



# 5

5.1 Human Capital and Development

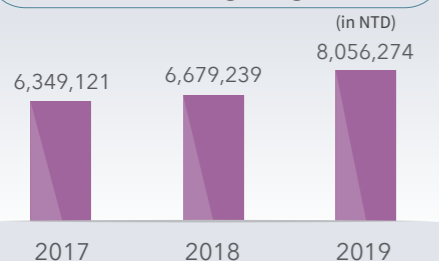
5.2 Employee Benefits and Healthy Workplace

5.3 Social Engagement

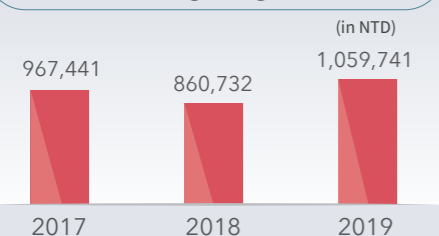
## Employee Care and Social Engagement

# 5 Employee Care and Social Engagement

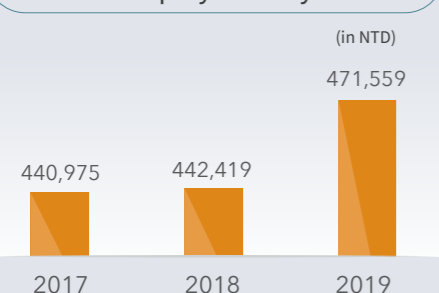
Total Social Investments from Hsin Tung Yang



Social Contributions from Mai's Hsin Tung Yang Foundation



Median of Hsin Tung Yang Employees' Pay



HTY Magic, Taiwan's largest magic competition, reaches over

**10,000** persons/year

Donated over **35,000** "Spreading Love" gift sets

Dedicated to the right to education for disadvantaged students; reached **57,482** persons through social/charity activities

- Ratio of pay for females to males in 2019 across all ranks was between 0.95 to 1.21
- In 2019, Hsin Tung Yang's store managers participated in 22nd TCFA Outstanding Store Manager Award and received 1 Special Prize, 1 Outstanding Store Manager Award, and 5 Quality Store Manager Awards
- Organized annual "HTY Magic Festival," the largest magic show in Taiwan from 2010 to 2019 that reaches over 10,000 audience members in each year. Cumulatively participated by 300 contestants, approximately NT\$1.75 million has been given as rewards for winners.
- Supported local small organic farms from 2015 to 2019, the "HTY Happy Moon Festival" events purchased over 7,000 Hakka Pomelo and cumulatively raised over NT\$590,000 from charity sale
- From 2015 to 2019, we donated over 35,000 meals to disadvantaged groups including physically and mentally challenged individuals, senior citizens, and low-income families through "Spreading Love" gift sets
- Industry-academic cooperation project was initiated in 1999, cumulatively we have benefited 456 students, and a total of 88 students participated in industry-academic cooperation projects from 2017 to 2019.
- We have donated over NT\$35 million since Mai's Hsin Tung Yang Foundation was founded in 1984. We invested nearly NT\$2.9 million to education for disadvantaged groups between 2017 to 2019; the funds benefited 340 groups and reached 57,482 persons.



## 5.1 Human Capital and Development

The nurturing and development of human capital is a critical part of sustainable business development. Through recruitment, employment, and talent development strategies, Hsin Tung Yang enables every employee to work in a worry-free environment, to continuously realize their potentials, and to grow with the organization, thereby achieving mutual-win for both long-term employee development and sustainable business development.

### Placement

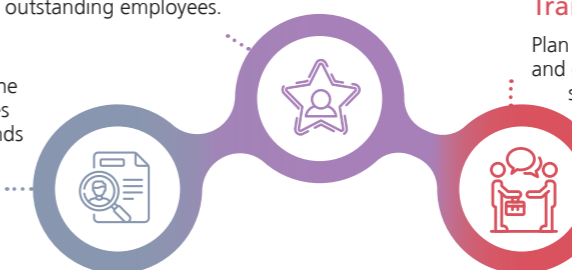
Respect employees' diversity and human rights; ensure fairness and equality in talent selection and remuneration system; implement performance management system correlated with work objectives and publicly award outstanding employees.

### Training

Plan educational training based on functions and departmental needs; utilize rotational system and subsidies for continuing studies to help employees discover their potentials. Refer store managers to participate in Outstanding Store Manager Competition to interact with other industries and broaden employees' horizons.

### Selection

Recruit suitable talents based on the Company's management strategies and objectives; understanding trends in labor market to strengthen promotions of Hsin Tung Yang as an employer brand and employ middle-age to senior citizens



## Talent Recruitment and Structure

Hsin Tung Yang's recruitment is aligned with the Company's management strategies for the year. Contemporary trends in the labor market including lower birth rate, aging population and consolidation of universities and colleges, have led to a decline in the number of available workforce. To this means, Hsin Tung Yang is striving to implement two strategies, "employer brand promotions," or to attract outstanding talents through performing well as an employer; and "recruitment of middle-aged and senior citizens," - by designing customized roles and functions, we can build a more friendly work environment. The total number of Hsin Tung Yang's employees in 2019 was 925 persons, and 66% of which were females. In 2019, we had 213 new employees, and turnover ratios for males and females were 0.18 and 0.21 respectively, which did not show a significant gender imbalance.

Employee Demographics		2017			2018			2019		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
By Type of Employment Contract	Non-fixed term contract	299	612	911	303	621	924	315	610	925
	Fixed-term contract	0	0	0	0	0	0	0	0	0
By Type of Employment	Full-time employee	225	485	710	230	496	726	244	463	707
	Part-time employee	74	127	201	73	125	198	71	147	218
	Total	299	612	911	303	621	924	315	610	925

Employee Diversity (%)		2017			2018			2019		
		Managerial	Non-managerial	All employees	Managerial	Non-managerial	All employees	Managerial	Non-managerial	All employees
Gender	Female	70%	66%	67%	71%	66%	67%	71%	64%	66%
	Male	30%	34%	33%	29%	34%	33%	29%	36%	34%
Age	Under 30	19%	40%	35%	17%	40%	34%	13%	40%	33%
	30-50	56%	42%	46%	57%	43%	46%	57%	42%	46%
	Over 50	24%	17%	19%	26%	17%	19%	31%	18%	21%
Other	People with disabilities	0.9%	1.3%	1.2%	0.9%	1.6%	1.4%	0.9%	1.9%	1.6%

Statistics on New Employees and Turnover		2017			2018			2019		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
New Employees	Under 30	34	103	137	47	88	135	44	97	141
	30-50	9	38	47	16	46	62	20	42	62
	Over 50	0	4	4	2	1	3	5	5	10
	Total	43	145	188	65	135	200	69	144	213
Employee Turnover	Under 30	39	73	112	33	68	101	30	70	100
	30-50	13	47	60	22	45	67	22	50	72
	Over 50	4	7	11	3	4	7	4	8	12
	Total	56	127	183	58	117	175	56	128	184

## Performance Evaluation and Management

Performance evaluation and behavioral management are strategic, comprehensive management methods designed to bring continuous success to an enterprise through enhancing employees' work performance, individual development, and teamwork abilities. Hsin Tung Yang's performance evaluation is founded on the basis of aligning goals, knowledge, skills, work status and individual career development objectives. Our organization has identified the following aspects, "individual goals, departmental goals, business goals, and overall goals". In the future, we will plan to establish "Work Rules" and "occupational assessment," which will be designed to cover the framework for required goals, standards and competencies, thereby allowing employees to better comprehend and implement management conduct.

