as the Green Living Guidelines. Assigning new employees to a workplace buddy enhances their overall onboarding experience and reduces new hire turnover rate.

We use electric vehicles as company cars instead of traditional fuel/gas vehicles to lessen negative environmental impacts and encourage staff to live more sustainably. We also established parking spaces specifically for electric motorcycles to promote electric mobility.

Since 70% of the staff is female, we also set up reserved parking spaces specially designated for expectant mothers or O'right offers a comprehensive employee benefits package to meet a variety of their needs (Table 3-7). Additionally, the Chairman also occasionally pays visits to employees' homes to bring the company closer to staff members and use the opportunity to share our green concepts.

On Mother's Day and Father's Day each year, we give each employee a card and gift to express our gratitude for their support. Employees are also given a birthday card filled with wishes from the entire staff on their birthdays.



● Figure 3-6 Electric vehicles as company cars

● Table 3-7 Overview of employee benefits

Benefits	Permanent employees	Temporary employees
A comprehensive employee promotion plan	✓	✓
Year-end bonus (depending on company and individual performance)	✓	
Profit-based bonus and sales bonus	✓	
Training (new employee orientation, professional training, management training, talent development)	✓	✓
Annual year-open party	✓	✓
Occasional brand events	✓	✓
Incentive trips for top-performing employees	✓	
Employee health check *	✓	
Group insurance (accident insurance and occupational accident insurance)	✓	✓
Maternity allowances	✓	
Marriage and funeral allowances	✓	
Emergency allowances	✓	
Employee purchase discount	✓	✓
Birthday benefits	✓	
Dragon Boat Festival benefits	✓	
Moon Festival benefits	✓	
Free organic meals, fair trade coffee and soup provided in the Organic Vegetable Cafeteria	✓	✓
Overtime meals	✓	✓
Mother's Day gift	✓	
Father's Day gift	✓	

Note: * No temporary employees in 2020.

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● Table 3-8 Employee health screening in 2020

Category	Person(s)	Items
A	71	<ol style="list-style-type: none"> 1. Basic checks. 2. Body fat, bone mass density, CBC/DC, liver, gallbladder, kidney, pancreas functional tests.
B	45	<ol style="list-style-type: none"> 1. Basic checks. 2. Blood test: Liver, gallbladder, kidney, pancreas, heart functional tests. 3. Cancer screening: Liver, colorectal, breast, prostate cancer screening. 4. Examination: Abdominal, pelvic, prostate, ultrasonic, bone mass density exams. 5. Body fat, CBC/DC, thyroid function (including T3, T4 and TSH) tests.
C	3	<ol style="list-style-type: none"> 1. Basic checks. 2. Blood test: Liver, gallbladder, kidney, pancreas, heart, myocardial infarction, cardiovascular functional tests. 3. Cancer screening: Pancreas, bile duct, liver cancer screening. 4. Examination: Abdominal, pelvic, prostate, ultrasonic, bone mass density, carotid artery, thyroid exams. 5. Body fat, CBC/DC, thyroid function (including T3, T4 and TSH), urea breath tests.
D	1	National Taiwan University Essential Health Screenings for Men

Note:

*A total of 120 employees received a health check in 2020.

*A (general staff), B (managers), C (vice president), D (chairman)

3.2.6 Organic Vegetable Cafeteria

(1) Organic Vegetable Cafeteria

O'right's green philosophy emphasizes more on the value than the cost. In order to incorporate environmental concepts in everyday life, an organic vegetable cafeteria is especially designed for employees to enjoy during lunch.

A. Organic meals

Free fruit, vegetable salad and bread are provided in the cafeteria during lunch on workdays. All fruit and vegetables are produced from local organic farms nearby; only in the event of low production do we purchase elsewhere.

B. Prepare our own food

Every day at 12:00, staff members take turns washing fresh food and preparing salad for colleagues before lunch. The cost is high, but we believe that by doing so employees can learn to cherish food and be aware of their responsibility to the environment. The value created is something that cannot be bought or measured with money. Most employees don't help out in the kitchen at home. For them, their first time washing fruits and vegetables is at O'right. Our eco-friendly practices and services constantly receive praise from visitors as this kind of work environment is truly one-of-a-kind.

C. An eco-friendly cup of coffee

Employees can enjoy a cup of UTZ certified fair trade coffee from the coffee machine in the cafeteria.

The coffee grounds leftover from brewing coffee is available for staff members to take and use as green manure to plant vanilla and potatoes, etc.

¹ UTZ is a non-profit organization whose mission is to promote sustainable farming in a world where farmers implement good agricultural practices and manage their farms profitably with respect for people and planet. UTZ Certified is the largest sustainability program in the world for coffee.

D. Soup

In 2015, we began providing soup for staff as a way to encourage them to bring their own lunch meals and reduce plastic waste.

3.2.7 Employee Health Check

The entire staff receives a health check once every 3 years while BSL-2 laboratory staff receives a checkup every year. The next workplace health check is expected to take place next year in 2020. In 2020, employees over 38 years of age, low-level managers and above and 2 laboratory employees working in the Organic Plant Extraction R&D Center received a health assessment.

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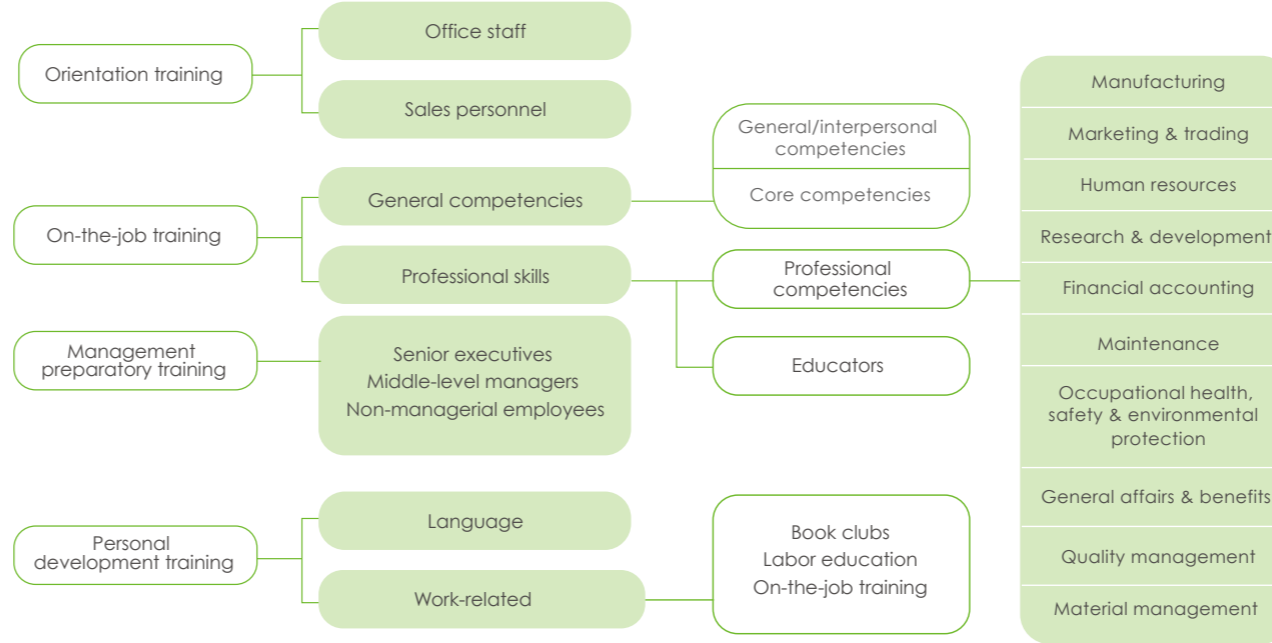
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3.3 Personnel Training

O'right recognizes the importance of employee training and development and even believes that it is more important than working. In order to cultivate green leaders and talents and improve the professional skills of staff, we use a professional competency inventory to assess employee strengths and skills and help them develop training plan. For more information, please refer to Table 3-9.



● Figure 3-7 Educational training program



● Figure 3-8 O'right educational training framework

● Table 3-9 Employee training hours

Training hours	Top level	Second level	Third level	Fourth level	Decision-making level	Entry-level	Total
Male	216.25	523.25	102.5	156	5	4,116.5	5,119.5
Female	230.75	496.5	178	0	0	1,484	2,389.25
Total	447	1,019.75	280.5	156	5	5,600.5	7,508.75

Note: The number of employees in 2020 was 277 (74 male and 203 female)

3.4 Occupational Health and Safety

3.4.1 Management System

(1) Occupational Health and Safety Management System

O'right believes that employees are our company's greatest asset. We treat our employees like family by building a family-friendly workplace. Since we became certified to OHSAS 18001 (Occupational Health and Safety Assessment Series) in 2014, we have taken the initiative to promote an occupational health and safety management plan every year to continue on our path to improve our management systems. In 2019, we made the transition from OHSAS 18001 to ISO 45001:2018. Our management system encompasses office and field staff, raw material suppliers and equipment maintenance suppliers to guarantee a safe and healthy workplace for employees based at O'right Green Headquarters.

