

2021 Standard Foods

Sustainability Report

A LIFETIME OF WELL-BEING!

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Group Visions and Missions

" 佳格 " is the Chinese name of the Standard Foods Group. The first character " 佳 " refers to "excellence" and "kindness", and the second character " 格 " denotes "character" and "standard". Together they connote that the group will produce high-standard, high-specification quality products that meet the nutrition and health needs of Taiwanese people. Founded in 1986, we always believe that "balanced nutrition is fundamental to human health". Hence, we create various leading brands upon this belief.

Over the last 30 years or so, we have released hundreds of nutrition and health products to serve over 90% of households in Taiwan. Upholding the mission of "the partner of family nutrition and health", we offer a wide variety of quality products for Taiwanese people through four major brands: Quaker, Great Day, Quaker & TDHB, and Fresh Delight, with products ranging from cereals and baby/infant formulas to adult milk powder, cooking oil, diary supplements, to health foods for specific health needs and complete and balanced nutrition supplements. Through continuous R&D, we develop higher-quality and more convenient nutrition and health products to help people maintain the best health condition, hoping to help more people "live the best part of life in every moment! "

Aiming to promote nutrition and health for consumers in Taiwan, we demonstrate the power of "one team" and realize this concept in all aspects of corporate governance, environmental safety, and social concern; disclose open and transparent information about the mechanism of corporate operations; constantly implement and optimize the corporate governance policy premised on legal compliance and respect for all stakeholders; and continuously work for the goal of sustainable development through integrity.

Sustainable Development Goals

Increasing unprecedented social issues or rapid social and environmental changes become challenges in sustainable corporate operations. For example, the outbreak of COVID-19, worsening of climate change, and continuation of population ageing are all issues requiring active corporate responses.

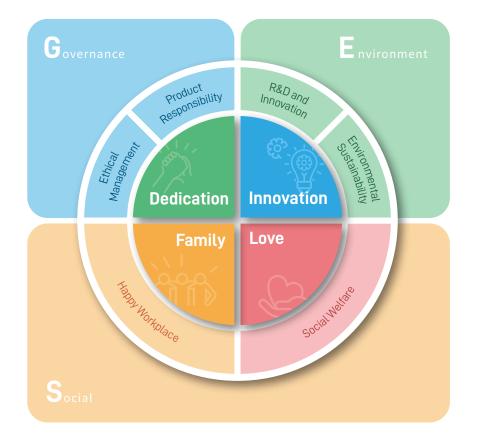
We treat each and every stakeholder diligently. However inconstant the domestic and global macro environments are, we always uphold ethics and integrity in business operations. In addition to observing the related domestic economic regulations, we have a vocation for food safety. All our foods manufacturing plants have passed the ISO 22000 or FSSC 22000 food safety management system. In food safety management, we make continual improvement of our management mechanisms, including supplier audits, capacity improvement of the food safety lab, and enhancement of food safety awareness. In the future, we will continue our efforts in keeping our commitment to food safety for all.

Innovation is the motor of corporate sustainable development. Following lifestyle changes, the dietary habits and nutrition needs of consumers in Taiwan are also changing rapidly. As Taiwan's leading manufacturer of nutrition and health foods, we strive to introduce nutrition and health foods suitable for all age and gender groups, hoping to take care of the nutrition and health of more people and become the "partner of family nutrition and health".

In terms of environmental sustainability, in addition to abiding by domestic laws and regulations, we follow international environmental standards to implement routine environmental activities and energy conservation and carbon reduction policies. Through continuous monitoring of production processes, we hope to enhance equipment efficiency and improve energy and electricity conservation management so as to achieve the goals of energy conservation, carbon reduction, and GHG reduction. We will continue to reduce excessive packages to reduce the consumption of packaging materials. Additionally, we use, as much as possible, recycled cartons, hoping to slow deforestation and thereby contribute to the Earth and environmental protection.

By treating social concern as our duty, we actively spread "charity". In addition to collaborating with charities over time, we integrate all corporate brands to engage in and plan care activities including "Nutrition and Health for Young Children" and "Nutrition and Health for Elderly People" to supply nutrition foods to foundations for children, schools in remote townships, orphanages, foundations for the elderly, and care homes to help more people in need of nutrition and health through substantial community assistance.

Employees are our "family". Hence, it is our responsibility to ensure the occupational safety of all employees and making the workplace environment a safe and happy place for employees and family to work is our commitment. To keep this commitment, we take care of each and every employee and their families as family. Additionally, in response to COVID-19, we safeguard the health of employees by integrating departments and planning counteraction.



Organizational Profile

I.Corporate History

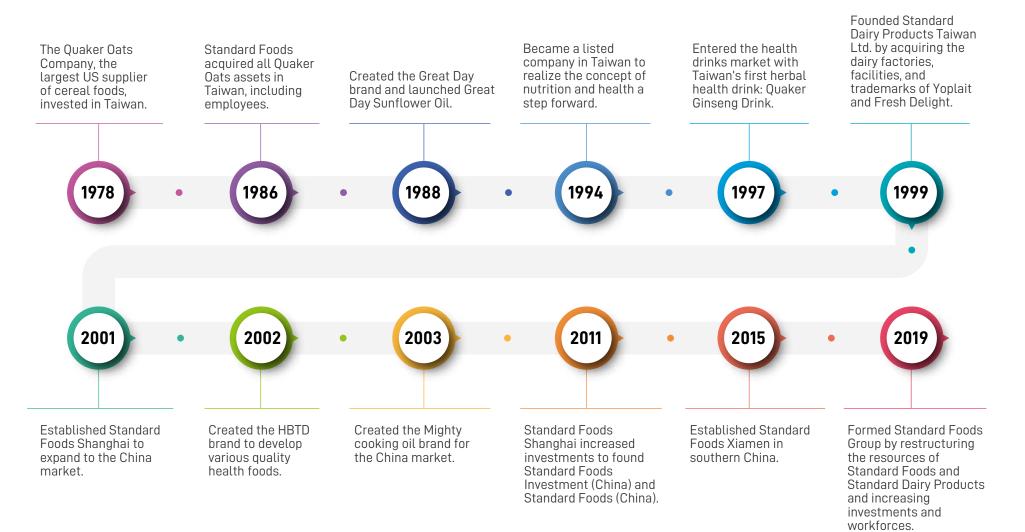
Upholding the vision of "sharing the nutrients of cereals with people in Taiwan", the Quaker Oats Company, the largest US supplier of cereal foods, spent US\$4 million to build a leading-edge oatmeal factory in Taiwan to promote comprehensive nutritional oatmeal products in 1978. When the Quaker Oats Company decided to leave the Taiwan market in 1986, Mr. T. F. Tsao founded Standard Foods and acquired all assets of Quaker Oats, including employees, the Quaker brand, and the license for producing cereals and infant formulas. Standard Foods also started operations in the same year.

After chairing Standard Foods in 2019, realizing the industrial and market changes, Arthur Meng Tsao decided to invest more resources and labor to provide consumers with better services and promote the integration of Standard Foods at full steam, hoping to synergize the benefits of operations. Aiming to realize the belief that "everyone deserves better choices for nutrition and health", he engaged in business expansion, product diversification, building a younger team, and global market expansion more actively, hoping to become the "partner of family nutrition and health" of more families to protect the food safety, balanced diet, and health of each and every family and to work for the next 35 glorious years of Standard Foods!

	Standard Foods	Group
Name of the Organization	Standard Foods Corporation	Standard Diary Products Taiwan Limited
Number of Employees	1,003 persons	137 persons
Major Products	Biotech health products, cooking oils, cereal drinks (instant/ready to drink), adult dietary supplements, dairy products and beverages.	Dietary beverages, dairy products and beverages.
Location of Headquarters	10F, No. 610, Ruiguang Road, Neihu District, Taipei City	10F, No. 610, Ruiguang Road, Neihu District, Taipei City
Regions of Operations	Taiwan Region (including Penghu, Kimen, and Matsu)	Taiwan Region (including Penghu, Kimen, and Matsu)
Locations of Operations	Taipei, Taoyuan, Taichung, Chiayi, Tainan, Kaohsiung, and Yilan	Taipei, Taoyuan, Taichung, Chiayi, Tainan, Kaohsiung, and Yilan

Introduction

II.Major Events



Stakeholder Engagement and Identification of Material Issues

Based on the materiality principle, we establish a systematic process to identify and manage material stakeholders and sustainable issues and set targets as a reference for writing the sustainability (ESG) report. After identifying material stakeholders, we investigated them to identify the material issues of 2021.

Step 1

Identification and Prioritization

1.Identifying Stakeholders

Based on the influence and dependency of stakeholders, the CSR Committee identified the following seven stakeholder groups in the committee meeting



2. Identifying Material Issues

After a comprehensive assessment of the group's future vision, sustainability strategy, value chain influence, topics in the GRI Standards, the issues that concerned businesses in the same industry at home and abroad, and the status of Standard Foods, a total of 17 relevant issues were identified.

3.Analyzing the Tension and Impact of Each Issue

Each year we survey the tension of each of the 17 identified issues on all seven stakeholder groups. In 2021 we distributed and collected 1,635 questionnaires. Through the internal officer questionnaire, we identified the impact of each issue. In 2021 we distributed and collected 16 questionnaires and completed the matrix of material issues.

4. Validating and Addressing Material Issues

After validating the material issues of the year, we address each of them. After running through the above steps, we identified the following 2021 material issues. Issues in the dark blue zone are material issues. Issues in the light blue zone are secondary material issues. Issues in the white zone are potential issues.



Severity of Impact

Economic and Governance
 Environmental
 Social

Materiality of Issue	lssue	Significance of Standard Foods
1 Material Issues	Product Nutrition and Health ●	Provide consumers with products that meet their health and nutritional needs and ensure the management of product quality and food safety.
	Ethical Management	Assess the risk of corruption and anti-corruption policies and actions through transparent and impartial corporate governance principles.
	Legal Compliance •••	Comply with product responsibility, environmental, and economic laws and regulations.
	Risk Management 🗨 🗨	Risk assessment and resolving processes.

• Economic and Governance • Environmental • Social

Materiality of Issue	Issue	Significance of Standard Foods
	Sustainable Development Strategy • • •	Group vision and missions.
	Product Labeling and Marketing •	Label ingredients correctly and clearly, promote consumer health and a positive influence.
	Occupational Safety and Health (OH&S)	OH&S management includes accident investigation, industrial safety audits, employee health checkups, employee health consultation, management performance of the OH&S Committee, and employee OH&S training.
(2)	Social Welfare and Charity	Engage in social charity to care for the nutrition and health of more different groups.
Secondary Material	Supply Chain Management (SCM) ● ●	Material purchase and use, customer relationship management, and dealer management.
Issues	Labor Human Rights and Employee Benefits 🗕	Human rights maintenance and employee benefit promotion include labor-management harmony, employee wage and benefits, and labor conditions.
	Business Environment Management ●	Water and waste management.
	Talent Development and Management	Employee career development, diversity, equal opportunity, and local employment.
	Economic Performance ●	Economic value generated, including financial information such as business operations, operating costs, and profit.
	Energy Management	Energy management policy, status of energy use, and actions for energy conservation.
3 Potential Issue	Climate Change ●	Climate-related risks and opportunities, management strategies, and counteractions are the impacts brought by climate change.
	Water Management ●	Our water management regulations include water quality treatment procedures, maintenance of water quality treatment equipment, and water consumption monitoring standards.
	Packaging Materials Management	Procurement, regulation, and use of packaging materials.

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After analyzing the materiality of the relevant issues, the ESG Team assessed the completeness and the scope of impact to comply with and address the material information and performance that concern stakeholders. Each department also provided the relevant information according to completeness, responsiveness, and stakeholder inclusiveness for preparing this report and ensured that the information of material issues were exactly disclosed in the report.

Step 2

Validation and Review of the Scope of Impact

lagua	Internal			Exterr	าลไ				
Issue	Employee	Consumer	Supplier	Customer	Shareholder	Media	NPO		GRI Topic
Product Nutrition and Health ●	*	*	*	*				416	Customer Health and Safety
Ethics and Integrity ●	*	*	*	*	*	*	*	205	Anti-corruption
Legal Compliance 🗨 🗢	*	*	*	*	*	*	*	307 419	Environmental Compliance Socioeconomic Compliance 2016
Risk Management 🗨	*	*	*	*	*	*	*	102	General Disclosures
Sustainable Development Strategy • • •	*	*	*	*	*	*	*	102	General Disclosures
Product Labeling and Marketing ● ●	*	*	*	*				417	Marketing and Labeling
Occupational Safety and Health (OH&S) ●	*							403	Occupational Safety and Health
Social Welfare and Charity 🗕		*					*	Self-d	efined topic: Social Welfare
Supply Chain Management ••			*						efined topic: Supply chain gement
Labor Human Rights and Employee Benefits 🗕	*							401 402	Employment Labor/Management Relations
Business Environment Management ●	*								efined topic: Business nment management
Talent Development and Management 🗕	*							404	Training and Education

Introduction

Step 3

Validation of Topics That Concern Stakeholders and Communication Channels

		Materiality	Consumers are the main income source. We are the health and energy source of over 90% of households in Taiwan Our products fulfill the nutrition and health needs of the majority of consumers.					
	Consumer	Concerned Issues	Product Safety, Nutrition, and HealthLegal ComplianceRisk ManagementEthical ManagementProduct Labeling and MarketingRisk Management					
	Cons	Frequency and Method of Engagement	 Ø 0800 Call Center/Customer Service Email/Corporate Website: Permanent Consumer Focused Interviews: Irregularly Group Website/Social Media Website/Brand Marketing Website: Irregularly Periodic Publication of CSR Reports: Once a year. 					
		Materiality	Employees are the basis of corporate operations and development. For Standard Foods to catch up with the times and the trends, we arrange all kinds of education and training based on the competence and individual needs of employees. Additionally, we care greatly about workplace dignity, equality, and safety, hoping to attract partners greeing with our organizational culture to join us and grow with us continuously.					
>	Employee	Concerned Issues	Product Safety, Nutrition, and HealthRisk ManagementProduct Labeling and MarketingLegal ComplianceEthics and Integrity					
	Ш	Frequency and Method of Engagement	 Employee Portal: Permanent Employee Welfare Committee Meeting: At least once quarterly. Employee Suggestion Box: Permanent Periodic Labor-management Meeting: At least once quarterly. 					
		Materiality	We form a meticulous supply chain with suppliers and select appropriate suppliers through internal evaluation to work for food safety together.					
	Supplier	Concerned Issues	Ethical ManagementProduct Safety, Nutrition, and HealthTalent Development and ManagementLegal ComplianceSupply Chain Management (SCM)ImagementSustainable Development StrategyOccupational Health and Safety					
Frequency and Method of Engagement Supplier Audit and Evaluation/Guidance Mechanisms: Periodically O Conferences/Visits: Regularly								

Introduction

	Materiality	Retail customers are the medium for our contact with consumers. By maintaining sound cooperation with retail customers, we pursue mutu prosperity and common good to serve consumers across Taiwan.
Customer	Concerned Issues	Ethical ManagementProduct Labeling and MarketingPackaging Materials ManagementProduct Safety, Nutrition, and HealthRisk ManagementSupply Chain Management (SCM)
Ĵ	Frequency and Method of Engagement	 Customer In-house Audit/Evaluation: At least once a year. Dealer Business Conference: Irregularly Procurement Conference/Annual Contract: Periodically
er	Materiality	By investing money in Standard Foods, shareholders support our operations and sustainable development. Hence, we always treat shareholde with impartiality and disclose the relevant information based on integrity and transparency.
Shareholder	Concerned Issues	Product Safety, Nutrition, and Health • Product Labeling and Marketing • Ethical Management • Packaging Materials Management •
Share	Frequency and Method of Engagement	 Annual General Meeting of Shareholders (AGM): Once a year. Corporate Website/Service Email/Market Observation Post System (MOPS): Permanent Market Observation Post System (MOPS): Permanent
	Materiality	One of the important media for communicating information externally.
dia	Concerned Issues	Ethical Management Risk Management Product Safety, Nutrition, and Health Product Labeling and Marketing
Media	Frequency and Method of Engagement	⊘ Media PR Unit: Permanent ⊘ Press Conferences and Featured Interviews: Irregularly
	Materiality	After corporate establishment, we have since been committed to the fulfillment of corporate social responsibility (CSR) to take care of the nutriti and health of more people through collaboration with charities with our core competence.
NPO	Concerned Issues	Ethical Management Product Safety, Nutrition, and Health Product Labeling and Marketing Water Management
~	Frequency and Method of Engagement	 In the second sec
	tep 4 eview	After completing the report, information-providing departments constantly review the report to ensure if there are doubts of inappropriate information or performance disclosed in the report. The CSR Team also refers to the review results for a reference of preparation and adjustment of the report in the next year.

One

Transparent and Ethical Business

I.Financial Performance II.Structure of Corporate Governance III.Ethical Management IV.Crisis (Risk) Management V.Membership of Associations



Issue

Ethical Management • Legal Compliance • • Risk Management • Economic Performance •

Commitment

Goal

Build a transparent and ethical business and become the "partner of family nutrition and health" of more households in Taiwan.

Short-term (2022-2025)

- Continue all corporate governance matters and maintain completed items.
- Enhance the transparence of corporate governance information with reference to the external ESG contents
- Hold one risk management drill each year.
- Ensure the suitability and effectiveness of the internal control system.

Medium- and Long-term (2025~)

Constantly enhance the transparence of corporate governance information.

I.Financial Performance

Based on sustainable and steady development and upholding the corporate mission of being the "partner of family nutrition and health", we continue to pursue profit and growth with diligence. Financial Information of Affiliates:

1. Financial Basic Data

Name of Organization	Standard Foods Corporation	Standard Diary Products Taiwan Limited
Date of Establishment	June 6, 1986	April 16, 1999
Authorized Capital	NT\$9.15 billion	NT\$300 million
Revenue (individual)	NT\$12.5 billion	NT\$3.39 billion

Unit: NT\$ million

Ctandard Faada	2010	2019	2020	20.21
Standard Foods	2018	2019	2020	2021
Revenue	12,188	13,140	13,185	12,497
Operating Costs	8,106	8,470	8,456	7,945
Operating Expenses	1,712	1,715	1,881	1,893
Net Income	2,370	2,955	2,848	2,659
EPS	3.25	3.76	3.54	2.70

Note: Data regarding operational performance is extracted from the individual financial statements of Standard Foods over the years.

				Unit: NT\$ million
Standard Dairy Products	2018	2019	2020	2021
Revenue	3,355	3,575	3,529	3,387
Operating Costs	2,576	2,754	2,754	2,643
Operating Expenses	238	259	278	179
Net Income	541	562	497	565
EPS	14.68	14.90	13.51	16.42

Note: Data regarding operational performance is extracted from the individual financial statements of Standard Foods over the years.

Transparent and Ethical Business

2.Tax Governance

We abide by tax laws and regulations and set an honest tax declaration, tax risk assessment and response, maintaining open and honest communication and information transparency as our tax governance approach. Our tax expenses in the last three years are as follows:



Unit: NT\$ million

II.Structure of Corporate Governance

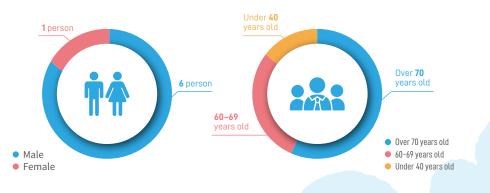
At Standard Foods, the Board of Directors (Board) is the highest governance body, and the Corporate Governance Best Practice Principles are established to specify the rights and interests of shareholders, the Board's competence, the rights and interests of stakeholders, and information transparency. Additionally, a corporate governance task force is formed to implement corporate governance affairs within the company to protect the rights and interests of shareholders and enhance the Board's competence. Every year we arrange the directors' and officers' liability insurance (D&O insurance) to lower and disperse the risk of material damage caused to the Company and shareholders by the mistakes or negligence of directors and officers.

1.Board

At Standard Foods, the candidate nomination system is adopted for directorial election (including independent directors) for shareholders to elect (independent) directors from among the list of directorial candidates. To strengthen corporate governance and promote the robust development of the Board, after discussion the Board passed the Corporate Governance Best Practice Principles in 2016. According to Article 20, Paragraph 3 of the Principles, the composition of the Board shall be determined by taking diversity into consideration, and an appropriate diversification policy based on the Company's business operations, business model, and developmental needs shall be made and include, without limitation, the following two basic criteria:

- Basic Requirements and Values: Gender, age, nationality, and culture.
- Professional Knowledge and Skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

The current Board is composed of 7 members, including 4 directors and 3 independent directors, with expertise and experience in the food industry, asset management, risk management, industry technology, finance, and investment. To emphasize gender equality, increase women's participation in policymaking, and optimize the Board's structure, 4 directors are aged over 70 years, 2 aged 60-69 years, and one aged below 40 years. One is female, accounting for 14% of the total. This female director is equipped with the knowledge, skills, and competence required by the post. (Design according to the figure below)



In addition to operating the Board in accordance with the Company Act, Securities and Exchange Act, the Company's Articles of Incorporation, and Rules of Procedure For the Meetings of Board of Directors, the Board also exercises its power in accordance with the resolutions of the Shareholders Meeting. In 2021 a total of 8 Board meetings were held to supervise the Company's operations, decision-making, and management in terms the economic, environmental, and social aspects and assist the Company in strengthening internal control and optimizing corporate governance.

Please refer to pp. 9-36 of our Annual Report 2021 for details regarding Board composition; diversification policymaking; the education attainment, experience, professional knowledge, remuneration, and Board meeting attendance of directors; and Board operations. Our Annual Report 2021 is available for download from either MOPS or our corporate website (http://www.sfworldwide.com).

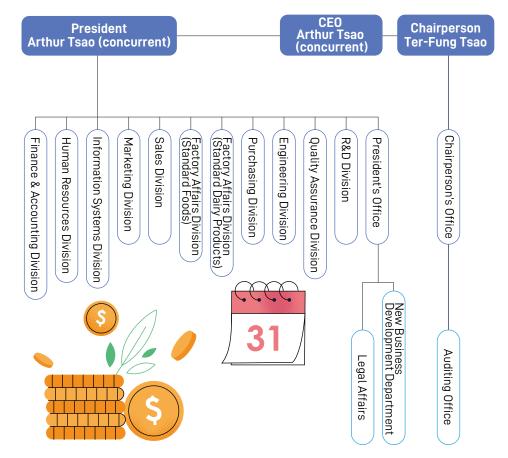
2. Audit Committee

The Audit Committee aims to assist the Board in performing and supervising the Company's accounting, audit, and financial reporting processes and the quality and integrity in financial control. The review items include: financial reports, audit and accounting policies and procedures, internal control system, transactions of important assets or derivatives, important projects of loaning of funds and making of endorsements/guarantees, offering and issuance of securities, legal compliance, engagement in related-party transactions and potential conflicts of interests of officers and directors, employee grievance reports, corruption investigation reports, risk management, assignment, dismissal, or remuneration of CPAs, and the appointment and dismissal of the chief financial officer, chief accounting officer, or chief internal auditor.