### Publicly Reward Excellent and Senior Employees

To reward high-performing employees, thereby creating positive internal competition, we provide cash bonuses or gold coins to high-performing staff who have either received TCFA Outstanding or Quality Store Manager Award, senior employees, or the Best Services Award from Taiwan Chain Stores and Franchise Association. In addition, the aforementioned high-performing employees are also publicly awarded by the by the President at the spring party in each year. Recipients of the Outstanding Store Manager Award can also receive overseas internship opportunities. In 2019, we publicly awarded 1 recipient of Outstanding Store Manager Award, 5 recipients of the Quality Store Manager Awards, and 71 senior employees.

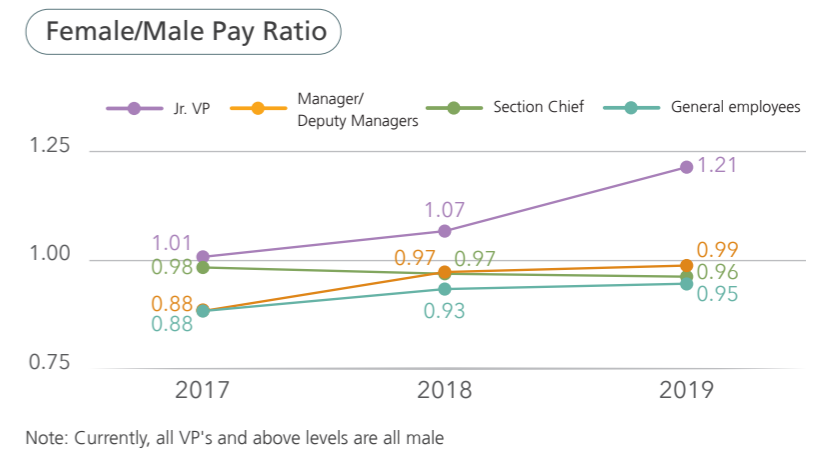


## Employee Diversity and Human Rights

Hsin Tung Yang respects and supports the Act of Gender Equality in Employment and the Employment Service Act, and has also established the following human rights policy:

- ✦ We support and respect human rights protection and ensure that our business partners and suppliers do the same.
- ✦ We ensure that child labor, prison, or forced labor, and physical punishment are never permitted in any operation of Hsin Tung Yang or or business partners or suppliers.
- ✦ We are inclusive of all diverse traits and characteristics of all employees, and do not discriminate against any legally protected employee or job-seeker based on any trait or characteristic. Such characteristic may include gender, skin color, race, ethnicity, nationality, belief, age, marital status, sexual orientation, gender identity and expression, disability, pregnancy, veteran status, and political stance.
- ✦ We abide by the occupational safety and health policy and will correct or report on any possible threat in a timely manner.
- ✦ No rude, antagonistic, violent, intimidating, threatening, or harassing conduct may be carried out.
- ✦ We strive to formulate a work environment free from harassment and bullying. We refuse to accept or tolerate any sexual harassment and workplace bullying.
- ✦ We protect the personal information of all current and former employees, members of the Board of Directors, customers, job-seekers, and business partners. The acquisition and use of personal information is strictly limited to legal commercial use.

We advocate for a corporate culture of gender equality in promotional opportunities. The ratio of females in our management level accounts for 71%, which is higher than the 66% of females in total employees. In terms of equal pay, the ratio of female to male compensations is gradually approaching 1, and the ratio of pay for females to males in 2019 across all ranks was between 0.95 to 1.21, which demonstrates that Hsin Tung Yang does not distinguish between genders for pay or promotional opportunities.



## Educational Training and Development

Hsin Tung Yang is committed to employees' occupational development, and has planned an educational training system based on possible challenges that each rank may face and the skills needed by each department. The training system is further classified into training for new employees, core competences, professional skills, and management functions. An annual training program is drafted for each department, and the ratio of external training hours is approximately 82%. Moreover, opportunities for internal employee and manager rotation, in which employees can rotate between functions to meet career goals or personal plans are also provided, so that employees can realize their potential at the most suitable positions as their careers progress, and to make sure that employees do not have to pause their work in response to personal or family plans. Additionally, we also encourage employees to self-study and provide incentives for continuing studies and for receiving foreign language certificates.

Hsin Tung Yang's Educational Training System

Rank	New employees	Core competences	Professional Skills	Management function	Rotation	Self-study	
Senior managers and re-serve managers	Orientation training	Creativity and Innovation Integrity Customer-oriented service Quality management & Instructor training	Based on annual training program for each department	<ul style="list-style-type: none"> <li>Crisis management</li> <li>Change management</li> <li>Business Management</li> <li>Strategic planning</li> </ul>	Personnel and supervisor rotational plan	Foreign language certification incentive program	
Mid-level and re-serve managers				<ul style="list-style-type: none"> <li>Leadership</li> <li>Planning skills</li> <li>Mentorship</li> <li>Problem analysis and responsiveness</li> <li>Conflict resolution</li> </ul>			
En-try-level and re-serve managers				General knowledge courses Time management Communications Project management Teamwork Management by objectives (MBO)			MTP manager training
Regular employees				Core competences To add: Market positioning and product-orientation Time management Commu-nications			



On top of our internal mechanisms, we also assist store supervisors from our channels to participate in external interactions and corporate visits. High-performing store supervisors are also nominated in each year to participate in the TCFA Outstanding Store Manager Awards. We are committed to training and development of channels, which are not only responsible for selling our products, but also act as the front-line in understanding customers' opinions. On top of encouraging and rewarding our hard-working store managers, the competition also helps to broaden their horizons by interacting with competitors and other industries.



• TCFA Outstanding Store Manager Awards

The Outstanding Store Manager Awards is organized by the Taiwan Chain Stores and Franchise Association (TCFA) in each year to provide a platform for store managers to recognize their own accomplishments and to realize any gaps in their management skills and competencies and to improve accordingly; to build team cohesion; to learn and to interact with other industries; and to enhance the brand image of all attending companies. Hsin Tung Yang has been submitting 6 store managers to this competition in each year since 2007, and our goal is to receive two Outstanding Store Manager Awards in any year. The competition lasts for six months and includes a three-phased written qualification review (store task management, creative ideas, and community cleanup), mystery shopper audit, and social activity engagement. The winning company and store manager can receive a chance to meet the President of R.O.C. at the Presidential Office.

A professional consulting simulation training is implemented during the competition, which also enhances the management and logical thinking skills, and communications skills of store managers.



