

1.1 Stakeholder Identification and Communication

Hsin Tung Yang's basis for sustainable management is founded on the Company's continuous provision of quality food and innovative services. In addition, listening to and responding to needs and expectations from each of our stakeholders, is the key to Hsin Tung Yang's growing excellence. Based on the five major principles of AA1000 Account Ability Stakeholder Engagement Standard (2011), namely, Dependency, Responsibility, Influence, Diverse Perspectives, and Tension, we have attempted to understand Hsin Tung Yang's current interactions with various parties via data collected from questionnaire survey and identified nine key stakeholders. To strengthen mutual trust and communications, Hsin Tung Yang collects material topics of stakeholders' concerns via internal and external communications meetings, platforms, and channels. These aforementioned topics of concerns will serve as important reference points in the Company's fulfillment of sustainable development, in which we will actively respond to demands and expectations from stakeholders.

Stakeholders	Significance to Hsin Tung Yang	Topics of Concern	Communication Channel and Frequency	Communication experience and feedback
 Consumers	Consumers drive Hsin Tung Yang to continuously improve. Hence, we persist in the provision of even better products and service and safeguard the health of consumers.	<ul style="list-style-type: none"> Customer health and safety Innovation in products and services Product traceability Marketing and labeling Customer Relations Management Customer privacy Social Care 	<ul style="list-style-type: none"> 24-hour toll-free customer service hotline and mailbox Annual satisfaction survey HTY website, instant messaging (IM) on social media HTY membership smartphone app 	<ul style="list-style-type: none"> In response to consumers' request for product information transparency, "traceable agricultural product (TAP)" and "processed food traceability" have been enforced. To enhance the quality of products and services, processes are reviewed and improved through quality conferences based on consumers' opinions on products and services. Consumer feedback is used as a factor of consideration in research and development for product specifications and more.
 Employee	Employees are critical foundations to business development. Through diverse nurturing and development opportunities, we encourage employees to grow with Hsin Tung Yang, and establish a healthy, friendly, and happy workplace environment to give back to our employees.	<ul style="list-style-type: none"> Occupational safety and health Employment and labor relations Labor management relations Talent cultivation and career development Employee diversity and equal opportunity Operational performance 	<ul style="list-style-type: none"> Real-time update on HTY's internal website Annual labor management communication meetings Education and training is organized in each year Employee Welfare Committee meetings are held in each year Annual evaluation is carried out every six months 	<ul style="list-style-type: none"> Labor management communication meetings are organized to discuss, resolve, and adopt matters concerning annual scheduling, working hours, and leaves. Employee propositions are evaluated and promoted in line with the Company's "Guidelines for Rewarding Proposals on Innovative Product and Service Improvements" Introduced ISO 45001 Occupational Health and Safety Management system to build a healthy workplace environment