The Audit Committee is formed by three independent directors. It aims to assist the Board in performing and supervising the Company's accounting, audit, and financial reporting processes and the quality and integrity of financial control. The Committee holds at least one committee meeting each quarter. In 2021, a total of six committee meetings were held. (Please refer to our Annual Reports over the years for information regarding the number of meetings and member attendances of the Audit Committee)

3.Remuneration (Compensation) Committee

The Remuneration Committee aims to assist the Board in implementing and assessing the Company's overall remuneration and benefit policies and the remuneration of directors and officers. The Committee is formed by three independent directors. The Committee holds at least two committee meetings each year. In 2021, a total of two committee meetings were held. (Please refer to our Annual Reports over the years for the information regarding the number of meetings and member attendances of the Remuneration Committee)



One

III.Ethical Management

While integrity is the most important basis for sustainable development, the Board established the Code of Ethical Conduct in 2020 to specify the ethical behavior that directors, officers, and all employees must follow while carrying out business. The Board also revised and passed the Ethical Corporate Management Best Practice Principles in 2020 to require all directors, officers, and employees not to, either directly or indirectly, offer, promise, request, or accept undue advantage while carrying out business or engage in any unethical behavior, such as unethical and illegal behavior, breach of trust, corruption, and others.

To publicize the Code of Ethical Conduct and Ethical Corporate Management Best Practice Principles, we state in the Employee Work Rules: No acceptance of bribes or unreasonable treatment or undue advantage and seeking personal benefits when carrying out business We also enhance the publicity of these to new employees. When new employees report to duty, the HRD will enhance publicity through explaining the Employee Work Rules. It also discloses the Code of Ethical Conduct on the corporate website for all employees to remember the Company's Code of Ethical Conduct and Ethical Corporate Management Best Practice Principles. All employees agree with our implementation of the anti-corruption policy. Additionally, to enforce the Ethical Corporate Management Best Practice Principles, we also encourage the reporting of any illegal act. Employees may report to independent directors, officers, the chief auditor, or other appropriate supervisors in writing, over the phone, by email, or in person. All reports are kept absolutely confidential and verified through independent channels to protect whistleblowers.

IV.Crisis (Risk) Management

Our risk management covers the environmental, social, and governance (ESG) aspects. Each responsible unit within the organization identifies, measures, monitors, and controls risks. In 2020 we systematized the implementation of risk management by establishing an overall risk management system to implement a risk-based management business model. A risk response team is established for responsible units to implement risk management in various business items to effectively capture risks.

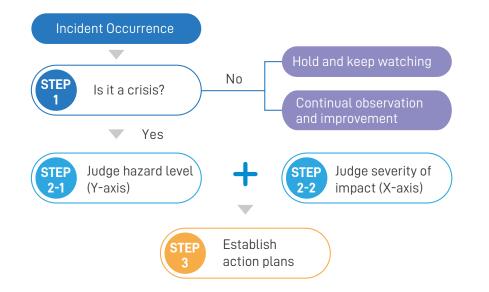
1.Crisis (Risk) Management Categories

Risk Category	Risk Source	Risk Content		
Food Safety Risk	Legal changes, customer requirements, food safety incidents, customer complaints, international regulations, environmental factors, external organizations.	 Regulations, Reporting, Inspection:Regulation changes, incident reporting, and others. Suppliers:Nonconforming raw materials and quality, failure to pass inspections, OEM suppliers, and others. 	 Consumers and Reporters: Customer complaints of product quality, fraud, food poisoning, and others. Industry Risk Composition Labeling 	
Employee Risk	Legal changes, personnel disputes, work-related injuries.	 Employee Disputes:Fights, verbal con and others. Legal: Labor Standards Act. 	flicts, foreign worker communication,	
Legal Risks	Legal changes, policy changes, international events.	 Contracts:Suppliers, customers, retailers, adverts, and others. Patents and Trademarks Insurance 	 Update of Tax Laws, Accounting System, or Declaration Mechanisms: Failure to report taxes according to the new system. Factory Operations, Company Management, and Environmental Protection Laws 	
Lindustrial Safety Risk	Legal changes, natural disasters, man- induced disasters, environmental protection.	 Factory:Buildings, employees, machinery, power outages, and others. Fire Prevention:Machinery, waste, dust, and others. Environmental Protection:Air, soil, water, electricity, waste, emissions, and others. 	 Offices: Facility rooms, power outages, fires, floods, and others. Natural Disasters Global/National Health Risks 	
IT Risks	Hardware/software equipment, personnel, data.	 Hardware/Software:Obsolete equipment, privilege and security control, IT infrastructure, and others. Personnel:Senior officers, general employees, IT personnel, contractors. 	 Data: (1).Formula and sales data, trade secrets, and others. (2).The personal data of employees, consumers, event participants, and others. 	

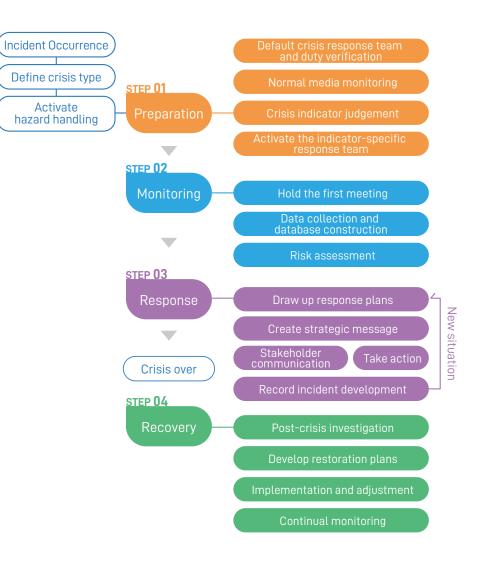
2.Process of Crisis (Risk) Incident Determination

A crisis (risk) refers to an unexpected or potential accident or incident that may harm the Company's image, interests, or survival and may usually attract extensive media reports and public attention. Additionally, the escalation of public opinion may interfere with the organization's operations and damage the brand image to put the organization in difficulty. In 2020 we established a mechanism to grade crises (risks) to optimize the team's response speed and accuracy.

When an incident breaks out, all units shall judge the "risk level" and "media concern" with an X-Y graph according to the internal risk management to determine the risk level (impact and severity) and thereby the action plans to be adopted.



3.Crisis (Risk) Incident Handling Workflow



One

4.Duties of the Crisis Handling Team

When a crisis breaks out, members of the crisis handling team shall handle the crisis according to the duty description and define the members, roles, and division of labor of the crisis handling team according to the crisis signal and category.



5.Internal Control of the Office of Audit

Important business decisions are implemented according to the Board decision resolution after the appropriate assessment and analysis by the responsible departments. The Audit Office takes charge of the effectiveness and integrity of implementation of the Company's internal control system, draws up the annual audit program according to the risk assessment results, reviews the high-risk factors affecting target accomplishment using the risk assessment and audit model, and implements audits according to the required audit items each month.

V.Membership of Associations

We constantly participate in industry associations in relation to our scope of services and make contributions to important issues in various industries through periodic communication and exchange.

Membership in Associations	Association/Role
Taiwan Food Industry Foundation	Managing Director
Food Industry Research and Development Institute	Director
Taiwan Regional Association of Dairy Processors	Director
Taiwan Quality Food Association (TQF)	Director
Dairy Association of Taiwan	Supervisor
Raw Milk Price Evaluation Committee, National Animal Industry Foundation	Committee Member
Zhongli Industrial Park Manufacturers' Association	Director
International Life Sciences Institute Taiwan (ILSI Taiwan)	Member
Health Food Society of Taiwan	Member
Nutrition Society of Taiwan	Member
Taiwan Association for Food Science and Technology	Member
Taiwan Association for Food Protection	Member
Importers and Exporters Association of Taipei	Member
Taiwan Vegetable Oil Manufacturers Association	Member
Health Food Association of the ROC	Member
Taiwan Health Food Industry Development Association	Member
Taiwan Health Care Association (Central Taiwan Office)	Member
Paper Carton Alliance	Member
Northern Region Association for the Advancement of TOSHMS	Member
Taiyuan City Industrial Association	Member
Taiwan Association for Traditional and Complementary Medicine	Member
Taiwan Society of Regulatory Affairs for Medical Products	Member
Agricultural Chemical Society of Taiwan	Member
Taiwan Advertisers' Association	Member
Taiwan Confectionery, Biscuit, and Noodle Food Industry Association	Member
Taiwan Canners Association	Member
Taiwan Beverage Industries Association	Member

Sustainability Report 17



Building a healthy diet culture

I.Products and Services II.Product Labeling III.Consumer Product Consulta tion and Services IV.Supply Chain Management V.Quality Control VI.Customer Satisfaction

SMIM MILLIN

18 Standard Foods

Two

Food safety management • • Product nutrition and health • Legal compliance • • Product labeling and marketing • • Supply Chain Management (SCM) • •

Protect the rights and interests of consumers through stringent quality control from raw materials, production, inspection, to after-sales management to safeguard the health of consumers.

Short-term (2022-2025)

Commitment

Goal

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- Constantly enhance the transparency and traceability of the food supply chain and ensure the quality excellence of products.
- Constantly organize courses relating to food safety.
- Cultivate second sources for bulk raw materials.
- Enhance supply flexibility and stability by cultivating different places of origin of raw materials supply.
- Reduce the influence of price fluctuation by reducing package color printing.

Medium- and Long-term (2025~)

- Connect with the international food safety certification system by updating to the latest version of certification.
- Analyze the industry and procurement status to propose supply risks in a timely manner and adjust the procurement strategy.
- Periodically review the stability of raw materials supply.

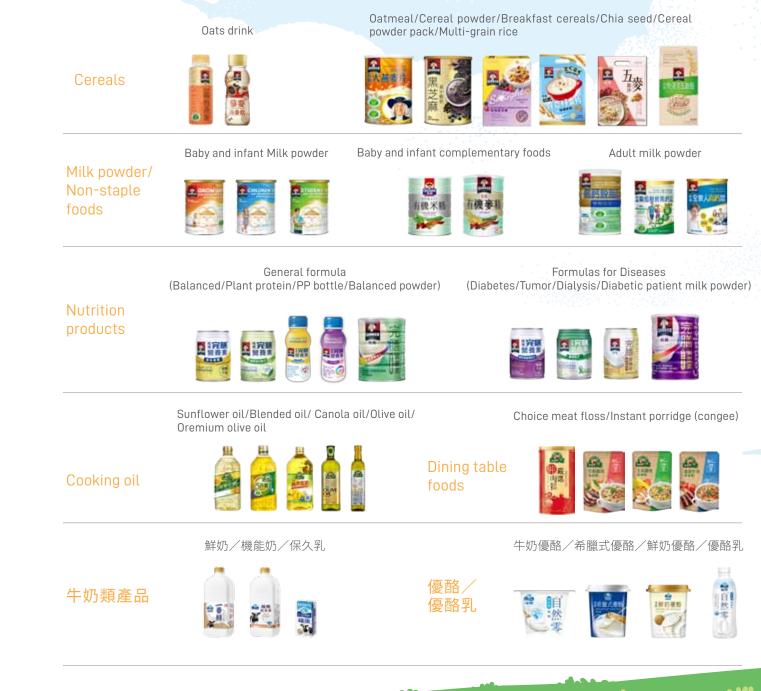
I.Products and Services

"Nutritional and healthy diets are the basis of human health" has been our basic belief over the past 30 years or so. We thus focus on the R&D, introduction, and sales of two product categories, nutrition and health, to take care of the nutrition and health of all households. From cereal foods to powdered milk, cooking oil, health products, and nutrition products (COMPLETE), we are committed to pursuing good nutrition and good health and developing products suitable for all age groups. Through continual efforts, we aim to fulfill the nutrition and health expectations of family members at each stage.



1.Healthy and Quality Nutrition Supplements

Aiming to fulfill the comprehensive nutritional needs of everybody, we set "balanced and nutritional diets are the basis of human health" as our basic belief, and practice it in all product aspects. Through product and formula designs by professional food scientists and dietician teams, we keep introducing innovative products and manufacturing trustworthy, low-burden quality nutrition supplements that meet the nutritional needs of all family members with the essence of natural nutrients.



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Ginseng/Ganoderma/Lutein/Four Agents

Glucosamine/Bird's nest/Essence of Chicken/Essence of clam





Health drinks (Plant/Animal base)

Ginseng/Lutein/Lure essence of chicken



Concentrated health drinks

Digestive enzyme/BB tablet/Glucosamine/ natto fish oil/Lutein



Powder/Tablet/ Capsule health foods

2.Convenient and Quality Health Products

In addition to the market changes, consumers have also changed their habits to maintain the best health condition of themselves and their family more efficiently. Hence, based on the belief in "conditioning health from inside out", we combine the Western nutritional science and Oriental food therapy concepts, draw materials from the essence of nature, and use innovative technologies and leading-edge techniques to develop various low-burden quality health foods suitable for all physical conditions. Additionally, we make continual improvement of formulas and enhance product convenience, hoping to fulfill the health needs of everyone.

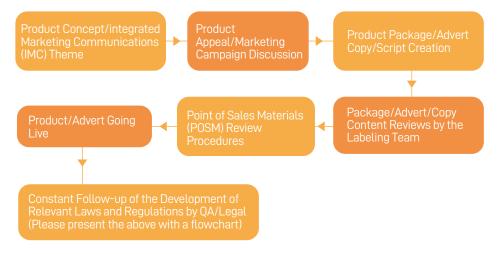
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II.Product Labeling

We value consumer needs, create product value with our own core capabilities, and communicate with consumers with integrity. Based on responsible marketing, we spare no efforts in protecting rights and interests from product labeling to after-sales management with stringent regulations. Product labeling and marketing creativity enable consumers to obtain first-hand product information. In terms of package labeling, in addition to upholding information transparency and avoiding exaggeration or hyperboles, we set the national standard as the minimum requirements to label the composition of our products.

At Standard Foods, we have a "Packaging and Labeling Review Process" in place combining various marketing and R&D units and the Group's food safety management department to audit package labeling, adverts, and publicity, including information such as trademarks, brand names, nutrition facts, recycling labels, production sources, certification marks, and others. In doing this, we enable consumers to have a correct understanding of products and avoid misunderstandings.

Product/Advert Labeling Review Process :



Duties of Product/Advert Labeling Units

R&D Division	 Provide text and number information and combine it into reasonable and legal product labeling. Integrate theoretical values with examination data and determine values for nutrition facts labeling.
Marketing Division	 Provide marketing-related copy. Design the layout according to the product labeling data. No unpermitted alteration of the text and numbers regarding product information in the layout.
QA Division	 Proofread the layout designed by the Marketing Division according to the product labeling data to ensure content consistency and examine the value of nutrition facts periodically. Check the legitimacy of product labeling data.
Legal (Affairs) Unit	 Notify the responsible unit to hold all averts and labels after receiving a notice of suspected offense of the relevant regulations. Make adequate communication with external legal affairs units and corrections to prevent a second offence and verify the corrections. Notify the marketing and QA units to establish the audit guidelines.

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The QA Division has even established the Label and Regulation Management Team under the Food Safety Management Department to actively respond to the adjustments of the relevant laws and regulations in addition to auditing package labeling, adverts, and publicity.

Keep constant track on the movements in the Act Governing Food Safety and Sanitation and its related laws and regulations.

Standards for Specification, Scope, Application, and Limitation of Food Additives/Regulations on Nutrition Labeling for Prepackaged Food Products/Regulations Governing the Use Restrictions and Labeling Requirements of Aloe as a Food Ingredient/Restriction on the Production, Importation, and Sales of Plate Packaging Materials, Regulated Recyclable Containers, and Non-plate Disposable Tableware Containers Which Contain Polyvinyl Chloride (PVC)/Regulations on Nutrition Declaration for Prepackaged Food Products/Directions for Food Safety Monitoring Plan of Food Manufacturers/ Regulations for the Security and the Maintenance of Personal Information Files in Food Businesses/ Sanitation Standard for Contaminants and Toxins in Food/Directions of Handling Melamine Found in Foods/Dietary Reference Intakes (DRIs).

- After the legislation of new laws and regulations or amendment to existing laws and regulations, we immediately proceed with legal identification and take corresponding action to ensure legal compliance, to provide consumers with correct and complete product information to make buying decision.
- Internal Education and Training: To constantly improve the business execution capabilities of auditors and marketing personnel, every year we arrange internal education and training regarding labeling and advertising laws and regulations and product intellectual property rights.

Type of Offense	Contents of Sanction	Corrective Action
Package Labeling	On the package label of the Fresh Delight Premium Yogurt, package declaration was "each part of 135g contains 4% of quality protein". As protein is not a nutrient that can be supplemented or taken in according to the Regulations on Nutrition Declaration for Prepackaged Food Products, it cannot be declared in the package label. We were fined NT\$30,000 in accordance with Article 22, Paragraph 1, Act Governing Food Safety and Sanitation.	labeling data and included

In 2021 we were sanctioned by the Taipei Department of Health for one offense of product labeling, marketing, and publicity as follows

III.Consumer Product Consultation and Services

We listen to the voices of consumers through comprehensive service channels, such as the 0800 customer service hotline, customer service email, Standard Foods Online Store (LINE real-time customer service), and Facebook fan club. We have also established stringent service processes to provide customers with professional nutrition consultation and product-related services.

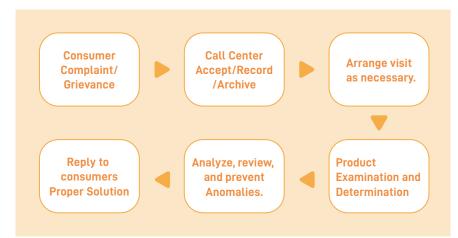


Periodic training is arranged for responsible dieticians and customer service staff to equip them with the required expertise, empathy, patience, and communication skills to properly answer the questions and resolve the problems of consumers regarding products, nutrition consultation, retailers, and perk events, as well as publicize the correct protection of consumer personal data, product labeling, and marketing standards and regulations, hoping to provide consumers with more help and protection.

"Heartfelt service for consumers" is our unchanged belief. We firmly believe that consumer support, recognition, and product trust are the solid proof of the value for the existence of Standard Foods and our brands. To keep closer to the needs and feelings of consumers, we organize at least 100 focused group dialogues each year and gather research reports on consumer buying behaviors each month to understand the real thoughts and needs of consumers. Each day our 0800 customer service hotline answers over 100 consumer calls, hoping to ease the doubts of consumers immediately so consumers to feel our empathic and touching services and really understand their expectations.

1.Stringent Consumer Complaint Service Process

We value the product complaints and opinions of consumers. Related units will immediately determine the causes and answer consumers according to the following customer complaint handling process. We will also open a case as necessary until a consumer complaint is smoothly resolved for consumers to feel our empathic and touching service.



2.Protection of the privacy, rights, and interests of consumers

To protect the personal data and relevant rights and interests of customers, we abide by the Personal Data Protection Act and the relevant laws and regulations, allocate considerable resources to establish and implement the security maintenance plan for personal data files, organize education and training related to personal data protection and awareness education of the relevant laws and regulations from time to time, establish privacy rights protection policies and regulations, and announce them on our corporate website or online shop. We will continue to implement the security maintenance plans for personal data files and related matters to enforce personal data protection for customers.

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IV.Supply Chain Management

Quality is the soul of products and lifeline of business. We have spared no efforts in supply chain management (SCM) over time to continuously enhance the transparency and traceability of the supply chain. Additionally, with advanced, comprehensive quality control technology, we gather and analyze the relevant data in the supply chain process to achieve total quality management and information transparency to ensure the continual improvement of the overall supply chain quality and efficiency. During the reporting period, no significant change to the organization's size, structure, or ownership was reported.

Food safety and environmental sustainability are our unchanged insistence. To practice this belief in SCM, we identify raw materials that are beneficial to human health and friendly to the environment at the source and reduce waste and maximize the use of such materials in the manufacturing process through stringent process control. Through our outgoing quality control (OQC) inspection, we ensure that every food item meets the food safety and sanitation (hygiene) standards before reaching the hands of consumers to protect the health of consumers. Additionally, we contribute to environmental sustainability with a responsible attitude in collaboration with all qualified suppliers.







1.Raw Materials

Every lot of materials must be stringently qualified by the professional personnel of our QA department, and only materials that meet our specifications and standards will be accepted. Scope of Qualification Covers: physical indicators (e.g., appearance, smell, density, etc.) and chemical indicators (e.g., pesticide inspection, heavy metal inspection, important functional substance inspection, etc.). Materials must pass all these inspections before they are allowed to be stored in our materials warehouses. In addition to passing our internal professional examinations, all materials must be examined by a third party to ensure each lot of incoming materials is qualified by us and absolutely safe.

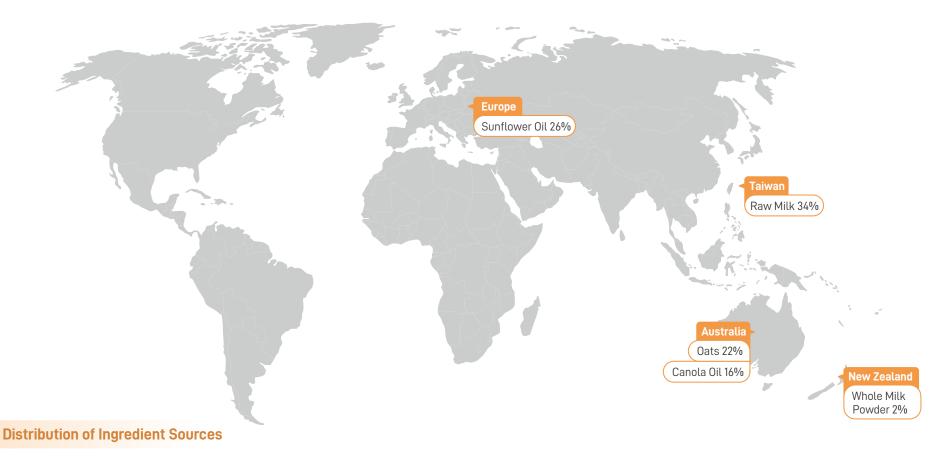
"Only materials qualified by Standard Foods will be used by Standard Foods"



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(1) Raw Materials

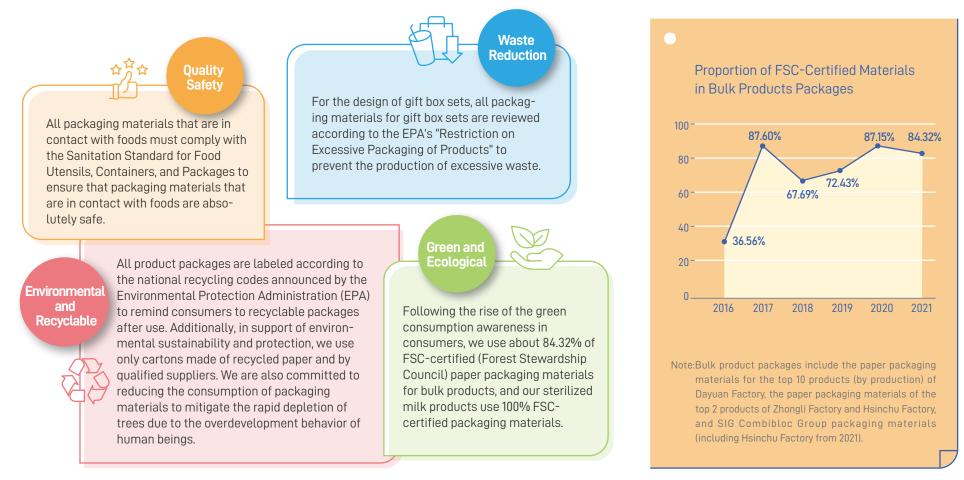
Our major products include oats, cooling oil, supplements, and dairy products. Except for raw milk that is purchased locally (Taiwan), all other raw materials are imported in bulk from Oceania (or New Zealand), America, and Europe. All raw materials must meet the legal quality requirements and the standards set by the Taiwan Food and Drug Administration (TFDA). Prices are not the only consideration for our choice of suppliers. However low the prices are, if the quality of suppliers is unstable, we will disqualify such suppliers. Only those that can help provide consumers with quality and stable products will be accepted as our long-term partners.