Hours of Educational Training for the Past Three Years

Employee educational training		2017	2018	2019	
By rank	Managerial (store manager/deputy manager, divisional head or above)	Hours of training	958	428	711.5
		Number of participants at end of year	290	282	267
		Average hours	3.30	1.52	2.70
	Non-managerial	Hours of training	156.5	341.5	160.0
		Number of participants at end of year	633	656	674
		Average hours	0.25	0.52	0.24
By functional role	Operations management (store manager/deputy manager)	Hours of training	368.0	208.0	484.5
		Number of participants at end of year	460	448	426
		Average hours	0.8	0.5	1.1
	Administrative management (administration/professional training)	Hours of training	746.5	561.5	387.0
		Number of participants at end of year	463	490	512
		Average hours	1.61	1.15	0.76
Total hours of training		1114.5	769.5	871.5	
Total participants at end of year		911	924	925	
Average hours of training		1.21	0.82	0.93	



5.2 Employee Benefits and Healthy Workplace

Employees are the most valuable assets in business management. Having suitable, skilled, and high-performing employees can promote continuous, robust company development and advancement. To this means, Hsin Tung Yang has built a comprehensive management system dedicated to employee care, which is based around our social responsibilities policy of "humanistic caring" and management thinking of "people-oriented" as well as the concept for creating a "home" for employees. We provide a healthy and safe work environment for employees, in which we have built diverse and open communications platforms for labor relations management, as well as sound benefits system and an open, transparent profit-sharing system. These measures allow employees to contribute their skills and performance and to grow and develop with the Company in a worry-free setting, thereby promoting a positive labor relations and a harmonious atmosphere at the workplace, and sets solid foundations to sustainable business development.

**Employee Care**

Employees are the most valuable assets to us. We are committed to employees' health and occupational safety and health, and take preventive measures to identify occupational risks.

**Retention**

Competitive remuneration policy and benefits system have been established, and we also reinforced communications, are focused on employees' opinions, and continue to promote labor relations.

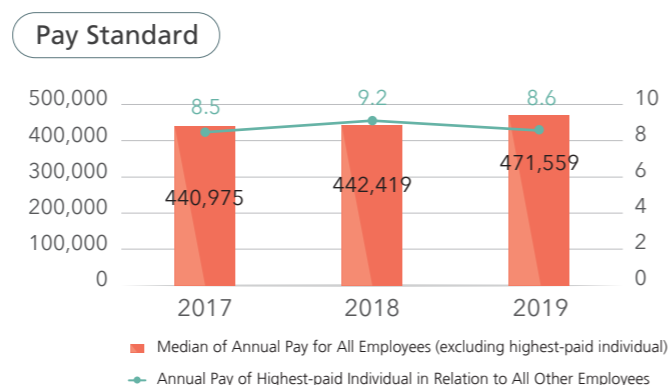
## Employee Rights and Communications

We are focused on maintaining positive labor relations, and have fully reinforced communications and mediation with employees. Labor relations conferences are organized in line with applicable laws, and in 2019, six such conferences were held and attended by 5 representatives from each side of the labor relationship. To build consensus between employees and the Company, implementation status of current labor relations topics were described, and material labor benefits or labor relations topics including pay, job rotation, and amendments to management charters were also discussed. Additionally, communications and grievance procedures have also been specified, and employees' opinions are collected through dedicated employee grievance hotline and e-mail inbox. In terms of grievance incidents, after sorting and classifying the grievances received by topic, dedicated personnel would be assigned to receive, investigate, respond, and to prevent recurrence of the incident. Diverse and functional communications channels have been set up, and we strive to build consensus with our employees through our principle of integrity.

### Remunerations Policy

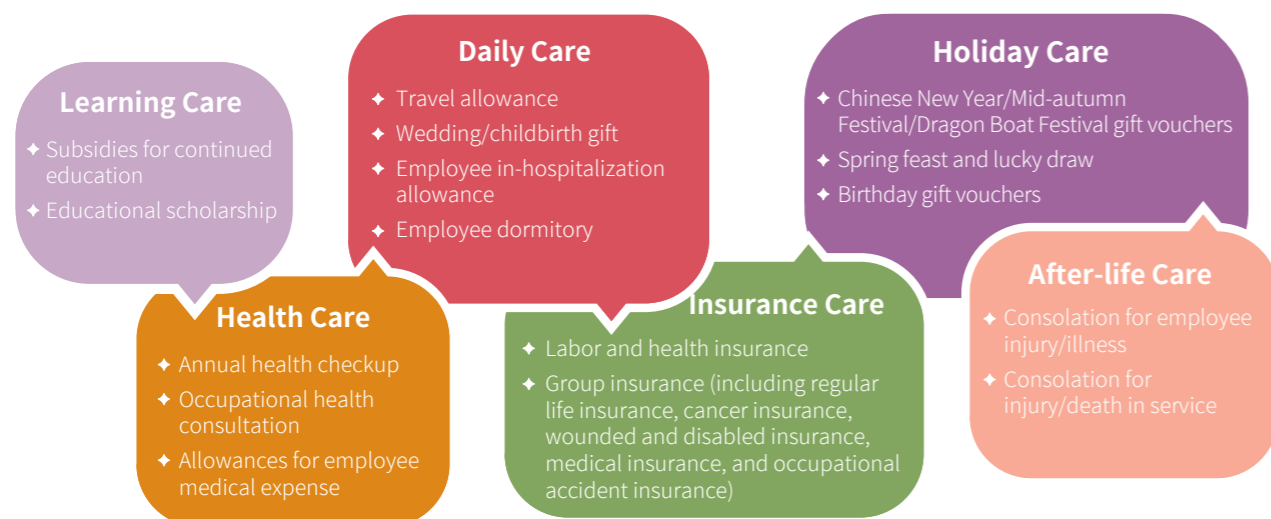
A transparent remunerations policy has been adopted here at Hsin Tung Yang. The ratio of fixed to variable pay is 6:4 for supervisors with ranks of manager or above, and 7:3 for non-managerial staff. In terms of overall pay, the starting salary standard for entry-level staff is NT\$25,000, or 1.1x of the legally stipulated basic salary in Taiwan. Salary standards for all employees continue to rise from year-to-year, and the median pay in 2019 was NT\$471,599, while the highest individual pay (President) was approximately 8.5 to 9.2 to the annual pay of other employees. The percentage of increase for the highest individual annual pay for the past two years were 23.95 and 0.03 respectively.

In addition, Hsin Tung Yang may ask retired senior managers to serve as short-term consultants as needed or to recruit them as fixed-term employees based on the Middle-aged and Elderly Employment Promotion Act, so as to benefit from their years of experience. In prospect of the future, we will evaluate the feasibility of correlating the pay for senior managers to the Company's sustainable development performances (e.g. R&D of green foods, reducing plastic consumption and reducing multiple packaging, and employee cohesion) in order to encourage supervisors and employees to promote environmental, social, and governance action plans, and to strengthen the organizational momentum toward sustainable ESG development.



## Employee Care and Benefits

Hsin Tung Yang has been actively implementing employee care system in recent years, and our employee care covers six aspects, ranging from health, insurance, learning, living, holiday, and death in service benefits, in which all full-time employees can enjoy life insurance, medical insurance, wounded and disabled insurance, parental leave, and retirement system. In addition, we are expected to publish our Employee Care Handbook in 2020.