Note:1.Office staff refers to staff working on-site (Green Headquarters)
 2.Field staff refers to staff working off-site (salespersons)

(2) Occupational Health and Safety Management Organization

To maintain workplace health and safety, we established an Occupational Safety and Health Office and Occupational Health and Safety Committee. The committee was established in accordance with the Occupational Safety and Health Act and consists of 10 members (among which 4 are employees) with the vice president serving as the chairman. Meetings are convened once every quarter to formulate policies and improve workplace health and safety practices. Occupational Safety and Health Office is responsible for increasing the level of awareness in workplace safety and take precautionary measures to ensure the health of workers. They also arrange for the general manager to visit employees' homes to offer any help and support they need.

(3) Risk Identification and Precautionary Measures

To prevent work-related injuries and ensure a safe environment, we educate factory employees on safety practices and establish a system to identify hazards and manage risks. Although no serious, high risk hazards are shown to be present in the manufacturing workplace, the Occupational Health and Safety Committee came to the conclusion to reinforce safety training regarding protection against falling objects and electrical shock and to get new employees properly trained on workplace safety through new employee orientation to prevent harm and minimize risks. We strive to create a workplace free from recognized hazards including chemical, physical, ergonomic, biological and psychosocial and consult with health professionals to provide the best solution for a healthy work environment.

(4) On-site Health Services

We make workplace wellness and employee wellbeing a priority. We provide employees with on-site health services delivered by registered nurses 4 times a month and licensed physicians once a month. We also have an app that enables workers to manage their personal health data and get access to wellness information. Workers considered at high-risk of medical conditions are required to receive one-on-one professional health care consulting.

(5) Occupational Accident and Incident Investigation

We investigate all incidents and identify and implement corrective actions necessary to prevent future accidents.



● Figure 3-10 The process for conducting an accident investigation

● Figure 3-10 Health and wellness lectures



● Figure 3-11 Self-defense firefighting drill



3.4.2 Management Performance

(1) Education and Training

Occupational health and safety specialists take on a variety of duties to ensure an optimum environment for staff. We require such employees and those in need to receive necessary safety and healthy training in order to provide staff with relevant fire safety training, spill training and drills and other emergencies, conduct robust employee health screenings as required by regulations and design health promotion programs such as health care seminars and yoga and cardio dance classes, etc.

● Table 3-10 Occupational Safety Training in the past 3 years

Year	Item	Participants
2018	Chemical spill drill	Chemical spill response team
	Fire safety drill	Entire staff
	Fire safety drill	Entire staff
2019	Fire safety drill	Entire staff
	Chemical spill drill	Chemical spill response team
2020	Fire safety drill	Entire staff
	Chemical spill drill	Chemical spill response team

● Table 3-11 Occupational health and safety courses in the past 3 years

Year	Course
2018	Introduction to fatty liver disease
2019	Office syndrome prevention and healthy diet promotion
	Acupressure massage for stress
2020	Reducing the negative effects of employees' emotions on job performance
	Physical relaxation in the workplace Boost workplace happiness, promote good sleeping behavior, improve creativity
	Physical therapy & occupational therapy

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(2) Occupational Injuries

In terms of occupational injury and disabling injury, we adopted a new formula and eliminated non-work related injuries from travel, transport or road traffic accidents (injuries that occur when employees are traveling to and from the workplace) and short-term disabilities in 2018 and 2019. There has been no cases of work-related injuries since 2018. Refer to Table 3-12 for the total number of occupational injury and absence rate in the past 3 years.

● Table 3-12 Occupational injuries and lost workdays in the past 3 years

Item	2018	2019	2020
Number of disabling injuries throughout the year	2	0	0
Number of lost workdays throughout the year	15	0	0
Number of man-hours worked	531,784	566,808	521,856
Disabling Injury Frequency Rate (DIFR)	3.76	0	0
Disabling Injury Severity Rate (DISR)	28	0	0
Frequency-Severity Indicator (FSI)	0.32	0	0

DIFR = No. of disabling injuries × 1,000,000/No. of man-hours worked throughout the year
 DISR = No. of lost workdays due to disabling injuries × 1,000,000/ No. of man-hours worked throughout the year
 FSI = $\sqrt{((SR \times FR)/1000)}$

3.4.3 2020 COVID-19 Control & Prevention

Since 2019, the COVID-19 pandemic has presented unprecedented challenge to the economy and people's livelihood and shows no signs of slowing down. The impacts have been felt everywhere, with no one, no company and no country spared. When the pandemic first broke out, our Chairman called several emergency meetings with executives to address the issue and develop effective strategies such as remote working and employee health management.

To prevent and reduce transmission among employees, we ask employees about their personal travel history, conduct temperature screening and sanitize and disinfect the workplace. Employees are required to wear a mask when entering the office and establish social distancing in their workspaces to ensure our workplace is COVID-secure.

The pandemic has taken lives and changed our everyday life in an unprecedented way, but it has also made us significantly more health conscious. Our comprehensive prevention measures and social responsibility activities help produce a shared sense of connection and cohesion among employees and put everyone's minds at ease during this difficult time. We endeavor to make public health and safety an essential part of our company and culture. By being stronger and healthier, we can build a more resilient, sustainable future together.

● Figure 3-12 Outdoor socially distanced meetings





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Green Supply Chain

4.1 Green Supply Chain

Global climate change is not going away and we all have to do something about it right now. Being a sustainable business on the inside is not enough; we have to think about creating a sustainable supply chain as well to make sure that our green influence is being felt everywhere. We set strict green procurement standards and engage suppliers in sustainability, even requiring them to sign the Supplier Declaration on Corporate Social Responsibility Code of Conduct as our mutual promise to corporate social responsibility.

4.1.1 Green Procurement

In 2015, we set stricter standards for green ingredients. For example, over 80% of product ingredients must be natural and organic certified or naturally-sourced¹. We continue to innovate and improve our product formulations and packaging in order to achieve our visions for a greener tomorrow. Our procurement of green ingredients and raw materials significantly increased from 44.3% in 2011 to 71.7% in 2020.

In terms of green raw materials, they accounted for over 45% of total procurement of raw materials and further went on to reach an average of 60% in the recent 3 years. Since we began developing the renewable (post-consumer recycled) plastic bottles and renewable plastic pumps made of 100% household recycled containers, the percentage of regenerated raw materials saw a growth of 36.99%.

We firmly believe in the use of sustainably source raw materials that are supported by third party certification, such as Ecocert, USDA Certified Biobased Product and FSC, to ensure the quality of our products. Environmental certifications attesting to product sustainability are lacking in Taiwan, therefore locally sourced materials accounted to 5.89% in 2019.

Nevertheless, in order to reduce the shipping carbon footprint of ingredients and raw materials, we endeavor to develop ingredients and raw materials locally sourced in Taiwan by searching for ingredients that meet national standards and purchasing plant extraction equipment. Through years of searching, developing and innovating, our team converted agricultural waste such as coffee grounds, coffee husks, pineapple skin and goji berry root, obtaining their active ingredients to create new value and give natural, healthy products for consumers. Furthermore, we are also fostering the development of the organic agricultural sector while unearthing new value in agricultural waste. As such, we strive to earn the USDA Certified Biobased Product Label to optimize our green products while fostering the development of the organic agricultural sector and unearthing new value in agricultural waste.

In terms of raw materials, we collaborate with suppliers in Taiwan for the development of numerous eco-friendly bottles, namely our 100% biodegradable Tree in the Bottle, 100% renewable plastic bottle and the world's first renewable plastic pump. Our innovations in raw materials and bottles have gained us countless international certifications. In 2019, we switched all our shampoo and body wash product bottles and pumps into renewable ones.



