



2020
企業社會責任
報告書

Corporate Social
Responsibility
Report

CONTENTS

目錄



Scope and Editorial Guidelines	01
Letter from the Chairman & President	02

1 Company Overview

About Evermore Chemical Industry	03
Business Philosophy	03
Operating Location	04
Corporate History External Participation	05
Product Category Market Distribution	06

2 Governance and Operations

Business Performance	07
R&D Investment	07
Corporate Governance	08
Legal Compliance	10
Internal Audit	11
Risk Management	12

3 Material Topics

CSR Committee	13
Material Topic Identification and Communication	14
Approach to stakeholder engagement	14
Material Issues Boundary Description	15

4 Products and Services

Supply Chain Management and Procurement	17
Supplier Evaluation	17
Product Liability and Labeling	18
Customer Service and Satisfaction	19

5 Sustainable Environment

Raw Material Usage Energy Usage	21
Energy intensity	22
Environmental Protection Investment	22
Energy-Saving Solutions GHG	23
Waste Management Air Pollution Emissions	23
Wastewater Management	24

6 Occupational Safety

Toxicity and Concerned Chemicals Management	25
Emergency Response Drills	25
Environmental Offences Occupational Safety	26

7 Employment

Human Resources	31
Employee Diversity and Equal Opportunity	32
Employee Communication Employee Benefits	32
Talent Cultivation	34

Appendix GRI Standards Disclosure Table	36
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Scope and Editorial Guidelines

This report discloses information for year 2020 (January 1, 2020 to December 31, 2020). The content 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, 2019 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 is 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 concerned with. This report hasn't been verified by third-parties. Evermore Chemical Industry issues a report every year, the last issuance was in June 2020, this issuance is in June 2021, while the next issuance is scheduled to be in June 2022.

Issuance Method and Contact

If you have any suggestions for our 2020 Corporate Social Responsibility Report, please contact us through the following: This report will be published simultaneously on our company website for inquiry.

Evermore Chemical Industry CSR Commission

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2nd Rd., Nangang Industrial Park,
Nantou City, 540

Tel : 049-225-5357

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Email : csr@twemc.com.tw

Website : <http://www.twemc.com>

Spokesperson : Director Wu Pao-Hua

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Letter from the Chairman & President

In 2020, the world is shrouded in the shadow of Covid-19, and every country has faced unprecedented challenges. Under serious measures such as quarantine, and lock-down, commercial activities can only move forward slowly, and was forced to stop at one point. Facing issues such as suspension of work, lack of raw materials, and lack of containers have caused the company's business operations to enter into the most difficult period over the past hundred years. Fortunately, with the support of all the stakeholders at Evermore Chemical, the damage caused by the pandemic has been minimized.

Despite the harsh environment, we are still diligent, conscientious, and we stand firm by our original motives while serving as a link in the global chemical raw material supply chain as well as shouldering corporate social responsibility. Regarding the issues that the stakeholders are concerned about, we will respond in full through this report, focusing on topics such as environmental safety, operating performance, compliance with regulations, product research and development, risk management, and talent development. We hope through the proper use of energy, reducing emission and wastes during the manufacturing process, making our product development more environmentally-friendly, etc., we can strive towards a sustainable enterprise.

Evermore Chemical Industry has continued to focus on the development and application of products extended from polyurethane resin using our core technology. In recent years, we have created new customers in the consumer sector such as the sport & lifestyle sector, and have devoted our time to broaden marketing channels for international brands. We plan to expand to woodware, computer and consumer electronics, opto-electronics, coating materials, building materials, electronics and automotive-related industrial applications. Our focus will be on the development of green and environmentally friendly products. In 2020, we have successfully developed environmentally friendly solvent-free 2k PU Adhesive for Flexible Package Lamination, Non-yellowing type Polyisocyanates Cross-linking Agent, and Environment-friendly solvent-free high permeability Hot Melt PU Adhesive for textile, environmentally-friendly PU prepolymer materials for hydrolysis-resistant casters, and thermoplastic PU materials for food contact conveyor belts, etc. to demonstrate our determination to become a green enterprise with practical actions.

