

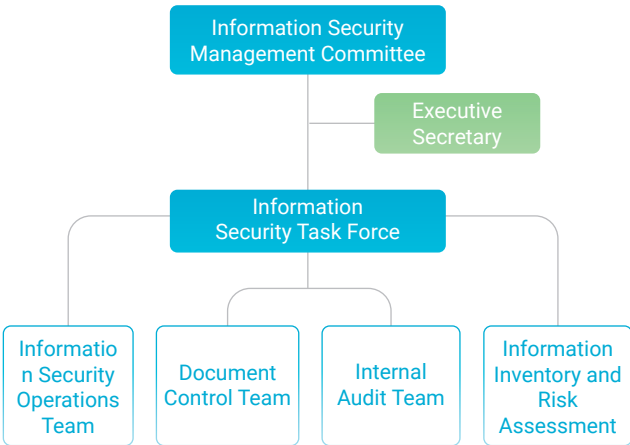
1.4.2 Information Security

Hsin Tung Yang has established a comprehensive information security management policy to strengthen its information security governance. The key elements of the Company's information security management framework and policy are as follows:

Core Policy : Establish an organization-wide assessment framework and asset management mechanism, while implementing business continuity planning and regular drills.

Decision-Making and Oversight : Establish an Information Security Management Committee responsible for approving risk ratings and reviewing risk assessment results and corrective actions.

Implementation Teams : Four dedicated working groups operate under the Committee, with responsibilities for information security operations, document control, internal audits, asset inventory management, and risk assessments.



Key Provisions of the Information Security Policy



Information Security Management Measures

In accordance with the ISO/IEC 27001 Information Security Management System (ISMS), Hsin Tung Yang has established management procedures and implemented action plans to strengthen information security governance. The Company's annual information security initiatives include website vulnerability scanning, server vulnerability scanning, social engineering simulation exercises, and information security verification. Resources dedicated to information security management include:

Intellectual Property Management	Customer Privacy and Data Protection	Supply Chain Security Protection
The Company regards its brands and trademarks as core assets. Comprehensive intellectual property protection mechanisms have been established and closely integrated with its business strategy: - Proactive Registration and Protection of Trademarks and Brands - Implement Trade Secret and Confidentiality Training - Implement Document Classification and Access Controls	The Company protects the personal data of both online and in-store members by strictly implementing personal data protection mechanisms. In 2025, no incidents of reported violations related to integrity principles were recorded: - Provide Prior Notice and Obtain Explicit Consent - Implement Role-Based Access Control for Personal Data - Implement Regular Data Retention and Secure Disposal	To prevent procurement activities and raw materials from threats and counterfeiting, the Company has strengthened contract reviews and supplier evaluation processes while establishing coordinated protection mechanisms: - Require the Signing of Anti-Corruption Agreements - Conduct Supplier Food Defense Assessments - Conduct Food Fraud Vulnerability Assessments

ch 2 The Virtue of Circularity

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Performance Highlights

2 ZERO HUNGER

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

Industrial Development Administration, Ministry of Economic Affairs Enacted in 2018 and remains in effect

The First Green Factory in the Food Industry 8 years

Includes the Green Building Label and the clean production certification.

Ministry of Economic Affairs Dayuan Plant Mobilized Subcontractors

Large Enterprises Leading SMEs

Manufacturing Industry Low-Carbon and Smart Transformation Upgrade Subsidy Program

10 companies Completed the Program

Ministry of Environment

Cumulative Number Obtained by Proprietary Brands

Carbon Footprint Label 3 labels

Deluxe Pork Floss 235 g, Honey Pork Jerky 275g, and Spicy Meat Sauce 160g

Third-party assurance entity Cumulative Number Obtained by Proprietary Brands

Verification of product carbon and water footprints 6 verifications

Deluxe Pork Floss 235 g, Honey Pork Jerky 275g, and Spicy Meat Sauce 160g Original Beef Jerky 100g, Premium Pineapple Cake (Airport Exclusive), and Horizon 100% Additive-Free Original Sausage

Manufacturing Facilities, Operations, and Office Locations

Greenhouse gas inventory 75 sites

Implementation completed in

2024: Renewal of the Green Factory Label and Green Building Label certifications for the Dayuan Plant.

2023: Dayuan Plant was selected as a demonstration case for the Smart Energy Management Guidance Program and participated in the achievement showcase.

Management of Material Topics GRI 3-3

Policy Commitment	Hsin Tung Yang recognizes that food production is highly dependent on energy and resources. The Company is committed to complying with applicable domestic and international regulations and standards. Led by senior management and working together with all employees and supply chain partners, the Company continuously enhances food safety and quality management, actively promotes low-carbon transformation, green manufacturing, and an innovative circular economy, develops an operating model that maximizes resource efficiency, implements full value chain circular management , and jointly creates sustainable value that benefits the Company, society, and the environment.
Organizational Vision	Hsin Tung Yang's vision is to become a leading sustainable food company in Taiwan with international alignment . By implementing environmental, energy, and greenhouse gas (GHG) management systems, the Company has established systematic and data-driven management mechanisms. At the same time, it promotes waste reduction initiatives centered on three key pillars—sustainable consumption, the circular economy, and green production—continuously improving resource use efficiency and integrating these efforts into the brand's sustainability impact to achieve energy and resource recycling and reuse mechanisms.

Material Topic	International Framework and Metric
Energy Management GRI 302 Energy	SASB <Food Retailers & Distributors> Fleet Fuel Management (Fleet fuel consumed, percentage renewable), Energy Management ([1] Operational energy consumed, [2] percentage grid electricity and [3] percentage renewable) SASB <Processed Foods> Energy Management (FB-PF-130a.1)
Resource Circulation and Management GRI 306 Waste	SASB <Food Retailers & Distributors> Food Waste Management ([1] Amount of food waste generated, [2] percentage diverted from the waste stream) SASB <Processed Foods> Packaging Lifecycle Management ([1] Total weight of packaging, [2] percentage made from recycled or renewable materials, and [3] percentage that is recyclable, reusable, or compostable; Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle)

Definition and Impact Description	
Energy Management	【Definition】 Covers internal and external energy consumption management across all operating sites and production processes. Through the establishment of an ISO 50001 Energy Management System, replacement of high-energy-consuming equipment, and deployment of renewable energy, the Company implements low-carbon transition and achieves energy consumption reduction and carbon management goals.
	【Significance to the Organization】 In response to energy price fluctuations and carbon fee trends, optimizing energy efficiency is a key factor in ensuring operational resilience. Through intelligent data monitoring and process upgrades, the Company reduces operating costs and enhances market competitiveness.
	【Impact on External Parties】 Energy consumption and greenhouse gas emissions directly impact climate change adaptation. Through energy-saving projects and the implementation of low-carbon equipment, the Company reduces the environmental burden across the value chain and uses quantified carbon reduction performance to respond to stakeholders' expectations for sustainable governance.

Definition and Impact Description	
Resource Circulation and Management	【Definition】 Covers the lifecycle management of industrial waste, food residues, and product packaging materials throughout operations and manufacturing processes. Following the principles of full value chain circular management, the Company implements reduction, sorting, and recycling measures to maximize resource efficiency.
	【Significance to the Organization】 Transition toward innovation in the circular economy model. Promoting the circular use of waste and packaging materials can reduce raw material procurement and waste disposal costs, mitigate environmental regulatory risks, and drive optimization of internal operating mechanisms.
	【Impact on External Parties】 Waste generation and disposal methods have a direct impact on regional ecosystems and the environment. Hsin Tung Yang adopts a green production approach starting at the source, reducing food waste and increasing the proportion of recycled packaging materials to alleviate the burden of environmental management on society and promote a low-carbon sustainable consumption culture.

Hsin Tung Yang addresses the material topics of "Energy Management" and "Resource Circularity and Management" by promoting smart energy-saving and resource recycling initiatives, and implements full value chain circular management.

Management Actions	2025 Targets	2025 Action Performance	Achievement Status	Short-term Targets (2026)	Mid-term Targets (2030)	Long-term Targets (2050)
Establish an EMS Energy Monitoring System	Install an energy monitoring system	Completed the establishment of the EMS energy monitoring system at the Dayuan Plant.	Target Achieved	Completed the EMS equipment abnormality notification APP mechanism.	Establish MES energy consumption indicators for unit products.	Establish an MES energy performance AI management platform.
	Energy monitoring coverage rate: 40%	Install smart meters and sub-meters, achieving 40% energy monitoring coverage.		50%	80%	100%
Factory Energy-Saving Measures	Reduce electricity consumption by 579,000 kWh	Replaced freezing, refrigeration, and cooling equipment, reducing annual electricity consumption by 512,000 kWh.	Target Achieved	Completed the establishment of the natural gas generator parallel connection system Reduced annual electricity consumption by approximately 72,000 kWh	Establish solar power and energy storage systems for factories and warehouses.	Establish a microgrid across the entire plant. Establish an energy dispatch and control system to integrate the energy monitoring platform.
	Annual electricity savings rate of 8.44%	Implemented air-conditioning and other energy-saving improvements, achieving annual electricity savings of 67,000 kWh.		Reduce equipment electricity consumption by 3%	Achieve a 50% self-generation and self-consumption electricity rate at the Dayuan Plant.	Achieve a 100% self-generated and self-consumed electricity supply rate at the plant.
Waste Recycling and Reuse	Achieve a reuse rate of 73%	Waste reuse amount: 552 metric tons, with a reuse rate of 75%	Target Achieved	76% (Annual 1% increase target)	80% (Annual 1% increase target)	
Food Processing Sludge Reuse	Launched the Food Processing Sludge Treatment Program	Collected food processing sludge for biogas power generation or organic fertilizer production, with a total treatment volume of 197 metric tons.	In progress	5% reduction	10% reduction	
Pallet Recycling and Reuse	Annual recycled and reused amount: 17 metric tons	Implemented a pallet repair program, achieving a reuse amount of 17.3 metric tons	In progress	Increase to 18 metric tons	Increase to 20 metric tons	Continue to follow Hsin Tung Yang's sustainability principles: "Green Commitment," to implement various initiatives.
Water Resource Collection, Recovery and Reuse	1. Annual reclaimed water of 31,678 metric tons	Introduced water circulation reuse for sterilization retorts, achieving annual recovery of 23,543 metric tons	In progress	Implement wastewater recovery and treatment technologies to improve recycled water quality and expand its scope of use	Reduce wastewater discharge by approximately 43,800 metric tons annually.	
	2. Recycling efficiency increased by 43%	Reclaimed water reuse rate increased by 32%		Estimated that the annual process wastewater recovery rate will be approximately 30%	Process wastewater recovery rate accounts for 60% of total wastewater discharge.	

Note: EMS=(Energy Management System) ; MES= (Manufacturing Execution System)

Environmental Management Strategy

Extreme climate events caused by climate change, such as high temperatures, droughts, heavy rainfall, and typhoons, not only affect raw material prices and production fluctuations but may also result in risks associated with unstable energy and resource supply and demand. In response to the goals of the Paris Agreement and increasingly stringent environmental regulations, Hsin Tung Yang upholds the core philosophy of "Practicing Environmental Friendliness on a Foundation of Integrity." Based on the characteristics of different operating sites, the Company progressively develops greenhouse gas, energy, water resource, and waste management mechanisms, as well as transition strategies, to comprehensively implement "energy conservation, low carbon, and clean production," moving toward becoming a sustainable food enterprise that balances environmental sustainability with long-term operational development.

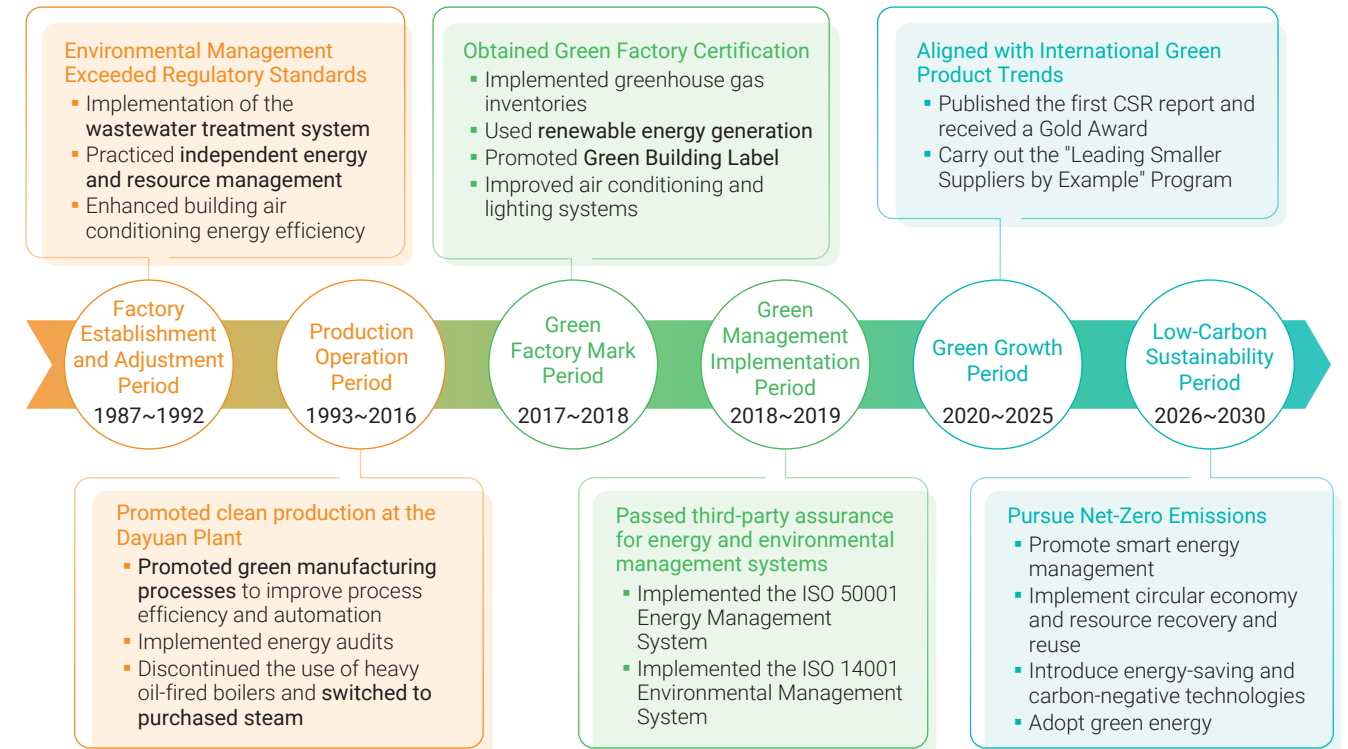
Environmental Management Measures for Green Factory Operations

Green Production Management Measures (2023–2025)				
	Response to Climate Change	Energy Management	Water Resource Management	Resource Circulation and Management
Investment Costs (NTD)	NT\$800,000	NT\$65.27 million	NT\$5.6 million	NT\$10.98 million
Management Actions	- Conduct employee climate education and training - Establish a greenhouse gas inventory system - Implement greenhouse gas inventories across all domestic sites - Reduce greenhouse gas emissions	- Establish an energy management system and an EMS real-time energy consumption monitoring system - Promote efficiency improvements for high-energy-consuming equipment - Establish energy baselines and indicator management	- Establish water usage monitoring and recovery systems - Strengthen equipment inspections to reduce water leakage - Optimize water use efficiency - Develop a drought response plan	- Waste recycling and reuse - Use recycled plastic products made from waste plastic within the facilities - Compost organic sludge or use it as biomass energy
Target Setting	Annual carbon emission reduction of 3%	Annual electricity savings rate of 1%	Annual water savings rate of 1%	Annual recycling and reuse rate of 75%
Achievement Status	Achieved annually from 2023 to 2025			

2.1 Green Production

2.1.1 Factory Milestones

Starting from the Dayuan Plant, Hsin Tung Yang has progressively transitioned from green production toward low-carbon transformation, elevating environmental management from operational improvement to a core corporate strategy. Through the implementation of green transformation management mechanisms, the Company has not only optimized energy and resource use efficiency but also established a cross-departmental collaborative carbon reduction system. In the future, Hsin Tung Yang will focus on low-carbon sustainability, deepen its green manufacturing capabilities, and move toward becoming a sustainable enterprise with both operational resilience and environmental responsibility.



