



2021

ESG

AGV PRODUCTS CORPORATION 2021 SUSTAINABILITY REPORT



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About the Report

1 Preamble

It has been 51 years since AGV Products Corporation (hereinafter “we” or “AGV”) was founded in 1971. Adhering to the business philosophy of “For a Healthy Tomorrow,” AGV provides products and services that are assuring and trustworthy to our customers, while we bear an indispensable responsibility to ensure the country and the public that our commitment to corporate sustainable development will never change. The information and statements presented by this report focus on our performance in sustainable development in 2021, with identification and disclosure of the topics of concern for stakeholders.

2 Main Contents of the Report

The contents of this report include AGV(excluding subsidiaries or sub-subsidiaries) performance and results in sustainable development during the period from January 1 to December 31, 2021.

3 Basis and Principles for Preparation of the Report

This report has been prepared with reference to the latest GRI Standards of the Global Reporting Initiative (GRI), on the basis of the core options and the supplementary indicator for the food processing sector (G4 Sector Disclosures – Food Processing), and to the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” of the Taiwan Stock Exchange. All relevant financial data is based on the IFRS parent-only financial report certified by accountants from

Crowe Taiwan, and is presented in NTD, with a description if any other currency is used. Part of the information is based on our annual report or the public information on other websites.

4 Dates of Issue

Current edition: issued in September 2022
Previous edition: issued in September 2021
Next edition: to be issued in September 2023

In the future, we will issue a regular sustainability report annually, which will also be published on AGV’ s website.

5 External Assurance

We have engaged Crowe Taiwan to provide independent limited assurance of this report in accordance with the Standard on Assurance Engagements No. 1 “Assurance not classified as audit or review of historical financial statements” issued by the Accounting Research and Development Foundation. For the related items and scope of assurance, see Appendix 1 of this report, “Independent Accountant’ s Limited Assurance Report.”

6 Contact Information

- (1) Contact person: Yueh-Chu Tsai, Human Resource Division
- (2) Address: No. 11, Gongye 2nd Rd., Xingnan Village, Minxiong Township, Chiayi County, Taiwan (R.O.C.)
- (3) Tel.: (05) 2211521
Fax: (05) 2216287
- (4) Email: yuehchu@mail.agv.com.tw
- (5) Website: <https://www.agv.com.tw>



FOR A HEALTHY TOMORROW



Chairman
Kuan-Han Chen

1 Message From the Management

Corporate Vision and Business Philosophy Starting From Love

Since AGV was founded, it has aimed at “For a Healthy Tomorrow” as its corporate vision. Having been launched into the Taiwan market for half a century, the management team of AGV never changes its mind to uphold the forward-looking sustainable management philosophy based on “LOHAS, eco-friendliness, green-ness and health” to lead in the food industry, create consumption trends, guard nation’s health, fulfill its corporate social responsibility, uphold the philosophy of love and trust, and keep working hard to move toward the vision as the “leading enterprise practicing ESG in the food industry of Taiwan.” AGV will continue to take the initiative starting from love to internalize “safety, health, function, convenience and innovation” into AGV’s DNA, regard consumers as its family members and products and services as its career and strictly control every detail “from raw materials to finished goods, from production to sales, from R&D to QC, from promotion to brand and from management to laws and regulations,” in order to practice the all-around fair, just and open supply chain management system. It not only requires compliance with the national food safety policy and food laws and regulations, but also insists on improving its quality standards and QA system in line with the international trends. Meanwhile, AGV will keep adhering to its three-more (more good materials, more nutrition, more love) and three-less (less salt, less sugar and less MSG) policy that AGV has practiced for several decades. AGV is an enterprise full of love, which is named after love, starts its business from love and manages its business with love. The whole management team will keep investing in R&D and innovation, guard food safety

management, improve its service level, care for its employees and shareholders, fulfill its corporate social responsibility, and do its best for activation and improvement of the food industry of Taiwan, hoping to be a role model in the food industry of Taiwan and build an enterprise with the corporate identity representing attention, love, consideration, sincerity and reliability for the country and society.

Commitment to Great Health: Sustainability Strategies and Concrete Actions

For people, food is of paramount importance. As a food company, AGV adheres to the business vision of “For a Healthy Tomorrow” and the food safety commitment of “Great Health.” In addition to implementing a fully impartial, fair and open supply chain management system and ensuring compliance with national policies, laws and regulations on food safety, AGV also seeks to improve its quality levels and QA system to meet international standards. Its team has continued to take concrete actions regarding the following :

- Product traceability and tracking
AGV will engage in comprehensive integration and management of the supply chain and procurement systems at the fastest speed, with the aim to achieve product traceability and tracking for all raw materials entering AGV’ s product supply chains within recent years.
- Simple formulas and clean labeling
AGV has continued to insist that whatever comes from nature is the best! To satisfy consumers’ demands for natural and healthy products, AGV has been moving toward the goal of products, ingredient formulas and safe processes that are clean, natural and non-contaminated with regard to product R&D innovations and process optimization and upgrade. For its future products, AGV will stay committed to simple formulas and clean labeling to exclude unnecessary artificial additives and make them healthy, tasty, green and natural.
- Compliant systems and international standards
A laboratory receiving dual national certifications and meeting the TAF ISO/IEC 17025 and TFDA standards is AGV’ s engine for endless R&D innovations and a strong base to maintain product quality and avoid food safety risks. AGV has upgraded its Institute of Health Science to an academy consisting of the Institute of Food Safety Management and the Institute of Food Biotechnology Development, which are tasked with quality management and product R&D, respectively. Having spared no efforts in its investment in food safety and R&D innovations, AGV has strived to ensure that all products meet the requirements of national food laws and regulations and has continued to utilize more manpower and resources to achieve a higher level of self-requirements, with the aim to enhance the capacity of self-inspection and receive international food safety certifications.

Commitment to Great Responsibilities: Patents, Awards and Certifications

A business has the responsibility and duty to keep emphasizing and be committed to health. All of AGV's food and drink factories have been certified under various internationally recognized certification systems including ISO22000 and HACCP. Thanks to the efforts our team has made for many years, we have received honors patents, certifications and awards, including: patents for processes and effects in multiple countries, national health numbers, Monde Selection awards, EU's AA (Anti-additive) certification, EU's AA Taste Awards certification, selection as Eatender foods by the Food Industry Research and Development Institute, Superior Taste Award from the International Taste Institute, innovation awards from the Health Food Society of Taiwan, Food Innovation Award from foodNEXT, product awards from the Taiwan Association for Food Science and Technology, special food awards in Japan and Symbol of National Quality (SNQ).

Commitment to a Great Family: Eco-friendliness, Sustainability, Co-existence and Shared Prosperity

AGV understands that a business must assume heavier responsibilities to reciprocate with love for this country where we were born and grew up and we therefore have developed the forward-looking sustainable management philosophy based on "LOHAS, eco-friendliness, greenness and healthiness." In recent years, the management teams of AGV's food and drink factories have been active in facing the challenges of climate change. During the life cycle of products, with regard to materials, work, water, gas, electricity, oil, paper and waste, they have also been active in integration and planning to seek the mitigation of environmental impact and even more active eco-friendly solutions. At the subsidiaries, branches, external offices and dispatched units of the AGV Group, environmental education and sustainability awareness sessions have been regularly organized for a long time. With the spirit of "a business of love" as the starting point, the sessions aim to communicate and fulfill AGV's commitment to a great family for eco-friendliness, sustainability, co-existence and shared prosperity to employees and their families, suppliers, shareholders, business counterparties and the industrial, government and academic sectors in the society. AGV also seeks to convey the taste of love to every hardworking employee in the group. Adhering to the company motto of "harmony, love and integrity, harmony is treasure," AGV not only provides a safe, healthy, harmonious and happy workplace for employees to seek a balance between their work and families, but also actively plans for enhancing the professional skills and competencies of employees

so that they are able to grow in step with AGV. Every human has a heart and every business is formed by humans. AGV always believes that humans are the core and the most precious assets of a business and that corporate social responsibilities start and end with humans. As long as businesses have love, we will be able to ensure eco-friendliness, sustainability, co-existence and shared prosperity between humans and society.

Commitment to a Great Future: in the Name of Love, Starting From Love, and Managing Business with Love

The “love” in the name of AGV symbolizes its omnipresent love for families, the society, neighbors and communities. During the business development of the food industry, AGV’s starting point and basis of management for all operating plans and managerial decisions have been love and it hopes to play a role in facilitating the revitalization and upgrade of the Taiwanese food industry and to lead the country, the society and the industrial, government, academic and private sectors onto a path of positive development with concrete actions. This has always been our original intention in promoting our corporate social responsibilities and the foundation of corporate sustainable management. The vision of “For a Healthy Tomorrow” that appears on AGV’s brand and trademark demonstrates that the hope of the country, the society and consumers lies in the future, whose hope lies in being healthy and such is AGV’s ultimate commitment to its corporate social responsibilities. Food safety and consumer health reflect the business philosophy of “in the name of love, starting from love and managing business with love,” which AGV has remained committed to since its founding and we have promised not to compromise our quality requirements, not to evade our social responsibilities and not to fail on our commitments to the public.

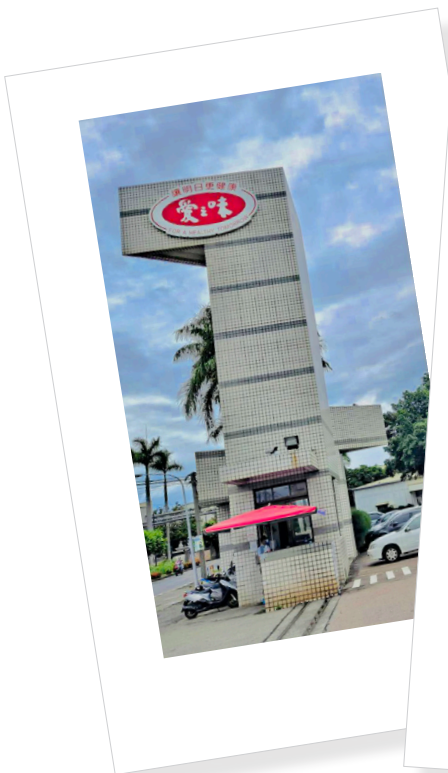
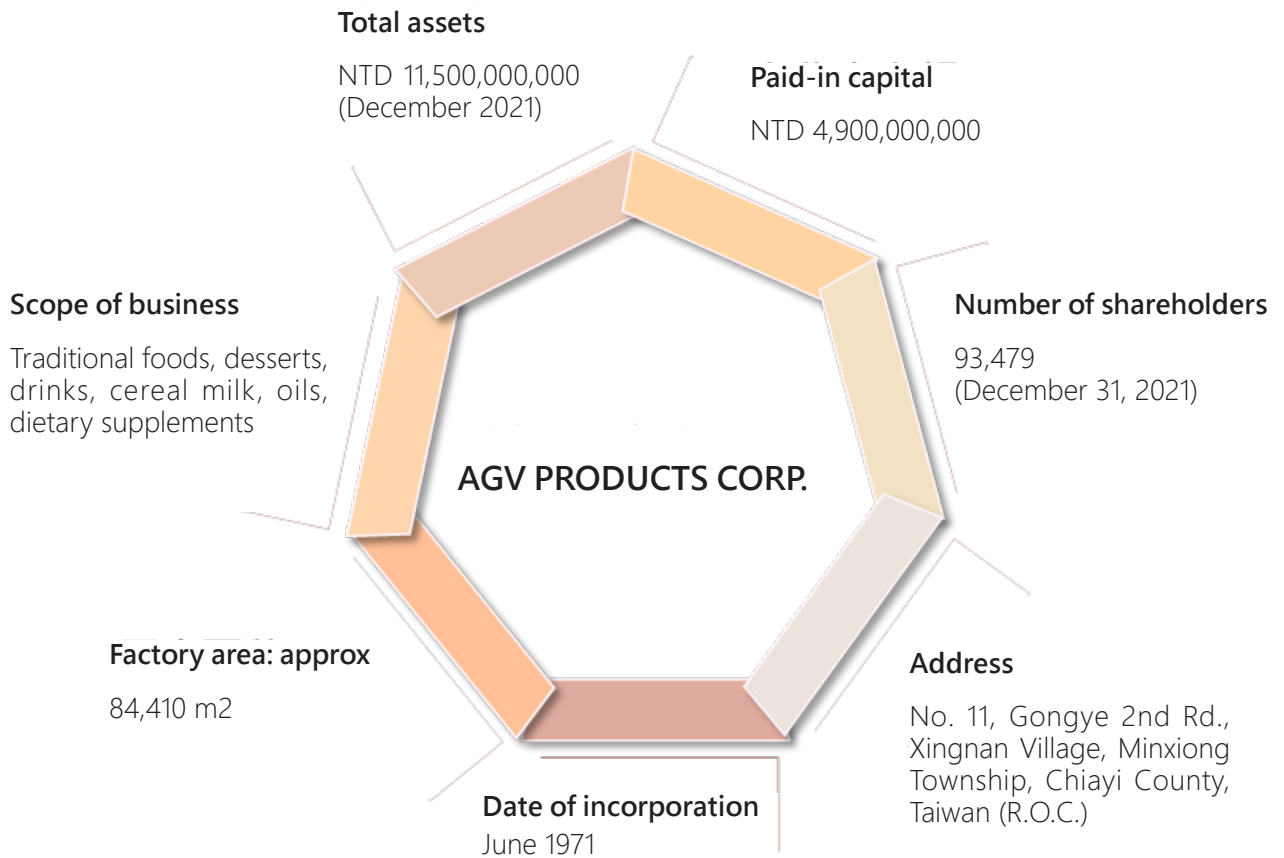


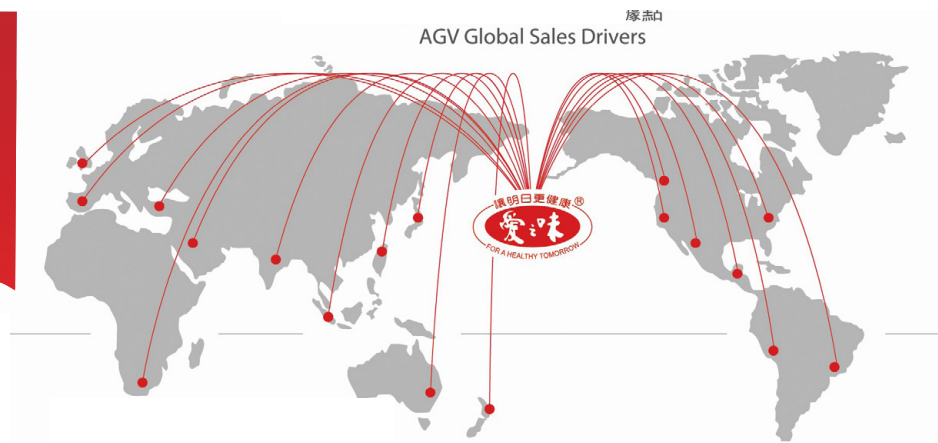
Organizational Overview

- 2.1 Company Profile
- 2.2 Main Products and Related Scope of Business
- 2.3 Overview of Operations, and Direct Economic Values Generated and Distributed
- 2.4 Tax
- 2.5 Participation in Industry Associations or Other Organizations and Initiatives

2 Organizational Overview

2.1 Company Profile





The Finest Ingredients, the Most Modern Processing Technologies

The people at AGV believe successful products are made on a solid foundation of the finest ingredients and the best flavors. AGV established, in accordance with the ROC Agricultural Ministry and County Agricultural Associations, a farming cooperative. This system provides Taiwan farmers access to agricultural experts who recommend materials that conform to the most stringent of standards. Thus, ensuring AGV of consistently quality produce. As for process technologies, AGV remains committed to its industry leadership. They work in close cooperation with research institutes to develop new and innovative processing technologies. In its commitment to consumers, AGV was first to introduce a low-sodium food, preservative-free line of foods.

AGV currently operates four production facilities assigned to manufacture the following categories of products: (1)traditional foods, (2)Chinese foods, (3)healthy beverages and (4)Chinese desserts. Computerized, scientifically integrated production processes at all facilities ensure that all items from production lines are complete in every sense.

The “Three No’s, Three Lows, and Three Highs” of AGV

In line with its corporate mission to realize a “Healthier Tomorrow”, AGV works in accordance within the following “Three No’s, Three Lows, and Three Highs” guidelines:

Three No’s : No preservatives, artificial colorings, or chemical additives added.

Three Low’s : Produce products with less sodium, less sucrose and less MSG.

Three Highs : Produce products with high quality ingredients, high nutrition value, and high consumer appeal.

Automated Storage & Retrieval System

AGV built an ultra-modern AS/RS fully-automated warehousing facility to enhance the responsiveness of its production processes and to increase production efficiency. Automated quality control functions both increase process efficiencies and lower labor input to significantly increase the quality levels of finished products. This is yet another example of AGV’s corporate policy, its full commitment to meet the increasingly sophisticated demands of consumer.

Worldwide Distribution

Where there are Chinese, you will find AGV

Excellent products also require a strong marketing program. Because its market is truly global and covers all income levels, AGV approach to marketing is always lively, innovative and personable, with positive results - increasing AGV’s sales percentages and earning the dedicated support of retailers. Effective marketing ensures continued sales growth in Taiwan and expanding sales to international markets. Recently, AGV has initiated cooperation with foreign partners through strategic alliances to push further ahead with development of international markets. AGV is moving into international markets and we take pride in “where are Chinese, you will find AGV.”



Dessert and Beverage Series

AGV dessert series use strictly selected natural ingredients that are convenient for instant consumption satisfying the modern pursuit of health and refinement.

AGV beverage series use cold aseptic filling technology that not only preserves the natural flavors of tea and juice, but also completely retains each nutrient element, which are nutritious and safe.



United States Food and Drug Administration (FDA) Standards



MONDE SELECTION BRUXELLES



Certified Agricultural Standards

Traditional Cuisine and Condiments Series

AGV traditional cuisine and condiments series are seasoned with exclusively selected natural mushroom essence and soybean oil essence, replacing sodium salt with potassium salt. The series has a refreshing taste, and a crispy and crunchy texture, and most importantly, it is healthy and appetizing.





Refrigerated Nutritional Beverage and Jelly Drink Series.

AGV Food & Health Research Institute uses cold aseptic filling to produce high quality refrigerated dairy series to retain product's nutrition and extend product's expiration date. Healthy dessert Jelly drink, with diverse selections of flavors, helps to promote good digestion.



MONDE SELECTION BRUXELLES



National Health Food Certification
Regulate blood lipid function
Immunomodulatory function



Anti Additive Clean Label Organization
Won three-star award





The nation's first food oil
has passed health food
certification.

National Certification
Guarantee Of Efficacy



Healthy Beneficial Cooking Oil Series

AGV healthy beneficial cooking oil series is 100% naturally pure with 90% unsaturated fat. It is perfect for pan-fry, boiling, stir-fry, and deep-fry. It produces extremely little smoke and grease, making it the most ideal healthy cooking oil.

Certified Quality Honors

To ensure all products complying with Taiwan Food Safety and Hygiene Regulation by conscientious quality control, AGV has acquired a variety of certifications including CAS (by Ministry of Agriculture), TQF (by Taiwan Quality Food Association), ISO22000, HACCP, FSSC and Health Food Certification (by Ministry of Health and Welfare) on quality control system. AGV Food & Health Research Institute has built up complete inspection and analysis methods in accord with national standard and regulation, recognized as qualified food inspection and analysis laboratory by TFDA, and granted ISO/ IEC 17025:2017 certification by TAF. AGV maximizes its guarantee to consumers by these awards and recognitions.

2.2 Main Products and Related Scope of Business

2.2.1 Manufacturing processes and selling channels for main products

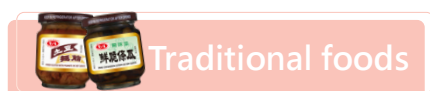
Manufacturing processes



Selling channels



2.2.2. Main brands and product series



Among the traditional foods made by AGV, pickles are the best-known products in the Taiwanese market. The products are unique in being free of preservatives, artificial colorants and chemical materials and containing very little sodium salt. The AGV Pickled Cucumber (Sliced) in Soy Sauce is made of specifically selected, fresh cucumbers pickled partly using potassium salt instead of sodium salt. Exclusively seasoned with original juice from mushrooms and soybean oil, the cucumbers have a mellow flavor and a sweet and crunchy taste, dipped in nutritious and appetizing sauce.

The AGV Fried Gluten with Peanuts in Soy Sauce is made of gluten fried with fresh soybean oil, which is free of rancid smells and is of high quality. Containing a high amount of plant protein, the tenderly chewy and nutritious gluten is among the healthiest foods for women, middle-aged adults and children. The specifically selected peanuts are absolutely free of aflatoxins.



Desserts

The AGV Peanuts in Milk is made of specifically selected peanuts in order to produce a combination of milk and peanuts of the best quality. With every peanut strictly picked by computers, the product is a mixture of exceptionally large peanuts and strongly tasty milk. Through an exclusive manufacturing process, the peanuts have become pretty soft and would melt in your mouth. They are a good choice as your breakfast and snack.

The AGV Mixed Congee with Okinawan Brown Sugar is made of brown sugar from Okinawa, Japan and eight specifically selected grains, namely black soybeans, black rice, oats, pearl barley, red beans, mung beans, longans and sesame. Being pure and natural, these ingredients are completely free of molasses and would melt in your mouth, providing the congee with a mellow and moderately sweet taste.



Drinks

Certified as a healthy food by the Department of Health, Executive Yuan, the AGV Multigrain Activate Tea is effective in lowering cholesterol and can contribute to reducing low-density lipoprotein cholesterol and increasing high-density lipoprotein cholesterol in blood. The tea has been certified to include functions that prevent the formation of body fat, and has been proved via animal experimentation to be helpful for decreasing the amount of body fat formed. With strictly balanced diet and controlled calories and appropriate conditions of exercise, proper consumption of this product could make it less likely for body fat to form. Made of a mixture of several types of tea leaves, the finely blended tea is able to produce multiple layers of rich tea fragrance with a perfect mixing ratio, and anyone who drinks it will feel no bitterness and more smoothness. Using elements of Okinawan bitter melons extracted with an exclusively patented technology from Japan, the tea preserves many benefits of bitter melons while eliminating their bitterness. Each bottle of the tea contains 8 to 11 g of dietary fiber, providing 50% of such fiber you need per day, and can facilitate mild peristalsis of your digestive tract and effectively keep your body healthy. Certified as a healthy food by the Department of Health, Executive Yuan, the AGV Barley Drink has been proved via animal experimentation to be helpful for increasing probiotics in your gastrointestinal tract. Made of deeply roasted premium barley from the U.S. and Australia, the tea is able to produce the most natural barley fragrance with a fine taste and a cooling-off effect. The addition of oligosaccharides can facilitate peristalsis of your digestive tract, while the tea is mild and harmless to your stomach since it does not contain any tea leaf or caffeine.



Cereal milk

Made of 100% natural oats, the AGV Premium Oat Drink has been certified as a healthy food by the Department of Health, Executive Yuan, and has been proved by experiment to be helpful for lowering cholesterol and immunomodulation. Moreover, it has been proved via animal experimentation to be: 1. helpful for increasing the hyperplasia of immunocytes; 2. helpful for enhancing the activity of phagocytes; 3. helpful for enhancing the activity of natural killer cells; 4. helpful for modulating the secretion of cytokines; 5. helpful for increasing the content of immunoglobulins (IgG) in serum. As one of the primary sources of diet in Europe and the U.S., oats have been an internationally recognized dietary supplement. Oats have been the only grain selected by the U.S. magazine Time as one of the top-10 recommended nutritional supplements, and they are the first kind of grain confirmed by the U.S. Food and Drug Administration **FDA** to be containing dietary nutrients. Using the latest biotechnology of dual enzyme hydrolysis, the “Premium Oat Drink” is the first oat drink that preserves the nutritious essence of oats. With a smooth, mellow, natural and sweet taste, the product is a nutritional supplement made of 100% oats which can be easily consumed anytime, anywhere.



Oils

The AGV Premium Blend Cooking Oil contains a rich amount of Omega-3 (α -linolenic acid), one of the necessary fatty acids which cannot be synthesized by the human body. The product is the healthiest cooking oil blended by AGV's Institute of Health Science using an exclusive oil manufacturing technology. Omega-3 accounts for no less than 18% of the content of polyunsaturated fatty acids, which constitute at least 90% of the unsaturated fats contained in each bottle of the oil. It generates an extremely low amount of cooking fumes and has a light, refreshing and non-greasy taste.



Dietary supplements

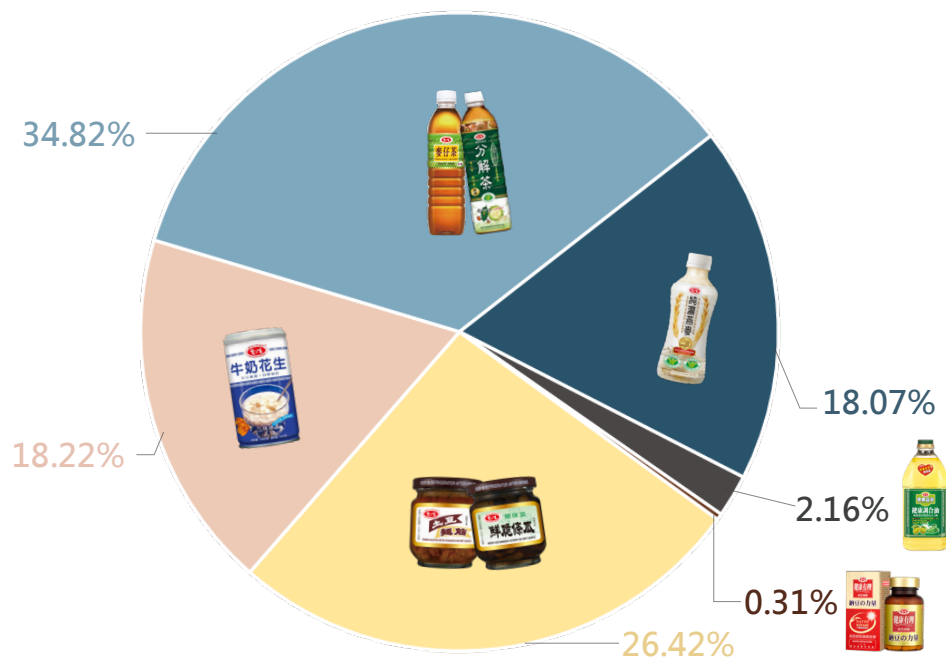
The AGV Natto Kinase is made of specifically selected non-genetically modified soybeans that have received organic certification from the EU (ECOCERT). Cultured by high-quality Bacillus natto using the latest biotechnology, a very high amount of nattokinase is extracted, with the activity of each capsule reaching 5,000 FU. The Bacillus natto has been fully preserved, so that you can directly ingest the essence of natto. By taking one capsule a day, you will be able to regulate your physiological functions and facilitate your metabolism.

2.2.3 Main scope and share of products of AGV's business in 2021

1. Sales amount and share by product in 2021

(Unit: NTD thousand)

| Product type | Sales amount | Sales % |
|---------------------|--------------|---------|
| Traditional foods | 1,045,068 | 26.42% |
| Desserts | 720,656 | 18.22% |
| Drinks | 1,377,686 | 34.82% |
| Cereal milk | 715,008 | 18.07% |
| Oils | 85,531 | 2.16% |
| Dietary supplements | 12,272 | 0.31% |
| Total | 3,956,221 | 100.00% |



2. Sales amount and share by territory in 2021

(Unit: NTD thousand)

| Territory type | Sales amount | Sales % |
|----------------|--------------|---------|
| Asia | 3,956,221 | 100.00% |

2.3 Overview of Operations, and Direct Economic Values Generated and Distributed

1. Analysis of revenue and profits in the current year

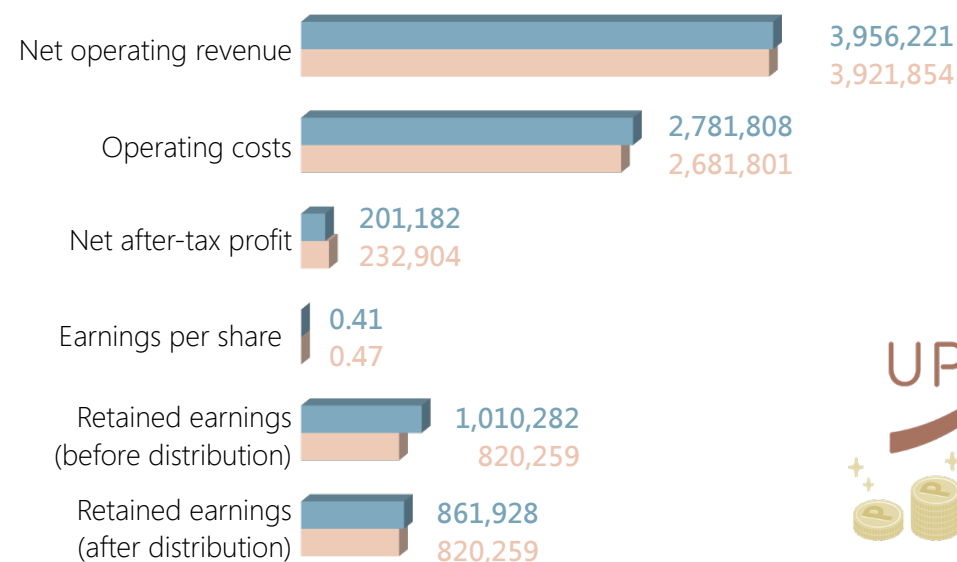
In 2021, AGV' s operating revenue was NTD3,956,220,000, an increase of NTD34,370,000 from the previous year at a growth rate of 0.9%. The gross profit margin declined by 1.9% due to higher costs of raw materials, resulting in a decrease of NTD65,640,000 in the gross profit from the previous year. As a result of proper control of the operating expense, the expense ratio declined by 1%, generating a net operating profit of NTD185,370,000, which was NTD39,180,000 less compared to the same period of the previous year. The pre-tax profit was NTD254,940,000, which was NTD37,570,000 less compared to the same period of the previous year. The net profit less the income tax expense amounted to NTD201,180,000.

2. Financial information and direct economic values generated and distributed during the most recent two years

(1) Overview of operations

(Unit: NTD thousand)

| Item | 2021 | 2020 | Difference (%) |
|---|-----------|-----------|----------------|
| Net operating revenue | 3,956,221 | 3,921,854 | 0.88% |
| Operating costs | 2,781,808 | 2,681,801 | 3.73% |
| Net after-tax profit | 201,182 | 232,904 | -13.62% |
| Earnings per share | 0.41 | 0.47 | -12.77% |
| Retained earnings (before distribution) | 1,010,282 | 820,259 | 23.17% |
| Retained earnings (after distribution) | 861,928 | 820,259 | 5.08% |

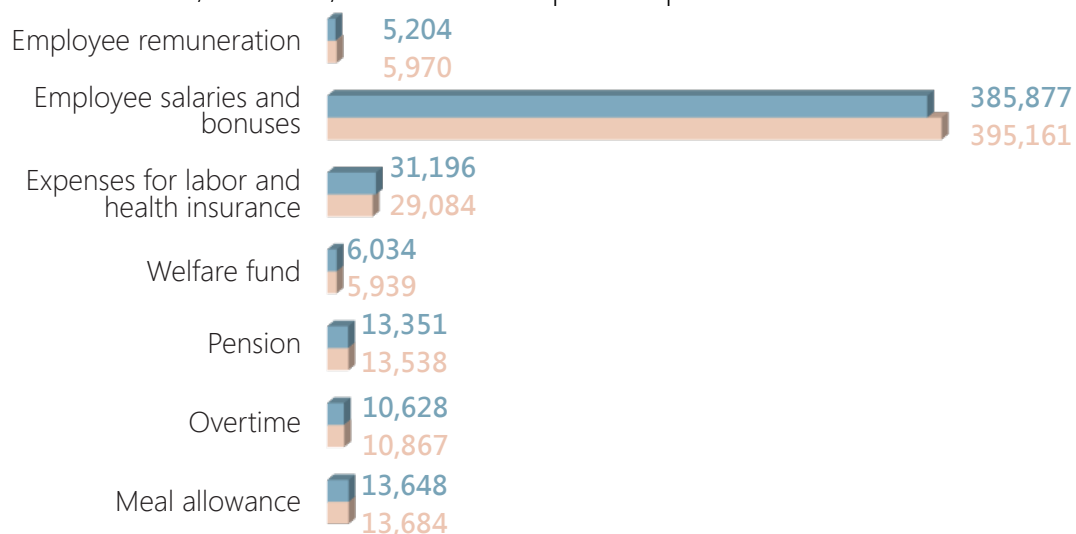


(2) Employee remuneration and benefits

(Unit: NTD thousand)

| Item | 2021 | 2020 | Difference (%) |
|---|---------|---------|----------------|
| Employee remuneration (Note) | 5,204 | 5,970 | -12.83% |
| Employee salaries and bonuses | 385,877 | 395,161 | -2.35% |
| Expenses for labor and health insurance | 31,196 | 29,084 | 7.26% |
| Welfare fund | 6,034 | 5,939 | 1.60% |
| Pension | 13,351 | 13,538 | -1.38% |
| Overtime | 10,628 | 10,867 | -2.20% |
| Meal allowance | 13,648 | 13,684 | -0.26% |
| Total | 465,938 | 474,243 | -1.75% |

Note: Employee remuneration: no less than 1% shall be allocated according to the Articles of Incorporation; for 2020, 2% of the net pre-tax profit shall be allocated; for 2021, 2% of the net pre-tax profit shall be allocated.

**(3) Payments to capital contributors**

(Unit: NTD thousand)

| Item | 2021 | 2020 | Difference (%) |
|---|---------|-------|----------------|
| Directors' remuneration | 2,601 | 2,984 | -12.84% |
| Cash dividends | 148,354 | 0 | 100% |
| Stock dividends | 0 | 0 | 0% |
| Unpaid dividends due for preferred shares | 0 | 0 | 0% |

Note: The shareholders' meeting will pass the 2021 cash dividend, on June 24, 2022.

(4) Investments in communities

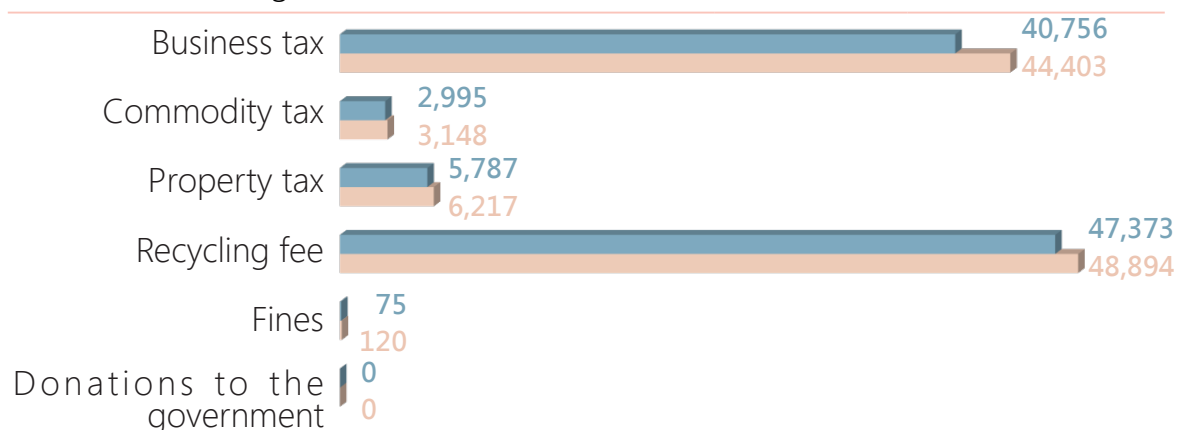
(Unit: NTD thousand)

| Item | 2021 | 2020 | Difference (%) |
|---|------|------|----------------|
| Donations to charitable organizations | 375 | 81 | 362.96% |
| Funds to support community infrastructure | 0 | 0 | 0% |
| Direct costs of social activities | 0 | 0 | 0% |
| Donations to political parties | 0 | 0 | 0% |
| Other donations or investments | 928 | 397 | 133.75% |

(5) Payments to the government

(Unit: NTD thousand)

| Item | 2021 | 2020 | Difference (%) |
|-----------------------------|--------|--------|----------------|
| Business tax | 40,756 | 44,403 | -8.21% |
| Commodity tax | 2,995 | 3,148 | -4.86% |
| Property tax | 5,787 | 6,217 | -6.92% |
| Recycling fee | 47,373 | 48,894 | -3.11% |
| Fines | 75 | 120 | -37.50% |
| Donations to the government | 0 | 0 | 0% |



(6) Financial subsidies received from the government

(Unit: NTD thousand)

| Item | 2021 | 2020 | Difference (%) |
|----------------------------------|-------|------|----------------|
| Tax credits and deductions | 0 | 0 | 0% |
| Subsidies | 0 | 0 | 0% |
| Subsidies for investment and R&D | 3,000 | 0 | 100% |
| Incentives | 0 | 0 | 0% |
| Royalties waived | 0 | 0 | 0% |
| Human resource enhancement plan | 159 | 245 | -35.10% |
| Other financial subsidies | 0 | 0 | 0% |

2.4 Tax

1. Tax guidelines and policies :

To pursue sustainable management and development and fulfill our corporate social responsibilities, we have established the following tax guidelines and policies for the purpose of tax governance :

- (1) We will comply with tax laws and regulations by filing truthful tax returns and paying taxes as required to fulfill our responsibilities as a taxpayer.
- (2) We will disclose our tax information in the financial statements to ensure information transparency.
- (3) We will build a communicative relationship with the tax authorities based on mutual trust and honesty.
- (4) Regarding our material transactions and decisions, we will take into account the effect of taxes to ensure effective risk control.
- (5) We will strengthen our tax competencies through continued nurturing of talents.