● Figure 4-1 Replacing chemicals with agricultural waste



● Table 4-1 Procurement of green ingredients and raw materials

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Green ingredients¹

Green raw materials²

Year	Green ingredients ¹		Green raw materials ²	
	Total quantity procured (kg)	Green ingredient procured (%)	Total quantity procured (pc)	Green raw materials procured (%)
2018	80,776,141		42,845,019	
	59.41%		85.72%	
	Green ingredients procured (kg)		Green raw materials procured (pc)	
	Imported	45,316,743 (94.42%)	Biodegradable	8,527,597 (23.22%)
	Taiwan	2,676,200 (5.58%)	Recyclable	18,845,773 (51.31%)
		47,992,943	Recovered	9,355,049 (25.47%)
2019	54,568,024		42,605,947	
	54.02%		86.73%	
	Green ingredients procured (kg)		Green raw materials procured (pc)	
	Imported	26,790,183 (90.88%)	Biodegradable	8,212,224 (22.22%)
	Taiwan	2,689,300 (9.12%)	Recyclable	16,757,188 (45.35%)
		29,479,483	Recovered	11,982,914 (32.43%)
2020	54,568,024		42,605,947	
	54.02%		84.74%	
	Green ingredients procured (kg)		Green raw materials procured (pc)	
	Imported	39,832,669 (91.27%)	Biodegradable	8,212,224 (22.22%)
	Taiwan	3,808,743 (8.73%)	Recyclable	16,757,188 (45.35%)
		43,641,412	Recovered	11,982,914 (32.43%)

Note:

¹Green Ingredients refer to product ingredients. From 2011-2013, green Ingredients were defined as ingredients that contain more than 70% of components derived from plant sources; since 2014, green Ingredients have been required to contain over 80% of components derived from organic or plant sources.

²Raw materials refer to bottles, containers and packaging materials classified into the following 3 types: biodegradable (PLA bottles/accessories, bamboo accessories, seed paper); recyclable (FSC certified paper box, bottles/accessories); regenerated (shipping cartons, 100% renewable plastic bottles).

● Table 4-2 Procurement of green ingredients and raw materials in Taiwan

	Green ingredients		Green raw materials		Total	
	Total procured (NT\$)		Total procured (NT\$)		Total procured (NT\$)	
2018	Imported 76,539,409 (94.75%)	80,776,141	Imported 16,007,754 (34.39%)	46,546,039	Imported 92,547,163 (72.69%)	127,322,180
	Taiwan 4,236,732 (5.25%)		Taiwan 30,538,285 (65.61%)		Taiwan 34,775,017 (27.31%)	
2019	Imported 51,354,624 (94.11%)	54,568,024	Imported 7,437,701 (17.46%)	42,605,947	Imported 58,792,325 (60.50%)	97,173,971
	Taiwan 3,213,400 (5.89%)		Taiwan 35,168,246 (82.54%)		Taiwan 38,381,646 (39.50%)	
2020	Imported 71,289,093 (94.25%)	75,638,936	Imported 10,791,520 (22.49%)	47,991,557	Imported 82,080,613 (66.40%)	123,630,493
	Taiwan 4,349,843 (5.75%)		Taiwan 37,200,037 (77.51%)		Taiwan 41,549,880 (33.60%)	

Natural green ingredients

Natural products contain ingredients derived from organic or inorganic chemicals to change its physical properties and achieve desired effects. For example, lye (sodium hydroxide) is a necessary component in handmade soap. Our natural ingredients contain over 80% of naturally-sourced components.



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4.2 Green Suppliers

Supplier cooperation plays an important role in the creation of green products. Only with O'right's commitment and suppliers' efforts can the world's greenest hair care product be born. To incorporate suppliers into our green supply chain, an investigation must be carried out before officially forming a partnership between each department and suppliers. Investigation should cover technical skills, supplier capacity and quality assurance. In 2014, social and environmental aspects were added, which meant that anything related to workers, environmental protection and corporate social responsibility should be investigated.

4.2.1 Supplier Declaration on Corporate Social Responsibility Code of Conduct

Starting from 2015, new suppliers are required to sign a Supplier Declaration on Corporate Social Responsibility Code of Conduct, inviting them to be a part of the sustainable industry and our green supply chain. By the end of 2020, 98 Declarations were signed by raw material suppliers.

Regarding our supplier management process, for first-time partners, we propose a Supplier Assessment Form, which focuses on aspects such as environmental protection, compliance with labor laws, social engagement/involvement and corporate social responsibility practices. Suppliers are assessed based on the above aspects by the development, product quality assurance and procurement departments to determine whether they meet our company requirements. They are also evaluated each year on quality, delivery time, price and service. If a supplier is deemed unqualified, we will terminate our partnership.

Suppliers that we work with can take action for our planet and demonstrate the economic benefits of green business opportunities.



● Figure 4-2 Beauty Ferment Hand Cream, a hand cream made from locally-grown agricultural products

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4.2.2 Green Suppliers Development

Green ingredient and green raw material suppliers account for 85.83%, among which 82.98% are green ingredient suppliers and 88.68% are green raw material suppliers. We will continue to work with our suppliers to become greener together.

4.2.3 Suppliers' CSR Engagement

Since 2016, in addition to signing the Supplier Declaration on Corporate Social Responsibility Code of Conduct, we have invited our suppliers to take part in our Coastal Cleanup and Earth Hour events. By personally picking up trash and seeing the city go dark to put a spotlight on nature, we spark awareness and action for a healthy planet while commencing our commitment to sustainability.

In 2019, 18 suppliers attended our Coastal Cleanup and 36 suppliers showed their support for Earth Hour. Every year the number of people increase, which is proof that we are gradually motivating them toward sustainability and inspiring them with our sustainable values and efforts.

Year	Green ingredient suppliers	Green raw material suppliers	Green ingredient & raw material suppliers
2018	72.34%	85.74%	78.68%
2019	80.43%	87.8%	83.91%
2020	82.98%	88.68%	86.00%

● Table 4-3 O'right green suppliers



● Figure 4-3 Earth Hour



● Figure 4-4 Coastal Cleanup



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4.3 Green Salons

Hair salons are the most important customers of O'right. We call them "green angels" due to their roles as green ambassadors.

Since 2011, we have been promoting green salons and environmental wellness in the beauty and hair industry. We have also aligned the same green values with our international distributors.

4.3.1 Taiwan Green Salons

(1) Green Headquarters Tours

Hair salons are spaces curated specially for beauty and fashion. They boost confidence and give customers a beautiful new look. For O'right, hair salons are also green ambassadors that help to spread our message and visions for a greener tomorrow.

We regularly invite salon customers to visit our Green Headquarters for free to articulate and spread our values through green product design and green production.

From 2011, we have engaged salon hairdressers in CSR activities such as Earth Hour, Plant a Tree and Coastal Cleanup, encouraging them to take action, connect with nature and live green to make sustainability happen. Sustainability is not just our responsibility, but our customers as well, who in turn communicate the same concepts to their customers. The hair and beauty industry is our green ambassador, our green angel and the person behind our success.

In 2018, we began to promote the use of mobile payment in traditional salons, which not only helps to save energy and carbon, but also improves the payment process and reduces risks. Also, customers are able to check their order history and status, greatly reducing the paper consumption and postage costs. Since then, we have had 25,500 payments made through convenience stores.



● Figure 4-5 Green salon hair and scalp event

4.3.2 International Green Salons

(1) Global Distributor Conference

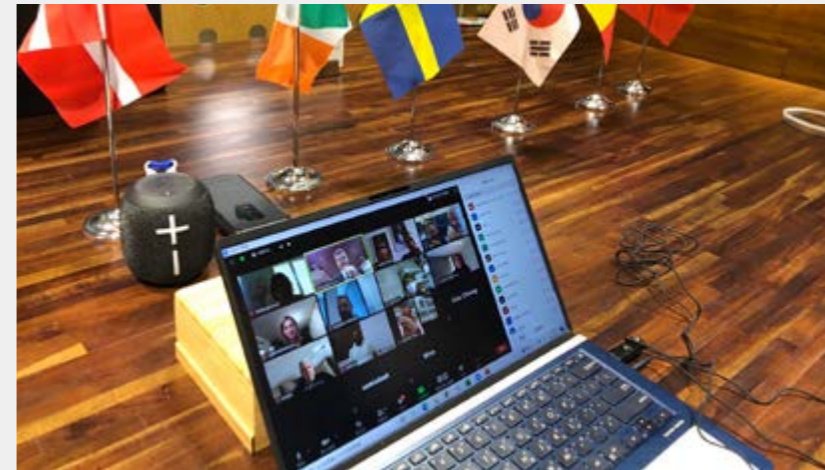
At O'right, we work to accelerate efforts to creating a greener tomorrow on a global scale by engaging in close communication with international distributors and green salons worldwide. Each year, our global partners organize Earth Hour, tree planting and coastal cleanup events. They also take voluntary action and carry out their responsibility as green citizens by holding local events and offering green services. Europe, in particular, is known for playing an active role in environmental protection. It is also one of our largest and most important international market. We make it our priority to attend Cosmoprof Worldwide Bologna, the leading beauty trade show that provides participants around the globe with opportunities to engage and do business face-to-face. It provides the perfect platform for us to connect with distributors on a personal level and showcase our new products and brand strategies.