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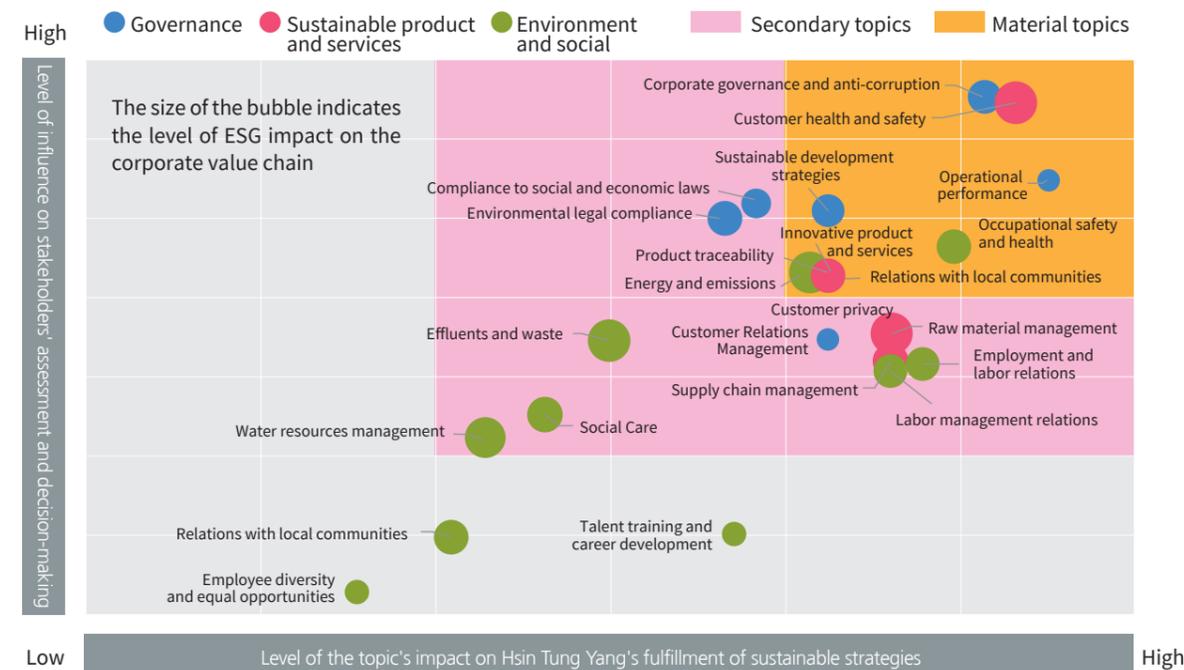
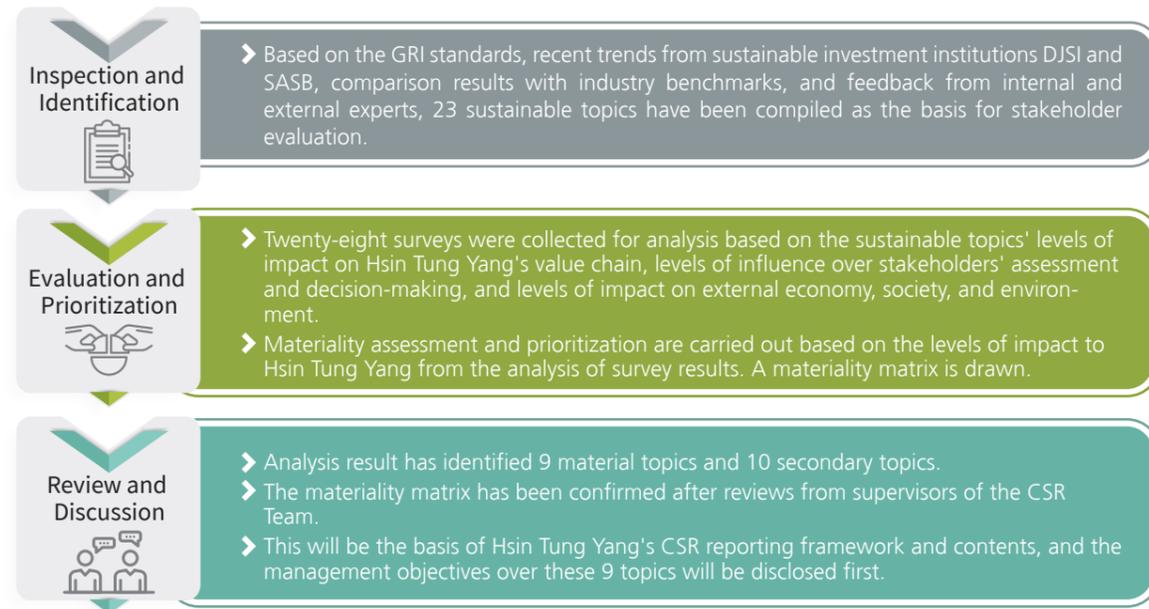
Sustainable Development Management

Stakeholders	Significance to Hsin Tung Yang	Topics of Concern	Communication Channel and Frequency	Communication experience and feedback
 Government agencies	Positive cooperation with the government is one of the keys to ensuring sustainable management; it is also our basic commitment to consumers and the environment to comply with legal regulations on the food industry.	<ul style="list-style-type: none"> Legal compliance Occupational safety and health Customer health and safety Marketing and labeling Effluents and waste Corporate governance and anti-corruption 	<ul style="list-style-type: none"> In line with directive letters issued by government agencies Correspond with audits and assessments from government agencies. Participate in seminars and conferences. Participate in Industry Innovation Incubation Program. 	<ul style="list-style-type: none"> Participate in incubation program in line with government policy, and implemented various traceability systems including traceable agricultural product (TAP) and processed food traceability. In line with government policy, Hsin Tung Yang actively submits packaging and label material to relevant inspections and tests to ensure compliance with applicable laws. Provide or respond to applicable item status and results in line with onsite inspections/ reviews from government officers.
 Suppliers Contractors Subcontractors	Hsin Tung Yang has formed tight partnerships with suppliers, and they also play a key role in the Company's sustainable development.	<ul style="list-style-type: none"> Supply chain management Product traceability Raw material management Operational performance Customer health and safety 	<ul style="list-style-type: none"> Annual contract review and communication Annual audit and traceability inspection Routine meetings, telephone and email correspondence Supplier Conferences 	<ul style="list-style-type: none"> Onsite inspection and assessment on the suppliers' production facility, raw material production, and subcontractors' business operations and engineering; deficiencies are coached and tracked for improvements. Hsin Tung Yang Supplier Sustainability Conference is held to share the Company's experiences and to encourage participation in transformation to become Green Factory certified Encourage suppliers to adopt complete and comprehensive non-GMO practices
 Enterprise customers Channel procurement	Positive recognition from enterprise customers is an important source of Hsin Tung Yang's efforts in enhancing corporate value. We hope to attract more enterprise customers through processing innovations and enhancing product quality.	<ul style="list-style-type: none"> Innovation in products and services Customer health and safety Product traceability Marketing and labeling Raw material management 	<ul style="list-style-type: none"> Routine sales visits Onsite visit from enterprises External third-party audits and assessments Annual contract review and communication 	<ul style="list-style-type: none"> Market Development Division was formed to be in charge of agency and outsourcing businesses, thereby cultivating new products and markets. To ensure food safety, we acquired bacterial testing equipment to simultaneously conduct tests with our customers. We track and trace purchasing by batch using information system to fulfill supplier traceability in practice. Product customization is available per request from bulk-purchase orders.