2. Tax governance control and risk management :

Our Accounting Division is the department responsible for tax governance. When filing tax returns in accordance with tax laws and regulations, the department will submit reports and seek approval. It also provides support to the government in promoting policies on business innovation, R&D and tax incentives, and is committed to achieving transparency of tax information. Depending on business needs, external professional advisors will be engaged or consulted to provide opinions in order to ensure accurate compliance with tax requirements and the obligations to file tax returns.

3. Tax issues and stakeholder engagement :

Facing the risks of tax operations, we are committed to enhancing our tax competencies and continuing the training of talents to ensure that the relevant personnel are competent in dealing with tax matters. When encountering tax matters unfamiliar to them, they must communicate with the tax authorities (including Revenue Service, National Taxation Bureau and other tax authorities) and, depending on business needs, engage or consult external professional advisors for their opinions to ensure accurate compliance with tax requirements and the obligations to file tax returns. In this way, we are able to reduce the risks of suffering legal penalties, financial losses or reputational damage due to non-compliance with tax laws, and we seek to minimize the tax risks.

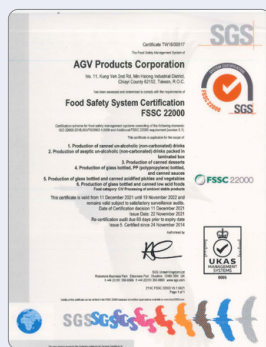


2.5 Participation in Industry Associations or Other Organizations and Initiatives

1. Participation in organizations and initiatives :

AGV has been an active participant in domestic and foreign quality and food safety management systems and related initiatives. AGV has also joined various organizations in the relevant industries, with the expectation to interact with industrial peers and promote mutual growth thorough participation in the activities of the associations.

Food safety management system
FSSC22000



Food safety management system
ISO22000



Food safety control system
HACCP



Food safety management system
CAS



Food safety management system
HALAL



Certified laboratory
TAF



**Food safety
management system
TQF**



**Food safety
management system
TQF**



**Food safety
management system
TQF**



2. Defining and managing the scope of stakeholders involved in the initiatives :

| Stakeholder | Effect and description |
|--------------------------------------|--|
| Employees | To implement the food safety certification and management system, and inspect products. |
| Customers and consumers | To ensure that consumers are safe and assured in consuming AGV' s products. |
| Suppliers of raw materials/materials | To provide raw materials/materials that meet the requirements of the relevant food safety management system. |

3. AGV' s membership in the industry associations and national or international initiatives in which it has participated is as follows :

| Name of association with AGV' s participation | Participant status |
|---|--------------------|
| Taiwan Canners Association | Member |
| Taiwan Beverage Industries Association | Member |
| Chiayi County Chamber of Commerce | Member |
| Chiayi County Industrial Association | Member |



Organization and Promotion of Corporate Sustainable Development

3

- 3.1 Platforms for Stakeholder Communication
- 3.2 Identification of Stakeholders and Material Topics
- 3.3 Material Topics of Concern for Customers
- 3.4 Material Topics of Concern for Suppliers
- 3.5 Value Chain of Material Topics of Concern for Stakeholders: Description of Top
- 3.6 Corporate Governance
- 3.7 Sustainable Development Organization
- 3.8 Corporate Culture, Spirit and Ethical Management
- 3.9 Principles for Risk Management and Crisis Management
- 3.10 Management of Information and Communication Security
- 3.11 Compliance

3 Organization and Promotion of Corporate Sustainable Development

3.1 Platforms for Stakeholder Communication

3.1.1 Our interaction with stakeholders

To achieve sustainable management and development, it is imperative that we understand the opinions of stakeholders as an important basis of sustainable development. Besides maintaining interaction with stakeholders in various forms, we have also set up a section for external communication on our website: <https://www.agv.com.tw/投資入專區/利害關係人專區>.



▲ Stakeholder Area

As a channel of communication with stakeholders, the section contains a total of 30 topics, listed as follows, and is managed by designated personnel. In 2021, the number of complaint cases includes 0 concerning the environment, 0 concerning labor conditions, 0 concerning human rights, and 0 concerning society.



Economic aspect

1 Corporate governance

Composition and operations of the Board of Directors, responsibilities of directors, supervisors and the Remuneration Committee, etc.

2 Corporate culture, spirit and ethical management

Corporate culture and spirit, and the key strategies and future targets for their promotion in terms of operations and social responsibilities

3 Operating performance

Relevant financial information including revenues, expenses and profits

4 Principles for risk management and crisis management

Our principles for controlling and addressing risks and crises that are likely to occur (financial risks, food safety risks, risks of environmental incidents, etc.)

5 Product quality, R&D of technologies

R&D investments, product manufacturing processes, innovations, etc.

6 Customer satisfaction survey

Contents, targets and frequency of customer satisfaction survey, and practices for increasing customer satisfaction

7 Management of customer services

Practices for management of customer services

8 Supply chain management

Practices for supplier management, such as quality, delivery time, environmental protection, technologies, equipment and response capability.



Environmental aspect

- | | | |
|-----------|---|--|
| 9 | Environmental protection | Environmental protection policies, supervision and management, green production and products, energy conservation measures |
| 10 | Waste management | Control and prevention of environmental pollution, and the performance of resource recycling |
| 11 | Energy management | Investments in the management of different types of energy, and the performance in their consumption |
| 12 | Water resource management | Use of water resources, wastewater discharge, water conservation measures, control practices for water quality management |
| 13 | Air pollution control | Practices for control of air pollutants |
| 14 | Noise mitigation | Noise problems occurring during manufacturing processes, and their mitigation |
| 15 | Management of hazardous substances | Management of hazardous substances in products, control practices for hazardous substances in manufacturing processes |
| 16 | Greenhouse gases | Inventory and reporting of greenhouse gas emissions, carbon reduction policies |



Social aspect

- | | | |
|-----------|--|---|
| 17 | Employee remuneration and welfare | Remuneration systems and welfare measures for employees |
| 18 | Talent development | Employee training, contents of training, performance indicators, career planning, etc. |
| 19 | Labor–management relations | Practices for labor–management negotiation, labor–management disputes and channels for employee communication |
| 20 | Occupational safety and health | Issues concerning the occupational health and safety of employees |



Social aspect

21 Human rights

Prohibition of child labor, prohibition of forced labor, prohibition of racial or gender discrimination, etc.

22 Employee rights

Protection of employees' human rights, channels for employee complaints, etc.

23 Talent acquisition and retention

Employee performance evaluation, remuneration and reward systems, etc.

24 Employee satisfaction survey

Contents of employee satisfaction survey and practices for conducting such survey

25 Customer privacy

Practices for maintenance of customer privacy, data confidentiality, etc.

26 Compliance

Compliance and internal audits with regard to environmental protection, product liability, the Labor Standards Act, prohibition of practices of monopolistic competition, etc.

27 Social responsibility for products

Sources of raw materials and materials, food safety management policies and processes, supplier management and other relevant information

28 Social engagement

Our interactions with the adjacent communities, participation in charitable activities, investment of resources as contributions to the communities, etc.



29 Stakeholder communication

Approaches to and contents of communication with stakeholders, responses and performance

30 What are the relevant topics you are concerned with or wish to suggest, other than the ones above?

3.1.2 Platforms for stakeholder communication

| Stakeholder | Paths/Frequency of communication |
|---|--|
|  <p>Employees</p> | <ul style="list-style-type: none"> ⊙ Employee message board: Employees may directly give suggestions to the company at any time. ⊙ Internal online bulletin board: Notices can be made and accessed on the intranet at any time. ⊙ The management may engage in two-way communication from time to time: Officers at the level of manager or higher will communicate and meet with the senior management. ⊙ Complaint hotline (at any time): It can be used by employees to report specific problems or situations. Upon receiving a report, it will be promptly addressed by designated personnel. ⊙ Employee Welfare Committee meeting: The committee will provide suggestions to the company at least quarterly regarding the planning of matters related to employee welfare. ⊙ Improvement proposal system (non-regular). ⊙ Suggestion of outstanding employees (non-regular). ⊙ Labor Pension Fund Supervisory Committee (annual), labor-management meeting (quarterly), Personnel Review Committee (non-regular). |
|  <p>Peers in the food industry</p> | <ul style="list-style-type: none"> ⊙ Participation in food industry meeting (non-regular): We interact with peers to achieve a sustainable environment and economic development for the food industry. ⊙ Website information (non-regular). |
|  <p>Shareholder investors</p> | <ul style="list-style-type: none"> ⊙ Convening a shareholders' meeting (annual). ⊙ Publication of material information as required by the competent authorities (non-regular). ⊙ Regular publication of financial statements/annual reports. ⊙ Disclosure of information on the website (non-regular). ⊙ Appointment of a spokesperson. |

| Stakeholder | Paths/Frequency of communication |
|---|---|
|  Customers and consumers | <ul style="list-style-type: none"> ⊙ Business visits/Telephone/Fax/Email (non-regular). ⊙ Customer service hotline (at any time). ⊙ Customer satisfaction survey (annual). ⊙ Gifts for traditional holidays/Having meals together (non-regular). |
|  Community residents | <ul style="list-style-type: none"> ⊙ Assistance in cleaning the environment of the communities (roads in the industrial park). ⊙ Donations to local government agencies and non-government organizations, and non-regular participation in festival events of the communities. ⊙ Participation in social organizations formed by the companies in the industrial park. ⊙ Gifts for traditional holidays, paying visits. |
|  Suppliers of raw materials and materials | <ul style="list-style-type: none"> ⊙ Personal visits/Telephone/Fax/Email (non-regular). ⊙ Discussion of problems. ⊙ Development of new products. ⊙ Supplier audits and interviews (non-regular). ⊙ Annual contracting and contractor survey. ⊙ Gifts for traditional holidays/Having meals together (non-regular). |
|  Government agencies | <ul style="list-style-type: none"> ⊙ Maintaining good interactions with the competent authorities. ⊙ Identification of the laws and regulations governing management systems. ⊙ Official correspondence, information disclosure. ⊙ Consultation and clarification on financial and tax issues. |

3.2 Identification of Stakeholders and Material Topics

In our sustainability report, stakeholders and material topics have been identified based on our experience in communication with stakeholders. The material topics stakeholders are concerned with have been identified and used as the basis of reference for information disclosures in this report to facilitate communication with all stakeholders, through the following steps :



Identification of stakeholders

Through discussions at our internal meetings, seven groups of stakeholders have been identified with reference to those identified by peers, including employees, peers in the food industry, shareholder investors, customers/consumers, suppliers, government agencies and community residents.



Collection of ESG topics

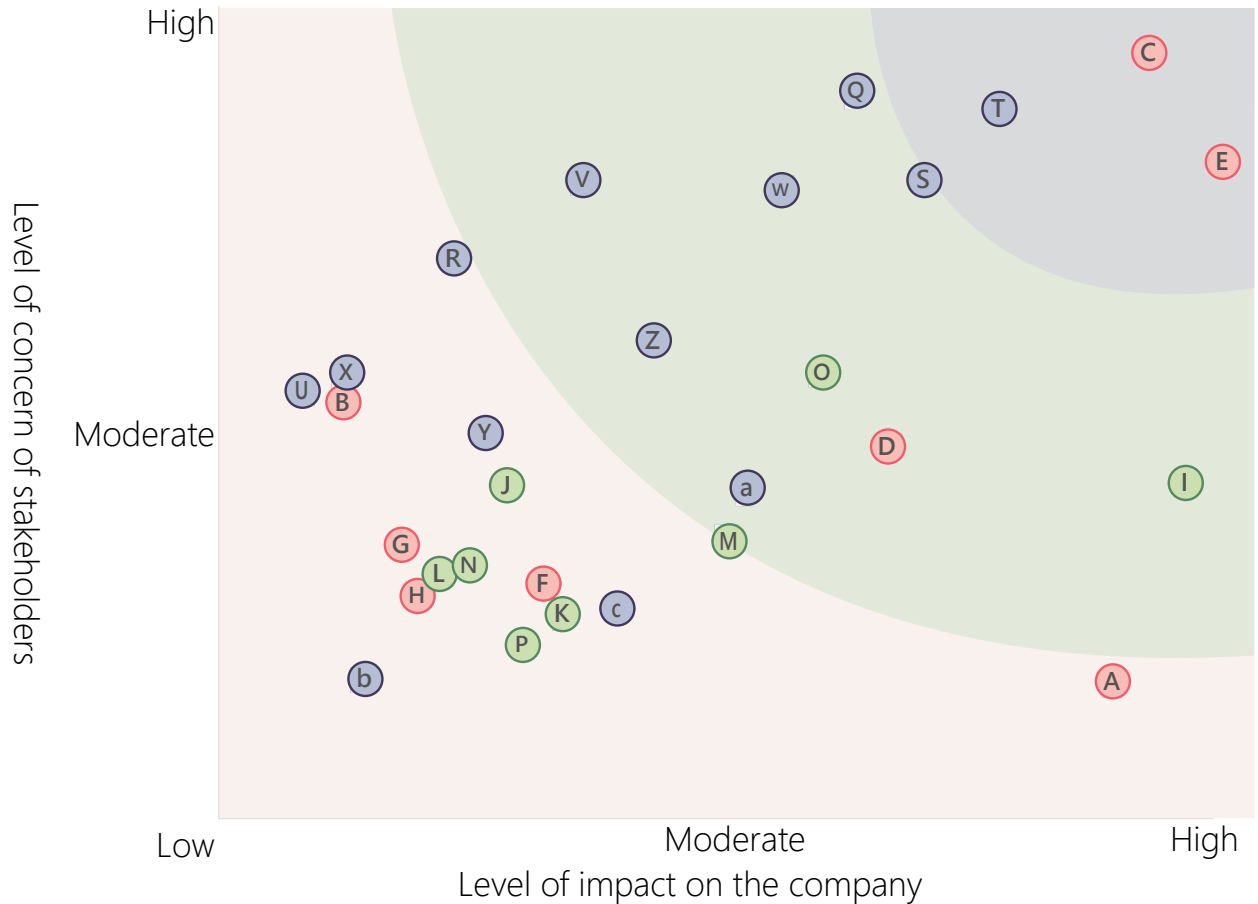
Mainly based on the aspects of “core options” in the latest GRI Standards of the Global Reporting Initiative (GRI), such collection has been carried out through various channels and the communication with stakeholders. In addition to the regular channels of communication with stakeholders, questionnaires have been created in the section for stakeholders on our website, where topics of international concern and characteristics of the industry have also been included, to compile a list of our ESG topics.



Analysis of material aspects

Based on the result of analysis of 249 retrieved questionnaires in the section set up for stakeholders, the ranking of the levels of concern of stakeholders with each topic has been determined, and the levels of concern and impact have been analyzed. To complete the analysis of material aspects, we have assessed the principles of sustainable management to analyze materiality and the levels of impact.

Material topics have been identified through the above analysis, and we have ensured that the information stakeholders are concerned with is disclosed in this report when we are preparing it. In the future, we will continue to strengthen the management of these topics which will serve as the reference for ESG disclosures.



- | Economic aspect | Environmental aspect | Social aspect | |
|---|---|--|---|
| A Corporate governance | I Environmental protection | Q Employee remuneration and welfare | Y Customer privacy |
| B Corporate culture, spirit and ethical management | J Waste management | R Talent development | Z Compliance |
| C Operating performance | K Energy management | S Labor-management relations | a Social responsibility for products |
| D Principles for risk management and crisis management | L Water resource management | T Occupational safety and health | b Social engagement |
| E Product quality, R&D of technologies | M Air pollution control | U Human rights | c Stakeholder communication |
| F Customer satisfaction survey | N Noise mitigation | V Employee rights | |
| G Management of customer services | O Management of hazardous substances | w Talent acquisition and retention | |
| H Supply chain management | P Greenhouse gases | X Employee satisfaction survey | |

7 Groups of stakeholders

249 Retrieved questionnaires

30 Topics

3 Material Topics

| Topic | Corresponding chapter/section |  Employees |  Peers in the food industry |  Suppliers |  Customers and consumers |  Shareholder investors |  Government agencies |  Community residents |
|--|---|--|---|--|--|--|--|--|
| Corporate culture, spirit and ethical management | Message from the management Corporate culture, spirit and ethical management | √ | | √ | √ | √ | √ | |
| Operating performance | Overview of operations, and direct economic values generated and distributed | √ | | | | √ | | √ |
| Principles for risk management and crisis management | Principles for risk management and crisis management | √ | √ | √ | √ | √ | | |
| Product quality, R&D of technologies | Food safety management | √ | | √ | √ | √ | | √ |
| Supply chain management | Social responsibility for products | | | √ | | √ | | √ |
| Environmental protection | Environmental protection | | | | √ | √ | √ | √ |

| Topic | Corresponding chapter/section |  Employees |  Peers in the food industry |  Suppliers |  Customers and consumers |  Shareholder investors |  Government agencies |  Community residents |
|--|---------------------------------------|--|--|---|---|---|---|---|
| Management of hazardous substances | Environmental protection | √ | √ | | √ | √ | √ | √ |
| Employee remuneration and welfare | Employee relations | √ | | | | | | √ |
| Talent development | Employee relations | √ | √ | | | | | |
| Labor– management relations | Employee relations | √ | √ | | | | | |
| Occupational safety and health | Occupational health and safety | √ | √ | | √ | | √ | |
| Employee rights | Employee relations | √ | | | | | | |
| Talent acquisition and retention | Employee relations | √ | √ | | | | | √ |
| Compliance | Compliance | √ | | | √ | | √ | |
| Social responsibility for products | Social responsibility for products | √ | √ | √ | √ | √ | | |

3.3 Material Topics of Concern for Customers

| | |
|---|--|
| Food safety (Product tracking and tracing) | From the sources of raw materials, the health and safety information of the relevant foods can be acquired, and we are able to trace and track every stage during the production process and the inspection, distribution and selling of finished products. Such traceability and trackability form part of a management system for food health and safety, while the transparency and real-time availability of information will be ensured via an ERP system. |
| Customer health | In order to ensure consumer health, we not only offer the healthiest, safest and tastiest products, but also will continue to develop innovative food technologies that apply biotechnology to natural ingredients and materials. In light of the increasingly prevalent diseases of affluence and chronic illnesses, preventive healthcare has also been one of our R&D ideas. In this respect, our efforts have resulted in a professional area with outstanding performance. The development and commercialization of the “Premium Oat Drink,” a classic product specifically created by us, are intended to be a solution to the health issues people are concerned with nowadays. In recent years, we have been focused on developing “organic products” and “traceable products” to provide healthier, safer and more transparent products which are assuring and tasty for consumers. |
| Products, services and labeling | We has set up the 0800 product service hotline with dedicated personnel to provide services for consumers regarding the distribution channels of products, description of orders and answering consumers’ questions. With regard to product labeling, the safety of the formula designed by the development center for any of our products must be reviewed and approved by a professional team before the product hits the shelves. Before a product hits the shelves, it will be reviewed by the planning and QA departments in accordance with the labeling provisions of laws and regulations concerning food safety and health to meet the legal requirements of the government. |

| | |
|--------------------|--|
| Product compliance | The Act Governing Food Safety and Sanitation, the Fair Trade Act, the Commodity Tax Act and the Personal Data Protection Act. |
| Customer privacy | We register the personal information of consumers via the consumer service hotline, which is used for the service of such consumers only. The registration of the customer service system is only limited to relevant personnel, and the Information Department also controls the registration qualification and application of personnel. |

3.4 Material Topics of Concern for Suppliers

| | |
|-------------------------------|--|
| Traceability of raw materials | We have established a “raw materials traceability” system, via which consumers can acquire more information about the sources of foods they have purchased. For manufacturers and sellers, they would be able to track and control product flows by creating the relevant information to improve food safety and provide assuring foods for consumers. |
| Labor conditions | We do not engage in forced labor, nor do we use child workers or illegal foreign laborers. Among the labor conditions, the terms of employment, including salary, working hours and employee benefits, and the safety and health standards must comply with applicable laws and regulations. |
| Environmental assessment | The environmental responsibility of a supplier shall be in compliance with national laws and regulations, social standards and environmental protection plans. We first select companies with eco-friendly policies to strengthen the emphasis of environmental issues and their implementation in the supply chain. |

3.5 Value Chain of Material Topics of Concern for Stakeholders: Description of Top 3 Topics of Concern

3.5.1 Material topic: Operating performance

Given the growing domestic and international calls for businesses to fulfill their social responsibilities in recent years, governments and the public have been giving increasing attention to the social responsibilities a business must assume beyond seeking profits. This reflects significant changes occurring to the business model commonly known to the public in the past and such positive trend will only become stronger with no possibility of turning back. Corporate social responsibilities have led to business owners and the public readjusting their vision toward such responsibilities. Now, it is a common belief in the industrial, government, academe and private sectors that corporate values are not just created from financial performance and that non-financial performance is more likely to be the key for increasing corporate values in the medium to long term. Unlike in the past, AGV's management team has included corporate social responsibilities as an evaluation indicator equally important as the annual financial performance. The team has not only created key roles in the annual operational plan, but also considered ways to help business entities in integrating social responsibilities into their management structures, such as: chief sustainability officer, sustainability manager, carbon consultant, carbon reduction/sustainability system engineer, energy manager, sustainable supply chain manager, etc.

Corporate development consists of multiple complex aspects. In a fast changing business environment, it is necessary to adopt an optimized business model to ensure stability, growth and profitability. Most sustainability experts consider enterprise growth and market values to have an effect on the promotion of social responsibilities, and that they will lead to positive development of competitiveness, corporate image and organizational commitments. During the process of its management, a business actually grows by acquiring resources from the social and capital markets. A business that fulfills social responsibilities would see gradual improvement in terms of compliance supervision in the industrial, government and academic sectors, the acquisition of relevant operating resources, the reduction of costs, the enhancement of competitiveness, the gathering of talents and consumer recognition and loyalty. Apparently, this has already become a smarter strategy for growth and competition with broader perspectives, so the fulfillment of corporate social responsibilities have been viewed as a competitive advantage by more and more businesses and considered a key policy for survival, competition and value enhancement. It has, of course, created more values for businesses and the society at the same time. The scope of corporate social responsibilities is very wide,

covering not only asset accumulation, operational management, shareholders' gains and corporate goodwill in the economic aspect, but also care for the work environment, personal health and living conditions of employees, workplace interpersonal relationship and human rights concern. There is a close link between personal, community, local, group and environmental issues and any change will affect all of them.

With the brand vision of "For a Healthy Tomorrow" that supported its founding, start of business and operations, for many years AGV has set a "natural, eco-friendly, green and healthy" example in business management in the food industry, which best reflects its fulfillment of corporate social responsibilities. All of our staff members have been actively fulfilling their corporate social responsibilities (CSR) and making preparations in advance for matters related to the four aspects of environmental issues, social engagement, corporate governance and corporate commitments. We pledge to keep our corporate sustainability strategies in line with the demands of the industrial, government, academic and private sectors in Taiwan and the changes in international trends and to continue to move toward the direction for sustainable corporate management and shared prosperity and co-existence environmentally. According to the assessment of AGV's management team: as the number of factors affecting the evaluation of corporate values increases, the influence of CSR and CESG indicators is completely different from in the past. Therefore, it is necessary to introduce, update, optimize and revise the aspects and scale covered by CSR on an annual basis or, more frequently, on a semi-annual or quarterly basis, in order to improve operating efficiency, correct the future direction of operating strategies and provide a boost to AGV for further enhancement in financial and non-financial integrated operating targets.

Looking into the future, the AGV team promises that it will continue to provide healthy and tasty products and to achieve the goals of corporate social responsibilities in more aspects. We will keep upholding and pursuing the Sustainable Development Strategic Layout (SDSL), in order to satisfy the corporate development needs in Corporate Social Performance (CSP) and Corporate Financial Performance (CFP) and also make any adjustment resiliently from time to time in response to the variables including international trends, systems and laws and regulations.



(CSP, Corporate Social Performance)

1

2

(CFP, Corporate Financial Performance)

1. Strategic plan for corporate sustainable management: corporate social performance (CSP)

To further actively respond to domestic and international calls for the adjustment, optimization and enhancement of corporate non-financial performance, we have replaced the prior term of non-financial performance with the more precise “corporate social performance” (CSP). At the same time, our sustainable management team has continued to focus on the timeliness of international sustainability ratings (CDP, DJSI) and relevant initiatives (GRI, IIRC) in regard to disclosures of corporate social performance information and has engaged in evaluations, reviews, improvements and follow-ups from time to time in order to stay in line with international trends and standards and even make preparations in advance. This year, based on the professional opinions of international sustainability ratings and initiatives, the policy guidelines of the competent government authorities and the insightful advice from the owners of publicly listed/OTC companies in Taiwan, our sustainability management team has made a summary of the following latest strategic directions and action plans for corporate social performance: corporate commitments, environmental issues, social engagement and corporate governance.

Corporate commitments

Commitment to great health: sustainability strategies and concrete actions (food safety, consumer trust)
Commitment to great responsibilities: patents, awards and certifications (enhancement of standards, development of talents)
Commitment to a great family: eco-friendliness, sustainability, co-existence and shared prosperity (greenness, eco-friendliness, LOHAS and healthiness)
Commitment to a great future: in the name of love, starting from love and managing business with love (love knows no boundaries)

Operating targets

Commitment (C): ensuring the achievement of the four corporate commitments to health, responsibilities, families and the future.
Environment (E): seeking comprehensive conservation and recycling of materials, work, water, gas, electricity, oil, paper and waste.
Society (S): achieving policy compliance, industrial upgrade, food safety and labor-management harmony in all aspects.
Governance (G): achieving cross-industry and cross-market integration of resources with social and financial management performance.

Performance indicators

We have established Sustainable Development Organization, supported by our management in mobilizing manpower and corresponding amount of resources to achieve the integration of corporate social performance (CSP) and corporate financial performance, with CFP sustaining CSP in the short term and CSP promoting CFP in the medium to long term. The CSR Committee is composed of the members of the Board of Directors and the members of the CSR Executive Office are all departmental managers. A chief sustainability officer is appointed via internal promotion in principle, and he/she is responsible for carrying out the missions of corporate sustainability.

Environmental issues :

Organizational policies for environmental protection (a designated team, environmental compliance, performance tracking)

Water, electricity and energy management policies (integration of green power, recycling of wastewater, neutralization of carbon emissions)

Pollution control and treatment policies (recycling first, control comes second, compliance later)

Green and eco-friendly policies (eco-friendly materials, energy conservation and reduction, bio-friendliness)

Social engagement :

Safeguarding food safety and health (preparing in advance, very high standards, automated equipment, full-process supervision)

Selection, training, transfer and promotion of talents from the industrial, government, academic and private sectors (government resources, industry-academia collaboration, interactions between associations, internal promotion programs)

Welfare for all employees and labor-management harmony (lifelong career, welfare planning, family care, a home-like company)

Integration of performance in charitable and philanthropic activities (hiring disabled and disadvantaged workers, corporate schools, career rebuilding, integration of both scoring systems)

Corporate governance :

Risk control and crisis management (operating risks, food safety risks, environmental safety risks, pandemic risks)

Production, procurement and supply management (certification and evaluation, traceability, division of shifts and work, dynamic monitoring)

Performance integration and internal control management (integration of KPI, MBO, SMART and OKR)

Customer satisfaction and service management (integration of ERP, PLM, CRM, SCM and SRM)

2. Strategic plan for corporate sustainable management: financial performance

Solid financial performance is the foundation for sustainable corporate sustainable management and the fulfillment of social responsibilities. It is also the focus of concern for the government, the industry, the upstream and downstream supply chain partners, customers, consumers, shareholders, investors and all other stakeholders. In 2021, AGV recorded a consolidated revenue of NTD4,710,880,000, up 2.1% from 2020, and a consolidated comprehensive income of NTD563,261,000, an increase of NTD132,431,000 from 2020. Its total assets amounted to NTD13,836,774,000, an increase of NTD495,915,000 from 2020, and it recorded a total equity of NTD7,397,369,000, up NTD538,895,000 from 2020. Regarding the parent-only financial performance in 2021, AGV recorded an operating revenue of NTD3,956,221,000, up 0.9% from 2020 and a comprehensive income of NTD539,539,000, an increase of NTD127,702,000 from 2020. Its total assets amounted to NTD11,511,812,000, an increase of NTD552,645,000 from 2020 and it recorded a total equity of NTD6,621,311,000, up NTD531,959,000 from 2020. In recent years, the performance of both consolidated and parent-only financial statements has been stable. Based on the annual strategic focuses of “improving management performance, keeping innovation and development, seeking cross-industry integration, developing international markets” and the operational guidelines of “investing in health, innovations are decisive, deepening advertisement and promotion, building a firm brand foundation,” our management team has upheld the four commitments to great health, great responsibilities, a great family and a great future for the food industry in the name of love, starting from love and managing business with love to fulfill the responsibilities and duties a business must assume toward the country and society and to strive for the integration of corporate responsibilities including the enhancement of products, services, governance, efficiency, ethics and compliance. We will continue to invest in the health sector, prepare for decisive

moments on innovations and R&D, strengthen and deepen our advertisements, promotions and public relations and build and cultivate a firm base of loyal consumers simultaneously in financial and non-financial areas. To lay a solid foundation for our corporate sustainable management and core competitive advantages, we will optimize and improve the overall effectiveness and efficiency of our supply chain and business management systems and facilitate the fast development of the company, the industry and the Taiwanese and global food sectors with a more positive approach. All of our staff members are united in thinking and doing the same things and are making best efforts to show their operating results and achieve outstanding performance, with the aim to make AGV a well-known brand in the global market.

Consolidated financial performance in the most recent two years :

Unit: NTD thousand

| | 2021 | 2020 | Amount of increase (decrease) | Percentage of change (%) |
|-------------------------|------------|------------|-------------------------------------|-----------------------------|
| Operating revenue | 4,710,880 | 4,614,486 | 96,394 | 2.1% |
| Operating costs | 3,251,492 | 3,095,482 | 156,010 | 5.0% |
| Gross profit | 1,459,388 | 1,519,004 | (59,616) | (3.9%) |
| Operating expenses | 1,287,853 | 1,302,903 | (15,050) | (1.2%) |
| Operating profit | 171,535 | 216,101 | (44,566) | (20.6%) |
| Current net profit | 217,167 | 249,394 | (32,227) | (12.9%) |
| Comprehensive income | 563,261 | 430,830 | 132,431 | 30.7% |
| Total assets | 13,836,774 | 13,340,859 | 495,915 | 3.7% |
| Total equity | 7,397,369 | 6,858,474 | 538,895 | 7.9% |

Parent-only financial performance in the most recent two years :

Unit: NTD thousand

| | 2021 | 2020 | Amount of increase (decrease) | Percentage of change (%) |
|----------------------|------------|------------|-------------------------------|--------------------------|
| Operating revenue | 3,956,221 | 3,921,854 | 34,367 | 0.9% |
| Operating costs | 2,781,808 | 2,681,801 | 100,007 | 3.7% |
| Gross profit | 1,174,413 | 1,240,053 | (65,640) | (5.3%) |
| Operating expenses | 990,932 | 1,017,130 | (26,198) | (2.6%) |
| Operating profit | 185,371 | 224,552 | (39,181) | (17.4%) |
| Current net profit | 201,182 | 232,904 | (31,722) | (13.6%) |
| Comprehensive income | 539,539 | 411,837 | 127,702 | 31.0% |
| Total assets | 11,511,812 | 10,959,167 | 552,645 | 5.0% |
| Total equity | 6,621,311 | 6,089,352 | 531,959 | 8.7% |

3.5.2 Material topic: Product quality, R&D of technologies

1. To maintain good product quality, it is necessary to establish and implement a QA system covering our overall quality operations. Currently the mainstream food safety system applied in the food industry, ISO 22000 is able to ensure the quality of our products through certification and implementation of the system, and therefore can definitely prevent the impact of any material food safety incident from affecting our brand image and overall operations.
2. Moreover, in maintaining a well-functioning food safety management and quality system, we have stayed committed to the idea of “natural product quality, optimized environmental health, popularized customer satisfaction,” and we also improve product quality to meet customers’ requirements for food safety and quality. The following is a description of the relevant implementing bodies, management policies and implementation plans :

(1) Institute of Food Safety Management

AGV is aware of the urgent needs of the consumers in Taiwan for quality and assurance. Therefore, in order to achieve the greatest effectiveness of food safety and quality assurance, we have included the QA Center and the Testing Lab into the management system to ensure mutual support, oversight and competition between R&D and quality assurance. In this way, AGV will

be able to integrate its most valuable software and hardware capabilities to demonstrate maximum levels of flexibility and functions.

The Testing Lab is able to provide comprehensive testing services including the testing of food chemicals, food nutrients, food microorganisms and food additives, food safety and health inspection, the inspection of product specifications (COA) and functional ingredients, and the validations of methods. In recent years, food health and safety incidents have become a frequent occurrence, with consumers increasingly giving attention to food safety issues. In support of the national policy of "Building a Network of Food Safety Labs," the Testing Lab began to accept requests for testing services from ordinary citizens, the food industry, educational and academic research institutions and government agencies since 2005.

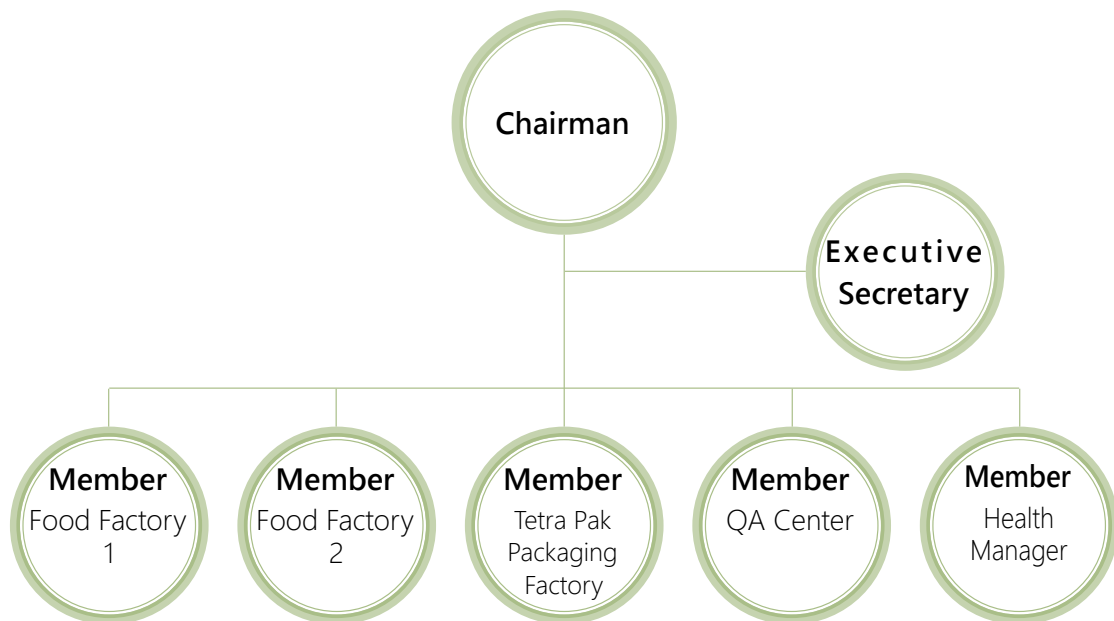
Since 1990, the lab has accumulated nearly 30 years of experience in food analysis. It was accredited under the "CNLA-TAF system" of the Taiwan Accreditation Foundation from 2003, and was certified by the Taiwan Food and Drug Administration as a "Food Health Inspection Institution" from 2009. The lab has been a leader in the domestic food industry in terms of inspection and analysis and within the scope of ISO 17025 certification.

With state-of-the-art instruments and equipment, professional analysts who have received rigorous training and a comprehensive quality control process, we are able to help you fulfill your testing requirements for product health and safety and the analysis of functional ingredients. Together we will safeguard food safety for the public.