Statistics on Parental Leave	2017			2018			2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees eligible for parental leave in 2019 (A)	4	14	18	6	11	17	5	10	15
Number of employees applying for parental leave in 2019 (B)	0	12	12	0	9	9	0	10	10
Application rate (B/A)	0%	86%	67%	0%	82%	53%	0%	100%	67%
Number of employees who should be reinstated from parental leave in 2019 (C)	0	14	14	0	10	10	0	12	12
Actual number of employees applying for reinstatement in 2019 (D)	0	9	9	0	7	7	0	4	4
Reinstatement rate (D/C)	-	64%	64%	-	70%	70%	-	33%	33%
Number of reinstated employees in 2018 (E)	0	4	4	0	9	9	0	7	7
Number of employees reinstated in 2018 who have worked for more than one year (F)	0	3	3	0	6	6	0	4	4
Retention rate (F/E)	-	75%	75%	-	67%	67%	-	57%	57%

### Occupational Safety and Health

Safety, sanitation and health are the most important factors in a workplace environment. A Safety and Health Office has been set up at Hsin Tung Yang's headquarters, and Dayuan Plant has received ISO 45001:2018 Occupational Safety and Health Management System certification in 2019. The Occupational Safety Committee meets once every quarter, and one-third of all committee members are current workers. Hsin Tung Yang is dedicated to occupational safety and health training, and relevant professionals have been designated at Operations, Production, and Channel units. The employees who have acquired occupational safety and health certificates through training throughout all channels and plant include 1 Grade A Occupational Safety Management Specialist, 1 Grade B Occupational Safety Management Specialist, 17 Grade A Occupational Safety and Health Affairs Managers, 2 Grade B Occupational Safety and Health Affairs Managers, and 47 Grade C Occupational Safety and Health Affairs Managers.

For all potential accidents at the production plant which may be triggered from various types of disasters, we have planned contingency plans beforehand and carry out annual practice drills that are mandatory for all factory staff, thereby preventing and reducing possible personnel, equipment, and financial losses. The ratios of occupational injury for the past three years were between 0.43 to 2.05; major cause of occupational injury had been traffic accidents (commuting to/from work), which accounted for approximately 62%, and followed by tripping, falling, and bruising, which collectively accounted for approximately 25%. Finally, knife injury and burns accounted for approximately 13% of all injuries. No severe occupational injury had occurred in 2019. In the future, patrols at the headquarters, channels, and plant will be reinforced to prevent hazards from environmental facilities.

### Statistics on Occupational Hazards over the Past Three Years

Statistics on occupational hazards	2017	2018	2019
Total number of work hours	2,246,032	2,297,292	2,327,632
1a. Deaths from occupational hazards	0	0	0
1b. Severe occupational hazards (excluding deaths)	1	2	0
1c. Recorded number of occupational hazards	23	17	5
Percentage of deaths resulting from occupational hazards	0	0	0
Percentage of severe occupational hazards (excluding deaths)	0.089	0.174	0
Percentage of recorded occupational hazards	2.048	1.480	0.430
2. Number of high-risk occupational accidents	0	0	0

Employees' health is the responsibility of a company. On top of organizing annual health checkup, we also actively identify commonly-seen occupational and processing health problems and risks, and organize ergonomic visits, sarcopenia health seminar, and cancer screening tests for employees with different processing procedures. In the future, we will also hire contractual occupational health nurses for onsite health services, and we plan to gradually establish "Preventive Program Against Illegal Infringement at Work", "Protection Program for Mothers' Health at Work", "Preventive Program Against Ergonomic Hazard", and "Preventive Program Against Diseases from Abnormal Workload" with the occupational health nurses.

### Ergonomic Hazard Visitation

Professional medical staff have visited employees at each production line to find safety hazards in related work procedures in order to prevent musculoskeletal damages from undertaking repetitive actions.



### Health Seminars and Screening

We regularly organize occupational health promotional activities; in 2019, we held a health seminar on sarcopenia, in which occupational health nurses led our staff to train their muscle strength through physical activities. In addition, we also collaborated with Tao Yuan General Hospital to organize cancer screening tests.



## 5.3 Social Engagement



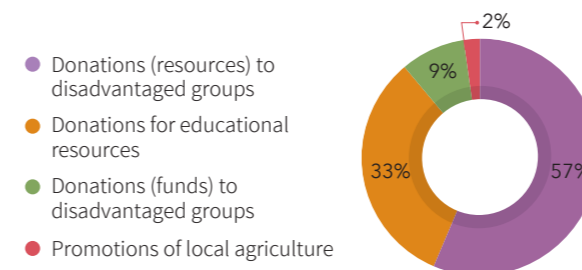
By continuing to realize our brand values of "Taste of Gourmet, Taste of Class, and Taste of Love", and our vision of "giving back to society", Hsin Tung Yang is dedicated to social engagement; we strive to strengthen partnerships with local communities at places of our operations, to promote regional developments, and to advocate for unique characteristics of local townships throughout Taiwan. We utilize our core competences and bring positive impacts through our actions toward four material issues of our concern, namely local development, empowering talent, right to education, and caring for the disadvantaged. For the past three years, Hsin Tung Yang has continued to invest (both in resources and financially) in social welfare, and such social investments had amounted to more than NT\$8 million in 2019.

Issue of concern	Promotional objective	Action Plan	Results over the years and in 2019
Local Development	To empower Taiwan's regional small farms and young farmers; develop and promote unique agricultural products to demonstrate cultural characteristics	<ul style="list-style-type: none"> <li>Local procurement and product development</li> <li>Young farmers' market</li> <li>Creative promotional activities</li> <li>Empowering young farmers</li> <li>Marketing promotions through seasonal publications</li> <li>Cultural promotions at service areas</li> </ul>	<ul style="list-style-type: none"> <li>Sold nearly 240,000 boxes of traceable pineapple cakes from small farmers in Nantou</li> <li>Total revenues from young farmers' market at highway service areas in 2019 reached NT\$50.16 million</li> <li>7,000 pomelos were purchased for the "HTY Happy Moon Festival" and raised over NT\$590,000 from charity sale</li> <li>Assisted the government's young farmer employment program; in which we invested nearly NT\$165,000</li> <li>"Freeway Service Area Play &amp; Shopping Guide" promoted agricultural products from over 15 small farms in 2019</li> <li>Products from over 30 local Hakka and agricultural units were displayed and sold at "Hakka Hsinchu County" event</li> </ul>
Empowering Talent	To promote industry talent development and cultural and artistic development	<ul style="list-style-type: none"> <li>Industry-academic cooperation</li> <li>Diverse arts and creative competitions</li> </ul>	<ul style="list-style-type: none"> <li>456 students from 7 schools participated in our internship program</li> <li>HTY Magic consecutively organized for 10 years, and reaches over 10,000 audience members in each year</li> <li>The 10th HTY Magic was participated by 10 contestant teams from 5 countries, and total rewards reached NT\$300,000</li> </ul>
Right to Education	To enhance resources and quality of education for local and dis-advantaged groups as well as to promote arts and culture	<ul style="list-style-type: none"> <li>Promotions of arts and culture</li> <li>Educational resource sponsorships</li> <li>Support social education (through Foundation)</li> </ul>	<ul style="list-style-type: none"> <li>Organized the showing of "Tale of the White Snake" from Paperwindmill Theatre, which was participated by approximately 200 children from disadvantaged families</li> <li>Donated NT\$2 million to elementary schools in communities around the Taoyuan International Airport service area</li> <li>Sponsored the social education projects from 31 universities and colleges</li> </ul>
Caring for the Disadvantaged	To reduce income gap and poverty, and to support NGOs for children and teenagers without homes and those with physical/mental disabilities	<ul style="list-style-type: none"> <li>Buy-one-donate-one charity sale</li> <li>Donation of festive materials/resources</li> <li>Support social groups (through Foundation)</li> </ul>	<ul style="list-style-type: none"> <li>9,500 cans of shredded meat at a total value of nearly NT\$2.65 million were donated for Chinese New Year and Mid-autumn Festival</li> <li>Mooncake gift boxes were donated to 16 groups for Mid-autumn Festival, benefiting 2,852 individuals</li> <li>Donated nearly NT\$1.06 million to 60 NGOs and reached 4,736 persons through our Foundation</li> </ul>

