



日勝化工  
EVERMORE CHEMICAL

# 2019

Corporate Social  
Responsibility Report



# Scope and Editorial Guidelines

This report expresses information for 2019 (from January 1, 2019 to December 31, 2019). The contents covers concrete practices, performance data and issues the stakeholders focus on, including the economy, governance, society, and the environment. For the sake of completeness, some content as far back as January 1, 2018 will also be covered. The reporting boundary mainly focuses on Evermore Chemical Industry, excluding other re-investment subsidiaries. The source of consolidated financial data comes from public financial reports signed by certified public accountant of EMC. Certain statistics were cited from annual report and public information from government agencies and relevant websites, and are described with common text and figures. Additional explanations will be available in the report for any exceptions.

The CSR Report is based on the core options from GRI Standards by the Global Reporting Initiative. Please refer to the GRI Standards Disclosure Table in the Appendix for details.

## ◆ Audit Program and Publishing Cycle

Aside from major topics, this report also reflects on issues the stakeholders are concern with. This report hasn't been verified by third parties. Evermore Chemical Industry issues a report every year, the last issuance was in June 2019, and this issuance is in June 2020, while the next issuance is scheduled to be in June 2021.

## ◆ Issuance Method and Contact

If you have any suggestions for our 2019 Corporate Social Responsibility Report, please contact us through the following: This report will be published simultaneously on our company website for inquiry.

Contact Unit: Evermore Chemical Industry CSR Commission  
Address: No. 7, Industrial South 2nd Rd., Nangang Industrial Park, Nantou City, 540  
Tel: 049-225-5357 Fax: 049-225-3912  
Email: [csr@twemc.com.tw](mailto:csr@twemc.com.tw) Website: <http://www.twemc.com>  
Spokesperson: Director Wu Pao-Hua Email: [baohua@twemc.com.tw](mailto:baohua@twemc.com.tw)



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# A Letter from the Chairman & President

As of May 2019, Evermore Chemical Industry has been established for 30 years. After the "30th anniversary", the company should assume more social responsibilities.

In addition to following the goals specified in the CSR Report, investigating the issues the stakeholders focus on, and striving towards environmental safety, operating performance, compliance with regulations, product research and development, quality and service, etc., we should strengthen the proper use of energy, reduce emission and wastes, make our process more environmentally-friendly, research and develop green products, etc., and make our goals for continued efforts in the future, thus Evermore Chemical Industry can strive toward sustainable development.

In 2019, Evermore Chemical Industry and AICA Kogyo worked together for PU products, and have gradually made achievements in respect of PU product application in building materials market. In terms of the Group's resource integration, we have continued to strengthen the complementation of production and sale at various markets, expanding the combination and integration in Asia-Pacific region. Communication among subsidiaries has been active to respond proactively to the production and delivery in various countries. The Group does not only holds the function as a supply chain platform, but also implement flexible operating strategy.

In terms of research and development, we focus on green and environmentally-friendly products. In 2019, we successfully developed environmentally-friendly solvent-free polyurethane adhesive for bed board construction, environmentally-friendly solvent-free polyurethane adhesive for solid wood composite floors, environmentally-friendly solvent-free polyurethane hot melt adhesive suitable for fabrics with high water repellency and water washing resistance, as well as environmentally-friendly solvent-free polyurethane hot melt adhesive for paper lamination. All of these above have demonstrated our determination to become a green enterprise.

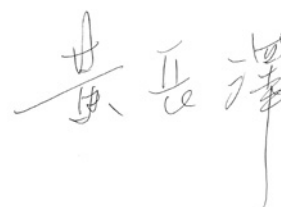
As an enterprise in chemical industry, we are more aware than the general public of the risks and hazards we may have introduced into the environment in the production process, which makes us pay more attention to environmental protection and safety. With the continued increase in the awareness of environmental protection and limitation on the development of chemical industry in various countries, Evermore Chemical Industry has gradually reduced its dependence on high-pollution energy sources and strengthened the reuse of the wastes in our factory. We continue to develop environmentally-friendly products to meet the future needs in the market, and adjust its excessive dependence on a single market, gradually strengthening its development in the Southeast Asian market to meet the changes in operation environment.

As always, we are committed to our business philosophy of "Simplicity Truthfulness Firmness Perseverance, Research and Innovation, Sustainable Development, Profit Sharing", continuously recruiting and training excellent talents to achieve our mid and long term goals. We develop new products with high added value to improve our internal core technologies, and focus on the development of environmentally-friendly products to follow the awareness of environmental protection for a better earth. Of course, we are committed to the sustainable development of enterprise, and make stakeholders understand Evermore Chemical Industry better by using this Report, so as to encourage us to continue to move forward.

Chairman



President





# 1

## COMPANY OVERVIEW

### ◆ About Evermore Chemical Industry

Evermore Chemical Industry Co., Ltd. (hereinafter referred to as "EMC") was established in 1989. Our company registered with Taipei Exchange in 2000, and was listed on the Taiwan Stock Exchange in 2002. Our business activity revolves around manufacturing and selling of synthetic resin and chemical materials, and management and re-investment of related businesses.

AICA Kogyo Company Limited from Japan (hereinafter referred to as "AICA") made a tender offer on November 16, 2017 acquiring EMC's ordinary shares; the tender offer period expired on January 5, 2018, and AICA obtained 50.1% of EMC's shares on January 16, 2018 to become EMC's parent company.

### ◆ Business Philosophy

EMC believes combining corporate social responsibility with business strategies is the first priority for businesses on the road towards sustainable development; therefore, with "Simplicity Truthfulness Firmness Perseverance, Research and Innovation, Sustainable Development, Profit Sharing" in mind, we devoted our efforts in corporate governance, managing the company with conviction, continuous improvement and honesty, satisfying customer requirements with professional chemical expertise and dedication. With honesty, continuous innovation, profit sharing with stakeholders such as employees, shareholders and customers, we contribute back to the society, creating maximum value for the polymer industry.



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EMC's corporate identity system uses green development and production as the foundation, blue sky and water source as the ultimate symbol of caring, to represent sustainable development of our business.

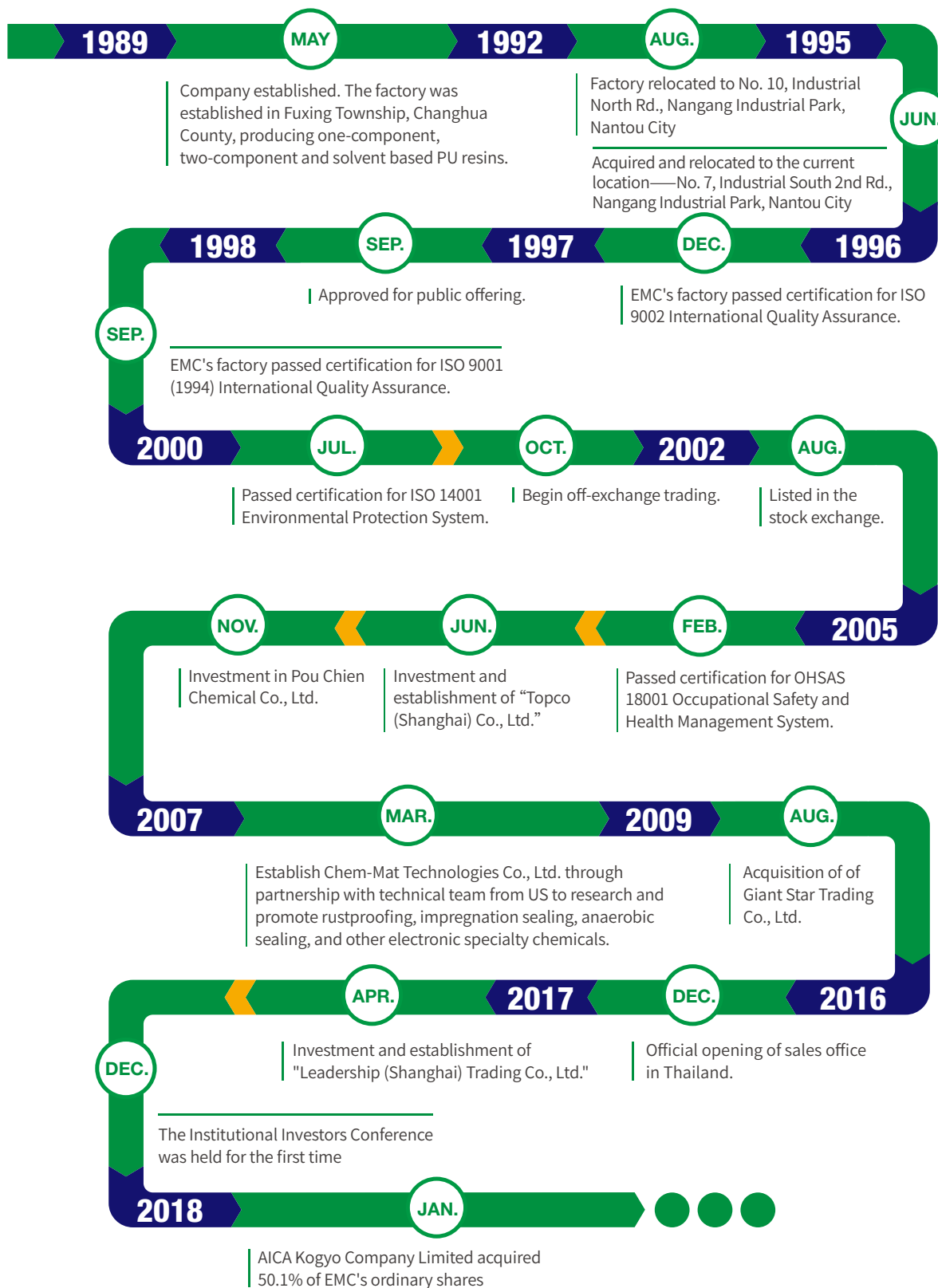
◆ Operating Location

Establishment: 1989  
Listing time: 2002  
Capital: NT\$993 million  
Headquarters: Taiwan, Nantou  
Corporate Group: Three production bases, 5 sales office and a technical service centers.





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◆ External Association or Organization

In addition to the synthetic resin industry, we also participate in many types of organizations through different means, to keep close touch with various communities for cooperation on sustained development, mainly of the following:

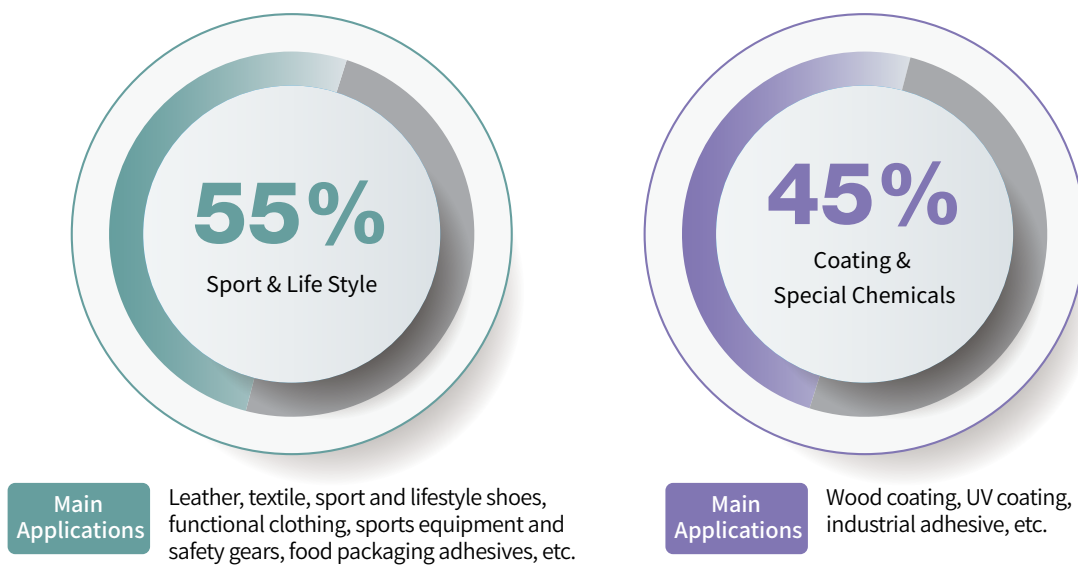
Participating Organizations	As EMC
Taiwan Synthetic Resin & Adhesives Industrial Association	Supervisor
Taiwan Regional Association of Synthetic Leather Industries	Member
Nantou County Industrial Association	Member
Nantou County Nangang Industrial Park Manufacturers' Association	Member
Mid-Taiwan Toxic Disaster Mutual Protection Organization	Member
San Fang DMF Toxic Disaster Mutual Protection Organization	Member
Evermore TDI Toxic Disaster Mutual Protection Organization	Member
UPC Plasticizers Toxic Disaster Mutual Protection Organization	Member

## Product Category

EMC takes PU technology as its core basis, and actively develops towards various fields. At present, the main products of the Group are classified into the following two major categories:

- **Sport & Lifestyle:** Mainly for textiles, footwear, and outdoor sports products, including PUR, PE, PUS, TPU and other products.
- **Coating & Special Chemicals:** Mainly for the products used in the industrial field, as well as special chemicals, including LFT, UV coating products, and food packaging adhesive, etc.