Certificates of accreditation of the Testing Lab



(2) Food Safety Committee



Food Safety Committee : It is mainly tasked with promoting and implementing the ISO 22000 food safety management system, following up on the resolutions adopted by meetings of the Food Safety Committee, and reviewing the performance of implementation, to ensure smooth operations of the food safety management system.

- A. **Chairman** : The head of the Institute of Food Safety Management acts as the Chairman, tasked with the following responsibilities :
- Managing the Food Safety Committee and organizing its activities.
 - Ensuring the members of the Food Safety Committee have received the relevant training and education.
 - Ensuring the establishment, implementation, maintenance and update of the food safety management system.
 - Reporting to the responsible director regarding the effectiveness and appropriateness of the food safety management system.
 - Matters related to the food safety management system, and external liaison.
- B. **Executive Secretary** : The director of the QA Center acts as the Executive Secretary, tasked with the following responsibilities :
- Promoting and implementing the food safety management system.
 - Following up on the resolutions of the committee meetings.
 - Reviewing the performance of implementation and reporting it to the Chairman.
 - Ensuring continued promotion of the food safety management system.

- C. **Members** : The managers of the relevant departments serve as the committee members, tasked with the following responsibilities :
- a. Establishing (Amending) procedures for the food safety management system and the HACCP plan.
 - b. Giving explanations regarding internal audits, and conducting training of internal personnel.
 - c. Implementing the food safety management system, HACCP management tasks and the resolutions of the committee meetings.
 - d. Implementing quality policies for food safety.
 - e. Providing recommendations or developing feasible plans.

(3) Management policies

- A. Implementing and reviewing the food safety and quality management system.
- B. Ensuring compliance with applicable laws and regulations.
- C. Ensuring effective food safety and quality management in supply chains.
- D. Enhancing staff awareness of quality and the relevant training, and ensuring the acquisition of related certificates.

(4) Implementation plans

- A. The food safety management system must be implemented with the relevant information updated throughout the company. The level of food safety must meet the requirements specified in the “System Requirements for Hazard Analysis and Critical Control Points” of the ISO 22000:2018 food safety management system.
- B. The food safety management system must be regularly assessed and, if required, updated, to ensure that the system is able to reflect our activities. The system must also include the latest information of controlled food safety hazards.
- C. A “procedure governing identification of laws and regulations” must be established to ensure continued compliance with the latest laws, regulations and customer requirements concerning food safety.
- D. For implementation, operation or evaluation of the food safety management system, the personnel responsible for implementing the system must possess competency, and must have undergone appropriate internal or external training and received the relevant certificates.

3. Management, operations and assessment

(1) Food safety management system

| Input | Operating process | Responsible dept. | Focus of management |
|--|---|-----------------------|--|
| Employee' s basic information Organizational chart | Establish the Food Safety Committee | Top management | To ensure professionalism and effectiveness in hazard analysis, members of the Food Safety Committee must include experts in fields such as food microorganisms, health management, manufacturing processes and quality control. |
| Information of product features | Describe the product and the manner of its distribution | Food Safety Committee | The Food Safety Committee must describe in detail the composition of raw materials and the features of the finished product. |
| Product consumers | Identify the consumers of the product. | Food Safety Committee | The Food Safety Committee must identify the consumers of the product and include them in the specification of the finished product. |
| Production and manufacturing processes | Create or modify the chart of manufacturing process | Food Safety Committee | The Food Safety Committee is required to complete a draft chart of manufacturing process, which must be concise, detailed and comprehensive. |
| Chart of manufacturing process | Check the chart of manufacturing process | Food Safety Committee | The Food Safety Committee must visit the site to check if the chart of the manufacturing process reflects the actual situation. If not, a review must be conducted to decide whether to revise the draft chart of manufacturing process or adjust the on-site operating process to ensure consistency. |
| Hazard factor Risk level | Conduct hazard analysis | Food Safety Committee | The HACCP management plan must be implemented according to the chart of manufacturing process, with the first step being a hazard analysis. |
| Chart of manufacturing process Critical control point decision tree | Determine critical control points | Food Safety Committee | Appropriate control points must be determined in relation to the hazard factors analyzed for the purpose of control. Critical control points may be determined based on the steps of the critical control point decision tree. |

| Input | Operating process | Responsible dept. | Focus of management |
|--|---|-----------------------|--|
| Laws and regulations, standards or guidelines, scientific literature, expert advice, and results of own research | Set critical control points | Food Safety Committee | Reference may be made to the relevant laws and regulations (e.g. GHP and GMP), standards or guidelines, scientific literature, expert advice, results of own research or the control limits the factory has implemented for many years. |
| Physical or chemical methods for continued monitoring | Establish the methods of monitoring critical control points | Food Safety Committee | Physical or chemical methods for continued monitoring must be adopted whenever possible. When the control limit is exceeded, the system may issue an alert, or automatically stop operations or initiate emergency procedures. |
| Errors in the control of manufacturing process and measures for their correction | Establish measures for correction of control errors | Food Safety Committee | Measures for correction of control errors must be established first, so that such measures can be promptly taken whenever the manufacturing process deviates from the control limit of any critical control point to ensure that the critical control point is no longer out of control. |
| HACCP management plan Internal audit plan | Yes Prepare appropriate records and documents | Food Safety Committee | In order to efficiently implement the HACCP management plan and to verify food safety and the effectiveness of the system, there must be appropriate documents and records for the HACCP system. |
| HACCP management plan Internal audit report | Verify the HACCP system | Food Safety Committee | Relevant records are collected after implementation of the HACCP system and the HACCP management plan to verify if their implementation is appropriate or effective. |
| HACCP verification report | No Review and improve the HACCP system | Food Safety Committee | The verified defects in the HACCP system must be reviewed and improved. |

(2) Identification of laws and regulations

Information of the relevant laws and regulations can be collected via various channels including government agencies, international institutions, web resources, legal publications, information reports, industry associations and communication with customers, suppliers and stakeholders. The relevant provisions of the applicable laws and regulations must be identified, with the corresponding responses being developed.

(3) Training

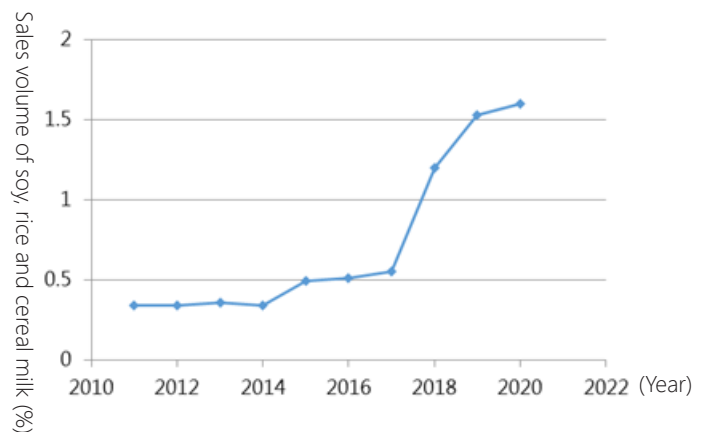
- A. Establishing and planning the annual budget : The factory directors and departmental managers will budget the training expenses, with an “Annual Training Plan” prepared at the beginning of each year. Training sessions will be held at and outside the factory based on the Annual Training Plan. If other training is required, or depending on the actual situation of the food safety implementation system, the relevant annual training sessions will be organized.
- B. Training evaluation :
 - a. Employees receiving training outside the factory are required to complete a “Training Report” on the online system. The passing scores for in-factory training tests will be defined by the instructors and confirmed by the managers, and the instructors or departmental managers may complete a “Training Evaluation Checklist” after evaluating the trained employees and submit it for approval and filing.
 - b. Employees who have finished training outside the factory may complete a “Training Report (Concise)” for assessment of their satisfaction with the training.
 - c. A “Résumé for Specialized Technician” can be prepared to understand the external training received and the professional certificates held by such a technician.
4. R&D of technologies

(1) The rise of eco-friendly and plant-based foods

Due to consideration for environmental protection and animal friendliness, the rise of plant-based foods is an irreversible fact. According to the data of Innova, the compound annual growth rate (CAGR) of the number of newly released foods and drinks claiming to be “plant-based” during 2014 to 2018 reached 68%. In 2024, the size of the plant-based milk market would reach USD21.523 billion at a CAGR of 10.18%, while the market demand for oat milk is expected to expand due to change in the dietary structure and shifting opinions on plant-based drinks.

According to the latest research report from the Global Market Insights, Inc, in 2026 the value of the global oat milk market is expected to exceed USD490 million, with a value of more than USD165 million in the Asia-Pacific oat milk market. According to the latest study by Farm Animal Investment

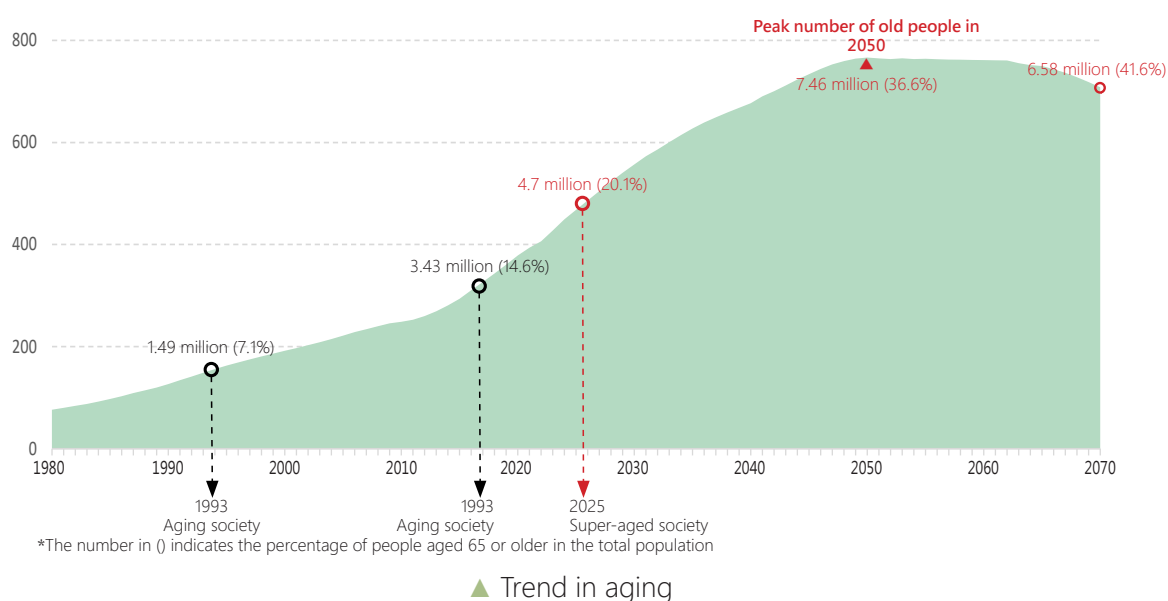
Risk & Return (FAIRR), the sales volume of plant-based milk has accounted for 12% of the total volume of dairy products sold, and that in addition to sanitary and cleaning products, oat milk has become one of the necessary supplies stocked up on by U.S. citizens during the COVID-19 pandemic. Another study has evaluated the top 60 largest manufacturers of meat, fish and dairy products across the world, and 44 of them (accounting for 73% of their total number) have been designated as “high-risk” in the “Level of the COVID-19 Pandemic in relation to Worker and Food Safety,” indicating that the impact of the pandemic on food supply chains and the resulting food shortage have accelerated the trend where milk is being replaced. In the Taiwanese market, the data of annual sales volume for each year provided by the Taiwan Beverage Industries Association shows that the sales volume of soy, rice and cereal milk during the most recent decade has substantially grown. This is also due to recognition of the functional characteristics of soy and cereal products such as soybeans and oats, and the fact that the position of the products meets consumers’ requirements for eco-friendly, healthy and nutritious products. Among such products, oat milk has become widely popular in Taiwan. In response to the market trend internationally, we have focused on developing plant-based foods, such as the Premium Oat Drink, Barista Oat Latte, Dark Chocolate Oat Drink and Mapo Tofu (for vegetarians allowed to consume the “five spicy vegetables”). All such products have been finely designed based on a perfect ratio using exclusive manufacturing processes and formulas, and they have spurred a popular thirst for low-carbon diets in Taiwan, thus providing support to the net-zero carbon emission policy promoted by the government for environmental protection.



▲ Percentage of soy, rice and cereal milk in the sales volume of drinks each year

(2) Structural change in global population and increasing demands in the markets of dietary supplements and healthy foods

According to the 2019 statistics of the United Nations, population aging has become a global trend, with the number of people aged 65 or older continuing to increase. Their number was 527 million in 2010 and reached 727 million in 2020, accounting for 9.3% of the total population. The data shows that the number of people aged 65 or older is estimated to reach 1.549 billion worldwide in 2050, accounting for 15.9% of the total population. They are likely to cause severe social impact and pose serious financial and political challenges to the systems of healthcare, pensions and social security. In Taiwan, the data provided by the National Development Council indicates that the Taiwanese society is currently aging and is expected to become super-aged in 2025, when the number of people aged 65 or older would reach 4.7 million. As a person gets older, his/her bodily functions will gradually decline, leading to a weaker capability to digest and absorb nutrients. As a result, products that can promote health and preventive healthcare have recently attracted popular attention. Consumers would be able to meet their bodily needs by consuming dietary supplements to further replenish nutrients. Food Industry Research And Development Institute estimates that the annual output value of the health food industry will reach 159.6 billion yuan in 2021, with an overall growth rate of 5.6 percent. Demands for dietary and nutritional supplements are expected to keep increasing. For instance, the Premium Oat Drink released by AGV has been certified as a healthy food helpful for the modulation



of blood fats and immunomodulation. The product generated a revenue with a significant growth rate of 12% in the most recent three years. This indicates how much the people in Taiwan value and need healthy foods. Adhering to our business philosophy of “For a Healthy Tomorrow,” we will continue to focus on developing highly functional products to ensure a healthy diet for consumers and realize our R&D idea of preventive healthcare.

(3) Overview and future of the development of AGV’ s technologies

AGV and its affiliated companies have received certificates of healthy food for a number of products, including the classic “Premium Oat Drink.” Produced using a proprietary technology, the drink has been certified as a healthy food by the Department of Health, Executive Yuan, and has gained the largest market share in Taiwan, proving its popularity among consumers. As a healthy drink sold in bottles, the “Premium Oat Drink” is made of oats that have been ground and undergone enzymatic hydrolysis, and then been blended and sterilized. To ensure optimal stability, flavor and taste of the “Premium Oat Drink,” we have been actively developing the technologies of enzymatic hydrolysis and granule grinding. With the hydrolysis and grinding technologies, we are able to achieve a milk-like, creamy and fine taste for the oat drink while preserving the high nutritional and healthy values of oats. In the future, we will actively develop an extensive range of technologies for plant-based milk products. We will use locally produced raw materials and connect with industry chains to enhance the production value of traditional raw materials. With our core technologies for plant-based milk, we will develop processes and technologies of food processing dedicated to specific products to help increase the value of local agriculture and support the development of quality agriculture in Taiwan.

Awards received by AGV

1982

We had received the Award for Outstanding Supplier of Discount Goods from the General Welfare Service, Ministry of National Defense for three consecutive years.

The Pickled Cucumber (Sliced) in Soy Sauce, Chili Sauce and QQ Fried Gluten won the Gold Award for Chinese and Foreign Foods.

1984

The Fried Gluten with Peanuts in Soy Sauce and Marinated Radish (Strips) in Solid Pack won an award from the Chinese Institute of Food Science and Technology.

1986

The NeoNeo-series Sweet Mixed Congee won an award from the Chinese Institute of Food Science and Technology.

1988

The NeoNeo-series Missik and Pearl Balls won an award from the Chinese Institute of Food Science and Technology.

1991

The Peanuts in Milk won the Award for Best Quality Flavor as the highest special honor from the TSSD News.

The Good Wife-series Braised Pork Balls won the Gold Award for Canned Food from TSSD News.

The Braised Pork Balls and Star Fruit Juice won an award from the Chinese Institute of Food Science and Technology.

1994

The Sasaya-series Coconut Milk won an award for packaging design at the Creativity 94 Award Show in the U.S.

1997

The Taiwanese Kimchi (Sliced) in Sauce, Korean Kimchi (Sliced) in Sauce, Japanese Burdock Root, Hawaiian Mixed Fruit Juice, Sasaya-series Coconut Drink won an award from the Chinese Institute of Food Science and Technology.

1997

Sasaya-series Asparagus and Coconut Water and Four-Fruit Mixed Juice won an award from the Chinese Institute of Food Science and Technology.

Awards received by AGV

1998

The Peeled Chilies, Oat Congee in Milk, Oat Congee with Red Beans in Milk, Rye Tea, Tapioca Jelly with Konjac Jelly and Mung Beans, and Sugarcane and Asparagus Juice won an award from the Chinese Institute of Food Science and Technology.

1999

The Red Bean Milk, Peanut Milk and Braised Peanuts in Sauce won an award from the Chinese Institute of Food Science and Technology.

2000

The Sour & Spicy Sauce, New Zealand Milk Tea and Green Milk Tea won an award from the Chinese Institute of Food Science and Technology.

2001

The Sweetened (Rock Sugar) Kappaphycus with Honey and Sweetened (Rock Sugar) Kappaphycus with Plums won an award from the Chinese Institute of Food Science and Technology.

2006

The Tomato Juice (with Enhanced Dietary Fiber) was certified as a healthy food.

2007

The Healthy Green Tea with Catechin was certified as a healthy food.

2008

The Redgold Bank Tomato Drink and Sugar-reducing Tea were certified as healthy foods.

2009

The Premium Oat Drink (Original) was certified as a healthy food. The Sugar-reducing Tea was certified as a healthy food that makes it less likely for body fat to form.

Awards received by AGV

2010

The Happy Ranch Healthy Milk with GOS won the IDF World Dairy Innovation Awards (Best Dairy Brand).

2012

The Happy Ranch Healthy Milk with GOS was certified as a healthy food helpful for modulating blood fats and improving gastrointestinal functions. The Koyaka Oatmeal and Multigrain Activate Tea were certified as healthy foods.

The Premium Oat Drink (Original) won the National Biotechnology and Medicine Care Quality Award.

The Premium Oat Drink (Original) received the Symbol of National Quality (SNQ).

The Super Functional Tea Drink received the Symbol of National Quality (SNQ).

The Purple Sweet Potato Drink won the Award for Innovative Products from the Taiwan Association for Food Science and Technology.

The Premium Oat Drink (Original) received two U.S. invention patents for efficacy and process technology.

2011

The Premium Oat Drink (Original) won the Monde Selection Gold Award.

The Spicy Chili Sauce won the Monde Selection Gold Award.

The Multigrain Activate Tea won the Monde Selection Silver Award.

The Happy Ranch Healthy Milk with GOS won the Monde Selection Bronze Award.

The Happy Ranch Healthy Milk with GOS won the National Biotechnology and Medicine Care Quality Award.

The Happy Ranch Healthy Milk with GOS received the Symbol of National Quality (SNQ).

The Spicy Chili Sauce won the Award for Innovative Products from the Taiwan Association for Food Science and Technology.

The Japanese BBQ Sauce won the Award for Innovative Products from the Taiwan Association for Food Science and Technology.

The Hatomugi Barley Tea won the Award for Innovative Products from the Taiwan Association for Food Science and Technology.

The Super Functional Tea Drink won the Award for Innovative Products from the Taiwan Association for Food Science and Technology.

Awards received by AGV

2013

The AGV Barley Tea with Catechin was certified as a healthy food.
The Happy Ranch Healthy Milk with GOS won the Monde Selection Grand Gold Award.
The Chili Sauce won the Monde Selection Silver Award.
The Premium Oat Drink (Original) received a Chinese invention patent.

2015

The high-quality formula of the Happy Ranch Healthy Milk with GOS was certified as a healthy food.
The Mayachia Chia Seed Drink won the Monde Selection Gold Award.
The Sasaya-series Coconut Milk won the Monde Selection Bronze Award.
The Red Heaven Roselle Healthy Capsules received the Symbol of National Quality (SNQ).
The Aiken Azuki Essence Water won the GOOD Award from the Taiwan Grain Industry Association.

2016

The Aiken Azuki Essence Water won the Monde Selection Silver Award.

2014

The Red Yeast Healthy Capsules, OMEGA-3 Fish Oil Capsules and Roselle Healthy Capsules were certified as healthy foods.
The Mixed Congee with Okinawan Brown Sugar won the Monde Selection Silver Award.
The Peanuts in Milk won the Monde Selection Bronze Award.
The Golden Walnut Milk won the Monde Selection Bronze Award.
The Taiwan Pearl Milk Tea won the Monde Selection Bronze Award.
The Koyaka Silkie Chicken Essence received the Symbol of National Quality (SNQ).
The Premium Oat Drink (Original) received a Taiwan invention patent.

2016

The Koyaka Silkie Chicken Essence and Lite Lemon Tea were certified as healthy foods. The Premium Oat Drink (Original) was certified as a healthy food helpful for immunomodulation.
The Red and Golden Mixed Congee won the Monde Selection Bronze Award.

Awards received by AGV

2016

The Aiken Hatomugi Essence Water won the Monde Selection Silver Award.

The Korean Kimchi (Sliced) in Sauce won the Monde Selection Bronze Award.

The Red Heaven Roselle Healthy Capsules won the Monde Selection Bronze Award.

The Happy Ranch Healthy Milk with GOS received Taiwan and Chinese invention patents.

2017

The Sasaya-series Coconut Milk was certified as a healthy food.

The Imperial Harvest Whole Kernel Sweet Corn won the Monde Selection Silver Award.

The Kumquat Sweet & Sour Sauce won the Monde Selection Silver Award.

The Quinoa Royal won the Award for Innovative Products from the Taiwan Association for Food Science and Technology.

2018

The Roselle Healthy Capsules was certified as a healthy food.

The Chili Sauce won the Monde Selection Gold Award.

The AGV Deli Style Tuna won the Monde Selection Silver Award.

The Peanuts in Milk won the Monde Selection Bronze Award.

The UNIVITA Dietary Supplement Tablets received the Symbol of National Quality (SNQ).

2019

The Honey Tomato Juice was certified as a healthy food. The Instant Roselle Tea Powder was certified as a healthy food helpful for modulating blood fats and protecting the liver.

The "oligo-rich dairy products capable of modulating blood fats, improving the gut microbiota and enhancing immunity, and their manufacturing methods" received a Taiwan invention patent.

The "high-fiber soy milk capable of increasing the use of the organisms of soy isoflavones, and its manufacturing method" received a Taiwan invention patent.

2019

The Nestea Organic Tea (Roasted) won the Monde Selection Gold Award.

The French Chocolate Oat Drink won the Monde Selection Silver Award.

Awards received by AGV

2019

The Fortune Peanuts in Rice Milk won the Monde Selection Bronze Award.

The Premium Oat Drink (Original) received the A.A. Three Stars certification for additive-free foods. The Nestea Organic Tea (Roasted) received the A.A. Three Stars certification for additive-free foods. The Premium Oat Drink (Original) was one of the Asia Pacific winners of the A.A. Taste Awards.

2021

The Super Functional Tea Drink (Sweet Oolong Tea) won the Monde Selection Gold Award.

The Premium Oat Drink (Barista Oat Latte) won the Monde Selection Silver Award.

The Premium Oat Drink (Glucosamine Vitality Plus) won the Monde Selection Silver Award.

The Unforgettable Walnut Oat Congee won the Monde Selection Bronze Award.

The Mapo Tofu won a two-star award from the Food Professional Award in Japan.

The Curry Tofu won a one-star award from the Food Professional Award in Japan.

The Premium Oat Drink (Collagen Beauty Plus) won the Food Innovation Award – Premium Award for Food and Beverage Innovations.

The Okina Deep S12 Probiotic Water won the Food Innovation Award – Premium Award for Food and Beverage Innovations.

2020

The Aiken Azuki Essence Water was certified as a healthy food. The Multigrain Activate Tea was certified as a healthy food that makes it less likely for body fat to form.

The L'avena's Café Oat Latte won the Monde Selection Bronze Award.

The L'avena's Black Tea Oat Latte won the Monde Selection Bronze Award.

The High-fiber and Mineral-rich Barley Tea won the Monde Selection Bronze Award.

The Premium Oat Drink (Original) received the Anti-Additive (A.A.) Three Stars certification for additive-free foods.

The Nestea Organic Tea (Roasted) received the Anti-Additive (A.A.) Three Stars certification for additive-free foods.

The L'avena's Café Oat Latte won the Innovation Award for Nutritional and Dietary Supplements from the Health Food Society of Taiwan.

The L'avena's Black Tea Oat Latte won the Innovation Award for Nutritional and Dietary Supplements from the Health Food Society of Taiwan.

Awards received by AGV

2021

The High-fiber and Mineral-rich Barley Tea was certified as a healthy food that makes it less likely for body fat to form.

The Premium Oat Drink (Glucosamine Vitality Plus) won the Innovation Award for Nutritional and Dietary Supplements from the Health Food Society of Taiwan.

The Mapo Tofu won the Food Innovation Award – Grand Premium Award for Food and Beverage Innovations.

The Premium Oat Drink (Original) won a one-star Superior Taste Award from the International Taste Institute.

The Premium Oat Drink (Barista Oat Latte) won a two-star Superior Taste Award from the International Taste Institute.

The Chili Sauce won a two-star Superior Taste Award from the International Taste Institute.

The Quinoa Royal was recognized as an Eatender food.

The Premium Oat Drink (Glucosamine Vitality Plus) was recognized as an Eatender food.

The Premium Oat Drink (Original) received the Anti-Additive (A.A.) Three Stars certification for additive-free foods.

The Premium Oat Drink (Original) won the Monde Selection Gold Award.

2022

The “oligo-rich dairy products capable of modulating blood fats, improving the gut microbiota and enhancing immunity, and their manufacturing methods” received a U.S. invention patent.

The Premium Oat Drink (Barista Oat Latte) won a Three Stars award from the A.A. Taste Awards.

The Chili Sauce won a Two Stars award from the A.A. Taste Awards.

The Premium Oat Drink (Original) won the Monde Selection Gold Award.

The Premium Oat Drink (Dark Chocolate) won the Monde Selection Gold Award.

The Okina Deep Natural Electrolyte Water won the Monde Selection Gold Award.

The Mapo Tofu won the Monde Selection Silver Award.



The Mapo Tofu won the Food Innovation Award



Monde Selection

The Monde Selection is an international quality evaluation institution based in Brussels, Belgium. It is one of the oldest quality research institutes in the world, and is the only international quality evaluation institution testing and evaluating consumer products on a comprehensive basis. Every year, international experts from across the world evaluate and test products in a fully independent manner. To ensure evaluation is carried out in the most impartial and independent way, a product is evaluated based on multiple sensory parameters including taste, overall appearance, aftertaste, mouthfeel and smell, and with reference to the information provided by the product to consumers, such as the ingredients used, innovation, packaging and the veracity of the commercial claims.



Superior Taste Award

The Superior Taste Award is the most prestigious certification worldwide, which is 100% focused on taste evaluation. Every year, evaluations are conducted by top-tier taste experts with experience in numerous professional fields around the world. To ensure objectivity of the evaluators, product evaluation is conducted via a method of “blind testing,” and the sensory quality of each product is evaluated with systematic approaches according to the five criteria of the International Hedonic Sensory Analysis, such as first impression, vision, olfaction, taste and texture (for food) or final sensation (for drinks). With the most rigorous evaluation methodology, the evaluations are guaranteed to be the most objective. Based on the final result of evaluation, a product is certified as three-star (“Exceptional”), two-star (“Remarkable”) or one-star (“Notable”).



A.A. Taste Awards

The A.A. Taste Awards is the first international gastronomic award focusing on healthiness and eco-friendliness while also requiring tastiness. It aims to discover all natural and delicious foods and restaurants serving such foods worldwide. Award winners worldwide dedicated to providing additive-free foods will gather at the international award ceremony to share their brand ideas and enjoy their moment of honor. Advised by industrial, government and academic professionals around the world, the jury consists of nutritionists, professors in food-related areas, physicians, food columnists, food show hosts and Michelin chefs. Each product is evaluated by an average of 10–15 jury members in a form of blind testing, and is scored based on the appearance, taste, quality and process of preparation of the product. Any product with a total score of more than 60% will be awarded a medal of the A.A. Taste Awards.



Healthy food

According to the Health Food Control Act, the term “healthy food” means any food proved by scientific assessment of safety and healthcare effects to be having “healthcare effects,” and which is labeled or advertised as having such effects. The term “healthcare effect” means an effect announced and approved by the Taiwan Food and Drug Administration, that has been scientifically proven to be capable of improving people’s health and reducing the harms and risks of diseases, and which is not a medical effect treating or remedying human diseases. Only foods with such an effect will be approved as “healthy foods.”



3.5.3 Material topic: Occupational safety and health

1. Occupational safety and health management system :

We are always committed to our core business philosophy of “For a Healthy Tomorrow,” and we never forget the fulfillment of our corporate social responsibility during the pursuit of growth. Besides continuing to improve production technologies and product quality and promote energy efficiency and waste reduction, we have taken measures to improve pollution control and devoted efforts to environmental protection. We provide safe and healthy working conditions, since it is our responsibility to prevent work-induced injuries and health impairment. To encourage active participation of employees in environmental, health and safety (EHS) activities and increase their EHS awareness, we have established and implemented an environmental and occupational safety and health management system through the consultation with and the participation of workers and their representatives, with the aim to enhance our corporate EHS culture. To achieve the goal of sustainable development, we have adopted the following policies regarding compliance with the decisions on environmental protection, safety and health :

Conserving resources and ensuring their management

Managing the sources, reducing waste, saving energy, resource recovery, reuse, decreasing resources wasted, and mitigating environmental pollution.

EHS is everybody's responsibility

Environmental protection and work safety should be the responsibility of every person at AGV. All employees are required to comply with the applicable EHS laws and requirements and our EHS regulations. Managers at all levels must lead by example, exercise their supervisory duties, provide enhanced training and increase awareness of environmental protection and occupational safety and health in order to fulfill their EHS responsibilities.



Continuous improvement and sustainable development

Through reviews of EHS management, we will continue to improve EHS management and performance for the purposes of building a safe, healthy and happy working workplace, ensuring customer and employee satisfaction, and moving toward sustainable management and development.

Respect for life and concern for safety

To eliminate hazards and reduce the risks of occupational safety and health, all manager and employees are responsible for ensuring the safety and health of the personnel within the scope of their authority and conducting risk management.

Worker safety is the most important labor condition which AGV and its employees are working together to maintain. We promote a comprehensive safety culture through the three aspects of people, environment and behavior. We have established the performance targets of occupational safety and health in accordance with the “Occupational Safety and Health Act,” including the requirements that the frequency severity index (FSI) must be lower than the average of the most recent three years as published by the Occupational Safety and Health Administration, Ministry of Labor, and that there must not be any major occupational safety incident occurring during each year.

2. Hazard identification, risk assessment and incident investigation

To protect the safety and health of employees at work and prevent work safety incidents, we have established a “Hazard Communication Plan” in accordance with Article 10 of the “Occupational Safety and Health Act” and Article 17 of the “Regulations for the Labeling and Hazard Communication of Hazardous Chemicals.” The plan aims to ensure the workplace meets the requirements of occupational safety and health laws and regulations, strengthen employee awareness of the potential risks of hazardous chemicals, and work together in hazard prevention.

| Item of management under the Hazard Communication Plan | Scope of implementation of the plan |
|--|--|
| Management of list of hazardous chemicals | Preparing a list of hazardous chemicals for effective tracking of the information regarding their use and storage. |
| Management of safety data sheets | Reviewing safety data sheets to help workers understand the characteristics of hazardous chemicals and the potential hazard factors. |
| Safety data sheets are placed at a location easily accessible in the workplace | Safety data sheets that have passed review must be placed at a location easily accessible in the workplace. |
| Labeling of hazardous chemicals | The label of a hazardous chemical must indicate the graphic and name of hazard, the hazardous content, words of caution, a hazard warning message, the hazard prevention measures, and the name, address and telephone number of the manufacturer, importer or supplier. |
| Management of chemicals under priority control | Hazardous chemicals subject to special control must be identified according to the “Regulations for Governing Designating and Handling of Priority Management Chemicals,” and must be regularly updated and reported during April to September each year. |

| Item of management under the Hazard Communication Plan | Scope of implementation of the plan |
|--|---|
| Management of dangerous goods in factories | Dangerous goods whose amount used has exceeded the control limit must be regularly reported to the competent authority in January and July each year. |
| Hazard communication training | Workers using hazardous chemicals must undergo the relevant safety and health training. |

3. Occupational health services

In 2021, using questionnaires for surveys on issues such as musculoskeletal disorders, assessment of the appropriateness of using respirator cylinders and the protection of the maternal health of female workers, we organized labor health services including face-to-face consultation with physicians and classification of workers based on their personal health reports. In addition, Article 277-1 of the Regulations on Occupational Safety and Health Facilities states that any business employing no less than 200 workers shall establish and implement a

respiratory protection plan. The numbers of persons surveyed on the relevant issues above are summarized as follows :



▲ questionnaires for surveys on issues

| Title of survey | Number of persons surveyed |
|--|----------------------------|
| Prevention of ergonomic hazards | 46 |
| Prevention of the hazard of unlawful harms suffered during the performance of duties | 64 |
| Prevention of the hazard of illnesses induced by abnormal workload | 64 |
| Assessment of the appropriateness of using respirator cylinders | 9 |

(1) Evaluation of the results of the 46 people surveyed on “prevention of ergonomic hazards” has indicated a hazard level of “no hazard.” The results of the questionnaires for the “survey on musculoskeletal disorders” are summarized in the table below according to the range, determined hazard level and corresponding treatment :

| Range of the result of survey on ergonomic hazards | No. of persons surveyed | Hazard level | Treatment |
|--|-------------------------|-------------------------|---|
| 0: No pain | 37 | No hazard | Control |
| 1: Mild pain | 6 | No hazard | Control |
| 2: Moderate pain | 3 | No hazard | Control |
| 3: Severe pain | 0 | Hazard allegedly exists | Health promotion, administrative improvement |
| 4: Very severe pain | 0 | Hazard exists | Ergonomic improvement, health promotion, administrative improvement |
| 5: Extremely severe pain | 0 | Confirmed illness | Administrative improvement |

(2) Evaluation valuation of the results of the 64 people surveyed on “prevention of the hazard of unlawful harms suffered during the performance of duties” indicates that all of the persons surveyed have checked “No,” meaning none of them has been subject to any physical, verbal or psychological violence or sexual harassment internally/externally, as specified in the questions on the risk assessment form.

(3) Evaluation valuation of the results of the 64 people surveyed on “prevention of the hazard of illnesses induced by abnormal workload” indicates that all of the persons surveyed have been subject to minor overwork and do not need consultation with a physician. The results of the questionnaires for the “survey on personal-related and work-related overwork” are summarized in the table below according to the score range :

| Score of personal-related overwork and no. of persons surveyed | | | | Score of work-related overwork and no. of persons surveyed | | | |
|--|-------------------------|----------|--|--|-------------------------|----------|--|
| Score | No. of persons surveyed | Level | Consultation with a physician is recommended | Score | No. of persons surveyed | Level | Consultation with a physician is recommended |
| 0 | 61 | Minor | No consultation with a physician is needed | 0 | 42 | Minor | No consultation with a physician is needed |
| < 50 | 3 | Minor | No consultation with a physician is needed | < 50 | 22 | Minor | No consultation with a physician is needed |
| 50–70 | 0 | Moderate | Consultation with a physician is recommended | 50–70 | 0 | Moderate | Consultation with a physician is recommended |
| > 70 | 0 | Severe | Consultation with a physician is required | > 70 | 0 | Severe | Consultation with a physician is required |

(4) Evaluation valuation of the results of the 9 people surveyed on “Assessment of the appropriateness of using respirator cylinders” indicates that if qualified for physical examination, he may be qualified as a rescue worker and be on standby at any time.

4. Participation of and consultation and communication with workers regarding occupational safety and health

To facilitate the promotion of safety and health work and to promote occupational safety and health education, we have trained our employees on knowledge of industrial safety and health so that we can always stay vigilant to prevent accidents and ensure the safety of employees’ lives and property. We also hold regular meetings to discuss safety and health policies, the results of testing of the working environment, health management and promotion, safety and health proposals, occupational accident investigation reports and the participation of non-managerial workers.

We have continued to implement the ISO 45001 occupational safety and health management system. Currently, workers covered by the system include 556 internal full-time employees and 3 external security guards, totaling 559, with 100% coverage.