The COVID-19 pandemic has caused mass cancellations or postponements of events around the world, including the most important beauty trade show Cosmoprof Worldwide Bologna. In 2020, we chose to host a virtual global conference, bringing together our partners from around the world including Switzerland, Sweden, Finland, the Netherlands, Austria, Poland, Russia, Ukraine, Belarus, Slovenia, Saudi Arabia, Japan, Belgium, South Korea and Hong Kong.

We may not be fluent in English, but we spoke the language of sustainability, with which we successfully communicated our values, articulated product benefits and convince our international distributors that they are making the right choice investing in O'right. As the earth's citizens, we are all feeling the impacts of climate change and facing unprecedented challenges. It has got us thinking about what kind of earth we want our future generations to inherit. It doesn't matter where we are from, we are united by a shared, common goal of zero carbon, zero impact. During our green journey and 18 years of commitment, we introduced the world's first 100% renewable plastic bottle and pump, earning us numerous international accolades and recognition and putting us on the world map as a sustainable pioneer. We showed and proved to consumers around the world that we can achieve beauty that blossoms from the inside out—for both people and the earth.



● Figure 4-6 Global distributor conference



● Figure 4-7 Online conference

(二) Green Actions

(1) Belarus:

Russia is known for its abundant apple orchards. In 2015, O'right Chairman Steven Ko and Russian distributors planted apple trees and continued caring for them over the years. In 2019, our partners harvested and picked the apples from the trees and gifted them to an orphanage, sharing their love for the earth with children.

(2) The Netherlands:

Esther Hairstudio and ThirtyOne Haircare, both located in the Netherlands, adhere to green concepts for the well-being and beauty of customers while communicating their commitment to sustainability to motivate and inspire sustainable living. In 2019, we wrote a feature article titled "A Green Nation: The Netherlands Demonstrates the Purest Beauty" on the Dutch green salons.

(3) Russia:

Our Russian distributor is based in Moscow. The brand manager, Natalia, is a passionate and creative person. She discovered that while most of the beaches by Moscow are clean, the rivers are polluted. This motivated Natalia to organize a riverside and forest cleanup to restore nature's health and beauty.

(4) Singapore & Malaysia:

Our green partners from Singapore and Malaysia organized the World Forest Day in Mount Jerai to connect with nature and experience the beauty and resources nature has bestowed upon us.



● Figure 4-8 Green actions worldwide



Our international market and influence are also some of our main focuses. In addition to our annual Earth Hour, Plant a Tree and Coastal Cleanup events, our international distributors have also begun following in our green footsteps.

● Table 4-4 The green actions of international distributors

International distributors	Green actions		
Italy	*Support child welfare institutions	*Support local art performances	
Poland	*Implement the Cradle to Cradle philosophy in its business strategy *Use FSC certified tissue paper and printing paper *Use second-hand facilities	*Install LED lighting *Separate and classify wastes *Establish a minimum order quantity policy	*Work with delivery companies certified by ISO 14001: 2015 *Hold one-day styling events for female cancer patients *Recycle the aluminum tubes used in salons
Lithuania	*Install energy-efficient lighting		
Austria	*Implement the Cradle to Cradle philosophy in its business strategy *Provide fair trade coffee, organic food and eco-friendly office stationery *Use FSC certified tissue paper *Use eco-friendly detergents and cosmetic products *Install LED lighting and do not use air conditioning systems	*Use water saving devices *Participate in tree planting events and encourage hair salons to build vertical gardens *Separate and classify wastes for recycling and reuse *Create a green association with hairdressers and consumers to promote environmental protection	*Establish a minimum delivery quantity and use biofuel cars for shipping *Join Earth Hour *Support local environmental events such as urban farming, community gardening, and The Children's Garden and promote environmental education, sustainable practices, and environmental protection
Denmark	*Support children's cancer activities		
Belarus	*Take part in the United Nations Children's Fund charity event *Continue to care for the apple tree planted in 2015 *Donate apple seeds and plant more trees		
Netherlands	*Support children's cancer activities	**Recycle the aluminum tubes used in salons	
Belgium	*Participate in Christmas charity hair cutting events		
Bulgaria	*Promote sustainability concepts with decorations		

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International distributors	Green actions	
Canada	*Promote the sustainability concepts of O'right	
Japan	*Promote sustainability concepts at beauty schools *Promote green hair care at fashion exhibitions *Take public transporation	
Sweden	*90% of stores are installed with LED lights to reduce energy consumption *Lyko stores, offices and warehouses produces 100% of electricity from hydropower *Lyko strives to reduce plastic bags and pollution by promoting the sustainable use of resources *Joined the One Bag Habit initiative *Use sustainable plastic bags *Use packaging made from 100% renewable fibers *Lyko offers multiple logistics service provider options *Provide customers with low carbon transports and logistics solutions	
Estonia	*Promote the sustainable use of resources and live a more eco-friendly lifestyle	
Finland	*Provide green salon services and promote green values *Use eco-friendly shopping bags, Separate and classify wastes	
Russia	*Clean riversides	*Install LED lighting *Use biodegradable trash bags and eco-friendly shipping boxes *Use environmentally-friendly stationary *Green up the office and educational training center with plants
Romania	*Promote sustainability concepts with decorations	*ninstall LED lighting *Use biodegradable trash bags and eco-friendly shipping boxes *Use environmentally-friendly stationary *Green up the office and educational training center with plants
Saudi Arabia	*Plants trees in deserts	*Open an O'right Concept Store

4.4 TogetherGreener

For staff, we also view green practices for the body and soul as motivations in the workplace. The fruitful benefits cannot be measured in money. As such, we follow the Green Living Guidelines and organize green activities, uniting everyone to engage in sustainability.

(1) Green Living Guidelines

Upholding a brand philosophy of Natural, Pure and Eco-friendly, we apply our core values to our everyday business. While we use the earth's natural resources, we believe in giving back to nature. Therefore, we are committed to playing our part as a leading green brand in creating a greener and better world by reducing greenhouse gas emissions and having as little impact on earth as possible.

In order to promote sustainability in the workplace, we build a sense of teamwork and create a sense of respect among staff members as well as develop a self-managed workplace. As such, we established the Green Living Guidelines in hopes of creating a healthy, eco-friendly workplace environment.

(2) Organic meals:

Our Organic Vegetable Cafeteria provides staff with fresh seasonal fruit and vegetables picked from local farms, toast and bread made from local bakeries and delicious soup to enjoy (see 2.4.3). Staff is divided into groups that take turns preparing the food and washing the dishes every day.

(3) Cleaning:

Every Friday the entire staff at Green Headquarters is divided into groups, each responsible for cleaning up a certain area. Our aim is for employees to develop good habits in the workplace and subsequently do the same at home or in local communities.



● Figure 4-9 Staff take turns to prepare organic vegetable meals for everyone



● Figure 4-10 O'right family day



● Figure 4-11 Family visits



● Figure 4-12 Fun activity

(4) **Family visits:** Chairman Steven Ko also arranges for visits to employees' homes to thank their parents while not forgetting to promote our green concepts, further spreading our green impact to more people.

(5) **Environmental events:** Every year we hold or co-host environmental events, inviting employees to join at their will as a means to encourage them to go green in their daily life. Employees who take part in charity events are granted a volunteer day off as a show of gratitude (see 1.3.5).

(6) **Family day:** We hold annual family days where we invite family members and friends of employees to visit our Green Headquarters and have fun. In 2018, we established a committee responsible for planning such events. On family day in 2020, visitors were taken on a tour around our green building and also engaged in a fun game we designed for the whole family to increase parent-child bonding time while also raising environmental awareness. At O'right, we believe in doing the right thing and committing to it while bringing more people together to create a bigger impact.



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● Figure 5-1 Zero carbon = zero impact

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5.1 Green Chairity Engagements

2020 was dubbed our zero carbon year; it is also a critical year for addressing climate change. Everything that we have done for the past 10 years has been for the health and well-being of people, society and the environment. We strive to build collective power and ignite hope through our annual CSR-related events Earth Hour, Plant a Tree and Coastal Cleanup. However, due to the COVID-19 pandemic, we went digital with Earth Hour and promoted the importance of planting trees and cleaning up the beaches on social media in 2020. In 2012, we also made our Green Headquarters open to the public, welcoming enterprises and schools as well as communities, distributors, salon customers and family of staff to experience the green of O'right.

We also hire interns to work at our company to give promising young students the opportunity to get to know this green hair care brand from Taiwan and get a better understanding of what is involved in running a business. So far, we have welcomed

students majoring in cosmetics, business management, marketing, business administration and product design from National Taiwan University, National Tsing Hua University, Kaohsiung Medical University, National Taiwan University of Science and Technology, Hungkuang University, I-shou University, Ming Chuan University and Kainan University to do their internship at O'right.