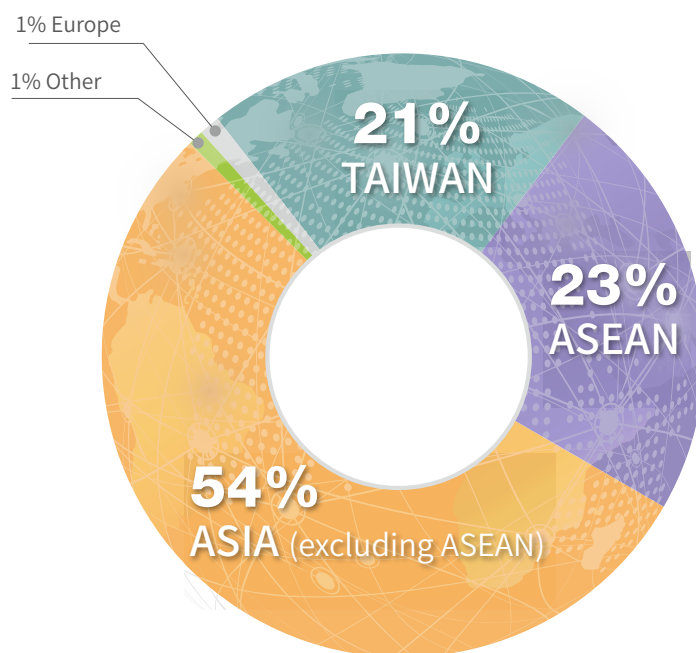
Their main applications and yearly sales figure are as follows:





## Market Distribution

"Focusing on Taiwan and developing towards the world" is the business goal of Evermore Chemical Industry. Since the establishment of the Group, EMC continues to promote its regional deployment in addition to the constant development in the Taiwan market. Apart from the establishment of sales office in Thailand, we continue to develop Vietnam market and extend towards other regions in Asia. Currently, our products have reached Asian, European and American markets, and recognized by many well-known international companies and brands.





# 2

## GOVERNANCE AND OPERATIONS

### ◆ Business Performance

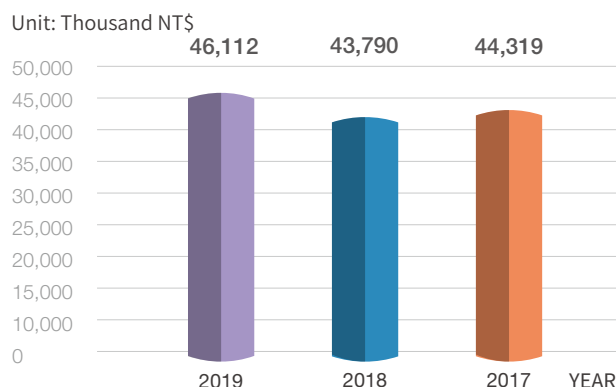
Our (combined) performance for the year 2019 is as follows

Unit: Thousand NT\$

Item	2019	2018	2017
Operating income	3,174,698	3,675,769	3,325,124
Operating profit	200,484	73,902	112,011
Pretax net profit	175,061	54,165	106,399
Earnings per share (NT\$)	1.19	0.1	0.63
Dividends per share (NT\$)	0.65	0.15	0.5

### ◆ R&D Investment and Contributions

For continued growth and innovation, EMC actively invests in R&D activities every year, hoping to use low-pollution, high-value green products and technologies as our driving force for sustainable development. Yearly research and development costs are as follows:



## Investment Tax Credit

In addition, expenses on research and development can serve as credit for yearly business income tax or be used to apply for grant-in-aid. Relevant information is as follows:

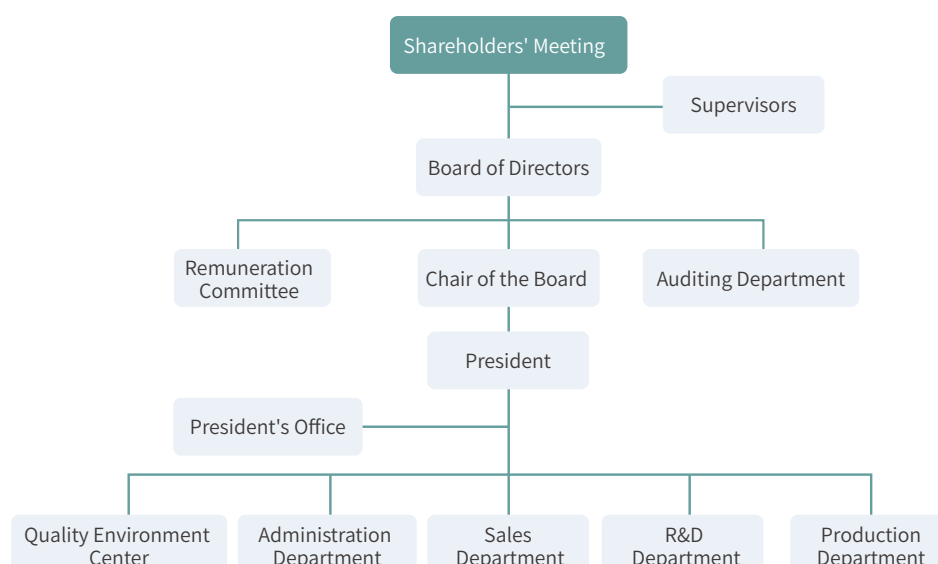
· R&D investment tax credit in 2019

Unit: NT\$

Description	Total Remuneration	Total
Development plan of polyurethane materials for the midsole and outsole of lightweight, high rebound and integrated jogging shoes	5,419,400	11,657,882
Development plan of environmentally-friendly solvent-free polyurethane prepolymer for bed board construction	4,985,359	

## ◆ Corporate Governance

EMC Organization Chart



Principal Departments	In Charge of
Auditing Department	Auditing and evaluation of internal control systems and functional operations of each department.
President's Office	Business strategy, business coordination and project supervision of the Group.
Quality Environment Center	Environmental protection, safety and health, as well as quality inspection, etc.
Administration Department	Responsible for publishing company information, establishing human resources and management systems, procurement, general affairs, legal affairs, accounting, and financial affairs.
Sales Department	Market expansion, reference checks, product sales and after-sales services.
R&D Department	Development and research of new products, research and improvement of production technologies and services, setting product quality goals and quality inspection for logistics.
Production Department	Product production, raw material acquisition, stocking, manufacturing processes and factory work.

#### · Shareholders' Meeting

EMC holds annual Shareholders' Meeting records according to its articles of association, and formulates complete rules of procedures. All affairs that should be resolved at Shareholders' Meeting shall be implemented according to these rules faithfully.

#### · Board of Directors Organization

The Board of Directors is elected through a nomination system. Directors and Institutional Directing Representative are elected in the Shareholders' Meeting from a list of candidates. In accordance with our articles of incorporation, Board meetings are held at least once per quarter, to supervise operation plan execution, financial statements, auditing reports as well as their tracking. Important resolutions of the Board of Directors and the articles of association have been published on our website, in the investors section for their reference.

The Board of Directors' responsibilities include establishing a good governance system, supervision, appointment and management guidance, ensuring our business direction aligns with long/short term market needs and industry trends, and treating openness of information as our highest principle, to protect the rights of shareholders.

#### · Operations of the Board of Directors

The Board of Directors is primarily responsible for supervising and hearing reports from the business team, trying to understand actual business problems, and suggesting adjustments to the team when they are necessary, to allow for more opportunities of communication and exchange opinion, so that business issues can be fully discussed. Board meetings are held at least once quarterly. A total of 7 meetings were held in 2019, and out of the 49 expected attendances, 47 were present, with actual attendance averaging 96%.

#### Members and Attendance of the Board of Directors in 2019

The Board of Directors met 7 times in 2019. Attendance is as follows:

Position	Name	Actual presence (attendance) Number of times	Number of attendance by proxy	Actual presence (attendance) (%)	Note
Chair of the Board	Ho Wen-Chieh	7	0	100%	Reelected on June 26, 2018
Institutional Director (AICA Kogyo Representative)	Tohdoh Satoshi	7	0	100%	Reelected on June 26, 2018
Institutional Director (AICA Kogyo Representative)	Ebihara Kenji	6	1	86%	Reelected on June 26, 2018
Institutional Director (AICA Kogyo Representative)	Omura Nobuyuki	6	1	86%	Elected on June 26, 2018
Institutional Director (Pou Chien Chemical Representative)	Tsai Nai-Yung	7	0	100%	Elected on June 26, 2018
Independent Director	Chen Chao-Hwei	7	0	100%	Elected on June 26, 2018
Independent Director	Higashiyama Mikio	7	0	100%	Elected on June 26, 2018
Supervisor	Liu Ve-Tung	7	0	100%	Elected on June 26, 2018
Supervisor	Lu Hui-Pin	7	0	100%	Reelected on June 26, 2018
Supervisor	Su I-Hsiu	7	0	100%	Elected on June 26, 2018

## Recusal of Conflict of Interest

Both the Board Meeting Rules and Code of Business Integrity have clear articles for directors on recusal of conflict of interest. If a director or the institution that director represents has interest relations with a meeting affair, it should be stated and explained in the same meeting. If there is ground to believe that it may interfere with EMC's interest, the director in question should not participate or present during discussion and voting, and cannot affect other directors' voting decisions.

## ◆ Remuneration Committee

Remuneration Committee members were re-appointed on August 10, 2018 by two Independent Directors (Mr. Higashiyama Mikio and Mr. Chen Chao-Hwei) and Mr. Tao Hong-Wen, whose term of office lasts until June 25, 2021. The duties of the Remuneration Committee include regularly self-inspecting the provisions of the Remuneration Committee, proposing corrective suggestions, establishing and conducting periodic review of annual and long-term performance goals of our directors, supervisors and managers, as well as our remuneration policy, system and structure, periodically reviewing the actual performance of our directors, supervisors and managers, and setting out remuneration detail and amount for each individual.