Note: Data was extracted from the raw materials consumption data of our Dayuan Factory, Zhongli Factory, and Hsinchu Factory in 2021. The annual consumption was 73,156MT.

(2) Packaging Materials

Our major packaging materials by material can be categorized into glass, iron and aluminum cans, plastics, corrugated cartons, and so on. Packaging materials are selected according to the following four indicators:

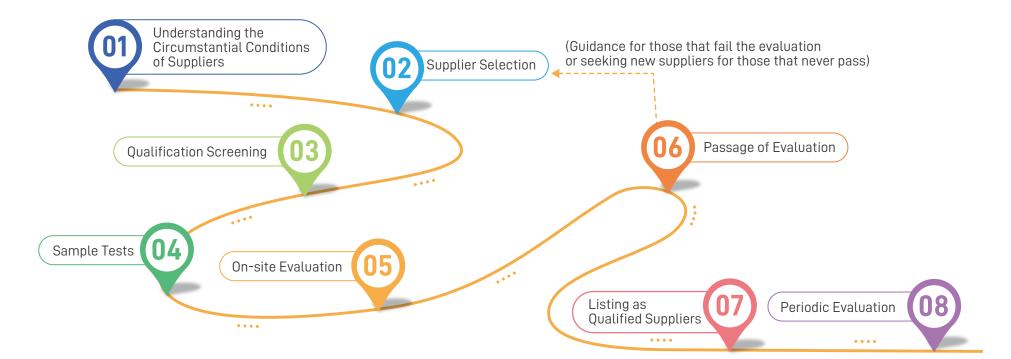


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2.Supplier

For important materials, the QA and procurement personnel start observation from the external environment of the farmland to understand circumstantial conditions and whether or not the water source is pure. Then, they observe the quality of farmland and whether or not the farming methods meet the standard. Lastly, they audit the processing condition at factories and whether or not the environment meets the requirements. Only suppliers meeting all requirements from outside to inside will be accepted as our qualified partners. Through management at the source, we aim to ensure food safety and quality in which we are never lax.

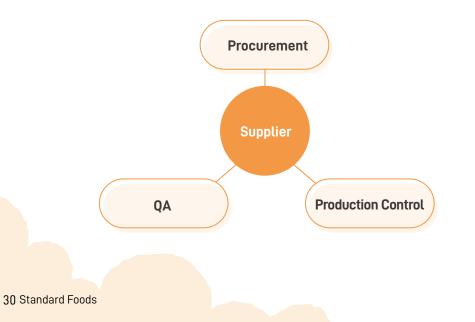
"Management Begins Before Crop Harvest"



(1)Supplier Selection

The motivation and attitude to make continual improvement are the prerequisites for becoming our raw materials suppliers. Additionally, we will constantly encourage and request suppliers to pass the certification of the relevant quality systems, such as ISO 22000, SQF (Safe Quality Food), BRC (British Retail Consortium), FSSC 22000, and IFS. Through a systemic, continuous evaluation mechanism, we select decent and quality suppliers to ensure the quality of raw materials and thereby manufacture products for consumers to feel safe with no worries to eat. In 2021, steady cooperation with both the organization of the supply chain and suppliers was maintained, and no significant change was reported.

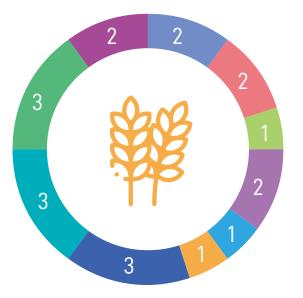
- With legal food factory registrations and business licenses. (Foreign suppliers must be food manufacturing companies legally registered according to the laws and regulations of their countries of origin.)
- Suppliers must be certified for compliance with the following quality systems or product requirements: ISO 22000, HACCP, GMP, SQF, etc.



In addition to the documentary review, our purchasing personnel will contact suppliers passing the preliminary review to submit samples and specifications to the QA department to examine if their materials are qualified for use. Unqualified samples will be temporarily rejected and suppliers will be notified to make improvement and requested to resubmit samples for examination after the improvement. Samples will be examined and improved repeatedly until they are qualified and arranged for a trial in the production line. Hence, all materials we purchase fully comply with our procurement policy.

In 2021 all suppliers have passed the certification of either the ISO 22000 or higher-level Global Food Safety Initiative (GFSI) food safety management system (FSMS). Among a total of 174 suppliers, 150 were raw materials suppliers, and 24 were materials suppliers.

In supplier audits and management, every year we determine the frequency of audits and plan the annual on-site audit program according to the audit results in the previous year. Then, we will assign weight to the 10 categories (with 174 items) as tabulated below to perform on-site audit and score suppliers. We request unqualified suppliers to make improvements and stop transactions with suppliers failing to make improvement. (The weight structure is subject to change by trader and by manufacturer. Weights in the below are for manufacturers only.)



Total Number of

Transactions in 2021

Audit Ratio

(Number of Audited

Suppliers/Total Number of Suppliers)

Suppliers With

Audit Rate of Domestic Suppliers

Number of Suppliers

Pass Rate

(Number of Pass

Suppliers/Number of Audited Suppliers)

Receiving On-site

Audits

- Environment, Factories, and Equipment
- Sanitation Management
- Purchase, Storage, and Transportation of Materials
- Quality System (laboratory and instrument calibration)
- Quality System Management
- Factory Safety Management
- Management at the Source
- Process Management
- Recall, Customer Complaints, and Traceability Management
- Product Labeling

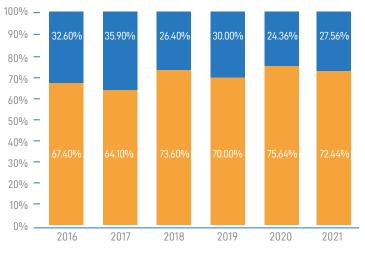
Number of

Suppliers Failing

On-site Audits

(2) Proportion of Local Procurement in Taiwan

Although large quantities of raw materials used in most products are produced in foreign countries, we maintained the amount of local procurement at over 60% during 2016-2021. In addition to the benefits of timely and complete after-sales services, local procurement can contribute to the development of local suppliers and Taiwan's economy.



• Procurement Within Taiwan

• Procurement Outside Taiwan



3.Process Management



We implement stringent control on each procedure and record each parameter in the manufacturing process of every product for each material to exert its best effect in the optimal condition. In addition to implementing stringent IQC inspection, IPQC inspection is performed through hazard analysis in terms of chemical, physical, and biological aspects based on the process design framework to examine if the overall product meets the control standards. At the FQC inspection, based on the product characteristics, X-ray, curvature, and metal inspections will be performed to screen (eliminate) nonconforming products and then segregate and scrap them, to prevent nonconforming products from reaching the hands of consumers. This is absolute insistence on process quality of our factories.



Process worker training is also important to us. Every year we invest a considerable amount of training fees and request employees to take various training courses periodically to keep improving their competence and expertise and obtain process-related licenses and certificates. By persistently improving the professional literacy of "people", we allow consumers to "eat" without worries.

Our tasters must judge the condition of products from the tiniest change in flavors. In the production process, even the tiniest flavor change can never escape the taste and olfaction of tasters. In addition to our products, tasting also covers the raw materials and ingredients used in production. At the IQC inspection, all incoming materials must be tasted according to their properties to ensure no flavor anomalies before acceptance and use in our food factories.

The QA department will taste every lot of products to perform the FQC for consumers with their well-trained, super sensitive senses to ensure that each cereal and each drop of our product are essence and thereby assure that consumers can consume products of the highest quality.

V.Quality Control

1.Food Quality and Safety Policy

To enforce food quality and safety management, carry out our duty for food safety, and make continual improvement of various performance requirements for food quality and safety, the following food quality and safety policy is the reference of our efforts:



2.High-specification-certified Food Factory

Becoming the most trustworthy food company is our vision. Hence, it is our duty to optimize quality control, implement source management, and carry out QC inspections at all stages. Surpassing the self-management of national standards is our routine, and passing the certifications trusted by consumers is our goal. The quality achievements of our major factories by 2021 are as follows:

Dayuan Factory

~ //	Passed the certification of the ISO 22000 food safety management system (FSMS)
	Passed the certification of the ISO 14001 environmental management system (EMS)
~	Passed the certification of the CNS 45001 Occupational Safety and Health Management System (TOSHMS)
~	Passed the certification of the ISO 45001 Occupational Health and Management Systems (OH&SMS)
~	 Passed the certification of the FACS Class B QC commissioned to the China Cereal Products Research & Development Institute by TFDA HACCP - Dairy processing and production industry, cooking oil manufacturing industry, canned food manufacturing industry GHP - All Factories
~//	Cooking oil production lines passed the certification of the SQF food safety quality standard
V	Passed Tse-Xin Organic Certification - a total of 5 products
V	Passed the certification of Tse-Yue Clean Label - a total of 11 products
	Passed the certification of Anti-Additive Clean Label Organization-100% additive-free for a total of 12 products
VI	Passed the certification of Health Food Certification - a total of 34 products
VI	In 2021 the total training hours for food safety topics were 1,999 hours, and the total number of employees trained was 2,582 persons

Zhongli Factory

	Passed the certification of the <mark>ISO 22000</mark> food safety management system (FSMS)
~//	Passed the certification of the FSSC 22000 food safety management system (FSMS)
41	Passed the certification of the HACCP food safety system
	Dairy production lines passed the TQF Taiwan Qualify Food certification
41	Dairy products, beverages, and can production lines passed the certification of the SQF food safety quality standard
~//	Passed the certification of the FACS Class B QC commissioned to the China Cereal Products Research & Development Institute by TFDA • HACCP - Dairy Processing and Production Industry • GHP - All Factories
41	CAS Certified Agricultural Standards factories
~	Passed the certification of Tse-Yue Clean Label - a total of 9 products
	Passed the certification of Anti-Additive Clean Label Organization - 100% additive-free for a total of 2 products
41	In 2021 the total hours of internal and external training related to food safety were 633 hours, and the total number of employees trained was 803 persons

Hsinchu Factory

V	Passed the certification of the ISO 22000 food safety management system (FSMS)	
~	Passed the certification of the FSSC 22000 food safety management system (FSMS)	
4	Passed the certification of the HACCP food safety system	
4	Dairy production lines passed the TQF Taiwan Qualify Food certification	
~	 Dairy products, beverages, and can production lines passed the certification of the SQF food safety quality standard 	
4	 Passed the certification of the FACS Class B QC commissioned to the China Cereal Products Research & Development Institute by TFDA HACCP - Dairy Processing and Production Industry GHP - All Factories 	
41	Passed Tse-Xin Organic Certification - a total of 1 product	
~ //	Passed the certification of Tse-Yue Clean Label - a total of 18 products	
VI	In 2021 the total hours of internal and external training related to food safety were 1,505 hours, and the total number of employees trained was 875 persons	

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3.High-standard Raw Materials Inspection Specifications

The quality of raw materials is key to process and product quality. We implement stringent quality control over all raw materials used for production. In raw materials control, starting from the specification design of raw materials, the R&D unit establishes the requirements that must be met from the sources to the inspection of raw materials in accordance with the laws and regulations of the central competent authorities, the Chinese National Standards (CNS), CODEX, relevant international standards, and science literatures. When food additives are used, we must examine the food additive permit of the supply source to ensure that products are from legal sources and the scope of use, dose, and label information comply with the legal requirements.

Quality control of the supply source is the first step toward food safety control. Regarding the supply source of raw materials, we must examine the qualifications of suppliers to ensure that they are legally registered suppliers. In quality management, we request suppliers to clearly report and record the sources and identities of their materials to eliminate raw materials of unknown sources. In terms of key raw materials, the R&D, procurement, and QA units will conduct a comprehensive on-site assessment of the environment, production, QC inspection, and data recordation of the source to ensure that only qualified suppliers will become our partners. In addition to careful source management, we also establish stringent processes supported with solid raw materials inspection to ensure that our products have passed stringent quality control at various levels from farm to table.

4.High-standard Food Safety Inspection Equipment

We spare no efforts in food safety maintenance and invest in the following high-standard equipment rarely found in domestic food manufacturers.

Name	Location	Description
Microwave Sample Pretreatment_ Digestion System	Dayuan Factory	The microwave digestion equipment is used to extract the minerals and potential heavy metals in foods. The equipment is mainly used to extract metal ions in foods. During the extraction, after putting an appropriate amount of sample in a sealed reaction flask that facilitates microwave penetration, concentrated liquid acid is added inside. Through microwave radiation, the temperature of the liquid sample rises rapidly, and the sample will be completely digested and dissolved by pressure in a short time. Then, the metal ions contained inside will be dissolved in the liquid acid at the same time.
Autoclave	Dayuan Factory	The autoclave is mainly used for sterilizing objects, including the culture medium, consumables, instruments, and waste required for use in microorganism examination. It works in a way where water is transformed into vapor with high temperature and high pressure to release a large amount of heat energy to penetrate pathogens to kill microorganisms.
Gas Chromatography- Flame Ionization Detector (GC-FID)	Dayuan Factory	GC is used to analyze the volatile organic compounds (VOCs) in the sample. The instrument is composed of three sections: injector, chromatographic column, and FID. The sample is gasified by high temperature at the injector and transported to the chromatographic column by the mobile phase (helium). Compounds will be adsorbed by the filler in the column to reduce the speed of passing through the column. Due to the action force of the stationary phase and mobile phase of different types of compounds is different, each type of compound will reach the end of the column's end will be directed to FID. In the burning process, the sample will be ionized to detect the electronic signals using the conductive characteristic of positive and negative ions. The equipment is used to analyze the composition of trans fat, saturated fat, and fatty acid in foods.

Name	Location	Description			
Fluorescence Spectrophotometer	Dayuan Factory	The fluorescence spectrophotometer is an instrument that emits light (fluorescence) with a longer wavelength after detecting the object's light absorbency at a specific wavelength (UV). The strength of fluorescence emission and intensity of a substance form a linear proportion. The equipment is mainly used to analyze the vitamin B2 in foods.			
High Performance Liquid Chromatography (HPLC)	Dayuan FactoryHPLC is a liquid chromatography analyzer. It includes the solid phase, or stationary phase, and mobile phase. Each has non-polarity strength. Due to the strength of the sample's polarity, the affinity is different from these two phases. No stationary affinity, stay takes place easily. With stronger mobile affinity, flow with the mobile phase takes place easily action, separation is achieved. HPLC can be used to analyze objects such as ginsenoside, vitamins A and E in foods, gluc cane sugar, malt, lactose, lutein, glucosamine, preservatives, aflatoxin, etc.				
Gas Chromatograph Tandem Mass Spectrometer (GC- MSMS)	Dayuan Factory	The GC-MSMS is composed of five sections: injector, gas chromatograph, ion source, mass analyzer, and detector. The sample will first be gasified at high temperature and then separated in the GC due to physical and chemical reactions. All separated substances will be transformed into charged ions which are then segregated by the electric field (or magnetic field) in the mass analyzer. After the detector detects these segregated ions, the mass-to-charge ratio and relative strength spectrogram is obtained and known as the mass spectrogram. This equipment is mainly used to analyze potential hazardous substances in foods, such as polycyclic aromatic hydrocarbons (PAHs), glycidyl fatty acid esters (GEs), 3-monochloropropane-1,2-diol (3-MCPD), residual solvents, and pesticide residue. The detection limit of the equipment is up to 1/109 (parts per billion, ppb grade).			
Liquid Chromatograph Tandem Mass Spectrometer (LC- MSMS)	Dayuan Factory	The LC-MSMS is composed of six sections: high-pressure preparative chromatography device, injection system, liquid chromatograph, ion source, mass analyzer, and detector. The high-pressure pump powers the liquid mobile phase to flow. In this process, the mobile phase will transport the sample to pass through the stationary phase in the LC. Due to the action force difference between the sample and the stationary phase, the stay time in the LC varies to achieve separation. All separated substances will be transformed into charged ions which are then segregated by the electric field in the mass analyzer. After the detector detects these segregated ions, the mass-to-charge ratio (m/z) and relative strength spectrogram is obtained and known as the mass spectrogram. This equipment is mainly used to analyze micro hazardous substances and micronutrients in foods, such as plasticizers, multimycotoxin, melamine, acrylamide, pesticide residue, and vitamin D3. The detection limit of the equipment is up to 1/109 (parts per billion, ppb grade).			

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Name	Location	Description
Inductively Coupled Plasma-Mass Spectrometry (ICP-MS)	Dayuan Factory	The ICP-MS vaporizes the sample into aerosols. The carrier gas then transports the aerosols of the metal elements under test to the plasma. Due to the plasma's high temperature, the metal elements under test are transformed into monovalent positive ions through reactions including solvent evaporation, decomposition, and ionization. Lastly, after the mass analyzer analyzes the ions with specific mass-to-charge ratio (m/z), the detector will proceed with detection. This equipment is mainly used to analyze the heavy metal content in foods, such as arsenic, lead, mercury, and cadmium. The detection accuracy of the equipment is up to 1/109 (parts per billion, ppb grade). Additionally, when using with the high-performance liquid chromatography (HPLC), the equipment can further analyze the inorganic arsenic in foods.
Inductively Coupled Plasma-Optical Emission Spectrometry (ICP-OES)	Dayuan Factory	The ICP-OES can be used to analyze various elements at the same time, such as minerals including calcium, magnesium, sodium, and potassium in the nutrition facts. The ICP-PES vaporizes the sample into aerosols. The carrier gas then transports the aerosols of the elements under test to the plasma. Due to the plasma's high temperature, the aerosol sample is ionized. As ions emit light of different wavelength features, the detector will measure the wavelength. The detection limit of the equipment is up to 1/109 (parts per billion, ppb grade).

With the most advanced examination equipment, the QA team performs quality control according to the examination methods announced by the TFDA or internationally accepted examination methods. The accuracy of inspection items and equipment performed and used at our food safety laboratory fully comply with the legal requirements.

5.Autonomous Management of High-standard Food Safety

Location	Inspection Items of Autonomous Management				
Dayuan Factory	Physical methods such as density, residual oxygen, degree of vacuum, etc.				
	Chemical methods such as moisture, protein, fat, saponin, vitamins, minerals, plasticizers, heavy metals, pesticide residue, cereal glyphosate, benzene in cooking oil, acrylamide in cereals, etc.				
	Microorganism testing methods such as total bacterial count, Enterobacteriaceae, Salmonella, Listeria monocytogenes, etc.	A total of 22 items.			

Location	Inspection Items of Autonomous Management	Number of Items
	Physical Methods Temperature, relative density, moisture, solid, alcohol test, freezing point, foreign matter, flavor.	A total of 8 items.
Zhongli Factory	Chemical Methods pH, fat, degrees Brix, acidity, ATP spread plate test, solids-not-fat (SNF), protein spread plate test, lactoprotein, drug residue test, hardness, residual chlorine, raw milk somatic cell, aflatoxin.	A total of 13 items.
	Microorganism Testing Methods Total bacterial count, Enterobacteriaceae, Coliform bacteria, mold/yeast, heat-resistant spores, Staphylococcus aureus, Salmonella, microorganism microscopy, Listeria monocytogenes, lactic acid bacteria (LAB).	A total of 11 items.
	Physical Methods Temperature, relative density, moisture, degree Brix, vacuum, leak test, freezing point, foreign matter, flavor, gelatin, viscosity.	A total of 11 items.
Hsinchu Factory	Chemical Methods pH, fat, acidity, ATP spread plate test, protein spread plate test, DE test, hardness, residual chlorine, lye (sodium hydroxide), phosphoric acid, antiseptic liquid test, WPNI test.	A total of 13 items.
	Microorganism Testing Methods Total bacterial count, Enterobacteriaceae, Coliform bacteria, mold/yeast, heat-resistant spores, Staphylococcus aureus, Salmonella, Listeria monocytogenes, lactic acid bacteria (LAB).	A total of 10 items.

6. Periodic participation in laboratory proficiency tests and commission of third-party tests

All Standard Foods factories voluntarily established laboratories before the request by law. Following the ongoing introduction of new products and at legal request, we constantly optimize the testing contents and proficiency of our laboratories. By making continual improvement to become better than the legal requirements, we aim to protect food safety and health for consumers. To ensure the accuracy and quality of the testing results, in addition to periodically participating in the proficiency tests (PT) organized by third-party accredited laboratories and FAPAS, we also compare the testing proficiency of microorganisms with TAF-accredited laboratories.

		Dayuan Factory	
	Test Type	Testing Items	Testing Quantity
	External PT	FAPAS: Pesticide residue for cereals (1), pesticide residue for cereal blanks (1), oil and fat (4) (POV, acidity, K232, K270), mycotoxin (5) aflatoxin B1, B2, G1, G2, Aflatoxins (total), OTA, ZON, DON, Fumonisin B1, Fumonisin B2, total Fumonisins (sum FB1 & FB2), T-2, HT-2, Sum T-2 & HT-2. SuperLab: Mold and yeast count in foods (2), Salmonella (1), Staphylococcus aureus (1), Listeria monocytogenes in dairy products (1). Food Industry Research and Development Institute: Total plate count, Escherichia coli, coliform bacteria (3).	A total of 19 items

Two

Dayuan Factory						
Test Type	Testing Items	Testing Quantity				
Commissioned Third-party Testing	Pesticide multi-residue, polar pesticide residue, pesticide residue in livestock and poultry, veterinary drug residue, water quality test, packaging materials and migration tests, plasticizers, heavy metals, bisphenol A (BPA), melamine, 3-MCPD, GEs, mycotoxin, aflatoxin M1, artificial colors, preservatives, sweeteners, antioxidants, maleic acid, sulfur dioxide, nutrients, non-nutrients, minerals, benzo[a] pyrene, PAH4, total polar substances, copper chlorophyll, dioxin, polychlorinated biphenyl (PCB), indicator bacteria, pathogens, etc.	A total of 356 items				

Zhongli Factory						
Test Type	Testing Items	Testing Quantity				
External PT	Total bacterial count, Enterobacteriaceae, Escherichia coli, Coliform bacteria, mold, yeast, Staphylococcus aureus, Salmonella, Listeria monocytogenes, lactic acid bacteria (LAB).	A total of 10 items.				
Commissioned Third-party Testing	Heavy metals, water quality test, packaging materials migration test, veterinary drug residue, dioxin, microorganisms, pesticide, etc.	A total of 59 items.				