This year, we focused on communicating our zero carbon and zero impact values and reducing carbon emissions. We also initiated the Climate Leader program, bringing climate issues to campus to encourage a new generation of green ambassadors by cultivating environmental awareness among students and help them develop sustainable habits that will stick with them as they grow up. What we convey is the green culture of Taiwan as well as the connection between life and the land we live on in order to find inspiration to create valuable products that mean something.

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● Figure 5-2 Climate Leader program



● Figure 5-3 Climate Leader courses



5.1.1 Climate Leader

In 2019, we teamed up with Taiwan Youth Climate Coalition (TWYCC) and created the Climate Leader program, where we began visiting various elementary, junior high and senior high schools across Taiwan in hopes of bringing climate issues to campus and raising awareness among teachers and students. Since then, we have empowered 230 students to become climate leaders through our courses on greenhouse gases, carbon footprint of daily activities, youth-led climate actions, renewable energy, low carbon transportation, eco-friendly diet, water resource management and carbon taxes. Through the Climate Leader program, we inspire the children to think of ways to help protect the earth and use their power to create change and secure a sustainable future for themselves.



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5.1.2 Earth Hour

Earth Hour is a global initiative founded in Sydney, Australia by WWF in 2007 that is celebrated on the last Saturday of March every year from 8:30 to 9:30 local time, uniting people across the globe to raise awareness of the fight against climate change and to protect the earth. Since then, it has grown to become the world's largest grassroots movement for the environment. On 28 March 2020, Taiwan joined 190 countries and territories and more than 18,000 landmarks around the world in turning off the lights for one hour to send a powerful message about environmental awareness and action as people worldwide generated millions of impressions on social media in a huge, symbolic show of support for the planet.

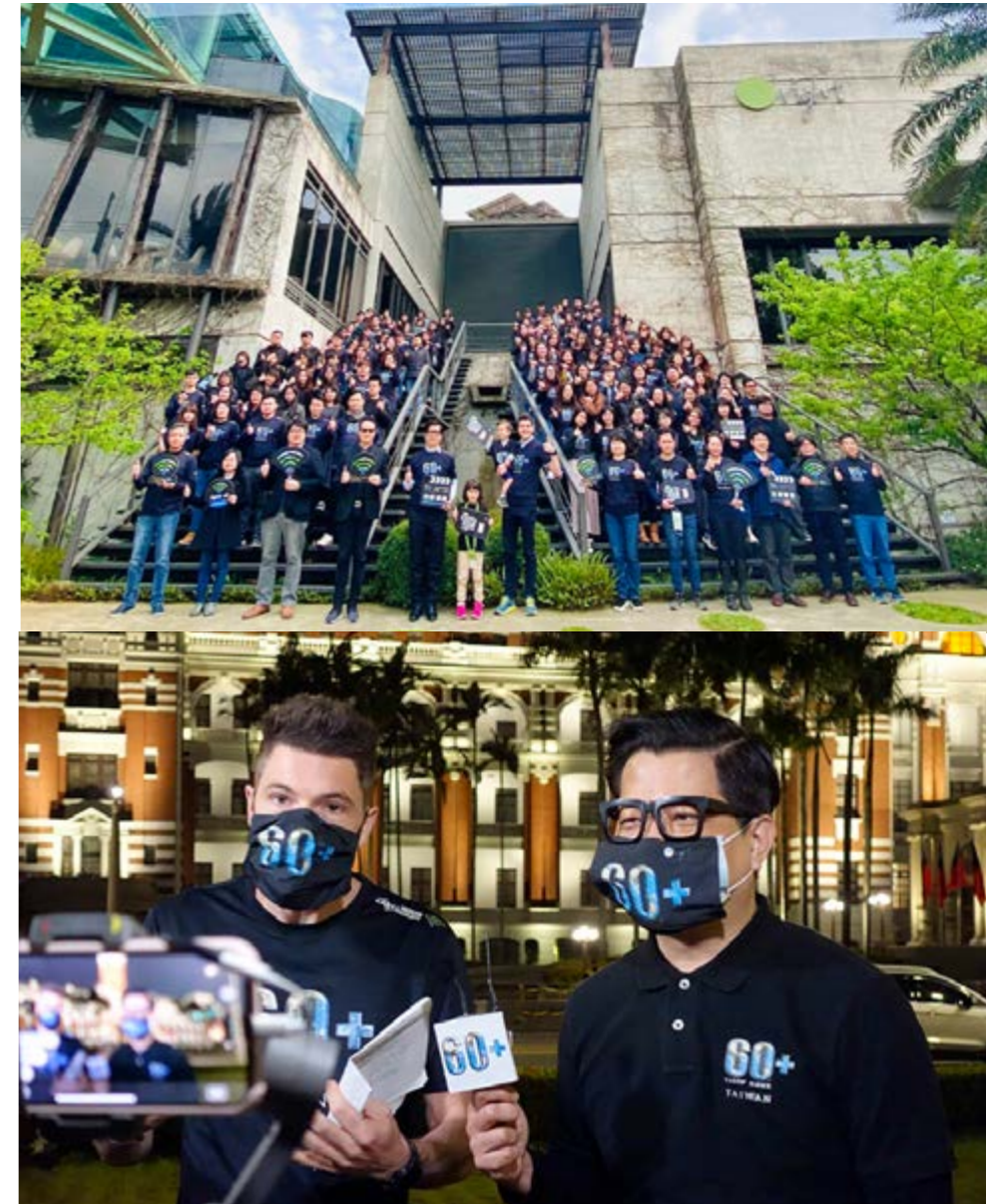
Making a difference

For Earth Hour Taiwan 2020, Taiwan Youth Climate Coalition (TWYCC) joined once again as partner and New Taipei City Parents' Association in Elementary and Middle Schools joined O'right as co-organizer while the Environmental Protection Administration of the Executive Yuan and Department of Environmental Protection of the Taipei City Government served as supervisors. Sustainability advocate Nanya Technology and Taiwan's only English language broadcaster ICRT are among two of the many sponsors for the lights-out event. Every year, we engage hundreds of prominent public figures, celebrities, influencers, organizations and businesses to help amplify the Earth Hour movement in Taiwan. This year, majors of special municipalities and provincial cities across Taiwan and government officials also took part in the movement to speak up for nature.

Another record-breaking Earth Hour

On the night of 2020 Earth Hour, Taiwan saved 120,000 kWh of electricity, equivalent to 63,960 kg of carbon emissions reduced and 5,815 trees planted, hitting a record high. Since we first organized Earth Hour in 2011, we have helped in reducing 860,000 kWh of electricity and 457,666 kg of carbon emissions. Guided by the concept of Natural, Pure and Eco-friendly, we take action and use our power to protect earth and secure a sustainable future for all.

Environmental action is a choice. It is our future, our choice. The only way we can achieve sustainability is by respecting nature," O'right Chairman Steven Ko declared. We are not just a brand that provides natural, pure and eco-friendly beauty products, but also a pioneer in sustainability who vowed to use 100% renewable energy by 2025.



● Figure 5-4 Earth Hour



● Figure 5-5 Connecting with nature

5.1.3 Plant a Tree

We have been championing forest protection since 2011. So far, we have adopted 3.6 hectares of forest land and have accomplished in adopting 2,660 trees, which has helped cut 189,244 kg of carbon dioxide in the atmosphere. Over the years, we are proud to see what were once seedlings grow into trees that now stand 10 meters tall. Now we live in a world where climate change is wreaking havoc. We are the changemaker generation, and we are not powerless in the face of the global crisis. It is time for us to create the world we want our future generations to live in and fight to win this race. The trees we planted 10 years ago have now grown to become taller than anyone of us. Our actions show us, and hopefully others, that as long as you have your heart of making a change, you will be the change.

In addition to planting trees, we also do the following to help the environment.

1. Encourage the use of electronic forms to create a digital, paperless office.
2. Use 80% recycled paper, FSC certified paper and FSC certified tissue paper to achieve sustainable forest management.
3. Plant 60 cherry trees, maple trees, bald cypress trees and other tree varieties and 600 shrubs.

Protecting forests is more than just planting trees. Walk into the forest and engage your five senses in the wonders of nature; then once you leave, review on the things you learned from the immersive experience. When it comes to choosing between your needs and wants, always go for the solution that is both good for people and good for earth.

5.1.5 Coastal Cleanup

Coastal cleanup efforts are making a difference, but will only be of minimal effect unless there are more widespread efforts to eradicate marine pollution. "Cleaning up the beach once a year is not enough," Steven said. "Taiwan is the global leader in recycling, with one of the world's highest recycling rates. However, globally, only 10% of plastic gets recycled and reused. We need to stop plastic pollution at the source, not wait until it flows onto coastlines and into the ocean to pick it up." Ko stressed. For most people, plastic bottles should be properly sorted at home before being sent to nearby recycling sites. This reduces carbon emissions and costs from transportation. Also, companies should obtain renewable plastic from recycling companies and produce renewable plastic products to truly restore the oceans' natural beauty.