### Members and attendance of the Remuneration Committee in 2019

Term of office: From August 10, 2018 to June 25, 2021



Member positions and attendance are as follows:

Position	Name	Actual Attendance	Attendance by Proxy	Actual Attendance Rate(%)	Note
Member	Tao Hung-Wen	3	0	100	Reelected on August 10, 2018
Convenor	Higashiyama Mikio	3	0	100	Newly elected on August 10, 2018
Member	Chen Chao-Hwei	3	0	100	Newly elected on August 10, 2018



## ◆ Professional Ethics and Compliance

Compliance is fundamental in practicing corporate social responsibility. EMC pays close attention to it in various fields. From leadership to employees, we all follow regulations faithfully. To help employees gain better understanding of regulations, we always attend service announcements by competent authorities, and relay the latest regulations and trends during regular meetings, to boost knowledge and capability on policies and regulations related to our business.

### Preventive Measures

Actual Practice	Description
Internal Management Regulations	EMC has formulated various management measures for conducting business to avoid regulation violations.
Consult legal advisors	When contracts or affairs involve legal rights or obligations, we consult legal advisor's professional opinion before proposing solutions and plans.
Enforce legal training	New employees receive compliance training on their first day at work, also, we hold regulation training from time to time, to equip employees with proper legal knowledge.

These measures treat zero breach as the ultimate goal.

EMC has established the "Ethical Code for Directors and Managers", "Code of Business Integrity", "Handling Procedures for Internal Material Information" and "Whistle-blowing Channel and Protection System", which have all been disclosed on our website. Policy of business integrity, employee performance assessment and human resource policy have been combined to establish a clear and effective reward and punishment system.

### Anti-corruption Mechanism

EMC was not involved in any corruption incidents in 2019; we clearly specified in the "Code of Business Integrity", that is forbidden to provide, promise, request or accept any direct or indirect illegal benefits for EMC of transactions or contracts, our affiliates or shareholders may involve in. We keep clear communication with our correspondent bank, other creditors, suppliers, communities and stakeholders related to us, and respect and maintain their legal rights. When stakeholders' legal rights and interests were harmed, we handle it with integrity in mind. In addition to complying with regulations, we also strengthen our legal concepts through external training course participation.

To prevent corruption and keep business secrets, these internal units are in charge of the corresponding matters:

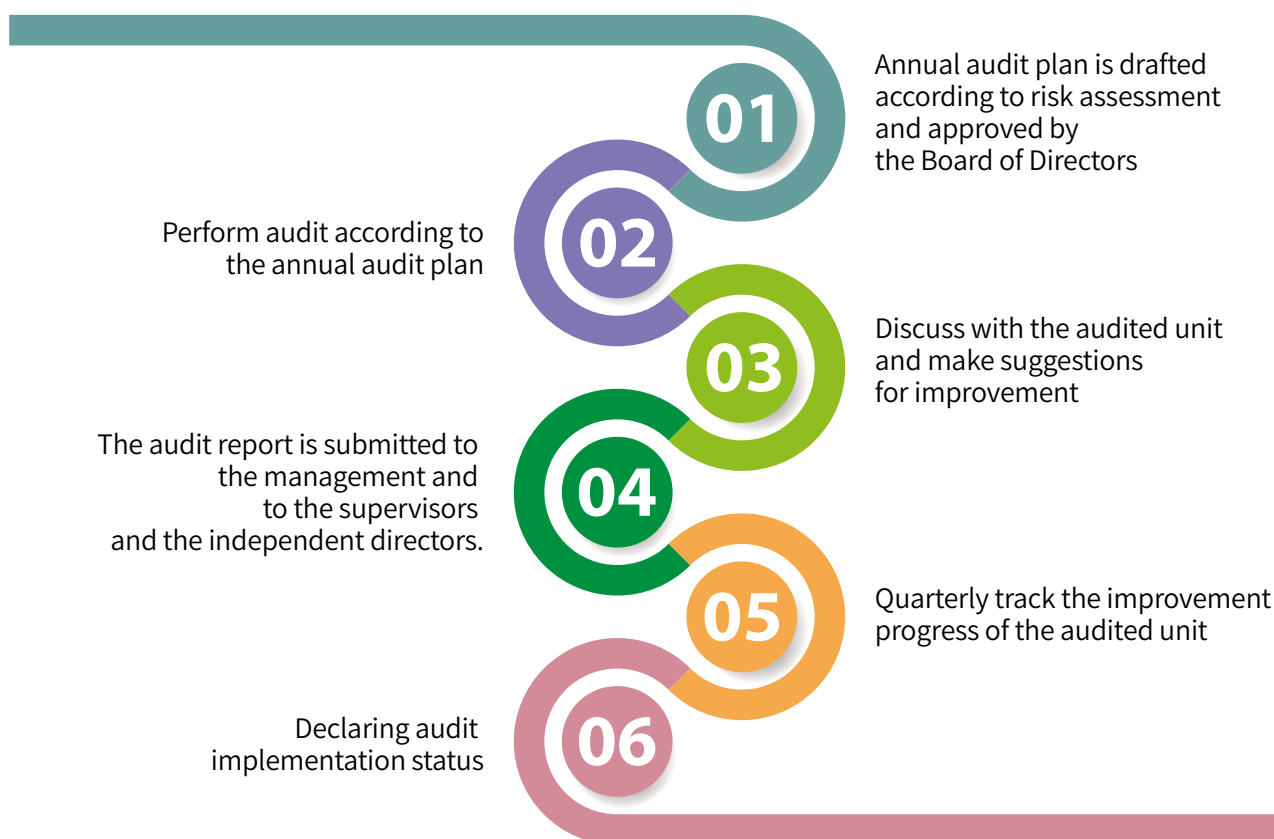


## ◆ Internal Audit

To enforce corporate governance, strengthen internal control and audit operations, the Auditing Department is established directly under the Board of Directors to aid the Board and managers in inspecting and reviewing the internal control system, and evaluate the effectiveness and efficiency of operations. The auditor should be independent, objective in performing his duties, adhere to the principle of honesty and confidentiality, and report the audit plan to the Board of Directors for discussion. Risk management and compliances have been included in daily operation management of each department.

The auditor should implement the annual audit plans approved by the Board of Directors, inspect the various internal control and management measures of subsidiaries, audit projects, internal control systems, ISO and other management systems, and regularly attend and report at Board meetings. The annual self-assessment of the auditing unit is what the Board of Directors and the President relies on when assessing the effectiveness of the overall internal control and making the internal control statement.

### Auditing Procedure



Contact Information for EMC Whistle-blowing or Complaint Office: Please use this email for any suggestions or complaints. We will ensure proper confidentiality for the relevant parties and investigation.

For Board members: [supervisor0@twemc.com.tw](mailto:supervisor0@twemc.com.tw)

For the personnel other than Board members: [chairman0@twemc.com.tw](mailto:chairman0@twemc.com.tw)

## ◆ Risk Management

EMC strongly believes that rigorous risk management is not only the best proof of proper fulfillment of social responsibility, but also the key to sustainable development. We conduct thorough reviews on possible risks, based on their frequency and severity of impact to our operation. We categorize them into five aspects, “Strategy Risk” , “Operation Risk” , “Finance Risk” , “Plan and Project Risk” and “Disaster Risk” , and manage them accordingly, developing countermeasures, in the hope of minimizing uncertainty in our business operations.



Among these five aspects, Operation Risk, Finance Risk and Disaster Risk have the most impact, we hereby describe our risk management on these aspects:

### 1. Operation Risk

Mass price fluctuation of raw materials required for operation or shortage of supply for materials that is no longer commercially available.

Risk management measures: EMC uses high-quality raw materials produced by world-class factories. To reduce the risk of raw material short supply, a task force is formed by our procurement, logistics and operating units. As a strategy, we are in contact with multiple suppliers, and check our inventory based on order demands to improve the accuracy of demand estimation.

This year, despite drastic fluctuation in raw materials prices, our supply chain was not interrupted.

### 2. Finance Risk

Uncertainty is related to on the time and amount of receivables being claimed.

Risk management measures: Investigate the customer's financial status and offer sales on credit for those with good standing, and control the total amount within their line of credit; for those who haven't made payment that is overdue, we actively follow up with customers or file lawsuits; We set up a reserve for bad and doubtful account to accounting standards.

### 3. Disaster Risk

Now is the time to take active roles in fighting climate change. The products and services we offer are deeply connected with low-carbon economies, directly or indirectly affecting our business operation as well as consumer behavior. Excessive heat, typhoons, thunder strikes and heavy rain from the extreme climate may affect operations of our sites, exposing them to higher risk.

Risk management measures:

1. Develop green products and production processes, to reduce the impact of chemicals to the environment.
2. Analyze actual and potential impact of extreme climate on our operations, and establish proper operational adjustments for low-carbon economies and greenhouse gas reduction.
3. Strengthen the safety protection in our sites: Actively set up the reactive strategies to reduce disaster damages from these risks, with the following practical actions:

Prevention Objective	Description
Equipment and Facility Operation	Maintenance and inspection of safety facilities for thunder strike and static protection, ensure they are in good condition, and are reliable and safe for operation.
Fire, Explosion, Poisoning	Inflammable, explosive, poisonous and hazardous work sites need to have enhanced suction and ventilation, to prevent fires, explosions and poisoning.
Flood and Damp	Prepare drainage or pumping equipment for production and storage areas where ponding tends to occur; Sensitive chemicals that react to water require specific flood and damp protection, to ensure storage safety.
Personnel Safety	Regularly organize work safety and fire education and training, to cultivate emergency response and self-safety management capabilities of employees, organize 6S task force, and increase site self-inspection motivations.
Carbon Emissions	Replace equipment with low energy performance, and improve operating efficiency.

We establish disaster risk management measures from a prevention and management perspective. The "Emergency Preparation and Response Management Procedures" is in place to prevent or lower possible personnel injuries, system or equipment damage and property losses etc. that may cause operation interruption. In addition to active participation in various drills organized by competent authorities, we also regularly organize disaster prevention drills. All of our employees participate in firefighting drills to improve their emergency response capability, for incident control and hazard elimination.





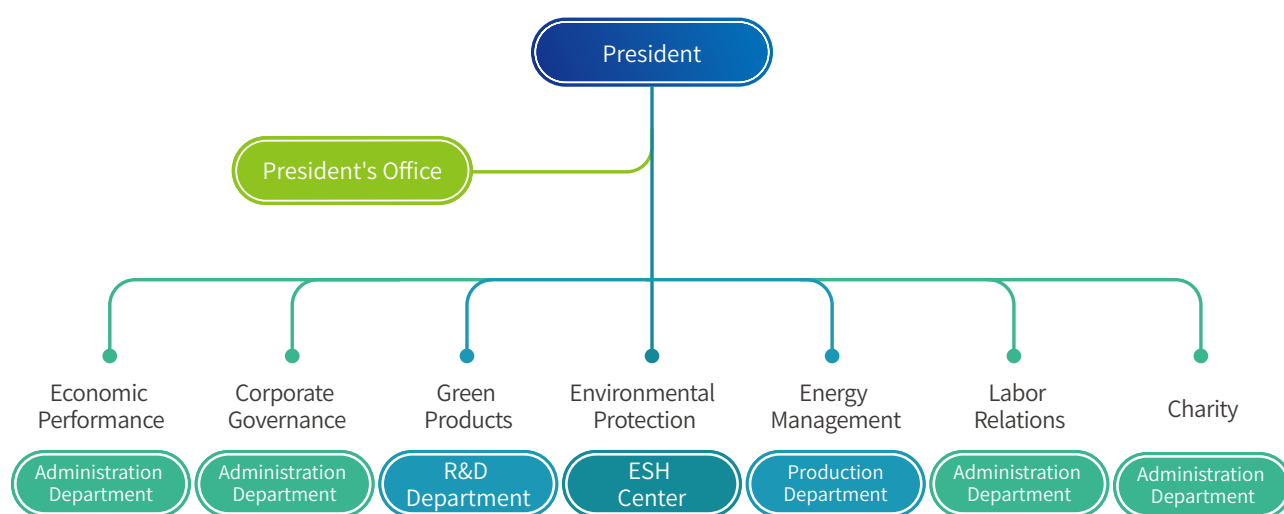
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## IDENTIFICATION AND MANAGEMENT OF MATERIAL TOPIC OF STAKEHOLDERS

### ◆ Corporate Social Responsibility Development and Organization

To enforce sustainable development strategies, we established a functional corporate social responsibility committee (CSR committee) in 2015 as the highest level of corporate sustainability organization within our Company. Members include the President and unit managers from the President's Office. The Committee integrates resources and includes corporate social responsibility in business strategies to fulfill such responsibility in a systematic and organized way.