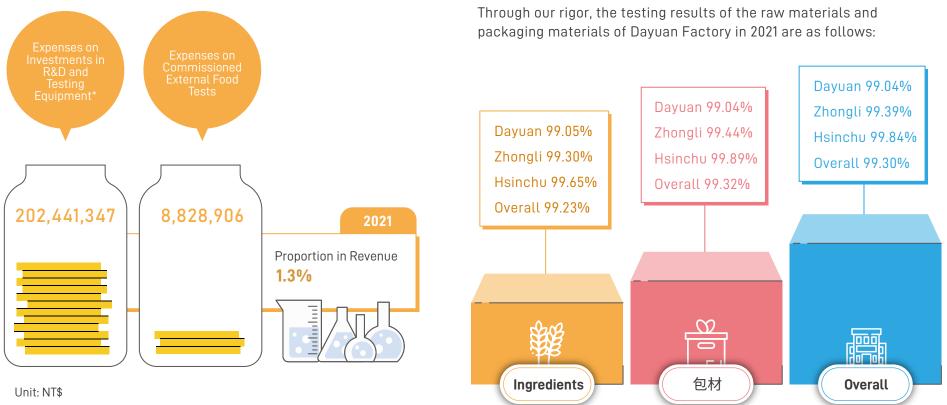
Hsinchu Factory						
Test Type	Testing Items	Testing Quantity				
External PT	Total bacterial count, Enterobacteriaceae, Escherichia coli, Coliform bacteria, mold, yeast, Staphylococcus aureus, Salmonella, Listeria monocytogenes, lactic acid bacteria (LAB).	A total of 10 items.				
Commissioned Third-party Testing	Heavy metals, water quality test, packaging materials migration test, plasticizers, veterinary drug residue, dioxins, microorganisms, pesticide multi-residue, etc.	A total of 67 items.				

FAPAS is a non-profit governmental organization that assesses the proficiency of food, water quality, and chemical engineering testing laboratories. It judges laboratory proficiency through comparison of the testing results among laboratories. In 2021 we participated in many FAPAS proficiency tests with satisfactory results. These results suggest that the proficiency of our laboratories is in line and matches with the world.

In 2021, we spent a total of NT\$8,828,906 on commissioned external inspections. As we have purchased various apparatus and equipment for our laboratories and developed various testing items, we are capable of testing the relevant raw materials and finished products independently to implement proactive quality control. Hence, our expenses on commissioned external inspection in 2021 reduced by 15% over the previous year at NT\$10,441,958.

Sustainability Report 39

7. Related Laboratory Investments for Food Safety in 2021



*Including personnel expenses, depreciation and amortization, consumables, product test and R&D funds, instruments and equipment.

Two

8.Products were under perfect food sanitation, safety, and quality management

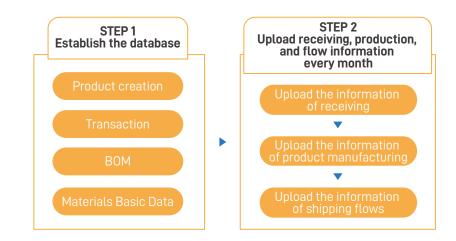
We perform routine autonomous management with standards better than the national standards and strive to pass the certification of various standards to manufacture trustworthy products for consumers. Additionally, we have established our food safety manual and HACCP activities and SOPs according to the ISO 22000, FSSC 22000, and SQF management standards and implement food sanitation, safety, and quality management in compliance with the Act Governing Food Safety and Sanitation, with the scope covering all workers, workplaces, facility sanitation management, and the quality assurance system. All Standard Foods products are manufactured in conformity to the above management system standards. We have also established the sanitation and safety management procedures for all production lines and unfailingly inspect the sanitation of various environments and workplaces and the cleanliness of personnel, machinery, and equipment periodically based on the sanitation and safety checklists. Additionally, Dayuan Factory has passed ISO 22000 certification, Zhongli Factory and Hsinchu Factory have passed FSSC 22000 certification, and all three factories have passed the highest level (L3) of SQF certification. Hence, all products are manufactured in factories adopting internationally recognized food safety management systems and receive sound management in terms of food sanitation, safety, and quality.

9. Food Traceability Management Ahead of MOHW

We have established our own food traceability management ahead of the legal request by the Ministry of Health and Welfare (MOHW). The Dayuan and Zhongli Factories have established a complete product traceability and tracking system and upload the relevant production information to the Food Trace Information Management System (Must Be Traced) by law.

100% product traceability is our commitment for consumers. From all parts of raw material supply, by tracing product supply sources and tracking product sales flows with labeling, the whole process has undergone system establishment and management to optimize product management and produce complete production-sales records to maintain a complete traceability record.

৬ Traceability Registration Process



Traceability-Record Details

nformation of Raw Material Sources

- Name, food business registration number, address, contact person and contact telephone number of raw material supplier.
- Name of Raw Material
- Net Weight, Volume, Quantity, or Measurement
- Lot Number
- Expiry Date, Manufacture Date, or Other Recognizable Date or Information About the Source of the Raw Material
- Receiving Date
- Country of Origin of Raw Material

Product Information

- Product Manufacturer
- Name, food business registration number, address, contact person and contact phone number of the product responsible domestic company
- Product Name
- Major and Minor Materials
- Food Additives
- Packaging Containers
- Storage and Handling Conditions
- Net Weight, Volume, Quantity, or Measurement
- Expiry Date and Manufacturing Date

dentification

 Including any unique mark, lot number, text, or picture readily identifiable on raw materials, semi-finished products, or finished products

Product Flow Information

 Name, food business registration number, address, contact person, and contact telephone number of product transporter.

Product Flow Information

- Name, address, contact person, and contact telephone number of the product recipient, except natural person; for food businesses, the food business registration number shall be included.
- Product Name
- Net Weight, Volume, Quantity, or Measurement
- Lot Numbe
- Expiry Date or Manufacturing Date
- Delivery Date
- Name, total weight or total volume, reason and follow-up measure of recall products, sales returned products, and inferior products; name and address of productreturning businesses

Others

- Name, total weight or total volume of materials and products on stock.
- Name, total weight or total volume, followup measure sand the cause of scrapped materials and products (including expired materials/products)
- Other necessary information or record for internal traceability system management with effective connection for tracing the source and tracking the flow

10.Enforcement of Food Safety Monitoring Plans

To ensure the implementation of L1 quality control in all food safety management systems by businesses, MOHW began to establish and implement the food safety monitoring plans for different types of food industries in 2016. So far, MOHW has announced the food safety monitoring plans for the manufacturing, processing, mixing, sales, and importing businesses in 25 categories of food businesses. (Food businesses that should establish own food traceability system.)

We are committed to supplying sanitary and safe foods. Hence, in addition to implementing the monitoring plan as scheduled by law, we have passed all external audits and reviews. We even extended the scope of the monitoring plan to all products in 2018. Based on the control spirit of risk assessment and hazard analysis, we perform our management responsibility at all important management points regarding the source, import, manufacturing, and storage to supply the safest products to consumers.



Two

11.Emphasis On Training Related to Food Sanitation, Safety, and Quality

In 2021, the food safety and sanitation and the relevant professional licenses of businesses under the Group are as follows:

No.	Professional Licenses	Dayuan Factory	Zhongli Factory	Hsinchu Factory	No.	Professional Licenses	Dayuan Factory	Zhongli Factory	Hsinchu Factory
1	FSSC 2200: 2010 Food Safety Control System Lead Auditor	•			15	Onsite Safety and Health Supervisor Training	•		
2	Food and Sanitation Inspection	•	•	•	16	Certification Training for ISO/IEC 17025 — Testing and Calibration Laboratories	٠	٠	
3	Food Technologist	•	٠	٠	17	Supervisor for ISO 17025 Testing and Calibration Laboratories	٠		
4	HACCP Training-Elementary	•	•	•	18	Organic Solvent Supervisor	٠		٠
5	HACCP Training-Advanced	•	•	•	19	Training for Testing and Calibration Laboratory Supervisor	٠		
6	Professional Health Food Engineer- Entry	•			20	Supervisor for Specialty Chemicals	٠		٠
7	Level B Technician for Food Inspection	•		•	21	Certified Food Quality Assurance Associate	•		
8	and Analysis Level C Technician for Food Inspection and Analysis	•	•		22	Safety and Health Education and Training for Class-3 Managers of Occupational Safety and Health Affairs	•		
9	Level C Technician for Chinese	•			23	Internal Auditor		٠	•
,	Culinary				24	Germ-free Room Processing and Packaging Technology Management		•	
10	Level C Technician for Chinese Style Rice Processing	•			05	Germ-free Processing and Packaging			
11	Level C Technician for Baking Food	•			25	Operation		•	
12	Level C Technician for Chemistry	•			26	SQF Workers	•	•	•
13	Certified Quality Technician (CQT)	•			27	Professional Pest Control Operator		•	
14	Level B Toxic Chemical Substances Management Specialist			28	Certification Training for ISO/IEC 17025 — Testing and Calibration Laboratories		٠		
				29	Seaming QC Operator			•	

No.	Professional Licenses	Dayuan Factory	Zhongli Factory	Hsinchu Factory
30	Can Sealing Completeness QC			•
31	Autoclave Manager			•
32	Professional Pest Control Operator			•
33	Occupational Safety and Health Management Personnel			•
34	Fire Prevention Management Personnel			•
35	Food Factory Traceability Management System Practice	•	•	•
36	Food Factory Sanitation Management	•	•	•
37	Safe Quality Food Certificate - 20793	•		
38	Training for Preventive Controls Qualified Individual (PCQI)	٠		
39	Food Safety and Sanitation Analysis Technology Class	•		
40	Food Defense and Bioterrorist Attack Prevention Training	٠		
41	Food Defense Elementary Class	٠	٠	•
42	Certified Food Quality Assurance Associate	•		
43	Training for Specialty Chemicals Supervisor	•		
44	Training for Equipment Swab Practice	•	•	•

No.	Professional Licenses	Dayuan Factory	Zhongli Factory	Hsinchu Factory
45	Microorganism Examination and Practice	•		
46	Allergen Management Training	٠	٠	٠
47	Operator Radiation Safety Training	٠		
48	Processing, Dispensing, and Circulation Worker Training Course for Organic Agricultural Products	•		
49	Taster		٠	٠



Two

VI.Customer Satisfaction

Upholding the corporate mission of "partner of family nutrition and health", we are committed to pursuing good nutrition, hoping to improve the nutrition and health of consumers in Taiwan with food. We also pursue excellence in food manufacturing, with science as the foundation and innovation the target for more consumers in Taiwan to "live the best part of life in every moment!" Through the brand preference survey every year, we understand the brand preferences and listen to the voices and recommendations of consumers. We also make continual service improvement. As a result, we were recognized by many awards with various products for five consecutive years.

1.Our products reach nearly 90% of households in Taiwan

Starting the business as a specialist manufacturer of natural cereal products and with insistence and commitment to nutrition for over 140 years, we firmly believe that "nutrition balance and diversity are the foundation of family health", and thus manufacture various tasty and trustworthy nutritional products suitable for all ages. The results of the brand preference survey show that consumers have a positive impression on health and nutrition of the following products: In brand preferences, the Quaker brand is favored by 70% of consumers, while the Great Day, Fresh Delight, and TDHB brands are preferred by nearly 60%, 50%, and over 30% of consumers respectively.



2.Corporate Healthy Brand Award for six consecutive years

At the Healthy Brand Award online poll co-organized by Yahoo! Kimo and Everyday Health, we won the Corporate Healthy Brand Award for six consecutive years. In 2021, we won four first prizes, four distinguished awards, and two excellence awards. All these awards suggest that both Standard Foods and our products earn the preference and recognition of consumers.

Prize	Category	Product Type	Award-winning Brand/Product
uiv .	Healthy Enterprise	ΝΑ	Standard Foods
	Nutrition Supplement	Ganoderma, Ginseng	Quaker Ginseng Drink
健康品牌 風雲賞	Nutrition Supplement	Collagen (drink/powder/gel)	TDHB Collagen Rose Four Agents Drink
健康品牌企業獎	Drinks	Milk Powder	Quaker Adult Milk Powder
yahoo! 新聞 / 早安健康	Drinks	Soy Milk, Rice Milk, Oats Drink	Quaker Oats and Grains Drinks
uir and the second	Nutrition Supplement	Eye Care	TDHB Advanced Lutein Formula
<u>2021</u> 健康品牌	Nutrition Supplement	Joint Care and Calcium Supplement	TDHB Advanced Glucosamine Formula
風雲賞	Nutrition Supplement	Ganoderma, Ginseng	Quaker Ganoderma Drink
yahoo!新聞/早安健康	Healthcare	Nutrition Supplement Drinks	Quaker Complete Nutrition Food Series
2021 健康品牌	Nutrition Supplement	Essence of Chicken and Pure Essence of Chicken	Quaker Essence of Chicken and Quaker Pure Essence of Chicken
風雲賞 選び yahoo! 新聞 / 早安健康	Drinks	Yogurt Milk	Fresh Delight Natural Zero Yogurt Milk



Continual R&D and Innovation

I.Innovative R&D Team II.Product Development Value Chain III.Achievements of R&D Team IV.Development Strategy of R&D Team



Issue

Commitment

Goal

Product Nutrition and Health •

Legal Compliance

Based on science, we introduce nutritional and healthy products and make "food quality" our food value and corporate commitment, aiming to create a healthy diet culture.

Short-term (2022-2025)

- ▶ R&D of functional products
- Product flavor enhancement and extension
- R&D of new-typed/sustainable packages
- Upgrade and replacement of machinery and equipment
- Further upgrade of the nutritional composition of existing products

Medium- and Long-term (2025~)

- Continual innovation, development, and clinical experiment of various new products
- Continual upgrade and improvement of the formula and packaging of existing products, hoping to provide customers with more effective and more convenient product

We walk into society to observe the life patterns and needs of consumers, see clearly consumption trends, and design comprehensive nutrition and health products that meet consumer needs through dedicated R&D and innovation. In 2021, we invested a total of NT\$93 million in R&D. With science as the foundation, our R&D team upholds the spirit of innovation to engage in the development and clinical experiment of various new products, as well as the upgrade and improvement of the formula and packaging of existing products, hoping to provide customers with more effective and more convenient products.

In support of the international science experiment trends and the protection of benefits of animals, we do not conduct, sponsor, commission, or outsource animal experiments not stated by law. Experimentation of human food safety is prioritized in our health food application policy. Except it is stated by law, we will not conduct, sponsor, commission, or outsource animal experiments. If animal experiments are inevitable, we will request the implementation unit to uphold the 3Rs for scientific testing and experimentation: Reduce, Refine, and Replace.

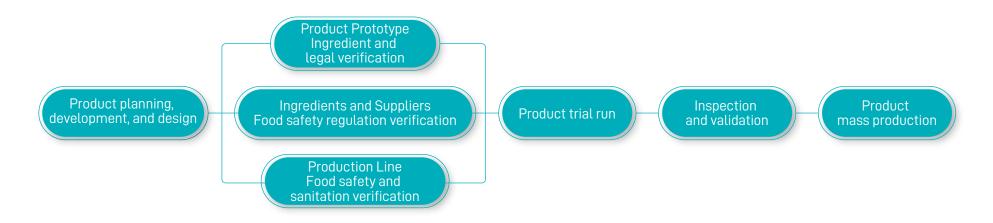
To support the trend of the sustainable development of Earth, we accelerate the use of eco-friendly packages and uphold the environmental 3Rs: Reduce, Recycle, Reuse to engage in the research of the weight reduction of packaging materials and the use of single or secondary materials to increase the use of recycled materials; develop packaging materials with the least environmental impact and maximum recyclability, to achieve the goal of sustainable packages.

6666666666666

I.Innovative R&D Team

Our R&D team is formed with professional R&D members from areas including food science, nutritional science, chemistry, and engineering. Conforming to the stringent product development and manufacturing processes, the team makes constant efforts and innovations to manufacture quality nutrition and health products, hoping to fulfill the nutritional and health needs of more people.

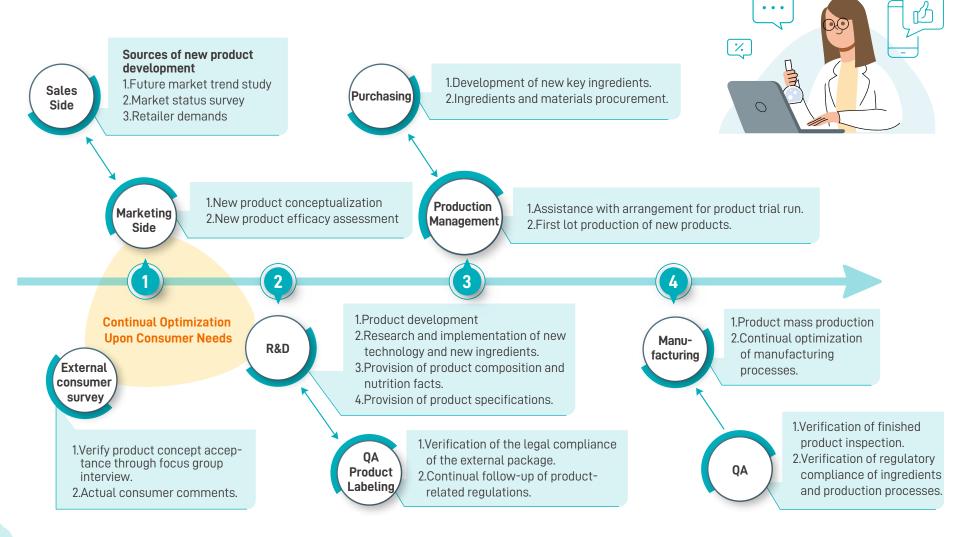
🕹 Product Development and Production Process



Additionally, upholding the enthusiasm for expertise and continual improvement, the R&D team engages in various safety tests, clinical experiments, and efficacy experiments through collaboration with the graduate schools of colleges and universities and the research units of teaching hospitals to pass the Health Food Mark certification of the Ministry of Health and Welfare (MOHW) with scientific evidence. Currently, we have become a business with the most Health Food Marks in Taiwan. It takes at least 2-3 years on average to pass the certification for health efficacy, and it takes many stringent experiments to prove each claim for health efficacy. Both the quality and quantity of the final experimental results must meet the stringent standards to accomplish each trustworthy "National Grade Health Food".

MOHW has announced 13 functions for health food efficacy, and our certified health food products cover 10 of these functions. The research outcomes of each function are the solid proof of our care for the health of people in Taiwan.

II.Product Development Value Chain



Three

III.Achievements of R&D Team

1.Achievements and Patents

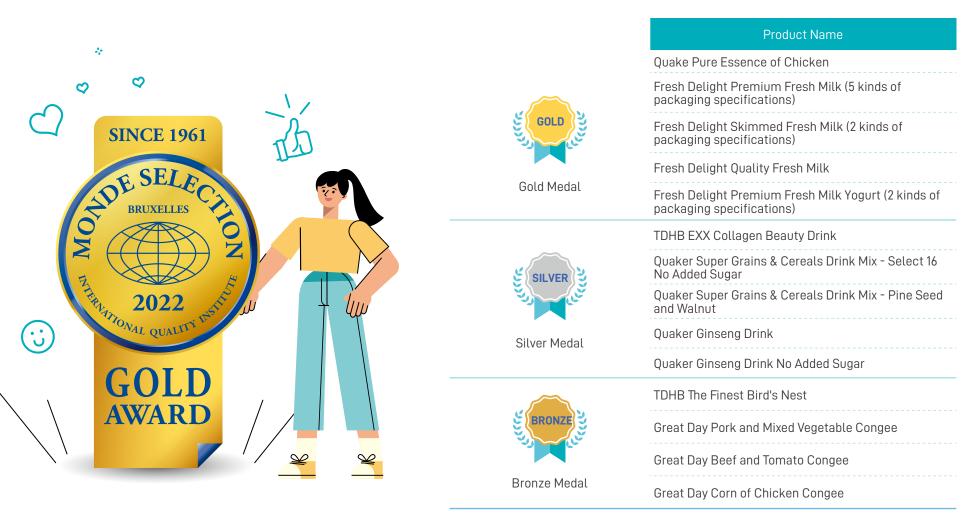
~//	A business with the most Health Food Marks in Taiwan.
	Introduced the first blended cooking oil designed according to the nutritional needs of people in Taiwan.
~//	The first manufacture adding DHA in baby food.
~//	The first manufacture introducing health functional milk powder.
	Introduced the baby oat powder made with the world-patented hydrolase technology to effectively reduce allergens.
~//	The first in Taiwan to produce a hydrolyzed formula.
~	Introduced the best-selling Quaker Complete Nutrition Food Enhanced Diabetic Formula.
~	Introduced the world-patented oat noodles with the same effect to reduce cholesterol as oatmeal.
	Enhanced the production quality of cooking oils with the world-patented oil-luster-reducing equipment and methods.
~	Introduced the world-patented beverage container to expand the scope of product packaging style.
	Introduced the Quaker Chia Seed Cereal Drink with the world-patented drum spray system and method to fix solid kernels on dried flakes.



2.International Awards

상 Monde Selection :

In 2022 we earned 20 medals, including 11 golds, 5 silvers, and 4 bronzes.



Three

处 Superior Taste Award :

In 2022 we earned 21 awards, including two 3-star awards, seven 2-star awards, ten 1-star awards, and two 2-star awards (expanded).

Product Name

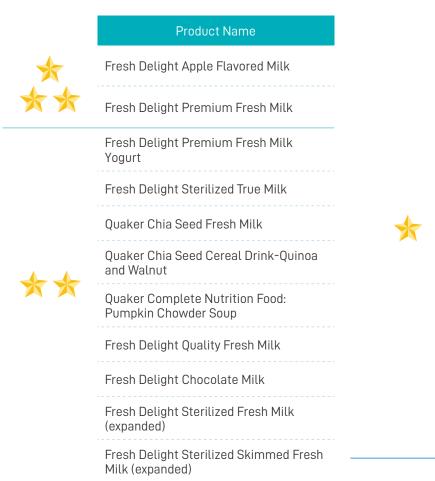
Corn Chowder Soup

Congee

Flavor

Sugar

Quaker Ginseng Drink



Quaker Complete Nutrition Food: Fresh Delight Malted Milk Great Day Pork and Mixed Vegetable Great Day Beef and Tomato Congee Great Day Corn of Chicken Congee $\mathcal{A}_{\mathcal{C}}$ Quaker Super Grains & Cereals 0 Drink Mix - Pine Seed and Walnut Quaker 3-in-1 Cereal Classic Wheat Q Quaker Ginseng Drink No Added TDHB The Finest Bird's Nest



🕹 Eatender :

Great Day Beef and Tomato Congee was selected as an Eatender food and won the Package Design Award.



🕹 Fun Food Taiwan :

Great Day Beef and Tomato Congee and Great Day Pork and Mixed Vegetable Congee won the Fun Food Taiwan Award.



IV.Development Strategy of R&D Team

1.Product upgrade

In addition to nutrition and health, convenience, flavor, and immediate effect are also our constant goals, hoping to provide consumers with products with the highest quality, best flavor, and absolute safety.

Through continual R&D and innovation, we optimize quality and enrich flavor and aim to develop natural and additivefree foods, such as the nutritional upgrade for cereal powder products and flavor extension and improvement of instant oat drinks. We also introduce low-fiber and low-nitrogen formulas and products such as canned sugar-free cereal powder and the Complete series to provide more options for consumers with special needs.