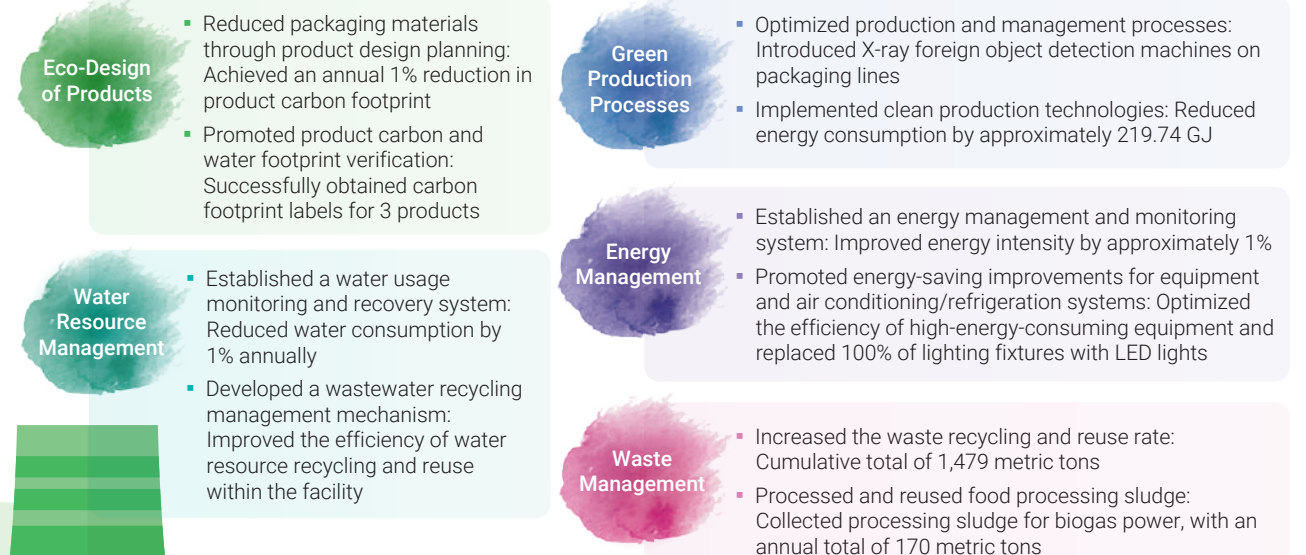
2.1.2 Green Factory

Hsin Tung Yang actively invests in sustainable development. In 2016, the Company became a pioneer in promoting green factories within Taiwan's food industry. In 2020, it became "the first food company in Taiwan to obtain dual certification for traceability at a green factory" and received the "Green Leadership Award" at the international Asia Responsible Entrepreneurship Awards (AREA).



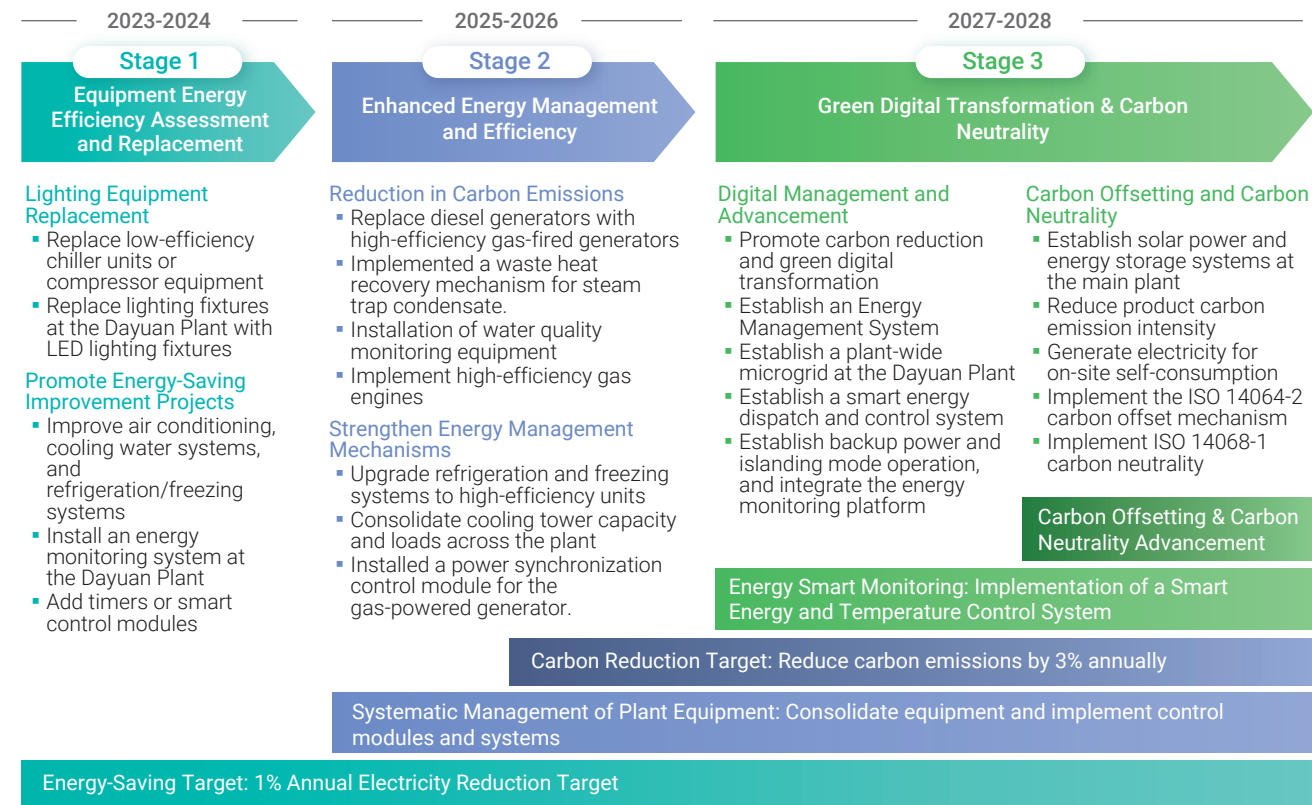
Green Factory Management Strategy

Five Major Management Dimensions of Green Factories



Hsin Tung Yang continuously ensures that its factories implement clean production, with management and monitoring items covering energy, water resources, pollutants, and other areas. Through the evaluation of various qualitative and quantitative indicators, Hsin Tung Yang has continuously obtained the "Clean Production Assessment System Qualified Certificate" since 2018 (with the latest validity period extending through December 2026). While increasing production capacity, the Company also reduces carbon emissions, actively promotes the participation of the entire value chain in sustainability, and establishes brand advantages for the food industry in sustainable development.

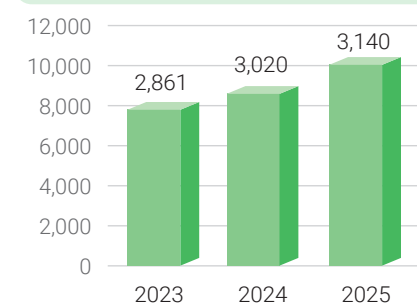
Green Factory Energy-Saving and Carbon Management Roadmap



To enhance energy consumption efficiency and reduce carbon emissions, Hsin Tung Yang has established **annual targets of reducing electricity consumption by 1% and carbon emissions by 3%**. The Company imbeds the concept of sustainable development into corporate operations, production activities, and daily maintenance. To achieve the 2050 net-zero carbon emissions target, the Company continues to promote energy-saving improvements and low-carbon manufacturing processes, implement energy and resource recycling, and plans to introduce measures such as carbon-negative technologies, carbon offsets, and carbon neutrality, moving toward Hsin Tung Yang's net-zero target.

Hsin Tung Yang actively strengthens its food safety risk management mechanisms and continuously follows the requirements of food safety management system standards. Through cross-departmental collaboration and oversight, the Company gradually strengthens process control and risk management mechanisms, fully implementing food safety management systems across factory operations and production processes. **Currently, the Dayuan Plant has obtained third-party assurance under international food safety management systems to continuously ensure product quality and food safety. In 2025, production volume reached 3,699 metric tons, accounting for 85% of total production volume.** (Detailed annual production statistics are provided in Appendix 1, Table 2-1, "Production Volume Statistics of the Dayuan Plant Obtaining Independent Third-Party Assurance Related to Food Safety.")

Production Volume of Dayuan Plant Obtaining Food Safety Third Party Assurance from 2023 to 2025 (metric tons)



ISO 9001



HACCP



ISO 22000 : 2018



FSSC 22000



Verification Expiration Date: November 16, 2026

2.1.3 Sustainable Partnerships

As a benchmark for green manufacturing, the Dayuan Plant of Hsin Tung Yang Co., Ltd. has promoted green production development mechanisms for many years, with operations spanning the food, catering, biotechnology, and chemical industries. To date, the company has hosted **more than 42** benchmarking visits and observation activities, engaging **over 1,500 participants**. In 2025, the Dayuan Plant held three such activities with a total of 136 participants, focusing on green factory practices, energy-saving and carbon-reduction technologies, and the cultivation of sustainable talent. Additionally, the plant conducted two external experience-sharing sessions covering topics such as "1+N: Large Enterprises Leading Small Enterprises in Low-carbon Transition" and "Industrial Net-Zero Technology Applications." Moving forward, the company remains committed to expanding its influence in promoting environmental sustainability and green production.

Overview of Exchange Partners

Unit	Key Collaborative Partners
Public Sector	Directorate-General of Personnel Administration, Executive Yuan; Industrial Development Bureau, MOEA; Energy Administration, Ministry of Economic Affairs; and the service centers of various industrial parks.
Academic Research Institutions	National Taiwan University, National Chung Hsing University, National Taipei University of Technology, Chinese Culture University, and Seika Women's Junior College.
Professional Legal Entities and Organizations	Asian Productivity Organization (APO), International Life Sciences Institute, Taiwan (ILSI Taiwan), Corporate Synergy Development Center, Taiwan Industrial Service Foundation, and Green Productivity Foundation.
Social Influence Organizations	Sayling Wen Cultural & Educational Foundation, Impact Hub Taipei, Business Today, and the Sanyang Motor Cooperative Association.

External Organization Visit Records



Category
International Technical Exchange and Experience Sharing

Visiting Organization
APO (Asian Productivity Organization)

Record of Exchange
Hosted 45 members of an APO study group from Singapore and other Asian countries, sharing Hsin Tung Yang's successful cases in low-carbon achievements and sustainable brand management, and promoting mutual advancement of technology across the region.



Category
Sustainable Talent Value Transmission

Visiting Organization
Sayling Wen Cultural & Educational Foundation

Record of Exchange
Collaborated and exchanged with the Sayling Wen Cultural & Educational Foundation to arrange on-site observation opportunities for new graduates and trainees, sharing Hsin Tung Yang's green planning culture and practical experience, and discussing sustainable operations topics.



Category
Policy Benchmarking and Government Training Programs

Visiting Organization
Smart Technology Value-Added and Cross-Domain Innovation Promotion Program for Industrial Parks

Record of Exchange
Demonstrated how the "Smart Green Factory" converts net-zero policies into concrete operational outcomes through the ISO 50001 Energy Management System and clean production measures.

Records of the Dayuan Plant's Invited Sharing Activities



Taiwan Green Productivity Foundation and Business Today "1+N Manufacturing Industry Leading Smaller Enterprises in Low-Carbon Upgrade and Transformation" Interview



2024 Taiwan Plastic Reduction Transformation Forum

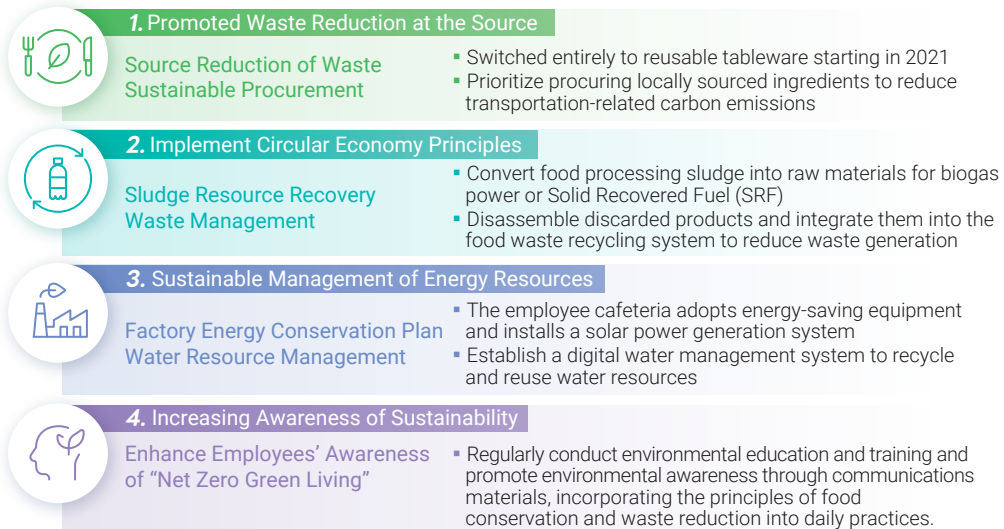


2025 Industry Net-Zero Transformation Achievement Presentation and Seminar

2.1.4 Sustainable Employee Dining Facilities

Hsin Tung Yang continues to enhance its production processes and extends its environmentally friendly philosophy to employees' daily dining practices. The employee eco-friendly restaurant at the Dayuan Plant supports green transformation by establishing a sustainable food service model. **In 2025, the implementation results of the Dayuan Plant employee restaurant exceeded the requirements of green dining table standards and obtained the Ministry of Environment's "Eco-Friendly Restaurant" certification.** The Company also aims to complete a transition plan to obtain the "Green Food" certification by 2027, providing employees with a dining experience that is both healthy and environmentally friendly.

Implementation Measures for the Green Dining Initiative at the Dayuan Plant

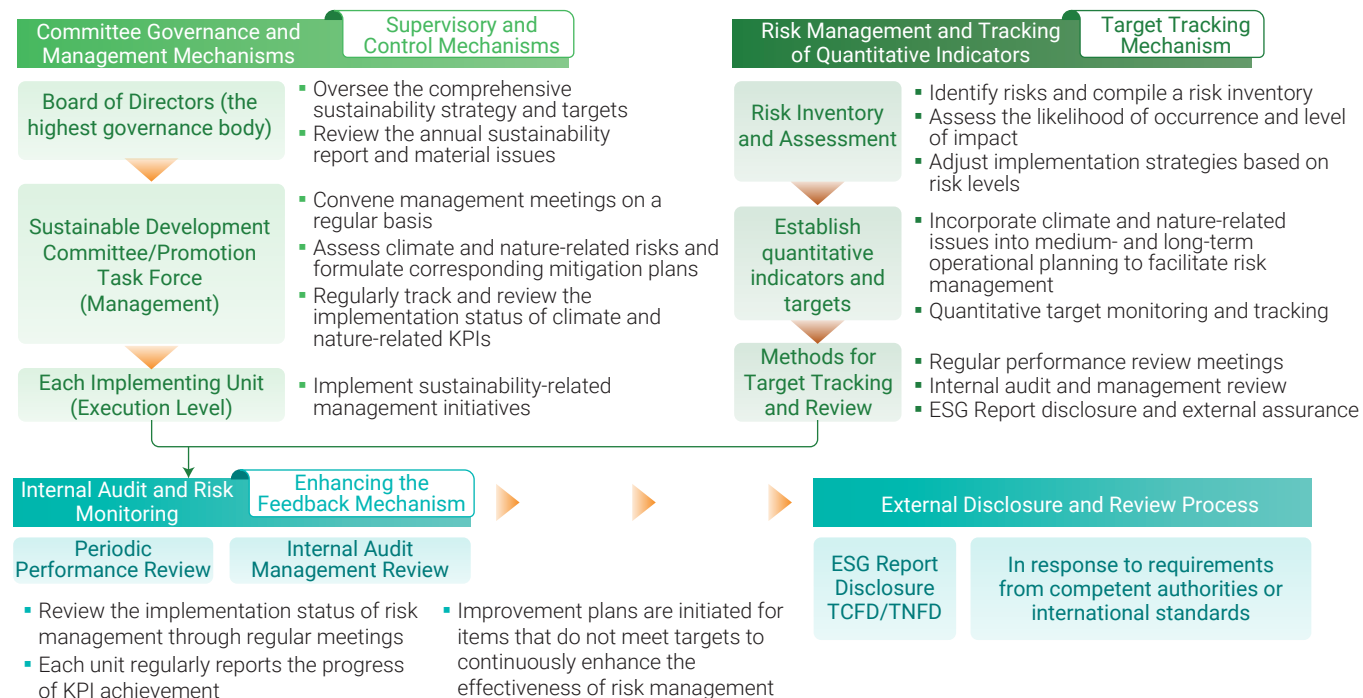


2.2 Climate Change Mitigation and Adaptation

2.2.1 Nature and Climate Risk Assessment

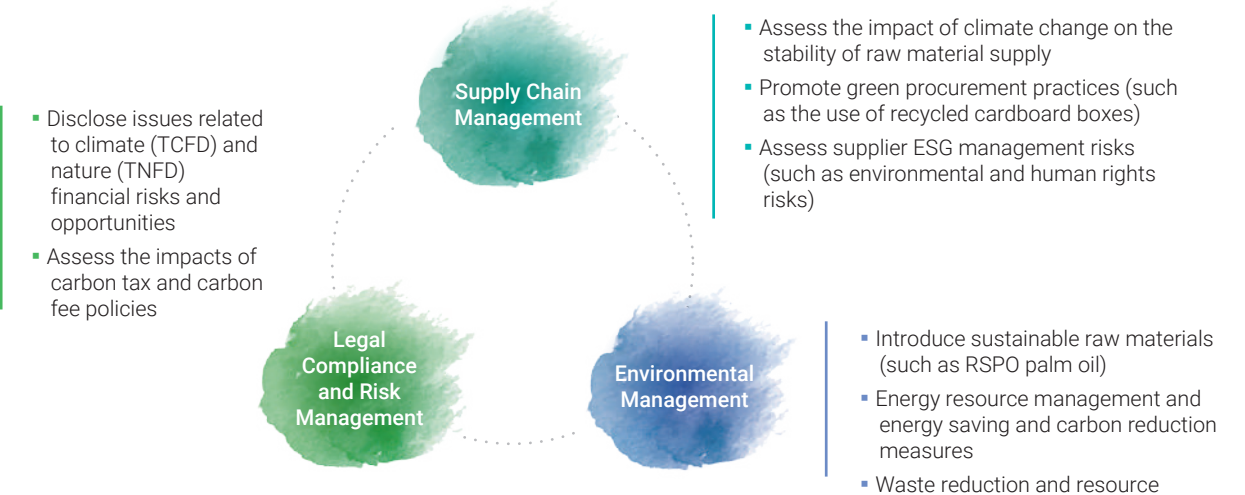
Hsin Tung Yang focuses on the impacts and challenges that nature and climate change bring to the food industry. With reference to the frameworks of the "Task Force on Climate-related Financial Disclosures (TCFD)" and the "Task Force on Nature-related Financial Disclosures (TNFD)," the Company systematically identifies and discloses climate- and nature-related risk and opportunity information. The Company has also developed three major response strategies: "Product Development Diversification," "Development of Alternative Raw Materials," and "Value Chain Risk Diversification." Through these efforts, Hsin Tung Yang enhances overall operational resilience, ensures food quality and supply stability, and achieves long-term stable business operations and sustainable development goals.