In 2016, we introduced the first shampoo bottle made from 100% renewable plastic materials to give new life to plastic waste. In 2018, we unveiled the first renewable plastic pump and subsequently switched all of our shampoo and body wash bottles into renewable ones, eliminating the use of virgin plastic and petrochemicals and reducing our product carbon emissions by 80%. We became the first beauty company to achieve a truly circular economy from ingredients and all the way to packaging.



● Figure 5-6 Coastal cleanup



Plant a Tree

From 2011 to 2020, 2,660 trees have been adopted and a total of 189,244 kg of carbon emissions have been reduced.

A 20-year-old tree absorbs 11-18 kg of CO₂. The calculation is based on the lowest carbon absorption of 11 kg as tree seedlings were planted instead of grown trees. (Source: Bureau of Energy, Ministry of Economic Affairs)

Note: Carbon emissions vary according to the year, scope and duration of the trees planted.



Earth Hour

In 2020, Earth Hour saved 120,000 kWh of power and achieved 63,963 kg of carbon reduction on the night, equal to planting 5,815 trees.

From 2011 to 2020, a total of 860,000 kWh of power has been saved and 454,080 kg of carbon has been reduced on the night of Earth Hour, equal to 41,280 trees planted.

1. Statistics provided by Taiwan Power Company
2. Based on the electricity emission factor of Taiwan from 2011 to 2019 (0.528 kg). (Source: Bureau of Energy, Ministry of Economic Affairs)
3. A 20-year-old tree absorbs 11-18 kg of CO₂. The calculation is based on the lowest carbon absorption of 11 kg as tree seedlings were planted instead of grown trees. (Source: International Forest Management Carbon Sequestration Efficacy Assessment Report)



Coastal Cleanup

*Due to the impacts of COVID-19, we did not host a beach cleanup in 2020. The data shown below are from the year 2019.

In 2019, 398 kg of litter was picked up from the beach, which helped to reduce 819.88 kg of carbon emissions and plant 75 20-year-old trees.

From 2015 to 2019, 15,036 kg of litter has been picked up from the beach, which helped to reduce 1,940 kg of carbon emissions and plant 363 20-year-old trees.

1. A reasonable resource recycling rate can help greatly reduce the amount of trash. Every kg of trash reduced is 2.06 kg less of carbon emissions released. (Source: Recycling Fund Management Board)
2. A 20-year-old tree absorbs 11-18 kg of CO₂. The calculation is based on the lowest carbon absorption of 11 kg as tree seedlings were planted instead of grown trees. (Source: Bureau of Energy, Ministry of Economic Affairs)

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5.2 An Educational Facility for All

O'right Green Headquarters is not your typical factory. Equipped with rainwater harvesting, solar and wind power systems and built to be naturally ventilated, it is a building well-integrated with nature that aims to co-exist with the environment.

Our Green Headquarters is not just a green building, but also an educational facility for all. We are well-prepared for anyone who is interested in getting to know our building. For example, we have a presentation giving people a brief introduction about our headquarters and give a guided tour around our premises. Manager staff regularly receives professional training in environmental education to help review and amend the presentation or guided tour for an enhanced experience for everyone.

Since its completion in June 2012, the Green Headquarters has welcomed numerous visitors from well-known enterprises, organizations, universities and environmental groups. We also encourage nearby communities, salons and family members of staff to visit and experience the green of O'right.

From October 2018, in order to maximize our green impacts, we encourage the groups and organizations that visited our Green Headquarters to make the promise to support the SDGs with us. Our aim is to bring our values and global trends in sustainable development to more parts of the world.

In 2020, we welcomed 1,433 people to our green building. Since the establishment of our headquarters, a total of 26,602 people have visited (see Table 5-1).



● Figure 5-8 O'right invites all guests to support the SDGs



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● Table 5-1 Visitors of O'right Green Headquarters

Type	2018	2019	2020	2012-2020
Enterprises	903	306	448	8,650
Salons	294	221	66	5,539
Governmental units	155	64	239	1,559
Associations	338	108	9	996
Academic institutes	1,155	1,081	519	8,586
Media	26	16	29	105
Communities	0	0	0	814
Total	2,871	1,796	1,433	26,026

Note : *From June 2012 to December 2020

*The data recorded for 2020 does not include spontaneous visitors and VIP guests.

During the 3-hour tour, visitors are taken on an enriching tour of our headquarters and are provided with the latest environmental news and introduced to various eco-friendly facilities and practices. Through this educational experience, we hope to raise environmental awareness as well as make an impact on more people.

At O'right, sustainability is at the heart of everything we do, and our green building is no exception. In 2019, we took sustainability and creativity to the next level and unveiled the brand new sections of our Green Headquarters—Green Education Hall, Re Office and Green Immersion Hall, which features a gorgeous glass skywalk that extends over the edge of the building as if you are connecting to nature. Along with our wind and solar energy powered factory site and Low Carbon Office, O'right Green Headquarters is truly the epitome of green, sustainability and innovation

The Green Education Hall has always been a dream of O'right's. It is not like your typical place for learning, rather a visual feast that opens your eyes to the world today and the issues it faces that you were probably never aware of before visiting O'right. In face of worsening climate change, reducing our carbon emissions has become a global and corporate responsibility. We take from the society, so it makes perfect sense for us to give back to the society in return. We hope that our green building, now with even more eco-friendly features, can raise greater environmental awareness and inspire more people who visit to join us on our mission to protect our planet.



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5.3 Green Publication

It's O'right: Formerly known as Eco Paper Bimonthly, It's O'right was initially published as a single piece of paper to infuse and update viewers with green concepts and information. In September 2013, in order to incorporate eco-friendly concepts into viewers' lives and promote a greener lifestyle, we began publishing It's O'right twice a year. It's O'right features green cover stories on themes such as traveling, fashion, agriculture, food and beverages, home, lifestyles and education, and are categorized in the following: Green Lifestyle, Green Trend, Green Salons and Green News.

In face of the digital era, we made the shift from printed to digital and started to distribute It's O'right newsletters to our consumers and members once to 3 times every quarter to explore the latest news on green lifestyle, sustainable trends, global salons and green care. Aiming to create a bigger influence, It's O'right is available in Chinese and English versions for digital download on our official website.



● Figure 5-9 It's O'right

- 5.1 Green Chairity Engagements
- 5.2 An Educational Facility for All
- 5.3 Green Publication
- 5.4 Green Consumption

5.4 Green Consumption

5.4.1 Product Service

To offer innovative green product services to customers, in addition to ensuring compliance with the Cosmetic Hygiene and Safety Act and that product packaging and labels provide consumers with accurate information, each product is also given a unique identification by implementing a barcode traceability system to prevent counterfeiting and acts of tampering. Three barcode labels are created for and printed on each product for identification purposes and quality assurance.

1.Barcode:

A means for customers and consumers to identify products and see if a product is authentic and learn its country of origin. For example, Tea Tree Shampoo 400mL carries a 16-digit barcode; the first digit "T" is the country code, the 6 digits "1AA036" is the part number, the 4 digits "4131" is the batch number and the last 5 digits "00035" is the serial number.

2.QR Code:

Users can use their smart phones to scan the image of the QR code to display additional information about the product, company profile and other helpful information.

3.International Article Number (EAN):

A barcode used in point of sale (POS) system that manages purchase, sale and inventory of products.

O'right also labels products with additional information including the percentage of natural ingredients, certified organic ingredients, and the use of clean energy for manufacturing. Paper boxes carry the FSC label and plant-based ink label. We educate and encourage consumers to avoid counterfeits and pirated goods by purchasing O'right products from proper authorized channels. Any tampering or obscuring of security labels is considered illegal. We cannot guarantee the origin and quality of such product and its ingredients. Clear, transparent labels and information on packaging are crucial to giving consumers a better understanding towards product quality and also differentiate O'right's products from competitors.



① Barcode ② International Article Number ③ QR Code (product information)

● Figure 5-10 A complete product traceability system

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5.4.2 Green Marketing

Guided by our core values Green, Innovation and Sustainability, O'right strives to create green products, green services as well as social and ecological value while providing sustainable living solutions and beauty that blossoms from the inside out.

We engage consumers in sustainable actions such as reducing the use of plastics, reusing wastes and making the shift to green consumption and living. By influencing others, we are also motivating them to go green as if it is the most natural thing to do. Make green a part of not just ours but their daily lives as well; that is our ultimate goal. O'right understands that consumers need to be influenced from the following aspects to increase consumer awareness of green products and cultivate green consumers.