#### Organization Structure



The CSR Committee operates under the “P-D-C-A” (Plan-Do-Check-Action) management model, gradually implementing EMC's strategy of sustainable development systemetically.



Sustainable Development Strategy	
Economic Aspect	Integrate customers, products and industries, maximize synergy, and provide green, reliable, innovative and cost-effective products to create the highest value for all stakeholders.
Environmental Aspect	Enforce clean production, and develop green products to achieve environmental sustainability.
Social Aspect	Create a happy and safe workplace, and build an inclusive society.

## ◆ Material Topic Identification and Communication for Stakeholders

Analysis Process for Material Topic Identification for Stakeholders:



To better understand issues the stakeholders are concerned with, and to self-inspect the performance of business sustainability within our organization, we utilize the materiality analysis to identify issues of concern; We conduct stakeholder identification on parties that our units have actual contact with. We identified 6 major types of stakeholders: Shareholders, Customers, Employees, Suppliers (contractors), Competent Authorities and Local Communities.

All stakeholders can use the CSR dedicated mailbox: [csr@twemc.com.tw](mailto:csr@twemc.com.tw) to provide feedback. We will reply to your comment as fast as we can.

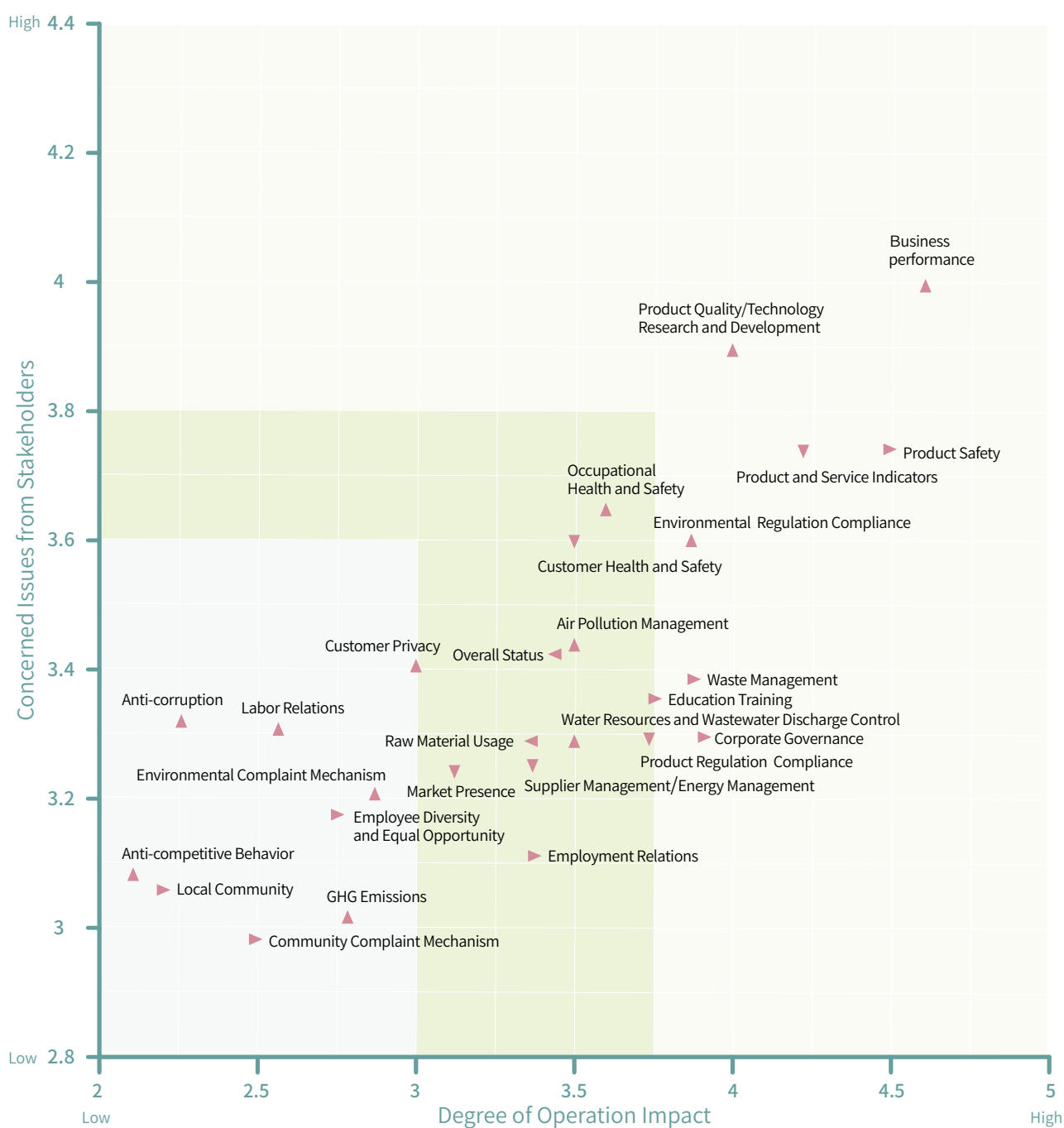
## Key Issues of Stakeholders and Communication

Group	Stakeholders	Issues of Concern	Communication	Frequency of Communication
Employees	Current Employees	Career Development	Performance Review	Once per quarter
		Learning and Growth	Education and Training	From time to time
		Company Operation	Monthly Meeting	Once per month
Shareholders	General Shareholders Corporate Shareholders Rating Agencies Financial Insurance Agencies	Profitability	Shareholders' Meeting	Once per year
		Outlooks	Institutional Investors Conference	Once per year
		Corporate Governance/ Operation	Financial Report	Once per quarter
		Risk Management	Shareholder Mailbox	Any-time
		Open and timely information disclosure	Major Announcement (Market Observation Post System)	Any-time
Customers	Existing Customers Potential Customers	Product/Service/Price Competitiveness	Customer Satisfaction Surveys	From time to time
		Restricted material management	Safety Data Sheet	Attached with product
Community	Community Neighbors Local Group	Social Welfare Activities	Charity Sale Donations	At least once per year
		Blood Donation		
Competent authorities	Central Government Local Governments	Compliance with current laws and regulations from government and the competent authority	Official Document	Anytime
		Honest Tax Returns	Uniform Invoice Issuance	
		Cooperation with decree announcements and related activities	Seminar	
Suppliers and Contractors	Raw materials companies, transportation companies, waste disposal companies, custom brokers, construction contractors, accountants, banks, etc.	Current Regulations Safety Issues Collaboration Opportunities Collaboration Methods and Conditions	Meetings, interviews, phones, emails	Anytime
		Supply Chain Management	Supplier Score	Once per quarter
		List of Potential Suppliers	In-depth Assessment of Suppliers	1-2 company per year
		Supplier Information Platform	Interviews, phones	Anytime

## Results of Material Issue Identification

EMC uses "Level of Stakeholder's Concern" and "Degree of Operation Impact" scores to determine the importance of issues. We listed 33 sustainable topics this time to identify material issues; 6 of them have been identified as being material. We take them as references for operation strategy, and offer disclosure and response in this report.

### Matrix Diagram of Material Issues



## Material Issues Boundary Description

Category	Aspect of Consideration	Within Organization	Outside of Organization				
		EMC	Shareholders	Customers	Suppliers	Community	Competent authorities
Economy Topics	Economic Performance	●	●		●		
	Product Quality/Technology Research and Development	●	●	●			
	Corporate Governance	●	●				●
Labor Topics	Occupational Health and Safety	●		●		●	●
Environment Topics	Environmental Regulation Compliance	●	●	●	●	●	●
	Waste Management	●		●		●	●
Product Topics	Product and Service Labeling	●		●			●
	Product Safety	●		●		●	●

● Means high level of concern

## Significant Impact of the Material Issue Scope List Compared to the Previous Reporting Period

1. The method of identification of stakeholders is the same as the previous year.
2. The key issues stakeholders are concerned with in 2019 are mostly similar to those in 2018. Business performance remains their highest concern, much more than other issues, followed by product safety, quality and service; Furthermore, there is a slight increase on occupational health and safety, as well as waste management.

	2019	2018		2019	2018
Business Performance	1	1	Air Pollution Management	11	10
Product and Service Labeling	2	2	Overall Status	12	11
Product Safety	3	3	Customer Health and Safety	13	13
Product Quality/Technology Research and Development	4	4	Water Resources and Wastewater Discharge Control	14	14
Environmental Regulation Compliance	5	5	Raw Material Usage	15	16
Occupational Health and Safety	6	7	Supplier Management	16	15
Waste Management	7	9	Energy Management	17	17
Corporate Governance	8	6	Employment Relations	18	18
Education and Training	9	8	Customer Privacy	19	19
Governmental Penalty	10	12	Market Presence	20	20

# 4

## PRODUCTS AND SERVICES

### ◆ Supply Chain Management and Procurement

#### Supplier Evaluation

To maintain EMC's product quality, improve its product reputation, and achieve long-term stable satisfaction of customer needs, we have not only performed regular rating and evaluation on suppliers and subcontractors according to ISO 9001 "Supplier Management Procedures" and "Supplier Evaluation Form", but also required subcontractors to ensure limited use of necessary materials to ensure product safety.

We perform evaluation on the supplier's factory every year, and the evaluation team is composed of the personnel appointed by our Administration, Quality Assurance, R&D, Production Management and ESH departments. In-depth evaluation of one to two suppliers is conducted every year, with the contents of evaluation on their administration, manufacturing and technologies, quality, process management and environmental protection, etc., to ensure successful collaborations in the future. We require dealers and trading companies to make corrections against their negligence through quarterly scoring, with the scoring contents of delivery, quality and short-term delivery.

#### Raw Material Management

Main raw material supply status

Origin/Raw Materials	2019/TDI	2019/AA
Taiwan (local)	0%	0%
Non-Taiwan	100%	100%
Source of supply	5 foreign sources	5 foreign sources

Note 1: Local definition: Taiwan regions

Note 2: Definition of important operating office: the parent company, i.e. EMC

#### Raw Material Supply Risk

Potential Risks	Strategy	Practice
Supply Interruption	Procurement diversification	Actively seek new and qualified suppliers at home and abroad
	Signing con-tracts	Sign contracts with supplier for bulk and important raw materials
	Procurement strategy and safe inventory	Set safe inventory, track market trends at all time, adjust procurement strategies accordingly, and pro-cure materials in advance if necessary.

The main raw material used by EMC is not produced domestically. All are imported, for example, TDI, AA are imported from Korea, China and Japan etc.



## ◆ Product Liability and Labeling



EMC products comply with international standards (such as REACH or RoHS) and follow relevant laws and requirements from customers. If the customer so specifies, an objective third-party will be commissioned to conduct monitoring and reporting on whether the product contains hazardous materials. All products come with warning labels, along with SDS (Safety Data Sheet) and detailed product information for the customer's reference.