Assessment and Management Processes and Mechanisms for Climate and Nature-Related Risks and Opportunities

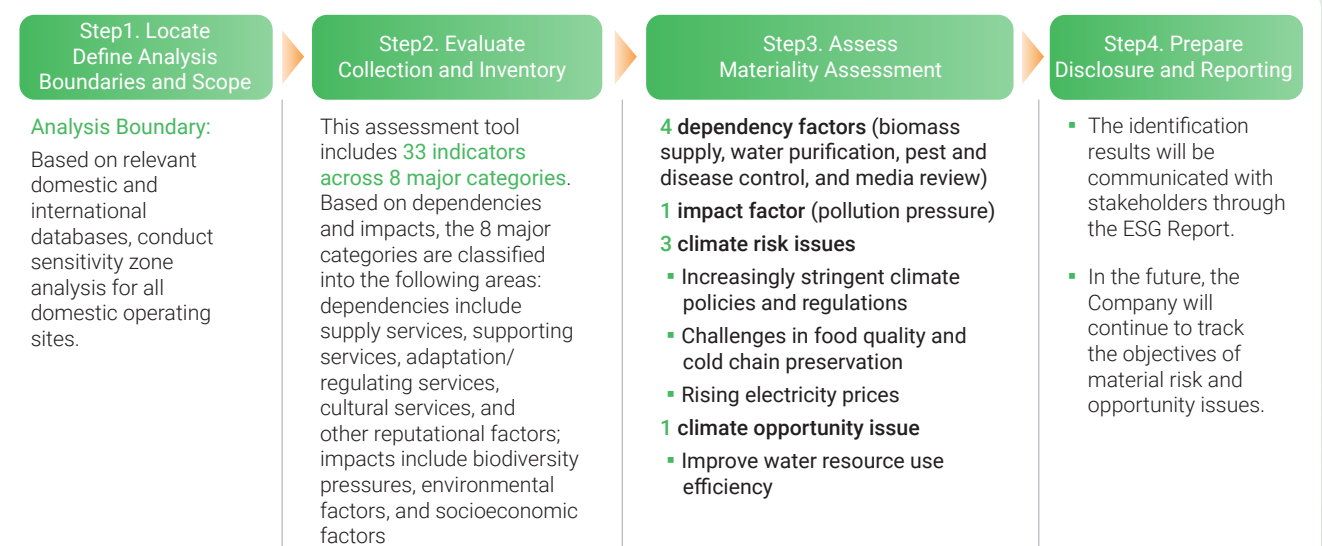


The highest governance body of Hsin Tung Yang Co., Ltd. incorporates climate and nature-related issues into the company's operational decision-making and risk assessment mechanisms. The Sustainable Development Committee conducts risk and opportunity assessments to formulate corresponding strategies, which are reported periodically to the President. Upon approval by the highest governance body, these strategies are integrated into the annual business plan, alongside the planning of medium- and long-term sustainable development targets. The Board of Directors supervises the execution of sustainable development initiatives, with the President reporting to the Board annually. These reports cover climate change risk management, nature-related issues, and the status of key performance indicators. Regarding risk management, the company maintains a quarterly tracking and management process for material risks and regulatory compliance, and has implemented an immediate reporting mechanism for any potential material risks.

Integrating Climate and Nature Considerations into Operational Strategy: Three Key Management Dimensions



Identification Process for Material Climate- and Nature-Related Risks and Opportunities



Note:

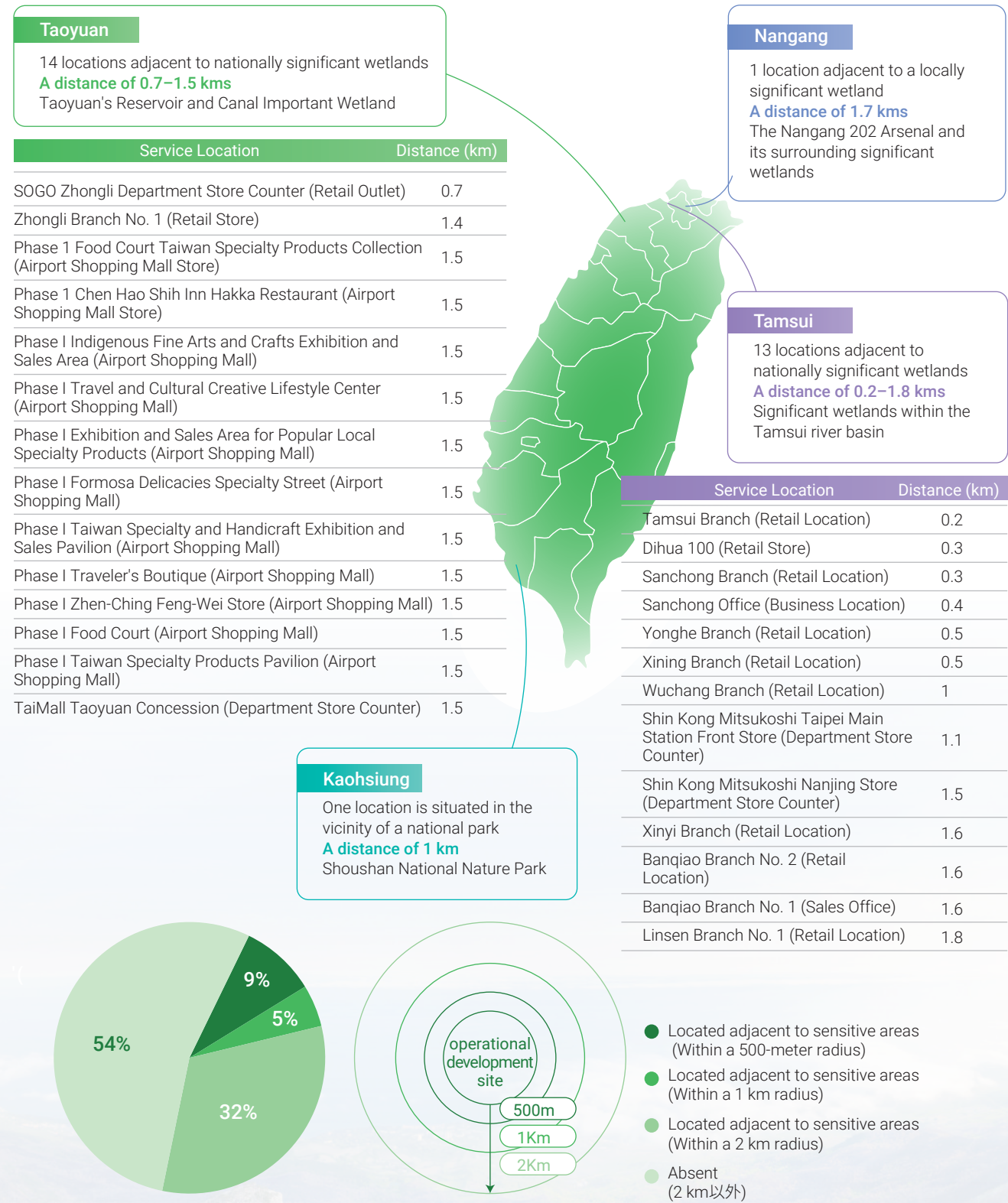
1.Reference databases for analysis boundaries: Taiwan regional databases, including the Taiwan Forestry Bureau Biodiversity Database, National Geological Data Warehouse (soil liquefaction, active faults), Disaster Risk Adaptation Platform (flooding, debris flows, etc.), and the United Nations World Database on Protected Areas (IUCN World Database on Protected Areas, WDPA).

2.Reference databases utilized for data collection and inventory include WWF and ENCORE.

Location Analysis of Operating Sites in Biodiversity-Sensitive Areas

The analysis results indicate that sensitive areas located within 500 meters to 2 kilometers of operating sites **account for 46% of total operating sites**. Detailed location analysis information for sensitive areas at each site is provided in Appendix 1, Table 2-2, "TNFD Sensitive Area Location Analysis for Hsin Tung Yang's Operating Sites."

Results of Biodiversity-Sensitive Area Location Analysis



Evaluation of Nature- and Climate-Related Risks and Opportunities Analysis

Hsin Tung Yang refers to and applies the World Wide Fund for Nature (WWF) Biodiversity Risk Filter to conduct industry and regional analyses. The results indicate the following:

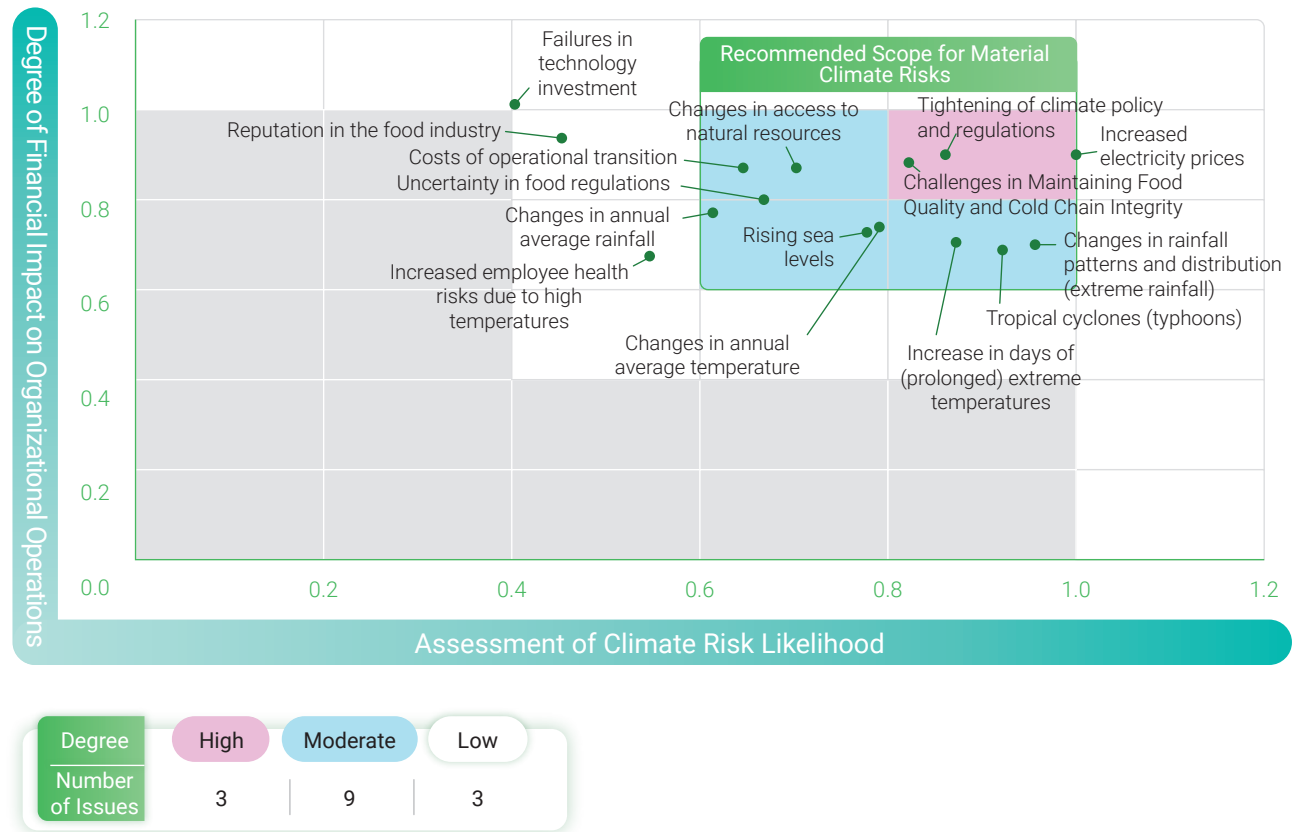
【Dependency Factors】
Based on regional and industry characteristics, Hsin Tung Yang integrates assessments from two databases and identifies factors rated within the highest category (Very High) as dependency factors for internal management. These factors include **biomass supply, water purification, pest and disease control, and media review**.

ID	WWF Indicators	Score (Dayuan Plant)	Score (Store Average)	ENCORE Category	Rating
1.2	Forest Productivity	N/A	N/A	Biomass Supply	Very High
2.2	Water Conditions	3.64	2.59	Water Purification	Very High
3.3	Pests and Diseases	4.5	N/A	Biological Control	Very Low
8.1	Media Review	5	4		

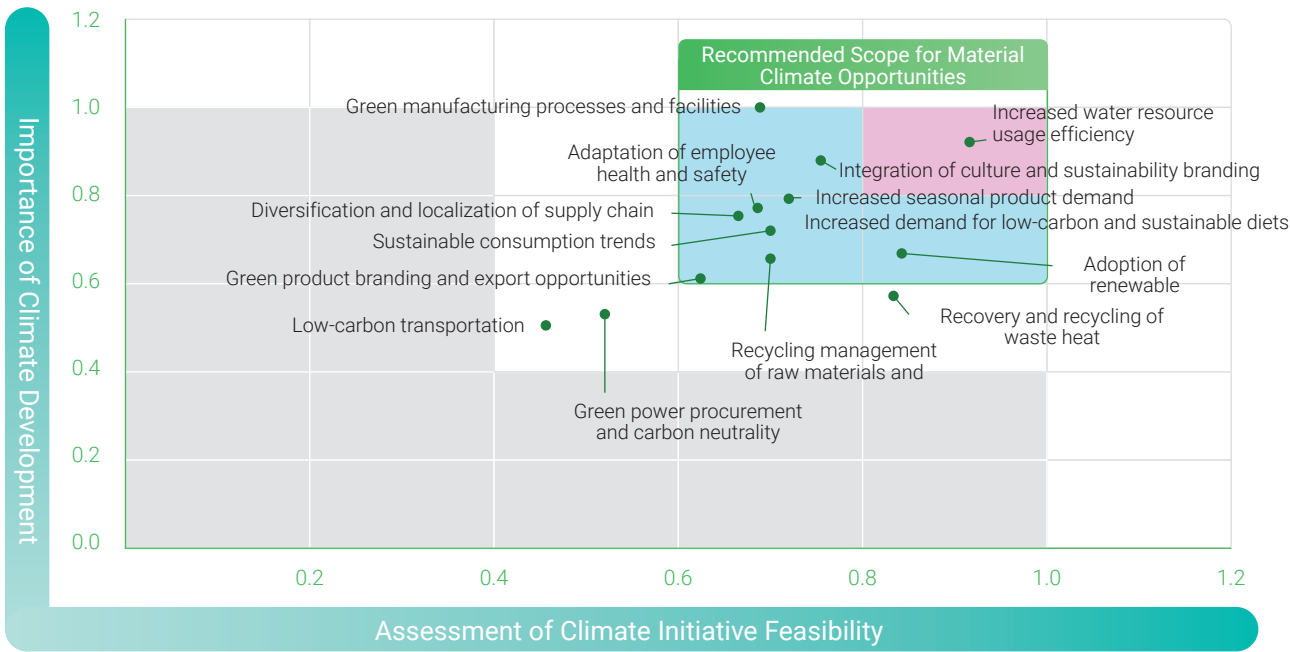
【Impact Factors】
Due to Hsin Tung Yang's relatively simple business model, the impact factor used for internal management is the category with the highest rating (Very High). Accordingly, pollution pressure is the only impact requiring internal monitoring.