2.New Product Launch

Starting from the consumer's needs and based on science, we engage in the R&D of new products with innovative technology to introduce new products that meet the structure of modern families and the needs and preferences of the younger generations, such as the TDHB beauty drinks, Quaker Oat soups of the Light Food Oat and Cereal series featuring balanced nutrition and calorie control, and the Great Day Broth Congee series. In 2021 we introduced over 51 new products, including new-styled products and new flavors/ packaging of existing products.

Category	New-Styled Product	New Flavor/Packaging of Existing Product
Health	• TDHB EXX Collagen Beauty Drink	
Milk Powder		 Quaker High Calcium Family Milk Powder Quaker High Calcium Glucosamine Milk Powder
Instant Food	 Great Day Broth Congee: 3 new products (Beef and Tomato, Pork and Mixed Vegetable, Chicken and Corn) Quaker Additive-Free Infant Congee: 2 new products(Pork and Fresh Vegetable, Chicken and Fresh Vegetable) 	
Functional Crunch	 Quaker Cereal Crunch: 4 new products (Corn, Honey, Cocoa, Strawberry) 	
Dairy Products and Cereal Drinks	 Fresh Delight Lite Natural Yogurt Milk: 2 new products(Sugar-Free, Boysenberry) Fresh Delight Lite Natural Yogurt: 2 new products(Sugar-Free, Boysenberry) Quaker Chia Seed Cereal Drink 	 Fresh Delight Nutritional Milk: 2 flavors (Energy Formula and Sharp Vision) Fresh Delight Fresh Blended Manor Caffellatte Fresh Delight Malted Milk Fresh Delight Sterilized Milk: 3 flavors (Oat and Malt, Café au Lait, Fresh) Quaker Grains Soy Drink Quaker Oat Drink with Kernel: 1 new packaging Fresh Delight Premium Fresh Milk Yogurt: 1 new packaging Fresh Delight Sugar-Free Premium Yogurt: 1 new packaging

Category	New-Styled Product	New Flavor/Packaging of Existing Product
Special Supplement	 Quaker Complete Nutrition Food Series: Low- Fiber 	 Quaker Complete Nutrition Food: Sugar-Free Quaker Complete Nutrient Series: Classic Vanilla
Cereal		 Quaker Chia Seed Cereal Drinks: 5 flavors (Black Grains and Nuts, Quinoa and Walnut, Strawberry au Lait, Rich Fresh Milk Tea, Milk-Enhanced) Quaker Super Grains & Cereals Drink Mix: 8 flavors (Select 16 No Added Sugar, Black Grains and Nuts No Added Sugar, Quinoa and Nuts No Added Sugar, and others) Quaker 3-in-1 Cereal_Classic Cocoa
		 Quaker Daily Nutrition Cereal: 4 flavors (Wholegrain Meal, Black Grains Jumbo, Almond and Lotus Seeds, Walnut and Nuts) Quaker Oat Soup: 2 flavors (Bechamel Sauce Chicken, Beef and Tomato)

3.Future R&D Directions

At Standard Foods, all R&D projects are carried out by professional teams through projects. Our main R&D directions in the future are as follows:



Four

Care for environmental sustainability

Environmental Management Responsibility. I.Climate Risk and Opportunity Assessment II.Climate Change and Energy Management V.Water Management V.Pollution Prevention Issue

Sustainable Development Strategy • • • Legal Compliance • • • Energy and Climate Change • Operational Environment Management •

Commitment

Goal

Care for Environmental Sustainability: Develop well-planned supply chain management and enhance beneficial interaction between factories and local communities with sustainable business as the target

Short-term (2022-2025)

- Actively implement energy conservation and enhance energy self-management.
- Purchase energy-efficient products to enhance energy efficiency.
- Prioritize sustainable materials for product packaging materials.

Medium- and Long-term (2025~)

- Build an eco-friendly and energy-efficient environment and enhance resource efficiency
- Compliance with the energy management policy and total participation in energy conservation and carbon reduction.
- Include environmental protection requirements in supplier reviews and pursue the sustainable development of the overall supply chain.

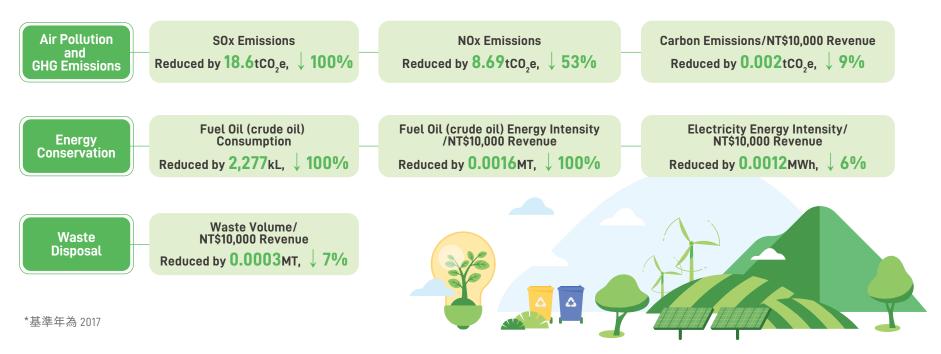
I.Environmental Management Responsibility

We constantly engage in corporate sustainable development and strive to build a "sustainable" system. In addition to creating continual operational performance, engaging in energy conservation, carbon reduction, and sustainable development, investing capital in various types of energy-efficient and eco-friendly equipment, and setting economic and environmental sustainability as our targets, we also enhance beneficial interaction between factories and local communities, pursue business growth through well-planned supply chain management, fulfill our corporate social responsibility towards a "sustainable business", and take responsibility for the environment, society, employees, and stakeholders to create a better future.

All Standard Food factories implement environmental protection policies in coordination with the competent authorities to spare no efforts in maintaining environmental protection. In addition to implementing environmental management and inspection, we also introduce total productive maintenance (TPM) to all factories, guide responsible units to engage in the autonomous maintenance, operational monitoring, and continual improvement of various pollution prevention equipment to maximize the synergy of different types of pollution prevention equipment.

In 2014 our factories introduced the ISO 14001 international standard for environmental management system and passed the version change certification in 2018. In 2019, 2020, and 2021, our factories passed certification at a high score. The ISO 14001 international standard for environmental management system emphasizes the improvement of internal and external environments through pollution prevention and resource conservation. We uphold the spirit of ISO 14001 to maintain consistency in various environmental protection procedures to pave the way for future internationalization and thereby prevent the differences in environmental regulations of various countries from becoming the barriers of our export trade.

Based in ISO 14001, we have established the Air Pollution Control SOP, Water Control Prevention SOP, Industrial Waste Management Regulations, Control on Toxic Chemical Substances, Noise Control Operating Standards, and Drinking Water Dispenser Management SOP to achieve operational control and online reporting of various control results. Our major achievements in energy conservation and waste reduction in 2021 are as follows:



II.Climate Risk and Opportunity Assessment

Through three stages we focus on 20 material climate-related risks and opportunities to understand the influence and impact of climate change on our operations, strategies, and finance.

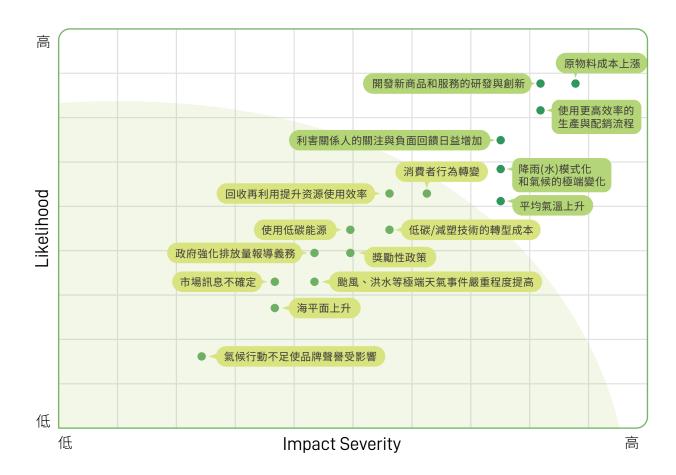


1.Issue Collection

With reference to the Recommendations of the Task Force on Climate-related Financial Disclosures (TFCD Recommendations) published by the Financial Stability Board (FSB) and the sustainability reports and annual reports of food companies at home and abroad, we have gathered the issues related to climate-related risks and opportunities that concern the food manufacturing industry. In terms of the following three categories: transition risk, physical risk, and climate-related opportunity, we concluded 14 risks and 6 opportunities.

2.Inventory and Validation of Issues

Based on the 20 climate-related risks and opportunities gathered, a questionnaire was designed for officers including department and division supervisors and higher to answer. Then, based on the _____ valid responses, material issues were analyzed and prioritized, and six key management issues were validated in terms of the planning of overall operational and development strategies.



3.Counteraction and Management

Category	Climate- related Risks and Opportunities	Potential Impact on Standard Foods	Duration of Impact	Financial Impacts	Adaptation Management Strategy	Management Objectives
Transition Risks	Increased Cost of Raw Materials	 Climate change will affect the supply and price of raw materials, and continuous price rises will affect the profit of products. We must constantly increase the diversity of raw materials to ensure price and supply stability. 	Medium-term (3-5 years)	 Climate change will affect the supply and price of raw materials, and continuous price rises will affect the profit of products. 	 Develop alternative (second) sources to make the materials supply more flexible to lower the impact of price fluctuation due to source differences. Hold meetings periodically to review the stability of materials supply. 	 Develop alternative (second) sources for raw materials such as base oil, dairy products, and oats. Cultivate raw material sources from different places of origin to make supply more flexible and stable. Analyze the industry and procurement status to propose supply risks in a timely manner and adjust the procurement strategy.
Climate- related Opportunities	Use of more efficient production and distribution processes.	 We are committed to enhancing product yield rate through process improvement to reduce waste in the supply chain and value chain. Constant cultivation of new market opportunities and reduce waste disposal costs. 	Long-term (over 5 years)	 Enhance product yield rate through process improvement to reduce waste in the supply chain and value chain and optimize the cost structure. Reduce waste disposal costs. 	 Continue to enhance the productivity, efficiency, and quality of manufacturing processes. Reuse process byproducts to reduce process waste. Reduce water consumption. Reduce wastewater or waste. 	 Process Improvement Project: Centralize the production of dealer and CVS orders to enhance productivity. Develop products using the byproducts of ginseng extract. We have established well-planned management regulations and updated equipment for waste prevention in all factories. All factories implement waste sorting, waste reduction, and reuse plans stringently and include them in the ISO 14001 environmental management system for control.
Climate- related Opportunities	Development of new products and R&D and innovation of services.	 The continuous rise in sustainable awareness drives an increasing number of consumers to select eco-friendly products. It is thus necessary for us to grasp this opportunity to introduce related products. In response to the environmental trends and government regulations, we are committed to innovating product R&D and adjusting marketing models to meet consumer needs and promote corporate sustainable development. 	Long-term (over 5 years)	 Capture the new product styles and consumer behavior brought by the sustainable development trend to increase the sources and opportunities for profit-making. 	 Keep track on the industrial trends at home and abroad and observe the influence of the sustainable development trend on products and consumers. Consider sustainable development issues, such as policies for packaging material reduction and recovery, in new product R&D. Continue to implement activities related to the sustainable development within the organization to develop sustainable awareness in employees. 	 Constantly optimize and improve quality products. Implement optimal, eco-friendly, and functional product packaging materials.

Care for environmental sustainability

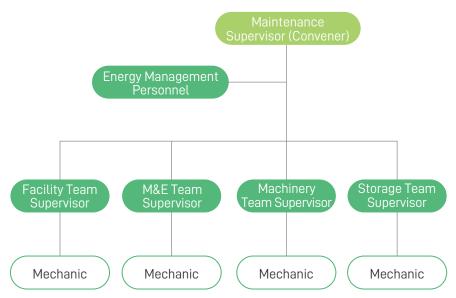
Four

Category	Climate- related Risks and Opportunities	Potential Impact on Standard Foods	Duration of Impact	Financial Impacts	Adaptation Management Strategy	Management Objectives
Transition Risks	Increased Stakeholder Concern or Negative Stakeholder Feedback	 When forums on international trends, NGOs/NPOs, and governments are actively urging for carbon reduction, plastic reduction, and other issues related to sustainable development, the rise in the awareness of sustainable development will affect the buying behavior of consumers and the investment choices of investors. If we fail to introduce related products and disclose actions relating to sustainable development, they will affect our product sales and the investment willingness of investors. Businesses in different industries have engaged in sustainable development, and all organizations and media constantly organize rating activities. Poor rating results will affect investment willingness or brand image. 	Medium- term (3-5 years)	 Stakeholder's concerns about our corporate sustainable development strategy will accelerate our implementation of relevant sustainable development projects. All organizations and media constantly organize rating activities. Poor rating results will affect investment willingness. 	 Define the responsive departments of all stakeholder groups, maintain unfettered external communication, and actively report to relevant internal units. Continue to implement activities related to the sustainable development within the organization to develop sustainable awareness in employees. 	 Continue to strengthen the channels for stakeholder communication and address sustainable development issues in a timely manner. Constantly improve our sustainability action with reference to that of all other industries.
Physical Risks	Changes in precipitation patterns and extreme variability in weather patterns.	 Extreme weather events may enhance the risk of supply disruption of raw materials. Hence, it is necessary to increase material sources and the number of stock days. Extreme weather events may damage factories and equipment, lead to water cutoffs and power outages, or increase transport difficulties. All of these will affect product production. 	Short-term (under 3 years)	 Consider the impact on profit from stockout and the cost structure change caused by price rises in raw materials all due to the increased risk of supply disruption of raw materials. Increased cost from maintenance and downtime risk due to factory and equipment damage, water cutoffs, and power outages. 	 Increased stock days of imported commodities (e.g., wheat berries (kernels), base oil, milk powder, bird's nest, and ginseng) in response to supply chain instability. Make transportation more flexible: Develop third-party logistics. Make shipping more flexible. Optimize counteraction against power outages and water cutoffs. 	 Increase raw material stocks to address supply chain instability. Rent/build out-house warehouses for raw materials to lower the risk of the delay in raw material supply and reduce the problems in production scheduling and product supply. Cultivate four more third-party logistics companies, all with transportation and distribution capabilities. Assess the construction of large diesel generators at the Zhongli and Hsinchu Factories. Targets are completed. Install smart water meters system at all factories to monitor water withdrawal condition, and upload data to the groundwater smart management platform of local governments for synchronous monitoring and management.
Physical Risks	Rising Mean Temperatures	 The extreme weather events derived from rising mean temperatures will affect the supply and increase the price of raw materials. Rising mean temperatures is a material global environmental issue. Starting from our expertise, we pursue sustainable development internally and actively support government regulations and initiatives to pursue and realize substantial corporate sustainable development. 	Long-term (over 5 years)	 Climate change will affect the supply and price of raw materials, and continuous price rises will affect the profit of products. 	 Reduce the weight of packaging materials and resource consumption. Reduce water consumption. Reduce nitrogen use. Reduce PVC use and develop eco-friendly packaging materials for reuse. 	 Reduce the weight, simplify, and assess the reuse of the packaging materials of existing products. Replace plastic straws with paper straws. In addition to the water conservation policy, all factories implement bigger projects to enhance water conservation. The projected unit product nitrogen reduction of some production lines is 2%.

III.Climate Change and Energy Management

Each factory has established an energy conservation management team (structure as shown below) in response to energy conservation. This team aims to promote energy conservation, strengthen independent energy management, understand the current status of energy consumption, seek and implement feasible improvement plans, and promote reasonable and effective energy consumption to reduce energy expenditures, enhance competitiveness, and achieve the goals of energy conservation and carbon reduction.

1.Structure of the Energy Conservation Management Organization



2. Energy Management Policy



3.Status of Energy Consumption

The statistics between 2017 and 2021 covered the Dayuan, Zhongli, and Hsinchu Factories, with items including petroleum, diesel, crude oil, electricity, and natural gas.

Energy Type	Unit	2017	2018	2019	2020	2021
Company Car Fuel – Petroleum	kL	277	263	260	458	411
Company Car Fuel – Diesel	kL	3	11	18	19	18
Fuel Oil (Crude Oil) Consumption	kL	109	75	72	82	96
Fuel Oil (Diesel) Consumption	kL	2,277	1,167	0	0	0
Natural Gas Consumption	MWh	2,612	4,214	6,050	5,812	5,636
Electricity Consumption	MWh	30,391	31,022	31,744	31,424	31,652

Over the last five years, electricity has been the main type of energy used by our factories, and there was no significant change in the proportion of use. In response to the environmental protection policy, the Zhongli, Hsinchu, and Dayuan Factories all changed to natural gas boilers with higher cleanliness in 2016, 2017, and 2018 respectively. Hence, the energy intensity of fuel oil (crude oil) use was already reduced to none from 2019 to make an all-out effort for environmental protection. In 2021 the total electricity consumption was 31,652MWh, accounting for 55% of the total energy consumption; the total natural gas consumption was 5,636,000m3, accounting for 40% of the total energy consumption and second highest; the total petroleum consumption was 411kL, accounting for 4% of the total energy consumption; and the total consumption of crude oil was 0kL, accounting for 0% of the total energy consumption.

Unit: GJ 2018 Petroleum 9.04 8.60 8.49 14.96 13.42 3.84 3.04 4.98 5.13 4.86 Diesel Crude oil has been replaced Crude Oil 91.54 46.91 with natural gas.

Energy Consumption and Proportion Over the Years

Electricity	194.91	200.38	206.64	203.87	205.35
Total	345.78	360.31	382.32	377.39	372.41

101.39

162.21

153.43

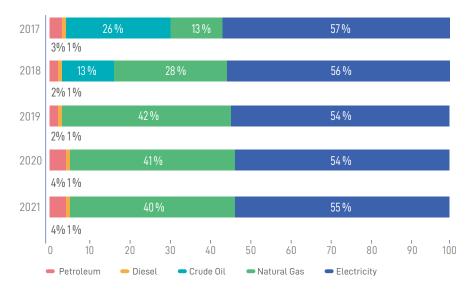
148.78

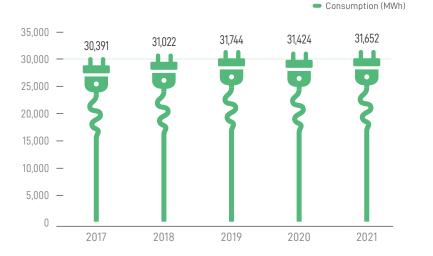
Conversions have been made according to the Energy Statistics Handbook 2016 of the Bureau of Energy, Ministry of Economic Affairs.

Proportion of Energy Consumption Over the Years

46.45

Natural Gas





Llectricity Consumption Over the Years

In 2021 our electricity energy intensity was 0.020MWh/NT\$10,000 revenue, 6% less than 2017 and without significant increase in recent years.

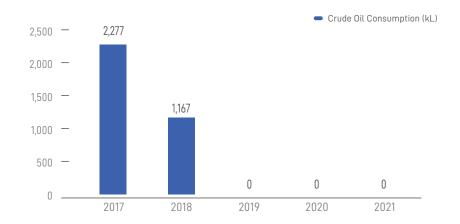
Electricity Energy Intensity (MWh/NT\$10.000 revenue)

Electricity Energy Intensity Over the Years



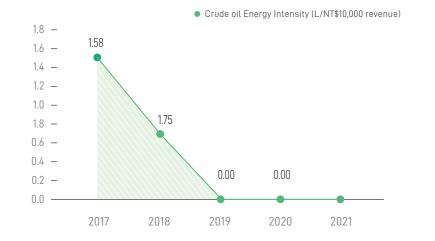
Since 2018, we began to use natural gas boilers with higher cleanliness across the group to replace crude oil boilers. Either crude oil or natural gas is used as fuel to drive the boiler to generate steam to process and manufacture various products to fulfill consumer needs. We use smoke tube fire-gas steam boilers. To ensure boilers work properly to smoothly produce the steam required for production use, in addition to establishing the relevant management regulations, implementing periodic maintenance, and verifying performance according to the boiler operation records, we ask the Taiwan Boiler Association to perform periodic inspections every year to ensure our qualified boilers will be used. Crude oil consumption over the years is as follows:

🕹 Crude Oil Consumption Over the Years

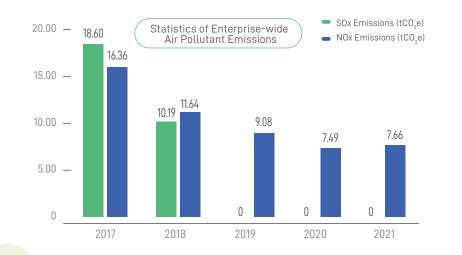


In 2021 the fuel oil (crude oil) energy intensity was 0L/NT\$10,000 revenue, 100% less than 2017. This is mainly because of our constant implementation of the energy conservation, carbon reduction, and environmental protection policies. In 2018 we began to use natural gas boilers with higher cleanliness across the group, thus reducing fuel oil (crude oil) energy intensity to none, to make an all-out effort for environmental protection.

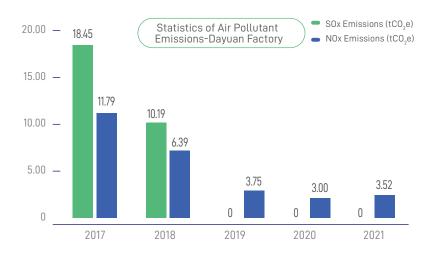


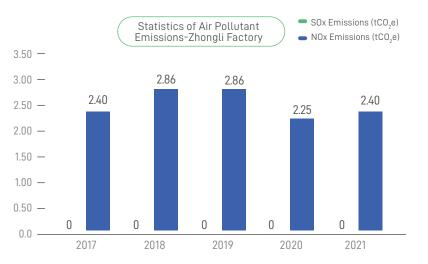


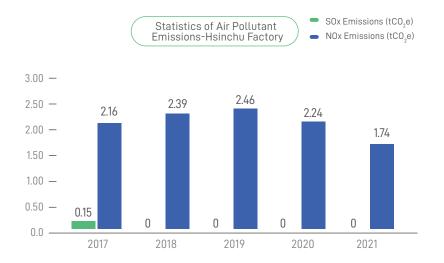
4.Air Pollution Condition



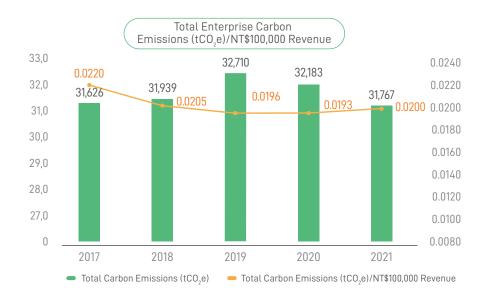
The statistics of air pollutant emissions by factory are as follows: SOx emission is none.







In 2021 total carbon emission was $31,767tCO_2e$, and the carbon emissions of tCO_2e/NT NT\$10,000 revenue reduced by 9% from 0.022 in 2017 to 0.020 in 2021. No significant increase was noted in recent years.