(1)Products: We create eco-friendly designs such as Tree in the Bottle, Moso bamboo caps and FSC certified paper boxes as well as develop eco-friendly formulas such as 8 Free. We extract coffee oil from spent coffee grounds, upcycle coffee husks, give sorghum new life and turn agricultural waste goji berry root extract into a golden skin care ingredient. The greener the products consumers get, the higher the possibility of raising their green awareness.

(2)User experience: O'right products have been proven to be easy to rinse, easy to blow dry, water and energy efficient. The efficacy and results our products deliver can be felt with each use. In 2018, we tracked our company's greenhouse gas emissions in order to find solutions to reduce carbon, which earned us the carbon neutral validation for 9 of our products and for our company. In 2019, we continued our streak by achieving organizational carbon neutrality and carbon neutrality for 27 of our products. Carbon neutral products and manufacturing indicate that we have achieved net zero carbon dioxide emissions by balancing carbon emissions with carbon removal. We also made a commitment to go 100% renewable by 2025.

(3)Events: O'right holds or co-hosts major environmental events every year including: (1) Earth Hour; (2) Coastal Cleanup; and (3) Plant a Tree.



● Figure 5-11 Cultivating consumer awareness



Appendix 1 GRI Standards Index

GRI Standards Index

GRI	Topic-specific	Disclosure Title	Chapter	Page No.	Explanation
101		Foundation			
102		General disclosures			
Organizational profile					
102-1		Name of the organization	1.1	5	
102-2		Activities, brands, products, and services	1.1	5	
102-3		Location of headquarters	About Our Corporate Sustainability Report	2	
102-4		Location of operations	1.4.4	30	
102-5		Ownership and legal form	1.4.1	25	
102-6		Markets served	1.4.4	30	
102-7		Scale of the organization	1.4.4 / 2.2 / 3.1	30,63,84	
102-8		Information on employees and other workers	3.1	84	
102-9		Supply chain	4.2	103	
102-10		Significant changes to the organization and its supply chain	4.2	103	Made the switch to renewable plastic pumps for entire shampoo, conditioner and body wash range
102-11		Precautionary Principle or approach	1.4.2 / 1.4.3	26,28	
102-12		External initiatives	2.3.3	80	
Strategy					
102-14		Statement from senior decision-maker	Letter from Our Chairman	3	
102-15		Key impacts, risks, and opportunities	1.4.2	28	

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GRI	Topic-specific	Disclosure Title	Chapter	Page No.	Explanation
Ethics and integrity					
102-16		Values, principles, standards, and norms of behavior	1.2 / 1.3 / 4.4		
Governance					
102-18		Governance structure	1.4.1 / 1.4.2		
Stakeholder engagement					
102-40		List of stakeholder groups	1.1.4		
102-41		Collective bargaining agreements	-		O'right does not have unions and therefore has no collective agreements
102-42		Identifying and selecting stakeholders	1.1.4		
102-43		Approach to stakeholder engagement	1.1.4		
102-44		Key topics and concerns raised	1.1.4		
Reporting practice					
102-45		Entities included in the consolidated financial statements	1.4.4		
102-46		Defining report content and topic Boundaries	About Our Corporate Sustainability Report		
102-47		List of material topics	1.1.4		
102-48		Restatements of information	-		No restatements of information
102-49		Changes in reporting	1.1.4		
102-50		Reporting period	About Our Corporate Sustainability Report		
102-51		Date of most recent report	About Our Corporate Sustainability Report		
102-52		Reporting cycle	About Our Corporate Sustainability Report		
102-53		Contact point for questions regarding the report	About Our Corporate Sustainability Report		



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GRI	Topic-specific	Disclosure Title	Chapter	Page No.	Explanation
Reporting practice					
102-54		Claims of reporting in accordance with the GRI Standards	About Our Corporate sustainability Report		
102-55		GRI content index	Appendix 1		
102-56		External assurance	Appendix 2		
Management approach					
103-1		Explanation of the material topic and its Boundary	1.1.4		
103-2		The management approach and its components	1.1.4		
103-3		Evaluation of the management approach	1.1.4		
Specific disclosures					
201	ECONOMIC PERFORMANCE				
	201-1	Direct economic value generated and distributed	1.4.4		
	201-2	Financial implications and other risks and opportunities due to climate change	1.4.3		
	201-4	Financial assistance received from government	1.4.4		
204	procurement-practices				
	204-1	Proportion of spending on local suppliers	4.1		
301	MATERIALS				
		Materials used by weight or volume	2.2.2		Due to the variety of packaging, only the total procurement amount can be provided
	301-2	Recycled input materials used	2.2.2 / 4.1		



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GRI	Topic-specific	Disclosure Title	Chapter	Page No.	Explanation
302		Energy			
	302-1	Energy consumption within the organization	2.1 / 2.3		
	302-4	Reduction of energy consumption	2.1 / 2.3		
303		Water and effluents			
	303-1	Interactions with water as a shared resource	2.1		
	303-3	Water withdrawal	2.1		
304		Biodiversity			
	304-2	Significant impacts of activities, products, and services on biodiversity	2.2.1		
305		Emissions			
	305-1	Direct (Scope 1) GHG emissions	2.3		
	305-2	Energy indirect (Scope 2) GHG emissions	2.3		
	305-5	Reduction of GHG emissions	2.3		
306		Effluents and waste			
	306-1	Water discharge by quality and destination	2.1.2		
	306-2	Waste by type and disposal method	2.1		
307		Environmental compliance			
	307-1	Non-compliance with environmental laws and regulations	1.4.6		No non-compliance with environmental laws and regulations occurred
308		Supplier environmental assessment			
	308-1	New suppliers that were screened using environmental criteria	4.2		



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GRI	Topic-specific	Disclosure Title	Chapter	Page No.	Explanation
401		Employment	3.1	84	
	401-1	New employee hires and employee turnover	3.1.1	84	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.2	89	
	401-3	Parental leave	3.2.1	89	
403		Occupational health and safety			
	403-1	Occupational health and safety management system	3.4.1	97	
	403-2	Hazard identification, risk assessment, and incident investigation	3.4.1	97,99	
	403-3	Occupational health services	3.4.1	97	
	403-4	Worker participation, consultation, and communication on occupational health and safety	3.4.1	97	
	403-5	Worker training on occupational health and safety	3.4.2	98	
	403-6	Promotion of worker health	3.4.2	98	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.4.2	98	
			3.4.2	99	
	403-9	Work-related injuries	3.4.3	99	
404	404-1	Training and education			
	404-3	Average hours of training per year per employee	3.3	94	
		Percentage of employees receiving regular performance and career development reviews	3.2.3	90	
416	416-1	Customer health and safety	5.4	124	
	416-2	Assessment of the health and safety impacts of product and service categories	2.2	63	
		Incidents of non-compliance concerning the health and safety impacts of products and services	1.4.6	47	No non-compliance with laws during the reporting period
417	417-1	Marketing and labeling			
	417-2	Requirements for product and service information and labeling	5.4.1	124	



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GRI	Topic-specific	Disclosure Title	Chapter	Page No.	Explanation
	417-3	Incidents of non-compliance concerning product and service information and labeling	1.4.6	47	No non-compliance with laws during the reporting period
		Incidents of non-compliance concerning marketing communications	1.4.6	47	No non-compliance with laws during the reporting period
418	418-1	Customer privacy			
		Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.4	124	No breaches of customer privacy and losses of customer data occur
419	419-1	Socioeconomic compliance			
		Non-compliance with laws and regulations in the social and economic area	1.4.6	47	



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ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE Hair O'right International CO., LTD.'S CORPORATE SUSTAINABILITY REPORT FOR 2020

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by O'right International CO., LTD. (hereinafter referred to as O'right) to conduct an independent assurance of the Corporate Sustainability Report for 2020 (hereinafter referred to as the Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during on-site verification (15/Sep/2021~18/Oct/2021). SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all O'right's Stakeholders.

RESPONSIBILITIES

The information in the O'right's CS Report of 2020 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of O'right. SGS has not been involved in the preparation of any of the material included in the Report

Our responsibility is to express an opinion on the text, data, graphs, and statements within the scope of verification with the intention to inform all O'right's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options		Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)	n/a
B	AA1000ASv3 Type 2 (AA1000AP Evaluation only)	Moderate

Assurance has been conducted at a moderate level of scrutiny.

TWLPP5008 Issue 2104

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options	
1	GRI Standards (Core)
2	AA1000 Accountability Principles (2018)

- evaluation of content veracity of the sustainability performance information based on the materiality determination at a moderate level of scrutiny for O'right and moderate level of scrutiny for subsidiaries, joint ventures, and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018); and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, CSR committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social, and ethical auditing, and training; environmental, social and sustainability report assurance. SGS affirm our independence from O'right, being free from bias and conflicts of interest with the organisation, its subsidiaries, and stakeholders.