ID	WWF Indicators	Score (Dayuan Plant)	Score (Store Average)	ENCORE Category	Rating
5.4	Pollution Pressure	3.75	3.73	Nutrient Emissions (Nitrogen and Phosphorus)	Very High

Results of Hsin Tung Yang's Identification of Material Climate Risk Issues Based on TCFD



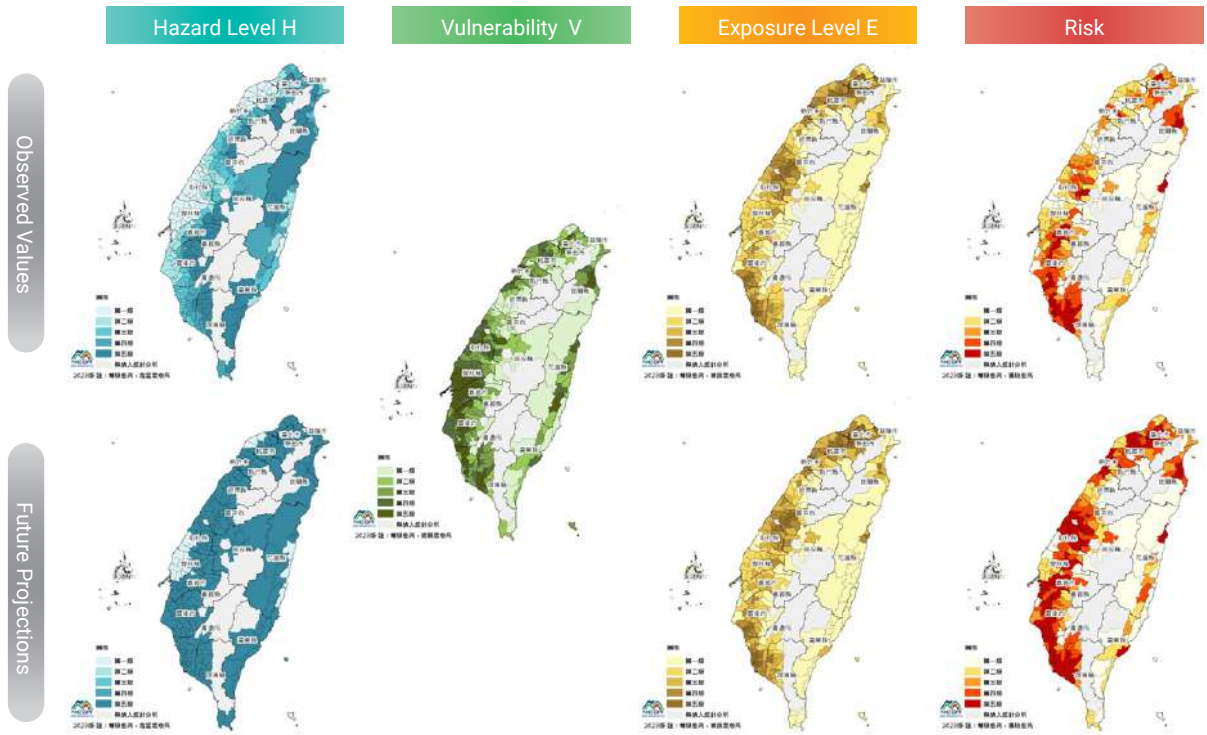
Results of Hsin Tung Yang's Identification of Material Climate Opportunity Issues Based on TCFD



Degree	High	Moderate	Low
Number of Issues	1	9	3

Hsin Tung Yang conducts climate change disaster risk assessments through the "Climate Change Disaster Risk Adaptation Platform" to analyze flood and landslide risks at each site and identify potential threats that may affect operations. The risks are primarily categorized into two major types: "flooding" and "slope land" risks. A tiered assessment is conducted for hazard and vulnerability to identify the degree of risk faced by each site. The assessment serves as the foundation for disaster prevention and adaptation strategies, enhancing Hsin Tung Yang's climate and nature resilience in operations and ensuring stable operations.

Comprehensive Flood Disaster Risk Map



(Figure Description): Following an assessment of high-impact locations, research findings indicate that flooding is the disaster requiring the greatest prevention efforts by Hsin Tung Yang.

Hsin Tung Yang Risk Results		
Database Name		Risk Result
Climate Change Disaster Risk Adaptation Platform	Flood Risk Map	Level 5
	Flood Hazard Level	Level 4
	Flood Vulnerability Level	Level 3
	Flood Hazard Exposure Level	Level 4
	Slope Land Risk Map	Level 2
	Slope Land Hazard Level	Level 2
	Slope Land Vulnerability	Level 2
Ministry of Economic Affairs Geological Data Integration and Query System	Slope Land Hazard Vulnerability Level	Level 2
	Soil Liquefaction Potential	High-Risk Areas Shin Kong Mitsukoshi Nanjing Store Counter, Xinyi store, Sanchong store, Sanchong office,Linsen Branch No. 1 and Siwei Branch
	Active Faults	Adjacent to Active Faults Nantou Service Area, Dongcaotun Rest Stop

Flood Risk Map	Flood Hazard Level
55 locations	54 locations
Flood Vulnerability Level	Flood Hazard & Vulnerability Level
1 location	27 locations
Slope Land Risk Map	Slope Land Hazard Level
6 locations	9 locations
Slope Land Vulnerability	Slope Land Hazard Vulnerability Level
1 location	3 locations

Prepare: Develop Action Strategies and Targets for Addressing Natural and Climate Risks and Opportunities

Hsin Tung Yang follows the TCFD and TNFD frameworks to gradually establish management mechanisms for indicators and targets related to climate and nature risks and opportunities. These mechanisms serve as important assessment and management foundations for understanding the impacts of operational activities on the climate and natural environment. Hsin Tung Yang reviews target achievement annually to enhance its operational resilience in addressing climate and nature risks and opportunities.

Analysis of the Relationship Between Natural and Climate Risks and Opportunities and Hsin Tung Yang		
Impact Item	Impact and Significance to Hsin Tung Yang	Action Plan
Risks	Increasingly stringent climate policies and regulations	- Align with IFRS S1/S2 Sustainability Disclosure Standards → Establish a financial quantitative model for climate risks in accordance with IFRS S1/S2 and strengthen internal control mechanisms for sustainability data. - Implement a GHG Management System → Continue expanding the scope and boundaries of greenhouse gas inventories across all sites, while simultaneously planning an internal carbon pricing mechanism and setting a target to reduce carbon emissions by 3% annually. - Establish a Climate Regulation and Sustainability Compliance Radar Mechanism → Complete an inventory of regulations related to climate, energy, packaging materials, and other areas, and establish a quarterly tracking and committee reporting mechanism.
	Challenges in food quality and cold chain preservation	- Smart Temperature Control Management for Refrigeration and Freezing Equipment → Implement an IoT-based smart temperature monitoring and real-time alert system, while improving energy efficiency through equipment replacement. - Food Waste Reduction and Packaging Material Reduction → Establish product waste reduction measures and a real-time data monitoring and feedback mechanism, and implement low-carbon packaging designs, such as the use of single-material packaging and FSC-certified paper.
	Rising electricity prices	- Expansion and Self-consumption of Renewable Energy → Expand the solar power generation capacity at the Dayuan Plant and transition from “feed-in sales” to “self-generation and self-consumption” to increase the annual electricity saving rate. - Implement Energy-Saving Projects at High-Energy-Consumption Sites → Continue implementing ISO 50001 Energy Management System, introduce EMS energy management systems, energy monitoring technologies and services, replace high-energy-consumption equipment, and reduce peak electricity demand loads.
Opportunities	Improve water resource use efficiency	Systematize Water Resource Recycling and Improve Recycling and Reuse Rates → The Dayuan Plant has established and continues to optimize multiple water resource recycling systems for can sterilization retorts, rainwater, and wastewater, improving water resource recycling and reuse rates as well as annual water savings.

Natural and Climate Risk and Opportunity Target Setting						
Impact Item		Key Performance Indicator	2025 Achievement Status	Short-Term (2026)	Medium-Term (2030)	Long-Term (2050)
Risks	Increasingly stringent climate policies and regulations	Establish a sustainability and climate risk financial quantitative model aligned with the IFRS S1/S2 framework.	Identified 27 high flood-risk sites through preliminary TCFD/TNFD assessments.	Train or recruit professionals with expertise in IFRS S1/S2	Incorporate climate risk financial data into reports	Align with IFRS S3 Standards
		Enhance internal carbon management mechanisms in response to GHG Protocol inventories	Completed greenhouse gas inventories for 75 domestic sites, with 2025 established as the inventory base year.	Complete greenhouse gas inventory assurance for 75 domestic sites.	Implement an internal carbon pricing mechanism and gradually expand its application	Achieve net-zero carbon emissions
		Conduct an inventory of sustainability disclosure regulations and establish a quarterly tracking table	The Dayuan Plant has established a regulatory change impact tracking table.	Introduce sustainability management mechanisms at other sites	Improve sustainability regulatory compliance rate	Zero material penalties
	Challenges in food quality and cold chain preservation	Reduce the customer complaint rate for self-manufactured products to an annual average of <5.1 PPM	The average customer complaint rate for self-manufactured products was 4.94 PPM/year.	<4.90 PPM (Annual Average)	<4.8 PPM (Annual Average)	<4.5 PPM (Annual Average)
		Reduce the number of process abnormalities to an average of <10 cases/month	The average number of process abnormalities was 2.08 cases/month.	<2.00 cases (Monthly Average)	<1.95 cases (Monthly Average)	<1.90 cases (Monthly Average)
		Increase carbon reduction rate through packaging design	The Dayuan Plant has completely eliminated the use of PVC materials in product packaging.	Plan and develop a circular economy and reduce packaging materials at the source through packaging design	Prioritize the use of low-carbon packaging materials for gift boxes and pineapple cake product series	Prioritize the use of recycled materials for product outer packaging (excluding food-contact inner packaging)
		Implement an IoT-based smart temperature monitoring and real-time alert system while improving equipment energy efficiency	The Dayuan Plant completed 100% deployment of the IoT-based smart temperature control system.	Continue replacing refrigeration and freezing equipment and consolidate the cooling system of the main plant building	Evaluate the implementation of smart temperature control systems at each site	Achieve 100% smartification of refrigeration and freezing systems
	Rising electricity prices	▪ Increase the self-generation and self-consumption rate of solar photovoltaic power ▪ Increase annual electricity savings rate	The Dayuan Plant completed the installation of a 415.19 kWh solar power generation system, with 100% of generated electricity sold to Taiwan Power Company.	Install solar photovoltaic and energy storage systems at the main plant building to achieve the 10% green electricity installation target	Install solar photovoltaic capacity of 2,630 kWp and complete grid connection.	Install solar photovoltaic capacity of 4,000 kWp
		Implement the ISO 50001 Energy Management System	The Dayuan Plant has obtained ISO 50001 Energy Management System certification.	Continue implementation	Increase the coverage rate of sites obtaining certification (prioritizing sites with high revenue)	▪ Achieve at least 1% annual electricity savings
		Replace key high-energy-consumption equipment	Implemented ESCO technical services and planned the installation of a natural gas generator parallel connection system.	▪ Complete the construction of the natural gas generator parallel connection system	▪ Achieve at least 1% annual electricity savings ▪ Gradually replace high-energy-consumption equipment according to the equipment lists at each site	▪ Increase the self-generation and self-consumption rate of renewable energy to 100%
		Implement an EMS energy management system to monitor the effectiveness of energy management technology services	Implemented an EMS energy management system, achieving annual electricity savings of 340,000 kWh, reducing carbon emissions by 160 metric tons CO2e, and lowering costs by NT\$1,179 thousand.	▪ Compile a replacement list of high-energy-consumption equipment		
	Opportunities	Improve water resource use efficiency	Water resource recovery and reuse rates	Invested a total of NT\$5.6 million in water resource management, achieving annual water savings of 31,678 metric tons and a water-saving rate of 43%.	▪ The annual water recovery rate of the Dayuan Plant reached 44% ▪ Optimize existing water resource recycling facilities	Increase the water recycling and reuse rate by 1% annually

2.2.2 GHG Management Strategy

Hsin Tung Yang develops GHG management strategies based on the characteristics of different operating sites. To reduce the environmental impacts and effects caused by operational activities, Hsin Tung Yang completed organizational GHG inventories for all domestic sites in 2025. In terms of products, as of 2026, a total of six products have obtained the Ministry of Environment's Carbon Footprint Label and are sold at national freeway service areas, airport shopping malls, and various retail locations. Going forward, Hsin Tung Yang will continue promoting the target of reducing carbon emissions by 3% annually to achieve its long-term vision of net-zero carbon emissions by 2050.

Response to Climate Change			
Operating Site	Current Implementation Measures		Future Plans
	2025	Short-Term (2026)	Medium- to Long-Term (2027–2030)
Dayuan Plant	- Establish an annual greenhouse gas inventory mechanism - Complete annual greenhouse gas inventory and external assurance, and set a target of reducing carbon emissions by 3% annually	- Continue promoting reduction projects - Annual 3% reduction target	- Promote carbon offset projects - Annual 3% reduction target
Headquarters			Promote digital and paperless operations
Sanchong Office	Complete greenhouse gas inventory and external assurance	Implement office energy-saving management	- Evaluate replacement of outdated data center equipment and optimize through virtualization or cloud solutions - Establish a waste data tracking and reduction target management mechanism
National Freeway Service Area	Complete greenhouse gas inventory and assurance	Promote the initiative for drivers to turn off their engines after idling for more than three minutes to reduce exhaust emissions	
Airport Shopping Malls	Respond to the "green procurement" strategy by offering products certified with "carbon footprint" and "environmental labels" to encourage consumers to prioritize purchasing these products	In conjunction with Earth Day, organize environmental education activities featuring the characteristics of each service area to encourage the public to experience a green lifestyle	
Retail Counters (Street Stores)		Continue responding to the Airport Energy Conservation and Carbon Reduction Initiative	
Retail Counters (Department Store Counters)		Continue promoting and stocking Hsin Tung Yang self-manufactured products with "carbon footprint" labels	
Food and Beverage Services (Street Stores)	- Complete greenhouse gas inventory and assurance - Prioritize the procurement of locally sourced ingredients for prepared food products to reduce carbon emissions from food miles	- Increase the proportion of locally sourced ingredient procurement - Plan to introduce vegetarian/low-carbon cuisine menus	Plan to obtain green restaurant certification
Food and Beverage Services (Department Store Counters)			

Note : 1."●" indicates that the initiative has been implemented or is planned for implementation; "▲" indicates that it has been partially planned or implemented; "■" indicates that implementation is not currently planned.
2.The implementation scope is determined based on whether each site promotes GHG inventories, carbon reduction, and other related carbon management measures.
3.All of the above operating sites have adopted the GHG Protocol standards for assurance.

Greenhouse Gas Inventory

Hsin Tung Yang Co., Ltd. initiated its first greenhouse gas inventory in 2016, beginning with the Dayuan Plant. In 2025, the Company expanded its inventory boundary to include all domestic operational sites, such as the headquarters, the Sanchong business office, national freeway service areas, airport shopping malls, department store counters, and street-level shops. Future plans include the gradual expansion of the inventory scope to incorporate Scope 3 emissions. In 2025, total greenhouse gas emissions amounted to **11,337.95 metric tons of CO₂e**, covering Scope 1 and Scope 2. In recent years, the Dayuan Plant has actively promoted energy-saving and carbon-reduction measures; consequently, both greenhouse gas emissions and emission intensity have decreased annually over the past three years, yielding significant results. (For detailed annual statistical data for the Dayuan Plant, please refer to Appendix I, Table 2-2, "Overview of Greenhouse Gas Emissions at the Dayuan Plant Over the Past Three Years.")