Although the level of the pandemic prevention measures varies from region to region, Evermore Chemical Industry has made continuous efforts to integrate resources within the group. For example, the cross-strait production and sales complement each other, combined with the marketing channels of the subsidiary and the Japanese parent company enables the synergy in the Greater China region to be brought into play. At the same time, working in line with the government's Southbound Policy, we will continue to invest resources in the Southeast Asian market. In addition to market development, we will also invest in the construction plan of Vietnam's production base in order to take advantage of the synergy of the four bases in Taiwan, Dongguan, Vietnam, and Thailand.

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 avoid excessive dependence on a single market, gradually strengthening its development in the Southeast Asian market as well as the Australia/New Zealand market to meet the changes in operation environment.

Evermore Chemical Industry is no longer just a traditional industry, but is developing towards a "manufacturing service industry". According to industry trends and customer needs, we developed new high-value-added products and enhanced our internal core technology. In response to environmental protection awareness, we focus on the development of green products and do our part in saving the planet. 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

Ho Wen-Chieh

President

Huang Chang-Tze



Company Overview

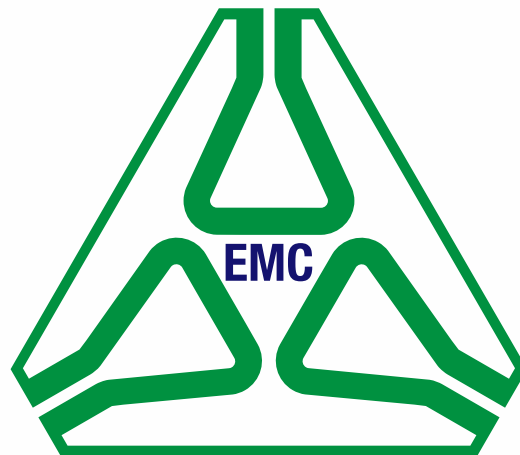
◆ About Evermore Chemical Industry

Evermore Chemical Industry Co., Ltd. (hereinafter referred to as "EMC") was established in 1989. We 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") obtained 50.1% of EMC's shares in January, 2018 to become EMC's parent company.

◆ Business Philosophy

Evermore Chemical Industry believes combining corporate social responsibility with business strategies is the first priority for businesses on the road towards sustainable development; Therefore, with "Honesty and 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.