5.Energy Conservation Measures

To actively promote various energy conservation and carbon emission policies, in addition to conducting constant process monitoring at factories and enhancing equipment energy efficiency, we also implement energy and electricity conservation management. For example, in 2021 the Dayuan Factory replaced two 150HP micro oil screw air compressors with micro inverter oil-free screw air compressors to save electricity by 313,815kWh and reduce carbon emissions by 157tCO₂e each year. The Zhongli Factory implemented Phase III of the ammonia system vaporizer replacement to save electricity by 12,432MWh and reduce carbon emissions by $6.2tCO_2e$ each year. Related investment projects for energy conservation in 2021 are as follows:

Energy Conser	vation Projects 2021			
Project Name	Improvement Contents	Electricity Saved (kWh) (over 2020)	Carbon Emissions Reduced (tCO2e/year)	Photos
Dayuan Factory Air Compression System Replacement	Replaced two 150HP micro- oil screw air compressors with micro inverter oil-free screw air compressors.	313,815	157.5	
Zhongli Factory Ammonia System Vaporizer Replacement (Phase III)	Replaced the ammonia system vaporizers used for over 20 years at On-pack Zone #1 and Raw Material Warehouses #1 and #2 to reduce energy consumption and carbon emissions.	12,432	6.2	
Zhongli Factory New PE Line Construction	Integrated the PE production line by replacing P1-P3 Lines, and constructed a new PE Line to reduce the number of lines in operation and carbon reduction.	6,422	3.2	
Zhongli Factory New Yogurt Line Construction	Replaced the original 1620BPH Yogurt Line with 4000BPH for the new 180g packing to reduce the startup time of machine operation and carbon emissions.	5,698	2.9	

Energy	Conservation Projects 2021			
Project Name	Improvement Contents	Electricity Saved (kWh) (over 2020)	Carbon Emissions Reduced (tCO ₂ e/year)	Photos
Hsinchu Factory Cooling Water Reclamation and Reuse of the Iron Can Vacuum Seaming Pump of Complete Series	Previously cooling water was used only one time and drained to the wastewater treatment system immediately. A reclamation system was constructed for cooling water reuse, including automatic water drainage and replenishment at high temperatures. Each week water is replaced and water is then washed.	Water Saved Vacuum Pump Cooling Water 8,121MT/year	NA	
Hsinchu Factory Iron Can Washing Line Water Conservation Project	Previously the hot water used for washing was heated up with steam and then drained into the wastewater treatment system after one-time use. It has been replaced with plate heating with automatic temperature control and an automatic on/off control for spray cleaning was also added. The discharged water is then used for the cooling system water of the autoclave.	Water Saved Empty Can Washing: 4,718MT/ year Autoclave Cooling Water Pump: 2,660MT/year	NA	
Hsinchu Factory Aeration Tank Improvement Project	The original 400T aeration tank has been transformed into the equalization tank, and a biological carrier cage was also added. The disc diffuser pipe of the 800T aeration tank was replaced and a biological carrier cage and dominant strains were added.	Reduction of Acid-base Indicators Liquid alkaline reduction of 77MT/year, sulfuric acid reduction of 37MT/year, PAC reduction of 106MT/year. Sludge reduction of 245MT.	NA	

6.Energy Alert Policy and Principles

We have completed the green energy project assessment for all factories and optimized the energy alert mechanism. We also keep track on the government's green energy policy to fully support the government's policy needs for energy distribution and integration to minimize the impact of energy changes on business operations. To effectively implement energy management to effectively use and optimize the energy alert mechanism, each factory has established its own energy conservation team. The members of each unit implement and periodically follow up and review the management plan through cross-department and cross-team operations with a graded management system.

In energy management for routine operations, we have established the following standard operating procedures (SOPs) for equipment recovery and handling during water cutoffs and power outages at the semi-finished product stage inside the factory to ensure neither capacity nor quality is affected.

Item	Handling Procedures			
Equipment Handling	 Counteractions for Power Outages: 1.Verify the causes of power outages. 2.Verify if the emergency power generators are activated to supply the electricity required by the factory. 3.Verify if the power switch of the emergency power supply areas in the substation is at the FEED position. 4.Verify if power supply is normal in all emergency power supply areas. Counteractions After Power Supply Recovery: 1.Verify if the voltage of power supplied from Taiwan Power Company (TPC) is normal. 2.Contact the relevant personnel of the emergency power supply areas to prepare for a power switch. 3.Switch the substation power switch from "FEED" to TPC supply. 4.Verify if the normal power supply across the factory is recovered. 5.Verify if the emergency electricity generators have stopped operation. Counteractions for Water Cutoffs. 1. Water currently used within the factory is processed and supplied by the in-house waterworks. 2. Two sets of each type of related water processing equipment, such as water wells and water pumps, are installed to ensure backup operation after equipment failure to ensure undisrupted water supply. 			
Semi-finished Products	The operation of semi-finished products in the manufacturing process or raw materials with incomplete processing will be halted, and the Nonconforming Product Handing Regulations will be implemented. After the recovery of water supply, wash, disinfect, and test-run affected equipment to ensure its normal operation.			
Refrigeration and Freezing Warehouses	Refrigeration and freezing warehouses shall remain closed during a power outage to reduce damage. If assessment confirms that electricity supply cannot be recovered within a short time, handle the affected raw materials or semi-finished products in the manufacturing process according to the Nonconforming Product Handing Regulations.			

IV.Water Management

1.Water Management Policy

We use groundwater in our factories. In 2021 the consumption rate of the total approved volume of groundwater withdrawal of all factories was 70%, controlled within the reasonable allowance.

	Groundwater Consumption in 2021						
Total of All Three Factories	Total Approved Volume of Withdrawal (MT)	Actual Consumption (MT)	Consumption Rate of the Total Approved Volume of Withdrawal				
Factories	1,037,902	722,782	70%				

To ensure the proper management of water consumption and comply with the current legal and water quality requirements, we have established and implemented complete management regulations governing water. These regulations stipulate the processes of water quality processing and the maintenance of water quality processing equipment. Additionally, monitoring standards are also stipulated for the water inspection items, specifications and standards, and sampling frequency of factories.

All water used for production has been purified, disinfected, and filtered, and water quality and standards are ensured in accordance with the QA's Water Quality Management Regulations. To ensure the normal operation of the water purification equipment to smoothly supply clean water for the water treatment plant and all factories, we have established the relevant managements with the following foci:



 Methods for inspection of water purification equipment before operation

- Methods for operation of water purification equipment
- Daily check of water purification equipment in normal operation

In terms of water quality monitoring, in addition to setting up stationary monitoring stations as requested by the relevant units of the competent authorities, our factories also monitor groundwater every year according to the Drinking Water Quality Standards and the relevant environmental protection regulations through sampling and inspection by third-party units, and all data meets the inspection standards.

To monitor water quality changes, every day each factory takes samples from each workstation (groundwater withdrawal points, before Borax processing, and after activated charcoal filtering) to run six physical tests including hardness, residual chlorine, pH, turbidity, color, and conductivity. Then, factories perform microorganism culturing each week to ensure water quality before use.

2.Water Conservation

In 2021 the water consumption of all factories was 722,782MT, 46,617MT less than 769,399MT of 2020. In addition to the water conservation policy, all factories implemented bigger projects to enhance water conservation, including the completion of the autoclave replacement production and optimization of the CIP procedures for the health product lines of the Dayuan Factory, saving 3,087MT of water each year. The Hsinchu Factory completed the process water reclamation and reuse project to save 27,479MT of water and reduce 24,252MT of wastewater each year.

3.Water Reclamation

To effectively enhance water efficiency, the Dayuan Factory filters process water with reserve osmosis (RO) for reuse in non-production and nondrinking water purposes, such as toilet flushing and cleaning, factory lawn irrigation, etc., to maximize water utilization. In 2021 the volume of water reclamation was 34,561MT, 2,780MT more than 31,781MT in 2020.

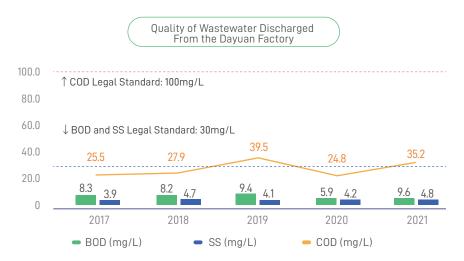
V.Pollution Prevention

1.Wastewater and Sewage Treatment

We have established and implemented complete management regulations for water pollution prevention to maximize the effect of pollution prevention facilities. When there are threats of water contamination due to the failure or anomaly of the sewage treatment facilities, factory personnel will take action immediately according to the emergency response and reporting SOPs to prevent environmental pollution and violation of laws.

	Wastewater Discharge (MT/year)								
Total of	2017	2018	2019	2020	2021				
All Three Factories (MT)	421,635	475,287	536,594	519,703	449,116				

The Dayuan Factory has obtained a permit for surface water discharge of wastewater (sewage). Process wastewater collected across the plant is transported to the in-house wastewater treatment plant for treatment before being discharged into the Shuanxi River estuary. Effluent quality meets the Effluent Standards: COD (chemical oxygen demand) is below 100mg/L, BOD (biological oxygen demand) is below 30mg/L, and SS (suspended solid) is below 30mg/L. Currently, the value of all three items is far below the legal standards. The quality of effluents discharged from the Dayuan Factory in 2017-2021 is shown below:



Although our output increases every year in terms of both quantity and variety, wastewater is still under effective control. Currently, the value of all effluent quality items is far below the legal standards. In response to the future production line expansion, the wastewater volume is expected to increase accordingly. The Dayuan Factory has thus drawn up the following short, medium, and long-term plans in response.

, Process Optimization: Expand the wastewater buffering tanks and improve the functions of the relevant equipment.

New Technology Introduction (dominant strains): Reduce sludge volume and better stabilize wastewater processing.

After implementing the above plans, in addition to better stabilizing the effluent discharge stand ards, we aim to make more contributions to environmental protection.

The Zhongli and Hsinchu Factories are located in industrial parks, and we have obtained the permit to discharge wastewater in the park sewerage. After treatment at the inhouse wastewater treatment equipment, all wastewater is discharged to the park sewage treatment plant. Hence, the quality of effluents meets the effluent quality standard of the park sewage treatment plant:

COD below 480 mg/L and SS below 320 mg/L. Wastewater is discharged after treatment at the park sewage treatment plant.

500 ↑ COD Legal Standard: 480mg/L 400 \downarrow BOD and SS Legal Standard: 30mg/L 200 119 81 90 88 69 100 72 37 29 20 18 0 2017 2018 2019 2020 2021 SS (mg/L) COD (mg/L)

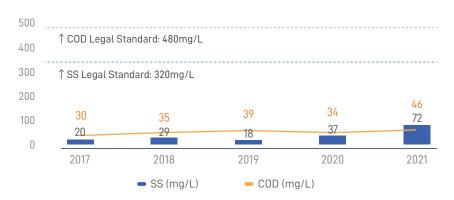
The quality of wastewater discharged from the Zhongli Factory in 2017-2021

Quality of Wastewater Discharged From the Zhongli Factory

is shown below :

The quality of wastewater discharged from the Hsinchu Factory in 2017-2021 is shown below:







2.Waste Disposal

In addition to sparing no efforts in environmental protection, we also emphasize environmental protection and the love the Earth spirit in production and energy management to impose strict control to dispose industrial waste (hereinafter called "Waste") in the same way as treating in-house production lines through stringent process management and monitoring.

In addition to complying with the legal requirements, we have also established complete management regulations to govern waste disposal. From waste sorting, fixed-point storage, and management by professional waste disposal personnel, to waste cleanup and online reporting, tracing, etc., each part is attended by professional, legal waste disposal contractors. Internally, OH&S and the administration department assign responsible personnel to verify the status of waste collection, clearance, and transportation every day and completes the verification on the waste reporting and management system with 84 hours.

Every month we trace the reporting of the proper disposal of hazardous industrial waste and general industrial waste of waste disposal contractors. If anomalies are detected, we will immediately trace the situation and request contractors to give explanation and make improvement. We also audit the relevant work from time to time and immediately request contractors to make improvement for nonconformities which will be included in their annual performance evaluation.

The regulations for in-house waste disposal and temporary storage are as follows:

(1). We sort waste in-house and store hazardous industrial waste from production in containers and locations by type according to the law. Additionally, we label the name of hazardous industrial waste on the containers before handling them over to respective professional contractors to dispose of such hazardous industrial waste.

產出部門	□品保 □ 精油廠 □ RD □	
廢棄物名稱	其他腐蝕性事業廢 景物混合物	
廢棄物代碼	C-0299	(* *)
成份	pH值小於2.0廢液	$\mathbf{\nabla}$
貯存日期	年月日	\mathbf{v}
重量	公斤	

In-house Waste Disposal Flowchart:

General Product line industrial Oualified contractors for Management waste general industrial waste (clean-up, transportation, \$2 and disposal) Classifiedwaste temporary storage Announced recyclable or Qualified contractors for reusable Office Building general industrial waste waste (clean-up, transportation, and disposal) Defined hazardous Hazardous goods waste Qualified contractors for warehouse Laboratory hazardous industrial waste (clean-up, transportation,

(2).In-house Categorization of Waste

- i. General Industrial Waste
- ii. Including domestic waste and spent wooden pallets
- iii. Hazardous Industrial Waste Determined by Hazardous Characteristics
- iv. Mainly waste liquid from laboratories
- v. Announced Waste for Recycling or Reuse
- vi. Including wastepaper, waste iron cans, waste empty oil bottles, waste plastics, waste glass, waste milk powder, waste oats, waste oat powder, waste wheat brans, waste cooking oil, waste aluminum packs, plant residue, white carbon sludge, spent diatomaceous earth, food processing sludge.

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and disposal)

蝝 Waste Disposal Process:

(1).Permit Management

- i. If there are new pollution sources, new chemicals, process changes, wastewater treatment unit changes, etc. that may change the types or volume of waste production, the OH&S and administration department will be notified to assess the pollution control capability and necessary improvements according to the Process Change SOP before procurement.
- ii. After receiving the notice, the OH&S and administration department will apply for a permit to the competent authorities according to the planned schedule of change.
- (2). Management of Professional Technical Personnel of Waste
 - i.i. Establishment of Responsible Waste Personnel: Professional technical waste personnel are appointed to implement waste disposal and clearance according to the Regulations Governing the Management of Professional Technical Personnel of Waste Clearance and Disposal and designated notices.
 - Report of Changes in Professional Technical Personnel: The OH&S and administration department verify if it is necessary to update the list of professional technical waste personnel quarterly and apply for a change to the competent authorities within 15 days after a change.

(3).Operation Control

- i. Waste Storage
 - In addition to planning and establishing a temporary waste disposal area and containers within the workplace appropriate to the properties and type of waste produced, each unit periodically centralizes and posts/labels the name and properties of waste in the format as shown in Appendix 1 before shipping waste to the waste storage area designated by the OH&S and administration department. The weight of hazardous industrial waste is recorded in the Hazardous Waste Storage Record.
 - ✓ For any waste liquid produced, each unit prepares appropriate leakage-proof and emergency response apparatus in the temporary storage area and arranges education and training for employees of the department according to the Emergency Response and Preparation SOP.
 - Waste is stored in compliance with the Methods and Facilities Standards for the Storage, Clearance, and Disposal of Industrial Waste to prevent airborne dispersal and leakage and after sorting.

ii. Waste Clearance and Transportation

- ✓ The OH&S and administration department coordinate and arranges waste clearance and disposal contractors to clean up waste in the factory according to the actual output of waste and the frequency of clearance and transportation specified in the waste clearance plan.
- When clearing and transporting waste in the factory, contractors notify the OH&S and administration department to verify. Contractors also follow the contractor management regulations of the factory and wear appropriate personal protective equipment (PPE). If pollution is caused by the airborne dispersal or leakage of waste during loading, contractors immediately notify the OH&S and administration department and complete the clean-up to prevent pollution from expansion.
- ✓ After clearance and transportation, waste clearance and disposal contractors measure the weight of waste at the in-house weighbridge, and the plate number of the truck and the name and weight of waste cleared and transported are recorded.
- ✓ The trucks for transporting waste are washed periodically, and the data is recorded in the factory waste disposal truck washing record.

- iii. Management of Waste Disposal Forms
 - ✓ Based on the notice for waste clearance contractors, the OH&S and administration department proceed with waste disposal reporting in the industrial waste reporting and management system.
- iv. Verification of Waste Clearance and Transportation Process and Receipts
 - The OH&S and administration department verify the status of waste clearance, transportation, and receipt of waste clearance and disposal contractors every day, and complete the verification on the waste reporting and management system with 84 hours.
- v. Document Archival
 - ✓ After reporting, the waste clearance and disposal forms are archived according to the in-house document management SOP. The OH&S and administration department traces the clearance and disposal contractors each month and requests contractors to provide the documents of proper disposal for reference according to the law.

(4). Management of Waste Clearance and Transportation Contractors

i. Verification of Contract Validity

Every year the OH&S and administration department verifies the validity of the waste clearance and disposal contracts and begins to consult contract renewal with contractors or discusses with new contractors 3 months before contract expiration.

ii. Verification of the Permit Validity of Disposal Contractors

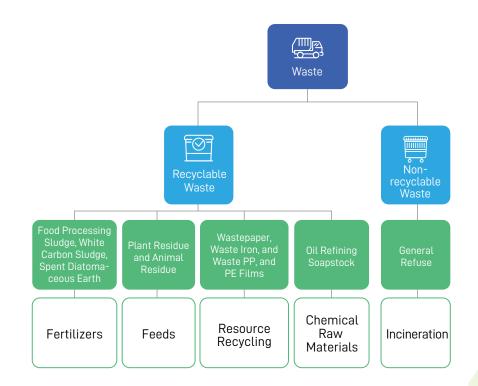
The validity of the waste clearance and disposal permit of waste clearance and disposal contractors must be verified before contract execution to ensure their permit remains valid. If contractors need to extend their permit during the contract term, the OH&S and administration department must verify and capture their extension schedule or find new clearance and disposal contractors as necessary.

iii. Irregular Audit

Every year the OH&S and administration department conducts irregular audits waste clearance and disposal contractors and records the audit results in the waste clearance and disposal contractor record. After detecting a nonconformity to the contracts, the OH&S and administration department immediately issues a document to request for improvements.

(5). Retention of Historical Documents

The relevant operation records and reporting records must be retained for at least 3 years. The types and disposal methods of waste are as follows:



Currently, the waste we produce is categorized into recyclable waste and nonrecyclable waste, and the latter is incinerated eventually. Recyclable waste is processed based on the properties by waste type. For example, the food sludge and white carbon sludge produced from food processing can be used as fertilizer after processing. Animal residue can be used as feed after processing. General refuse such as paper and metals are directly disposed by recycling contractors. After processing, the soapstock from oil refining can be used as chemical raw materials like paint.

Through the active planning of waste reduction and reuse plans and including them for control under the ISO 14001 EMS, a total of 4,765MT of waste was produced in 2020, with a recycling rate of 85%. Relevant contents are tabulated below:

Production of Industrial Waste in 2020

Disposal Method	Weight of Hazardous Waste (MT)	Weight of Non- hazardous Waste (MT)	Total Weight of Waste (MT)	Proportion by Disposal Method
Recycling	-	4,363	4,363	72%
Incineration	3	551	554	9%
Landfilling	-	-	-	0%
Others	-	1,115	1,115	19%
Total	3	6,029	6,032	100%

3. Environmental Legal Compliance

We are committed to performing our corporate social responsibility. Starting from concerns about environmental protection issues and compliance with various national environmental protection regulations and passing the ISO 14001 EMS, we undertake to lower risk and make continual improvement to meet the requirements for total environmental management.

Hence, the emission data and waste disposal process of all factories comply with and are better than the relevant legal requirements. The responsible departments also periodically identify the relevant laws and regulations, carefully assess legal compliance, and seek to meet the requirements relating to various environmental aspects required for compliance to fulfill the corporate responsibility for environmental protection, so as to make corporate sustainable development and environmental protection complementary each other. In 2021 no sanctions for environmental anomaly were reported from any factory.





I.Workforce Overview II.Safety and Health III.Cultivation and Development IV.Coverage and Benefits

Building a Happy Workplace

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Issue

Legal Compliance • • • Labor Human Rights • Labor Practices • Talent Development and Management •

Commitment

Goal

Insist on the five major values, hope all employees identify with our corporate values and wish to become family and partners who grow and advance with Standard Foods together, and build a happy workplace.

Short-term (2022-2025)

- Include the corporate culture and spirit in performance evaluations.
- Promote corporate culture with internal activities.
- Conduct employee satisfaction surveys every year.

Medium- and Long-term (2025~)

- Promote corporate culture with internal activities.
- Develop new-generation professional talents through industry-academia collaboration.
- Continue to enhance employee satisfaction.

I.Workforce Overview

Succeeding the Group's 5 major values, we are a people-oriented food company, with employees being the most important corporate asset. We make an effort to insist on the five major values, and ceaselessly seek partners identifying with our values and wishing to grow and advance with us to join Standard Foods to work for the nutrition and health of more people together.



Employees are our "family". Whenever there is a significant organizational change, we must inform employees in advance according to the Labor Standards Act. The Standard Foods Corporate Union was established at the end of 2019 (no collective bargaining agreement has been signed with the union). We also hope to establish communication channels and repayment mechanisms through the employee welfare committee (EWC), employee suggestion box, questionnaire survey, and periodic labor-management meetings so as to understand the needs of employees. We also extend the scope of our care for the physical and mental health of employees and their family for employees to actively influence more "family" with "affection".

1.Workforce Structure

- (1). By the end of 2021, the total number of full-time employees was 1,255, including 722 office employees and 533 factory workers, with 70.6% of males and 29.4% females.
- (2). 截至 2021 年底,依佳格簽屬的勞雇合約總共有正職 1,255人,兼職員工為0人。
- (3). The average age and average seniority (service length) of all full-time employees was 39.4 years and 10.1 years respectively. The proportion of employees aged under 30 years was 19% of the total.
- (4). In 2021 the total number and rate of new employee (full-time) hires was 218 persons and 17.0% respectively; and the total number and rate of employee turnover was 263 persons and 20.7% respectively.

We firmly believe that true efforts, continuous creativity, collective fraternity, and familial affection are the driving force of our continual growth and thriving. At Standard Foods, we hope that the pursuit of a happy business begins with taking care of employees and gradually extends to the happiness of the whole society.

2.Workforce Distribution

(1).In-service Employees

Freedow		Emp	loyee Sta	tistics by	Туре	Total				
ltem	em Employee Type		Male		Female		Male		Female	
	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Number	Rate	Number	Rate	Number	Rate	Number	Rate	
Full-Time	Staff	440	60.94%	282	39.06%			369	29.4%	
Employees	Worker	446	83.68%	87	16.32%	00/	70 / 0/			
Part-Time	Staff	0	NA	0	NA	886	70.6%			
Employees	Worker	0	NA	0	NA					

	Frankrige	Employee Statistics by Type							
Item	Employee Type	Under 30 Years Old		30-50 Years Old		Over 50 Years Old			
	1,100	Number	Rate	Number	Rate	Number	Rate		
Full-Time	Staff	106	14.68%	483	66.90%	133	18.42%		
Employees	Worker	134	25.14%	305	57.22%	94	17.64%		
Part-Time	Staff	0	NA	0	NA	0	NA		
Employees	Worker	0	NA	0	NA	0	NA		

(2).New Employee Hires/Employee Turnover

			Rate by	ate by Gender			Rate by Age Group				
Category Numb		Ma	ale	Ferr	nale	Un 30 Yea	der Irs Old	-30 Years		Over 50 Y	ears Old
		Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate
New Employee Hires	218	103	47.25%	115	52.75%	82	37.61%	131	60.09%	5	2.3%
Employee Turnover	263	164	62.36%	99	37.64%	78	29.66%	155	58.94%	30	11.40%

*The workforce composition includes all affiliates of Standard Foods in Taiwan.