Overview of Hsin Tung Yang's Greenhouse Gas Emissions Over the Past Three Years			
Fiscal Year	2023	2024	2025
Inventory Boundary (Number of Sites)	Dayuan Plant: 1 site	Dayuan Plant: 1 site	75 operating sites across Taiwan
Scope 1 (metric tons of CO ₂ e)	435.085	270.078	952.898
Scope 2 (metric tons of CO ₂ e)	5,996.887	5,813.950	9,998.930
Total Emissions (metric tons of CO ₂ e)	6,431.972	6,084.028	10,941.828
Total Production Value (in thousands of NTD)	89.3	90.3	3,174.3
Emissions Intensity (metric tons of CO ₂ e per million NTD)	7.20	6.73	3.48

Note:

1. Inventory Standards: 2023–2024: ISO 14064-1:2018. 2025: GHG Protocol.

2. Inventory Boundary: 2023–2024: Dayuan Plant (excluding boundaries not related to factory production).

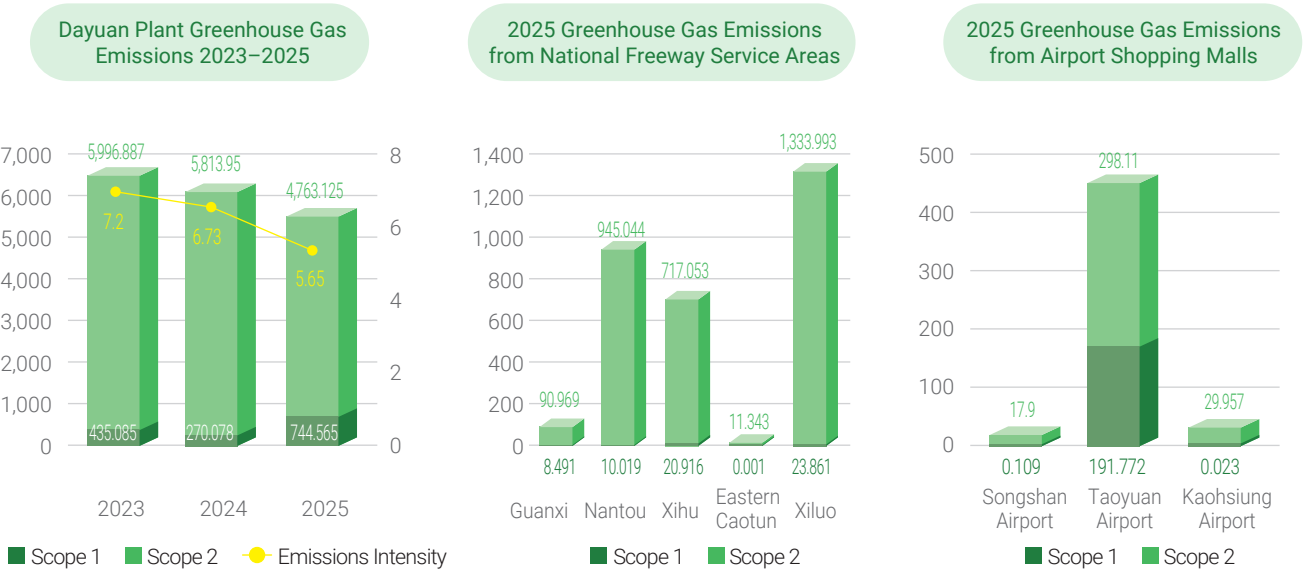
2025: Sites over which Hsin Tung Yang has 100% operational control, including the Dayuan Plant (excluding boundaries not related to factory production), office areas (including the Headquarters and Sanchong Office), National Freeway Service Areas (excluding leased tenant areas), Airport Shopping Malls (excluding leased tenant areas), retail stores (including department store counters), and street-store food and beverage services (including BORNGA; GyuB Yakiniiku was not included in this calculation as it had been in operation for less than one year in 2025). A total of 75 operating sites were included.

3. Scope 1: Direct GHG emissions, including the use of gasoline, diesel, and liquefied petroleum gas, septic tanks, refrigerants, and other sources. Refrigerant fugitive emissions include those from refrigeration and freezing systems, chiller units, air conditioning systems, and other equipment. In 2025, refrigerant fugitive emissions totaled 259.2 metric tons CO₂e.

4. Scope 2: Energy indirect GHG emissions, including those from purchased electricity and steam.

2023–2024: Total annual organizational greenhouse gas emissions ÷ annual total production value of the Dayuan Plant. 2025: Total annual organizational greenhouse gas emissions ÷ annual total production value.

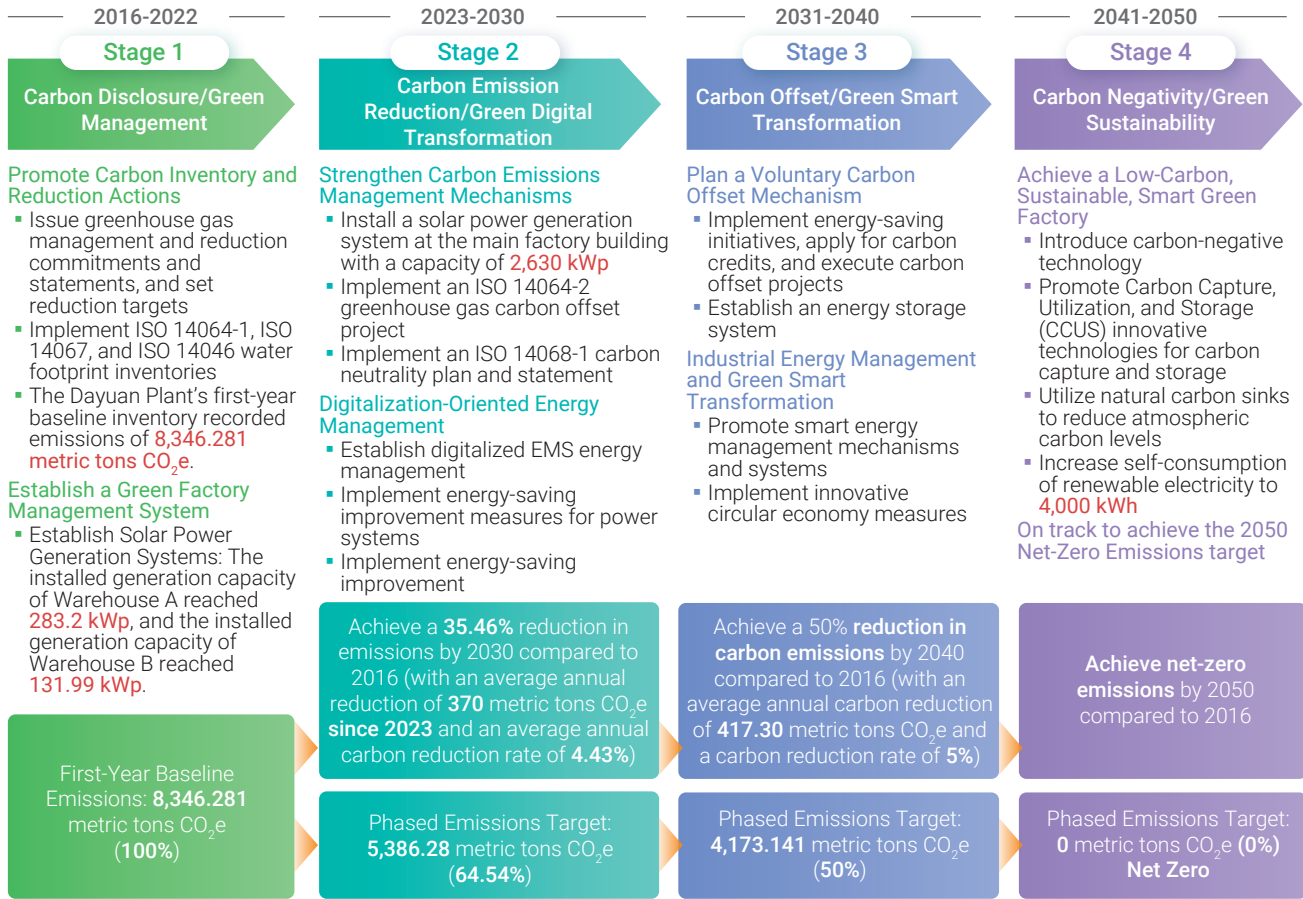
5. From 2023 to 2025, no emissions of ozone-depleting substances (ODS), nitrogen oxides (NOx), sulfur oxides (SOx), or other significant gaseous emissions were generated.



2.2.3 Mitigation Actions and Outcomes

Greenhouse Gas Reduction Statement and Reduction Pathway

o fulfill its corporate responsibility for environmental protection, Hsin Tung Yang has proposed feasible greenhouse gas reduction measures and specific targets, while simultaneously announcing the Hsin Tung Yang "Greenhouse Gas Reduction Statement and Commitment" on its official website. Hsin Tung Yang's Dayuan Plant conducted its first greenhouse gas inventory in 2016. Therefore, 2016 has been established as the base year for emissions reduction, with the inventory data from that year of 8,346.281 metric tons CO₂e used as the emissions reduction baseline. Starting from 2023, the Dayuan Plant plans to reduce emissions by 370 metric tons CO₂e annually. The Dayuan Plant has developed management mechanisms and a reduction roadmap based on two major aspects: "GHG Management" and "Energy Management," with the goal of achieving net-zero carbon emissions by 2050.



According to the second-phase carbon reduction pathway plan, compared with the 2016 emissions baseline of 8,346.281 metric tons CO₂e, emissions should be reduced to at least 7,236.281 metric tons CO₂e by 2025. The Dayuan Plant's total emissions in 2025 were 5507.670 metric tons CO₂e, representing a reduction of 2838.611 metric tons CO₂e compared with 2016 (a reduction rate of 34%), exceeding the second-phase 2025 reduction target of 13.30%. To continue achieving the Dayuan Plant's emission reduction targets, Hsin Tung Yang continuously formulates and optimizes emission reduction management approaches, measures, and strategies, with the expectation of achieving net-zero carbon emissions by 2050.

Dayuan Plant Greenhouse Gas Reduction Management Measures and Targets			
Management Actions	Carbon Reduction Target	Implementation Procedure	2023–2025 Target Achievement Status
Replace low-efficiency chiller units ^[Note 1]	Reduce greenhouse gas emissions by 3%	▪ Implement energy-saving improvement projects for Phase 1 ice storage and low-temperature air conditioning systems	▪ Completed in 2023 ▪ Target achieved
Improve energy-efficient lighting fixtures ^[Note 2]		▪ Replace dormitory lighting fixtures with LED lighting fixtures ▪ Replace mercury lamps in the finished goods warehouse with energy-efficient engineering lighting fixtures ▪ Replace cutting room lighting fixtures with energy-efficient lighting fixtures	
Replace low-efficiency refrigeration units		▪ Phase 1 refrigeration and freezing system renewal and improvement project ^[Note 3] ▪ Implement energy-saving improvement project for the braised food plant's chiller unit ^[Note 4]	▪ Completed in 2024 ▪ Target achieved
Add timers or smart control modules		▪ Set air handling units to automatically shut down during evenings and holidays when not in use	
Implement high-efficiency gas engines		▪ Replace diesel generators with high-efficiency gas-fired generators ^[Note 5]	▪ Completed in 2025 ▪ Target achieved
Implement a waste heat recovery mechanism for condensate recovery equipment		▪ Implement energy-saving improvement projects for condensate recovery equipment in meat sauce cooking kettles ▪ Implement water quality improvement projects for air conditioning cooling water	

Note: Annual energy savings for the equipment were estimated by calculating the difference in performance data before and after the implementation of each measure; total annual carbon reductions were estimated accordingly.

1. Ice Storage and Low-Temperature Air Conditioning Reduction Calculation: Continuous monitoring and recording of operational data over 15 days by the research team of Associate Professor Ming-Tsun Ke from National Taipei University of Technology

2. Energy-Efficient Lighting Reduction Calculation: Lighting fixture wattage and clamp meter measurements

3. Refrigeration and Freezing System Reduction Calculation: Records from the EMS energy management system

4. Braised Food Plant Chiller Unit Reduction Calculation: Refrigeration unit wattage

5. Generator Reduction Calculation: Conversion of diesel and natural gas usage into heat value (TOE)

Climate Change Response Management Highlight Cases

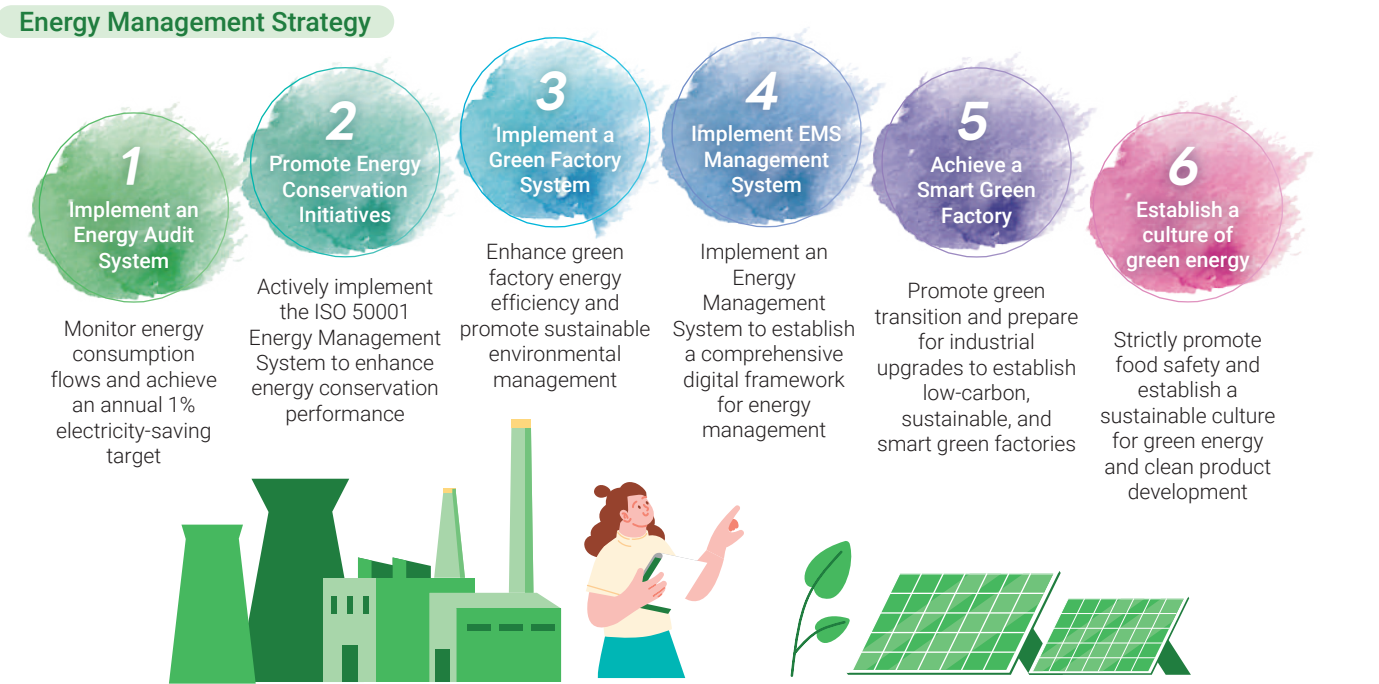
Voluntary Carbon Credit Application				
Key Project Implementation Focus	In alignment with the national 2050 net-zero carbon emissions policy and Hsin Tung Yang's 2030 carbon reduction target, the Dayuan Plant applied for the Ministry of Environment's Voluntary Reduction Program through the project of "Replacing Air Conditioning Equipment with Higher-Efficiency Units."			
Key Outcomes	A.After improvement, annual electricity consumption was significantly reduced from approximately 1.89 million kWh to approximately 1.10 million kWh, resulting in annual electricity savings of approximately 786,900 kWh and an electricity saving rate of 41.6%. B.The plant implemented the Ministry of Environment's Greenhouse Gas Voluntary Reduction Program in 2023 and submitted the reduction project plan to the Ministry of Environment on February 12, 2026, completing the submission process.			
Participated in the 2023 "Large-Leading-Small Manufacturing Industry Low-Carbon and Intelligent Upgrade and Transformation Subsidy Program," organized by the Industrial Development Administration, MOEA.				
Key Project Implementation Focus	▪ Mission Statement:Hsin Tung Yang has continuously promoted green environmental protection and sustainable business transformation strategies over the years to achieve the national goal of net-zero carbon emissions by 2050 and develop a low-carbon, sustainable "smart green factory." ▪ Implementation Approach:Hsin Tung Yang proactively served as the lead company and adopted a "1-to-10" approach to mobilize its key partner suppliers and extended partner companies to participate in the low-carbon upgrade and transformation program.			
Project Execution Details	▪ Replace Hsin Tung Yang's internal equipment with energy-efficient equipment:focusing on reducing energy consumption and improving production efficiency. Replacement equipment includes refrigeration and freezing systems, gas generator units, smart energy management systems, variable-frequency air compressors, lighting equipment, and other equipment. ▪ Promote the adoption of low-carbon technologies throughout the supply chain and simultaneously establish a greenhouse gas inventory implementation system.			
Key Outcomes	▪ Enhance Hsin Tung Yang's supply chain resilience management:Reduce the supply chain's reliance on high-energy-consumption equipment while improving the food industry chain's ability to adapt to environmental changes and policy risks, creating stronger market competitiveness and risk resilience. ▪ Expansion of Synergistic Effects:The implementation of this program has provided a successful model for other suppliers, thereby encouraging more small and medium-sized enterprises to jointly participate in low-carbon operations and technology upgrades.			
Quantifiable Benefits	Item	Year of Project Completion (N)	Item	Year of Project Completion (N)
	Energy Savings Rate (%)	8.42%	Carbon Reduction Rate (%)	0.72%
	Electricity Savings (kWh)	1,157,933	Carbon Reduction (Metric Tons of CO ₂ e)	759.1