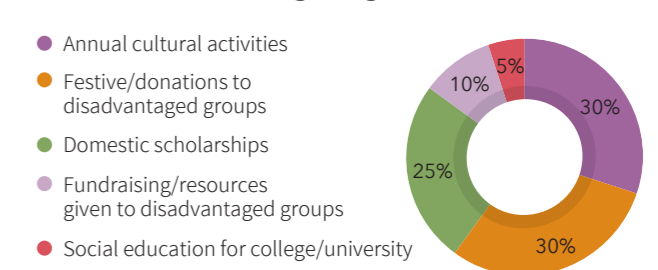
Hsin Tung Yang has integrated the mission of social engagement in our day-to-day activities, and both manages and implements social welfare as a part of our normal business operations. All charity activities and action plans are jointly promoted by various business divisions based on their nature; additionally, social activities and programs including community service and caring for the disadvantaged at our channels are drafted, implemented, and passed on to fellow colleagues by participants in the TCFA Outstanding Store Manager Awards.

Furthermore, the Mai's Hsin Tung Yang Foundation was founded in 1984, since the very beginning at our operations. A dedicated department is in charge of allocating budgets for carrying out the annual corporate social charity plan, and the President regularly reports on its implementation status to the Chairman. We care for the people on this land through action, so that help could be received by those in-need and caring could be provided to those who need it, and that love, warmth, and the beauty of this society could continue to drive us forward.

Distribution of Total Social Investments from Hsin Tung Yang in 2019



Distribution of Social Contributions from Mai's Hsin Tung Yang Foundation



Besides routine charity donations according to our issues of concern, Mai's Hsin Tung Yang Foundation also provides timely assistance at times of emergency and natural disaster. For instance, we donated toward the disaster relief for the Hualien earthquake in 2018 to provide needed-warmth to earthquake victims and to help them to rebuild.

## Local Development



Having operated in Taiwan for dozens of years, Hsin Tung Yang has always been committed to promoting the local economic developments at sites of our operations in order to achieve our vision for synergistic growth with the local community and partners throughout our value chain. For instance, from the beginning of development of our highway service area to their day-to-day operations, Hsin Tung Yang consistently promotes "local agriculture" and "arts and culture", so that unique local characteristics can be seen by more people. At the same time, in order to increase local employment opportunities, we also prioritize recruitment of local residents.

### Action Plan I: Local Procurement and Product Development



Hsin Tung Yang is actively developing unique local products, which are procured from small farmers through contractual sale agreements, so that hardworking farmers can earn more stable sources of income. In addition, Hsin Tung Yang also co-develops quality products and supports the empowerment of small farmers through onsite visits from supervisors and mentorship from food professional technologists. Unique products infused with local agricultural ingredients include: Traceable Pineapple Cakes from small pineapple farmers in Nantou; Makaoy/Kumquat/Sanxing Onion/Dajia Taro Sausages; and dried fruit gift boxes launched in 2019, including Dried Pink Guava, Dried Aiwen Mango, and Dried Golden Diamond Pineapple.

### Action Plan II: Young Farmers' Market

To promote agricultural development in Taiwan and to encourage young farmers and organic farming method, thereby achieving a sustainable balance in the people and land, Hsin Tung Yang has not only actively used Taiwanese produce as food ingredients and developed unique, local foods, but also set up young farmer's markets including "Farmers' Direct" at all four of our highway service areas. In addition, we also collaborate with external vendors including "Farm, Sweetness and Taste" and "Biliu Farm" to provide market exposure and sales opportunities to quality local small farms. In 2019, total revenues from young farmers' markets have reached NT\$50.16 million.



#### "Farm, Sweetness and Taste"

"Farm" refers to homegrown produce from the farmers;

"Sweetness" refers to the sweetness in life that comes after hard work;

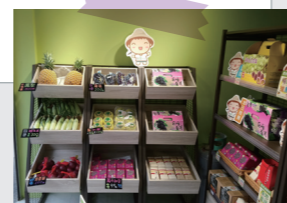
"Taste" refers to fresh, farm-to-table taste.

A humble and hospitable flair is found at the "Farm, Sweetness and Taste" counter. Modeling after the diligent spirit of Japanese craftsman, a selection of quality, fresh fruits and vegetables from Nantou can be found here.



#### "Farmers' Direct"

Farmers' Direct sells quality agricultural products from all over Taiwan. Freshly, seasonal products are directly delivered from their respective farms, thereby allowing diligent farmers to gain access to excellent retail platform and stable customer sources and to gain more brand exposure. We provide fresh and safe agricultural products to consumers, so that road users can purchase quality, diverse, healthy and tasty vegetables and fruits from service areas without having to travel all over Taiwan.



### Action Plan III: Creative Promotional Activities

#### "HTY Happy Moon Festival" Organic Hakka Pomelo

Starting from 2016, Hsin Tung Yang has been purchasing toxic- and pesticide-free pomelos from Guanxi Farm and Shihwu Uncle Pomelo in each year. Creative promotional activities are organized at highway and airport channels to promote local agricultural products and to give back to the society, so that our service areas can be closely connected with

The local communities. We have purchased over 7,000 pomelos over the past four years, and the proceeds from related charity sales have reached NT\$592,000. Activity highlights include:

- Elementary school food education: the faculty and students from Dong Guang Elementary School in Hsinchu County were invited to harvest pomelo at Guanxi Farm, thereby achieving food farming education and learning through practice while also supporting the development of local farms.
- Charity sale of Hakka Pomelo: pomelo charity sale events were organized at Guanxi and Xihu service areas, and all proceedings were donated to local social welfare groups. We encouraged consumers to purchase local quality products while contributing toward social welfare via press conference and the charity sale events.
- Pomelo Peeling Contest: a pomelo peeling contest was organized for domestic and international travelers so that everyone could experience the atmosphere of a traditional, lively Mid-autumn Festival at Taoyuan International Airport.
- Pomelo Painting: pomelo painting activity was held for all passengers whose purchases reached a certain amount at shops at Taoyuan and Kaohsiung International Airport, where they could enjoy a great family time painting pomelos and getting to know local Taiwanese produce.



### Action Plan IV: Empowering Young Farmers



In response to the government's policy in supporting young people to return to their hometowns in order to inject new blood into local agricultural industry, Hsin Tung Yang actively participates in interdisciplinary collaborations between the industry, government, and academia. We have cumulatively invested nearly NT\$165,000 toward assisting young farmer empowerment programs by executing diverse projects and activities in each year through channels, resource donations, and sponsorships.

2017~2018

#### "Companies Support Young Farmers to Create Farmers' Products"

- collaboration with Soil and Water Conservation Bureau, Council of Agriculture, Executive Yuan
- NT\$40,000 was donated to Miaoli Farmer's Association to support the "tea farmer agents"
- Promotional event was held at Qingshui service area along with tea snacks such as pineapple cakes, allowing the public to further understand tea culture.