5. Training of workers regarding occupational safety and health

The purpose of occupational safety and health training is to enhance the safety of workers at work. In 2021, the number of persons receiving occupational safety and health training amounted to 908/2,066 hours. We have engaged in the



▲ occupational safety and health training

monitoring of noise and chemicals in the working environment at the workplace and provided appropriate personal protective equipment for use to protect the safety of workers at work.

6. Promotion of workers' health and occupational illnesses

We cannot underestimate the potential effect of work-induced occupational illness at the workplace or decreased productivity due to poor personal health on our business. AGV has always placed importance on the management of employee' s personal health and the prevention of occupational illnesses, and there has been no case of any employee suffering from an occupational illness.

(1) In accordance with the Labor Health Protection Regulations and the Regulations on Good Hygiene Practice for Food, each year we will conduct a general health examination, a medical examination for meal service providers and a physical examination for certain working areas with noise hazards. Employees with anomalies found during the health examination in 2021 have been classified by level and provided with personal health guidance, management and care to ensure that all food workers are in good health and not infected with contagious diseases.



▲ Certification of healthy workplace health promotion mark



▲ CPR training

(2) Certification of healthy workplace : A visible no-smoking sign has been put up at the entrance, and we have held seminars on “prevention of smoking hazards.” We have also organized company trips for employees to help them stay healthy. Furthermore, we have cooperated with the Minxiong Township Public Health Center in organizing a weight loss program to facilitate metabolism and prevent obesity.

(3) We have organized regular courses for health education awareness, which not only focuses on personal health but also covers communication of the policies of the Ministry of Health and Welfare by the Minxiong Township Public Health Center and the health resource services provided by the communities. In addition, we have organized regular CPR training sessions and cooperated with the Minxiong Township Public Health Center in administering flu vaccines at our factories.

7. Prevention and mitigation of the impact of occupational safety and health directly connected with business relationship

Occupational safety and health administrators will visit all factories and workplaces to identify the hazards and assess the risks of operations, and to ensure the safety of workers at work through preventive control measures. We regularly collect information and legal updates relating to occupational safety and health on a monthly basis, and we seek to communicate safety awareness information to every worker via our internal means of contact. For more effective warning and reminder, we have conducted awareness campaigns using posters and promotional materials, included environments with a high rate of recurrence in the targets for inspection, and added the measurement of working environments to the scope of measurement of illuminance at the factory area.

8. Occupational injuries

In accordance with the Occupational Safety and Health Act, we regularly submit a statistical analysis of occupational accidents online each month. In the event of any work safety incident, we will take necessary first aid and rescue measures, and we will conduct an investigation and analysis to find out the cause of its

occurrence and seek solutions and a preventive strategy. We also organize safety and health training and awareness sessions on a regular basis to prevent recurrence of any similar situation.

Statistics of injuries causing disability (not including the data of traffic accidents during commuting)

| Year | Days lost due to injuries causing disability | Disabling Injury Frequency Rate |
|------|--|---------------------------------|
| 2021 | 45 | 3.96 |

NOTE : The number of disabling (lost time) injuries per million employee-hours of exposure : See Permanent Disability, Permanent Partial Disability, Permanent Total Disability

$$FR = (\text{Disabling Injuries} \times 10^6) / \text{Employee-hours of exposure}$$

$$= (5 \times 10^6) / 1,261,603 = 3.96$$

Additionally, we have established an online occupational accident reporting mechanism, which can analyze the type of accident a worker suffers from, and is able to follow up on and care about the status of recovery of the victim and assess if he/she may resume work. The following are four policies for the prevention of occupational accidents :

- (1) Eliminating the hazard factors arising from machine and equipment, work methods, materials or buildings.
- (2) Closing and protecting against the sources of hazards.
- (3) Providing appropriate personal protective equipment.
- (4) Providing work guidance and safety training.

3.6 Corporate Governance

3.6.1 Description of corporate governance

AGV has remained committed to the business philosophy of “For a Healthy Tomorrow” and continued to gain more loyal consumers. With insistence on healthiness and tastiness, we have continued to push for corporate sustainable development and promote good corporate governance. Furthermore, we will keep promoting innovation in business management, attract more talents, expand the market, and invest in and enhance our production, R&D and inspection equipment

in order to lay a firm foundation for production and sales talents, strengthen our future competitiveness and become the best food company deserving permanent trust from consumers.

AGV greatly values the rights of its shareholders and insists on transparent management, and believes that a well-functioning and efficient board of directors is the basis of good corporate governance. To implement corporate governance, enhance risk management, build a solid foundation and provide high-quality products and services to the market, all of its corporate governance policies have been established in accordance with the applicable laws and regulations.

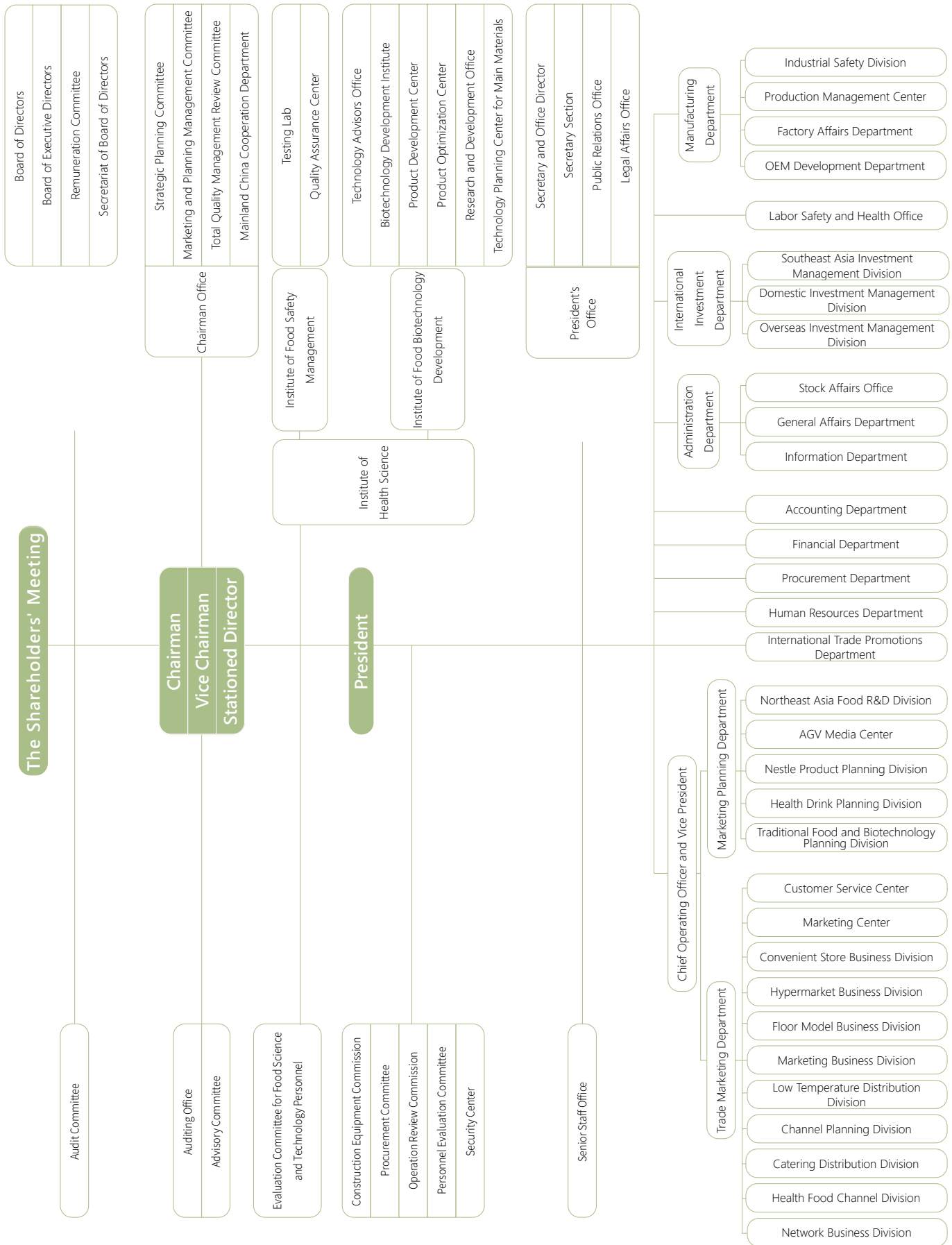
The highest corporate governance body of AGV is the Board of Directors, consisting of nine directors (including three independent directors) serving a three-year term. It holds meetings at least on a quarterly basis, with the accountants and relevant managers invited to attend the meetings, where the chief auditor is also present to give an audit report. Yue-Tsu Tsai, the manager of the Human Resource Division, is acting as our chief corporate governance officer, who is mainly tasked with managing the affairs of the Board of Directors, Audit Committee, Remuneration Committee and shareholders' meeting, providing accurate, effective and real-time information to directors, assisting directors in conducting business, exercising supervisory functions and serving as a bridge between the Board of Directors and business units and the competent authorities. In 2021, AGV held seven Board of Directors meetings to discuss its overall operations, and the results of the internal self-evaluations of the Board of Directors and its members were all "Excellent."



▲ Corporate governance

3.6.2 Structure of corporate governance

1. Organizational chart :



Responsibilities of Main Departments

| Department Name | Responsibilities |
|--------------------------------|--|
| Chairman Office | Planning, promoting, coordinating, maintaining and managing corporate operation and management according to the resolutions of the shareholders' meeting and the board of directors. |
| Institute of Health Science | <p>*Institute of Food Biotechnology Development:</p> <ul style="list-style-type: none"> - The Technology Advisors Office is responsible for providing consultation and advice concerning the Company's product and technology. - The Product R&D Center is responsible for the R&D of new products, technology and source material. - The Biotechnology Development Center is responsible for the R&D of biotechnology product. - The Product Optimization Center is responsible to maintain the competitiveness of new and existing products. - The R&D Management Office is responsible for file management for product formulas and technology. - The Technology Planning Center for Main Material is responsible for the standards of new materials, contractual farming and operation of agricultural products and cultivation management. <p>*Institute of Food Safety Management:</p> <ul style="list-style-type: none"> - The Testing Lab is responsible for the testing and analysis of raw materials, samples and finished products. - The Quality Assurance Center is responsible for testing of materials used by the product and finished product, quality control and maintenance, and promotion of product safety and production process improvement. |
| General Manager's Office | <ul style="list-style-type: none"> - Legal Affairs Office. Responsible for handling affairs such as contracts, litigation and intellectual property right. - Public Relations Office. Maintain corporate culture, enhance corporate image and manage customer satisfaction to promote the reputation of the Company. - Secretary Section. Responsible for the internal and external connections and communication and arranging matters for the supervisor. |
| Senior Staff Office | Responsible for reviews, audits or inquiries, and providing opinions for the decision-maker as reference or determinations. |
| Auditing Office | Responsible for urging each internal unit and subsidiaries to regularly check their internal control systems and promote effective operation of enterprise organization to enhance corporate governance. |
| Labor Safety and Health Office | Manage the planning of a labor safety and health system, promote management of occupational safety and health to create a safe and healthy workplace. |

| Department Name | Responsibilities |
|----------------------------|---|
| Trade Marketing Department | <ul style="list-style-type: none"> - The Convenient Store Business Division is responsible for preparing department budget and achieve targets as well as develop and maintain the business of convenient store channel. - The Hypermarket Business Division is responsible for preparing department budget and achieve targets, maintain and execute hypermarket and supermarket channel businesses, including execution of activities such as merchandise displays, shelf management and promotion. - The Floor Model Business Division is responsible for preparing department budget and achieve targets, maintain and execute the business of PX Mart, including execution of activities such as merchandise displays, shelf management and promotion. - The Marketing Business Division is responsible for preparing department budget and achieve targets as well as develop and manage the business of market channels. - The Low Temperature Distribution Division is responsible for preparing department budget and achieve targets as well as develop the business of chilled/frozen food channels. - The Channel Planning Division is responsible for achievement of performance targets, channel promotion, expense control, price planning, terminal arrangement and price inspection. - The Catering Distribution Division is responsible for preparing department budgets and achieving targets as well as developing, maintaining and executing the business of catering distribution channels. - The Health Food Channel Division is responsible for planning of health food, marketing channel development and management. - The Network Business Division is responsible for website promotion and execution, planning of online contents, services and activities and regular updating, maintenance and management. - The Business Control Center is responsible for control of credit limits and shipment, account management, stock control in business outlets, provision of sales statistical analysis and production/sales coordination data and gross profit analysis of products. - The Customer Service Center manages customer complaint cases. |

| Department Name | Responsibilities |
|--|---|
| Marketing Planning Department | <ul style="list-style-type: none"> - The Traditional Food and Biotechnology Planning Division is responsible for new product proposal and development, advertisement media planning, creative thinking and planning of marketing plan for traditional food series in each channel in Taiwan. - The Health Drink Planning Division is responsible for new product proposal and development, advertisement media planning, creative thinking, planning for marketing and network development and marketing for health drink product lines in each channel in Taiwan. - The Nestle Product Planning Division is responsible for new product proposal and development, advertisement media planning, creative thinking and planning of marketing plan for international brand series in which the Company acts as agent. - The Northeast Asia Food R&D Division is responsible for developing product strategy and manage advertisement strategy in overseas regions. |
| International Trade Promotion Department | Responsible for developing overseas markets and expanding international trade and export business. |
| Human Resources Department | Responsible for the planning of human resources strategies and personnel management, establishment (modification) of management regulations, and planning of education and training. |
| Procurement Department | Responsible for the planning and execution of procurement and the contact and control of the supplier. |
| Financial Department | Responsible for fund operations, applications for bank credit line and maintenance of relationship with banks. |
| Accounting Department | Responsible for matters related to account management, cost analysis, income determination and budgeting. |

| Department Name | Responsibilities |
|-------------------------------------|---|
| Administration Department | <ul style="list-style-type: none"> - The Information Division is responsible for information strategy planning, ERP system development and maintenance as well as management and maintenance of software and hardware. - The General Affairs Division is responsible for environmental sanitation and safety, fixed assets (including vehicles), equipment and warehouse management and other general affairs management and maintenance. - The Stock Affairs Office is responsible for discussing work requirements with the shareholder service agency, preparing the shareholders' meetings, providing consultation for stock affairs and announcing reporting matters. |
| International Investment Department | <ul style="list-style-type: none"> - The Overseas Investment Management Division is responsible for the evaluation and analysis of overseas investments and supervision of overseas investment companies. - The Domestic Investment Management Division is responsible for the evaluation and analysis of domestic investments and supervision of domestic investment companies. - The Southeast Asia Investment Management Division is responsible for the evaluation and analysis of investments in Southeast Asia. |
| Manufacturing Department | <ul style="list-style-type: none"> - The Factory Affairs Department is responsible for product manufacturing and maintenance of machines and equipment. - The Production Management Center is responsible for production operation planning and follow-up, execution of item control and production/sales coordination. - The Industrial Safety Division is responsible for the management and supervision of industrial safety and facility maintenance and management. - OEM Development Department is responsible for preparing department budgets and achieving targets as well as developing and maintaining OEM business. |

2. Responsibilities of the Board of Directors

All members of the Board of Directors possess industrial, legal and academic expertise and knowledge. The directors often provide professional opinions, which are greatly helpful for improving the performance in our operations and management. As our highest decision-making center regarding operations, the Board of Directors meets at least quarterly and functions in accordance with the

“Regulations Governing Procedure for Board of Directors Meetings of Public Companies.” It is responsible for our overall operations and the appointment and supervision of the management. It also discloses the attendance rates of the directors through our annual reports to strengthen the responsibilities and duties the directors must fulfill and ensure the exercise of its functions in supervising and managing the company.

The Rules of Procedure for the Board of Directors has included provisions governing the recusal of directors to avoid conflict of interests. When a proposal at a Board of Directors meeting involves the personal stake of any director or the juristic person represented by him/her, the director shall explain the key aspects of his/her stake at the meeting. The director may not participate in the discussion and voting on the proposal if such participation is likely to prejudice the interest of the company, and he/she shall recuse himself/herself at the time of the discussion and voting, and may not participate in the voting as a proxy of another director.

In order to implement corporate governance and improve the functions of our Board of Directors, we have established the Regulations for Evaluation of Performance of the Board of Directors and set performance targets to enhance the efficiency of the Board of Directors. An evaluation of the Board of Directors is conducted via internal questionnaires asking the directors to evaluate the operations of the Board of Directors and their own participation, and the secretariat of the Board of Directors will collect, organize and make statistics of the results. We have completed the evaluation of the performance of the Board of Directors and its members in 2021. The results indicate an average score of 94.22 for the internal self-evaluation of the Board of Directors and an average score of 94.86 for the internal self-evaluation of individual directors, both of which are “Excellent.” The directors have expressed their strong agreement to various evaluation indicators, which in their opinions have met the requirements for corporate governance and effectively strengthened the functions of the Board of Directors and protected shareholders’ rights.

Members of the Board of Directors

| Title | Name | Gender | Educational background | Current position |
|---------------|----------------|--------|--|---|
| Chairman | Kuan-Han Chen | Male | Post-Doctoral Program of Food Science Graduate School, Cornell University | <ul style="list-style-type: none"> ◆ Chairman of AGV Products Corporation and President of Institute of Health Science ◆ Chairman of Taiwan First Biotechnology Corp. ◆ Adjunct Assistant Professor of Institute of Food Science and Technology, National Taiwan University ◆ President of Taiwan Cannery Association (T.C.A) |
| Vice Chairman | Ching-Jen Chen | Male | MBA of Department of Business Administration, National Cheng Kung University | <ul style="list-style-type: none"> ◆ Vice Chairman of AGV Products Corporation ◆ Vice Chairman of Janfusun Fancyworld Corp. |

| Title | Name | Gender | Educational background | Current position |
|----------------------|-------------------|--------|---|---|
| Director | Michael Chen | Male | Master, The London School of Economics and Political Science | ◆ Director and Vice President of International Bills Finance Corporation |
| Director | Huai-Hsin Liang | Male | Master of Law, Fu Jen Catholic University | ◆ Licensed Attorney |
| Director | Chih-Chan Chen | Male | MBA of University of Nottingham | ◆ President of AGV Products Corporation |
| Director | Hsien-Chueh Hsieh | Male | Bachelor of Department of Electronic Engineering, Chung Yuan Christian University | ◆ Chairman of Yunlin Dairy Technology Corp. ◆ President of Janfusun Fancyworld Corp. |
| Independent Director | Yung-Fu Tseng | Male | LL.B., Division of Legal Science, Department of Law, National Taiwan University | ◆ Independent Director of Chun Yuan Steel Industry Co., Ltd |
| Independent Director | Yung-Chien Wu | Male | Doctor of Laws, University of Washington | ◆ President and Professor of Law at Shih Hsin University ◆ Convener of Audit Committee of AGV Products Corporation ◆ Chairman of the Press Council of the R.O.C ◆ Member and Arbitrator of Court of Arbitration, Chinese Arbitration Association |
| Independent Director | Wei-Lung Chen | Male | MBA, National Taiwan University | ◆ Independent Director of IBF Financial Holdings Co., Ltd. ◆ Independent Director of Janfusun Fancyworld Corp. ◆ Independent Director of Ocean Plastics Co., Ltd. ◆ Convener of Remuneration Committee of AGV Products Corporation |

3. Responsibilities of the Audit Committee :

We have established the Audit Committee for the purposes of fair presentation of our financial statements, the appointment (discharge), independence and performance of the certifying accountants, effective implementation of our internal control, our compliance with the applicable laws and regulations, and the control of our existing or potential risks.

Responsibilities and powers of the Audit Committee

- (1) Establishment or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Establishment or amendment of the procedures for material financial business activities, including the acquisition or disposal of assets, transaction of derivatives, loaning of funds to others and endorsements/guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
- (4) Matters involving any directors' personal interests.
- (5) Significant transactions of assets or financial derivatives.
- (6) Significant loans of funds, and endorsement/guarantees.
- (7) The offering, issuance, or private placement of equity-type securities.
- (8) The hiring or dismissal of CPAs or the remuneration given thereto.
- (9) The appointment or discharge of a financial, accounting, or internal audit officer.
- (10) Annual financial reports and the Q2 financial reports requiring audit and certification by accountants.
- (11) Any other material matter required by the Company or the competent authority.

The members of the Audit Committee shall exercise the duty of care of a prudent administrator and faithfully perform the responsibilities defined by the organizational by-laws, and shall report to the Board of Directors. In 2021, the Audit Committee held seven meetings and submitted its proposals to the Board of Directors for resolution.

4. Responsibilities of the Remuneration Committee :

We have established working rules, regulations for remuneration management, performance bonuses, rewards and penalties, and an evaluation system, which provide clear criteria for the promotion and change of job of employees and their remuneration, bonuses, penalties, training and career planning. To strengthen our systems of remuneration for directors and managers, we have established organizational by-laws for the Remuneration Committee (hereinafter the “organizational by-laws”) pursuant to Article 3 of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange” (hereinafter the “Regulations Governing the Powers of the Remuneration Committee”).

The Remuneration Committee shall consist of three members appointed by a resolution of the Board of Directors, with one of the members as its convener.

The professional qualifications and independence of the members of the Remuneration Committee shall meet the requirements of Articles 5 and 6 of the Regulations Governing the Powers of the Remuneration Committee. The functions of the Remuneration Committee shall include assessing the policies and systems regarding the remuneration for directors and managers in a professional and objective manner and providing suggestions to the Board of Directors as reference for its decisions.

Scope of responsibilities of the Remuneration Committee :

The Remuneration Committee shall perform the following responsibilities and powers faithfully and submit proposed suggestions to the Board of Directors for discussion to fulfill the duty of care as a prudent administrator.

- (1) Regularly reviewing the Charter and proposing suggestions on amendment.
- (2) Defining and regularly reviewing policies, systems, standards and structures in relation to evaluation of the performance of directors and managers and their remuneration.
- (3) Regularly evaluating the scope and amount of remuneration for directors and managers.

The Remuneration Committee shall comply with the following principles when performing the above responsibilities and powers

- (1) The remuneration for directors and managers must be paid with reference to the business performance with the level of the peers in the practice while considering the time spent by the individual and their responsibilities and performance and the reasonableness of the correlation between our business performance and future risks.
- (2) Directors and managers must not be induced to engage in activities involving risks beyond the tolerance limits of the company in order to pursue monetary rewards.
- (3) The dividend distribution ratio of short-term performance and partial changes in the payment time of remuneration for the directors and senior managers must be determined based on the characteristics of the industry and nature of our business.
- (4) Making sure our remuneration arrangements meet the relevant laws and regulations and are sufficient to attract outstanding talents.
- (5) The members of the Remuneration Committee may not participate in any discussion or voting on determination of their individual remuneration.

The Remuneration Committee shall meet twice each year, with its members notified, seven days prior to such meeting, of the reasons for meeting, except in the event of an emergency.

A notice of meeting under the preceding paragraph may be sent in writing or by fax or email, or, subject to consent of the recipient, electronically.

The Remuneration Committee shall consist of at least one independent director, who shall be elected by all of its members as its convener and meeting chairperson. Where the convener is on leave or unable to convene a meeting for whatever reason, he/she shall appoint another independent director on the committee to act on his/her behalf. In the absence of any other independent director on the committee, the convener shall appoint another member of the committee to act on his/her behalf. Where the convener has failed to make such appointment, other members of the committee shall elect one of them to act on his/her behalf.

The remuneration for any member of the Remuneration Committee discussed at its meeting shall be explained at the meeting. The member may not participate in the discussion and voting on his/her remuneration if such participation is likely to prejudice the interest of the company, and he/she shall recuse himself/herself at the time of the discussion and voting, and may not participate in the voting as a proxy of another member.

When the Remuneration Committee meets, it may invite directors, managers of the relevant departments, internal auditors, accountants, legal advisors or other persons to attend the meeting in a non-voting capacity and provide relevant information as required. They shall leave at the time of discussion and voting.

The Remuneration Committee may, by resolutions, engage attorneys, accountants or other professionals to conduct necessary audits or provide advice on matters relating to the performance of its responsibilities and powers. The resulting costs shall be borne by the company.

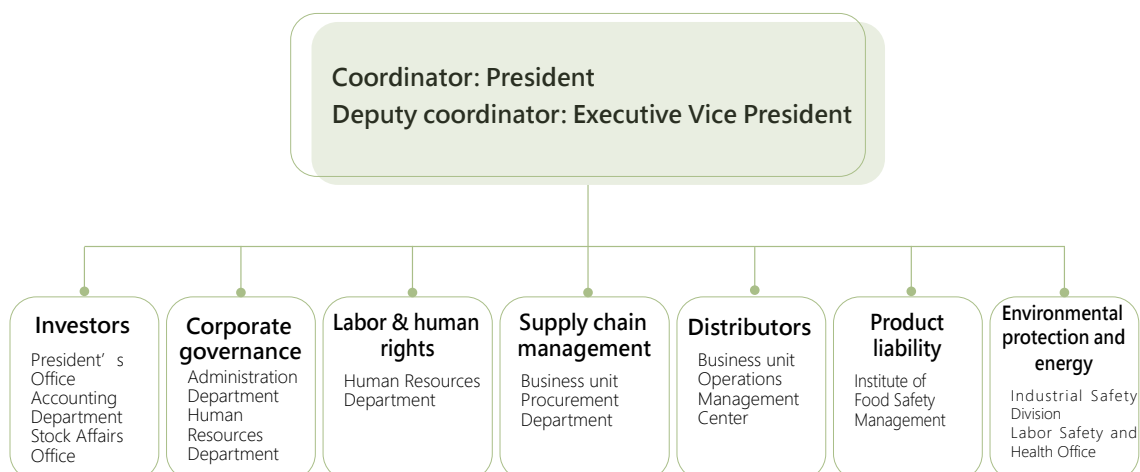
The Human Resources Department shall be responsible for matters relating to the meetings of the Remuneration Committee. It shall send out meeting notices and information.

In 2021, the Remuneration Committee held two meetings and submitted its proposals to the Board of Directors for resolution.

3.7 Sustainable Development Organization

The members of the Sustainable Development Organization are mainly tasked with assisting the management in supervising and understanding the details and status of implementation of corporate sustainable development at the company.

The members of the Sustainable Development Organization are as follows :



3.8 Corporate Culture, Spirit and Ethical Management

3.8.1 Corporate culture and spirit

1. For many years, with the brand vision of “For a Healthy Tomorrow,” AGV has been able to set a “natural, eco-friendly, green and healthy” example in business management and actively fulfill its responsibility for corporate sustainable development.
2. AGV has been constantly seeking improvement of manufacturing technologies. In cooperation with academic and research institutions, AGV has fully adopted automated and scientific production processes for R&D, factories and equipment to fill every AGV product with love, conscience, intelligence and healthiness. AGV believes successful foods are those with good raw materials and tastes, so raw materials must be selected through a strictly controlled and inspected process, including specifications, freshness, ripeness, pests and foreign matters. Aside from quality raw materials, modern and scientific manufacturing technologies are also indispensable. Under the Institute of Health Science, which meets the ISO 17025 requirements of both certifications of TFDA and TAF, the Institute of Food Biotechnology Development and Institute of Food Safety Management have been established to be responsible, respectively, for R&D innovation and quality control based on the principle of professional division of work. In addition, based on three principles of “natural product quality,” “scientific manufacturing technology” and “popular health food,” the institute has completed the innovation and development of numerous new products and technologies that have received patents, certifications and awards in many countries.
3. At the AGV family, everyone believes in the business philosophy of “where there is love in your heart, there is happiness.” A happy business best reflects the identity of AGV. Meanwhile, AGV aims to become a heartwarming company enabling consumers across Taiwan to “buy happily, eat comfortably, use assuredly, feel cared for and get love.”

3.8.2 Business philosophy of ethical management

1. Ethical management is the most fundamental social responsibility of a business. In recent years, in response to the management trends and government policies in the face of globalization, AGV has not only focused on its operating performance but also been more active in taking concrete actions for corporate sustainable development and fulfilling corporate social responsibilities.
2. We continue to adhere to the Ethical Management Best-Practice Principles when operating, and truly implement the relevant laws and regulations, such as the Company Act, Securities and Exchange Act, Act Governing Food Safety and Sanitation, TWSE/TPEX listing regulations, Anti-Corruption Act and Government Procurement Act, which serve as the underlying foundation to facilitate ethical corporate management. We employ people based on their character and ethics and pay attention to the rotation mechanism to prevent corruption; there was no illegal conduct such as corruption, bribes or blackmail occurring among internal employees.
3. We actively promote engagement in business activities in a fair and transparent manner when negotiating or signing contracts with business partners and refuse to cooperate with any counterparty involved in unethical conduct. When performing duties, conducting handover of upstream and downstream and engaging in cross-department cooperation, we are practical and realistic based on the highest principles of ethical management to implement ethical management.
4. COVID-19 has been the greatest change worldwide in the most recent three years, leaving indelible effects on people around the world in terms of food, clothing, housing, transportation, education and entertainment as well as work pattern and industrial impact. Based on the Ethical Management Best-Practice Principles, we practice clear and transparent product labeling and traceability providing the source information of products not only assists in improving consumers' perception of food safety and healthy image but also inspires and nurtures people's loyalty toward their favorite products. In addition, the promotion of health certificates, international awards as well as organic, green and clean labels also allows the products to become more transparent and gain further recognition from consumers and the building of a reliable brand image.

5. We will continue to provide healthy and delicious products. Moreover, we will try our best to achieve the goals of corporate social responsibility in the aspects of social charity, corporate governance, industrial innovation and enhancement, and environmental protection and health.

3.9 Principles for Risk Management and Crisis Management

3.9.1 Principles for risk management

All of our material operational decisions have been assessed and analyzed by appropriate responsible departments and executed according to resolutions of the Board of Directors. The Auditing Office will prepare the annual audit plan based on the results of risk assessment and ensure implementation of the plan using a risk assessment audit model, with the purposes of assisting our internal departments and affiliates review risks, helping system planning and process design, improving operations and managing risks to increase organizational values. The following is a brief description of our management of specific types of risks :



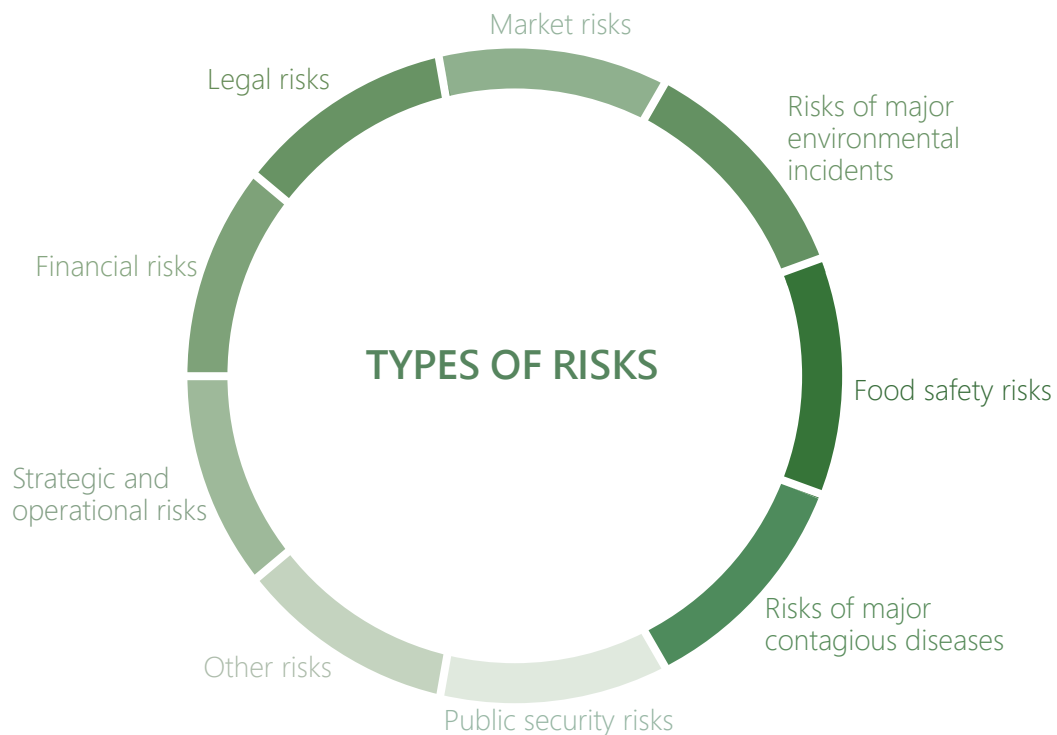
3.9.2 Principles for crisis management

In order to address major incidents and reduce or prevent possible damage caused by such incidents to us, and to manage such incidents on a unified basis and promptly take necessary preventive measures to enhance our overall response capabilities, we have adopted the Regulations for Establishment of the Security Center to maintain our sustainable management. The management procedure consists of seven steps :

| Item | Description |
|-------------------------------------|---|
| Early response | <p>(1) When an incident occurs, all of our employees are prohibited from making external statements. They must pay close attention to any attempt by the media to cover the incident and must contact our spokesperson or deputy spokesperson or the manager of the Administration Department to take necessary action against such attempt.</p> <p>(2) For the early response to an emergency incident, the highest-level manager of the place where the incident occurs must take charge in directing the early response and reporting the incident, and must do his/her best to avoid level-by-level reporting so as not to delay such response.</p> |
| Reporting procedure | <p>(1) When an incident occurs, the manager of the relevant department must immediately contact the manager of the administrative department to give a detailed report of the cause and current situation of, the response to and the subsequent development of the incident, along with its relevant information.</p> <p>(2) Upon receipt of such report, the manager of the administrative department must immediately inform the Chairman and the President.</p> |
| Assembly of the Risk Control Center | <p>(1) Coordinator: The Chairman and the President.</p> <p>(2) Executive secretary: The manager of the Public Relations Office.</p> <p>(3) Members of the emergency task force: To be appointed by the coordinator depending on the nature of the incident.</p> <p>(4) Members of the emergency task force appointed by the coordinator must execute his/her instructions. This requirement also applies to the staff of our affiliates.</p> |
| Task force meeting | <p>(1) When an incident occurs, a meeting must be convened to conduct a preliminary analysis of the incident, make a prediction about its future development and formulate a "response plan."</p> <p>(2) After such response plan has been formulated, the coordinator may, depending on the urgency of the development of the incident, appoint task force members or other persons to implement or take early preventive measures.</p> |

| Item | Description |
|-------------------------------|--|
| Emergency response | (1) If a task force meeting cannot be promptly convened due to the urgency of the incident, the manager of the Administration Department or his/her functional substitute must immediately take response measures and appoint a specific person to track and monitor the development of the incident and assess its effect. The coordinator will then convene a task force meeting depending on the situation. (2) After a response plan has been formulated, it may be implemented first upon a decision by the coordinator. |
| Confidentiality of procedures | Task force members of the Risk Control Center who have attended the meeting must keep confidentiality of the process and contents of resolution, which may not be made public unless having attained consent from the coordinator or as required by law. |
| Disclosure of information | External information relating to any emergency incident may only be released by our deputy spokesperson or spokesperson, the coordinator or any person appointed by him/her. |

3.9.3 Nine types of risks



3.9.4 Types of risks, the departments responsible for such risks, and the methods for their control

| Type of risks | Responsible dept. | Method for risk control |
|--|--|--|
| Strategic and operational risks | Chairman' s Office President' s Office | Risk assessments before and performance follow-ups after strategic operations. |
| Financial risks | Financial Department | The Financial Department is responsible for assessing the flow of funds generated during operations, taking appropriate measures in response to future changes and using funds within the company' s internal authority of approval. The application for any bank limit must take place within the scope authorized by the Board of Directors. |
| Legal risks | Legal Affairs Office | Assisting each department in conducting business in accordance with the law and promptly seeking professional advice from legal advisors. Ensuring creditors' rights. Handling debts from business transactions. Protecting the business identification symbol (trademark) and intellectual property rights. |
| Market risks | Security Center | Establishing and implementing strategies. Analyzing changes and taking measures in response. Controlling and managing market risk crises that are likely to occur. |
| Risks of major environmental incidents | General Affairs Division Industrial Safety Division | Identifying alternative or renewable energy for use with the aim of lowering environmental burden. Strengthening employee training and emergency response measures to increase the reliability and crisis management capabilities of employees. Replacing and improving pollution control equipment to lessen its environmental impact in the event it malfunctions. |
| Food safety risks | Quality Assurance Center Legal Affairs Office Trade Marketing Department | Assessing food hazard risks. Implementing the food safety control system. Communicating the risks of food safety incidents. |

| Type of risks | Responsible dept. | Method for risk control |
|------------------------------------|--|--|
| Risks of major contagious diseases | Labor Safety and Health Office Manufacturing Department Human Resources Department | Conducting regular health examinations for employees. Publishing pandemic information and relevant preventive measures on a non-periodic basis. Placing rubbing alcohol and hand sanitizers at all entrances and exits. |
| Public security risks | General Affairs Division | Engaging legal security companies to assist in managing the security of the factory area. Setting up video monitoring and alert systems in the factory area. Establishing channels for smooth communication with local public security agencies. |
| Other risks | Labor Safety and Health Office General Affairs Division Human Resources Department | Establishing self-defense fire safety groups formed by employees and conducting fire drills on a regular basis. Taking out fire insurance for our assets and public safety insurance for the factory area. Taking out group insurance for employees. |

3.9.5 Food safety risks

1. Operating strategy (key impact, risks and opportunities)

Despite being susceptible to business cycles, the food industry will continue to have certain minimum demands. In recent years, drastic changes in the industrial environment and the occurrence of a series of major food safety incidents in Taiwan have greatly impacted popular confidence in the food industry, while increasing health awareness on the part of consumers has resulted in stricter popular requirements for the food chain including the sources of food materials and the processes of food manufacturing or transportation. These are factors likely to have an impact on our operations. In the face of such impact to the industrial environment, our future focus of development will be based on our brand reputation and size of operations to create high-quality, easily transportable and affordable products.