2.3 Energy Management2.3.1 Energy Management Strategy

Energy Management			
Operating Site	Current Implementation Measures		Future Plans
	2025	Short-Term (2026)	Medium- to Long-Term (2027–2030)
Dayuan Plant	● Install solar panels at the plant site ● Obtain ISO 50001 Energy Management System certification	● Implement energy-saving improvement plans ● Digitize EMS energy management	● Increase the self-generation and self-consumption rate of renewable energy
Headquarters	● Replace lighting fixtures with LED or sensor-activated lighting fixtures	● Promote energy-saving electricity use among employees	
National Free-way Service Area	▲ Collaborate and coordinate with government agencies to install solar panels and introduce environmentally friendly building materials at some service areas ● The Xihu Service Area obtained ISO 50001 energy management system certification in 2023 ● Participate in the global "Earth Hour" lights-out campaign	● Promote heat source management at service areas ▲ After internal communication and evaluation, introduce ISO 50001 energy management systems at the Guanxi, Nantou, and Xiluo Service Areas	
Airport Shopping Malls	▲ Adopt energy-saving labeled lighting tubes in accordance with Taoyuan International Airport Corporation's policies and achieved third place in an electricity-saving competition	▲ Actively participate in joint carbon reduction initiatives led by Taoyuan International Airport and Kaohsiung International Airport	
Retail Counters (Street Stores)	● Introduce electronic signage, fully replace lighting fixtures with LED lighting, and apply for government energy-saving subsidies ▲ Incorporate building energy-saving designs into new store openings	▲ Promote replacement of refrigeration and freezing equipment to reduce energy consumption ▲ Manage air conditioning temperature settings in retail store areas	
Food and Beverage Services (Street Stores)	● Incorporate smoke exhaust and ventilation systems during store renovation ● Implement peak and off-peak management for lighting and air conditioning equipment	▲ Implement preventive equipment maintenance and abnormality monitoring management ▲ Introduce an energy management system, such as energy consumption data tracking and energy-saving target setting	

Note:1. "●" indicates that the initiative has been implemented or is planned for implementation; "▲" indicates that it has been partially planned or implemented; "■" indicates that implementation is not currently planned.
2.Implementation Scope: Replacement of energy-efficient equipment, implementation of energy-saving and carbon reduction measures, or obtaining energy management certifications and other management measures.
3.Food service locations and retail counters in department stores are centrally managed by the department stores, while the Sanchong Office is primarily managed by the leased building.

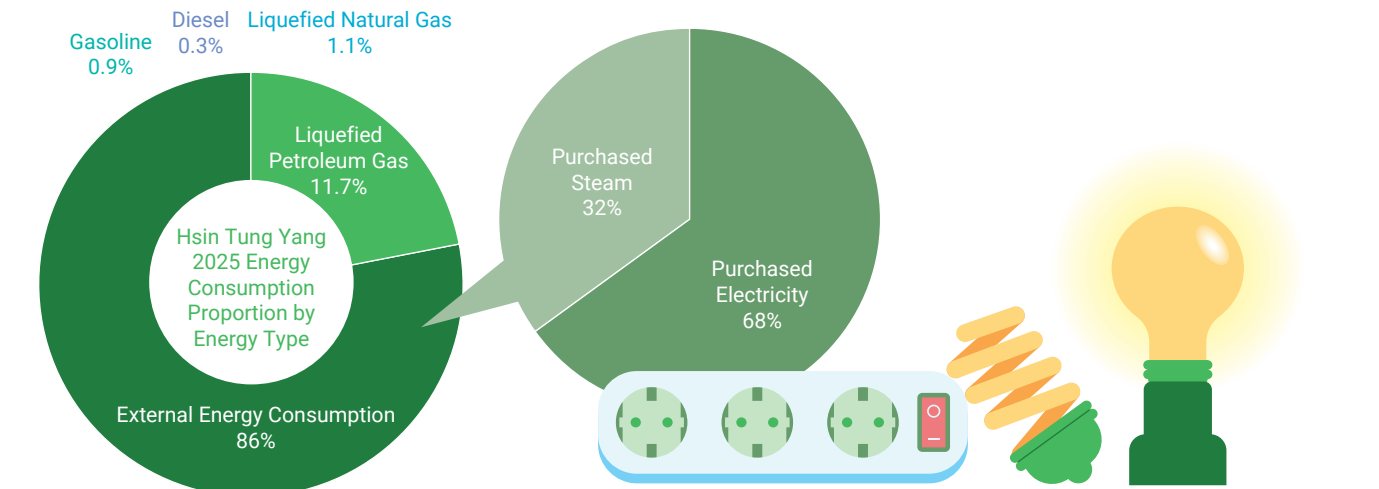
In response to climate change trends and to advance sustainable development, Hsin Tung Yang has promotes its energy management policy based on six major foundations and implements a systematic management mechanism. In addition to introducing the ISO 50001 energy management system to monitor energy usage data in real time, Hsin Tung Yang also strictly implements an energy audit system to track energy usage flows and efficiency at the Dayuan Plant. The Company continues to promote energy-saving targets while reducing carbon emissions, thereby achieving its goal of developing a smart green factory.



2.3.2 Energy Consumption Overview

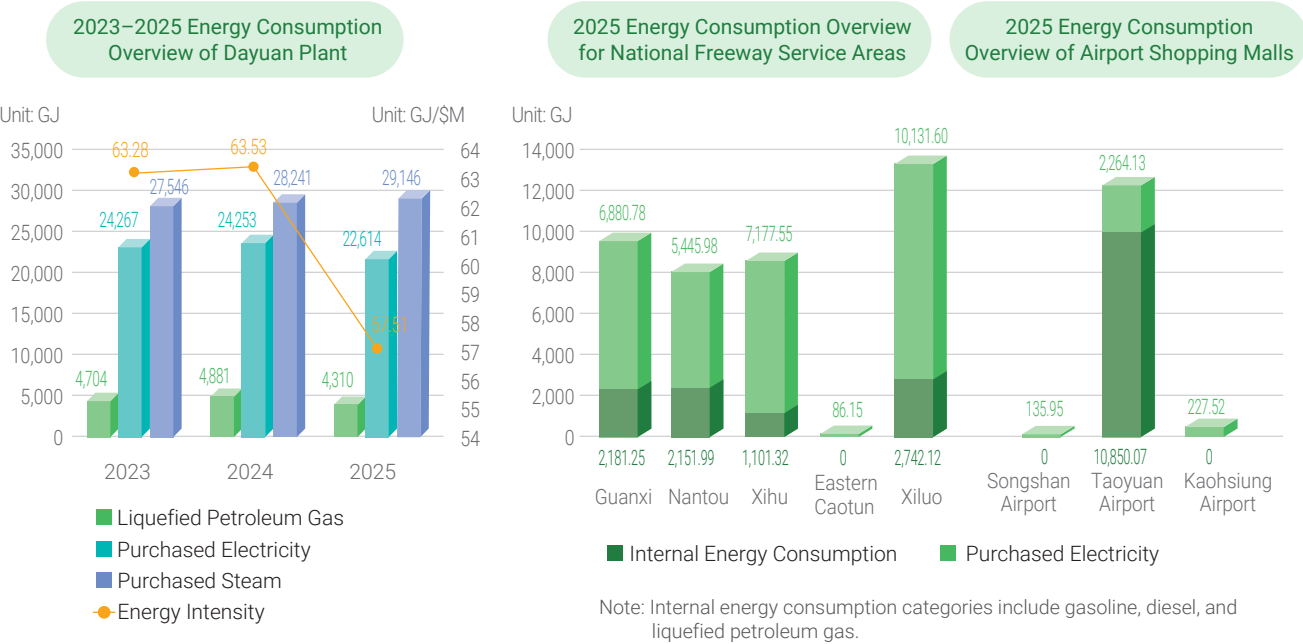
GRI 302-1GRI 302-2GRI 302-3

In 2025, Hsin Tung Yang's total annual energy consumption was 106,380 GJ, with the primary energy sources being purchased electricity, purchased steam, and liquefied petroleum gas. Based on energy sources, Hsin Tung Yang's internal organizational energy consumption was approximately 14,920 GJ, while external organizational energy consumption was approximately 91,460 GJ. The Dayuan Plant has installed solar photovoltaic power generation equipment to produce renewable energy. From 2023 to 2025, 100% of self-generated renewable energy was sold to Taiwan Power Company. In the future, Hsin Tung Yang will continue to increase its renewable energy generation capacity and integrate it with the power grid, working toward the goal of achieving a 100% self-generation and self-consumption rate of renewable energy by 2050. The Company will also continue promoting energy efficiency improvements and low-carbon transformation. (For detailed annual statistics of the Dayuan Plant, please refer to Appendix 1, Table 2-4, "Overview of Internal and External Energy Consumption at the Dayuan Plant Over the Past Three Years.")



Overview of Hsin Tung Yang's Energy Consumption							
Energy/Year		2023		2024		2025	
		Energy Consumption (GJ)	Percentage (%)	Energy Consumption (GJ)	Percentage (%)	Energy Consumption (GJ)	Percentage (%)
Non-Renewable Energy Consumption	Gasoline	-	-	-	-	938	0.88%
	Diesel	-	-	-	-	314	0.30%
	Liquefied petroleum gas (LPG)	4,788	8.46%	4,969	8.17%	12,455	11.70%
	Liquefied nature gas (LNG)	-	-	-	-	1,213	1.14%
	Total (A)	4,788	8.46%	4,969	8.17%	14,921	14.03%
Renewable Fuel Consumption (B)		0	0%	0	0%	0	0%
Purchased Energy Consumption	Purchased Electricity	24,267	42.87%	24,253	42.20%	62,310	58.57%
	Purchased Steam	27,550	48.67%	28,245	49.15%	29,150	27.40%
	Total (C)	51,817	91.54%	52,498	91.35%	91,460	85.97%
Self-Generated but Not Consumed Energy (D)		0	0%	0	0%	0	0%
Sold Energy (E)	Solar Power Generation	1,762	100%	1,699	100%	1,744	100%
Total Energy Consumption (F)		56,605	100%	57,467	100.00%	106,380	100.00%
Annual Total Production Value (NT\$ million)(G)		893	-	903	-	3,174	-
Energy Intensity (F/G)		63.39	-	63.64	-	33.52	-

- Note:1.Data collection boundary for 2025: The Dayuan Plant (excluding boundaries not related to factory production), office areas (including the Headquarters and Sanchong Office), National Freeway Service Areas (excluding leased tenant areas), Airport Shopping Malls (excluding leased tenant areas), retail stores (including department store counters), and street-store food and beverage services (including BORNGA; GyuB Yakiniiku was not included in this calculation as it had been in operation for less than one year in 2025). A total of 75 operating sites were included.
- 2.Total Internal Organizational Energy Consumption = Non-renewable energy consumption (A) + renewable energy consumption (B) + purchased electricity, heating, cooling, and steam consumed (C) + self-generated but not consumed electricity, heating, cooling, and steam (D) – sold electricity, heating, cooling, and steam (E). Hsin Tung Yang does not have self-generated but not consumed electricity, heating, cooling, and steam.
- 3.Energy Intensity: "Sales intensity" (unit: NT\$ million) is used as the calculation basis. The primary reason is that the company's product categories are diverse and production volumes fluctuate significantly. To improve comparability across years and with industry peers, the calculation is based on the company's annual total production value. Calculation method: Total energy consumption GJ (F) ÷ Annual total production value (NT\$ million).
- 4.Energy consumption is primarily measured in gigajoules (GJ). The energy conversion formula is: GJ = TOE (tons of oil equivalent) × 41.868.
- 5.Renewable Energy Usage: The Dayuan Plant began installing solar photovoltaic equipment in 2025. Currently, 100% of the generated renewable energy is sold to Taiwan Power Company, and therefore there is no internal consumption of renewable energy.
- 6.Purchased Energy Usage: From 2023 to 2025, there was no data on purchased heating or purchased cooling.



2.3.3 Energy Conservation Initiatives and Outcomes GRI 302-4

GRI 302-5

To improve energy use efficiency, Hsin Tung Yang promotes energy management policies and strengthens energy-saving and carbon reduction measures. Through improving equipment energy efficiency, optimizing production processes, and implementing energy monitoring systems, Hsin Tung Yang reduces energy consumption and carbon emissions, thereby advancing corporate sustainable development.

Dayuan Plant Energy Conservation Initiatives and Results			
Project Item	Target Performance	Energy-Saving and Emission Reduction Results	Future Improvement Plans
Implemented in 2023 Improve energy use efficiency of lighting systems, air conditioning, and production process equipment	Planned to reduce electricity consumption by 1% in 2024 ▪ Dormitory lighting: Annual electricity savings of 7,488 kWh ▪ Warehouse lighting: Annual electricity savings of 4,536 kWh ▪ Production-area lighting: Annual electricity savings of 5,011 kWh ▪ Ice-storage air-conditioning system: Annual electricity savings of 786,890 kWh	Energy consumption reductions are calculated based on 2022 as the base year, with the difference before and after improvement used as the basis for calculating energy-saving and carbon reduction performance. Energy Reduction: Estimated annual electricity savings of approximately 2,900.49 GJ. [Note 2] Carbon Emission Reduction: Scope 2 (Purchased Electricity): Estimated annual reduction of 381.83 metric tons CO ₂ e. [Note 4]	Continue introducing high-efficiency equipment and smart energy management systems, while promoting process optimization and renewable energy assessments.
Implemented in 2025 Replace diesel generators with natural gas generators	Introduce high-efficiency gas generators and establish grid-connected monitoring. Based on estimates, diesel usage will be reduced by 100% in 2026. ▪ Diesel fuel calorific value: 0.8629/L ▪ Natural gas fuel calorific value: 0.871/M³	Reduction Base Year: The reduction performance in 2026 is estimated using 2025 as the base year. Reduction Calculation Basis: Daily reduction data are estimated based on equipment energy efficiency and power consumption, and annual reduction data are then projected. Energy Reduction: Prior to implementation, annual diesel consumption was approximately 208 kiloliters. After replacement, annual diesel consumption is estimated to decrease by approximately 7,508.82 GJ. [Note 2] Carbon Emission Reduction: Scope 1 emission sources are estimated to reduce by 158.73 metric tons CO ₂ e annually.	Continue improving energy use efficiency and gradually reduce the calorific value of fuel consumption to further enhance carbon reduction results.
Continue optimizing purchased steam use efficiency from 2023 to 2025	Plan to reduce purchased steam consumption by 1% in 2026.	From 2023 to 2025, improvements were made to reduce steam trap leakage. After full implementation in 2025, the year was established as the reduction base year and used as the basis for calculating energy-saving and carbon reduction performance. Energy Reduction: Estimated annual reduction of approximately 219.74 GJ/year in steam leakage. (Calculation method: Before improvement – After improvement = Saved steam amount) Carbon Emission Reduction: Scope 2 emissions are estimated to decrease by 20.22 metric tons CO ₂ e annually. [Note 4]	Continue evaluating the energy efficiency of steam equipment, reducing steam reheating energy consumption, and implementing optimized steam pressure control.