2018

#### "Help Farmers by Purchasing Bananas for Dragon Boat Festival"

- Collaboration with Agricultural Cooperative
- We purchased 5 tons of quality Nantou banana with the market price of NT\$24/kg when banana prices severely declined due to overproduction.
- Delivered to 4 highway service areas, and given as gift-with-purchase at food court

2019

#### "National Young Farmer's Market"

- Supervised by the Council of Agriculture, organized by Agricultural Technology Institute, and assisted by Guanxi Service Center
- Consumers were invited to hand-pick produce to bridge the gap between young farmers and consumers through face-to-face interactions, thereby encouraging everyone to support local agricultural development.

• Action Plan V: Marketing Promotions through Seasonal Publications

Hsin Tung Yang also introduces seasonal agricultural and special products at each service area to consumers through our seasonal marketing publication, "Freeway Service Area Play & Shopping Guide". Information on local environments, seasonal produce and stories that went behind the production are written to encourage everyone to support and to purchase local products.

[Jan - March 2019] Introduction to Local Young Farmers - Hook Tea: Packing Fresh Lemons into Tea Bags

Young Farmer Hsiang-Chin Chan is creating unique, all-natural lemon tea from non-toxic seedless lemons, black tea, and stevia.

Seedless lemons do not irritate the stomach, and stevia, a natural sweetener, is used in place of sugar in the black tea, resulting in a fragrant, natural lemon tea. Though Chan is physically disabled, he has never given up on himself, and has strove to become a swimming coach and a street artist while growing up. Never did he imagine that he would return home to rekindle his family business in tea-making after being in the workforce for so long. Before going out of business, his family's teahouse was very famous in Xinpu and had operated for three generations. This precious Xinpu history is now resumed by Chan and his sister, who are committed to rekindling the flames of this age-old teahouse under their new brand, "Hook Tea"!

- 👑 2017 - Received "Hsinchu County Select" and "Model Hsinchu Youth"
  - 👑 2018 - Received "Taiwan Best 100" and represented Hsinchu to participate in expo in Vietnam
  - 👑 2019 - Received "Asia-Pacific Gold Finger Award"
- Retail location: Guanxi Service Area, Xihu Service Area

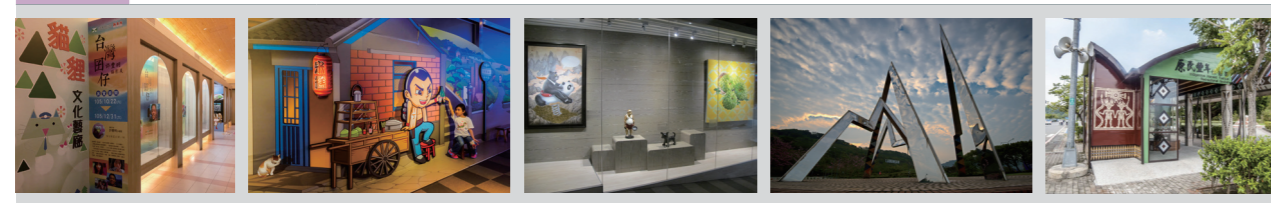


• Action Plan VI: Cultural Promotions at Service Areas

In terms of channel management, Hsin Tung Yang has designed unique features including spatial design, food and beverage, exhibitions, and festivals, to showcase local ethnicities and cultural aspects for every service area. Road users throughout Taiwan are encouraged to experience the local enriched cultures through these features.

Promotions of Local Culture at Service Area

Service Area	Local culture	Promotional activities
Guanxi	Hakka culture Pomelo products	<ul style="list-style-type: none"> <li>◆ Products from over 30 local Hakka and agricultural units were displayed and sold at "Hakka Hsinchu County" event</li> <li>◆ Traditional Hakka cuisine is promoted through Guanxi Lunch Box and Hakka Restaurant</li> <li>◆ Exhibitions including "Freeway Green Corridor: Freeway Construction from Po-lin Chi's Perspective"</li> </ul>
Xihu	Miaoli culture Xihu fruits	<ul style="list-style-type: none"> <li>◆ "Miaoli Culture Corridor", a display area for artifacts and arts and crafts from towns along the coast, and it is also a collaboration with Culutre and Tourism Bureau, Miaoli County.</li> <li>◆ "Highway Ecology Exhibition" promoted leopard cat protection and showcased purple crow butterflies.</li> </ul>
Qingshui	Preservation of renewable energy culture	<ul style="list-style-type: none"> <li>◆ "Art Bank" preserves and displays artworks from outstanding Taiwanese artists</li> <li>◆ "Niu-ma-t'ou Cultural Corridor" is a joint effort with local cultural preservation association, and aims to introduce local culture through "Strolling through Qingshui" cultural map and more</li> </ul>
Nantou	Aboriginal culture and purple crow butterfly conservation	<ul style="list-style-type: none"> <li>◆ Aboriginal culture is displayed at "LAMUGAN" and "Bunun Ma-naq-tainga Square"</li> <li>◆ Nantou Creative Shop displays and sells unique products and aborigine handicraft from Xinyi, Puli, and Zhushan tribes</li> <li>◆ "Aboriginal Month" events have been held in four consecutive year, in which aborigine groups were invited to perform and to hold handicraft DIY workshops</li> </ul>



Empowering Talent



• Action Plan I: Industry-academic Cooperation

To bridge the gap between theory and practice in the food and catering industry and to assist students from related departments to accumulate more hands-on experiences, Hsin Tung Yang's highway service areas and stores have been offering internship opportunities to college and university students through industry-academic cooperation and external internship programs since 1999. These opportunities allow students from marketing, distribution, business administration, and restaurant and food and beverage services departments to gain practical knowledge and to apply theory to practice, as well as to gain workplace experiences and skills. For the past twenty years, Hsin Tung Yang has collaborated with and trained 456 students from seven academic institutions including Chung Shan Industrial & Commercial School, National Pingtung University, and Jingwen University of Science and Technology.

Besides receiving scholarships for outstanding performance or full attendance based on the cooperation plans, top-performing students can also join Hsin Tung Yang after graduation, and their internship experiences can also be counted toward their seniority at the Company. In 2019, there were 28 new students who joined our cooperation program. In the future, Hsin Tung Yang will continue to participate in related programs and to assist students to join and to adapt to the workforce, as well as to contribute toward talent development for the food industry.

• Action Plan II: Diverse Arts and Creative Competitions

Hsin Tung Yang has also encouraged young people and students to think outside the box, to gain hands-on experiences in diverse artistic skills and to compete for exposure by organizing diverse competitions including design, photography and magic. At the same time, the competitions also help to promote talent development in the arts and cultural industry.

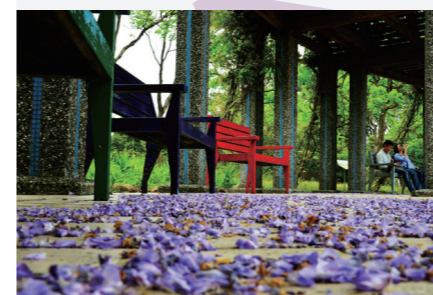
Green Design Competition

To respond to energy-saving and carbon reduction trends and to conserve environmental energy, as well as to encourage university and college students to come up with creative designs, a "Green Design" eco bag competition was organized by Mai's Hsin Tung Yang Foundation in April 2018. Founded on the conception of green packaging, the purpose of the competition was to encourage students to use creativity and innovative mind-set to infuse a variety of recycled elements and packaging in order to create a more environmentally-friendly packaging. We began accepting submissions for 60 days beginning in mid-April and received 500 creative submissions, and after preliminaries and finals, the winning entries were announced by the Foundation in August. The winner received NT\$75,000 in scholarships and a NT\$15,000 voucher. On top of gaining experiences in external competitions and building their portfolios, the participating students also gained more in-depth knowledge about sustainability. In addition, the submissions for creative eco bags could also be used as references for designing Hsin Tung Yang's green packaging in the future.