EMC products come in mainly two volumes, 50 gallon and 1 ton barrels, packaged and labeled according to CNS 15030 Classification and Labeling of Chemicals, International Maritime Hazardous Goods Code UN certification and GHS Globally Harmonised System of Classification and Labeling of Chemicals. When selling products to customers, product specs, hazard identification, first aid and leakage handling are all included in details in the SDS file. For transportation, we also have requirements on route, time, and safety, to protect the delivery personnel, the client, and the environment.

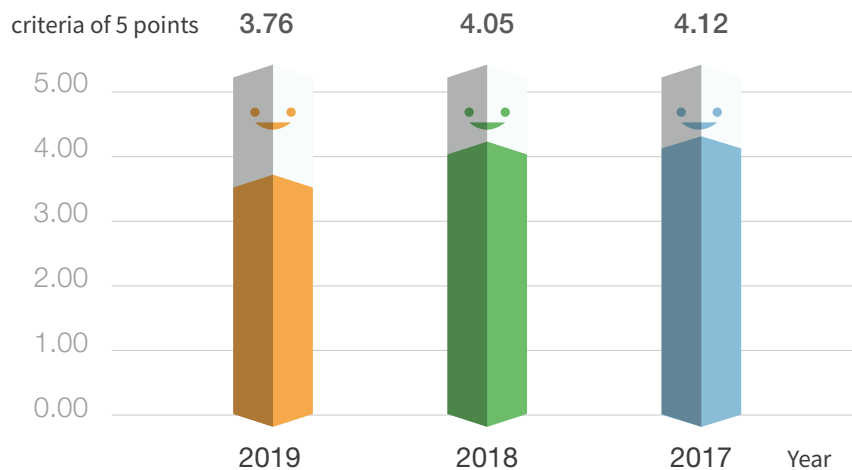
## ◆ Customer Service and Satisfaction

EMC offers professional service teams, satisfying customer needs at any time. We provide professional assistance and technical support in a timely manner, offering diversified services, so that customers know they are in good hands. We hope to make customers recognize the brand value of "Evermore" and increase their trust in our products. In addition to regular visits for communication, we also conduct satisfaction surveys every year, to see whether customers are satisfied with our service and products. Overall, our customers are still very satisfied with us. We are committed to making improvements based on customer feedback, while also taking them as a reminder of our goal towards 100% satisfaction.



The survey is based on the ISO 9001 procedure, mainly for companies who had business contact with us within the past year. The assessment in the survey includes two major categories and some sub-categories. The full mark is 5 points.

- Service satisfaction: Service attitude, business problem solving ability, business expertise, service efficiency, after- sales technical services.
- Product satisfaction: Product quality, research and development, research scheduling, customization, packaging quality.



We made satisfaction survey based on the criteria of 5 points. The customer's average satisfaction towards EMC in 2019 was 3.76 points, which was the lowest score in the recent three years. We have made discussion and continuous improvement against customer's dissatisfaction.

In addition to quality management, customer's complaints are reported and reviewed in meetings immediately. We obey the following principles in continuous pursuit of customer satisfaction.

- Timely revision to product quality standards
- Strict requirement for compliance to prevent negligence
- Implement education and training for high quality

In addition, EMC also puts strong emphasis on customers' data, their privacy and confidentiality. By signing non-disclosure agreement, their data and privacy are fully protected. There is no incident of data breach or privacy invasion complaints or protests so far.



# 5

## SUSTAINABLE ENVIRONMENT

Base on ISO 14001, EMC established environmental management mechanisms to reduce environmental impacts of its production process. Further, we comply with laws and regulations from competent authorities, and enforce environmental management, for a sustainable earth.

### ◆ Raw Material Usage

Main material: 17,907MT

Sub-materials and additives: 305MT

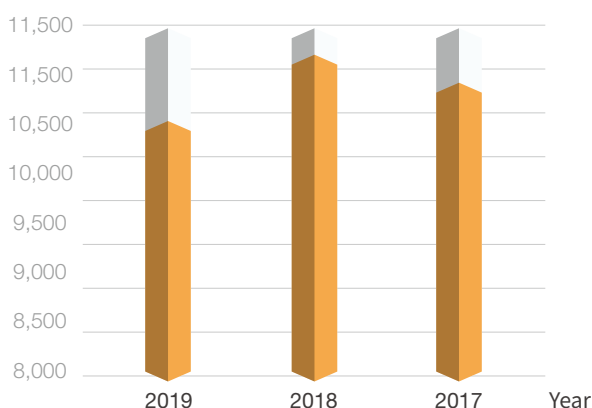
Packaging barrels: 36,977 pieces of 55-gallon barrel; 222,305 pieces of 5 to 4.5-gallon barrel; 87,265 other packaging barrels.

EMC puts continuous effort in packaging recycling and reduction. We have been using our inhouse SUS 304 and plastic ton barrels for local service for many years; they are recyclable for repeated use, which reduces packaging material use and consumption, as well as customer's costs for disposing of wastes. Each usage amounts to 55-gallon barrel saved.

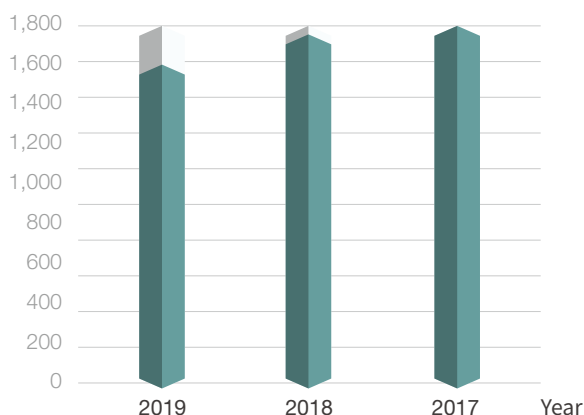
### ◆ Energy Management

We have compiled our energy and water consumption, exhaust, wastewater and waste disposal information into a simple chart, for the public's quick reference of our performance in recent years.

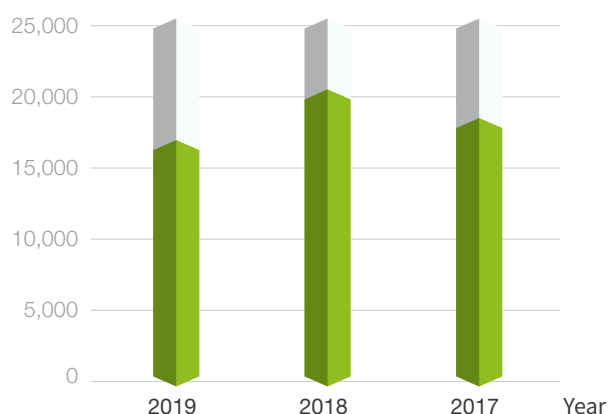
Electricity (thousand kWh)



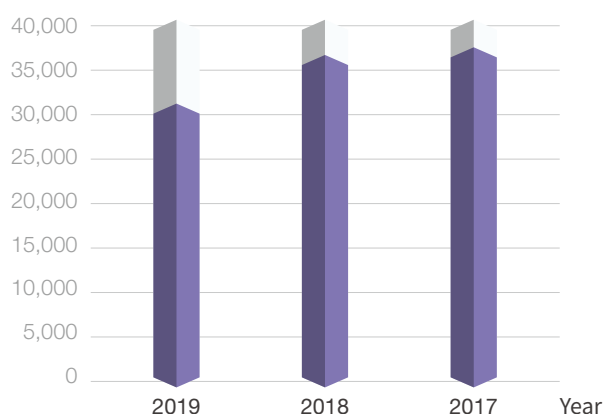
Natural gas (thousand m³)



Diesel (liter)



Tap Water (ton)



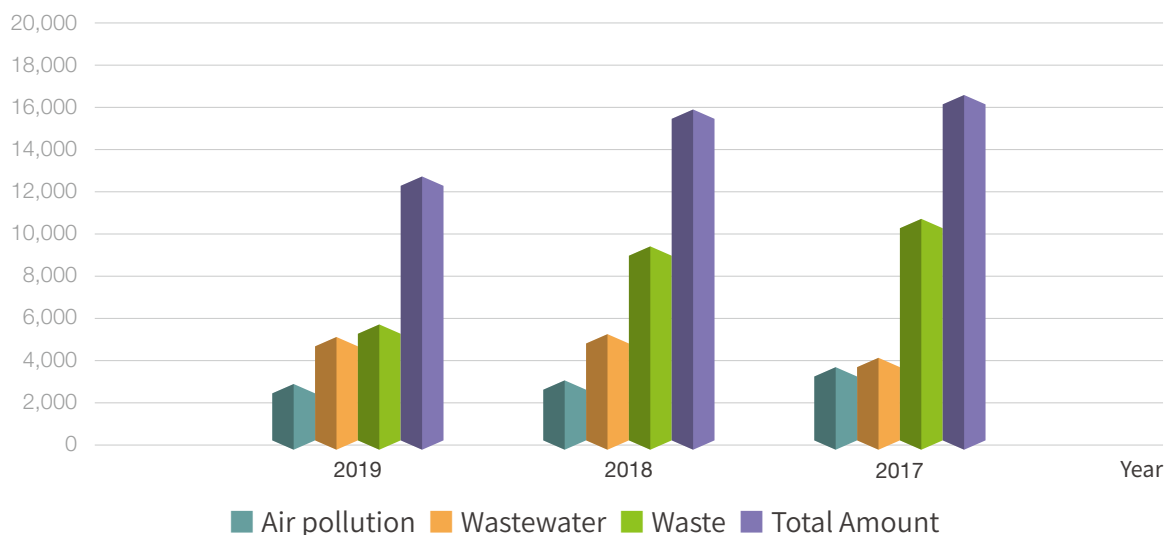
### Energy Density

Category \ Year	2019	2018	2017
Unit electricity consumption (kWh/ton)	528.71	496.04	448.08
Unit oil consumption (liter/ton)	0.87	0.85	0.73
Gas consumption per unit (kWh/ton)	81.06	74.04	69.61

### ◆ Environmental Protection Investment

Environmental protection investment is one of EMC's corporate responsibilities. Our existing environmental expenditures include the costs for inspection and treatment for various wastes, and air pollution prevention supplies, while our environmental protection investment includes the expenses for liquid jet incinerator, wastewater treatment equipment, biological filter treatment equipment for organic waste gas, second phase of wastewater solid separation and recycling, and training, etc.; The chart for environmental expenditures is as follows:

Unit: Thousand NT\$



## ◆ Energy-Saving Solutions

In order to reduce the impact of greenhouse gas from production activities, and achieve the ecological effects of the green gold vision, we have been actively implementing energy-saving measures in various production bases in 2019.

Our major energy-saving measures in 2019 are as follows:

Energy-saving Actions and Achievements	Save
Replace the old motor for cooling water	73,771 kWh
Increase in the outlet temperature of chiller	41,066 kWh

## ◆ Greenhouse Gas

	2019	2018	2017
Direct GHG (Scope 1) emissions: tonCO <sub>2</sub> e	3,381	3,164	3,579
Energy indirect (Scope 2) GHG emissions: tonCO <sub>2</sub> e	6,089	6,136	5,972
GHG emissions intensity [CO <sub>2</sub> emission per income] kg CO <sub>2</sub> /NT\$	0.0067	0.0054	0.0056

## ◆ Waste Treatment

In addition to setting wastes reduction targets, EMC continues to improve processes and equipment, reducing wastes generation from the source and striving to increase the recycling and reuse rate of the wastes produced during the process. Furthermore, our wastes treatment complies with laws and regulations, and we apply for licenses, declare quantity, and entrust qualified agencies to clean and handle our industrial wastes. The following is our waste treatment information in recent years:

### Air Pollution Form

	Particulate pollutants	Sulfur oxides	Nitrogen ox-ides	Volatile Or-ganic Com-pounds
2017 Emissions (kg)	0*	368.18	368.18	16,868.53
2018 Emissions (kg)	0*	323.20	1,583.54	15,843.68
2019 Emissions (kg)	1,229.1	192.36	2,696.01	10,334.01

\* Unofficial statistics

EMC mainly produces particulate pollutants, sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>) and volatile organic compounds (VOCs) in its process. Compliance with the emission standards stipulated by law is a basic requirement; not only does EMC conduct inspection regularly, but it also is active in thinking about environmentally-friendly practices.