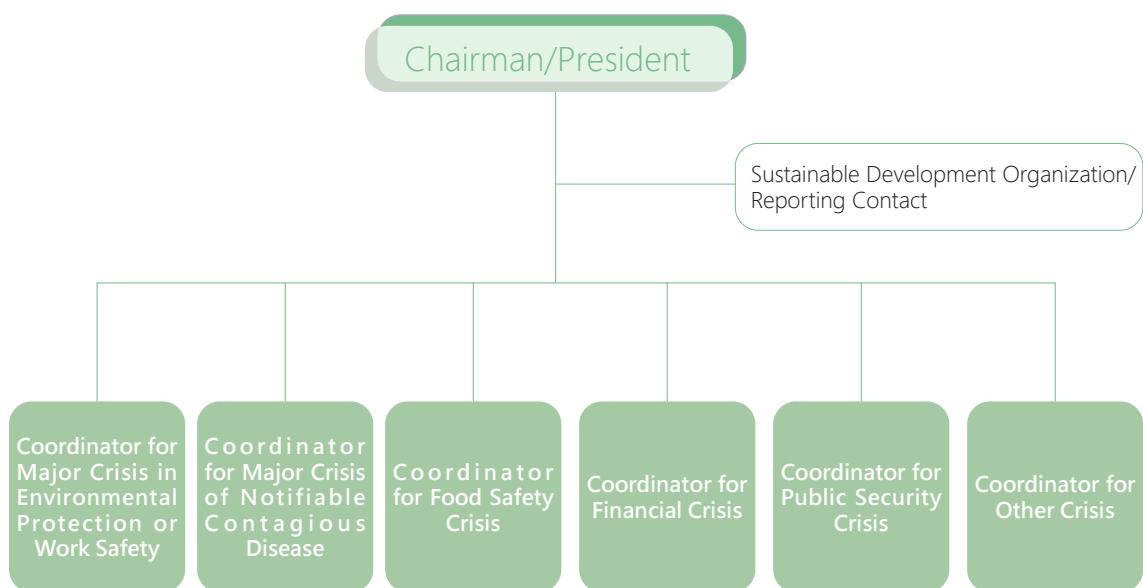
2. Principles for management of food safety crisis

According to the principles of our crisis management regulations, we will promptly file a report and take appropriate measures in response. If a food safety problem occurs in any of our products, we will immediately initiate our food safety crisis management mechanism to conduct inspection on the

product, the result of which will be published on our website and provided to stores or our customer service system for an announcement available to consumers. If there is any product that requires a preventive recall, we will cooperate in issuing such preventive recall, and the product will go into production and be released to the market again once it has passed inspection by us or an impartial third-party organization.

3. Crisis management

In order to address emergency incidents and reduce the damage we might suffer in a “crisis incident,” and to provide a unified crisis management process for all departments to follow in addressing crises, we established the Regulations for Management of the Security Center and formed a Crisis Management Task Force in 2006, whose head is a high-level manager of the relevant department depending on the nature of the crisis incident, with the Chairman/President acting as its coordinator. In the event of a serious quality issue in any of our products, any seriously unreasonable consumer demand or any unexpected emergency incident (e.g. a natural or man-made disaster), we have an emergency response procedure in place. To protect personal privacy, we have established the Regulations for Personal Data Security Responses. The implementation of all regulations for emergency responses has been included as part of our training to enhance the safety awareness and response capabilities of our employees.

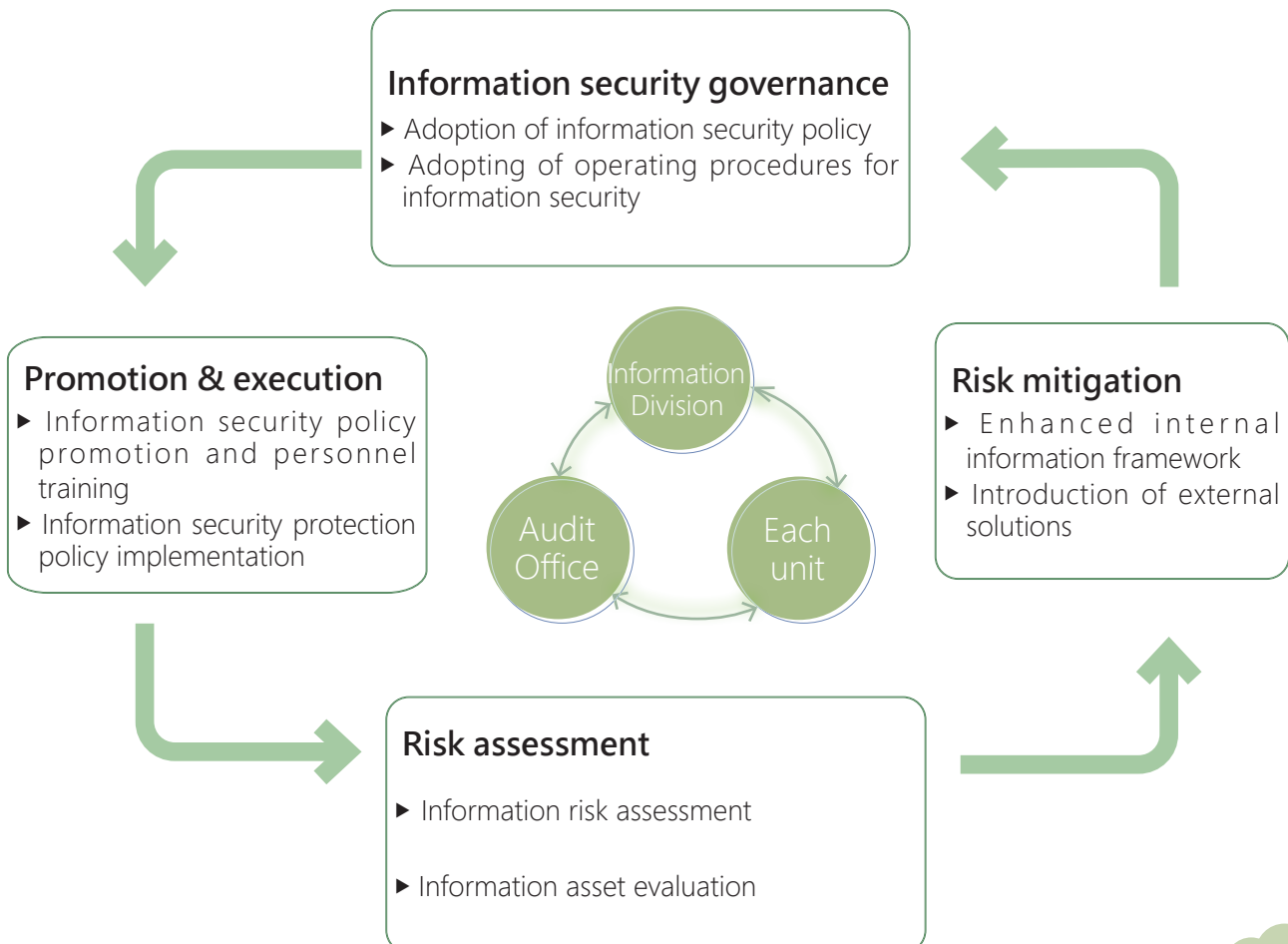


▲ Organization for crisis management

3.10 Cyber Security Management

3.10.1 Cyber Security Risk Management Framework

1. The Company' s unit responsible for information security refers to Information Division. The Division appoints one IT officer who, together with the professional IT personnel, is responsible for adopting the internal information security policies, planning and executing the promotion and practicing of information security protection and information security policies, and also announcing the overview of the Company' s information security governance periodically.
2. The Company' s Audit Office is the unit dedicated to supervising the internal control on information security. The Office appoints one audit officer who, together with the dedicated auditing personnel, is responsible for supervising the status of information security operations inside the Company, and asking the audited unit to propose the related correction plan and practices immediately upon discovery of any defects in the audit, and following up the correction results to mitigate the internal information security risk.
3. The organizational operating model is subject to periodic audit and circular management, in order to ensure the achievement of the target for reliability and continuous improvement.



3.10.2 Information security policy

Purpose

1. To maintain the overall information security, strengthen various information asset security management operations, ensure the availability, confidentiality and integrity to keep the Company' s normal operations.
 - ◆ Confidentiality: To ensure that only the person with authority may access the information assets.
 - ◆ Integrity: To ensure the accuracy and integrity of the way to dispose of the information assets.
 - ◆ Availability: To ensure that any user with authority may access the information assets whenever necessary.
2. To ensure the security of the Company' s host, network equipment and network communications, mitigate the risk over theft, unfair use, disclosure, alteration, suspended servicing or destruction of the information assets due to negligence, intention or natural calamity effectively, and establish the cyber security management regulations.

Principles

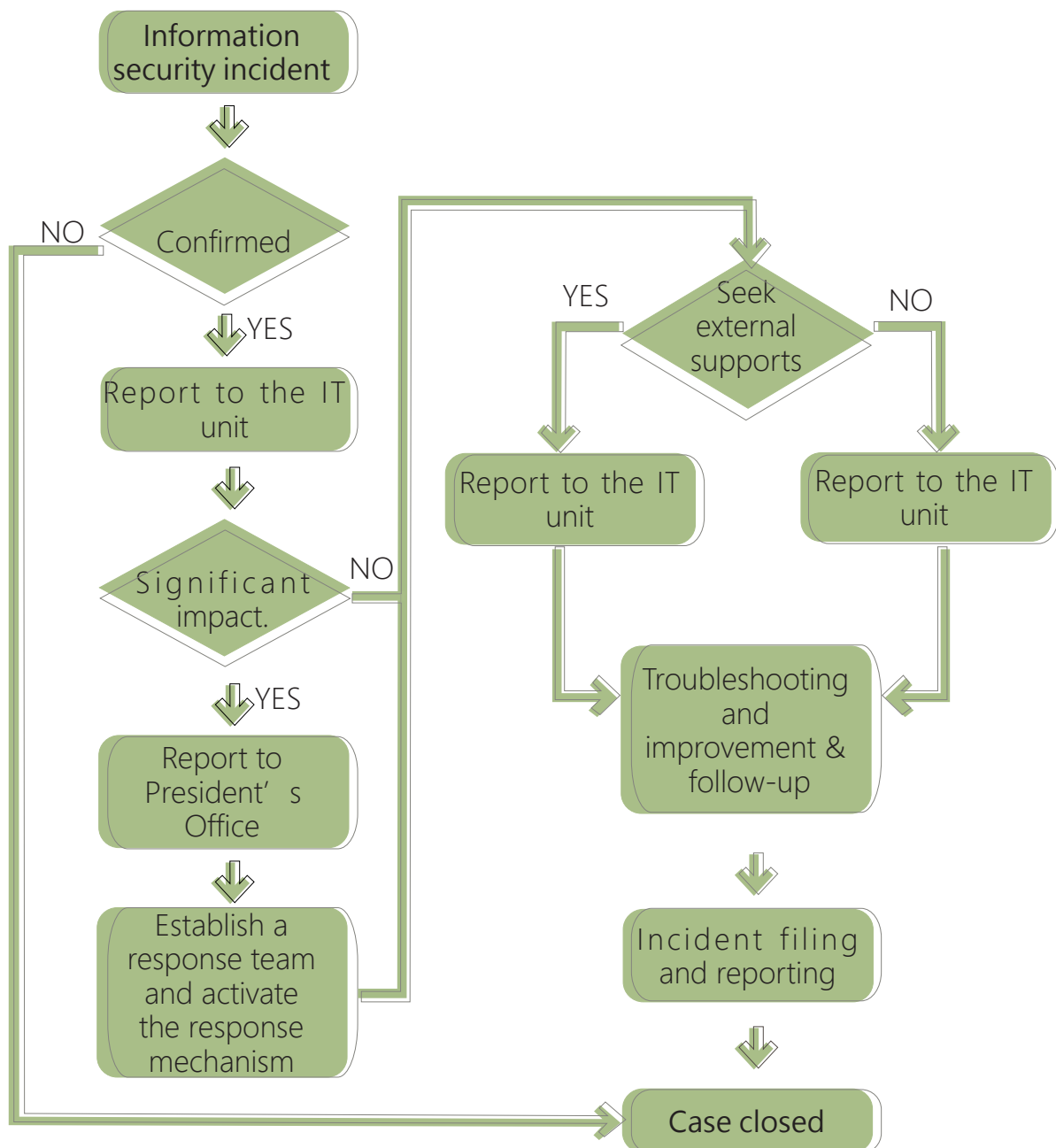
1. All of the workers are obligated to keep the information security.
2. Must establish the adequate information security management organization, including the method by which the information security is controlled, execution of necessary technical inspections, reporting and settlement of any information security incidents, and audit and review on ISMS.
3. The information security management system shall satisfy the Company' s business needs and also take into account the cost-effectiveness of the investment in information.
4. The information security management shall satisfy related laws, the Company' s internal regulations, and requirements under contracts.
5. Certain classification and grading procedure shall be adopted for the information assets to manage the assets by grading per the security grade as identified expressly.
6. Conduct the necessary security audit on workers and external personnel engaged in processing important confidential information.
7. ISMS shall follow the ISO/IEC 27001 process-oriented "Plan-Do-Check-Act, PDCA" model to continue executing the documentation to "establish, implement, operate, monitor, review, maintain and improve information security."
8. Where any worker violates the policy and related laws and thereby causes a hazard to the Company' s information security, the IT department shall request for approval to stop the worker' s further access. The worker shall be disciplined by the Company' s related unit, subject to the materiality of the case.
9. ISMS shall take international information security standards and regulations as the important reference.

3.10.3 Concrete management programs, and investments in resources for cyber security

The Company establishes the safe information environment and continue to invest the fund to improve vulnerability and upgrade the system' s performance. The main cyber security management programs are stated as follows:

| | |
|------------------------------------|---|
| Network security | <ul style="list-style-type: none"> ▶ Construct the network firewall to block external cyber attacks ▶ Construct the endpoint protection to stop computer virus and hackers' invasion ▶ Construct the mail backup anti-virus mechanism to block spam attacks and satisfy the SOX Act to track the search record |
| Information system security | <ul style="list-style-type: none"> ▶ Construct the data backup mechanism to back up the data in the important system and practice the backup exercise periodically ▶ Virtualize important application systems and produce backup thereof on a daily basis |
| Application security | <ul style="list-style-type: none"> ▶ Establish the application system development process in accordance with SOP for application, testing, acceptance and inspection & acceptance ▶ Information system outsourcing maintenance controlled by remote access following information security authority control |
| Education & training and promotion | <ul style="list-style-type: none"> ▶ Periodic information security promotion and education & training ▶ Strengthen employees' awareness toward email social engineering and execute phishing email exercise |
| Employee information security | <ul style="list-style-type: none"> ▶ Execution of the NDA for employee security ▶ Provide employees with the on-the-job education and training to ensure the safety and accuracy of various information assets and operating systems. |

The Company' s cyber security reporting procedures are defined as follows. Any information security incident shall be reported and processed in accordance with the procedures.



Everybody should be responsible for information security. No matter how strict the system security is, if the users fail to put the concept into action, it is still impossible to mitigate the risk to the minimum. Therefore, after the occurrence of each abnormal event, the Company not only records the entire process of the event but also prepares announcement thereof to inform all employees in the Company so that every employee may have more understanding of information security protection and implement accordingly. By this continuous circle, every employee of the Company may be more aware of the information security during operation to strengthen the security of information, reduce threats and improve corporate competitiveness. The Company accepts internal audit every year to verify the level of information security risk. If the standard is not met, the Company will take the improvement measures to mitigate coming risks. There was no significant information security event in 2021 that have impact on the business operations.

3.11 Compliance

Our human resources and auditing departments are responsible for supervising all departments in their compliance with the applicable laws and regulations and providing employees with the relevant training to ensure everyone understands the relevant laws and principles. For example :

1. Compliance with laws on environmental protection :

We have established a compliance system to ensure full compliance with the applicable laws and regulations, and we have cooperated with the competent authority regarding supervision and auditing. We encourage our employees to attend training courses organized by external institutions, and we regularly arrange for our employees to participate in relevant internal training sessions to enhance their awareness and understanding of the applicable laws and regulations. In 2021, there was no case of Non-compliance with environmental laws and regulations.

2. Compliance with laws on product liability :

Our products must meet the laws about "Act Governing Food Safety and Sanitation" & "Health Food Control Act" and customers requirements, and every department is required to comply with the applicable laws in conducting business. We will provide relevant training to our employees to ensure everyone understands the applicable agreements and regulations. As is the case with the labeling and advertising of our products, we have been committed to provide detailed and accurate product information that meets legal requirements to consumers. In 2021, there was no case of any product advertisement violating the law.

3. Compliance with the Labor Standards Act :

We have been in compliance with the Labor Standards Act and other applicable labor laws. In 2021, there was no case of any use of child labor, nor was there any case involving discrimination, aboriginal rights or human rights complaint filed through a formal mechanism.

4. Anti-competition, anti-trust and anti-monopoly practices : None.



4



Social Responsibility for Products

- 4.1 Use of main raw materials
- 4.2 Food safety management
- 4.3 Health & Nutrition
- 4.4 Supply management

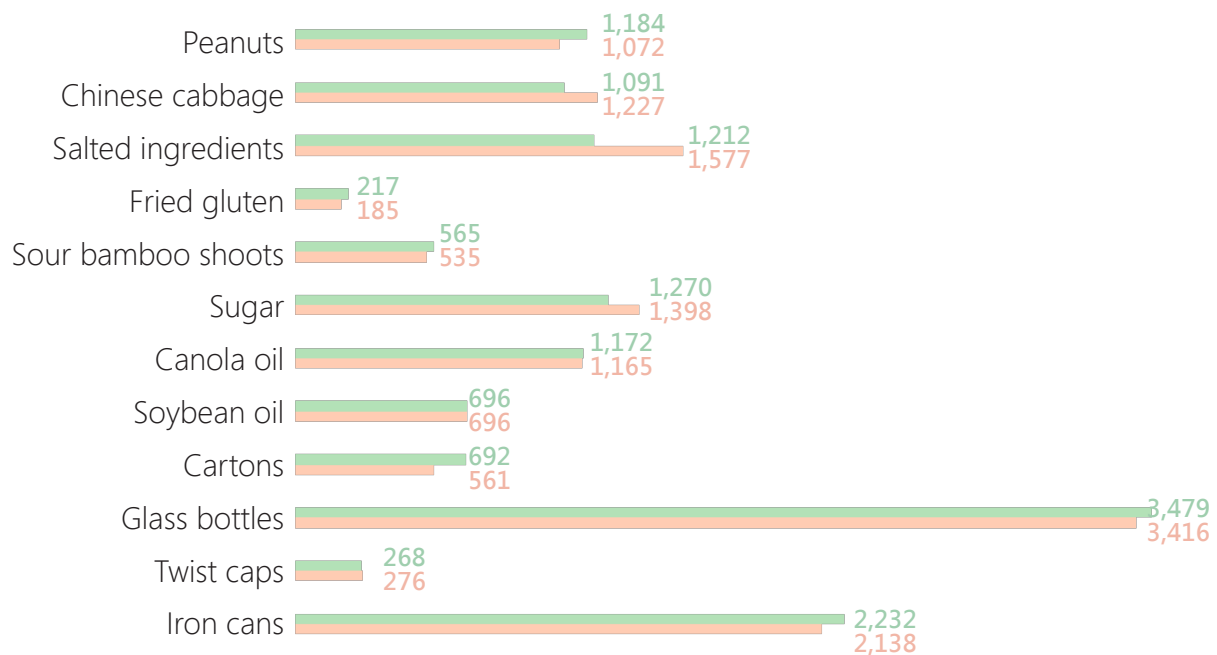
4 Social Responsibility for Products

4.1 Use of main raw materials

4.1.1 Raw Materials

Unit: Tonne

| Name of main raw materials | 2021 | 2020 |
|----------------------------|-------|-------|
| Peanuts | 1,184 | 1,072 |
| Chinese cabbage | 1,091 | 1,227 |
| Salted ingredients | 1,212 | 1,577 |
| Fried gluten | 217 | 185 |
| Sour bamboo shoots | 565 | 535 |
| Sugar | 1,270 | 1,398 |
| Canola oil | 1,172 | 1,165 |
| Soybean oil | 696 | 696 |
| Cartons | 692 | 561 |
| Glass bottles | 3,479 | 3,416 |
| Twist caps | 268 | 276 |
| Iron cans | 2,232 | 2,138 |



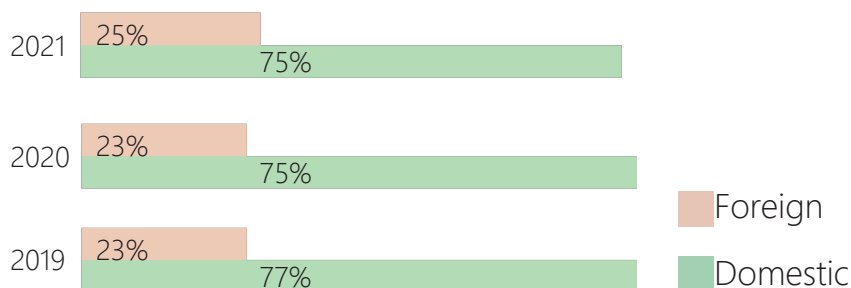
4.1.2 Purchase expenses of the main operations

1. Percentage of purchase expenses from local suppliers in 2021

Unit: NTD Thousand



2. Percentage of purchase amount from domestic and foreign suppliers in the most recent three years



3. Purchased items do not meet the standards in accordance with internationally recognized responsible production standards in the most recent three years

4.2 Food safety management

1. Our policies on food quality and safety :

From the development, design, production and manufacturing of products to the quality and safety of on-sale products, we have remained committed to the idea of “natural product quality, optimized environmental health and popularized customer satisfaction” in order to fully promote the activities of food safety management system, build a well-functioning food safety management system and improve product quality and productivity to meet customers’ requirements for food safety.

According to the Act Governing Food Safety and Sanitation and the Regulations on Good Hygiene Practice for Food, a heat penetration measuring report must be obtained for low-acid and acidified canned foods before they are produced and hit the shelves. Based on our expectations for the management of product quality, health and safety, we have applied for

certification of self-measurement of heat distribution and heat penetration and we have passed the self-measurement evaluation conducted by and received qualifications for our trained personnel from the Food Industry Research and Development Institute, an institution with expertise in sterilizing equipment and sterilization recognized by the Taiwan Food and Drug Administration. Moreover, we have acquired “pointed electrode temperature measuring devices” for detection on our internal low-acid and acidified canned products regardless of the type of contents, shape of granules or size specifications. We have thus achieved the criteria and goal of full self-detection for sterilization. The certification of self-measurement of heat distribution and heat penetration has significant meaning, both in substance and symbolically, for a canned food manufacturer. It serves to enhance the professional skills of production, manufacturing and QA personnel at the factories, monitor product safety, facilitate overall upgrade of the canned food industry and build our professional image and brand values.

2. Product management system and certification :

In terms of food safety management systems, we have received the CAS (for certified agricultural products), TQF (Taiwan Quality Food Certification) and HACCP (Hazard Analysis Critical Control Points) certifications. In 2007, we became the first food manufacturer to pass the SGS (SGS Taiwan Limited) and ISO22000 (food safety management system) certifications. With regard to maintaining food safety, we require ourselves to make further improvement. Our Food Factory 1, Food Factory 2 and Tetra Pak Packaging Factory passed the certifications of SGS (SGS Taiwan Limited) and FSSC (food safety management system) in 2016.

In 2021, our product series of drinks in iron cans, desserts in iron cans, sour pickles, sauces, bottled drinks, Tetra Pak drinks, oils, refrigerated desserts, prepared foods, refrigerated drinks, room-temperature drinks outsourced for manufacturing and dietary supplements, its have 208 products of passed the ISO22000 and FSSC certifications and all of our products have received the certification by an independent third party according to internationally recognized food safety management system standards, a further step for the quality of AGV’ s products to meet consumer demands.

3. Management of the processes for inspection and production of raw materials/ finished products :

Before a product hits the shelves, we will review its formulas, test its quality

and inspect and control the sources and safety of the raw materials used by it. For food additives, we have three “designated” for their management (designated personnel, designated department and designated register). Aside from building a food source management system, we have established a food safety laboratory and strictly required our inspection rooms to be capable of testing product quality and food safety. Through inspections at the laboratory and operations of our accreditation and certification management system, we seek to further improve and maintain consumer health and safety. To maintain product quality during the production process, all of our production lines must operate in accordance with the relevant accreditation (certification) requirements and internal regulations. To assure and satisfy customers, strict control measures have been adopted for personal clothing, access routes and equipment production lines and all personnel on the lines have received the relevant training.

4. Description of production traceability (traceability management) :

In managing the sources of our products, we require a supplier to provide the product information for each raw material, including the name of the raw materials, the name, address and phone number of the supplier, the place of origin, the quality specifications of the raw materials, the packaging type, a quality inspection report, an additive permit and a related QA statement. In order to ensure the quality and safety of raw materials used by our products, we review information in a strict manner and we conduct inspections via our internal inspection center and carry out on-site evaluation of suppliers. With the database, we engage in traceability management to ensure that the sources of suppliers of goods and raw materials are clear. In the future, we will continue to strengthen traceability management for food ingredients to provide customers with safer products.

4.3 Health & Nutrition

1. Revenue from products labeled and/or marketed to promote health and nutrition attributes

Health and nutrition are the short-, medium- and long-term dietary trends worldwide and also an inevitable path. In recent years, consumers in Taiwan have placed much greater importance on dietary health. No longer just satisfied with “food safety,” consumers have started to pay attention to their own dietary health, and will check for the labeling of ingredients and nutrition facts and the quality and health certifications of food products purchased by them.

They are even willing to pay higher prices to buy products with quality and health certifications. AGV is committed to developing and acquiring products certified as healthy foods by the Taiwan Food and Drug Administration to provide consumers with choices of healthy, nutritious and tasty foods. In 2021, the total sales revenue from healthy foods amounted to NTD1,653,084,000.

2. Consumer health and nutrition

As one of the top 3 manufacturers of healthy foods in Taiwan, AGV provides high-quality Chinese foods to the public. From creating products that lead the trends to focusing on the research and development of preventive healthcare for purposes including anti-oxidation and the prevention of diseases of affluence, AGV has always insisted on natural product quality, scientific manufacturing technologies and popularized healthy foods to stay committed to the business philosophy of “For a Healthy Tomorrow” and keep business conscience in achieving “Three ‘No,’ Three ‘Less’ and Three ‘Lots of.’ ”

【Three “No” 】 : No preservatives, no artificial spices and no chemical coloring.

【Three “Less” 】 : Less sodium salt and more potassium salt; less sugar and more fructose or oligosaccharide; less MSG and more original juice from mushrooms.

【Three “Lots of” 】 : Lots of good ingredients, lots of nutrients and lots of love.

As plant-based diets become a trend in recent years, oat and soybean milks have emerged as the plant-based milks to substitute for animal-based milks. Studies have estimated that the GHG emissions from plant-based milks are just one-third of those from animal-based milks, respectively. Besides being low in carbon emissions, they can also provide solutions to problems including the demand of vegans, religious restrictions and lactose intolerance, making plant-based milks a new trend that is able to simultaneously meet the needs for healthy and low-carbon diets. Therefore, AGV will do its best to invest in plant-based milk technologies, promote plant-based milk products and actively follow carbon reduction policies to contribute to global sustainability.

At AGV, 22 products and 29 healthcare effects have been certified as healthy foods. In addition to capsule- and tablet-form healthcare products used as nutritional supplements, the nutritional and healthcare effects of AGV’ s main products have also been its focus. A number of its main products, including the Premium Oat Drink, Multigrain Activate Tea and Barley Tea, have been

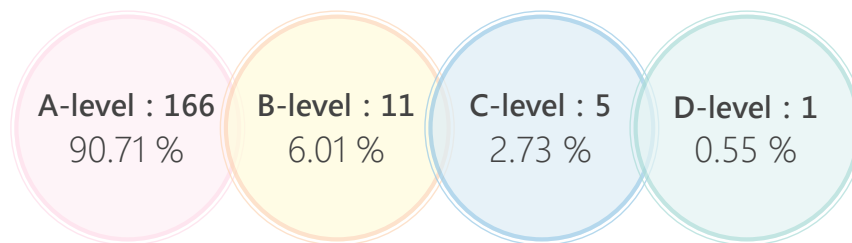
certified as healthy foods, with the revenue from products certified as healthy foods exceeding NTD1.5 billion. In the face of an aging society, AGV has placed importance on the nutrition and health of old people, with three of its products certified as Eatender foods, so far. AGV wishes its products to be natural and reassuring for consumers eating them. In recent years, the development of its products has followed the requirements of Clean Label for less additives, simple formulas and processing and information transparency. The Premium Oat Drink products have received the A.A. Three Stars certification for additive-free foods for three consecutive years, and another three products have won the A.A. Taste Awards.

4.4 Supply management

1. Basic qualification requirements for supplier selection :
Raw materials are the source of food safety and high-quality and conscientious suppliers are critical to maintaining food safety. We only choose companies that believe in doing business in an honest way as our suppliers. In selecting suppliers, we review their qualifications based on whether or not they are legal and reputable businesses that stress food safety and environmental protection. We also specify the relevant requirements in a collaboration contract and require suppliers to commit to their compliance. Any supplier that does not comply with such requirements will be provided with guidance and those failing to meet our requirements after being provided with guidance will be disqualified. We insist on purchasing only from suppliers that meet the requirements of our procurement policies.
2. Supplier review and evaluation :
 - (1) During review of the qualifications of a supplier, we will require the supplier to submit documents including a factory registration certificate and a certificate of registration of profit-seeking enterprise to prove that the factory it operates is legal and that it has completed registration as a food business as required by the Act Governing Food Safety and Sanitation. The on-site evaluation of a supplier, conducted by the R&D and optimization centers together with personnel from the procurement, QA and other relevant departments, assess the relevant conditions and information of the supplier, including its product hazard analysis, production traceability, inspection report, quality control record, manufacturing equipment, environmental health and supply capability, in order to confirm whether or not the supplier is able to provide products that meet our requirements.

Each year, we will rate our suppliers based on their quality, delivery time and amount of actual deliveries. The ratings consist of four levels (A, B, C and D), and the annual rating of a supplier must be at least B. Suppliers rated C will be provided with guidance on improvement and we will not purchase from those rated D. Additionally, for our current suppliers, we will conduct non-periodic product quality inspections and make unscheduled visits to their factories for inspection and guidance.

- (2) The ratings of suppliers in 2021: of a total of 183 suppliers participating in the annual evaluation, 166 were rated A, 11 were scored B, 5 were scored C, and 1 was rated D.
- (3) Beginning from 2022, we will no longer purchase from the supplier rated D.



- (4) Number and percentage of suppliers audited, and the scope and results of their audits

| Audit item | No. of audited suppliers | No. of conforming suppliers | % | Audit results |
|---------------|--------------------------|-----------------------------|--------|---------------|
| Quality | 183 | 182 | 99.45% | Passed |
| Delivery time | | | | |
| Quantity | | | | |

3. Supplier environmental assessment

We conduct on-site evaluation of suppliers and determine the scope of evaluation applicable to different categories of suppliers in accordance with the "Regulations on Good Hygiene Practice for Food" and the "Regulations on Food Safety Control System." In 2021, of a total of 183 suppliers, on-site evaluations were conducted for 60 in accordance with the said regulations, with on-site evaluations completed for 100% of them. To pass the on-site evaluation, a supplier must get a score of no less than 60 without any significant deficiencies, e.g., discovery of any "future food" or the use of any expired ingredient and whether or not the food safety and health management system has failed. The results indicated that no supplier failed. After the end of the on-site evaluation, a supplier is required to list its deficiencies found during the evaluation and report back about the correction of such

deficiencies within one month. Any supplier not listed as passing the evaluation after review may, depending on its deficiencies and the results of follow-up on their correction, be listed as a new supplier again if it passes an on-site re-evaluation.

4. Supplier social assessment

According to the “Regulations Governing Traceability of Foods and Relevant Products” enacted and issued by the Ministry of Health and Welfare, a food business is required to record and trace the sources of supply or track the destinations of products with regard to the processes of supply of foods and relevant products. Pursuant to the said regulations, we conduct supplier traceability audits, whose scope includes the audits of production traceability, production processes, inspection reports and good hygiene practices for food. An audit of production traceability means a review of the traceability of raw materials used by a supplier. The scope of such review includes import declaration, import permit, additive permit, expiry date, allergen information, food safety inspection report, etc.

AGV has already established a database for tracing and tracking the process from supplier of incoming raw materials of the prior tier to customers receiving outgoing finished products of the next tier, covering 100% of the categories of our products. As of December 31, 2021, AGV has uploaded the information of 96 products subject to mandatory tracing and of 98 products outsourced for manufacturing, accounting for 93.27% of all products. All the relevant information has been uploaded to the “Food Traceability and Trackability Management Information System (ftracebook)” of the Ministry of Health and Welfare.

Product tracing and tracking management required by law or on a voluntary basis and the percentage of the relevant products in total products

| Item | Percentage |
|--|------------|
| Products subject to tracing and tracking management as required by law | 93.27% |
| Products subject to tracing and tracking management on a voluntary basis | 6.73% |

5. Food safety labs established as required by law or on a voluntary basis, the scope and results of testing, the associated expense and its percentage in the net operating revenue

| Name of laboratory | |
|--|---|
| Testing Lab, AGV Products Corporation (TAF1027) and (TFDA20) | |
| Testing item | Testing results |
| Inspection on product labeling of 8 major nutrients | Not related to the conformance rate and for product labeling of nutrients only. |
| Acceptance of incoming raw materials: testing of quality, health and safety | 100% conformance rate |
| Testing of product quality, health and safety | 100% conformance rate |
| Testing items relating to the process of product R&D | Not relating to the conformance rate and as data of reference for R&D personnel only. |
| Testing of the stability of effective ingredients of food products numbered Jian-Zi, monitoring of the content of effective ingredients of products and testing of health and safety | 100% conformance rate |
| Monitoring of the quality of water used by factories | Passed |
| Monitoring of the quality of wastewater discharged | 100% conformance rate |
| Monitoring of process control | 100% conformance rate |

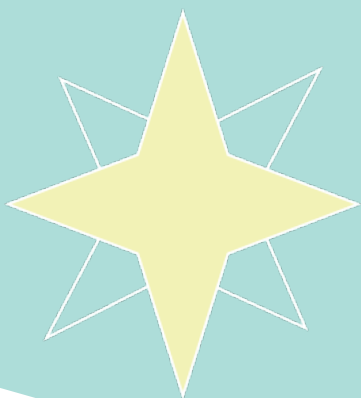
Expense of
inspection costs (A)
19,713

Our revenue (B)
3,956,221

$(A)/(B)*100$
0.50%



5



Ethics and Integrity

5 Ethics and Integrity

To win social recognition and respect, a business must fulfill its responsibilities for sustainable development and ethical management. The Global Compact, adopted by the United Nations in 1999, defines common international standards for corporate social responsibilities (CSR) in the four areas of human rights, labor, environment and anti-corruption. It calls on businesses to play the role of an active corporate citizen and build an ethical and fair management environment.

Adhering to the business philosophy of integrity, transparency and responsibility, we seek to build good systems for corporate governance and risk control to create a business environment for sustainable development. The ethics and integrity of our organization are closely linked with every employee, whose behavior will affect the reputation of our organization. Thus, all employees bear responsibilities and are obliged to prevent damage to our interests and training sessions regarding the relevant laws and codes of conduct have been held on a non-periodic basis to make sure that every employee fully understands the importance of ethics and ethical management.