Stakeholders	Significance to Hsin Tung Yang	Topics of Concern	Communication Channel and Frequency	Communication experience and feedback
 Community NGO/NPO	Communities and NGOs are friendly neighbors to Hsin Tung Yang's local developments. Besides mutually safeguarding the environment with the local communities, Hsin Tung Yang is committed to fulfilling and promoting corporate social responsibility in action.	<ul style="list-style-type: none"> Environmental legal compliance Effluents and waste Energy and emissions Relations with local communities Social Care 	<ul style="list-style-type: none"> Hsin Tung Yang's website, mailbox, and telephone Annual CSR Report Visiting or participating in community and NGO activities Welcoming visiting groups to HTY Green Factory Co-hosting activities 	<ul style="list-style-type: none"> Acquired Green Factory designation to maintain environment and ecology To promote local development, the Highway Service Area has collaborated with local small-scale farmers and groups (e.g. Leopard Cat Association of Taiwan) to promote fruits, souvenirs, and arts and crafts Understanding the needs of local disadvantaged groups and donating needed materials or scholarships and more
 Shareholders Investors Financial institutions	Fund providers support Hsin Tung Yang's operations, and our transparent and complete governance objectives are the basis to reinforcing the confidence of fund providers and to create sustainable profits.	<ul style="list-style-type: none"> Operational performance Corporate governance and anti-corruption Sustainable development strategies Legal compliance 	<ul style="list-style-type: none"> Annual General Shareholders' Meeting Financial and Annual Report information disclosure in every six months Monthly information announcement on the Market Observation Post System (MOPS) Information disclosure on HTY's website Response to questions from investors and analysts 	Provide relevant responses to opinions and suggestions from shareholders on product development strategies and management performance at the Shareholders' Meeting, and such opinions will be used as reference in management meetings.
 Media Mass media	Media serves as the bridge of communication between enterprises and external parties. Through media exposure, Hsin Tung Yang's efforts to safeguard food safety and making the environment more green can be seen.	<ul style="list-style-type: none"> Customer health and safety Corporate governance and anti-corruption Legal compliance Effluents and waste Social Care 	<ul style="list-style-type: none"> Press conferences are held from time to time Product launch events are held from time to time Media press release is carried out from time to time Media interviews are carried out from time to time 	<ul style="list-style-type: none"> The Company is open to topic interviews, where we organize our experiences and share experiences in promoting food safety management and Green Factory certification Crisis management measures are adopted in case of negative food safety news. Details on the incident will also be announced on the Company's website and stores.
 Assessment Department Assurance Department Audit Department	Assessment and assurance ensure Hsin Tung Yang's legal compliance and guide our continuous improvement. They are also the strengths that motivate us to research and develop even better products and services.	<ul style="list-style-type: none"> Legal compliance Supply chain management Customer health and safety Marketing and labeling Energy and emissions Occupational safety and health 	<ul style="list-style-type: none"> Carry out regularly assess systems and regular assurance-related tests and provide assessment briefing and improvement report. Products and sales grounds are inspected and audited from time to time. 	Systematic assurance is actively carried out; Hsin Tung Yang will immediately respond with improvement measures and timeline needed when the assurance department poses deficiencies or recommends improvement.