### Wastewater Discharge in Recent Years

Wastewater is discharged into, and monitored by, the wastewater treatment plants in Nangang Industrial Park.

Annual wastewater discharge	2019	2018	2017
Suspended solids (mg/L)	112	116	117
Chemical oxygen demand (mg/L)	393	439.5	303.5
Quantity of discharge (m <sup>3</sup> )	10,617	13,657	10,431
Destination of discharge	Nangang Industrial Parks' wastewater treatment facilities		

\*Water quality specifications:

Nangang Industrial Park wastewater discharge specification: Suspended solids (SS) less than 320 mg/L; chemical oxygen demand (COD) less than 640 mg/L.



EMC has the water pollution prevention license issued by Nantou County Environmental Protection Bureau, and its operations are in line with water pollution prevention measures. We are committed to the recycling and reuse of the wastewater produced in the process. The daily water discharge is less than 142m<sup>3</sup>, and we inspect water quality once per month as required by Nangang Industrial Park Management Center. So far, we have met the Management Center's standards for many consecutive years, and the quality of our wastewater discharge is also significantly lower than the standards of the Management Center, with 10,617m<sup>3</sup> of wastewater discharged in 2019. Since the quality of our discharge (according to the test data from the Management Center) is significantly below the standards, we utilize the discharged water for water sprinkling, dust prevention and other air pollution prevention. We reuse water resources efficiently and are committed to the goal of reducing water consumption and wastewater discharge significantly.

## Waste

### Unit Waste Disposal Status

Unit: tons

	General Industrial Waste	Waste Recycling	Other Wastes	Total
2019	426.9	89.3	1.7	517.9
	82.5%	17.2%	0.3%	100%
2018	429.4	66.7	2.0	498.1
	86.2%	13.4%	0.4%	100%
2017	319.3	82.1	0	401.4
	79.5%	20.5%	0%	100%

Note:

1. It should be rounded off to the second decimal.
2. General industrial wastes include sludge from wastewater plants; Solid wastes from UM manufacturing were added in 2017.

## Environmental Offences

Description of Incident	Time of Occurrence	Penalty	Improvement measures
Since the SS in the wastewater discharged exceeded allowed amount in "Wastewater Quality Standards for Nangang Industrial Park Sewage Users", EMC was fined for NT\$ 24267 in July 2019 under "Abnormal Violations and Aggravated Fees for Sewage Processing".	July 10, 2019		Countermeasures: The wastewater caused by cleaning discharge tanks is drawn back to the tank. Additionally, an inspection form is created for cleaning of the discharge tank and its outlet. Precipitation in the tank is gradually cleared and improved; new sludge dewatering machine is used to improve efficiency.





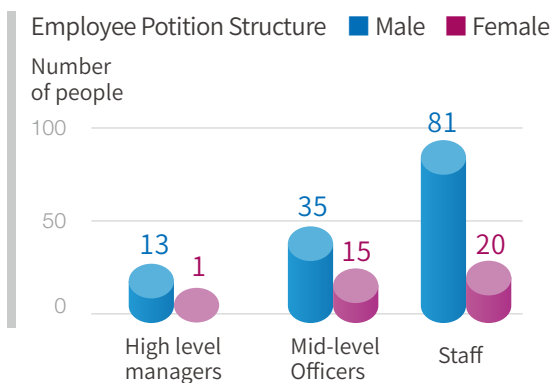
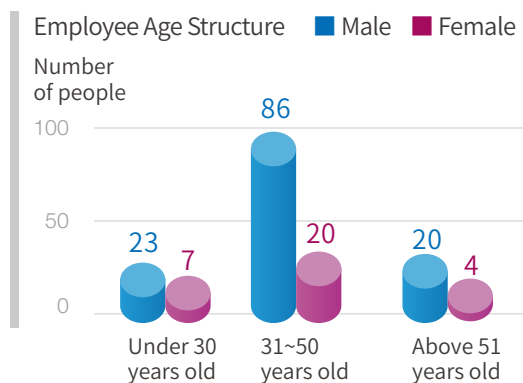
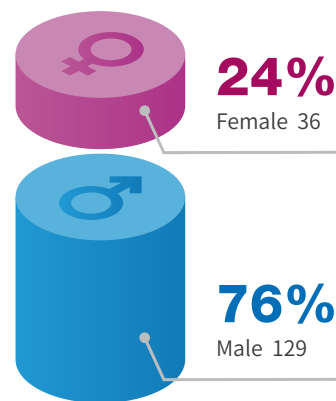
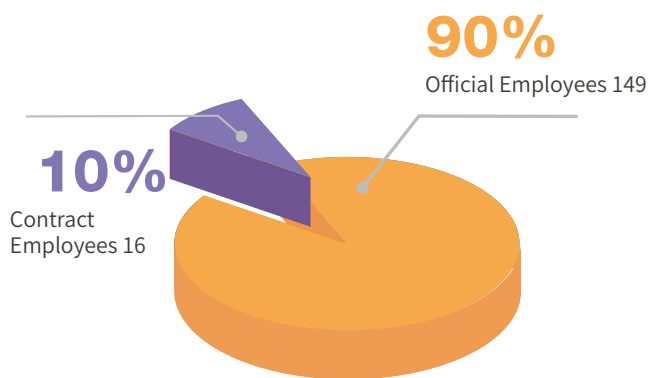
# 6

## CORPORATE COMMITMENT AND SOCIAL INVOLVEMENT

### ◆ Human Resources

EMC is a stable and mature company, where the number of employees hasn't increased significantly. At the end of 2019, we have a total of 165 legally hired employees, coming mainly from central Taiwan, taking over 90%. In our important operating office (Note 1), local (Note 2) residents take up 100% of high-level management positions (Note 3).

Our employee distribution is as follows:

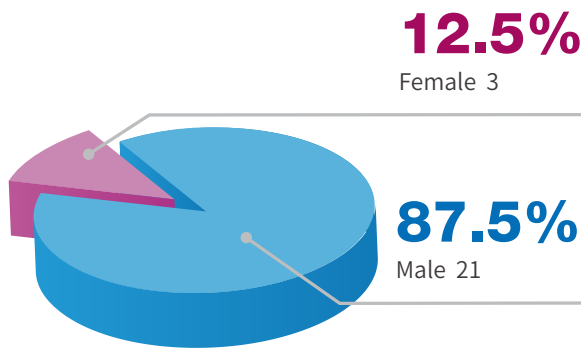


Note 1: Definition of high level management: manager or above

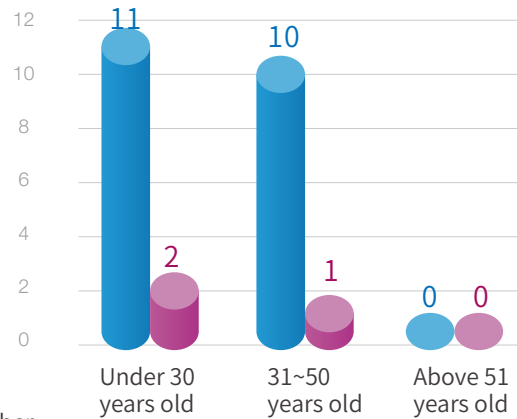
Note 2: Local definition: Taiwan regions

Note 3: Definition of important operating office: the parent company, i.e. EMC

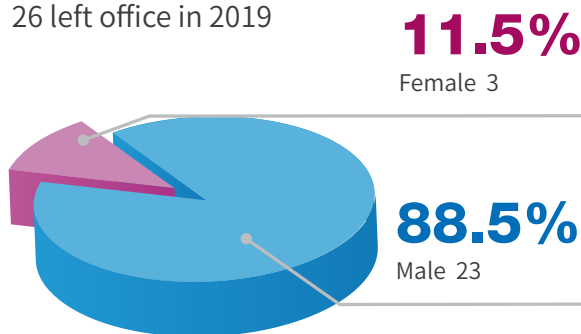
24 new recruits in 2019



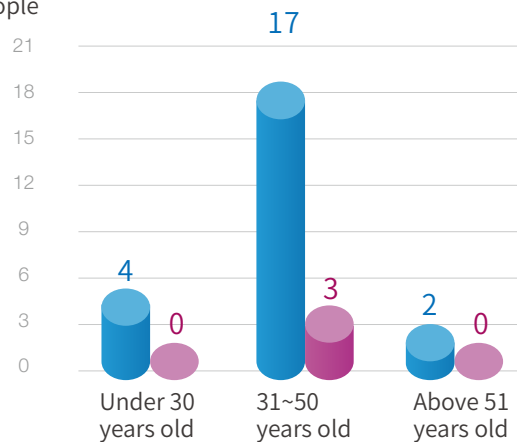
Number of people



26 left office in 2019



Number of people



## ◆ Employee Diversity and Equal Opportunity

EMC's human resources management systems comply with relevant labor laws and regulations, and employee's rights are under legal protection. Diversified employees can enrich our corporate culture; therefore, we hire the disabled and aboriginals. There are female employees in all positions, except for those that require intense physical work. We have achieved employee diversity and equal opportunity in our practical workforce.

## ◆ Employee Communication

EMC maintains good communication with employees; everyone actively participates in our operations out of loyalty. We also hold regular labor-management meetings and monthly meetings in accordance with the law. In these meetings, high-level managers report to and discuss with employees about business operating status, labor conditions and benefits. In addition, we also have employee mailbox set up, offering easy access for them to provide suggestions.



## ◆ Employee Benefits

Employees are the most valuable assets of EMC as talents lay the foundation of a business. We hope to attract talents through our competitive total remuneration system, and promise to offer quality job opportunities and challenging tasks, moving toward success together with those who identify themselves with our missions, visions and core values.

### Remuneration System

Our current working rules are formulated according to the Labor Standards Act, and some of them are even better; we reference standards in our industry for salary offers, and provide attendance bonus, year-end bonus, as well as quarterly bonuses related to business performance, inventory, quality management and safety. There will be extra bonuses if we have surplus earnings, per our company's policies. All of the regulations have been included in our policy statement or articles of association with clear directions to follow.

Wage of new recruits is at least 1.2 times higher than the minimum wage

Ratio of the highest individual annual income to the median annual income of all employees is: 4.53 times

Ratio of the highest individual wage to the median income of other employees is 4.57: 1

Ratio of the adjustment to the highest personal wage to the median income of other employees is 1.76:1

EMC salary system and standards are competitive for talent retention and internally fair.

Item	2019		2018		2017	
	Male	Female	Male	Female	Male	Female
Entry-level employee's standard wages	1.42	1.50	1.58	1.65	1.56	1.62
Local minimum wage	1	1	1	1	1	1

Entry-level employee: Team Leader/Lead Operator/Officer/Operator/Quality Inspector. etc. (grade 1~3, excluding deputy directors)

Minimum Wage in 2017: NT\$ 21,009

Minimum Wage in 2018: NT\$ 22,000

Minimum Wage in 2019: NT\$ 23,100

### Employee Retirement Benefits

From July 1, 2005, complying with the implementation of the new pension schemes, for those applicable, 6% of their monthly salary would be set aside to the Bureau of Labor Insurance. All employees are included in the pension plan.