Ethical management is the most fundamental social responsibility of a business. We have established the “Ethical Management Best Practice Principles,” a combination of our ethical management policies, the evaluation of employee performance and our human resources policies. At AGV, regardless of level, everyone complies with the laws and regulations and implements the principles of ethical management with a responsible attitude to strengthen the values of compliance for all employees, with the expectation to further enhance their compliance capabilities. Additionally, managers, employees, appointees and de facto controllers are strictly prohibited from directly or indirectly providing or promising any form of improper benefit to or demanding or receiving such benefit from any customer, agent, contractor, supplier, public servant or other stakeholder and we have also established an effective system for rewards and penalties. We have disclosed the status of ethical management on our website and in our annual reports and prospectuses and the contents of the Ethical Management Best Practice Principles on the Market Observation Post System. Remaining committed to the philosophy of “For a Healthy Tomorrow,” we strive to fulfill our social responsibilities toward consumers and stakeholders in a careful and prudent manner. We have kept strengthening product quality management, established a safe food traceability system and continued to provide our customers with assuring and reliable products and services. We actively promote engagement in business activities in a fair and transparent manner when negotiating or signing contracts with business partners and

refuse to cooperate with any counterparty involved in unethical conduct. When performing duties, conducting handover of upstream and downstream projects and engaging in cross-department cooperation, we are practical and realistic based on the highest principles of ethical management to implement ethical management.

“Integrity” is definitely an advantage that must be created. Whatever external advantages a business possesses can be easily imitated, but an internal culture of integrity is able to generate irreplaceable values for the business and form the foundation of its perpetual existence.

We have set up a section for stakeholders on our website to receive real-time reports and feedback from stakeholders. We have also established a mechanism where the Human Resources Department and the Auditing Office are responsible for investigating and addressing violations of employees’ working rules.

In 2021, there was no violation of the requirements for ethical management.

To build a management system, strengthen organizational functions and build harmonious labor-management relations, we have established our social responsibility policies according to the ETI (Ethical Trading Initiative) Base Code and our working rules pursuant to the Labor Standards Act. The main requirements of the policies and rules are briefly described as follows :

5.1.Social responsibility policies :

- (I) A freely chosen employment relationship
- (II) Respect for the rights to free association and collective bargaining
- (III) Safe and healthy working conditions
- (IV) No child labors
- (V) Payment of wages sufficient to sustain a living
- (VI) No excessively long working hours
- (VII) No discrimination
- (VIII) A regular employment relationship
- (IX) No cruel and inhumane treatment of workers
- (X) Pollution prevention and resource conservation
- (XI) Ethical requirements



5.2 Working rules :

5.2.1 Discipline and order at the workplace

1. No smoking and prohibited goods in the workplace.
2. Be obedient under the direction and supervision of managers at all levels and provide your opinion on improvement to your supervisor.
3. Protect and do not waste public property.



5.2.2 Occupational ethics and professionalism

1. Do not divulge, externally, any business or technical secret of any department.
2. Do not arbitrarily read any document, letter, design drawing or information not under your management.
3. Except for conducting the business of our company, no worker may use the name of our company when engaging in any business not within his/her personal responsibilities and powers.
4. Do not engage in any external business that is likely to prejudice the business of our company or which is the same as that of our company.
5. Do not use the working hours or resources of our company to carry out any activity not constituting the relevant business of our company.
6. Our company may, due to business or working needs, order any employee to transfer to another position on the condition that such transfer does not violate the Labor Standards Act. The transferred employee must complete job handover and take his/her new position within a specified time limit, and may not refuse his/her transfer with any reason.



5.2.3 Personal ethics and self-discipline

1. Employees must keep their integrity, respect other' s personality and help each other to jointly achieve our business objectives.
2. Employees must be honest in their daily behavior and must not be involved in any conduct that may cause harm to our reputation, such as being licentious or extravagant, visiting prostitutes or gambling.
3. Employees must perform their duties as practical as possible instead of being afraid of difficulties, avoiding or delaying their work without any reasons.
4. Employees must have innovative spirits to seek for work efficiency.
5. Employees must inspire themselves by studying and discipline.



▲ implementation of
Ethical Corporate
Management Best
Practice Principles

2021

In 2021, there was no violation of the requirements for ethical management. the Human Resources Department and the Auditing Office are responsible for investigating and addressing violations of employees' working rules.

6



Environmental Protection

- 6.1 Organizational policies for environmental protection
- 6.2 Energy management
- 6.3 Pollution control and management
- 6.4 Management of climate change risks

6 Environmental Protection

6.1 Organizational policies for environmental protection

6.1.1 Organizational policies for environmental protection

1. Since the founding of AGV, “sustainable development” has always been our spirit, representing not only our growth as a business but also the fact that we do not forget to fulfill our corporate social responsibilities while pursuing growth in order to show friendliness to this country. The spirit has been put into practice by employees and their families and through our self-management and the promotion of the ideas of our partner vendors, so that the future generations would be left with a clean Earth. Besides continuing to enhance our production technologies, we have also adopted the “3R” environmental protection principles of “reduce,” “recycle” and “re-use” to achieve effective management of water resources, raw materials and waste. More importantly, they serve to prevent the production processes from causing pollution and public nuisance to the society.

In recent years, the overall environment has been strongly impacted by economic growth, causing indirect effects on many habitats. Therefore, we have put more efforts into energy conservation and carbon reduction and developed an environmental improvement management plan under the P-D-C-A management model. During the process, we have established indicators for relevant items, including electricity and water consumption, wastewater production, waste production and productivity intensity, to be monitored and controlled at all times based on the following concrete policies :

- Conserving resources and ensuring their management.
 - Continuous improvement and sustainable development.
 - EHS is everybody’ s responsibility.
 - Complying with and meeting the requirements of EHS laws and regulations.
2. Supervision and management of the operations of the management system above
 - Audit cycle :
 - A. Internal audit: at least an internal audit will be conducted each year.
 - B. External audit: at least an external audit will be accepted each year.
 - Compliance with environmental laws and regulations :

Each month, we will check for the latest amendments to environmental laws or regulations and verify their regulatory identifiability.





6.1.2 Environmental protection expenses

In 2021, AGV invested a total of NTD60,300,000 as environmental protection expenses, up by 0.5% from those in 2020.

Unit: NTD thousand

| Year | Air pollution fee | Water pollution fee | Soil pollution treatment fee | Waste management | Recycling fee | Environmental protection equipment | Total |
|------|-------------------|---------------------|------------------------------|------------------|---------------|------------------------------------|--------|
| 2021 | 5 | 40 | 120 | 11,584 | 47,373 | 1,181 | 60,303 |
| 2020 | 5 | 61 | 67 | 7,332 | 48,894 | 3,659 | 60,018 |



▲ Modified combustion engines of boilers

In accordance with the Draft Stricter Standards for Emission of Air Pollutants From Boilers issued by the Environmental Protection Administration, Executive Yuan on January 30, 2018, the finalized stricter emission standards were formally published following amendment on September 19, 2018 and came into effect on July 1, 2020.

In 2019, we plan the replacement of combustion engines and fuel of boilers. Originally, when heavy oil was used as fuel, the results of testing of boiler flues indicated a particulate pollutant concentration of 19 mg/Nm³, an SO_x concentration of 216 ppm and an NO_x concentration of 201 ppm. Following amendment to the law, the emission standards require a particulate pollutant concentration of 30 mg/Nm³, an SO_x concentration of 50 ppm and an NO_x concentration of 100 ppm. At that time, boiler equipment was unable to meet the emission standards.

After the combustion engines and fuel have been replaced, emissions of air pollutants include a particulate pollutant concentration of 1 mg/Nm³, an SO_x concentration of 1 ppm and an NO_x concentration of 25 ppm, all of which have met the requirements of the Standards for Emission of Air Pollutants From Boilers, thus reducing environmental pollution and impact.

| | Particulate pollutants (mg/Nm ³) | SO _x (ppm) | NO _x (ppm) |
|---|--|-----------------------|-----------------------|
| Emissions after the replacement of our combustion engines | 1 | 1 | 25 |

6.2 Energy management

6.2.1 Energy consumption

The main energy used by our Chiayi Factory includes steam, electricity and fuel. The amount of energy consumed is described as follows :

| Item | Year | Amount consumed | Year | Amount consumed |
|----------------------------|------|------------------------|------|------------------|
| Externally purchased steam | 2021 | 20,062 tonnes | 2020 | 22,403 tonnes |
| Electricity | | 10,513,600 kWh | | 9,515,244 kWh |
| Fuel | | 253 kL | | 382 kL |
| Natural gas | | 367,466 m ³ | | 0 m ³ |
| Total energy consumed | | 134,470 GJ | | 129,149 GJ |

Note : 1. Energy is calculated by meter reading.

2. 1 MWh produces 3.6 GJ of energy.

3. Cpc Corporation, Taiwan supplies 1,000 m³ of natural gas to produce 41 GJ.

4. Cpc Corporation, Taiwan supplies 1 kL of fuel to produce 38.5 GJ.

5. 1 tonne of steam produces 3.58 GJ.

6.2.2 Energy intensity

We currently have three primary production factories for pickles, desserts and drinks. The intensity of energy consumed by production at each factory is described as follows :

Steam consumed per tonne of production

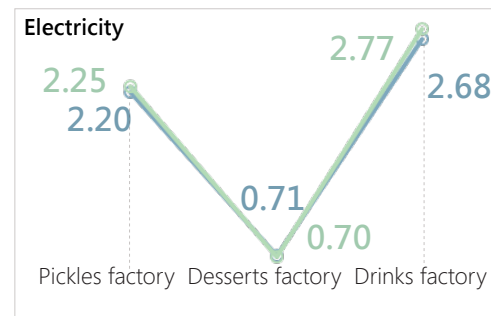
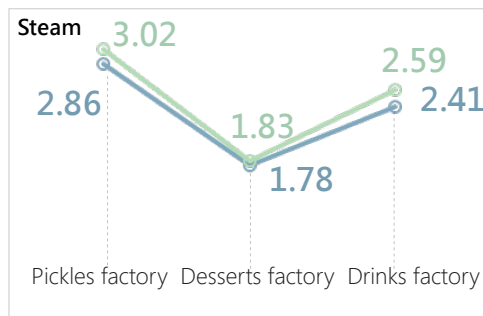
Unit : GJ/tonne

| Year | Pickles factory | Desserts factory | Drinks factory | Total | Percentage of increase/decrease |
|------|-----------------|------------------|----------------|-------|---------------------------------|
| 2021 | 5.03 | 3.14 | 4.25 | 12.42 | Decreased by 5.26% |
| 2020 | 5.33 | 3.22 | 4.56 | 13.11 | |

Electricity consumed per tonne of production

Unit : GJ/tonne

| Year | Pickles factory | Desserts factory | Drinks factory | Total | Percentage of increase/decrease |
|------|-----------------|------------------|----------------|-------|---------------------------------|
| 2021 | 2.20 | 0.71 | 2.68 | 5.59 | Decreased by 2.3% |
| 2020 | 2.25 | 0.70 | 2.77 | 5.72 | |



6.2.3 Water resources management

AGV makes a wide range of products. Among such products, fruit juices, pickles and canned desserts are highly reliant on water during the product manufacturing process. In addition, the distribution of water resources in Taiwan is uneven and extreme weather has become a more frequent occurrence which constantly causes rainstorms and water shortages, virtually exacerbating the complexity of water resources management. We consider water resources to be an important environmental and operational issue, and are committed to enhancing our adaptation capability in relation to water resources management.



1. Strategies for water resources management :

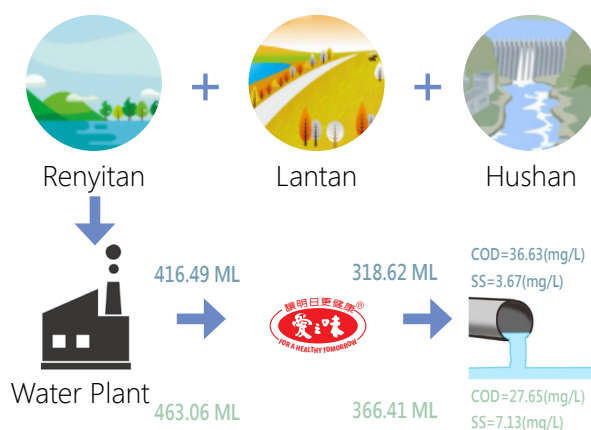
Faced with different water resource risks, we have started to take actions in the three aspects of developing more sources of income, reducing expenses and emergency responses. We have held regular meetings to discuss issues concerning water resources, formulate policies and review the performance in water conservation, and we have been promoting the idea of water conservation in various ways such as posters, slogans and educational sessions in order to integrate such idea with every aspect of planning, design, production and the office life.

2. Water resource risks and adaptation :

| Risk source | Risk issue | Adaptive actions |
|----------------------|--|--|
| Laws and regulations | Responses to laws and regulations 1. Water Pollution Control Act 2. Regulations on Charge of Water Consumption Fee | <ul style="list-style-type: none"> Establishment of a water response task force to monitor the amount of water consumed by each factory and the information of local water situation. Investment in and improvement of environmental protection equipment. Setting and monitoring of targets for the quality of water discharged. |
| Disaster | 1. Shortage of water resources 2. Higher probability of floods caused by rainstorms | <ul style="list-style-type: none"> Establishment of operating procedures for emergency responses to disasters. Implementation of a water conservation plan to increase the efficiency of water consumption. Adoption of a water rationing response plan. |

3. Status of water consumption :

We have been withdrawing water mainly from the three reservoirs in Renyitan and Lantan, Chiayi and Hushan, Yunlin, with water directly supplied to our factories via the municipal water plant in the Minxiong Industrial Park. There is currently no other water source.



Our withdrawal of water has had no significant effect on local water sources. In 2021, the total municipal water withdrawn by us amounted to 416,490,000 liters.

| Item | Water withdrawn | Water discharged | Water consumed |
|------|-----------------|------------------|----------------|
| 2021 | 416.49 ML | 318.62 ML | 97.88 ML |
| 2020 | 463.06 ML | 366.41 ML | 96.65 ML |

6.2.4 Future annual quantitative management targets

Evaluation of the efficiency of water use has always been the focus of improvement for water conservation. We have been promoting the idea of water conservation in various ways such as posters and slogans, in order to integrate such idea with every aspect of the office life. Discharged water which has been treated through filtration will be recovered to sludge dehydrators for cleaning of cloth filters, saving approximately 25,902 tonnes each year.

We plan to use a reclaimed water recycling system to recover wastewater at pipe ends and reuse it for cleaning restroom toilets or surrounding floors and for irrigation. Therefore, with 2021 as the base period, we aim to reduce water withdrawn by 5% by 2025.

By establishing energy-saving performance system, we are striving to optimize the improvement of manufacturing process and implement the enhancement of competency training for product line personnel and equipment maintenance to further improve the production efficiency of equipment. The following is the data of energy consumption at the Chiayi Factory :

1. Electricity consumption Unit: kWh

| | Total | Electricity consumed per dozen |
|------|------------|--------------------------------|
| 2021 | 10,513,600 | 1.48 |
| 2020 | 10,130,400 | 1.49 |

→ The total electricity consumed in 2021 amounted to 10,513,600 kWh, with an average of 1.48 kWh per dozen of production.

→ The total electricity consumed in 2020 amounted to 10,130,400 kWh, with an average of 1.49 kWh per dozen of production.

→ The amount of electricity consumed per dozen of finished goods produced in 2021 was 0.7% less than that in 2020.

2. Water withdrawn Unit: Tonne

| | Total | Water consumed per dozen |
|------|---------|--------------------------|
| 2021 | 416,493 | 0.06 |
| 2020 | 463,064 | 0.07 |

→ The total water withdrawn in 2021 amounted to 416,493 tonnes, with an average of 0.06 tonne per dozen of production.

→ The total water withdrawn in 2020 amounted to 463,064 tonnes, with an average of 0.07 tonne per dozen of production.

→ The amount of water withdrawn per dozen of finished goods produced in 2021 was 14.3% less than that in 2020.





3. Production

Unit: Dozen

| | Total |
|--------|-----------|
| 2021 年 | 7,095,385 |
| 2020 年 | 6,819,387 |

- The total production in 2021 amounted to 7,095,385 dozens.
- The total production in 2020 amounted to 6,819,387 dozens.
- The total production of goods in 2021 was 4% higher than that in 2020.

AGV has continued to implement the following expected measures for energy conservation

| Measures for energy conservation | Category | Expected results |
|--|--------------------|--|
|  Replacement of old motors | Electricity saving | Old motors have been replaced with IE3 energy-efficient motors to reduce energy consumption and enhance equipment effectiveness, with the expectation to save electricity. |
|  Modification of the combustion engines of boilers at factories | Electricity saving | The combustion engines of oil-fired boilers have been replaced with those of gas-fired boilers. Originally, the production of one tonne of steam needed to consume 6.4 kWh of electricity. After the combustion engines have been replaced, the production of one tonne of steam only requires the consumption of 2.3 kWh of electricity, saving approximately 60% of power. |
|  Recycling and re-use of water | Water saving | The cleaner wastewater discharged from soft water regenerated by us will be stored and pressurized and then made available to the roads and toilets at the factories for flushes and irrigation, with the expectation to save 2% of the water withdrawn. |
|  Recycling of condensate water | Water saving | Using a 85°C condensate water recycling system, dehydrators have been introduced for cleaning of cloth filters to increase water efficiency. |

6.3 Pollution control and management

6.3.1 Air pollution control

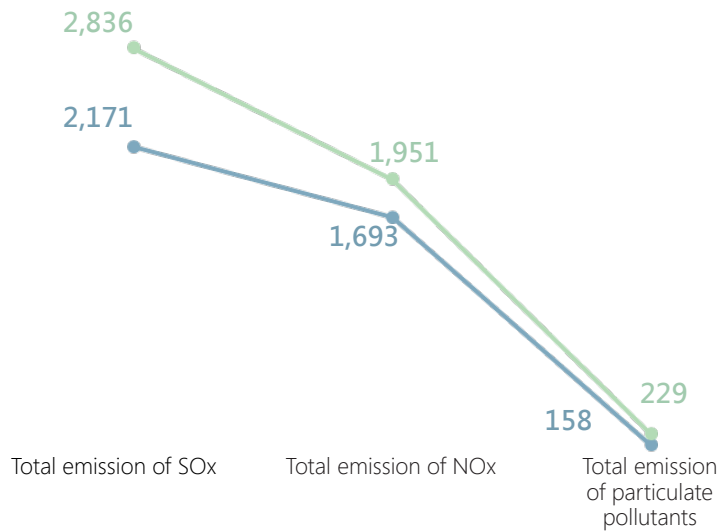
1. Establishment of air pollution control and management procedures :

To meet the requirements of environmental laws and regulations, AGV has established air pollution control and management procedures and adopted operating, testing and emergency response measures to ensure compliance with the laws and regulations concerning air pollution control.

2. Status of air pollution control :

The air pollution control measures adopted by AGV include regular maintenance of boilers and related equipment and installation of monitors to keep a 24hr watch on the situation of the flues on a daily basis, in order to

check if there is any anomaly in any pollutant discharged into the atmosphere. The results of regular testing of the flues of our boilers in prior years indicate that the concentrations of air pollutants discharged have all met the emission standards set by the Environmental Protection Administration.



| Emission items | | | |
|---------------------|-----------------------|-----------------------|--|
| Year | Total emission of SOx | Total emission of NOx | Total emission of particulate pollutants |
| 2021 | 2,171 kg | 1,693 kg | 158 kg |
| 2020 | 2,836 kg | 1,951 kg | 229 kg |
| Emission percentage | Decreased by 23.4% | Decreased by 13.2% | Decreased by 31.0% |

6.3.2 GHG emissions

Due to global climate change and warming, GHG inventory and reduction are currently vital issues. Based on the result of inventory, reduction targets and priorities can be determined to make the subsequent reduction process more effective and verify the outcome of reduction. As a citizen, AGV has placed great efforts into energy conservation and waste reduction.



To save water and electricity used by offices, the power supply and air conditioning units are designed for the purpose of management by area. In any area that does not require lighting, the light will be turned on in sub-areas. In any conference room that does not need air conditioning, it will be turned off. In terms of spatial design, glass is used as much as possible to increase lighting, while window films and curtains are used to reduce temperature. If possible, the temperature of air conditioning will be adjusted appropriately to reduce the operating energy consumed for living, office and experimental purposes. To reduce the waste of water resources as much as possible, non-contaminated cooling water used by the manufacturing processes will be recycled for reuse after preliminary filtration. In 2021, the total carbon emissions from our Chiayi Factory amounted to 7,338 tonnes. According to the data of Taipower and Taiwan Water Corporation, the statistics of our total CO₂ emissions are as follows :

1. Direct and indirect GHG emissions Unit: Tonne-CO₂e/year

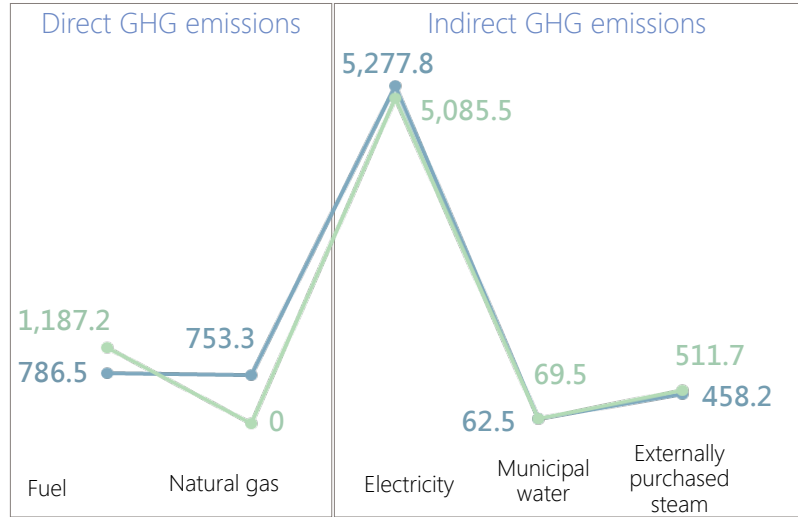
| Year | Direct GHG emissions Scope 1 | | Indirect GHG emissions Scope 2 | | |
|---------------------|---------------------------------|------------------------|-----------------------------------|--------------------|----------------------------|
| | Fuel | Natural gas | Electricity | Municipal water | Externally purchased steam |
| 2021 | 786.5 | 753.3 | 5,277.8 | 62.5 | 458.2 |
| 2020 | 1,187.2 | 0 | 5,085.5 | 69.5 | 511.7 |
| Emission percentage | Decreased by 33.8% | In use since July 2021 | Increased by 3.8% | Decreased by 10.1% | Decreased by 10.5% |

Note 1: The factors of GHG emissions from electricity in 2020-2021 are based on the 2020 electricity factors published by the Bureau of Energy, MOEA.

Note 2: The factors of GHG emissions from municipal water in 2020-2021 are based on the information of water bills.

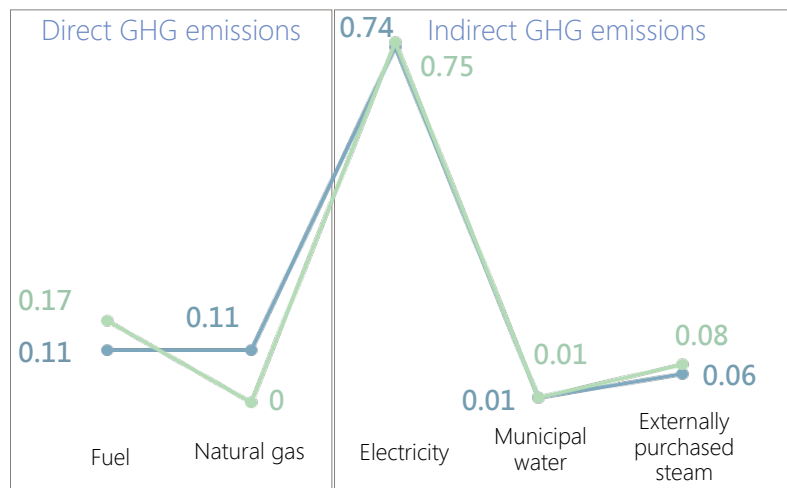
Note 3: The factors of GHG emissions from fuel in 2020-2021 are based on the information published by the Bureau of Energy, MOEA.

Note 4: The factors of GHG emissions from natural gas in 2020-2021 are based on the information provided by CPC Corporation (LNG2).



2. GHG emissions intensity Unit: Tonne-CO₂e/thousand dozens (amount produced)

| Year | Direct GHG emissions Scope 1 | | Indirect GHG emissions Scope 2 | | |
|---------------------|---------------------------------|------------------------|-----------------------------------|-------------------------------------|----------------------------|
| | Fuel | Natural gas | Electricity | Municipal water | Externally purchased steam |
| 2021 | 0.11 | 0.11 | 0.74 | 0.01 | 0.06 |
| 2020 | 0.17 | 0 | 0.75 | 0.01 | 0.08 |
| Emission percentage | Decreased by 35.3% | In use since July 2021 | Decreased by 1.3% | No significant increase or decrease | Decreased by 25% |



6.3.3 Water pollution control

AGV is located in the Touqiao Industrial Park. Department of Environmental Protection Continuous Monitoring System for Wastewater Discharge, and has reported its water pollution control measures as required by the Environmental Protection Bureau to obtain a certificate of discharge permit. To ensure the quality of wastewater discharged meets the standards established by the Environmental Protection Administration, we set up a wastewater treatment plant, which has decreased the COD of the original quality of wastewater from 2,000 ppm to less than 100 ppm and lowered its SS from 500 ppm to less than 30 ppm.

Wastewater from our manufacturing processes is mainly treated using the contacting activated sludge method, which utilizes microorganisms to remove soluble organic substances in wastewater along with suspended solids and a few other substances that can be adsorbed by activated sludge, while getting rid of part of phosphorus and nitrogen at the same time. The quality of wastewater treated with the relevant equipment through such process is fully compliant with the effluent standards established by the Environmental Protection Administration and treated wastewater that has met such standards will then be discharged to receiving surface water bodies. We have been able to meet the discharge standards every year and our rate of removal of COD in recent years has reached at least 97%. In 2017, we completed a 24hr continuous monitoring station to keep monitoring the water temperature, pH, conductivity and flow and so far the standards have not been exceeded. In 2021, the amount of wastewater discharged was 318,615 tonnes, with the COD and SS of the average quality of wastewater discharged being 36.63 (mg/L) and 3.67 (mg/L), respectively. The wastewater was discharged from outfalls to the receiving water body at the area of Puzi River.

6.3.4 Waste sorting, management, recycling and re-use

For waste management, In accordance with the "Waste Disposal Act" for implementation and continuous monitoring and improvement. Our waste is mainly sorted into "general industrial waste" and "recyclable waste" and our focus is on the sorting and management of general industrial waste and recyclable waste to ensure they do not cause any pollution to environmental health and affect human health.

Total amount of waste and methods for its treatment :

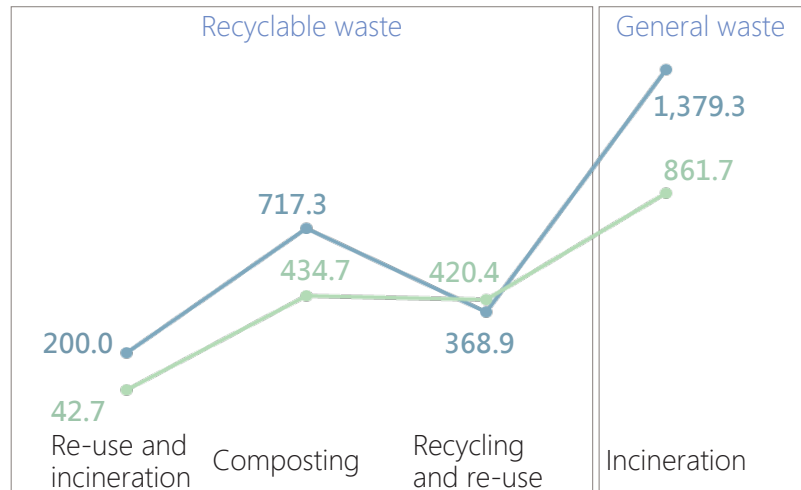
Our waste treatment process is as follows: The department generating waste will sort and collect its waste in accordance with our waste sorting requirements and then send it to our resource recycling area for collective treatment, with the waste managed by designated personnel. As required, a qualified cleaning, recycling and reuse service provider will be engaged to remove part of the waste (including recycling and reuse) on a timely basis and we will submit a report of the information relating to disposal of the waste online.

Waste recycling is a long-term goal we strive to achieve. For waste management, we engage in factory-wide inventory and sorting and propose improvement strategies to set reduction targets. We also seek to strengthen the reduction of use of raw materials and the reduction and re-use of waste.

Unit: Tonne

| Non-hazardous waste | Treatment | Description | 2021 | 2020 |
|---------------------|-------------------------|------------------------------|---------|---------|
| Recyclable waste | Re-use and incineration | Sludge and waste cooking oil | 200.0 | 42.7 |
| | Composting | Vegetable residue | 717.3 | 434.7 |
| | Recycling and re-use | Waste paper, bottles, etc. | 368.9 | 420.4 |
| General waste | Incineration | Garbage and sludge | 1,379.3 | 861.7 |
| Total | | | 2,665.5 | 1,759.5 |

Note : a. Due to the need to find a new sludge treatment service provider in the second half of 2020, the disposal of sludge generated



during that period was postponed to 2021. As a result, around 200 tonnes of sludge disposed was generated in 2020.

b. Part of the Chinese cabbage residues in 2020 were recycled and reused by the suppliers. Beginning from 2021, however, the suppliers refused to recycle and re-use them, resulting in an increase in the amount of Chinese cabbage residues disposed in 2021.

Due to the two factors above, the total amount of waste disposed in 2021 increased by 51%.

6.3.5 Future annual quantitative management targets

Setting 2021 as the base year, we expect to achieve recycling and sustainable use of resources via the environmental protection policy of “3R,” namely “reduce,” “recycle” and “re-use” , in order to mitigate environmental damage and pollution. Therefore, with 2021 as the base period, we aim to reduce the amount of waste by 1~3% each year and expect to cut the total waste by 10% by 2025.

To understand the status of GHG emissions, an inventory of our internal GHG emissions is considered fundamental to carbon management. A GHG inventory may not only verify the accurate amount of emissions but also help find room and opportunities for reduction. Therefore, we expect to start a company-wide inventory of carbon emissions in 2022 and to introduce the ISO50001 energy management system in 2023 in order to keep track of the status of GHG emissions, find room for reduction of emissions and formulate corresponding reasonable plans for emission reduction.

6.4 Management of climate change risks

In the face of increasingly severe climate change globally, the resulting effects and impacts are issues which businesses must take seriously. Besides meeting the environmental requirements of national policies, we also hold meetings to discuss the risks arising from climate change, analyze future strategies in response to



▲ Core Elements of Recommended Climate-Related Financial Disclosures

such risks through the perspectives of different fields and engage in project-based management to fulfill the spirit of sustainable development.

Given the existing production policy oriented toward low carbon emission adopted in Taiwan, we analyze and control our production capacity and engage in production under the energy-conservation model. Meanwhile, we engage in the analysis and adjustment of big data by product categories to reduce carbon emissions and achieve the objectives of a friendly environment.

Based on the "Task Force on Climate-related Financial Disclosures" (TCFD) issued by the Financial Stability Board (FSB), we assess the impact posed by climate change to us and identify climate-related risks and opportunities to adopt corresponding measures in response to such risks :

| Core Element | Description | | |
|-------------------|--|---|--|
| Governance | <p>Regarding the governance of climate change risks, the President is responsible for coordinating and leading the Sustainable Development Organization in controlling related issues. Under the Sustainable Development Organization, several sub-committees have been formed for risk management and issue assessment, and they submit regular reports in the future on the status of implementation to the Board of Directors in order to reduce the risks and impact caused by climate change to our sustainable management.</p> | | |
| Strategy | | Short term (less than 3 years) | Medium term (3 to 5 years) |
| | Physical Risks | Risk description The severity and frequency of extreme weather events, such as typhoon and flood, would increase, causing power outage or abnormal power supply. | Changes in the pattern of rainfall (precipitation) would lead to interruption or shortage of raw material supplies or a need to increase the number of days for warehousing of raw materials and products, directly affecting factory schedules and manufacturing. |
| | | Financial effects Abnormal power supply would affect the aseptic production process, resulting in not only higher manufacturing process costs but also losses from disposal of raw materials and semi-finished goods with anomalous quality. | Due to an increase in the amount of raw materials and finished goods, additional expenses for renting more external warehouses are required, leading to overall higher operating costs and lower revenue. |

| Core Element | Description | | |
|--------------|----------------|-----------------------------------|--|
| Strategy | | Short term (less than 3 years) | Medium term (3 to 5 years) |
| | | Opportunities | Increasing the efficiency of water usage by equipment, and adjusting or combining production processes of the same nature to decrease the frequency of CIP and reduce the amount of water used for cleaning. |
| | Physical Risks | Measures in response | <ol style="list-style-type: none"> 1. Actively finding “secondary suppliers” to prevent interruption of supply chains and lower procurement costs. 2. Adjusting the production processes and arranging for the order of manufacturing based on the circumstances of shortages of materials and water. 3. Establishing a mechanism for the recovery, recycling and re-use of discharged water. |
| | | | |

| Core Element | Description | |
|--------------|------------------|---|
| Strategy | Transition risks | <p>Risk description</p> <p>According to the requirements of domestic and foreign environmental laws and regulations and those of the government for GHG management, a certain percentage of energy used by energy-consuming companies must be renewable or such companies must reduce the amount of packaging materials and investigate the carbon footprints of products. Failure to meet such requirements may result in the payment of carbon fees (taxes) or fines.</p> |
| | | <p>Financial effects</p> <p>To reduce energy consumption and increase the percentage of renewable energy used, the costs of newly installed relevant equipment would become higher. The operating expenses would increase due to expenses for the relevant carbon footprint certifications or carbon fees, and the waste treatment expenses would decrease as a result of products becoming lightweight.</p> |
| | | <p>Opportunities</p> <p>We could continue to improve our manufacturing processes and equipment to increase the conformance rate of products and reduce food waste and at the same time actively install green power and energy storage equipment to create a friendly environment and enhance our reputation.</p> |

| Core Element | Description | |
|-----------------------------------|---|--|
| <p>Strategy</p> | <p>Transition risks</p> | <p>Measures in response</p> <p>In response to the applicable environmental laws and regulations, we have been actively controlling energy consumption, including the management of electricity and water use, GHGs and food waste. We have continued to develop products with healthcare effects for consumers and adhere to our business management philosophy of “For a Healthy Tomorrow” with respect to consumers and the environment.</p> |
| <p>Risk management</p> | <p>A Risk Management Task Force has been formed by the R&D, QC, manufacturing, procurement, financial, audit and industrial safety departments. It is tasked with conducting an overall assessment of climate change risks based on the duties of the departments to enhance our knowledge of the relevant issues and provide the decision makers with a basis of reference to formulate strategies in response, with the expectation to mitigate the impact on our operations.</p> | |
| <p>Metrics and targets</p> | <p>AGV is primarily a manufacturer of foods and drinks. The metrics most directly related to its operations and friendly environment include energy, water use, GHG emissions, supplier source management and introduction of eco-friendly and functional packaging materials. We will set the relevant short-, medium- and long-term targets to fulfill the responsibilities required for the society and environment.</p> | |



Employee Relations and Social Care and Responsibilities

7

- 7.1 Employee relations
- 7.2 Assistance to employees in health management
- 7.3 Occupational health and safety
- 7.4 Community and social care and responsibilities

7 Employee Relations and Social Care and Responsibilities

7.1 Employee relations

Employees are valuable assets of a company. Our organization places tremendous importance on the work environment, welfare, rights and communication channels for employees, so we have built a workplace that is safe, equal and full of opportunities, with the expectation that all employees are able to grow together with AGV.