- Note:1.The statistical method calculates relevant carbon reduction performance at the completion of each project. As Hsin Tung Yang aligns with international carbon management trends, its inventories primarily follow the GHG Protocol standards and adopt the global warming potential data provided in the Sixth Assessment Report (2021) of the United Nations Intergovernmental Panel on Climate Change (IPCC) as the basis for reduction calculations.
- 2.GJ Unit Conversion Formula: Purchased electricity: 1 kWh × 3.6 × 10⁻³ Diesel: Converted based on GJ = TOE × 41.868. One kiloliter of diesel oil equivalent = 0.9 metric tons of oil equivalent (TOE), and 0.9 × 41.868 = 37.8 GJ.
- 3.Carbon Emission Reduction Calculation Method: Estimated reduction/energy-saving data × emission factor × GWP.
- 4.Emission Factors Used for Carbon Reduction Calculations: Diesel: 2.6060 kgCO₂e/L. Data source: Latest lower heating value announced on March 11, 2025, by the Energy Saving Benchmark. Electricity: 0.474 kgCO₂e/kWh. Data source: Electricity emission factor announced in 2024 by the Energy Administration, Ministry of Economic Affairs. Purchased steam: 0.257820486 t-CO₂e/ton. Data source: Emission factor provided by Dayuan Cogeneration Plant operators in 2024.

National Freeway Service Areas Energy Conservation Initiatives and Outcomes			
Project Item	Implementation Description	Energy-Saving and Emission Reduction Results	Future Improvement Plans
Full Implementation of LED Lighting	Replace all indoor and outdoor lighting fixtures with LED lighting fixtures at three airports.	Lighting electricity savings of 30%–50% Overall electricity consumption reduced by approximately 4%–6%	Implement smart lighting systems (sensor-based dimming)
High-Efficiency Air Conditioning (High EER)	Replace outdated air conditioning systems and introduce variable-frequency control	Air conditioning electricity savings of 15%–25% Overall electricity consumption reduced by approximately 5%–8%	AI temperature control and energy management system (EMS)
Peak and Off-Peak Electricity Usage Adjustment	Adjust equipment operation based on customer flow and time periods	Electricity savings of approximately 2%–3%	Implement demand response mechanisms
Cold Chain Equipment Optimization	Upgrade refrigeration and freezing equipment and improve efficiency.	Electricity savings of approximately 3%–5%	Adopt low-GWP refrigerants and IoT monitoring
Local supply chain	Reduce transportation and cold chain demand	Reduce other indirect emissions (Scope 3) by approximately 5%–10%	Promote products with carbon footprint labels

Airport Shopping Mall Energy-Saving Actions and Achievements			
Project Item	Implementation Description	Energy-Saving and Emission Reduction Results	Future Improvement Plans
Full Implementation of LED Lighting	Replace all lighting in retail counters and public areas across the three airport locations with LED lighting	Lighting electricity savings of approximately 30%–50%; overall electricity consumption reduced by approximately 4%–6% (approximately 29,000–44,000 kWh/year).	Implement smart lighting (sensor-based dimming)
High-Efficiency Air Conditioning (High EER)	Optimize air conditioning equipment and zoned control	Air conditioning energy savings have reached approximately 15% to 25%, and overall electricity consumption has decreased by approximately 5%–8% (approximately 36,000–58,000 kWh/year).	AI temperature control and load management
Operating Hours Adjustment	Adjust equipment operation based on flight schedules and passenger traffic	Electricity savings of approximately 2%–4% (approximately 15,000–29,000 kWh/year)	Introduce flight schedule-linked energy management
Cold Chain Equipment Optimization	Replace outdated refrigerated and frozen storage equipment	Electricity savings of approximately 3%–5% (approximately 22,000–36,000 kWh/year)	Low-GWP refrigerants + IoT monitoring
Local Supply Chain	Reduce transportation and cold chain reliance	Reduce other indirect emissions (Scope 3) by approximately 5%–10%	Promote products with carbon footprint labels

2.4 Water Resource Management

2.4.1 Water Resource Management Strategy

Water Resource Management			
Operating Site	Current Implementation Measures		Future Plans
	2025	Short-Term (2026)	Medium- to Long-Term (2027–2030)
Dayuan Plant	- Establish diversified water resource recycling and management systems - Install electronic water meters for water consumption monitoring and management	Continue optimizing the water resource management system and set an annual water conservation target of 1%	
Headquarters Office	Perform "grease trap cleaning and microbial dosing operations" once a month	Evaluate the introduction of water-saving equipment and water consumption monitoring measures	Promote water conservation culture in office areas and improve water use efficiency
National Freeway Service Area	Some service areas have established wastewater treatment plants and cooperate with the public sector to promote "reclaimed water reuse"	Continue increasing the wastewater recycling and reuse rate	Expand the scope of water resource recycling and reuse
Retail Stores (Street Stores)	Some stores regularly inspect water-use equipment and conduct water conservation campaigns		All retail locations complete the establishment of water-use equipment maintenance and water conservation management procedures
Airport Shopping Malls	- Regularly clean drainage channels, grease traps, and other facilities - Conduct sewage pipe dredging and cleaning operations during non-operating hours	Evaluate the introduction of water-saving cleaning operation models	Strengthen wastewater management and water conservation operation systems
Food and Beverage Services (Street Stores)	- Regularly inspect water-use equipment - Implement water conservation campaigns	Evaluate the introduction of high-efficiency water-saving equipment	Improve water resource use efficiency

Note:1."●" indicates that the initiative has been implemented or is planned for implementation; "▲" indicates that it has been partially planned or implemented; "■" indicates that implementation is not currently planned.

2.Implementation Scope: Replacement of energy-efficient equipment, implementation of energy-saving and carbon reduction measures, or obtaining energy management certifications and other management measures.

3.Food service locations and retail counters in department stores are centrally managed by the department stores, while the Sanchong Office is primarily managed by the leased building.

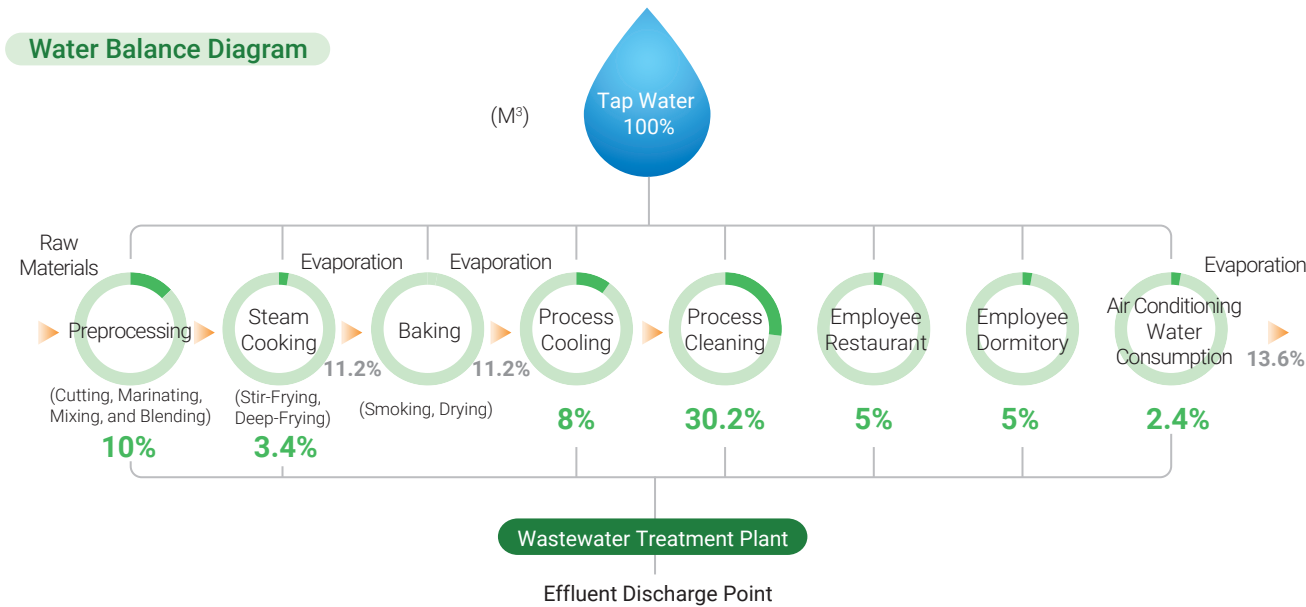
2.4.2 Overview of Water Resource Usage

In response to water resource risk management and sustainable operation needs, Hsin Tung Yang has implemented a water resource management policy at the Dayuan Factory since 2020 and established a diversified water resource recycling system. Through measures such as water conservation in production processes, rainwater and effluent recycling and reuse, and optimization of water circulation, the Company aims to improve water use efficiency. In 2025, total water consumption was 272 million liters. At the same time, to ensure the safety of recycled water reuse, all recycled water undergoes 100% discharge water quality testing to ensure that water quality exceeds national discharge standards. Hsin Tung Yang aims to continuously increase its recycling rate and reduce water use intensity per unit by 2030. (For detailed annual water usage statistics of the Dayuan Factory, please refer to Appendix 1, Table 2-4, "Water Usage Overview of the Dayuan Factory Over the Past Three Years.")

Water Consumption Overview of Hsin Tung Yang's Operating Locations



Water Balance Diagram



Hsin Tung Yang Water Consumption Overview				
Item	Water Source	2023	2024	2025
Total Water Withdrawal (million liters)	Water from third parties	74.05	72.22	272.00
Total Water Discharge (million liters)	Water from third parties	66.26	47.47	251.38
Total Water Consumption (million liters)	Water from third parties	7.79	24.75	20.62
Basis for Usage Intensity Calculation: Annual total operating revenue (NT\$ million)		893	903	3,174
Water Usage Intensity (Sales Intensity)		0.0087	0.0274	0.0065

Note:1.Data collection boundary: 2023 to 2024: Dayuan Plant. 2025: Hsin Tung Yang Co., Ltd.'s sites under 100% control are included within the same organizational boundary as its greenhouse gas inventory, covering business locations and office premises. As a result, its emissions intensity increased compared with 2024.

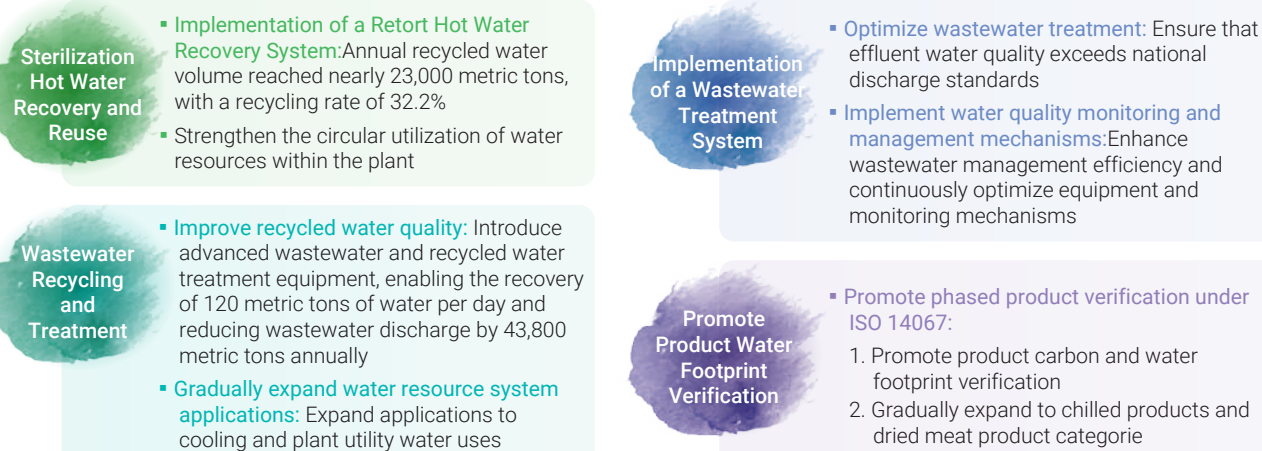
2.For all sites included in Hsin Tung Yang's 2023–2025 inventory, water withdrawal and discharge mainly consisted of water from third parties (supplied by water companies). There were no water withdrawal, discharge, or consumption data from surface water, groundwater, or seawater sources.

3.Water use intensity is calculated based on sales intensity. The primary reason is that the Company's product categories are diverse and production volumes fluctuate significantly. To improve comparability across years and with peers in the same industry, the Company uses annual total output value as the normalization indicator. The calculation method is: Total water consumption (million liters) ÷ Annual total output value (NT\$ million).

2.4.3 Wastewater Management

Hsin Tung Yang promotes wastewater management measures in accordance with the principles of pollution prevention and water resource recycling and reuse. Dayuan Factory: A wastewater treatment system has been established for water quality monitoring to ensure that effluent quality exceeds national discharge standards, while continuously increasing the proportion of recycling and reuse. Freeway Service Areas and Airport Shopping Malls: Regular maintenance operations, including the installation of grease traps, drainage channel cleaning, and wastewater pipe unclogging, are conducted to maintain drainage systems and environmental hygiene. In the future, Hsin Tung Yang will plan to introduce advanced treatment technologies to enhance the quality of discharged water reuse and water resource management efficiency, gradually strengthening wastewater management and water resource recycling performance.

Wastewater Management Measures for Dayuan Plant



Effectiveness of Wastewater Management Actions at Hsin Tung Yang Operating Sites

National Freeway Service Area

Install new wastewater grease traps and implement operations according to high standards

Airport Shopping Malls

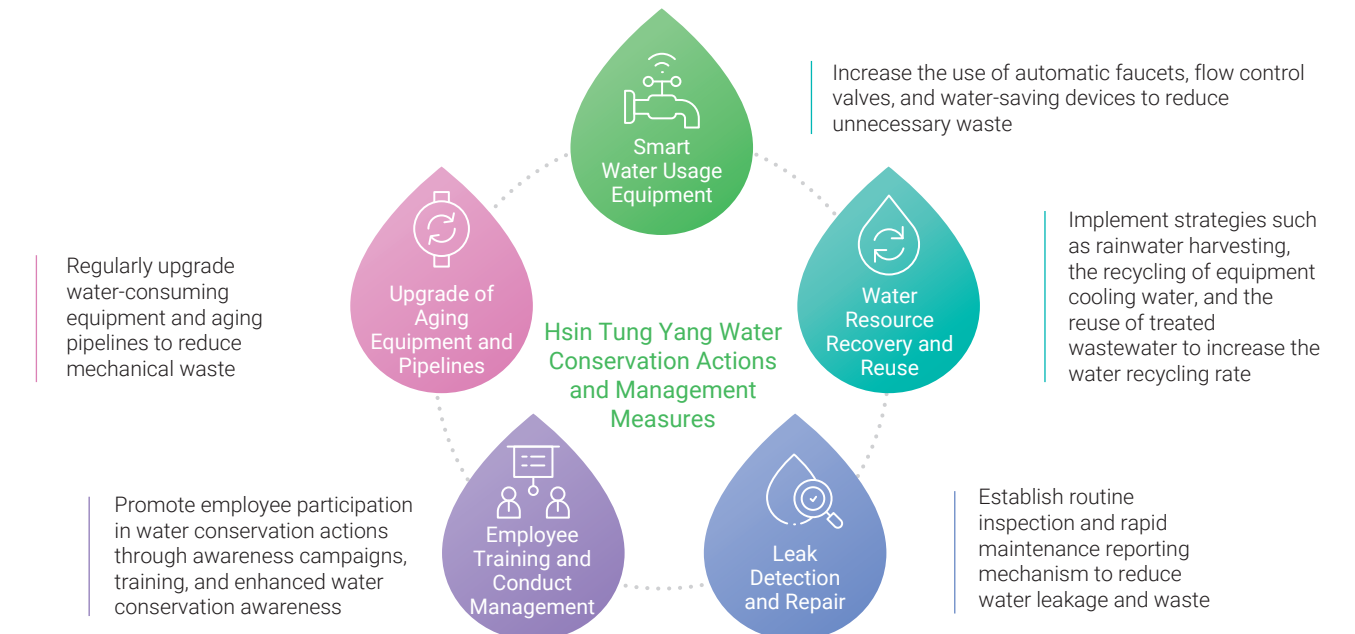
- Clean small grease traps daily; outsource cleaning of large grease traps weekly
- Conduct wastewater pipe unclogging 2-3 times annually
- Perform internal restaurant kitchen pipe cleaning as needed

Headquarters Office

Conduct "grease trap cleaning and microbial dosing operations" once a month at the grease traps beneath the kitchen

2.4.4 Water Conservation Actions and Results

Hsin Tung Yang follows water resource management regulations and the ISO 14001 Environmental Management System, incorporating water conservation into its environmental management framework. The Company has also established **water usage monitoring, statistics, and disclosure systems** based on two key management principles—"improving water resource use efficiency" and "water conservation". Hsin Tung Yang promotes water conservation measures across its operating sites.