日勝化工
EVERMORE CHEMICAL

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

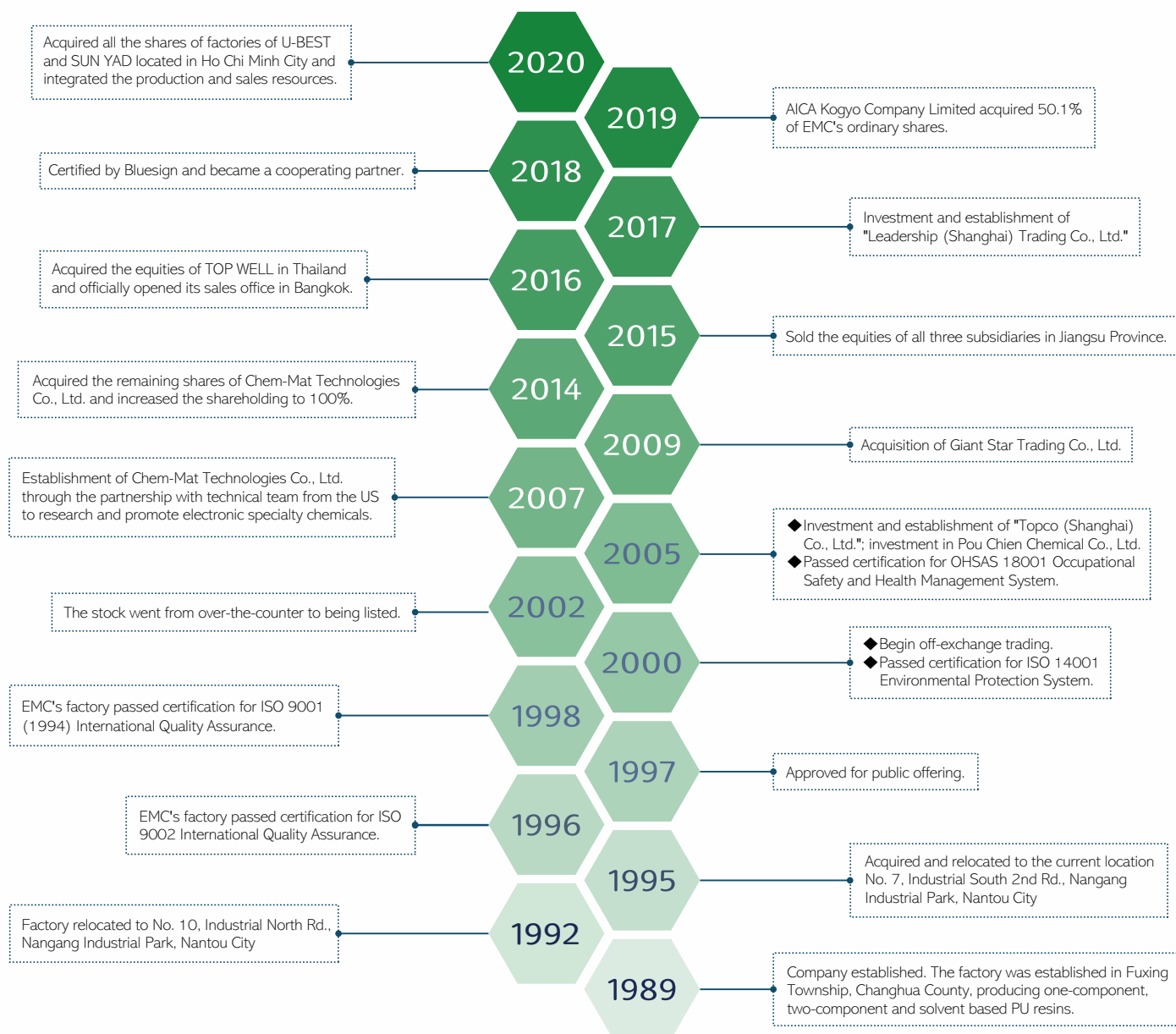
Capital : NT\$993 million

Headquarters : Taiwan, Nantou

Corporate Group : 5 production bases, 5 sales office



Corporate History



External Participation

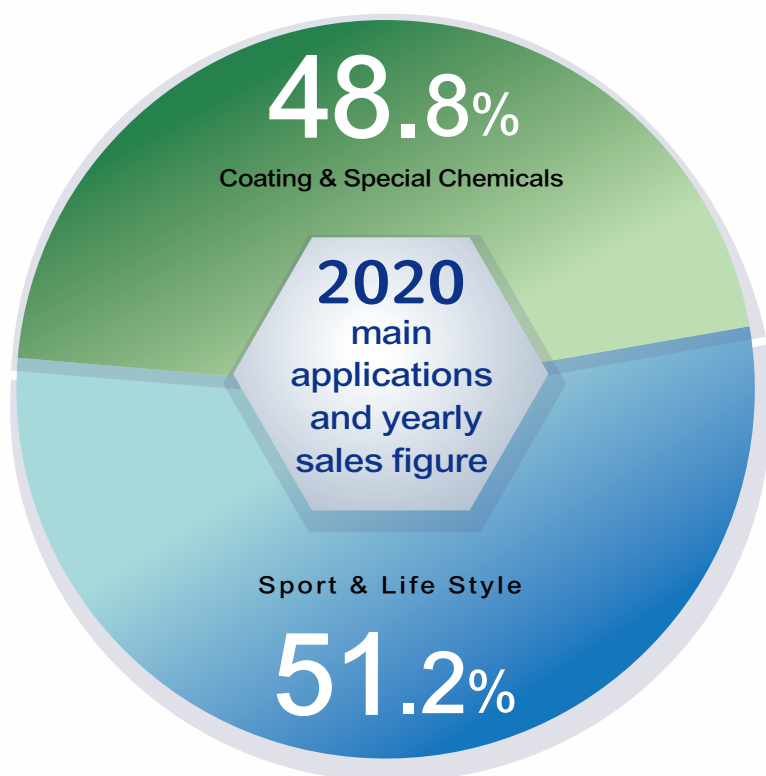
In addition to the synthetic resin industry, we also participate in many types of organizations through different means, to keep close touch with various communities for cooperation on sustained development, mainly of the following:

Participating Organizations	Participating Organizations
Taiwan Synthetic Resin & Adhesives Industrial Association	Managing 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 Chemical Substance Disaster Prevention and Protection Plan	Member
San Fang DMF Toxic Disaster Mutual Protection Organization	Member
Evermore TDI Toxic Disaster Mutual Protection Organization	Team Leader
EMC Plasticizer Prevention and Protection Plan	Team Leader



Product Category

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



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.

Main Applications

wood coatings, UV coating, industrial adhesive.

Sport & Lifestyle :

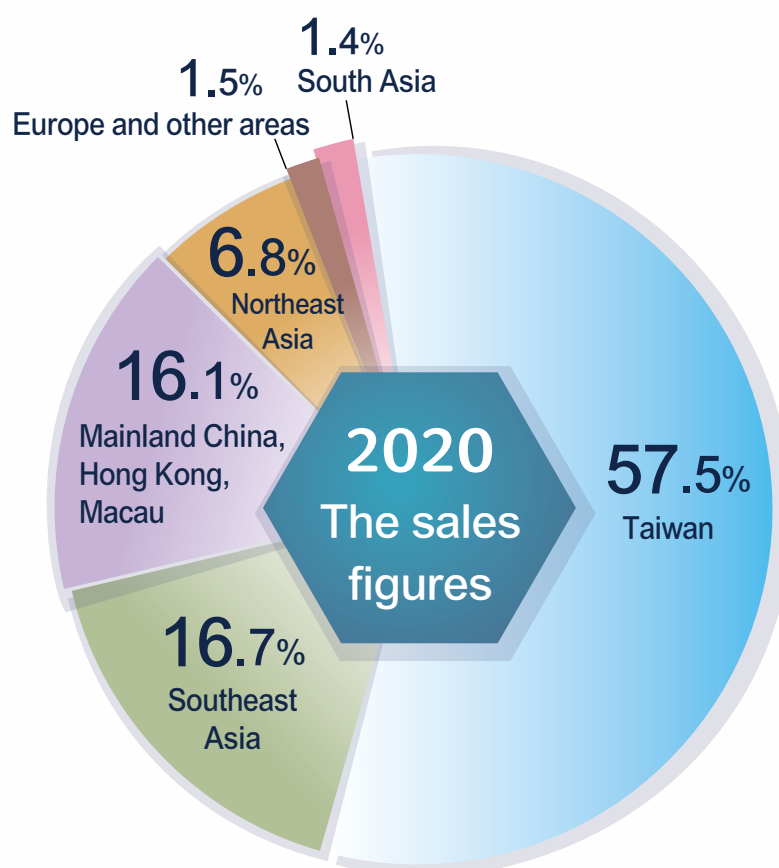
Mainly for garments, footwear, and outdoor sports products, including PUR, PE, PUS, TPU and other products.

Main Applications

Leather, textile, sport and lifestyle shoes, functional clothing, sports equipment and safety gears.