The assurance team was assembled based on their knowledge, experience, and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

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AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

O'right has demonstrated its commitment to stakeholder inclusivity through formalised commitment from the highest governing body. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

Materiality

O'right has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. Specific performances related to material topic are recommended to be reported in a more balance way to address stakeholder concerns.

Impact

O'right has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions, products and services, as well as any related performance. However, the sustainability context of each impact should be described more clearly to allow a better understanding of the potential positive and negative impacts.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, O'right's CSR Report of 2020, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of O'right's involvement with the impacts for each material topic (103-1), and the mechanisms for evaluating the effectiveness of the management approach for each material topic. More disclosures on the mechanisms for evaluating the effectiveness of the management approach of the material topic GRI 305 and GRI 417 is recommended.

Signed:

For and on behalf of SGS Taiwan Ltd.

David Huang
Senior Director
Taipei, Taiwan
28 October, 2021
www.sgs.com



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Appendix 3 Management System

Content
(1)ISO 9001 Quality Management Systems: Natural, pure and eco-friendly
(2)ISO 22716 Cosmetics GMP: Strengthen education and training, prevent equipment contamination, manage production, quality assurance and warehousing, enhance product manufacturing quality
(3)ISO 50001 Energy Management Systems: Reduce energy consumption, constantly increase our energy efficiency, continue to invest in resources to achieve our goals, comply with laws and other energy-related requirements, improve energy performance in the design and maintenance of equipment and procure and use high energy-efficient products and services
(4)Taiwan Intellectual Property Management Systems (TIPS): Taiwan Intellectual Property Management Systems (TIPS): Promote innovation development and avoid intellectual property infringement and strengthen organizational intellectual right perceptions and capabilities
(5)ISO 14001 Environmental Management System: Environmental protection, employee engagement, energy saving and carbon reduction, green innovation and sustainability
(6)ISO 45001 Occupational Health and Safety Management Systems: Healthy and safety risks, legal compliance, hazard prevention, constant improvement and propaganda and communication
(7)ISO 17025 General Requirements for the Competence of Testing and Calibration Laboratories: Employee engagement, quality enhancement, constant improvement and customer satisfaction

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Green Management System

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Appendix 4 Green Footprint

2008-2009

- Taiwan's Excellent Brand Award
- Eco Paper Bimonthly
- Green Earth Project with annual revenues hitting a new record high
- International Business Department to expand our European market

2010

- Product Carbon Footprint Label
- Taiwan's Carbon Footprint Label
- Expanded internationally and successfully entered the European market
- Fren Bag made from photolytic material
- Began construction of Asia's first GMP certified green cosmetics plant
- SGS PAS 2050 Product Carbon Footprint
- ISO 9001 Quality Management Systems
- Taiwan's Top 100 MVP Managers
- Special Innovation Award by Pure Beauty
- PAS 99 Integrated Management Systems

2011

- Developed the Tree in the Bottle
- Developed the Floral Box
- Carbon Neutral by BSI PAS 2060
- Taiwan's CSR Award
- Chairman Steven Ko attended the APEC summit in the United States on behalf of all Taiwan SMEs
- Taiwan Green Classics Award
- Selected as one of the top green brands under the Daily Supplies category in the Top Green Brands survey conducted by Business Next Magazine
- Xue Xue Special Award in the Green Eco-friendly Industry category
- Golden Pin Design Mark
- Top 100 Taiwan Innovative Enterprises by the Ministry of Economic Affairs



2012

- EEWH Gold-level Green Building Certification
- Taiwan's CSR Award
- Environmental Sustainability Award by Taiwan SGS
- National Outstanding SMEs Award
- National Sustainable Development Award
- Enterprise Environmental Protection Award
- Industrial Sustainable Excellence Award
- Green Excellence Award by Taoyuan County
- Xue Xue Creative Award in the Green Industrial Design category
- Model of Entrepreneurs Award
- Moso Bamboo Cap
- Enable QR code scanning for easy access to product information

2013

- Red Dot: Best of the Best 2013
- Environmental Sustainability Award by Taiwan SGS
- Only SME in Taiwan to receive the CSR Award
- Green Excellence Award by Taoyuan County
- Cradle to Cradle certification
- ISO 22716 Cosmetics GMP certification
- SGS Water Footprint certification
- Taiwan Intellectual Property Management Systems (TIPS)
- ISO 50001 Energy Management Systems
- Action Mark for Energy Saving and Carbon Award by the Executive Yuan
- Taiwan Green Classics Award
- Taiwan Voluntary Cosmetic GMP certification
- Green Building Honorary Award
- Chairman Steven Ko invited as a speaker for the United Nations Sustainable Development Summit in New York

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Green Footprint

2014

- World Genius Convention Gold Medal Award
- IENA Gold Medal and Green Invention Award
- INPEX Gold Medal and Special Award
- IF Design Award
- Red Dot Awards for packaging design and social responsibility
- Excellent Enterprise Award in Taoyuan City
- FT-Standard Chartered Taiwan Business Award
- Taiwan Excellence Award
- International Green Classics Award
- Silver Medal at Seoul International Invention Fair
- CSR Award of Global Views Monthly
- 2014 Top Green Brands by Business Next Magazine
- Special Innovation Award by Pure Beauty
- PAS 99 Integrated Management Systems

2015

- Excellence in Soil and Water Conservation
- International Exhibition of Inventions of Geneva Gold Medal and Special Award
- Commonwealth Excellence in CSR Little Giant Award
- National Intelligence Award Excellence Award
- Golden Pin Design Mark
- Taiwan OTOP Product Design Award
- Good Design Award
- EY Entrepreneur of the Year Green Innovation Entrepreneur of the Year
- National Intelligence Award Excellence Award



2016

- Shopping Design 2016 Best 100 Award
- AREA Green Leadership Award
- Excellent Enterprise Award in Taoyuan City for Environmental Protection
- Environmental Protection Education Award in the Private Enterprise group
- Commonwealth Excellence in CSR Little Giant Award ISO 9001 Plus Award

2017

- Taiwan Excellence Award
- Katerva Award Finalist in the Environment category
- National Environmental Education Award by the Executive Yuan
- Commonwealth Excellence in CSR Award
- Sustainability Best Practice Award
- Sustainability Influence Award
- Green World Awards
- Sustainable Beauty Awards – Sustainability Leadership
- Sustainable Beauty Awards – Sustainable Packaging
- ISO 9001 Plus Award
- Good Design Award
- Excellent Enterprise Award in Taoyuan City
- Red Dot Award for our CSR Report
- Asia Sustainability Reporting Awards – Asia's Best Sustainability Report (SME)



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Green Footprint

2018

- Replace all shampoo and body wash bottles with renewable ones
- The world's first renewable plastic pump
- Join RE100
- Organizational and product carbon neutrality
- Taiwan Excellence Award
- CSR Award by Global Views Monthly
- International Exhibition of Inventions of Geneva Gold Medal, Silver Medal, and Special Award
- Pure Beauty Global Award
- Commonwealth Excellence in CSR
- Green World Awards
- PwC Taiwan CSR Impact Award
- IENA Gold Medal
- National Quality Award – Excellence in Business Award
- Enterprise Environmental Protection Award
- Taoyuan Green Excellence Award
- Excellent Enterprise Award in Taoyuan City for Environmental Protection

2019

- Made the switch to renewable plastic pumps for entire shampoo, conditioner and body wash range
- Organizational carbon neutrality and carbon neutrality for 27 products
- Invited to speak at UN Climate Change Conference COP25
- Unveiled the new section of O'right Green Headquarters
- Taiwan Excellence Award (Lemongrass Green Dry Shampoo)
- Sustainable Beauty Awards
- Green World Awards



2019

- AQFDA Asia Quality Innovation Award
- National Industrial Innovation Award
- ROC Enterprises Environmental Protection Award
- Low Carbon Reward by the Environmental Protection Administration
- National Sustainable Development Awards
- Taiwan Circular Economy – Golden Awards
- The Excellent Enterprise Award in Taoyuan City
- Commonwealth Excellence in CSR Award
- Global Views CSR Award
- SGS Environmental Sustainability Award

2020

- Taiwan Excellence Award (Goji Berry)
- Sensational Body Lotion, Beauty Ferment Hand Cream & Toothpaste N° Zero)
- The Excellent Enterprise Award in Taoyuan City
- Low Carbon Reward by the Environmental Protection Administration
- Protection Administration
- National Enterprise Environmental Protection Award
- Sustainable Beauty Awards
- Global CSR Awards – Gold
- Good Design Gold Award
- Good Design Best 100
- Good Design Award
- Commonwealth Excellence in CSR Little Giant Award
- Best SDGs Concept Award