Highway Service Area Photography Contest and Exhibition

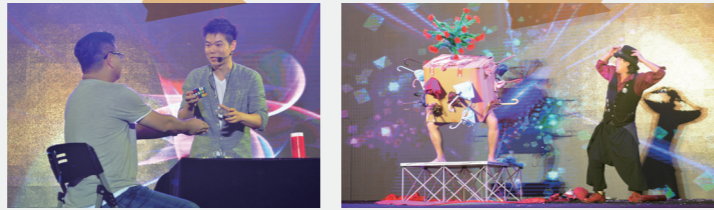
The "2017 HTY Beauty of Service Area" photography contest was organized to promote photography in Taiwan and the special features at each of our service areas, giving the public a chance to get to know the highway service areas through different angles at emotions. A total of 56 prizes, cumulatively worth NT\$200,000, were given at the contest, and 1,200 submissions from all over Taiwan were received. After intense scrutiny and eliminations, the top three places went to "The Beauty of Rosy Clouds", "Wisteria", and "Beautiful Sea World" respectively. To uphold and convey our beliefs in the beauty of the service areas, the winning photos were also displayed at the highway service areas free-of-charge for all road users. The results of our promotions for unique features of the service areas through the competition also helped us to earn positive recognition from the Freeway Bureau, MOTC. By offering arts and cultural events, we hope that service areas will no longer be seen as rest stops, but unique tourist and recreational destinations that help to enrich the travel experiences of both local travelers and tourists.





### 10th HTY Magic, Taiwan's Largest Magic Competition

Besides providing a rest stop for road users, the highway service areas also offer various services that help road users to perceive a sense of art and culture. To encourage developments of the magic industry, Hsin Tung Yang's Qingshui service area has been organizing the "HTY Magic" competition for 10 consecutive years. On top of providing a platform for top magicians in Taiwan to compete against one another and to strive to achieve international standards, the competition also brings a very different, magical experience for the road users. The 2019 HTY Magic was expanded to become a three-day event with a grand prize of NT\$300,000, setting a new record in Taiwan's magic industry. The 10 contestant teams hailed from Taiwan, Hong Kong, Japan, Korea, and India, while the crowd was further dazzled by FISM (International Federation of Magic Societies) champion Eric, who was invited to perform at the awards ceremony. Besides magic competition, five contestants also interacted with the audience in the afternoon, giving the public a chance of up-close interactions with magic. The 10-year anniversary commemorative video showcased touching footage of top Taiwanese students who transformed themselves into professional magicians and persisted in their chosen careers. To reiterate



Hsin Tung Yang President Mai, Sheng-Yang's words, a decade is only a milestone, and Hsin Tung Yang will continue to work hard and we hope that HTY Magic can one day become a cradle to a new world champion of magic.

<https://www.htymagic.com/>



## Right to Education



### Action Plan I: Promotions of Arts and Culture

Hsin Tung Yang has organized art galas and related events to help children and teenagers from disadvantaged families and the public to understand the applications of art in our daily lives and to learn to appreciate art, by viewing paintings and hands-on artistic experiences.

### Action Plan II: Educational Resource Sponsorships

In order to enhance the quality of education at local communities and to enhance local partnerships, Hsin Tung Yang's highway service areas and airport shops regularly plan social welfare sponsorships that are donated to local elementary schools to assist students at remote areas or disadvantaged families, thereby bridging the gap between funding and educational resources. For instance, Qingshui service area allocates budgets for donations to students in-need at elementary schools throughout Greater Taichung in every year.

Additionally, Mai's Hsin Tung Yang Foundation has also been encouraging children to learn and for children with financial difficulties to attend school through providing sponsorships and scholarships to children from disadvantaged families in Taiwan and protecting their rights to equal education opportunities since 1996.

### Let Love and Dreams Take Flight! "Tale of the White Snake" from Paperwindmill Theatre

In November 2019, we invited approximately 200 children from World Vision Taiwan and Taiwan Fund for Children and Families to enjoy a showing of "Tale of the White Snake" at the Paperwindmill Theatre, with the goals of providing chances for children from disadvantaged families to enjoy artistic performances and to promote classic artistic culture



from Taiwan. The play is a contemporary take on an age-old legend, and children were invited to join the romantic love story of the white snake and Hsu Hsien and their battles with the Buddhist monk, Fahai. After many battles were fought, the children were taught that a state of empathy could only be reached if one could stop antagonizing others, and that love conquers all. The play was a creative fusion of eastern and western cultures; besides wearing punk-styled and cosplay uniforms, their giant costumes also captured the children's attention. In addition, their fun interactions with the audience was also well-loved by the children. After the play, exquisite delicacies including Grilled Honey Pork Jerky, Tapioca Tea Pastry, and Pineapple Cakes were also provided to the children, members of NGOs, and staff and actors from Paperwindmill. Having enjoyed so much excitement and great food, the children were reluctant to go home! The event was a chance for children who were rarely exposed to art performances to understand the beauty of art and classic Taiwanese culture, thereby enriching their lives and helping to nurture their creativity and imagination.



Mai's Hsin Tung Yang Foundation

### Action Plan III: Support Social Education

To encourage youths to be dedicated to social welfare activities including educational volunteering, Hsin Tung Yang also sponsors resources including our merchandise for the summer and wintertime volunteer activities of service clubs from universities and colleges. The resources help to satisfy their needs during regional volunteering activities, and also indirectly help both local and foreign children to achieve a more satisfying team experience.

#### Sponsoring Kenya Volunteer Team at NTHU



### Hsin Tung Yang Donates NT\$2 Million To Children From Remote Areas at 40th Anniversary of Taoyuan Airport Store

Hsin Tung Yang has been operating at CKS International Airport (former name of Taoyuan International Airport) since its commencement. It is the only private enterprise to have partnered with Taoyuan Airport for 40 years. In showing our gratitude and to give back to the local community in response to the support and encouragement we have received from passengers and local residents over the years, in to provide funding for underprivileged students, after-school care, and club expenses to 10 elementary schools at remote areas in Dayuan, Luzhu, and Guanyin. In particular, Dayuan has the most connections to Hsin Tung Yang. On top of being the location for our plant, it is also the birthplace of Founder Mai Hsin Fu and Chairman Jackson Mai. Incidentally, they are also alumni of Taoyuan Municipal HsiHai Elementary School, one of the schools that we have funded.

In July, we organized the "40th Anniversary Commencement of Happiness" event, in which students clubs from Xihai, Shalun, and Chaoyin elementary schools were separately asked to give taiko drum, ocarina, and football dance performances. The children showed off music and dance skills that were extremely promising to the international passengers at the airport. President Mai, Sheng-Yang stated that, "Based on our belief for local development and giving back, we hope to care for children at communities close to the Taoyuan International Airport in action through these donations, so that the children may be full of positive energy as they grow and learn." Hsin Tung Yang will continue to be committed to social welfare in the future, and we hope to convey happiness and warmth to more children in-need.