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. We took a big step forward in the integration of the Asian region in 2020. Japan located in the Northeast Asian region continues to ship products, the sales base in Thailand continues to mature, and we are in full control of the product supply chain in the Vietnamese region due to the acquisition of two factories. During the Covid-19 pandemic in 2020, there will be no "lock-down" in product sales. Stable sales continues to be made to Northeast Asia, Southeast Asia, South Asia and Europe, etc., and we are the trusted suppliers of internationally renowned brands. Due to the pandemic, Taiwan's market sales increased to 57.5% in 2020, greatly reducing the risk of over-reliance on one single market, at the same time reduced exchange rate fluctuations and the possibility of accounts receivable, effectively improved economic performance. The Southeast Asian market has become the second largest sales region for EMC in response to the government's New Southbound Policy.



2

Governance and Operations

Business Performance

Our (combined) performance for the year 2020 is as follows:

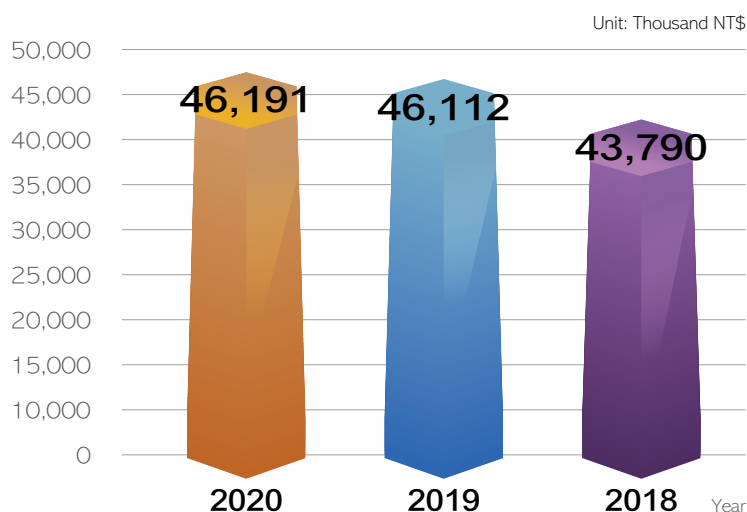
Unit: Thousand NT\$

Item	2018	2019	2020
Operating income	3,675,769	3,174,698	2,363,415
Operating profit	73,902	200,484	137,490
Pretax net profit	54,165	175,061	77,584
Earnings per share (NT\$)	0.10	1.19	0.74
Dividends per share (NT\$)	0.15	0.65	0.50 ^{Note 1}

Note 1: Approved by the Board of Directors and but yet to be resolved in the Shareholders' Meeting.

R&D Investment

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. In spite of the poor global market conditions in 2020, investments in R&D continued to grow. The invested amount has increased slightly, and with a prospective vision, we invest according to the needs of the current and future market, which also meets the stakeholders' expectations for R&D and innovation. The research and development expenses invested in the past three years are as follows:





Investment tax credit

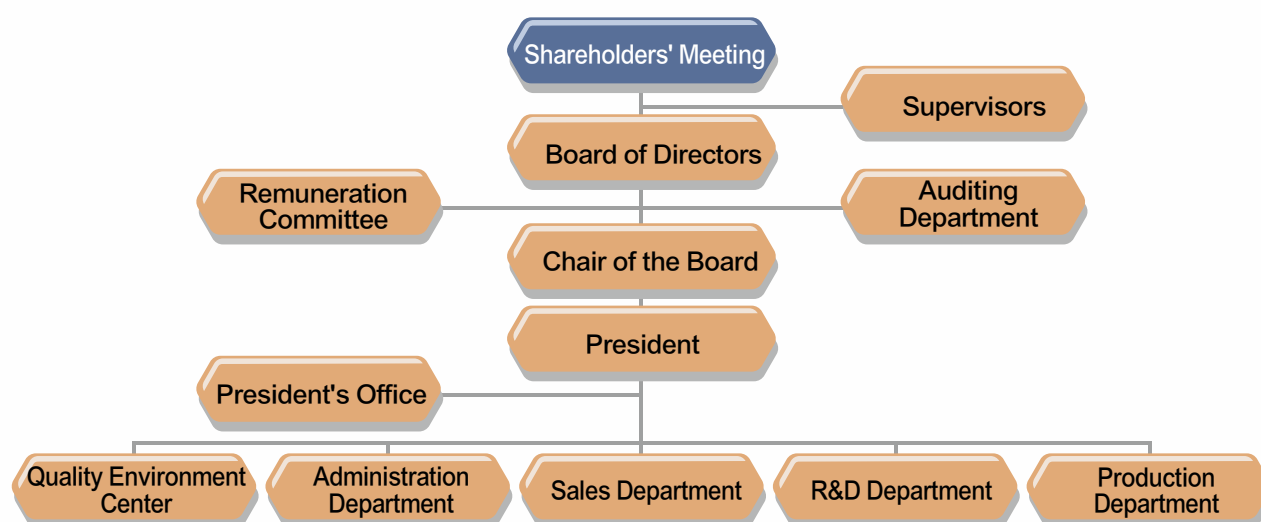
In addition, expenses on research and development can serve as credit for yearly business income tax or be used to apply for grant-in-aid. Relevant information is as follows:

Unit: NT\$

Research and development:	Total deduction of personnel and consumables	Total
Research project of lightweight and high rebound PU material for integrated molding and automated production	7,533,600	15,887,680
Solvent-free environmentally friendly reactive 2k PU Adhesive which is easy to operate/high weather resistance	8,354,080	

Corporate Governance

Evermore Chemical Industry Organization Chart



Shareholders' Meeting

Evermore Chemical Industry holds annual Shareholder's Meetings according to its articles of association complete with meeting rules. All affairs that should be resolved by shareholders follow these rules faithfully.

Board of Directors Organization

The Board of Directors are 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 every 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, ensure our business direction aligns with long/short term market needs and industry trends, and treat 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 necessary. To allow for more communication and opinion exchange opportunities, so that business issues can undergo thorough discussion. Board meetings are held least once quarterly. We held 7 meetings in 2020 with actual attendance averaging 98%.

Members and Attendance of the Board of Directors in 2020

The Board of Directors met 7 times in 2020. 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	2	0	100%	Reelected on June 26, 2018
Institutional Director (AICA Kogyo Representative)	Ebihara Kenji	5	0	100%	Stepped down on April 30, 2020
Institutional Director (AICA Kogyo Representative)	Omura Nobuyuki	7	0	100%	Elected on April 30, 2020
Institutional Director (Pou Chien Chemical Representative)	Tsai Nai-Yung	7	0	100%	Elected on June 26, 2018
Independent Director	Chen Chao-Hwei	6	1	86%	Reelected 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	6	0	86%	Elected on June 26, 2018
Supervisor	Su I-Hsiu	7	0	100%	Reelected 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 nor present during discussion and voting, and cannot act on other director's behave to vote.

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 self-inspection and provide corrective suggestions; Establish and conduct periodic review of annual and long-term performance goals of our directors, supervisors and managers, as well as our remuneration policy, system and structure; Periodic evaluation of the actual performance of our directors, supervisors and managers, and set out remuneration detail and amount for each one of them.

Members and attendance of the Remuneration Committee in 2020

(1) EMC's Remuneration Committee consists of 3 members.

(2) Term of office: From August 10, 2018 to June 25, 2021. The Committee met 3 times in the past year.

Member positions and attendance are as follows:

Position	Name	Actual number in attendance	Number of 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 Aug 10, 2018
Member	Chen Chao-Hwei	3	0	100	Newly elected on Aug 10, 2018



Legal 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 advisers	When contracts or affairs involve legal rights or obligations, we consult legal adviser's professional opinion before proposing solutions and plans.
Enforce legal training	New recruits 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 treats zero breach as the ultimate goal.