### Full-time Employee Benefits

All of our employees join group insurance that can better protect their rights. Otherwise, to increase their welfare, welfare fund is allocated monthly. An Employee Welfare Committee is formed by company and employee representatives, to manage its spending on the following:

Benefits		
● Domestic and international tourism	● Birthday Gold	● Outdoor activities on family day etc.
● Subsidies for weddings or funerals	● Consolation and subsidies for sickness or injury	● Parental leave
● Maternity pension	● Group insurance	● Quarterly gathering
● Three holiday bonus	● Subsidies for talent, hobbies, sport training etc.	● Subsidies for social activities

In addition, EMC offers food allowance; we also issue quarter bonuses and employee bonuses based on our business performance; mid-level managers would also be able to choose from employee stock ownership trust plans. Overall, there are diversified choices for benefits.



### Parental Leave Retention

To cooperate with government policies and provide care for our employees, whoever needs child care can apply for unpaid parental leave with a maximum period of two years, and before their children reached fully three years of age. Once their leaves are over, we offer related training programs and work updates, to facilitate reinstatement. In pursuit of creating a happy workplace, we offer lactation rooms on-site, creating a friendly environment for employees who have breastfeeding (or milk collecting) needs during work time.

#### Unpaid Parental Leave and Reinstatement Rate

Unit: Person(s)

Item	2019			2018			2017		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Actual Parental Leave	0	0	0	1	1	2	4	1	5
Expected Reinstatement	1	0	1	2	1	3	3	1	4
Reinstatement Applications	0	0	0	2	1	3	3	1	4
Reinstatement Rate (%)	0	0	0	100	100	100	100	100	100
Retention Rate (%)	-	-	-	-	-	-	-	-	-

Note: "Retention Rate" refers to the ratio of employees staying over a year after returning from parental leave.

### Minimum Notice Period for Changes in Labor Contract

According to Article 11 or the provisions in Article 13 of the Labor Standards Act, the notice period for EMC's termination of labor contract shall be as follows:

1. Where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance.
2. Where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance.
3. Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.

## ◆ Talent Cultivation

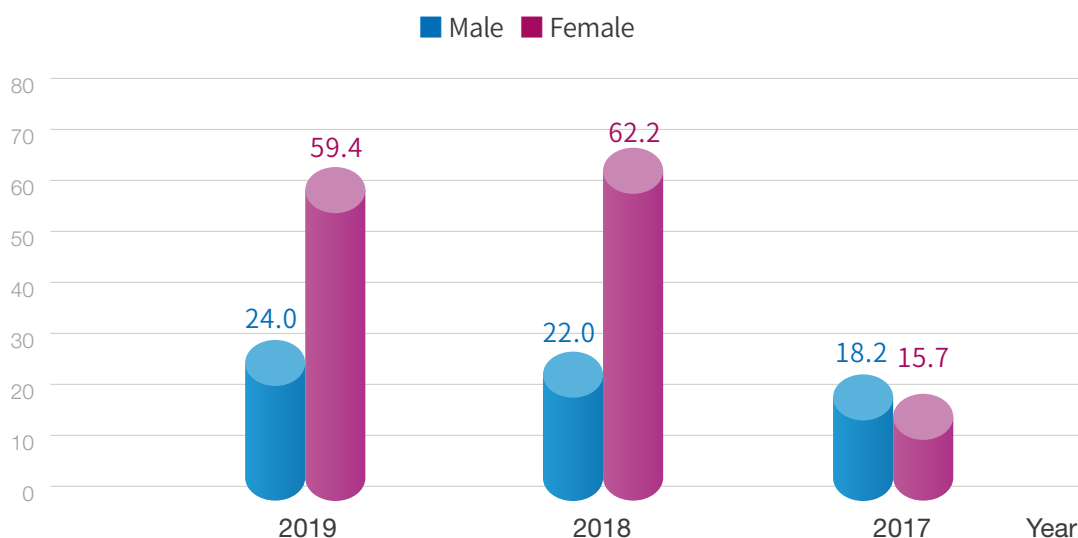
## Training Policy and Category

To cooperate with business development and planning requirements of human resources, we arrange orientation training, general training, professional training, quality system training and management training etc. for employees, to enhance the expertise, attitude and skills required for accomplishing their personal and team duties, increase productivity and work quality, and boost business revenue and brand image. EMC develops training policies to satisfy customer needs and fulfill its corporate social responsibilities.

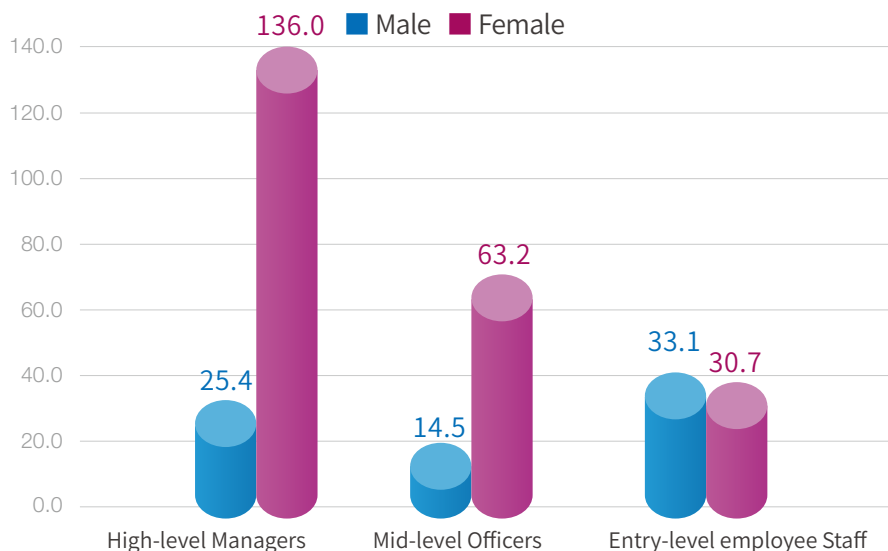
## Talent Cultivation and Training

EMC provided training for 4851 hours in total in 2019, with an average of 32.6 hours of training accepted by each employee. Since 2018, EMC has actively followed the Taiwan Talent Quality Management System (TTQS) of the Labor Development Department to strengthen the PDDRO management cycle of training plans, design, execution, inspection and results. We have established a complete set of systematic and strategic training system to improve the efficiency of training system, the quality of manpower and EMC' s competitiveness.

Staff average training hours in recent three years



### Statistics Form of Staff Average Training Hours in 2019





## ◆ Occupational Safety

To EMC, employees are irreplaceable treasures. We believe that a trustworthy product can only come from healthy employees in the working environment free of safety concerns. Therefore, we pay attention to health and safety issues, follow relevant laws, and adopt stringent control measures to actively build a safe and healthy environment. Also, we enforce education training, hazard identification, emergency response drills and various self-management activities to equip employees with safety awareness, and familiarize them with equipment and personal protection gear usage. By preventing unsafe activities together, we achieve our goal of zero hazards and improve employee safety and health in pursuit of a sustainable future.



### Occupational Safety and Health Organization

EMC obtained the verification of "OHSAS 18001: 2007 Occupational Safety and Health Management System" in 2014. By following plans, execution, review, action and other management cycles, we continue to evaluate, supervise and improve work based on the scope determined through management system to achieve the goal of zero hazards.

The occupational safety and health management unit formulates "Occupational Safety and Health Management Plan" at the end of each year, which is the major basis for the implementation of EMC's EHS system.

2019 plan and implementation outcome are as follows:

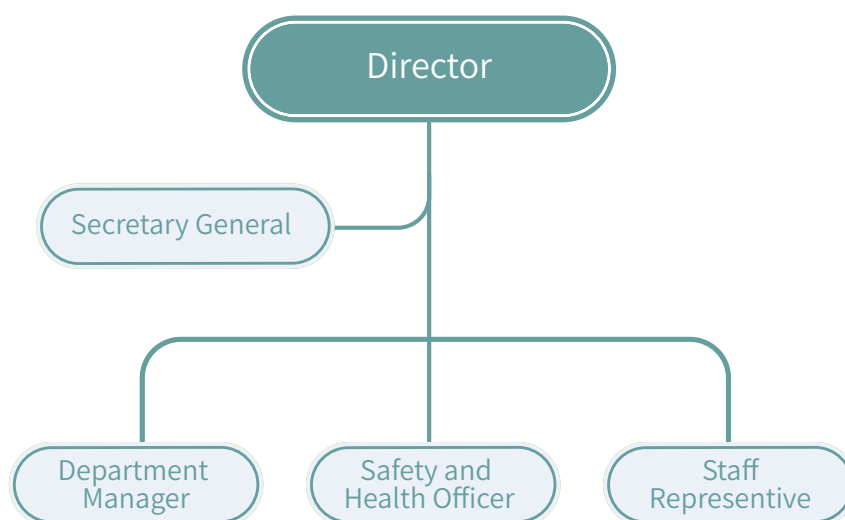
Item No.	Item of Plan	Outcome
1	Identification, as-sessment and control of work environment or job hazards	<ul style="list-style-type: none"> <li>Each department an environmental impact assessment of the operating plant based on the conditions to review and improve the environment aspect.</li> <li>The plan was implemented normally in 2019.</li> </ul>
2	Management of machinery, equipment or tools	<ul style="list-style-type: none"> <li>Hazardous machinery and equipment are inspected before operation, and they are regularly maintained by external party to ensure personnel safety during operation course.</li> <li>The plan was implemented normally in 2019.</li> </ul>

3	Classification, labeling, general marks and management of hazardous chemicals	<ul style="list-style-type: none"> <li>According to the "Rules for Labeling and General Marks of Hazardous Chemicals", "Hazardous Chemicals List" and "Safety Data Sheet" were established and amended for the chemicals used in factory, and hazard labels were made according to GHS system.</li> <li>The plan was implemented normally in 2019.</li> </ul>
4	Strategy, planning and supervision for sampling in working environment	<ul style="list-style-type: none"> <li>Professional technicians from external environmental testing agencies are entrusted to conduct environmental inspection twice per half year in accordance with law, and provide inspection report.</li> <li>2019 environmental inspections were completed on January 15 and July 30, 2019 respectively, and their results met standards.</li> </ul>
5	Matters related to assessing procedures or construction safety in hazardous workplaces	<ul style="list-style-type: none"> <li>Assessment on construction safety: Safety license is required for all dangerous operations (hot work, confined space, overhead, hanging, pipeline interruption, excavation, storage area operations).</li> <li>The plan was implemented normally in 2019.</li> </ul>
6	Matters related to management of procurement, contracting, and change	<ul style="list-style-type: none"> <li>Procurement and contracting operations are carried out in accordance with EMC's stipulations.</li> <li>There was no special management or change in 2019.</li> </ul>
7	Formulation of safe and healthy operation standards	<ul style="list-style-type: none"> <li>Based on the results of hazard identification, risk assessment and environmental consideration, various standard operating procedures are supplemented (or revised), and the operating personnel from each department should follow the standard procedures.</li> </ul>
8	Regular inspection, key inspection, operation check and on-site inspection tour	<ul style="list-style-type: none"> <li>The managers and employees at all levels perform various inspections on the machinery, equipment or appliances in use in accordance with various "Sheet for Safety and Health Inspection" on each working day, record the detailed inspection results on the record sheet, and immediately report any significant issues to relevant departments or personnel for immediate improvement or suspension.</li> <li>Regular on-site inspection tour by occupational safety and health personnel</li> <li>The plan was implemented normally in 2019.</li> </ul>
9	Safety and health education and training	<ul style="list-style-type: none"> <li>All kinds of safety and health trainings are conducted according to the "Rules for Education and Training on Occupational Safety and Health".</li> <li>The plan was implemented normally in 2019.</li> </ul>
10	Management of personal protective equipment	<ul style="list-style-type: none"> <li>EMC provides personal protective equipment, including protective clothing, masks, gas mask filters, goggles, gloves, and safety shoes, etc., and employees can apply to general affairs department for the relevant resources depending on their working needs.</li> </ul>
11	Health checkup, management and promotion (GRI 403-3)	<ul style="list-style-type: none"> <li>To comply with the Occupational Safety and Health Act, as well as Labor Health Protection Rules, in addition to taking the general physical examination, the special physical examinations are carried out for new recruits so that EMC understands their physical fitness. Furthermore, regular health checkup is conducted for the staff in service every year, and special health checkup is carried out for the personnel engaged in hazardous work. Level-based management, health guidance, abnormality tracking, adjustment to work contents and other relevant management measures are made, taken and carried out depending on their health checkup results.</li> <li>2019 health checkup was carried out on June 3.</li> </ul>
12	Collection, sharing and application of safety and health information	<ul style="list-style-type: none"> <li>EMC provides safety and health protection suggestions for new or temporary equipment; and posts various posters, cartoons and slogans from time to time.</li> </ul>
13	Emergency response drill	<ul style="list-style-type: none"> <li>Security supervisors are selected according to the standards and safety management methods for public dangerous goods and flammable high-pressure gases, and fire prevention plans are drafted and submitted to fire fighting organization for approval.</li> <li>2 emergency drills for fire, leakage, explosion and other accidents were conducted on June 28, 2019 and December 31, 2019 in total.</li> </ul>