1.2 Identifying Material Topics

Hsin Tung Yang implemented the material topic analysis to identify topics of concerns from different types of stakeholders, as well as to continuously improve our operating performance through effective communications with the stakeholders. Based on the principle of materiality from GRI Standards, we have established systematic processes to manage the material sustainable topics and goals, as well as to serve as the basis of preparing this Corporate Social Responsibility Report. Additionally, to comply with the stakeholders' request for Hsin Tung Yang's information disclosure in the Corporate Social Responsibility Report, we have conducted evaluations on three stages, "inspection and identification," "evaluation and prioritization," and "review and discussion."



The levels of internal and external impact and influence of Hsin Tung Yang's material topics on the value chain, as well as the seven indicators of additional disclosure from listed food industry as requested by the Taiwan Stock Exchange, the GRI standards, management objectives, and corresponding chapter on performance and results, are organized in the following table.

Material topics	Corresponding GRI theme	Internal boundaries				Critical stakeholders (high level of impact ◆; low level of impact ◇)							Management objectives and corresponding Chapter		
		Head office	Production plant	Stores	Other channels	Fund providers	Suppliers	Employee	Enterprise customers	Consumers	Government agencies	Assessment Department		Media	Communities and NGOs
Sustainable management strategies	General disclosure: Strategies, Governance	○	○	○	○	◇	◇	◇	◇	◇	◇	◇	◇	◇	Chapter 1
Operational performance	Economic: Management performance	○	○	○	○	◆	◇	◆	◆		◇				Chapter 2
Corporate governance and anti-corruption	General disclosures: Organizational overview, Strategies, Ethics and integrity, Governance Economic: Anti-corruption	○	○	○	○	◆	◆	◆			◇				Chapter 2
Innovation in products and services	Social: Customer health and safety	○	○	○	○	◆			◆		◆		◆		Chapter 3
Marketing and labeling	Social: Marketing and labeling	○	○							◆	◇	◇			Chapter 3
Customer health and safety	Social: Customer health and safety	○	○	○	○					◆	◇	◇			Chapter 3
Product traceability	Social: Customer health and safety	○	○	○		◆				◆		◇			Chapter 3
Energy and emissions	Environmental: Energy, Emissions	○	○								◇	◆	◆	◇	Chapter 4
Occupational safety and health	Social: Occupational safety and health	○	○	○	○			◆				◇			Chapter 5

1.3 Sustainable Development Strategies

Providing Sustainable Products and Services



Developing LOHAS Products

- ◆ Developing healthy food and supplements
- ◆ Packaging design adopts circular economy concept
- ◆ Enhance transparency in food and dining traceability
- ◆ Reduce waste of food and ingredients

Creating Innovative Services

- ◆ Building a smoke-free highway service area
- ◆ Promoting local cultural and ecological education at highway service areas
- ◆ Swapping disposable utensils with eco-friendly utensils
- ◆ Providing thoughtful services to passengers including resting lounge and libraries

Promoting Co-prosperity with Employees and Society



Taste of Gourmet

Taste of Class

Taste of Love

Building a Green Supply Chain



Promote Green Production and Circular Economy

- ◆ Reduce greenhouse gas (GHG) emission in action
- ◆ Enhance processing efficiency to reduce energy and resource consumption
- ◆ Establish renewable energy-based electricity generation system
- ◆ Promote water-saving and recycling programs
- ◆ Promote waste reduction
- ◆ Encourage reuse of resources including building materials at service stations

Promote Sustainable Value Chain

- ◆ Fulfill food safety management and quality inspection in practice
- ◆ Fulfill supplier ESG management and conduct environmental impact risk screening and assessment
- ◆ Strengthen product traceability, and promote information transparency throughout supply chain
- ◆ Enhance ratio of sustainable procurement e.g. The Roundtable on Sustainable Palm Oil (RSPO) and recycled paper boxes etc.
- ◆ Encourage interactions and visits to promote sustainability initiative
- ◆ Empower small-scale farmers who practice organic, natural farming

Enhancing Education and Talent Training

- ◆ Promote industry-academic cooperation and internship program
- ◆ Organize diverse arts and creative contests
- ◆ Sponsor remote areas and education near and far

Building a Healthy and Equal Work Environment

- ◆ Established Occupational Safety and Health Management System ISO 45001
- ◆ Implement workers' human rights policy and gender equality
- ◆ Building an employee caring system to promote health and reinforce relevant advocacy

Promoting Local and Agricultural Development

- ◆ Encouraging channels to achieve local economic development
- ◆ Reinforcing partnerships with products from small-scale farmers and promoting relevant channels
- ◆ Supporting empowerment of young people in agriculture

Caring for the Disadvantaged

- ◆ Develop charity products to encourage consumers to help
- ◆ Donate food to disadvantaged groups to promote their health and balanced-nutrition
- ◆ Donate to disadvantaged groups