II.Safety and Health

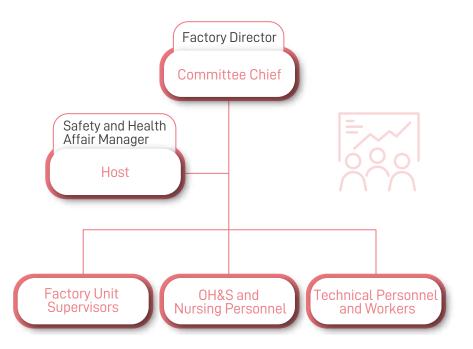
We pursue a safety first and zero accident workplace environment for employees to feel free to exert their value in a safe and healthy environment so as to devote themselves to studying the health problems that people in Taiwan may face. We value the individual needs and career development of employees. In addition to arranging education and training by department and by position, we also evaluate their performance through the annual performance evaluation to encourage employees to uphold "continuous creativity" to continuously develop products that meet the health needs of modern people.

A safety and health committee has been established at each factory, with the factory director as the committee chief and the safety and health affair manager as the management representative to host quarterly committee meeting to discuss 12 issues, including:

- Make recommendations for the OH&S policies drawn up by the employer.
- Coordinate and recommend the OH&S management plan.
- Discuss the implementation plans of OH&S education and training.
- Discuss the operating environment monitoring plan, monitoring results, and action taken.
- Discuss the matters relating to health management, occupational disease prevention, and health promotion.
- Discuss various safety and health proposals.

- Discuss the matters relating to the self-inspection and safety and health audit of businesses.
- Discuss the preventive action for hazards from machinery, equipment, raw materials, or materials.
- Discuss the investigation reports of occupational hazards.
- Evaluate the onsite safety and health management performance.
- Discuss the matters relating to the safety and health management of jobs undertaken by contractors.
- Other matters relating to occupational safety and health.

The safety and health committee has 21 seats, including 14 seats for the factory director, supervisors of all factory units, OH&S and nursing personnel; and 7 seats for the union representatives. The committee sets safety and health targets every year and proposes improvement plans and project schedules for the identified risk items.



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We follow the five management approaches to enforce safety and health management, prevent work-related injuries and ill health, and seek to achieve the goal of safety first and zero accident.

- Legal Compliance : Comply with all OH&S-related laws and regulations and other requirements.
- Consultation and Communication : Communicate and discuss with the relevant personnel, understand individual roles and responsibilities, and implement the management system together.
- Risk Control : Provide appropriate PPE or impose operation control to prevent falls, fires, electric shocks, entry into confined spaces, inrunning nips, contact with chemicals, and similar accidents.
- Pollution Prevention : Operate various types of pollution control according to the laws and regulations and constantly develop and use raw materials of low environmental burdens to reduce accidents causing environmental pollution.
- Continual Improvement : Set job safety and health targets and make continual improvement of jobs to prevent and reduce work-related injuries and ill health.

In August 2009 the Dayuan Factory passed the certification of TOSHMS (Taiwan Occupational Safety and Health Management System) and OHSAS 18001 certification at the same time. In August 2012 and August 2015 the Dayuan Factory passed the CNS 15506 certificate renewal evaluation. In 2013-2019 the Dayuan Factory passed the CNS 15506 national standard and OHSAS 18001 annual audit. In November 2020 the Dayuan Factory passed certification for the certificate renewal of the ISO/ CNS45001 Taiwan Occupational Safety and Health Management System.

In July 2020the Dayuan Factory proposed seven safety and health targets with a 100% accomplishment rate to prevent occupational accidents and protect the safety and health of employees. These targets are described as follows:

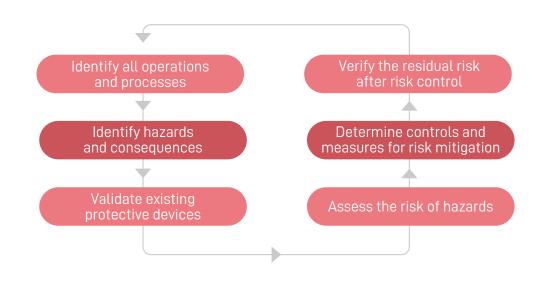
- Install a built-in deceleration mechanism in the driving system to ensure the driving safety of forklifts and pallet trucks.
- Replace work at height with surface working for warehouse pickers to eliminate the hazard and risk of falls.
- Strengthen the safety protection for elevated working platforms in the oats manufacturing platform.
- Install an automatic fire protection system at the powdering process.
- Install safety protection features in the warehouse maintenance area.
- Install safety and insulation equipment at various conveyor equipment.
- ▶ Install in-running protective features at ventilators.

Based on the Risk and Opportunity Management Process, we identify the risks and opportunities requiring responses according to the internal and external issues within the scope of the CNS 45001 management system, the needs and expectations of stakeholders, including the environmental aspects of potential emergencies, and the obligations requiring compliance. By implementing the planned action, we ensure the accomplishment of the anticipated results of the ESH management system so as to prevent accidents or reduce the mutual negative impacts of the company and external environment and thereby maintain the continual improvement of the ESH management system. Based on the identification of environmental aspects and safety and health hazards and risk assessment, we establish and implement the Environment Aspects Identification SOP and Hazard Identification and Risk and Opportunity Assessment SOP. The scope covers routine and non-routine activities, consideration of environmental impacts in terms of life-cycle, and the activities of all on-site workers; the infrastructure, equipment, raw materials, worker behavior and capability, and other man-induced factors, the hazards unfavorable safety and health caused by employees from outside, the operation process, and activity of the ESH system or raw material changes, any applicable legal requirements relating to risk assessment and the implementation of the required controls, work areas, processes, installation, machinery and equipment, operating procedures, and work organization design.

We establish a proactive ESH factor identification and risk assessment mechanism to identity the priority of risk management based on the criteria for risk determination and use of controls. When setting ESH targets, the assessment results and control effectiveness are also considered.

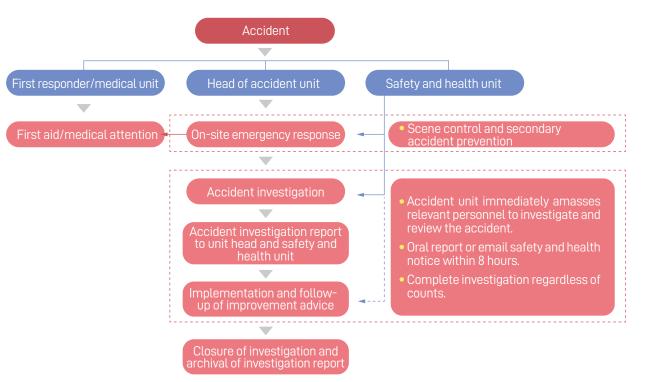
We will maintain and continuously update ESH factor information and documentation and implement ESH factor identification and risk assessment at appropriate times in accordance and compliance with the Change Management SOP. This will include the planned or newly developed, new, or revised product R&D and management activities and service items. To effectively control potential hazards and risks in operations and discover the opportunities for safety improvement of the workplace environment, we identify the hazards and risks in all operations (the risk identification process is shown below) and grade the identified risks into five levels: 5 (serious), 4 (high), 4 (moderate), 2 (minor), and 1 (low). Risks above L3 (moderate) are listed as intolerable risks, and immediate (serious risks) corrective action must be taken, or an annual improvement plan must be drawn to prevent or mitigate the likelihood of accidents or the severity of consequences. For L2 (low) and below risks, opportunities for safety improvement of the workplace environment should be reviewed and included in the improvement targets.

Annual improvement plans should be traced according to the annual targets listed in the TOSHMS system documentation to ensure these plans are effectively implemented.



After an accident, we will make a first response and rescue according to the Work-Related Accidents Investigation and Handling SOP. The management will also investigate and verify the facts and conditions, validate the causes, and determine the corrective action in collaboration with labor representatives, so as to reduce the probability of recurrence. The relevant investigation process is as follows:

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Additionally, in the new employee education and training, we will also assign responsible personnel (e.g., OH&S personnel) to educate new employees to stop operation, retreat (evacuate) to a safe place, and immediately report to the immediate supervisor without endangering the safety of other workers are unaffected when there are threats of immediate hazards. We ensure that no dismissal, transfer, deduction of the pay for the shutdown period, or other unfavorable disciplinary actions will be imposed on employees.

III.Cultivation and Development

1.Training for Department Competencies

People are the most important corporate asset and the key to sustainable development. We systematically improve the quality of talents over time to accomplish an excellent team and develop competitive strength. Based on the competencies and skills required by different duties, we develop the foci of development of individual departments to develop the expertise of members.

We hope that every employee can identify with and dedicatedly realize the "five values": accountability, enthusiasm, expertise, collaboration, and honesty. Hence, we offer comprehensive learning environments to create and excellent team.

In 2021 the average training hours per employee was 9.9 hours, slightly longer than in 2020. In terms of gender, the average training hours was 6.9 hours per female and 11.3 hours per male. This is because of the education and training needs of different duties.



Unit: hour	2019	2020	2021
Average Training Hours Per Employee	19.0	8.6	9.9
Average Training Hours Per Female Employee	17.0	7.1	6.9
Average Training Hours Per Male Employee	20.0	9.0	11.3
Average Training Hours Per Management Personnel	32.0	8.7	22.3
Average Training Hours Per Non-management Personnel	20.0	8.3	7.4

2.Cultivation of New Employees

When each employee starts a new journey, we hope to accompany and support him or her all the way. To help new employees to pick up work quickly, we offer general education courses to help them fuse with the company and understand our corporate culture within the shortest time. Additionally, supervisors will offer fundamental courses on job-related expertise to help new employees adapt to their jobs and demonstrate their talent faster.

For new employees to learn systematically, we introduced the "New Employees Let's Go" project in 2021 to assign internal professional training instructors to help department supervisors plan the new employee handbook for new employees to pick up work faster in the knowledge term. They also helped develop the Standard Foods e-Academy for employees to continue with learning anywhere and anytime while working from home during the pandemic.

3.Cultivation of Professional Talents

All business units of Standard Foods have training roadmaps and training foci in place. Through various education and training activities, we develop the professional skills and the communication, collaboration, management, and leadership abilities of employees. For example, a series of courses on professional skills, including guidance and collaborative visit processes, are arranged for the sales team to help sales personnel demonstrate their expertise.

In conclusion, we offer a sound learning environment to promote individual and team development and growth through systematic general education courses, cross-department in-service training, research supervision by senior consultants, project, forum ,and conference participation, and cross-department and cross-company job rotation.

4.Food Safety Training

As the leader of Taiwan's food manufacturing industry, we highly emphasize food safety, and our factories arrange training on food safety issues every year. In 2021 the total hours of related training was 3,806 hours, and the total number of employees trained was 4,392 persons. We also organized the innovation idea workshop with frontline sales, marketing, R&D, and supply chain units to share the latest global product trends to enhance team creativity through collective opinions.

5.Employee Performance Evaluation

To effectively encourage and appropriately reward employees, we have established the Performance Evaluation Management Regulations to help employees set their annual targets and develop personal competencies. Different featured evaluation items are designed by job category. For example, work results and conduct are the major evaluation items for production line workers. In addition to the evaluation conducted by supervisors, peer evaluation is also included for some jobs. Supervisors and office employees are requested to set personal key performance indicators (KPIs) and include the requirements for core and management competencies and professional skills to help employees develop themselves.

All employees received periodic performance and career development check.

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6.Safety and Health Education and Training for Employees

To enrich the knowledge and enhance the awareness of workplace safety of employees and strengthen their capability for disaster response, we arrange occupational safety education and training and disaster response drills periodically.

- Safety and Health Education and Training for New Employees
- In-service (on-the-job) training for dangerous machinery and equipment, such as boilers, pressure vessels, and stationary cranes.
- Identification and assessment of operation hazards and risks, and control education and training.
- Hearing protection education and training.
- Safety education and training for the operation of on-site machinery, equipment, and implements.
- Education and training for internal auditors of the OH&S management system.
- AED education and training for first responders.
- Health promotion education and training for employees.
- Other training required for disaster and accident prevention according to the Occupational Safety and Health Act.
- Organic solvent recurrent training.
- In-service training for workers engaging in the manufacturing, disposal, or use of hazardous chemicals.
- Training class for operators of Class I pressure vessels.
- In-service education and training for operators of forklifts with a load capacity over 1MT.
- Education and training for heat hazards.
- Fire emergency response drills, such as fire extinguishing, escape, and evacuation.
- Fire prevention manager training.

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Fire Prevention

Safety and Health

- Environmental Protection
- Emergency response drills for chemical or oil leakage.
- Emergency response for liquid ammonia.
- Class B Dedicated Wastewater And Sewage Treatment Specialist

We follow the five management approaches to enforce safety and health management, prevent work-related injuries and ill health, and seek to achieve the goal of safety first and zero accidents: Legal compliance, consultation and communication, risk control, pollution prevention, and continual improvement. To enrich the knowledge and enhance the awareness of workplace safety of employees and strengthen their capability for disaster response, we arrange occupational safety education and training and disaster response drills periodically.

In 2009 the Dayuan Factory passed the certification of TOSHMS (Taiwan Occupational Safety and Health Management System) and OHSAS 18001 certification at the same time. In 2012 and 2015 the Dayuan Factory passed the CNS 15506 certificate renewal evaluation. In 2013-2019 the Dayuan Factory passed the CNS 15506 national standard and OHSAS 18001 annual audit. In 2020 the Dayuan Factory passed certification for the certificate renewal of the ISO/CNS45001 Taiwan Occupational Safety and Health Management System. In 2021 the Dayuan Factory passed the ISO/CNS45001 annual audit.

We are committed to reducing work-related injuries and produce statistics on the rate of fatalities as a result of work-related injuries, high-consequence work-related injuries, and recordable work-related injuries. In 2021 the total number of days and hours worked was 248 and 1,650,224 hours respectively. During 2019-2021 the total number of cases of work-related ill health was none, and the occupational disease rate (ODR) was 0%. Neither fatality nor contractor work-related injury was reported.

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Regarding the 2021 rate of recordable work-related injuries, operation errors were the cause of most work-related accidents. We will plan and strengthen the hazard identification of workers' behavior and install intrinsic safety protection features. As no statistics on the number of workrelated injuries and total hours worked of contractors were produced 2021, the relevant information is unavailable for disclosure.

Classified Indicator		Dayuan		Hsinchu		Zhongli		Total	
	ισατοι	Male	Female	Male	Female	Male	Female	Male	Female
Rate of Fatalities as a Result of	Q'ty	0	0	0	0	0	0	0	0
Work-related	Rate	0	0	0	0	0	0	0	0
Rate of High- consequence	Q'ty	1	0	0	0	1	0	2	0
Work-related Injuries	Rate	0.18	0	0	0	0.72	0	0.24	0
Rate of Recordable Work-related Injuries	Q'ty	7	1	0	0	1	0	8	1
	Rate	1.27	0.18	0	0	0.72	0	0.96	0.12

(1).Rate of Fatalities as a Result of Work-related Injury = Number of fatalities as a result of work-related injury x 200,000/Number of hours worked

- (2).Rate of High-consequence Work-related Injuries = Number of high-consequence workrelated injuries (excluding fatalities) x 200,000/Number of hours worked
- (3).Rate of Recordable Work-related Injuries = Number of recordable work-related injuries x 200,000/Number of hours worked

Work-Related Accidents in 2021

		Dayuan	Hsinchu	Zhongli	台灣地區總合
		Total Number of Accidents (rate)	Total Number of Accidents (rate)	Total Number of Accidents (rate)	Total Number of Accidents in Taiwan (rate)
	Pinching (in- running and nips)	1(0.18)	0	0	1(0.12)
	Cuts and scratches	1(0.18)	0	0	1(0.12)
	Impacts	0	0	0	0
Tuno	Falls	2(0.36)	0	0	2(0.24)
Туре	Contact With High Temperature	2(0.36)	0	0	2(0.24)
	Rolling	1(0.18)	0	0	1(0.12)
	Object Collapse	1(0.18)	0	0	1(0.12)
	Drops	0	0	1(0.72)	1(0.12)
	Temporary Total Disability	8(1.44)	0	1(0.72)	9(1.08)
Severity	Permanent Partial Disability	0	0	0	0
	Permanent Total Disability	0	0	0	0
	Fatality	0	0	0	0
Total Hou	urs Worked	1,094,704	277,760	277,760	1,650,224
Number	of Workers	554	140	140	834

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IV.Coverage and Benefits

In addition to wages, employees are entitled to the Labor Insurance, National Health Insurance, and pension by law. We also offer group insurance to all full-time employees and their family and provide various benefits through EWC. In addition to our commitment to build a quality and friendly workplace environment, all employees are entitled to satisfactory benefits and the coverage they deserve. We take care of both the physical and mental health of every employee and his or her family for employees to embrace fraternity and strive to bring nutrition and health to all age groups in need so as to influence more "families".

1.Parental Leave

For employees to enjoy more flexible choices for responsibility sharing while bringing up their children, all employees are entitled to parental leave of absence for a maximum of two years for children under 3 years old according to the Act of Gender Equality in Employment and Parental Leave of Absence Implementation Regulations. The status of parental leave of absence in 2021 is as follows:

Item	Female	Male	Total
Total Number of Employees Who Applied for Parental Leave in 2021	5	1	6
Total Number of Employees Due to Return to Work After Taking Parental Leave in 2021 (A)	5	2	7
Total Number of Employees Due to Return Who Did Return to Work After Taking Parental Leave in 2021 (B)	1	0	1
Total Number of Employees Who Did Not Return to Work After Parental Leave (C)	1	1	2
Total Number of Employees Returning From Parental Leave in 2020 and Retained 12 Months After Returning to Work in 2021 (D)	1	1	2
Return to Work Rate % = B/A	20%	0%	14%
Retention Rate % = D/C	100%	100%	100%

2.Pension Reserve

To reward senior employees pursuing retirement after meritorious service, we offer them retirement coverage. Employees retiring at 55 years old are entitled to purchase products on the corporate online store for up to NT\$300,000 within 5 years. For employees selecting the retirement scheme under the Labor Pension Act (LPA scheme) from July 1, 2005, we deposit the monthly contribution to their personal account at the Bureau of Labor Affairs according to LPA. For service length before July 1, 2005, and employees selecting the retirement scheme under the Labor Standards Act (LSA scheme), we appropriate a pension fund according to actuarial results of actuaries each month to the Labor Pension Reserve Supervisory Committee for management. The fund will also be deposited in a special account at the Bank of Taiwan in the committee's name. A manger will be assigned based on the actuarial results of actuaries to bill as the accrued pension.

Retirement Planning	Degree of Employee Involvement in Retirement Planning
Pension Account Under the LSA Scheme	100%
Pension Account Under the LPA Scheme	100%

3. Average Earnings of Non-officer Full-time Employees

In 2021 we raised employee wages by over 3% on average compared to 2020.

Year	2020	2021	Add/Less
Average (NT\$)	800,463	826,628	26,165
Median (NT\$)	722,496	758,062	35,566
Number	919	952	33

1Excluding the data of senior officers

4. Employee Care Plan for Employee Group Insurance

Each employee represents one family. Hence, we already introduced the complete Employee Care Plan right from the beginning of establishment. Under the plan, all full-time employees and their spouse and children are covered by the group insurance, with the scope and amount of coverage far better than the market standard. The scope covers term life insurance with general and critical illnesses, accident insurance with coverage higher than the market standard, and a medical plan covering benefits for ward expenses, inpatient care, emergency medical services, outpatient surgery, as well as the cancer insurance covering outpatient visits, surgery, and hospitalization expenses.

Additionally, we have extended such coverage to the parents for employees to freely sign their parents up to the Company's group insurance at a premium lower than the market standard. Additionally, we also purchase compulsory motorcycle insurance for sales personnel who need to make many business visits at the Company's expense. Through the Employee Care Plan, we hope to provide more coverage for all employees and the families behind them so as to build a happy workplace uniquely exclusive to Standard Foods.

5.Employee Welfare Committee (EWC)

We have established the Standard Foods Employee Welfare Committee. Every year employees of all units elect enthusiastic and creative employees to be committee members to pursue benefits for all employees. Currently, EWC offers employees gift vouchers, birthday cash gifts, cash gifts for three major folk festivals, marriage allowance, maternity allowance, funeral expenses payment, disability living allowance, and other benefits. EWC also organizes various celebrations and Christmas parties to promote interaction and friendship development among employees, hoping that employees can become family and support one another to grow. EWC even organizes annual domestic employee travel and encourages employees to take their family with them. EWC will arrange appropriate subsidies for the family of employees. Additionally, EWC provides travel subsidies for employee groups or individuals to enjoy themselves through travel.

Due to COVID-19, employee travel was limited in 2021 in cooperation with the epidemic control policy of the Central Epidemic Command Center. Although the amount of travel subsidies was slightly reduced, the overall benefits remained unchanged.

Item	2019	2020	2021(Note)
Number of Beneficiaries (person)	942	937	1,078
Total Amount of Travel Subsidies (NT\$)	\$14 million	\$13.25 million	\$13.44 million
Average Travel Subsidies per Employee (NT\$)	\$14,862	\$14,428	12,471

EWC also encourages employees to voluntarily form various employee clubs. Currently, employee clubs in northern, central, and southern Taiwan fall into six categories and nine branch clubs: badminton, road running, basketball, softball, bowling, and cycling. By advocating sports clubs, we hope to create a healthy style of love for sports at Standard Foods.

To celebrate the 35th anniversary, we organized the One Team Racewalking event through online registration for employees of the head office, factories, and local stores to form teams across their departments. A total of 94 teams (752 persons) participated in the event to walk up to 175,007,056 steps in total.



Five





6.Health Care: Employee Health Checkups

Through proactive care mechanisms, health promotion activities, and a pregnancy-friendly environment and measures, we allow employees to feel our care for them. Additionally, to prevent critical illnesses from harming the health of employees, we arrange periodic health checkups for them. In addition to the statutory checkup items, we also include colorectal cancer and liver cancer screening. After the checkup, occupational medicine specialists are hired to make health improvement recommendations for employees based on their checkup results. Factory doctors and factory nurses are hired at the head office and each factory to offer the following health services regularly.

- Three sessions of health education courses for employees by specialists.
- One session of onsite service each month by contracted occupational medicine specialists.
- Health follow-up and care services for employees on home recuperation for work-related injuries.
- Retention of OH&S research reports and work-related injuries and ill health records.
- Assistance with the prevention of work-related ill health and improvement of the workplace environment.
- Assistance with job accommodation for employees according to the results of physical and health checkups.
- Analysis, assessment, management, and retention of the physical and health checkup records and health management.
- Prevention and assessment of work-related hazards for onsite workers to understand their work condition.
- Assessment of the health hazards of abnormal workloads to capture the health condition of employees.
- Assessment of preventive action for workplace bullying to prevent physical and mental injuries of employees.
- Continuous care, job accommodation, and exclusive parking for pregnant employees.