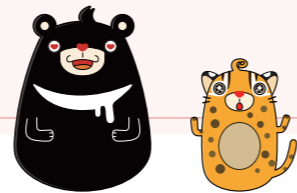
## Caring for the Disadvantaged



### Action Plan I: Buy-one-donate-one Charity Sale

Starting from 2015, Hsin Tung Yang has been launching the "Spreading Love" gift sets for traditional holidays including Chinese New Year and Mid-autumn Festival. By aligning our core business of food production and sales with the conception of "buy-one-donate-one", one set of Healthy Shredded Pork or Pure Shredded Chicken would be donated from us for every gift set purchased. This action is in line with the UN Sustainable Development Goals (SDGs) to end poverty, as well as helps to supplement nutrition, thereby promoting the health and well-being of underprivileged groups. Through integrating merchandise with social welfare, we ask consumers to contribute to the society while enjoying our delicious taste, so that more love and hope may be passed on through the kindness in the society. Over the past five years, Hsin Tung Yang has donated more than 35,000 cans of Healthy Shredded Pork to disadvantaged groups including those with physical/mental disabilities, senior citizens, and low-income families through the "Spreading Love" gift sets.

2019 Spreading Love Social Welfare Gift Set



### 2019 Mid-autumn Festival: Spreading Love Charity Gift Sets

In the future, one-in-five persons in Taiwan will be a senior citizen. Inconsistent food intake, debilitating movements, and suffering from loneliness - these are some of the daily problems faced by many elderly. Aging is an inevitable process in our lives, but it is also the most challenging. Hsin Tung Yang invited consumers to care for senior citizens without familial care, loss of physical movements, and those suffering from dementia, and to spread warmth to these elderly people so that love may be passed on to every corner of the society.

For every "Spreading Love" gift set purchased by individual/company, Hsin Tung Yang will donate one can of "Healthy Shredded Pork" to help the nutritional needs of the aforementioned senior citizens.

The limited edition gift sets, launched for Mid-autumn Festival in 2019, were quickly sold out. We donated a total of 5,200 cans of Healthy Shredded Pork, with a cumulative value of NT\$1,404,000.

愛·傳承禮盒  
 公益價 720元  
 蜜汁豬肉乾  
 咖啡牛軋餅  
 巧克力無花果月餅  
 鳳梨酥  
 珍珠奶茶酥  
 湖鹽芝士月餅  
 肉鬆杏仁蛋司捲  
 鮮果芒果糯米糍  
 水蜜桃果凍  
 豆沙蛋黃酥

以愛傳承 溫心送暖  
 認購「愛傳承禮盒」，新東陽將您捐出價值270元的「養生肉鬆」乙罐，幫助失依、失能、失智三失長者營養補給，並將認購人露出於官網，感謝您與新東陽一起溫心送暖，以愛傳承。

### Action Plan II: Donation of Festive Materials/Resources

Hsin Tung Yang cares for disadvantaged groups through donating gift sets and other resources to Taiwan Fund for Children and Families (CCF), nursing homes, early treatment centers, and orphanages during holidays such as Chinese New Year, Dragon Boat Festival, Mid-autumn festival, and Christmas. We hope for children without families, those with physical/mental disabilities, elderly, and low-income families to feel the warm atmosphere of the holiday season through enjoying festive delicacy.

For instance, for Mid-autumn festival in 2019, 200 gift sets of traditional Cantonese mooncakes and other festive gift sets, were donated to 16 local charity groups from Hsin Tung Yang's stores throughout Taiwan. The total donations were valued at NT\$164,000 and benefited 2,852 persons. Over the years, Mai's Hsin Tung Yang Foundation has donated to 18 charity groups, including Beacon of Faith Home for Youth, Bethany Children's Home, TCWC Children's Home, Yi Kuang Orphanage, Holy Word Children's Home, Chung Yi Social Welfare Foundation, Hua Hsing Children's Home, Ti-Hwei Children's Home, Da Tung Children's Home, The Mustard Seed Children's Home, Puti Home, Reindeer Children's Home, Mu Hsiang Sweet Home, White Children's Home, Harmony Home Association, Hong Hua Children's Home, Hsin-Fu Children's Home, and Xin Dian Baptist Church and more.

Christmas Gift Set Donations to Harmony Home Association



### Sharing to Cherish Food: Free Catering Service at Shuangxi's Changyuan Community

Upholding the philosophy to cherish food, Hsin Tung Yang and TSMC Charity Foundation joined forces at promotional events designed to cherish food at remote areas in June 2019, so as to realize the greatest values of leftover ingredients (which are known as "cherish food ingredients") and to spread love to disadvantaged groups at remote regions. Early in the morning, Mr. Huai-wen Luo, Head of "Charity Food", led 40 head chefs from various hotels and restaurants to arrive at Changyuan Community in Shuangxi District, New Taipei City. They immediately began to wash the ingredients and to prepare various dishes. Every dish was made from cherish food ingredients, including Mai's crispy fried duck, braised mushrooms in oyster sauce, stir-fried soft-shell crab with osmanthus, steamed shrimp with garlic, steamed fish, and braised chicken soup with mushrooms. The fragrance attracted hungry local elders to gather one-by-one in front of the Ganlin Weihui Temple, where they were also treated to a poem reading from students from Ganlin Elementary School, and a dance performance led by Mr. Tzu-Lang Chen, village chief of Changyuan Village. The event was joined by approximately 1,000 local elders. The interdisciplinary collaboration helped to connect company volunteers with community elders and students, as well as utilized leftover ingredients in the best way possible - through feeding and caring for the elderly at remote areas.



• Action Plan III: Support Social Groups

Hsin Tung Yang has been regularly donating resources or funds since 1996 to care for disadvantaged groups in-need, in order to accommodate the needs of children's homes or charity groups. We have donated to the following groups or associations: World Peace, Taiwan Fund for Children and Families, The Garden of Hope Foundation, Syin-Lu Welfare Foundation, Eden Social Welfare Foundation, Huashan Social Welfare Foundation, and Andrew Charity Association.

Donations to The Garden of Hope Foundation



Hsin-Fu Children's Home, Where Children without Families are Properly Cared for

Hsin Tung Yang's Founder, Mr. Mai Hsin-Fu, was very dedicated to charity work, and hoped to be able to care for impoverished and orphaned children. After his passing, President Mai and his wife vowed to do more for the society and to fulfill Mr. Mai Hsin-Fu's wish.

Founder of Hsin-Fu Children's Home, Master Dagan, began paying particular attention to children from broken families and took many children who suffered from family trauma and impoverished children under his wing since he started to run an orphanage in 1976. As the number of children grew, their living quarters diminished, and Master Dagan began to hope for a more comfortable environment for the children as they grew.



To commemorate Hsin Tung Yang's Founder, Mr. Mai Hsin-Fu and for the children to grow up in a loving environment, the home was therefore given the name "Hsin-Fu Children's Home" (Hsin-Fu rhymes with "happiness" in Chinese). Presently, Hsin-Fu Children's Home is fairly spacious and has grown to be a safe haven that supports children from broken families. Over several decades, the home has cared for thousands of children, and some have even returned to serve as helpful volunteers after completing their academic studies, thereby passing on the love and warmth.