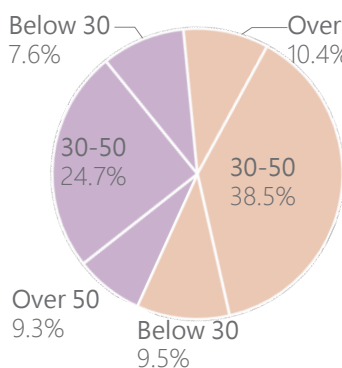
7.1.1 Overview of employees

1. Composition and structure of employees by age at the end of 2021

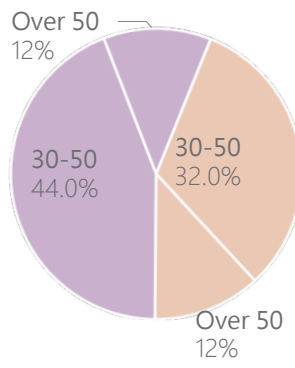
Unit: person(s)

| Gender Age | Headquarters | | Taipei Office | | Xindian Office | | Taichung Office | | Kaohsiung Office | |
|---------------|--------------|--------|---------------|--------|----------------|--------|-----------------|--------|------------------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| Below 30 | 36 | 45 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 0 |
| 30-50 | 117 | 182 | 11 | 8 | 14 | 9 | 3 | 3 | 5 | 0 |
| Over 50 | 44 | 49 | 3 | 3 | 10 | 2 | 4 | 0 | 5 | 0 |
| Total | 473 | | 25 | | 37 | | 10 | | 11 | |
| Total | 556 | | | | | | | | | |

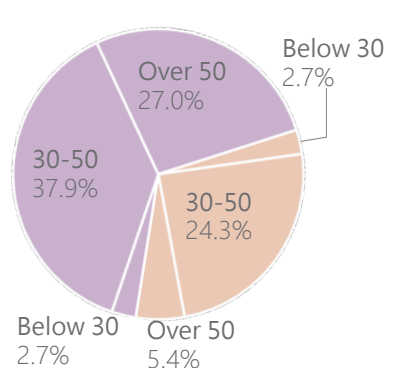
Composition and structure of employees by age of Headquarters



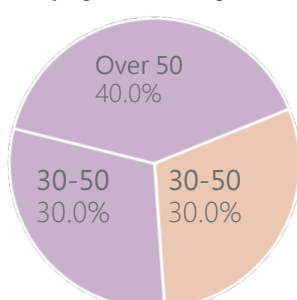
Composition and structure of employees by age of Taipei Office



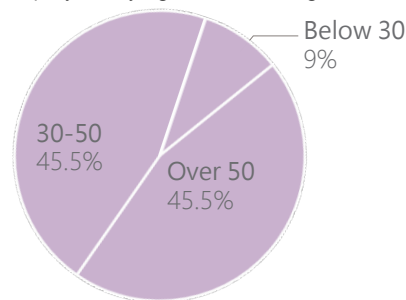
Composition and structure of employees by age of Xindian Office



Composition and structure of employees by age of Taichung Office



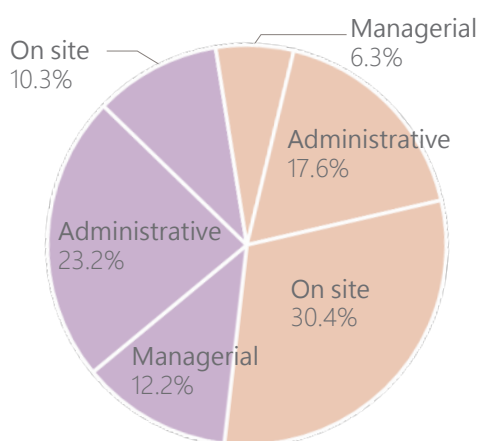
Composition and structure of employees by age of Kaohsiung Office



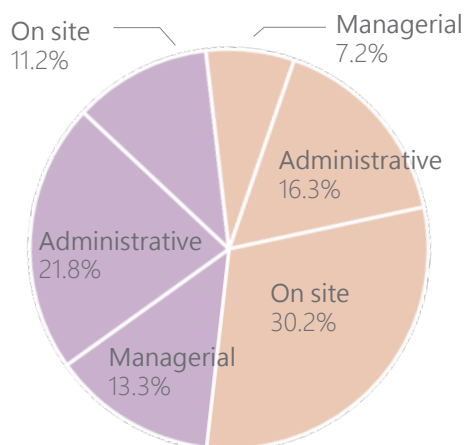
2. Number of employees by job type

| Year | | 2021 | | | | | 2020 | | | | |
|-------------------|----------|------------|----------------|---------|-----------------|-----------------|------------|----------------|---------|-----------------|-----------------|
| Region | Job type | Managerial | Administrative | On site | Total by gender | Total by region | Managerial | Administrative | On site | Total by gender | Total by region |
| Headquarters | Male | 45 | 95 | 57 | 197 | 473 | 46 | 105 | 67 | 218 | 514 |
| | Female | 26 | 81 | 169 | 276 | | 30 | 85 | 181 | 296 | |
| Taipei Office | Male | 8 | 6 | 0 | 14 | 25 | 13 | 3 | 0 | 16 | 27 |
| | Female | 4 | 7 | 0 | 11 | | 7 | 4 | 0 | 11 | |
| Xindian Office | Male | 11 | 14 | 0 | 25 | 37 | 13 | 12 | 0 | 25 | 37 |
| | Female | 5 | 7 | 0 | 12 | | 6 | 6 | 0 | 12 | |
| Taichung Office | Male | 1 | 6 | 0 | 7 | 10 | 2 | 5 | 0 | 7 | 10 |
| | Female | 0 | 3 | 0 | 3 | | 0 | 3 | 0 | 3 | |
| Kaohsiung Office | Male | 3 | 8 | 0 | 11 | 11 | 6 | 6 | 0 | 12 | 12 |
| | Female | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | |
| Total by job type | | 103 | 227 | 226 | 556 | | 123 | 229 | 248 | 600 | |

Rate of employees by job type in 2021



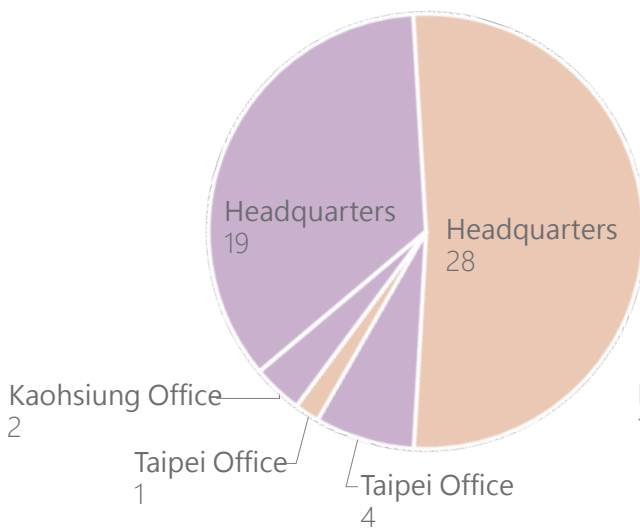
Rate of employees by job type in 2020



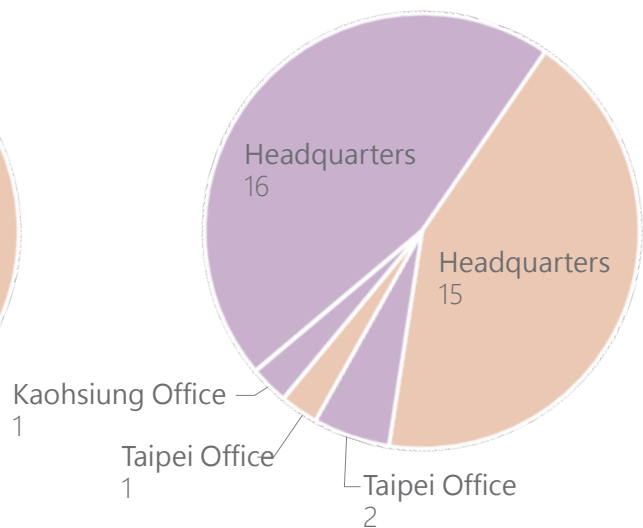
3. Employee turnover and the numbers and percentages of new employees in 2021

| Location | Gender | No. of outgoing employees | Turnover rate | No. of new employees | Percentage of new employees | Total no. of employees |
|------------------|--------|---------------------------|---------------|----------------------|-----------------------------|------------------------|
| Headquarters | Male | 19 | 3.42% | 16 | 2.88% | 556 |
| | Female | 28 | 5.04% | 15 | 2.70% | |
| Taipei Office | Male | 4 | 0.72% | 2 | 0.36% | |
| | Female | 1 | 0.18% | 1 | 0.18% | |
| Xindian Office | Male | 0 | 0.00% | 0 | 0.00% | |
| | Female | 0 | 0.00% | 0 | 0.00% | |
| Taichung Office | Male | 0 | 0.00% | 0 | 0.00% | |
| | Female | 0 | 0.00% | 0 | 0.00% | |
| Kaohsiung Office | Male | 2 | 0.36% | 1 | 0.18% | |
| | Female | 0 | 0.00% | 0 | 0.00% | |
| Total | | 54 | 9.71% | 35 | 6.29% | |

Outgoing employees in 2021



New employees in 2021



engaged a team of professional advisors

To provide expert knowledge and consulting services with regard to the general position of business management and to offer appropriate strategies and advice based on their rich experience.

7.1.2 Benefits for full-time employees

We provide basic benefits for employees and has established an Employee Welfare Committee. Our current welfare measures are as follows :

| Item | Benefits |
|--------------------|---|
| Salary | Salary is paid based on the length of service, experience, job grade and position of an employee. |
| Bonus | Monthly performance bonus, quarterly performance bonus, year-end bonus and bonus for special contributions will be paid based on the operating performance of AGV. |
| Retirement system | For any employee to whom the old pension system applies, his/her pension will be allocated and deposited into a special pension account at the Bank of Taiwan. For any employee to whom the new labor pension system applies, 6% of his/her monthly salary will be allocated and deposited into his/her personal pension account. |
| Employee insurance | In addition to labor and employment insurance required by law, group accident insurance is also taken out. For any employee going on a business trip abroad, overseas travel safety insurance is taken out. |
| Leave system | Annual leave and other paid/unpaid leave are available in accordance with the Labor Standards Act and other applicable laws. |
| Welfare measures | Annual health examination for employees, year-end banquet, etc. |



7.1.3 Percentages of employees resuming and remaining in their jobs after parental leave, by gender

1. Requirements of the Regulations for “Parental Leave Without Pay” :

Any employee who has served for at least six months may, for each child under the age of three, request parental leave without pay for a period until the child reaches the age of three, but not exceeding two years. Any employee parenting at least two children shall have his/her periods of parental leave without pay calculated together, for a maximum of two years for parenting the youngest child. AGV has a breastfeeding room and also provides assistance to employees’ families. AGV has contracted an infant care center to provide services at discounted prices to reduce the burden of parenting on employees and ensure that they can work without worries.

2. The percentages of employees resuming and remaining in their jobs after parental leave in 2021 are detailed as follows :

| Item | Male | Female | Total |
|--|------|--------|-------|
| No. of employees eligible to request parental leave without pay in 2021 (A) | 18 | 11 | 29 |
| No. of employees actually requesting parental leave without pay in 2021 (B) | 0 | 3 | 3 |
| No. of employees expected to resume their jobs after parental leave without pay in 2021 (C) | 0 | 2 | 2 |
| No. of employees actually resuming their jobs after parental leave without pay in 2021 (D) | 0 | 2 | 2 |
| No. of employees actually resuming their jobs after parental leave without pay in 2020 (E) | 0 | 1 | 1 |
| No. of employees remaining in their jobs 12 months after the end of parental leave without pay in 2020 (F) | 0 | 1 | 1 |
| Job resumption rate (D/C) | 0 | 100% | 100% |
| Job retention rate (F/E) | 0 | 100% | 100% |

7.1.4 For a long-time, AGV has been building a reasonable and fair work environment where men and women are paid equally and where foreign and domestic workers are not paid differently due to nationality. In 2021, the average salary of full-time employees in non-managerial positions is higher than that in 2020. As the remuneration for employees increases year by year, the management has continued to achieve better performance in profits to reward employees and create a win-win situation for workers and the management.

The number of full-time employees in non-managerial positions, the average and median salaries of full-time employees in non-managerial positions and the difference between the two years are as follows :

| Year | No. of full-time employees in non-managerial positions | Average salary of full-time employees in non-managerial positions (NTD thousand) | Median salary of full-time employees in non-managerial positions (NTD thousand) |
|------------|--|--|---|
| 2021 | 514 | 684 | 582 |
| 2020 | 532 | 671 | 559 |
| Difference | -18 | 13 | 23 |

7.1.5 Retirement system

1. In accordance with Paragraph 3, Article 56 of the Labor Standards Act, we have established a "Labor Pension Fund Supervisory Committee" tasked with implementing this Guidelines and managing the fund. As required by law, we allocate "pension funds" and deposit them into a special account at the "Department of Trusts, Bank of Taiwan" for the payment of pensions to employees.
2. An employee who has met any of the following criteria may apply for retirement :
 - (1) He/She has served for at least 15 years and is aged 55 or older.
 - (2) He/She has served for at least 25 years.
 - (3) He/She has served for at least 10 years and is aged 60 or older.
 - (4) He/She has applied for retirement in accordance with the preferential employee retirement plan established by AGV.

The preferential employee retirement plan means :

- A. The regulations or guidelines on preferential employee retirement established by AGV due to business needs and downsizing. Such regulations or guidelines may be effective for a limited period and will cease to be applicable upon the expiration of such period.
- B. The Chairman shall be authorized to approve such regulations or guidelines on preferential employee retirement, which shall then be adopted by a resolution of the Labor Pension Fund Supervisory Committee and be implemented upon submission to the competent authority for record.

3. Payment and requirements of pensions

(1) Employees who opt to apply for the pension system under the Labor Standards Act (the old system) :

A. An employee will receive two base points for each year of service, but any employee whose length of service is more than 15 years will receive one base point for each subsequent year of service, up to a maximum of 45 base points. Any period less than six months will be counted as six months and any period of six or more months will be counted as one year.

B. In the case of any employee retiring mandatorily under Article 5(2) of this Guidelines, he/she shall receive an additional 20% payment in accordance with that Article if his/her insanity or physical disability results from his/her performance of duties.

C. The standard of a pension base point shall be the average monthly salary of an employee at the time of approval of his/her retirement.

(2) Employees who opt to apply for the pension system under the “Labor Pension Act” (the new system) :

The length of service prior to the application of the Labor Pension Act shall be retained and the pension for the retained length of service shall be calculated and paid in accordance with Paragraph 1 of this Article. For the length of service after the application of the new system, AGV will allocate an amount of pension each month and deposit it into a special personal labor pension account at the Bureau of Labor Insurance in accordance with the Labor Pension Act.

7.1.6 Labor-management agreement and communication

1. We hold regular labor-management meetings on a quarterly basis for communication and coordination between workers and the management regarding our policies.
2. We have set up an “employee’ s message board” on our internal website as the most direct channel for employees to express their opinions, which will be referred by designated persons to the relevant departments to promptly address them.
3. We have set up a President’ s Mailbox for employees to send their opinions directly to the President.



▲ Labor-management meetings



▲ The President’ s Mailbox will be regularly opened by designated persons.



7.1.7 Shortest period of notice for major changes in operations

Termination of employment contract :

- (1) A 10-day prior notice for any employee who has served for at least three months and less than one year.
- (2) A 20-day prior notice for any employee who has served for at least one year and less than three years.
- (3) A 30-day prior notice for any employee who has served for at least three years.
- (4) Upon receiving such notice, an employee may request for a leave during working hours to seek another job. The hours of such leave may not exceed two days of working hours each week and the salary for the period of such leave will be paid.
- (5) Where the contract is terminated without giving a notice in accordance with the required period, the salary for the period of notice shall be paid.



▲ Training of new employees (Day1)



▲ Training of new employees (Day2)



▲ Fire drills



▲ Training on prevention of hazardous chemicals



▲ Training on SMETA audit and guidance



▲ Training on forklift



▲ Training on the Personal Data Protection Act



▲ Training on quality and safety

7.1.8 Employee training

Continued growth of employees can maintain the competitive advantages of a company for a very long time. Therefore, our organization has strived to build a place appropriate for employees at all levels to learn, with the expectation to develop internal talents for professional tasks and management, to ensure the development of individuals and the company can move forward at the same time. In 2021, our employees participated in the following training sessions :

| Item | Training information | | | | | | | |
|-------------------------------|-----------------------------------|-----------------|-------|-------------------------|-----------------------------------|-----------------|-------|-------------------------|
| | No. of internal training sessions | No. of trainees | Hours | Average number of hours | No. of external training sessions | No. of trainees | Hours | Average number of hours |
| Training of new employees | 3 | 50 | 228 | 4.56 | 0 | 0 | 0 | 0 |
| Training of current employees | 7 | 567 | 4,757 | 8.39 | 86 | 198 | 2,006 | 10.13 |
| Total | 10 | 617 | 4,985 | 8.08 | 86 | 198 | 2,006 | 10.13 |

7.1.9 Talent acquisition and retention

Through open recruitment channels and appropriate methods of selection, AGV has been actively hiring competent persons with outstanding skills and assign suitable jobs based on their educational and work experience and personality traits. AGV has remained in strict compliance with the requirements of the labor laws and regulations enacted by the government and established a complete remuneration system and has not engaged in any type of work prohibited by the law. AGV has provided a detailed description of its corporate culture, remuneration and welfare and work environment for job seekers who need further employment-related information. To attract talents from all walks of life, AGV has published its job vacancies on the website of 104 Job Banks and regularly held recruitment events at campuses, job fairs and the employment training center of the Labor Department, with the expectation to discover the professions and talent traits it needs and actively develop talents through interactions and exchanges at such events.

To attract talents, AGV has sought to retain talents through approaches including remuneration and welfare, smooth channels for promotion of junior and middle managers, a comprehensive training system, the strengthening of job challenges for employees and their opportunities to participate in decision making, and building an atmosphere of team harmony. AGV has also put efforts into improving the software and hardware facilities and quality of food, clothing, housing, transportation, education and entertainment for employees, which will affect and stimulate their motivation and energy at the workplace, so that talents with excellent skills are willing to stay on their jobs to make contributions.



▲ Large recruitment events (Chiayi and Tainan)



▲ Large recruitment events
(National Chiayi University,
Yunlin)



▲ Talent retention (venues of
personnel promotion exam)

7.2 Assistance to employees in health management

Looking after the health of employees is not only the most fundamental requirement for the normal operations of a company, but also a corporate responsibility. We have given the safety and health of our employees the highest level of attention as required by law and we have been actively shaping and striving to implement the idea of health management at the workplace, including the following concrete measures :

1. Installation of sports, leisure and recreational facilities :

Club activities: we have formed basketball, badminton, softball and other clubs to enrich our employees' leisure experience.

We organize annual ball games, such as badminton and softball competitions, to encourage proper recreational activities and facilitate employee interactions.

→ We have formed a softball club that organizes ball games on a non-periodic basis to enrich our employees' leisure lifestyle and facilitate employee interactions.



2. Health management and promotion :

Each year, we will conduct a health examination for employees, including general and special physical checkups. We have engaged physicians specialized in health examinations to provide health consultations, follow up on employees with anomalies found during health examinations and encourage employees to visit a hospital for follow-ups. The relevant measures include :

| Target | Relevant measures |
|---|--|
| Employees with anomalies found during health examination | Follow-ups will be conducted on the work environment, equipment or type of work. If the work environment is the cause, improvement measures will be immediately taken. |
| Employees with potential for metabolic syndrome (high blood pressure, high level of fasting blood glucose, high level of triglyceride or low level of good cholesterol) | Health awareness events will be held to remind employees of the importance of a healthy diet and regular exercise. |
| All employees | Preventive measure: to prevent employees who work for long hours from getting cerebrovascular or heart diseases due to overwork. |

Committed to promoting the prevention of smoking hazards and health at the workplace, we have been recognized by the government as meeting the requirements for a "Badge of Accredited Healthy Workplace."



We organize non-periodic events including weight loss programs, smoking cessation awareness sessions and screening for the four major types of cancers to enable employees to timely express or react to their own stress so that they can comfortably and happily achieve their work targets at the workplace.



▲ Health examination for employees in 2021

3. Organizing health and awareness events :

Health seminars: internal and external experts are invited to give lectures to all employees to disseminate health-related concepts and new knowledge about healthcare for the purpose of promoting the physical and mental health of all employees.

4. First-aid equipment is available :

We have a well-prepared Health Center where first-aid medicines, stretchers and oxygen cylinders are available and we have engaged a professional nurse to safeguard the safety and health of our employees. In the event of an emergency, preliminary first aid can be provided by the nurse, with the patient then taken to a large hospital nearby for further diagnosis and treatment. We also organize blood donation events and seminars on a non-periodic basis.



▲ Health Seminars



▲ Health Center

5. Company trips and recreational activities :

This year, as a result of the COVID-19 pandemic, we canceled our annual domestic trip to avoid crowd gathering and reduce cross-county/city movements. As an alternative, we issued travel subsidies and meal vouchers to employees, who can make arrangements depending on their personal and family conditions, to increase the feeling of belonging and cohesiveness of employees.

7.3 Occupational health and safety

We are deeply aware that “sustainable development” is a future challenge that a business has to face in its operations. While pursuing growth, we should not forget to fulfill our corporate social responsibilities. It is our duty to achieve the goal of zero accidents and create a safe, healthy and comfortable work environment. We have established an Occupational Safety and Health Committee, which meets on a quarterly basis to discuss matters related to safety and health :

7.3.1 Safety and health policies

1. Respect for life and concern for safety
2. Conserving resources and ensuring their management
3. Continuous improvement and sustainable development
4. EHS is everybody' s responsibility

7.3.2 Bodies responsible for labor safety and health

We have established an Occupational Safety and Health Committee and set up a Labor Safety and Health Office tasked with promoting work safety, preventing accidents, improving the work environment and protecting the health of employees. Additionally, they are responsible for coordinating company-wide occupational safety affairs and holding regular meetings to discuss safety and health issues and establish concrete and practical occupational safety policies.

7.3.3 Establishment of safety and health work rules for employees

We perform tasks concerning the maintenance and inspection of equipment, work safety and health standards, the safety of machinery, first aid and rescue to ensure the work safety of employees.

7.3.4 Promotion of the idea of a safety culture

We have established clear safety and health policies and we hold annual labor safety and health training sessions to promote the idea of a safety culture and ensure employees are aware of and comply with the relevant laws and regulations, and to extend such idea to our contractors. Besides paying attention to construction quality and progress, we also attach great importance to comprehensive and outstanding safety conditions and management in order to provide guidance to our contractors regarding safety requirements and protect the safety and health of workers.

7.3.5 2021 safety performance indicators (not including the data of traffic accidents during commuting)

| Year | Total working hours | No. of occurrence | Days lost | Frequency of injuries |
|------|---------------------|-------------------|-----------|-----------------------|
| 2021 | 1,261,603 | 5 | 45 | 3.96 |

7.3.6 2021 absence rate

| Year | Total working hours | Absence hours (work injuries) | Absence hours (sick leave) | Absence rate |
|------|---------------------|-------------------------------|----------------------------|--------------|
| 2021 | 1,261,603 | 1,936 | 3,324 | 0.42% |

7.4 Community and social care and responsibilities

Bearing the responsibility for sustainable development, AGV continued to participate in local charitable organizations and professional associations, including those for the food, canning and beverage industries, to support and take part in industrial, government and academic activities to fulfill its corporate social responsibilities. Through long-time engagement with the communities, AGV has built good community relations, assisted in the development of recreational activities and supported the greening, maintenance and adoption of roads. Moreover, AGV takes part in annual festivals held by some temples in Chiayi, where we play a great role in making such events successful. Based on the idea of “whatever is taken from the society will be used for the society,” it is a way to demonstrate our care and contributions to the society and local customs.

7.4.1 Status of participation in associations

| Name | Regulations (summary) | Number of seats held at the association | Membership with strategic meaning |
|--|---|---|--|
| Taiwan Canners Association | Domestically, the association engages in the planning, production and marketing of canned foods. Externally, the association works with peers to develop the international market. The association helps canners enhance their sterilization technologies and process management to make their products more competitive internationally. In light of the future trend in the development of healthiness, the association will actively play a key role in supporting the innovation and upgrade of companies in the food and biotechnology industries in Taiwan. | 1 seat of chairman | Our Chairman Kuan-Han Chen is the chairman of the association |
| Taiwan Association for Food Science and Technology | As a government-registered non-profit academic organization, the association keeps contact with domestic and foreign food professionals and works with them to promote research on food technologies and seek their development. | 1 seat of honorary director | Our Chairman Kuan-Han Chen is the honorary director of the association |
| Taiwan Quality Food Association | The association gathers professional human resources in food and other related areas from industrial, government and academic sectors to support its services and activities. | 1 seat of director | Our Chairman Kuan-Han Chen is the director of the association |

| Name | Regulations (summary) | Number of seats held at the association | Membership with strategic meaning |
|--|--|---|--|
| Taiwan Grain Industry Association | The association aims to strengthen the link between the academic and industrial sectors, improve grain technologies, the capabilities of the grain industry and the relevant requirements, and promote the knowledge and application of grain products. Its organizational divisions are based on the national administrative areas. | 1 seat of director | Our Chairman Kuan-Han Chen is the director of the association |
| Taiwan Beverage Industries Association | The association aims to coordinate peer relations, enhance common interests, plan for the improvement and promotion of the beverage industry, and facilitate economic development. | 1 seat of director | No |
| Chiayi County Industrial Association | Committed to the idea of business and talent enhancement, the association has organized training courses for different occupations. With its quality policies focused on professional services, continuous improvement, fast growth and customer satisfaction, the association provides a diverse range of quality services, nurtures outstanding professionals in the industries, and helps the industries use their resources well. By connecting with the world from its base in Taiwan, the association seeks to achieve the goals of “proper use of business training resources,” “a vitalized business training environment” and “a revitalized industrial economy.” | 1 seat of executive director | Our President Chih-Chan Chen is an executive director of the association |

| Name | Regulations (summary) | Number of seats held at the association | Membership with strategic meaning |
|--|---|---|--|
| Chiayi City Industrial Association | Focusing on business management, the association takes on great responsibilities in the promotion of training and the management and promotion of the industrial and academic sectors and training programs. To increase productivity, the association provides on-the-job training and training courses for the certificates of labor safety and health and seeks to harmonize labor-management relations. Following local government policies, the association aims to support economic development, ensure its members work together and enhance common interests. | 1 seat of supervisor | Our President Chih-Chan Chen is an supervisor of the association |
| Taiwan Food Industry Development Association | The association combines business forces in different categories of foods to engage in joint research on the improvement of production and manufacturing technologies and marketing channels for the purpose of resolving difficulties encountered in terms of manufacturing, raw materials and sales. The association also gives advice to and share information with the government from time to time with the expectation to enhance the quality of the food industry in Taiwan. | Group member | No |
| Chiayi County Chamber of Commerce | To gradually enhance the status of the commercial sector and turn it into an essential force that cannot be ignored, the chamber of commerce aims to promote domestic and foreign trade, support economic development, coordinate peer relations and increase common interests. | Group member | No |

| Name | Regulations (summary) | Number of seats held at the association | Membership with strategic meaning |
|---|--|---|-----------------------------------|
| Health Food Society of Taiwan | At the society, scholars and experts in the fields of food, nutrition, medicine and pharmacy work together to study the bases and applications of the safety, toxicology and healthcare effects of dietary supplements. The society also actively provides guidance to the manufacturers of dietary supplements regarding accurate knowledge to ensure the dietary supplement industry is taken seriously by the industrial, government, academic and research sectors, so that dietary supplements with real healthcare effects can be developed to benefit the health of the people in Taiwan and worldwide. | Group member | No |
| Agricultural Chemical Society of Taiwan | The society engages in academic studies in areas including microbiology, food science, biochemistry, nutritional science, soil environment and plant nutrition. It aims to keep contact with domestic and foreign professionals and work with them to make increased contributions to agricultural chemistry in Taiwan and promote academic research. | Group member | No |

7.4.2 Participation in community activities

Contribution to local communities

For a long time, we have demonstrated our care for the society, supported the greening, maintenance and adoption of roads, taken part in social events on traditional holidays and provided students with opportunities for work experience, industry-academe collaboration and first employment in local communities, where we have won wide recognition and praise. By making contributions to local communities and actively participating in charitable activities, we seek nothing in return for our efforts, but we do hope to achieve a more harmonious and caring society.

Charitable activities

Adhering to the idea of “whatever is taken from the society will be used for the society,” for many years we have continued to participate in charitable activities, such as donating canned foods to disadvantaged groups or government agencies, students and temples, to deliver our love to any corner in need of it and fulfill our corporate social responsibilities. For example, we have participated in activities organized by the Physical Disability Service Association of Chiayi City, Chiayi County Association of the Deaf, Taipei Orphan Welfare Foundation, Genesis Social Welfare Foundation, Chiayi Veterans Service Office, Minxiong Township Office and Chiayi County Health Bureau.

7.4.3 Policy on management of operating activities for community and social care and responsibilities

| Issue | Indirect economic impact |
|------------|--|
| Purpose | Having operated in Chiayi County for 51 years, AGV has placed great importance on its common interests with the local communities and sought to become a friendly neighbor of the communities. Adhering to ethical principles, AGV has also actively participated in social and charitable activities and made contributions to the local communities. |
| Objective | By doing something beneficial for the public, AGV would certainly gain the public trust and support and see its business performance thrive. |
| Policy | Making contributions to the society and promoting charitable activities. |
| Commitment | We use strictly selected natural ingredients that are convenient and ready-to-eat to meet the demands of modern people for health and tastiness. We have remained committed to the business philosophy of “For a Healthy Tomorrow” and we have realized AGV’s wish through scientific technologies to ensure the rights of consumers to eat. |

| Issue | Indirect economic impact |
|--|---|
| External responsibilities and internal systems | <p>External responsibilities: AGV will keep adhering to the product commitment of “For a Healthy Tomorrow” and continue to stress the importance of quality and safety in R&D and innovation. AGV will provide green, LOHAS, bodily beneficial and healthy foods to safeguard the health and safety of consumers and fulfill its responsibility for corporate sustainable development.</p> <p>Internal systems: In addition to building a happy business, AGV will actively promote the idea of caring for the environment and people of the communities as well as good neighborliness, and will aim to become a company enabling consumers to “buy happily, eat comfortably, use assuredly, feel cared for and get love.”</p> |
| Charitable activities | <p>The Association for Disabled Persons in Xinzhuang District, New Taipei City, Taiwan Joy Baby Community Association, Physical Disability Service Association of Chiayi City; Chiayi County Association of the Deaf, Seed of Love Education Foundation, Chiayi Branch Office of Taiwan Fund for Children and Families, Chung Yi Social Welfare Foundation, Huashan Social Welfare Foundation, Sunflower Care Association of Taitung County, Andrew Charity Association, Yu An Retarded Children’ s Home, Taipei Orphan Welfare Foundation, Genesis Social Welfare Foundation, Happy Workshop, Chiayi City Government, World Vision Taiwan, Chiayi Veterans Service Office, Dounan Township Council, Yunlin County, Tapi Township Office, Yunlin County, Chiayi County Volunteer Fire Brigade, Hsin Kang Tina Temple of Chiayi County, Minxiong Township Office, Chiayi County, Chiayi County Health Bureau, and National Singang Senior High School of Arts.</p> |
| Complaint mechanism | <p>Email for corporate sustainable development: yuehchu@mail.agv.com.tw</p> |

Support to Charities



Association for Disabled Persons in Xinzhuang District, New Taipei City

The Association for Disabled Persons in Xinzhuang District, New Taipei City was founded by a group of enthusiastic people with disabilities in Xinzhuang who, after enduring hardship and life difficulties during their growth, decided to work with like-minded friends with disabilities once their lives have somewhat stabilized to form the association for the purposes of realizing welfare policies for disabled persons and ensuring reasonable opportunities for them to live and develop.

On January 31, 2021, the association organized the event “Winter Aids for Disabled Persons in Poverty” as an opportunity for low-income disabled persons to feel the love and care of the society and the public.

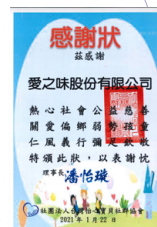


Taiwan Joy Baby Community Association

The Taiwan Joy Baby Community Association aims to help children from economically disadvantaged families acquire fair opportunities for education and learning so that they can learn specific skills to get a chance to change the poor conditions of their families.

In individual cases, the association has taken actions to help disadvantaged students acquire sufficient educational resources and a supporting environment to give the children the feelings of love, hope and care and provide them with more opportunities to embrace their dreams. To help children who struggle in poverty and do not give up school continue to receive education, the association will provide grants and meal subsidies to children from poor families before the start of a new semester and on a non-periodic basis. Alternatively, the association will provide support including school necessities, moral and talent education and emergency aid.

In January 2021, the “Joy Baby School for Rural Villages in Pingtung” was established to provide disadvantaged children with opportunities to learn talents to narrow the gap between rural and urban areas and ensure a happy childhood for every child.



Chiayi County Association of the Deaf

To ensure that deaf children can receive more and better care during their growth, a group of enthusiastic parents of deaf children worked hard to found the Chiayi County Association of the Deaf. Through its functions, the association is expected to provide the most suitable services for deaf children and their parents, so that parents with deaf children no longer have to endure hardship and helplessness when bringing up their children.

On March 6, 2021, the association held the “Third Session of 10th General Meeting” and the event “Awareness of Safety and Disaster Prevention at Workplace and Home” where disabled persons and their families were invited to attend. They were taught by professionals on the correct concepts and actions to develop their sensitivity in disaster prevention, fully utilize the functions of disaster prevention education, and achieve a healthier environment through neighborliness and mutual assistance.





Seed of Love Education Foundation

The purpose of the Seed of Love Education Foundation is to inherit the spirit of gratitude and cherishing blessings found on the “son of a miner” and it aims to promote spiritual reform and purification by encouraging people to be unbending when facing difficulties and brave the challenges of fate. The foundation has spared no effort in helping children at orphanages and disability centers and those with cancer raise the scholarships of “Lighting Up Love and Hope” and the grants for the Student Dream Program and overseas student exchange programs. The foundation has also organized talent competitions to encourage the development of children in diverse aspects, with the expectation that education is able to change the thinking and vision of children and give them an opportunity to break the status quo and grow!

On April 24, 2021, the “13th and 14th Joint National Orphanage Scholarship Awarding Ceremony” was held to encourage children to keep striving and shine themselves during their lives.



Chiayi Branch Office, Taiwan Fund for Children and Families

The Chiayi Branch Office of the Taiwan Fund for Children and Families (TFCF) has been providing economic support and actively cooperating with the county and city governments in ensuring children protection and home settlement services, so that children can enjoy proper family care, protection of their physical and mental safety, an environment where they grow healthily, full opportunities for education and a life of happy learning. Committed to the service spirit of “timely help, warm care, Christ’s love, professional social work” the office seeks welfare for children with the service ideal of “where there is a need, there is TFCF.”

On April 25, 2021, the event “2021 TFCF Charitable Carnival in Chiayi for Family Care” was held to sell charitable goods, and the income was used to support disadvantaged children and teenagers and their families so that they could feel the warmth of the society.



Chung Yi Social Welfare Foundation

To meet the different needs of children and teenagers for physical and mental development at their growing stage, the Chung Yi Social Welfare Foundation has established a number of home care centers to provide services differentiated by age and level, including emergency short-term settlement of children, medium- to long-term settlement of children and teenagers and consultation and matching for domestic or foreign adoptions or transfers. With a comprehensive service system, every child who comes to Chung Yi will be able to start a new life, receive guarantees for schooling and health care and feel home-like warmth. The child will also have an opportunity to return to a family through an adoption or transfer arrangement to grow happily in a caring environment.

On May 22, 2021, the foundation organized a power walking event titled “2021 Walking for Love” and a charitable carnival to help settle disadvantaged children and teenagers who live alone.





Huashan Social Welfare Foundation

In the name of the foundation, “hua” comes from “huafa” meaning white hair and “shan” means a mountain, a place above the ground. Thus, “huashan” refers to white-haired old people and the mission of the foundation is to serve them. Founded in 1999, the foundation has been providing free home-visiting services for old people who are disabled, live alone or have dementia, with the hope that all old people can spend their remaining life under a familiar environment with dignity. From June 23 to 30, 2021, the foundation held an event to bring gifts to old people to celebrate the Dragon Boat Festival and help those who live alone enjoy the holiday.



Andrew Charity Association

Founded at the end of 2011, the Andrew Charity Association mainly focuses on promoting the program “Andrew Food Bank” to make “food boxes” consisting of the most easily servable foods that can be preserved for a long time, to support poor children at their growing stage (aged 0 to 15). With a main approach of medium- to long-term care supported by food boxes, the aim is to help children from poor and disadvantaged families grow healthily and avoid hunger, while at the same time supporting their families to overcome difficulties and empower them to start afresh.



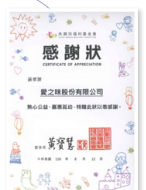
Yu An Retarded Children's Home

As a long-time caregiver for moderately and severely disabled persons, the Yu An Retarded Children's Home has set up a day care service center for long-term care of disabled persons and followed the government policy in facilitating welfare for disabled persons to address their rights to live and work. It has also promoted social education to increase public understanding and acceptance of disabled persons.



Taipei Orphan Welfare Foundation

As a long-time provider of support to orphans, the Taipei Orphan Welfare Foundation aims to improve the welfare of orphans, promote humanity and love, work with social philanthropists and care for the whole-person development of orphans.