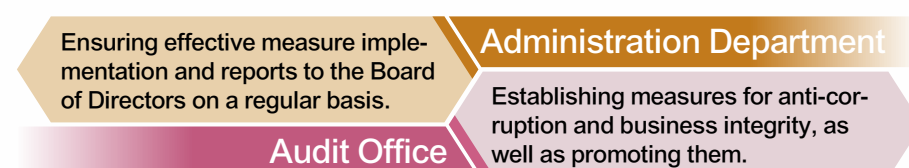
EMC has established the "Ethical Code for Directors and Managers", "Code of Business Integrity", "Handling Procedures for Internal Material Information" and "Whistle-blowing Channel and Protection System", which have all been disclosed on our website. Policy of business integrity, employee performance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

Anti-corruption Mechanism

EMC was not involved in any corruption incidents in 2020; We clearly specified in the "Code of Business Integrity", that it is forbidden to provide, promise, request or accept any direct or indirect illegal benefits for transactions or contracts EMC, 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:

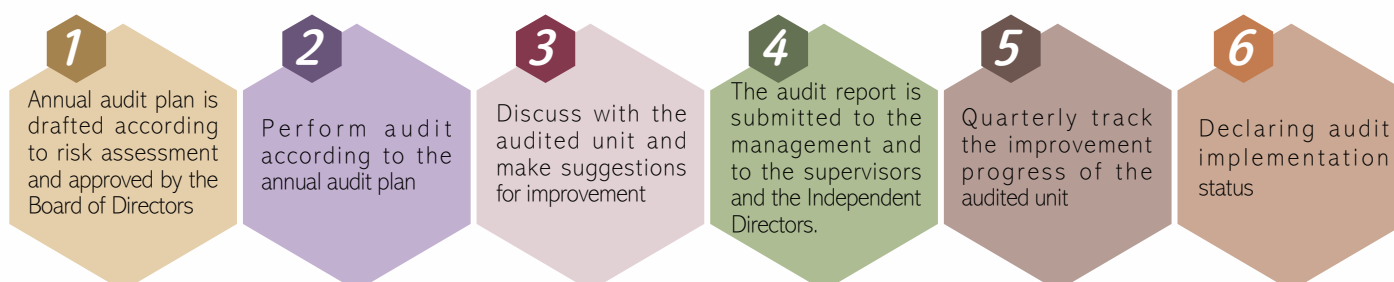


Internal Audit

To enforce corporate governance, strengthen internal control and audit operations, the Auditing Department is established directly under the Board of Directors to assist 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 compliance 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@twmc.com.tw

For the personnel other than Board members : chairman0@twmc.com.tw

Risk Management

Evermore Chemical Industry 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 no longer commercially available.

Risk management measures: Evermore Chemical Industry uses high-quality raw materials produced by world-class factories. To reduce the risk of interruption of raw material supply, a task force is formed by our procurement, logistics and operating units. As a strategy, we are in contact with multiple suppliers, and monitor our inventory based on order demands, to improve the accuracy of demand estimation. This year, our supply chain was not interrupted, despite events of mass price fluctuation of raw materials.

2.Finance Risk

Uncertainty 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 within their line of credit; For those who haven't finished payment when it's overdue, we try to follow up with them or file lawsuits; We establish a reserved fund system according to accounting standards.



3. Disaster Risk

Now is the time to take active roles in fighting climate change. The product and service we provide 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:

A. Develop green products and production processes, to reduce the impact of chemicals to the environment.

B. Analyze actual and potential impact of extreme climate on our operations, and establish proper operational adjustments for low-carbon economies and greenhouse gas reduction.

C. 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, is reliable and safe for operation.
Fire, Explosion, Poisoning	inflammable, explosive, poisonous, hazardous work sites needs 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 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.