14	Investigation, handling and statistical analysis of occupational disasters, accidents, and events affecting physical and mental health	<ul style="list-style-type: none"> <li>· EMC performs cause analysis on occupational accident cases, to draft and implement improvement programs. Otherwise, we regularly collect statistical data and analyze the accident type with a high occurrence rate, including the accidents with high severity happening across departments or happening repeatedly. Types of the accidents mentioned above will be listed as emphasis of education training and management.</li> <li>· Statistics indexes for disability injury in 2019</li> </ul>
		Annual average
		165
		Occupational injury (cases)
		1
		Lost working day (days)
		3
		Injury frequency rate (FR, %)
		2.67
		Severity (SR, %)
		8.01
		Injury rate (IR, %)
		0.53
		Occupational disease (cases)
		0
		Occupational disease rate (ODR, %)
		0
		<ul style="list-style-type: none"> <li>◇ Statistical formulas from International Labor Organization's code of practice, "Recording and Notification of Occupational Accidents and Diseases"</li> <li>◇ Injury Rate (IR) = (Total number of disabling injuries/Total working hours) X 200,000</li> <li>◇ Occupational Disease Ratio (ODR) = (Total occupational disease cases/Total working hours) X 200,000</li> <li>◇ Disabling Injury Severity Rate (SR) = Lost working days X 1,000,000/Total working Hours</li> <li>◇ Disabling Injury Frequency Rate (FR) = Number of Disabling Injuries (Cases) X 1,000,000/Total working hours</li> </ul>
		<ul style="list-style-type: none"> <li>· There's no material occupational disaster occurred in 2019.</li> </ul>

EMC formulated the Occupational Safety and Health Committee and holds meetings quarterly according to the Occupational Safety and Health Act. The Committee is presided over by Chairman, attended by the secretary general, Safety and Health Personnel, department managers, and staff representatives (accounting for 53%) throughout the course. EMC regularly manages, examines, discusses and reviews occupational safety and health, environmental protection and other issues through the Occupational Safety and Health Committee. Issues requiring improvement and supervision are tracked to ensure that the issues are corrected, and prevention mechanism is established to avoid the accidents from re-occurrence.

## Occupational Safety and Health Committee



## ◆ Social Care

### Corporate forestation, Hiking, Clean Mountain and Family Day

Since 2010, EMC has adopted one hectare of land in the 9th forest compartments of Experimental Forest of National Taiwan University for forestation. EMC conducts forestation activity every year. In addition to visiting the trees planted by its employees, it is also an “annual family day”. We conduct “clean mountain” activities while taking physical exercises by hiking, which fully shows our “green enterprise” spirit of environmental protection, healthy life, as well as balance between life and work.



Corporate forestation, Hiking, Clean Mountain and Family Day

### Sponsorship for Garden Parties by Family Help Centers and Participation in Charity Sales

EMC has participated in charity garden parties held by family help centers in Nantou County for over eight years, a demonstration of our dedication to charity work. EMC has always been one of the main organizers for the charity garden parties. Our contribution is not only monetary, but also effortful. EMC sponsored charity sales of its employees in these garden parties. We hope to not only help families in need economically, but also encourage participation of EMC members, showing kindness and become a better social citizen.

### Blood Donation Activities

To further our “corporate social responsibility” idea, we hope to promote “Donate Blood, Save Lives”, and as the saying “Many a little makes a mickle” goes, encourage employees to participate in charity personally. We hold blood donation campaigns twice a year on-site, with the blood donated in each year reaching 40000CC. Volunteers will receive gift cards from EMC, which fully shows that EMC's employees are in good health conditions. We highly encourage employees to participate in charity campaigns, with the attempt to create a win-win situation actively.

# GRI CONTENT INDEX

GRI 101: Foundation			
GRI 102: General Disclosures		Page	Note
Disclosure	Description		
102-1	Name of the organization	4	
102-2	Activities, brands, products, and services	6	
102-3	Location of headquarters	5	
102-4	Location of operations	5	
102-5	Ownership and legal form	4	
102-6	Markets served	8	
102-7	Scale of the organization	5	
102-8	Information on employees and other workers	29	
102-9	Supply chain	22	
102-10	Significant changes to the organization and its supply chain	4	
102-11	Precautionary Principle or approach	14	
102-12	External initiatives	-	None
102-13	Membership of associations	7	
102-14	Statement from senior decision-maker	3	
102-15	Key impacts, risks, and opportunities	14	
102-16	Values, principles, standards, and norms of behavior	13	
102-17	Mechanisms for advice and concerns about ethics	-	
102-18	Governance structure	10 、 17	
102-19	Delegating authority	10 、 17	
102-20	Executive-level responsibility for economic, environmental, and social topics	17	
102-21	Consulting stakeholders on economic, environmental, and social topics	17	
102-22	Composition of the highest governance body and its committees	11	
102-23	Chair of the highest governance body	11	
102-24	Nominating and selecting the highest governance body	11	
102-25	Conflicts of interest	12	
102-26	Role of highest governance body in setting purpose, values, and strategy	4	
102-27	Collective knowledge of highest governance body	11	
102-28	Evaluating the highest governance body's performance	11	
102-29	Identifying and managing economic, environmental, and social impacts	20	
102-30	Effectiveness of risk management processes	15	
102-31	Review of economic, environmental, and social topics	10 、 31	
102-32	Highest governance body's role in sustainability reporting	17	
102-33	Communicating critical concerns	18	
102-34	Nature and total number of critical concerns	20	
102-35	Remuneration policies	12 、 31	
102-36	Process for determining remuneration	12 、 31	
102-37	Stakeholders' involvement in remuneration	31	
102-38	Annual total compensation ratio		Shall be disclosed in the future.
102-39	Percentage increase in annual total compensation ratio		Shall be disclosed in the future.
102-40	List of stakeholder groups	19	
102-41	Collective bargaining agreements	-	
102-42	Approach to stakeholder engagement	18	
102-43	Approach to stakeholder engagement	18 、 19	
102-44	Key topics and concerns raised	21	

102-45	Entities included in the consolidated financial statements	1	
102-46	Defining report content and topic Boundaries	1	
102-47	List of material topics	20	
102-48	Restatements of information	1	
102-49	Changes in reporting	1、21	
102-50	Reporting period	1	
102-51	Date of most recent report	1	
102-52	Reporting cycle	1	
102-53	Contact point for questions regarding the report	1	
102-54	Claims of reporting in accordance with the GRI Standards	1	
102-55	GRI content index	Appendix	
102-56	External assurance	None	

GRI 103: Management Approach		Page	Note
Disclosure	Description		
103-1	Explanation of the material topic and its boundaries	21	
103-2	The management approach and its components	Please refer to the content of each issue	
103-3	Evaluation of the management approach	Please refer to the content of each issue	

## STANDARD DISCLOSURES PART: Topic-specific Standards

GRI 200: Economic Series			Page	Note
Series	Disclosure	Description		
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	9	
	201-2	Financial implications and other risks and opportunities due to climate change.	15	
	201-3	Defined benefit plan obligations and other retirement plans	31	
	201-4	Financial assistance received from government	10	
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	31	
	202-2	Proportion of senior management hired from the local community	29	
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services provided supported	9、26	
	203-2	Significant indirect economic impacts	-	
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	22	
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	13	
	205-2	Communication and training about anti-corruption policies and procedures	13	
	205-3	Confirmed incidents of corruption and actions taken	13	
GRI 206: Anti-competitive	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None	

GRI 300: E Environmental Series			Page	Note
Series	Disclosure	Description		
GRI 301: Materials	301-1	Materials used by weight or volume	25	
	301-2	Recycled input materials used	25	
	301-3	Reclaimed products and their packaging materials	25	



GRI 302: Energy	302-1	Energy consumption within the organization	25	
	302-2	Energy consumption outside of the rganization	25	
	302-3	Energy consumption outside of the rganization	26	
	302-4	Reduction of energy consumption	27	
	302-5	Reductions in energy requirements of products and services	27	
GRI 303: Water	303-1	Reductions in energy requirements of products and services	26	
	303-2	Water sources significantly affected by withdrawal of water	None	
	303-3	Water recycled and reused	-	
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	
	304-2	Significant impacts of activities, products, and services on biodiversity		
	304-3	Habitats protected or restored		
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	27	
	305-2	Energy indirect (Scope 2) GHG emissions	27	
	305-3	Other indirect (Scope 3) GHG emissions	-	
	305-4	GHG emissions intensity	27	
	305-5	Reduction of GHG emissions	-	
	305-6	Emissions of ozone-depleting substances (ODS)	-	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	27	
GRI 306: Effluents and Waste	306-1	Water discharge by quality and destination	28	
	306-2	Waste by type and disposal method	27	
	306-3	Significant spills	None	
	306-4	Transport of hazardous waste	27 ~ 28	
	306-5	Water bodies affected by water discharges and/or runoff	27 ~ 28	
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	28	
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	22	
	308-2	Negative environmental impacts in the supply chain and actions taken	22	

GRI 400: Social Series			Page	Note
Series	Disclosure	Description		
GRI 401: Employment	401-1	New employee hires and employee turnover	30	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	31	
	401-3	Parental leave	32	
GRI 402: Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	32	
GRI 403: Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	34	
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	36	
	403-3	Workers with high incidence or high risk of diseases related to their occupation	-	
	403-4	Health and safety topics covered in formal agreements with trade unions	-	

GRI 404: Training and Education	404-1	Average hours of training per year per employee	33	
	404-2	Programs for upgrading employee skills and transition assistance programs	-	
	404-3	Percentage of employees receiving regular performance and career development reviews	-	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	30	
	405-2	Ratio of basic salary and remuneration of women to men	31	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	No such situation	
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	30	
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	None	
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None	
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	-	
GRI 411: Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	None	
GRI 412: Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	-	
	412-2	Employee training on human rights policies or procedures	-	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	37	
	413-2	Operations with significant actual and potential negative impacts on local communities	37	
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	22	
	414-2	Negative social impacts in the supply chain and actions taken	22	
GRI 415: Public Policy	415-1	Political contributions	None	
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	23	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No such situation	
GRI 417: Marketing & Labeling	417-1	Requirements for product and service information and labeling	23	
	417-2	Incidents of non-compliance concerning product and service information and labeling	No such situation	
	417-3	Incidents of non-compliance concerning marketing communications	No such situation	
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No such situation	
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	28	



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