Dayuan Plant Water Conservation Initiatives and Results

Project Item	Water Conservation Initiatives and Outcomes	Future Improvement Plans
Rainwater and Effluent Recycling and Reuse System / 2021 	- Managed water sources include: discharged water, wastewater, and water consumption - Water sources include: raft foundation rainwater, sterilization kettle cooling water, and sewage effluent - Canned food sterilization retorts cooling water recycling and reuse: Annual water savings of 23,000 metric tons - Raft foundation rainwater recycling and reuse and seepage water recycling: Annual water savings of 3,100 metric tons - Sewage effluent recycling and reuse: Annual water savings of 5,000 metric tons	- Introduce a water resource management system to precisely control water use efficiency - Expand the scope of rainwater and reclaimed water recycling and reuse
	Implementing diversified water resource recycling and reuse projects is estimated to reduce carbon emissions by approximately 4.75 metric tons CO₂e annually. (The water resource emission factor is sourced from Taiwan Water Supply Corporation. (0.15 kgCO₂e.)https://www.water.gov.tw/esg/Contents?nodeId=8641)	
Water Resource Recycling and Recovery Management Project / 2020 	Water resource categories include: hird-party water (tap water), rainwater, and recycled effluent Canned food sterilization retort cooling water recycling system Steam condensate recovery system and process cooling water circulation and reuse Installation of rainwater and raft foundation seepage water recycling systems Incorporation of treated sewage effluent into the recycling and filtration system	- Continue optimizing the water resource recycling system - Introduce advanced water resource treatment equipment to bring the quality of recycled water closer to that of tap water
	After implementing the above policies at the Dayuan Factory, with 2016 as the base year for reduction calculations, the estimated annual recycled water volume after improvements is approximately 31,687 metric tons, with an overall recycling rate of 43%, effectively reducing water consumption.	

2.5 Resource Circulation and Management

2.5.1 Waste Management Strategy

Waste Management			
Operating Site	Current Implementation Measures		Future Plans
	2025	Short-Term (2026)	Medium- to Long-Term (2027–2030)
Dayuan Plant	● Promote pallet repair programs ● Utilize food processing sludge for biogas power generation ● Continue increasing the amount of waste recycled and reused	● Increase pallet reuse volume to 17 metric tons ● Reduce food processing sludge by 5% ● Achieve a waste reuse rate of 75%	● Increase pallet reuse volume to 20 metric tons ● Reduce food processing sludge by 10% ● Achieve a waste reuse rate of 80%
National Freeway Service Area	● Use biodegradable plastic bags ● Use eco-friendly tableware throughout food courts ▲ Introduce food waste processing machines at Xiluo and Guanxi Service Areas	● Had introduced ECOCO smart recycling machines at Nantou Service Area	● Eliminate disposable tableware at food service locations ● Establish a reusable cup rental system ▲ Introduce food waste processing machines at Nantou/Xihu Service Areas
Airport Shopping Malls	▲ Promote the single-use product reduction program (Taoyuan Airport 2030 Sustainable Action Plan) ▲ Promote the environmental 4R policy and implement waste and resource recycling classification and management (Taoyuan Airport 2030 Sustainable Action Plan) 		
Retail Counters (Street Stores)	● Donation of near-expiry products and reuse of cardboard boxes, etc.	● Reduce near-expiry products through digitalized inventory management ● Promote the use of reusable logistics boxes as alternatives to cardboard boxes	● Establish a comprehensive food bank partnership network ● Achieve full circularity of retail store packaging materials
Retail Counters (Department Store Counters)		● Participate in department store ESG waste reduction evaluations ● Optimize waste sorting within counters	● Collaborate with department stores to achieve carbon-neutral retail counters ● Reduce counter packaging waste by 30%
Food and Beverage Services (Street Stores)	● Implement and promote government policies	● Strengthen campaigns to reduce the use of disposable takeout utensils ● Introduce a food waste weighing management system	● Transition to green restaurant certification ● Increase the proportion of food waste converted into bioenergy

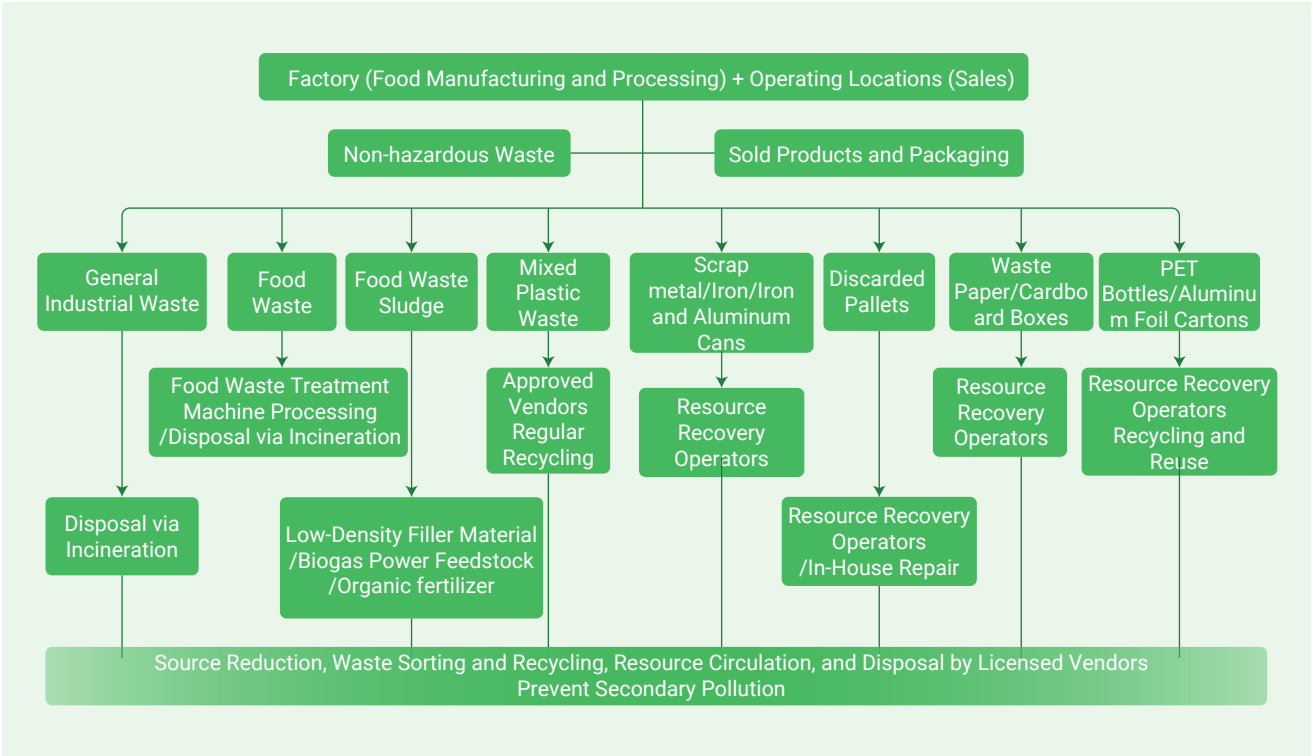
Note:1.● indicates that the initiative has been implemented or is planned for implementation; ▲ indicates that it has been partially planned or implemented; ■ indicates that implementation is not currently planned.

2.Implementation scope: Management measures such as reducing packaging materials, introducing a circular economy, and handling near-expiry products.

3.Food service locations at department store counters are centrally managed by the department stores.

To reduce the impacts of waste generated from operations, Hsin Tung Yang has established "environmental protection" as a core element of its operations and conducts systematic management of waste generation sources, composition characteristics, and disposal pathways. For unavoidable waste generation, the Company implements internal waste sorting, compliant storage, screening, and disposal. At the same time, Hsin Tung Yang actively promotes source reduction, resource reuse, and innovative circular economy initiatives. From the product design stage, the Company reviews material use efficiency and reduces unnecessary packaging generation, while promoting circular economy and recycling and reuse measures through final disposal processes. These efforts strengthen full-process waste management, fulfill environmental responsibility, and enhance the Company's sustainable competitiveness.

Waste Management Procedure



Hsin Tung Yang Waste Management Mechanisms and Policies		
Service Location	Management Item/Stage	Management Strategy
Dayuan Plant	Evaluation and Selection Mechanism for Outsourced Waste Disposal Contractors	Establish a strict auditing mechanism. Conduct on-site inspections before contract signing, verify online whether there are any penalty records, and confirm whether government permits and other relevant documents are available to ensure that third-party contractors properly handle waste in accordance with contracts and regulations.
	Source Reduction and Green Production (Reduce)	20% reduction in incinerated waste: Promote the separation and recycling of plastic packaging materials from general waste, reducing incinerated waste by approximately 20%. The current proper waste disposal rate has reached 100%. - Packaging reduction: During the product design stage, proactively develop green packaging based on circular economy concepts by considering the "reduction of unnecessary packaging space and design." - Green procurement: 100% of cardboard boxes used for in-house products are made from recycled paper.
	Circular Economy Practices (Reuse & Recycle)	■ Pallet repair: Since 2017, Hsin Tung Yang has promoted a wooden pallet repair program to repair partially damaged pallets and extend their service life. Pallets that can no longer be reused are recycled by qualified waste disposal contractors. More than 3,000 pallets were repaired in 2025. ■ Food Rescue: Donate surplus food ingredients generated during the factory production process to the Department of Social Welfare Food Rescue Platform, near-expiry product discount platforms, and through partnerships with social welfare organizations. 
	Real-Time Electronic Reporting and Tracking of Waste Flows	Strictly comply with regulations by using an electronic system to report and track waste flows in real time, ensuring lawful waste collection and disposal.

2.5.2 Waste Overview

GRI 306-3

GRI 306-4

GRI 306-5

All waste generated by Hsin Tung Yang during its operations is 100% non-hazardous waste. Waste categories include general industrial waste, food processing sludge, mixtures of animal bones and residues (food waste), waste plastic packaging materials, waste cardboard boxes, and waste metal cans. All waste generated by Hsin Tung Yang is handled in strict compliance with regulatory requirements and is properly disposed of by qualified waste collection and treatment contractors to ensure that the waste management process complies with environmental protection and applicable regulatory requirements.

(Unit:metric tons)

Hsin Tung Yang Waste Statistics by Waste Composition					
Waste Composition	Disposal Method	Disposal Boundary	Waste Generation Statistics		
			2023	2024	2025
General Industrial Waste	Incineration	100% off-site ^[Note 3]	159.57	146.08	287.24
Food processing sludge	Recycling and reuse for biogas power generation or as organic fertilizer	100% off-site	162.66	149.72	197.77
Mixture of animal bones and residues (food waste)	Food Waste Processor, Third-Party Collection and Disposal	On-site/Off-site	127.40	127.20	125.84
Waste plastic packaging materials	Recycling and reuse as plastic pallets or plastic bags	100% off-site	8.45	21.09	9.45
Waste paper / waste card-board boxes	Recycled and reused by third-party waste collection contractors	100% off-site	149.03	153.1	172.05
Waste iron / waste metal cans	Recycled and reused by third-party waste collection contractors	100% off-site	16.87	12.01	47.07
Total Waste Generated			623.98	609.2	839.42

Note:1.Data collection and inventory boundary: 2023–2024: Dayuan Factory. 2025: Dayuan Factory and Airport Shopping Malls (excluding leased counters).
2.No hazardous waste was generated at any of the operating sites included in the 2023–2025 data statistics.
3.General industrial waste from all operating sites is outsourced to qualified third-party waste collection contractors for off-site disposal.

(Unit:metric tons)

Statistics of Non-Hazardous Waste by Disposal Method			
Year	Total Waste Generated	Incineration (excluding energy recovery)	Recycling and Reuse
2025	839.42	183.71	552.18
2024	609.2	146.08	463.12
2023	623.98	159.57	464.41

Waste Reduction Measures and Results

Dayuan Plant	
Reduction Measures	Reduction Results
Implement waste sorting to increase the reuse rate	The waste reuse rate increased from 74% in 2023 to 75% in 2025.
Reduce product packaging layers	A green design mechanism was introduced during the product development stage, with "packaging material reduction," "single-material packaging," and "use of 100% recycled cardboard boxes in-house products" as key initiatives. These measures reduce packaging waste generation at the source and improve resource recycling efficiency.
Implement plastic reduction initiatives at Dayuan Factory	Actual actions: Hsin Tung Yang participated in the 2024 "Taiwan Plastic Reduction Transition Forum" and shared specific results. Implementation measures: Freeway Service Areas and airport stores switched to bamboo fiber straws, while plastic recycling and discontinuation of single-use tableware were implemented at the factory. In 2024, the Company achieved its plastic reduction target of more than 20 metric tons.

Freeway Service Areas

Reduction Measures	Reduction Results
Food waste treatment machines	 - Implementation sites:Guanxi and Xiluo Service Areas. - Implementation policy:Introduced food waste processing technology that received the Ministry of Economic Affairs Invention Gold Award, achieving efficient decomposition of 100 kg of food waste within 8 hours. This enables precise waste reduction performance, effectively optimizes operating costs, and implements circular economy practices.

Airport Shopping Malls

Reduction Measures	Reduction Results
Food Waste and Environmentally Friendly Resource Recycling Operations	 - Implementation sites:Kitchen back-of-house management at the three major airport malls: Taoyuan International Airport, Taipei Songshan Airport, and Kaohsiung International Airport. - Implementation policy:Implement centralized waste management at airport malls and collaborate with qualified contractors to carry out food waste resource recycling. Regularly coordinate with the competent authority (Taoyuan City Department of Environmental Protection, Dayuan District Team) for audits to ensure 100% compliance of the process.
Used Frying Oil Recycling and Oil Replacement Records	Record and replace cooking oil daily. All waste cooking oil is collected and recycled by licensed professional contractors. The Company independently completes environmental flow reporting to prevent waste oil from re-entering the food supply chain and establishes a transparent and traceable resource recycling system.

2.5.3 Resource Circulation and Outcomes

Circular Economy Promotion Strategy

Hsin Tung Yang incorporates circular economy concepts into "LCA full life cycle governance." During the research and development stage, the Company implements green design and prioritizes the use of recycled materials and environmentally certified materials. For end-of-life disposal, the Company applies technological innovation to convert waste into resources. Through full life cycle management, Hsin Tung Yang optimizes resource efficiency and implements low-carbon green production.



Dayuan Plant Circular Economy Promotion Measures

Innovative Recycling and Reuse Strategies for Food Processing Sludge

- Recycle sludge and convert it into biogas power generation energy.
- Screen and provide process residues to cement plants for use as filler materials.
- Transfer materials to fertilizer plants for production of organic fertilizers.



A total of 249.43 metric tons of sludge was processed in 2025.

Promotion of Environmentally Friendly Packaging Design

- Reduce packaging layers and prioritize the use of single materials and clear recycling labels.
- Fully prohibit the use of PVC product packaging materials at Dayuan Factory.
- Introduce multifunctional gift box designs to enhance reuse value.



Since 2018, Hsin Tung Yang's premium pineapple cake packaging has eliminated PET inner liners, reducing the use of 3.628 million PET inner liners annually and a total reduction of 4.72 metric tons of PET consumption.

On-Site Reuse of Waste Plastics

- Recycle waste plastic packaging materials and remanufacture them into plastic bags and plastic pallets.
- 100% of recycled and remanufactured products are supplied for internal circular use.



Waste Cardboard Box Recycling and Reuse

- Fully adopt recycled cardboard boxes made from waste paper within the factory.
- Promote packaging recycling and reuse while ensuring product quality.



From 2023 to 2025, a cumulative total of more than 2.48 million recycled cardboard boxes were used.

Surplus Food Ingredient Reuse

- Continuous participation in the New Taipei City Food Rescue Donation Program since 2007.
- Utilize food-related expertise to connect with the material needs of disadvantaged groups.

Surplus food ingredients generated during meat production at the factory are collected periodically and donated to the Department of Social Welfare, which then distributes them to community meal service sites. The cumulative donations have reached 7,154 kg, with a total value of approximately NT\$2.57 million.

Circular Economy Promotion Measures at Freeway Service Areas and Airport Shopping Malls

National Freeway Service Area

Sustainable Construction and Circular Space Practices

- Microclimate regulation: Install louvered green walls to optimize airflow and temperature control within the space.
- Building material resource recovery: Introduce recycled glass energy-saving bricks and plan the activation of old building materials through the "3R Environmental Protection Concept Park."
- Integration with environmental education: Combine low-carbon material applications with environmental green energy education to improve building energy efficiency.



Airport Shopping Malls

Used Frying Oil Recycling

- Food safety self-monitoring: Conduct total polar compound testing twice daily and maintain detailed records to implement source control.
- Compliant circular collection and transportation: 100% of waste oil is transferred to licensed contractors and reported through waste flow declarations to prevent the risk of re-entering the food supply chain.



ch 3

The Source of Assurance

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