Special Column

Head Office Relocation to Neihu District in Taipei City in 2021

With an industrial design with an elevated ceiling and open seats, the new office enables departmental communication to be smoother and shortens the distance between employees. To take care of the health of employees, we have also added a gym, table-tennis tables, and shower rooms for employees to use freely.



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Special Column

Monthly Happy High Tea and Health Talks

We have planned a series of employee activities, including the monthly happy high tea and health talks that are beneficial to the physical and mental health of employees. These activities are open for free registration.

At the monthly happy tea, HRD carefully selects snacks and arranges new employees to introduce the information of new products to make the activity with a better "one team" mood. Talks are arranged for health promotion. Traditional medicine and Western medicine physicians, yoga instructors, athletes, and dieticians are invited to help sedentary office employees to stretch and relax a bit.







Social Welfare

I.Care for Child Nutrition II.Care for Elderly Nutrition III.Care for Nutrition During the Pandemic IV.Care for Nutrition of the Vulnerable



Six

Social Engagement and Welfare 🗕

Commitment

Goal

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Issue

Share nutrition and health with more people through fraternity for more people to access balanced nutrition through their diet and live the best part of life in every moment!

Short-term (2022-2025)

- Care for the calcium deficiency issue of children across Taiwan.
- Care for the unbalanced nutritional issue of seniors across Taiwan.
- Provide nutritional supplements during the pandemic.Care for the nutrition and health of vulnerable groups.

Medium- and Long-term (2025~)

- Continuously implement child and senior nutrition projects.
- Expand the scope of nutritional care.
- Publicize and strengthen the promotion of social activities to employees.

CSR was found upon cooperating with national policies and social needs to support social development with the business' core services. With respect to the 17 Sustainable Development Goals (SDGs) of United Nations (UN), we identify our responses to social impacts in terms of the following SDGs: SDG 2 Zero Hunger--End hunger, achieve food security, and promote sustainable agriculture; SDG 3 Good Health and Well-Being: Ensure healthy lives and promote well-being for all at all ages; SDG 10 Reduce Inequalities: Reduce inequality within and among countries; SDG 11 Sustainable Cities and Communities: Make cities and human settlements inclusive, safe, resilient, and sustainable.

Upholding the belief in "balanced and nutritional diets are the basis of human health", over the past 30 years or so, we have developed various nutrition and health foods based on nutrition and health and wish to take care of nutrition and health day for people in Taiwan of all ages with love and care day in and day out. Hence, we constantly care about socially vulnerable groups, contribute a care fund every year, actively engage in social welfare, support elementary schools in remote townships, child and elderly foundations, care homes, and elderly activity centers to bring nutrition and health to every group in need with all efforts. In 2020 we began to develop our group concepts. Through the four major labels under Standard Foods, we have introduced a series of CSR activities emphasizing child and elderly nutrition and health, hoping to contribute to society more systematically and efficiently to accomplish our brand commitments and visions.

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I.Care for Child Nutrition



According to MOHW 's 2016 Nutrition and Health Survey in Taiwan, 86.4% of schoolchildren in Taiwan suffered from insufficient intake of dairy products, and their daily calcium intake was below 50% of the standard! According to the headmaster of Kaohsiung Municipal Xiaolin Elementary School, "Students can only have milk once a week."

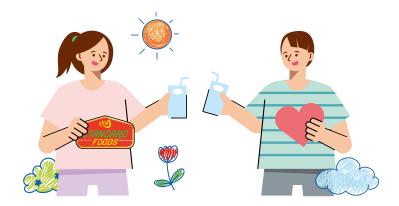
To shorten the urban-rural gap of schoolchildren's calcium intake insufficiency, Fresh Delight introduced the "Calcium Irrigation With Charity" project in 2020 by combining the power of consumers across Taiwan and schoolchildren in remote townships to make Fresh Delight the platform of hope to supply natural diary calcium that helps calcium absorption to schoolchildren in remote townships to improve their nutrition and growth.





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The intention of "Calcium Irrigation" is to encourage children to drink and love milk and motivate them to use dairy products and take in calcium in daily life. With the "Calcium Irrigation With Charity-Little Artists" package recruitment event, we invited children from remote townships to submit drawings for children to understand the nutritional and importance of milk through the creations. Additionally, through the "Little Artists" event platform, the art talent of children in remote townships can be seen. At the same time, consumers can make donations on the event website or support Fresh Delight products at retailers. We transform the care of consumers into Fresh Delight sterilized milk with quality milk calcium to help children in remote township to supplement quality milk calcium. By the end of 2021, we have successfully gathered donations across Taiwan to deliver over 880,000 packs of sterilized milk to 202 elementary schools in remote townships. The 2022 target will be a donation of 1 million packs of sterilized milk.





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II.Care for Elderly Nutrition

According to the WHO, an aged society means a society whose population of people aged 65 years and older is up to 14% of its total population, while a superaged society is 20%. Taiwan has become an aged society. According to the estimates of the National Development Council (NDC), Taiwan's elderly population will exceed 20% in 2025, turning Taiwan into a "super-aged society". Such a demographic structure suggests an annually growing population with chronic diseases.

Behind illnesses hide multiple social problems. In terms of diet, elderly people often need to dine alone without company. Hence, they tend to have simple foods with unbalanced nutrition. Facing family structure change and loneness, elderly people need correct health education, community support, dietary planning, and accompaniment to help them regain a beautiful life.

In 2022 we introduced the "LOHAS With Charity" dietary plan. Based on the mission of the "partner of family nutrition and health", we help elderly people"continue to create memories and keep past memories in later life". Through nine months of planning, we made the 15-minute documentary Return to Northern Cross-Island Highway and invited seniors aged 67.3 years on average and their companions to relive the team building activities and group recreational party again. After three days of hiking along the Northern Cross-Island Highway, they climbed to an elevation equivalent to 6.1 Taipei 101 and walked over 45km. During the hiking, they supported and encouraged one another, and all members completed the challenges and returned home safe and sound. The event has proved one thing: It takes only one new step for some beautiful memories in later life. In 2022 we will broadcast the documentary 12 times across Taiwan to encourage more elderly people to establish interactions within the community, leave their homes, and expand their social circle based on the success of the hiking group for them to live the best part of life in every moment.





IN COLUMN TWO IS NOT THE OWNER.

Six

III.Care for Nutrition During the Pandemic

When the pandemic's situation became severe in Taiwan in 2021, almost all households were deeply affected. In addition to being the main source of labor and family income, young adults were the major support of social operations during the outbreak in May when vulnerable groups were in need of assistance. The pandemic required containment, and social maintenance had to be done, enabling Taiwan to be sustained until today.

Since the global outbreak of COVID-19, we have been supplying over 350,000 packs of materials to maintain the nutrition and health of vulnerable groups. When the vaccination for young adults began, we introduced the "Protect Love With Love" public relations care project in May 2021 to supply nutrition supplements to those who have completed vaccination and express gratitude for their protection of loved ones in real action.

We also teamed up with our three major labels: Quaker, Fresh Delight, and TDHB to donate 250,000 Quaker Goodwill Packs for people to supplement nutrition for health. Each pack contains Fresh Delight sterilized milk, Quaker whole-grain cereal powder, Quaker Advanced Drink, and TDHB Digestive Enzyme. As each pack is NT\$110, the total value of the donation was over NT\$27 million.

Additionally, in view of the worries and anxiety of the public during the pandemic, with the consent of celebrated writer Lin Li-Ching, famous MC Heaven Hai, and renowned MC and writer Crystal Mu to share their warm stories on everyday life events in Taiwan, we printed them on postcards inserted in the Goodwill Pack to encourage the public to record the positive experiences around them, so as to stimulate more goodwill until Taiwan returns to beautiful normality.



IV.Care for Nutrition of the Vulnerable

While many vulnerable households in Taiwan are still suffering from nutrition deficiency today, in addition to the long-term participation in the aid projects of the 1919 Food Bank and United Way of Taiwan, we also maintain constant connection with various foundations and orphanages. By reflecting the relevant situations through care visits to households with economic vulnerability who are in need of emergency aid and case in communities by external volunteers, we determine the need to provide them with spiritual relief and daily necessities after our evaluation of the actual condition. Through collaboration with foundations and the internal central management and delivery of materials, we effectively supplied materials to those in need of them. In 2021 we made in-kind donations to charities with a value over NT\$9.4 million.



Seven

Partner of Family Nutrition and Health-COVID-19 Control Column

Sustainability Report 101

ANTINA ANTIMUM

Seven Partner of Family Nutrition and Health--COVID-19 Control Column

In response to the recent outbreak of COVID-19, we immediately formed the COVID-19 Emergency Response Team with the president as the chief commander and all division directors the ex-officio team members. After observing the pandemic status, HRD made recommendations and implemented and followed up on the epidemic control measures to strive to protect the health of employees.

Level 1

- Compulsory body temperature measurement and recordation before entry to the office or factories for all. Visitors and suppliers were also requested to fill in the epidemic control form in addition to temperature measurement. The name registration policy was also deployed in advance.
- Completion of staggered shifts planning to address the future epidemic changes.
- Addition of washbasins at factory entrances and alcohol dispensers in office common areas to enhance environmental disinfection.
- Verification of network equipment and information supply by the IT unit to cope with needs for future changes and working from home.
- Investigation of employees with footprint overlaps with confirmed cases to ensure employee risk control and health monitoring.
- Reduction of crowd gathering and cancellation of big indoor entertainments and events (e.g., New Year' s gathering and year-end parties).
- No entry to the office and factory areas for food delivery and home delivery services and central collection at the reception counters or the security guard rooms.
- Reduction of the chances of droplet infection through the implementation of dining separation control, meal supply in meal boxes, dine-in-place for office employees, and cross-shaped partitions at employee canteens.
- Distribution of facemasks and wipes to all factory workers in pace with the epidemic development and the rise of difficulty in access to such materials for employees to get over the epidemic safely.
- Installation of equipment integrating automatic body temperature measurement and time recording at factory entrances to reduce close contact of employees and thereby lower the risk of infection.
- Publicizing various epidemic control measures.
- Timely adjustment of epidemic control measures in pace with epidemic condition changes by HRD.

Level 2

- Continue the measures for Level 1 epidemic control.
- Verification of the list of groups for staggered shifts and review of the suitability of the computer equipment and network environment for working from home.
- Elimination of unnecessary meetings with or visits of guests.
- Videoconferencing for all internal/external meetings. Arrangement of alternate seats and wearing facemasks at all times for inevitable physical meetings.
- Compulsory body temperature measurement and wearing facemasks at all times for entry to offices or factories in epidemic hot spots.

In response to the pandemic, apart from establishing various responsive mechanisms based on the government's epidemic control level and proactively support various government epidemic control policies, we will also planned cooperation with the CommonWealth Learning College (CWLC) platform in 2021 to provide access to e-learning for employees during the pandemic to ensure non-disruptive learning, enrich their physical, mental, and spiritual health, and reduce the anxiety and worries brought by the pandemic.

Level 3

- Continue the measures for Level 2 epidemic control.
- Work from home for sales personnel and office staff across Taiwan, except for necessary office visits, and strict cooperation with the shift arrangements for factory workers to ensure the health of all employees and non-disruptive product supply.
- Adoption of staggered hours for employees to avoid crowds when coming to work and going home to reduce the chances of crowd contact.
- Videoconferencing for all internal/external meetings.
- Provision of health products for employees that must work in offices/factories/stores to take care
 of the health and thanks for the efforts of employees.
- Employee risk surveys to fully capture on whether employees or household members have confirmed cases or require isolation, understand the risk of infection of employees, and take necessary precautionary actions.
- Daily health condition monitoring of employees to ensure employees and their family members are absolutely healthy.
- Daily epidemic control publicity to remind employees to thoroughly practice personal epidemic control at all times.
- Epidemic care leave for employees who must take care of minors at home during school shutdown.



About This Report

With sustainable development goals as the focus, this report investigated sustainable development in terms of aspects including governance, the nutrition, health, and safety of food, sustainable environment, and a happy workplace to present the views on and counteractions for material issues faced by Standard Foods Corporation and Standard Diary Products Taiwan Limited under Standard Foods Group.

Reporting Period

This report covers the CSR performance of Standard Foods in 2021 (from January 1 to December 1).

Entities Included in the Organization's Consolidated Financial Statements

Please refer to the Annual Reports or financial statements of the affiliates of Standard Foods for details.

These reports and statements are available for download at our corporate website (https://www.sfworldwide.com) or the Market Observation Post System (https://mops.twse.com.tw/mops/web/t57sb01_q1).

Report Boundaries and Scope

Boundaries of the report have been set up by Standard Foods Corporation and Standard Diary Products Taiwan Limited under Standard Foods Group, with the operational activities of Standard Foods Taiwan as the scope. During the reporting period, no significant changes to scale, structure, or ownership of the Company or significant impacts regarding the Dayuan, Zhongli, and Hsinchu Factories were reported. All financial figures in the report are expressed in NTD.

Report Preparation Principles

This report has been prepared in accordance with the framework of the GRI Standards and GRI G4 Food Processing Sector Disclosures published by the Global Reporting Initiative (GRI), and the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and the ESG Best-Practice Principles for TWSE/TPEx Listed Companies of the Taiwan Stock Exchange Corporation.

Report Verification

This Report has been verified by Deloitte Taiwan in accordance with the Statements of Assurance Engagements Standards (SAES) No. 1 for limited assurance. The Assurance Report is appended to this Report.

Reporting Publication Time

This Sustainable Report is published annually and is disclosed on Standard Foods' corporate website at https://www.sfworldwide.com/sustainability-reports.html. Current Issue: September 2022 Previous Issue: September 2021

Contact Information of CSR Responsibility Unit

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Market Observation Post System



SASB Form

Category	Accounting Metrix	Corresponding SASB Code	Description
Energy Management	(1) Total Energy Consumed (2) Percentage Grid Electricity (3) Percentage Renewable	FB-PF-130a.1	 (1) 22,207,660 KWH (2) 94.01% Grid Electricity (3) 5.99% Renewable Note: The scope of investigation covers the Dayuan, Zhongli, and Hsinchu Factories. Source: Integration of the 2021 statistics of Taiwan Power Company by Green Energy Industry Promotion Center.
	 (1) Total water withdrawn. (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress. 	FB-PF-140a.1	(1) The total water withdrawal in 2021 was 1,037,902 m ³ (none from regions with High or Extremely High Baseline Water Stress). (2) The total water consumed in 2021 was 722,782 m ³ (none from regions with High or Extremely High Baseline Water Stress). Note: The scope of investigation covers the Dayuan, Zhongli, and Hsinchu Factories, with groundwater being the main water source. According to the UN World Water Development Report 2022, Taiwan is not a region with High or Extremely High Baseline Water Stress).
Water Management	Number of Incidents of Noncompliance	FB-PF-140a.2	During the reporting period, no incidents of noncompliance with environmental laws and regulations causing fines or sanctions were reported. Note: The scope of investigation covers the Dayuan, Zhongli, and Hsinchu Factories.
	Description of Water Management Risks and Discussion on Strategies and Practices to Mitigate Those Risks	FB-PF-140a.3	Please refer to pp. 84-87 of the 2021 Sustainability Report.
	Global Food Safety Initiative (GFSI) Audit (1) Non-conformance Rate and (2) Associated Corrective Action Rate for (a) Major and (b) Minor Non-conformities	FB-PF-250a.1	No significant non-conformance was discovered in any one of the three factories under Standard Foods. The rate of major non-conformities for all factories was 0. Dayuan Factory: While no major or minor non-conformities with ISO 22000 was reported, no associated action was taken. Zhongli Factory: There were no major non-conformance but three minor non-conformities with FSSC 22000, and the rate of completion of associated corrective action was 100%. Hsinchu Factory: There were no major non-conformance but eight minor non-conformities with FSSC 22000, and the rate of completion of associated corrective action was 100%. Hsinchu Factory: There were no major non-conformance but three minor non-conformities with SQF, and the rate of completion of associated corrective action was 100%.
Food Safety	Percentage of Ingredients Sourced From Tier 1 Supplier Facilities Certified to the Global Food Safety Initiative (GFSI) Recognized Food Safety Certification Program	FB-PF-250a.2	56.8% of ingredient suppliers have food safety management systems complying with or better than ISO 22000.
	 Total Number of Notices of Food Safety Violations Received Percentage Corrected 	FB-PF-250a.3	Our Three Factories: The Dayuan, Zhongli, and Hsinchu Factories received one food safety violation notice. Corrections were completed 100%.
	(1) Number of Recalls Issued(2) Total Amount of Food Products Recalled	FB-PF-250a.4	There was one product recall in 2021 recalling 1.2 MT of products that were directly destroyed by retailers.
Product Health and	Revenue From Products Labeled and/or Marketed to Promote Health and Nutritional Attributes	FB-PF-260a.1	The net income from products labeled and/or marketed to promote health and nutritional attributes was NT\$2,303,611,582.
Nutrition	Discussion on the Process to Identify and Manage Products and Ingredients Related to Nutritional and Health Concerns Among Consumers	FB-PF-260a.2	Please refer to pp. 30-54 of the 2021 Sustainability Report.

Category	Accounting Metrix	Corresponding SASB Code	Description
	Percentage of Advertising Impressions (1) Made on Children (2) Made on Children Promoting Products That Meet Dietary Guidelines	FB-PF-270a.1	The advertising expenses on baby and infant formulas accounted for 7% of the group's total advertising expenditure.
Product Labeling and Marketing	Revenue From Products Labeled as: (1) GMOs (2) non-GMO	FB-PF-270a.2	Net Income From Non-GMO-certified Products: NT\$136,453,464.
	Number of Incidents of Non-compliance With Industry or Regulatory Labeling and/or Marketing Codes	FB-PF-270a.3	One probable incident of non-compliance with the local advertising code was reported in 2021.
	Total Amount of Monetary Losses as a Result of Legal Proceedings Associated With Labeling and/or Marketing Practices	FB-PF-270a.4	One legal proceeding associated with labeling and/or marketing practices was settled in 2021, with the total amount of monetary losses at NT\$30,000.
Packaging Lifecycle Management	 (1) Total Weight of Packaging (2) Percentage Made From Recycled and/or Renewable Materials (3) Percentage That is Recyclable, Reusable, and/or Compostable 	FB-PF-410a.1	 (1) Purchased 1,177,080,385 of EA packaging materials. (2) 6.27% of packages were made from renewable materials. (3) In terms of quantity, 51.29% were recyclable packaging materials. *In the future, we will inventory packaging materials by weight in order to share more information.
	Discussion on Strategies to Reduce the Environmental Impact of Packaging Throughout its Lifecycle	FB-PF-410a.2	Please refer to p. 34 of the 2021 Sustainability Report.
	Percentage of Food Ingredients Sourced That are Certified to Third-party Environmental and/or Social Standards(percentages by standard)	FB-PF-430a.1	Although no request for certification of environmental and social impacts has been made on all suppliers, we are striving to seek sustainable development with all suppliers, and this is one of our sustainable development goals. We strive to actively plan and inventory the certification of environmental and social impacts of suppliers, and more information will be shared in the future.
Supply Chain Management	Tier 1 Suppliers' Social and Environmental Responsibility Audit: (1) Non-conformance Rate (2) Associated Corrective Action Rate for (a) Major and (b) Minor Non-conformities	FB-PF-430a.2	 In 2021, 27 audits were conducted on suppliers' facilities and 344 non-conformities were detected, i.e., a non-conformance rate of 7.51%. 2021 92.07% of non-conformities were corrected. We will continue to establish action plans for corrections in collaboration with suppliers until non-conformities are eliminated.
	Percentage of Food Ingredients Sourced From Regions With High or Extremely High Baseline Water Stress	FB-PF-440a.1	7.96% of ingredients were sourced from regions with High Baseline Water Stress.
Ingredient Sourcing	List of Priority Food Ingredients and Discussion on Sourcing Risks Due to Environmental and Social Considerations	FB-PF-440a.2	Our Major Ingredients Include: raw milk, oats, canola oil, sunflower oil, and whole milk powder. In response to the rapidly changing environmental and social issues, we have established mitigation and management strategies and management objectives after risk identification. Please refer to pp. 69-72 of the 2021 Sustainability Report for details.

Appendix

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CPA's Limited Assurance Report

Deloitte.

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* 计解实限编辑报告

值得会品股份有限公司 公警:

植肠青品酸份有限公司民國 130 年度水磷酸含蓄,重短本會計部計到所 還定之權的資訊執行場信程序境筆,並出具有限場信報告。本次執行場信程 序之權的資訊請詳附件一「場信項目囊總長」。

管理潜屠到永靖报告書之貴任

管理指層之資任條供讓臺灣證券定另所「上市公司編製與申報水構報告 書作業例法」。全球水積性報告協會 (Global Reporting Initiatives, GRI) 晉 等之 GRI 專封 (GRI Standards) 及近行案時性多條其性適用之早到編製水績 報告書,且維持病編型水績報告書有超之必要控制,以確保水績報告書所則 標的資訊表存有重大不實表述。

曾针部對水罐報告書執行確信報序之責任

各 金针砂砾铁进煤值集制合数第一號「扇屬歷史性財務冒政重組成租踢 之爆信案件」,對上開水場報告書所進定之標的資訊(評助件一)在所要查天 方面是否抵照第二段所送準則編覧,段出有限項信数券。板数約合理項信。 有然項信業移所執行程序之性質及時間跨過用合理項信案件不同。具範圍作 較一,因是取得之項信就是時顯號於合理項信。

本會計評係基於專業列聯規劃及執行項信推序,以獲取相關標的資訊之 有限項信證據,且任何內部證制的受有充民限制,因此未必能過出所有實已 存在之業大不需表述,本會計評執行項信組序包括: •取得及問讀水績報合業:

• 你該管理踏層見相關人員。江塘部公司編製水樓越合書有關政業見程序:

• 计接相辅人员丁解析遗汇模的复数表生这些,内部控制及重张系统;

分析及以抽查方式测试槽的管机相关文件是比较。

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先天限制

由於语多確信項目係屬非対路資訊,相較於對預資訊之確信受希更多先 人思制,就讓單資訊之相關性,重大抗與主確位之歸陳可抵非是更多管理燈 層之重大利制,指從與解釋,不同利害關係人對該單質低亦可能有不同之解 用。

國立法及品質管制連接兼明

本 會计部及所證屬會計部事務內遵因會計納載置通過規範中有歸關工程 及其他通德規範之規定, 協規範之基本原刻為正義。公正審觀。專業能力處 盡專實上應有之注意。保密及專業態度。此件,本會計師所證屬會計部事務 所遵編審計果附公報單相十六號 "會計部事務何之品質營利」, 以應將完備之 品質管制刻度, 包含與遵循職實通過規範。專業學則及所通用法令相關之書 而成葉及程序。

堪信林論

紙據州戰行之推序及所獲取之證據。本會計歸並未發現值給全品經分差 限公司民國 110 年度水環報告書中所還定之標的習訊在州省重大方面有未遵 編異衡量基率整臺灣理各交易州²上市公司編型商中報水環報告書作重時 請,)、全球水環性報告協會(Global Reporting Initiatives, GR1) 條有之 GRI 專則(GRI Standards) 度低行業時性条條其他透明之專則之情事。

其他事项

本项信服告出具说。 青公司到任时项信控的成道同基果之望更。本重 封朝那不真就提等重调重新数行项信工作之责任。



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Standard Foods Sustainability Report