Genesis Social Welfare Foundation

Committed to the ideal of compassion and the spirit of safeguarding humanity and respecting lives, the Genesis Social Welfare Foundation has worked with social philanthropists to provide social services for persons in a vegetative state, old people and the homeless with an approach of “a pin a day is a goat a year.” On May 29, 2021, a charitable carnival titled “We Just Want to Love You” was held. Its income would be used to provide care and home visiting services for persons in a vegetative state to help families experiencing hardship.



耐斯王子大飯店
NICE PRINCE HOTEL
CHIAYI TAIWAN

Nice Prince Hotel



Every year, the Nice Prince Hotel organizes an event to write Christmas wishes in cards. In cooperation with the Chiayi City Family Support Center, World Vision Taiwan and the Social Affairs Department, Chiayi City Government, the hotel will provide 500 cards to disadvantaged children, who will then write their wishes in the cards to be received and fulfilled by philanthropists, with the expectation that more people can show their concern for children in need of regular support at least on Christmas.



Support to Activities

Minxiong Township Office, Chiayi County



The event of “Festival of Industries in Minxiong - 2021 Love You, Love Fruits” to promote special agricultural products and honor volunteers.

Chiayi County Health Bureau

To show gratitude for medical workers who have kept carrying out their duties in protecting Taiwan against the pandemic, we brought gifts to four hospitals, the police and fire stations, environmental protection department and health bureau/center within our jurisdiction to cheer up and refresh the first-line medical workers fighting against the pandemic.



Chiayi County Industrial Association

Caring about education in rural areas, the Chiayi County Industrial Association visited the Siding Primary School in Fanlu Township and the Shanmei Elementary School in Alishan Township, both of which are located in mountainous areas, on December 17, 2021 to hold a concert performed by the Chiayi Brass Quintet Band and to donate materials.



Blood donations

On January 13, 2021, the Tainan Blood Center sent a bloodmobile to AGV to provide services.



Appendix 1 Accountant’s Limited Assurance Report

To AGV Products Corporation:

Scope of assurance

I was engaged by AGV Products Corporation (hereinafter referred to as “AGV”) to perform limited assurance procedures and issue a limited assurance report on the selected information of sustainability performance in its 2021 Sustainability Report (hereinafter referred to as the “Report”). For the target information selected by AGV and the criteria of its application, see Annex 1.

Responsibilities of management

Management is responsible for preparing the Sustainability Report in accordance with the Taiwan Stock Exchange Corporation “Rules Governing the Preparation and Filing of Sustainability Reports” by TWSE Listed Companies and the GRI Standards issued by the Global Reporting Initiative (GRI), and for designing, implementing and maintaining internal controls in connection with the preparation of the Report, in order to collect and disclose the content of the Report and ensure the specific performance indicators covered by the Report are not materially misstated due to fraud or error.

Responsibilities of accountant

I planned and carried out limited assurance work in accordance with the requirements of the Standard on Assurance Engagements No. 1 “Assurance not classified as audit or review of historical financial information” to issue a limited assurance report on whether or not the target information for assurance, as described in the second paragraph, is materially misstated. The procedures performed in a limited assurance engagement differ in nature and timing from and have narrower scope than those in a reasonable assurance engagement. Consequently, the level of limited assurance procedures is lower than that of reasonable assurance.

Assurance work

Based on my professional judgment, I performed limited assurance procedures on the target information for assurance, as described in the second paragraph, to obtain limited assurance evidence related to the target information. As all internal controls are inherently limited, it is not necessarily possible to identify all existing material misstatements. The assurance procedures performed by me included, primarily :

- (1) Obtaining AGV’s 2021 Sustainability Report and reviewing its content;
- (2) Interviewing the management and relevant employees of AGV to understand AGV’s policies and procedures regarding the preparation of the Sustainability Report;
- (3) Conducting analytical procedures on the selected target information for assurance in the Report and, when necessary, comparing selected samples with relevant documents to acquire sufficient and appropriate evidence for limited assurance.

**Crowe (TW) CPAS**27F-1., No.6, Siwei 3rd Rd.,
Lingya Dist., Kaohsiung City
80250, Taiwan

Tel +886 7 3312133

Fax +886 7 3331710

www.crowe.tw**Quality control and independence**

I and my firm have complied with the requirements of the Statement of Auditing Standards No. 46 “Quality control for accounting firms” in establishing and maintaining a comprehensive quality control system, including documented policies and procedures regarding compliance with occupational ethical requirements, professional standards and applicable laws and regulations. We have also complied with the requirements of independence and other ethical standards in the Standards of Professional Ethics for Certified Public Accountants, the basic principles of which include integrity, impartiality, objectivity, professional competence and an approach to professionally required care, confidentiality and expertise.

Inherent limitations

Assurance for non-financial information involved in the Sustainability Report is more inherently limited than for financial information, where disclosures of such information may involve material judgment, presumption and interpretation by AGV’ s management. As a result, the interpretation of such information is likely to vary with the stakeholders.

Limited assurance conclusion

Based on the assurance procedures performed and the evidence obtained by me, nothing has come to my attention to suggest that the selected target information for assurance in AGV’ s 2021 Sustainability Report is, in all material aspects, not prepared in accordance with its criteria of application and requires correction.

Other matters

The maintenance of AGV’ s website is the responsibility of its management. In the event of any change to any target information or criteria of application following publication of the assurance report on AGV’ s website, I am not responsible for re-performing assurance work with respect to such information.

Crowe Taiwan

Accountant: Shu-Man Tsai

September 28, 2022

Annex 1 Summary of Assurances Required

| No | Information of assurance target | Page | Applicable standard | Rules |
|----|--|------|--|---|
| 1 | <p>According to the Act Governing Food Safety and Sanitation and the Regulations on Good Hygiene Practice for Food, a heat penetration measuring report must be obtained for low-acid and acidified canned foods before they are produced and hit the shelves. Based on our expectations for the management of product quality, health and safety, we have applied for certification of self-measurement of heat distribution and heat penetration and we have passed the self-measurement evaluation conducted by and received qualifications for our trained personnel from the Food Industry Research and Development Institute, an institution with expertise in sterilizing equipment and sterilization recognized by the Taiwan Food and Drug Administration. Moreover, we have acquired “pointed electrode temperature measuring devices” for detection on our internal low-acid and acidified canned products regardless of the type of contents, shape of granules or size specifications. We have thus achieved the criteria and goal of full self-detection for sterilization.</p> <p>The certification of self-measurement of heat distribution and heat penetration has significant meaning, both in substance and symbolically, for a canned food manufacturer. It serves to enhance the professional skills of production, manufacturing and QA personnel at the factories, monitor product safety, facilitate overall upgrade of the canned food industry and build our professional image and brand values.</p> | 94 | The evaluation and improvement regarding the company's personnel, work environment, hygiene management of facilities and quality control system to improve food sanitation, safety and quality, as well as the significant product and service categories and the percentage affected. | Items 1, Subparagraph 1, Paragraph 1, Article 4 of the Rules. |

| No | Information of assurance target | Page | Applicable standard | Rules |
|----|---|------|--|---|
| 2 | There was no incident of food safety violation in 2021. | 91 | The types and number of incidents of violation against the applicable food safety and sanitation laws and noncompliance with product and service information and labeling laws. | Items 2, Subparagraph 1, Paragraph 1, Article 4 of the Rules. |
| 3 | Purchased items do not meet the standards in accordance with internationally recognized responsible production standards in 2021. | 94 | The percentage of the purchased volume in accordance with internationally recognized responsible production standards, categorized by standards. | Items 3, Subparagraph 1, Paragraph 1, Article 4 of the Rules. |
| 4 | We have 208 products manufactured by factories certified by an independent third party to be meeting internationally recognized standards of food safety management system, accounting for 100% of our total products. | 95 | The percentage of the production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards. | Items 4, Subparagraph 1, Paragraph 1, Article 4 of the Rules. |
| 5 | Each of our suppliers is scored based on the quality, delivery time and amount of actual deliveries from the supplier. The scores of suppliers in 2021: Among the 183 suppliers evaluated in that year, 166 scored A (90.71%), 11 scored B (6.01%), 5 scored C (2.73%), and 1 scored D (0.55%), which will no longer supply us beginning from 2022. | 99 | The number and percentage of suppliers audited, and the audit items and results. | Items 5, Subparagraph 1, Paragraph 1, Article 4 of the Rules. |

| No | Information of assurance target | Page | Applicable standard | Rules |
|----|---|-------------|--|---|
| 6 | In 2021, 93.27% of our products were subject to tracing and tracking management as required by law, and 6.73% of them were subject to tracing and tracking management on a voluntary basis. | 100 | The product trace and track management conducted voluntarily or according to the applicable laws, and the percentage of such relevant products to the whole products. | Items 6, Subparagraph 1, Paragraph 1, Article 4 of the Rules. |
| 7 | Our Testing Lab has received the TFDA (Taiwan Food and Drug Administration) and TAF (Taiwan Accreditation Foundation) certifications. The scope of testing includes eight categories. In 2021, the Testing Lab recorded an expense of NTD19,713,000, accounting for 0.50% of the parent-only net operating revenue. | 101、 155 | The food safety laboratories established voluntarily or according to the applicable laws, testing items, testing results, relevant expenses and the percentage of such expenses to the net revenue. | Items 7, Subparagraph 1, Paragraph 1, Article 4 of the Rules. |
| 8 | In 2021, 514 full-time employees were in non-managerial positions, and the average and median salaries of full-time employees in non-managerial positions were NTD684,000 and NTD582,000, respectively. Their differences with those in the previous year were a decrease of 18 employees, an increase of NTD13,000 and an increase of NTD23,000, respectively. | 132 | The number of its full-time employees who are not in a managerial position, the average and medium of the salaries of the full-time employees who are not in a managerial position, and the difference of the three figures from the previous year | Items 1, Subparagraph 4, Paragraph 1, Article 4 of the Rules. |

Appendix 2 ESG Information

- List of scope of Taiwan Accreditation Foundation (TAF) and Taiwan Food and Drug Administration (TFDA) certifications

| Laboratory | Scope of TAF certification | Scope of TFDA certification |
|---------------------------------------|---|--|
| Testing Lab, AGV Products Corporation | Water x 1 Crude ash x 1 Crude fat x 1 Crude protein x 1 Dietary fiber x 2 Carbohydrate x 5 Catechin x 6 Galactooligosaccharides (GOS) x 1 Fructan x 1 Glucan x 1 Minerals x 6 Caffeine x 2 Heavy metals x 3 Microorganisms x 8 Aflatoxin x 1 Ochratoxin A x 1 Citric acid x 1 Bleach x 2 Boric acid and borate salts x 1 Propionic acid x 1 Preservatives x 12 Pesticide residue x 380 | Water x 1 Crude ash x 1 Crude fat x 1 Crude protein x 1 Dietary fiber x 1 Fructan x 1 Glucan x 1 Minerals x 5 Microorganisms x 4 Aflatoxin x 1 Ochratoxin A x 1 Bleach x 1 Boric acid and borate salts x 1 Preservatives x 12 Maleic acid and maleic anhydride x 1 |

- Food products certified under ISO 22000 and FSSC 22000

| Certification | Factory | Chinese certificate/Translation | Certificate expiry date |
|--|-----------------------------|--|-------------------------|
| ISO 22000 | Food Factory 1 | Sauces (glass jar, PP bottle, iron can) | 2022/11/19 |
| | | Acidified pickled vegetables (glass jar, iron can) | |
| | | Low-acid foods (glass jar, iron can) | |
| | Food Factory 2 | Canned desserts | 2022/11/19 |
| | | Non-alcoholic (Non-carbonated) canned drinks | |
| | Tetra Pak Packaging Factory | Non-alcoholic (Non-carbonated) canned drinks | 2022/11/19 |
| Non-alcoholic (Non-carbonated) Tetra Pak drinks in paper boxes | | | |
| FSSC 22000 | Food Factory 1 | Sauces (glass jar, PP bottle, iron can) | 2022/11/19 |
| | | Acidified pickled vegetables (glass jar, iron can) | |
| | | Low-acid foods (glass jar, iron can) | |
| | Food Factory 2 | Canned desserts | 2022/11/19 |
| | | Non-alcoholic (Non-carbonated) canned drinks | |
| | Tetra Pak Packaging Factory | Non-alcoholic (Non-carbonated) canned drinks | 2022/11/19 |
| Non-alcoholic (Non-carbonated) Tetra Pak drinks in paper boxes | | | |

◆ Information on environmental protection expense

| Year | Total |
|------|----------------|
| 2021 | NTD 60,303,000 |
| 2020 | NTD 60,018,000 |

◆ Appointment of personnel responsible for environmental protection

| Type of permit | 2021 | 2020 |
|--|------|------|
| Waste disposal technician (Class B) | 1 | 1 |
| Dedicated wastewater and sewage treatment specialist (Class A) | 1 | 1 |
| Dedicated air pollution control specialist (Class A) | 1 | 1 |

◆ Energy consumption

| Year | Total energy consumed |
|------|-----------------------|
| 2021 | 134,470 GJ |
| 2020 | 129,149 GJ |

◆ Water consumption

| Year | Total water consumed |
|------|----------------------|
| 2021 | 416.49 ML |
| 2020 | 463.06 ML |

◆ GHG emissions

| Year | Direct GHG emissions | Indirect GHG emissions | Total |
|------|----------------------|------------------------|----------------|
| 2021 | 1,539.8 tonnes | 5,798.5 tonnes | 7,338.3 tonnes |
| 2020 | 1,187.2 tonnes | 5,666.7 tonnes | 6,853.9 tonnes |

◆ Waste disposal

| Non-hazardous waste | Recyclable waste | General waste | Total |
|---------------------|------------------|----------------|----------------|
| 2021 | 1,286.2 tonnes | 1,379.3 tonnes | 2,665.5 tonnes |
| 2020 | 897.8 tonnes | 861.7 tonnes | 1,759.5 tonnes |

◆ Number of employees by age

| Year | Below 30 | 30-50 | Over 50 | Total |
|------|----------|-------|---------|-------|
| 2021 | 84 | 352 | 120 | 556 |
| 2020 | 103 | 364 | 133 | 600 |

◆ Number of employees by job type

| Year | Managerial | Administrative | On site | Total |
|------|------------|----------------|---------|-------|
| 2021 | 103 | 227 | 226 | 556 |
| 2020 | 123 | 229 | 248 | 600 |

Appendix 3 Summary of Enhanced Disclosures by Article 4 of the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”

| Item no. | Enhanced disclosure | Corresponding chapter or section | Page | |
|----------------|---------------------|--|--|------------|
| Subparagraph 1 | Items 1 | The evaluation and improvement regarding the company's personnel, work environment, hygiene management of facilities and quality control system to improve food sanitation, safety and quality, as well as the significant product and service categories and the percentage affected. | 4.2 Food safety management | 94 |
| | Items 2 | The types and number of incidents of violation against the applicable food safety and sanitation laws and noncompliance with product and service information and labeling laws. | 3.11 Compliance | 91 |
| | Items 3 | The percentage of the purchased volume in accordance with internationally recognized responsible production standards, categorized by standards. | 4.1 Use of main raw materials | 94 |
| | Items 4 | The percentage of the production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards. | 4.2 Food safety management | 95 |
| | Items 5 | The number and percentage of suppliers audited, and the audit items and results. | 4.4 Supply management | 99 |
| | Items 6 | The product trace and track management conducted voluntarily or according to the applicable laws, and the percentage of such relevant products to the whole products. | 4.4 Supply management | 100 |
| | Items 7 | The food safety laboratories established voluntarily or according to the applicable laws, testing items, testing results, relevant expenses and the percentage of such expenses to the net revenue. | 4.4 Supply management Appendix 2 ESG Information | 101 155 |
| Subparagraph 4 | Items 1 | The number of its full-time employees who are not in a managerial position, the average and medium of the salaries of the full-time employees who are not in a managerial position, and the difference of the three figures from the previous year | 7.1 Employee relations | 132 |
| | Items 2 | The company's governance around climate-related risks and opportunities, actual and potential climate-related impacts, how to identify, assess and manage climate-related risks, and metrics and targets used to assess and manage relevant climate-related issues. | 6.4 Management of climate change risks | 121 |

Appendix 4 Reference Table of GRI Standards and Disclosures

| Disclosure | Corresponding chapter or section | Page | Remarks |
|--|---|------|-----------|
| GRI 102 : General Disclosures 2016 | | | |
| 102-1 Name of the organization | 2.1 Company Profile | 7 | |
| 102-2 Activities, brands, products, and services | 2.2 Main Products and Related Scope of Business | 12 | |
| 102-3 Location of headquarters | 2.1 Company Profile | 7 | |
| 102-4 Location of operations | 2.1 Company Profile | 7 | |
| 102-5 Ownership and legal form | 2.1 Company Profile | 7 | |
| 102-6 Markets served | 2.2 Main Products and Related Scope of Business | 12 | |
| 102-7 Scale of the organization | 2.1 Company Profile | 7 | |
| 102-8 Information on employees and other workers | 7.1.1 Overview of employees | 127 | |
| 102-9 Supply chain | 4.4 Supply management | 98 | |
| 102-10 Significant changes to the organization and its supply chain | 2.1 Company Profile | 7 | |
| 102-11 Precautionary Principle or approach | 3.9 Principles for Risk Management and Crisis Management | 81 | |
| 102-12 External initiatives | 2.5 Participation in Industry Associations or Other Organizations and Initiatives | 20 | |
| 102-13 Membership of associations | 2.5 Participation in Industry Associations or Other Organizations and Initiatives | 20 | |
| 102-14 Statement from senior decision-maker | 1 Message From the Management | 2 | |
| 102-15 Key impacts, risks, and opportunities | 3.9 Principles for Risk Management and Crisis Management | 81 | |
| 102-16 Values, principles, standards, and norms of behavior | 5 Ethics and Integrity | 103 | |
| 102-18 Governance structure | 3.6 Corporate Governance | 66 | |
| 102-22 Composition of the highest governance body and its committees | 3.6 Corporate Governance | 66 | |
| 102-40 List of stakeholder groups | 3.1 Platforms for Stakeholder Communication | 23 | |
| 102-41 Collective bargaining agreements | | | No union. |
| 102-42 Identifying and selecting stakeholders | 3.2 Identification of Stakeholders and Material Topics | 28 | |
| 102-43 Approach to stakeholder engagement | 3.1 Platforms for Stakeholder Communication | 23 | |
| 102-44 Key topics and concerns raised | 3.2 Identification of Stakeholders and Material Topics | 28 | |
| 102-45 Entities included in the consolidated financial statements | About the Report | 1 | |
| 102-46 Defining report content and topic Boundaries | About the Report | 1 | |
| | 3.2 Identification of Stakeholders and Material Topics | 28 | |
| 102-47 List of material topics | 3.2 Identification of Stakeholders and Material Topics | 28 | |
| 102-48 Restatements of information | About the Report | 1 | |
| 102-49 Changes in reporting | About the Report | 1 | |
| 102-50 Reporting period | About the Report | 1 | |

| Disclosure | Corresponding chapter or section | Page | Remarks |
|---|--|---------|---------|
| 102-51 Date of most recent report | About the Report | 1 | |
| 102-52 Reporting cycle | About the Report | 1 | |
| 102-53 Contact point for questions regarding the report | About the Report | 1 | |
| 102-54 Claims of reporting in accordance with the GRI Standards | About the Report | 1 | |
| 102-55 GRI content index | Appendix 4 Reference Table of GRI Standards and Disclosures | 158 | |
| 102-56 External assurance | About the Report | 1 | |
| GRI 103 : Management Approach 2016 | | | |
| 103-1 Explanation of the material topic and its Boundary | About the Report 3.2 Identification of Stakeholders and Material Topics | 1 28 | |
| 103-2 The management approach and its components | 3.2 Identification of Stakeholders and Material Topics | 28 | |
| 103-3 Evaluation of the management approach | 3.2 Identification of Stakeholders and Material Topics | 28 | |
| GRI 201: Economic Performance 2016 | | | |
| 201-1 Direct economic value generated and distributed | 2.3 Overview of Operations, and Direct Economic Values Generated and Distributed | 16 | |
| 201-3 Defined benefit plan obligations and other retirement plans | 7.1.2 Benefits for full-time employees | 130 | |
| 201-4 Financial assistance received from government | 2.3 Overview of Operations, and Direct Economic Values Generated and Distributed | 16 | |
| GRI 202: Market Presence 2016 | | | |
| 202-2 Proportion of senior management hired from the local community | 7.1.1 Overview of employees | 127 | |
| GRI 203: Indirect Economic Impacts 2016 | | | |
| 203-1 Infrastructure investments and services supported | 7.4 Community and social care and responsibilities | 140 | |
| GRI 204: Procurement Practices 2016 | | | |
| 204-1 Proportion of spending on local suppliers | 4.1 Use of main raw materials | 93 | |
| GRI 205: Anti-corruption 2016 | | | |
| 205-1 Operations assessed for risks related to corruption | 3.8 Corporate Culture, Spirit and Ethical Management | 79 | |
| 205-2 Communication and training about anti-corruption policies and procedures | 3.8 Corporate Culture, Spirit and Ethical Management | 79 | |
| 205-3 Confirmed incidents of corruption and actions taken | | | None. |
| GRI 206: Anti-competitive Behavior 2016 | | | |
| 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 3.11 Compliance | 91 | |

| Disclosure | Corresponding chapter or section | Page | Remarks |
|---|---|------|---------|
| GRI 207: Tax 2019 | | | |
| 207-1 Approach to tax | 2.4 Tax | 19 | |
| 207-2 Tax governance, control, and risk management | 2.4 Tax | 19 | |
| 207-3 Stakeholder engagement and management of concerns related to tax | 2.4 Tax | 19 | |
| GRI 301: Materials 2016 | | | |
| 301-1 Materials used by weight or volume | 4.1 Use of main raw materials | 93 | |
| GRI 302: Energy 2016 | | | |
| 302-1 Energy consumption within the organization | 6.2 Energy management | 110 | |
| 302-3 Energy intensity | 6.2 Energy management | 110 | |
| 302-4 Reduction of energy consumption | 6.2 Energy management | 110 | |
| GRI 303: Water and Effluents 2018 | | | |
| 303-1 Interactions with water as a shared resource | 6.2.3 Water resources management | 111 | |
| 303-2 Management of water discharge-related impacts | 6.2.3 Water resources management | 111 | |
| 303-3 Water withdrawal | 6.2.3 Water resources management | 111 | |
| 303-4 Water discharge | 6.2.3 Water resources management | 111 | |
| 303-5 Water consumption | 6.2.3 Water resources management | 111 | |
| GRI 305: Emissions 2016 | | | |
| 305-1 Direct (Scope 1) GHG emissions | 6.3.2 GHG emissions | 116 | |
| 305-2 Energy indirect (Scope 2) GHG emissions | 6.3.2 GHG emissions | 116 | |
| 305-4 GHG emissions intensity | 6.3.2 GHG emissions | 116 | |
| 305-5 Reduction of GHG emissions | 6.3.2 GHG emissions | 116 | |
| 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 6.3.1 Air pollution control | 115 | |
| GRI 306: Waste 2020 | | | |
| 306-1 Waste generation and significant waste-related impacts | 6.3.4 Waste sorting, management, recycling and re-use | 119 | |
| 306-2 Management of significant waste-related impacts | 6.3.4 Waste sorting, management, recycling and re-use | 119 | |
| 306-3 Waste generated | 6.3.4 Waste sorting, management, recycling and re-use | 119 | |
| 306-4 Waste diverted from disposal | 6.3.4 Waste sorting, management, recycling and re-use | 119 | |
| 306-5 Waste directed to disposal | 6.3.4 Waste sorting, management, recycling and re-use | 119 | |
| GRI 307: Environmental Compliance 2016 | | | |
| 307-1 Non-compliance with environmental laws and regulations | 3.11 Compliance | 91 | |

| Disclosure | Corresponding chapter or section | Page | Remarks |
|---|---|------|---------|
| GRI 308: Supplier Environmental Assessment 2016 | | | |
| 308-1 New suppliers that were screened using environmental criteria | 4.4 Supply management | 98 | |
| 308-2 Negative environmental impacts in the supply chain and actions taken | 4.4 Supply management | 98 | |
| GRI 401: Employment 2016 | | | |
| 401-1 New employee hires and employee turnover | 7.1.1 Overview of employees | 127 | |
| 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 7.1.2 Benefits for full-time employees | 130 | |
| 401-3 Parental leave | 7.1.3 Percentages of employees resuming and remaining in their jobs after parental leave, by gender | 131 | |
| GRI 402: Labor/Management Relations 2016 | | | |
| 402-1 Minimum notice periods regarding operational changes | 7.1.7 Shortest period of notice for major changes in operations | 134 | |
| GRI 403: Occupational Health and Safety 2018 | | | |
| 403-1 Occupational health and safety management system | 3.5.3 Material topic: Occupational safety and health | 59 | |
| 403-2 Hazard identification, risk assessment, and incident investigation | 3.5.3 Material topic: Occupational safety and health | 59 | |
| 403-3 Occupational health services | 3.5.3 Material topic: Occupational safety and health | 59 | |
| 403-4 Worker participation, consultation, and communication on occupational health and safety | 3.5.3 Material topic: Occupational safety and health | 59 | |
| 403-5 Worker training on occupational health and safety | 3.5.3 Material topic: Occupational safety and health | 59 | |
| 403-6 Promotion of worker health | 3.5.3 Material topic: Occupational safety and health | 59 | |
| 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 3.5.3 Material topic: Occupational safety and health | 59 | |
| 403-8 Workers covered by an occupational health and safety management system | 3.5.3 Material topic: Occupational safety and health | 59 | |
| 403-9 Work-related injuries | 3.5.3 Material topic: Occupational safety and health | 59 | |
| 403-10 Work-related ill health | 3.5.3 Material topic: Occupational safety and health | 59 | |
| GRI 404: Training and Education 2016 | | | |
| 404-1 Average hours of training per year per employee | 7.1.8 Employee training | 134 | |
| 404-2 Programs for upgrading employee skills and transition assistance programs | 7.1.8 Employee training | 134 | |
| 404-3 Percentage of employees receiving regular performance and career development reviews | 7.1.1 Overview of employees | 127 | |
| GRI 405: Diversity and Equal Opportunity 2016 | | | |
| 405-1 Diversity of governance bodies and employees | 7.1.1 Overview of employees | 127 | |

| Disclosure | Corresponding chapter or section | Page | Remarks |
|---|--|------|---------|
| GRI 406: Non-discrimination 2016 | | | |
| 406-1 Incidents of discrimination and corrective actions taken | | | None. |
| GRI 408: Child Labor 2016 | | | |
| 408-1 Operations and suppliers at significant risk for incidents of child labor | | | None. |
| GRI 409: Forced or Compulsory Labor 2016 | | | |
| 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | | | None. |
| GRI 411: Rights of Indigenous Peoples 2016 | | | |
| 411-1 Incidents of violations involving rights of indigenous peoples | | | None. |
| GRI 413: Local Communities 2016 | | | |
| 413-1 Operations with local community engagement, impact assessments, and development programs | 7.4 Community and social care and responsibilities | 140 | |
| GRI 414: Supplier Social Assessment 2016 | | | |
| 414-1 New suppliers that were screened using social criteria | 4.4 Supply management | 98 | |
| 414-2 Negative social impacts in the supply chain and actions taken | 4.4 Supply management | 98 | |
| GRI 416: Customer Health and Safety 2016 | | | |
| 416-1 Assessment of the health and safety impacts of product and service categories | 4.2 Food safety management | 94 | |
| 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 3.11 Compliance | 91 | |
| | 4.4 Supply management | 98 | |
| GRI 417: Marketing and Labeling 2016 | | | |
| 417-1 Requirements for product and service information and labeling | 4.2 Food safety management | 94 | |
| 417-2 Incidents of non-compliance concerning product and service information and labeling | 3.11 Compliance | 91 | |
| | 4.4 Supply management | 98 | |
| 417-3 Incidents of non-compliance concerning marketing communications | 3.11 Compliance | 91 | |
| | 4.4 Supply management | 98 | |
| GRI 418: Customer Privacy 2016 | | | |
| 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | | | None. |
| GRI 419: Socioeconomic Compliance 2016 | | | |
| 419-1 Non-compliance with laws and regulations in the social and economic area | 3.11 Compliance | 91 | |

Appendix 5. Reference Table of Sustainability Accounting Standards

(SASB) - Processed Foods Industry

| Topic | Code | Accounting Metric | Description | Page |
|-------------------|--------------|---|---|------------------------|
| Energy Management | FB-PF-130a.1 | (1) Total energy consumed | (1) Our total energy consumed in 2021 was 134,470 GJ | See column to the left |
| | | (2) percentage grid electricity | (2) The percentage of grid electricity used by us is 100%. | |
| | | (3) percentage renewable | (3) We do not use renewable energy. | |
| Water Management | FB-PF-140a.1 | (1) Total water withdrawn, | (1) The total municipal water withdrawn by us amounts to 41,649,000,000 liters. | See column to the left |
| | | (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | (2) We do not use water from regions with high water stress. | |
| | FB-PF-140a.2 | Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations | There was no incident of non-compliance in 2021. | See column to the left |
| | FB-PF-140a.3 | Description of water management risks and discussion of strategies and practices to mitigate those risks | Refer to 6.2 Energy management | 110 |

| Topic | Code | Accounting Metric | Description | Page |
|-------------|--------------|--|---|------------------------|
| Food Safety | FB-PF-250a.1 | Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances | We comply with the Act Governing Food Safety and Sanitation of Taiwan. All of our products, whether or not made by our factories or outsourced manufacturers, have passed the ISO22000 and FSSC22000 certifications. We also encourage our supply chains to receive and maintain the ISO9001 and ISO22000/FSSC22000 certifications in order to follow the trend in international food safety initiative and move toward the goal of obtaining accreditations and certifications recognized by the GFSI. | See column to the left |
| | FB-PF-250a.2 | Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program | We encourage our supply chains to receive and maintain the ISO9001 and ISO22000/FSSC22000 certifications. In 2021, out of a total of 183 suppliers, 88 have passed the ISO22000/FSSC22000/ISO9001 certifications at a percentage of 48%. To provide more assurance to consumers and follow the trend in international food safety initiative, we also encourage our supply chains to move toward the goal of obtaining accreditations and certifications recognized by the GFSI in the future. | See column to the left |
| | FB-PF-250a.3 | (1) Total number of notices of food safety violation received (2) percentage corrected | There was no food safety violation in 2021. | See column to the left |

| Topic | Code | Accounting Metric | Description | Page |
|------------------------------|--------------|--|--|------------------------|
| Food Safety | FB-PF-250a.4 | (1) Number of recalls issued (2) total amount of food product recalled | There was no recall of products in 2021. | See column to the left |
| Health & Nutrition | FB-PF-260a.1 | Revenue from products labeled and/or marketed to promote health and nutrition attributes | Refer to 4.3 Health & Nutrition | 96 |
| | FB-PF-260a.2 | Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers | Refer to 4.3 Health & Nutrition | 96 |
| Product Labeling & Marketing | FB-PF-270a.1 | Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines | (1)The marketing and advertising strategies currently promoted by the AGV Group do not include any direct or indirect advertisement or promotion targeting children. We are committed to the belief of "For a Healthy Tomorrow" to safeguard the physical and mental health of children. (2)According to the data of percentage and contents of AGV' s media advertisements and promotions, none of its advertising campaigns includes any communication or promotion targeting children below the age of 12, and none of them contains any content physically or mentally harmful to children. | See column to the left |

| Topic | Code | Accounting Metric | Description | Page | | | | | | | | | | |
|--------------------------------|----------------|--|--|------------------------|----------------|---------|-----|---------------|-------|------------|-----|-----------|-------|------------------------|
| Product Labeling & Marketing | FB-PF-270a.2 | Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO | (1) We do not manufacture any GMO product, except that the ingredients of the prior tier used by part of our products contain GMO raw materials. In 2021, the revenue from GMO products was NTD23,332,092. (2) In 2021, the revenue from products labeled as non-GMO was NTD2,598,739. | See column to the left | | | | | | | | | | |
| | FB-PF-270a.3 | Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes | There was no incident of non-compliance in 2021. | See column to the left | | | | | | | | | | |
| | FB-PF-270a.4 | Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices | There was no violation/legal proceeding in 2021. | See column to the left | | | | | | | | | | |
| Packaging Lifecycle Management | FB-PF-410a.1 | (1) Total weight of packaging (2) percentage made from recycled and/or renewable materials (3) percentage that is recyclable, reusable, and/or compostable | (1) Main packaging <table border="1"> <thead> <tr> <th>Category</th> <th>Weight (tonne)</th> </tr> </thead> <tbody> <tr> <td>Cartons</td> <td>692</td> </tr> <tr> <td>Glass bottles</td> <td>3,479</td> </tr> <tr> <td>Twist caps</td> <td>268</td> </tr> <tr> <td>Iron cans</td> <td>2,232</td> </tr> </tbody> </table> (2) No disclosure. (3) No disclosure. | Category | Weight (tonne) | Cartons | 692 | Glass bottles | 3,479 | Twist caps | 268 | Iron cans | 2,232 | See column to the left |
| Category | Weight (tonne) | | | | | | | | | | | | | |
| Cartons | 692 | | | | | | | | | | | | | |
| Glass bottles | 3,479 | | | | | | | | | | | | | |
| Twist caps | 268 | | | | | | | | | | | | | |
| Iron cans | 2,232 | | | | | | | | | | | | | |

| Topic | Code | Accounting Metric | Description | Page | | | | | | | | |
|--|-------------------------------------|--|---|-------------------------------------|----------------|-----------|--------|-------|--------|-----------|--------|------------------------|
| Packaging Lifecycle Management | FB-PF-410a.2 | Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle | No disclosure. | See column to the left | | | | | | | | |
| Environmental & Social Impact of Ingredient Supply Chain | FB-PF-430a.1 | Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard | <table border="1"> <thead> <tr> <th>Internationally recognized standard</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>ISO 22000</td> <td>74.56%</td> </tr> <tr> <td>HACCP</td> <td>55.97%</td> </tr> <tr> <td>FSSC22000</td> <td>54.49%</td> </tr> </tbody> </table> | Internationally recognized standard | Percentage (%) | ISO 22000 | 74.56% | HACCP | 55.97% | FSSC22000 | 54.49% | See column to the left |
| | Internationally recognized standard | Percentage (%) | | | | | | | | | | |
| ISO 22000 | 74.56% | | | | | | | | | | | |
| HACCP | 55.97% | | | | | | | | | | | |
| FSSC22000 | 54.49% | | | | | | | | | | | |
| | FB-PF-430a.2 | Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances | Refer to 4.4 Supply management | 98 | | | | | | | | |
| Ingredient Sourcing | FB-PF-440a.1 | Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress | None of our food ingredients originates in regions with water stress. | See column to the left | | | | | | | | |

| Topic | Code | Accounting Metric | Description | Page | |
|------------------------------------|--------------|---|---|---|------------------------|
| Ingredient Sourcing | FB-PF-440a.2 | List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations | Main raw materials | <p>Description of purchasing risks in the environmental and social aspects.</p> <p>The outbreak of the COVID-19 pandemic worldwide has led to a severe shortage of containers in international maritime shipping, interruption of transport supply chains, port congestion, low port efficiency and other factors causing unstable supplies. Currently, at least two suppliers are available for each raw material.</p> <p>If a supplier violates the provisions concerning corporate social responsibility policies in AGV' s purchasing contract, AGV may terminate or cancel the contract.</p> | See column to the left |
| | | | Peanuts | | |
| | | | Salted ingredients | | |
| | | | Refined white sugar | | |
| | | | Soybean oil | | |
| | | | Tinplate cans | | |
| | | | Glass bottles | | |
| | | | Fried gluten balls | | |
| Sour bamboo shoots | | | | | |
| Twist caps | | | | | |
| Dessert container lids with spoons | | | | | |
| Activity Metrics | FB-PF-000.A | Weight of products sold | No disclosure. | See column to the left | |
| | FB-PF-000.B | N u m b e r o f production facilities | We have three factories for pickles, desserts and drinks. | See column to the left | |

Appendix 6 Disclosures Specific to the Food Processing Industry

| Aspect | Metric | Corresponding chapter or section | Page | Remarks |
|---|--|----------------------------------|------|---------|
| Purchasing/ Raw materials purchasing practices | FP1 Percentage of volume purchased from suppliers that meet the requirements of the company' s purchasing policy. | 4.4 Supply management | 99 | |
| | FP2 Percentage of products that meet internationally accepted product responsibility standards in total purchases. | 4.1 Use of main raw materials | 94 | |
| Labor- management relations | FP3 Percentage of losses of working hours due to labor-management disputes, strikes and/or shutdowns. | | — | None. |
| Customer health and safety | FP5 Percentage of products manufactured by factories certified by an independent third party to be meeting internationally recognized standards of food safety management system. | 4.2 Food safety management | 95 | |





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