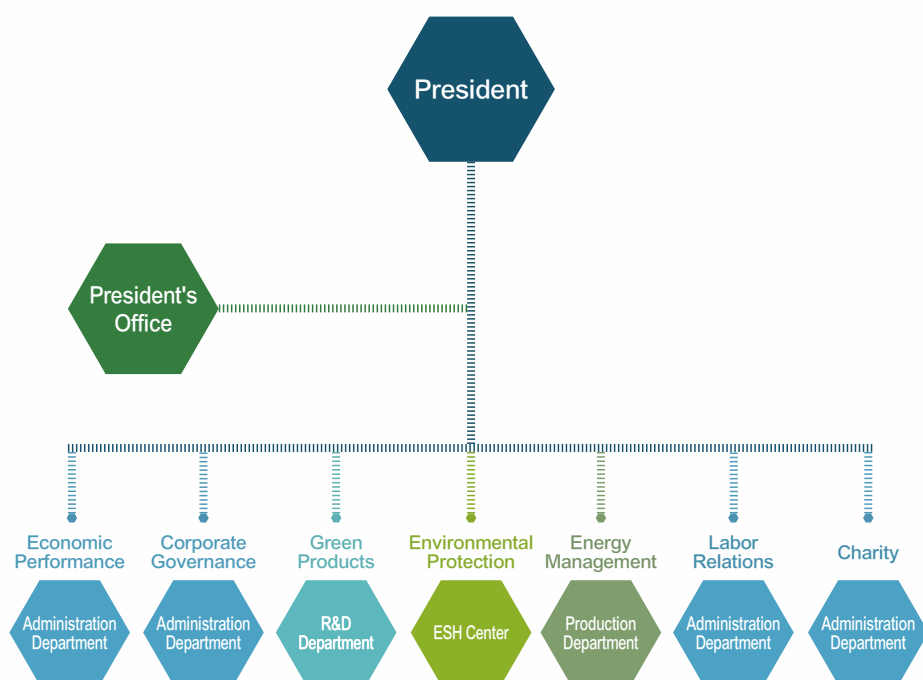
3

Material Topics

CSR Committee

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.

Organisation Structure



The CSR Committee operates under the “P-D-C-A” (Plan-Do-Check-Action) management model, gradually implementing Evermore Chemical Industry's strategy of sustainable development in a systematic manner.

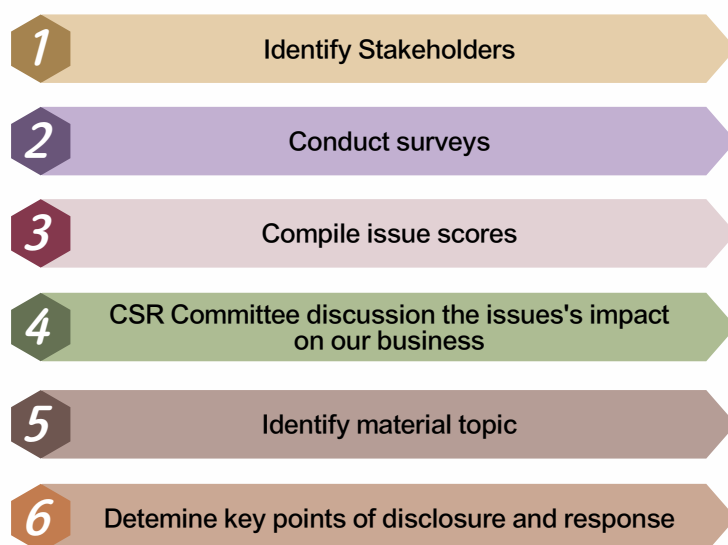
Sustainable Development Strategy:

Sustainable Development Strategy	
Economic Aspect	Integrate customers, products and industries, maximize synergy, provide green, reliable, innovation and cost-effective products to create the highest value for all stakeholders.
Environmental Aspect	Enforce clean production, 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

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 to provide feedback. We will reply to your comment as fast as we can.

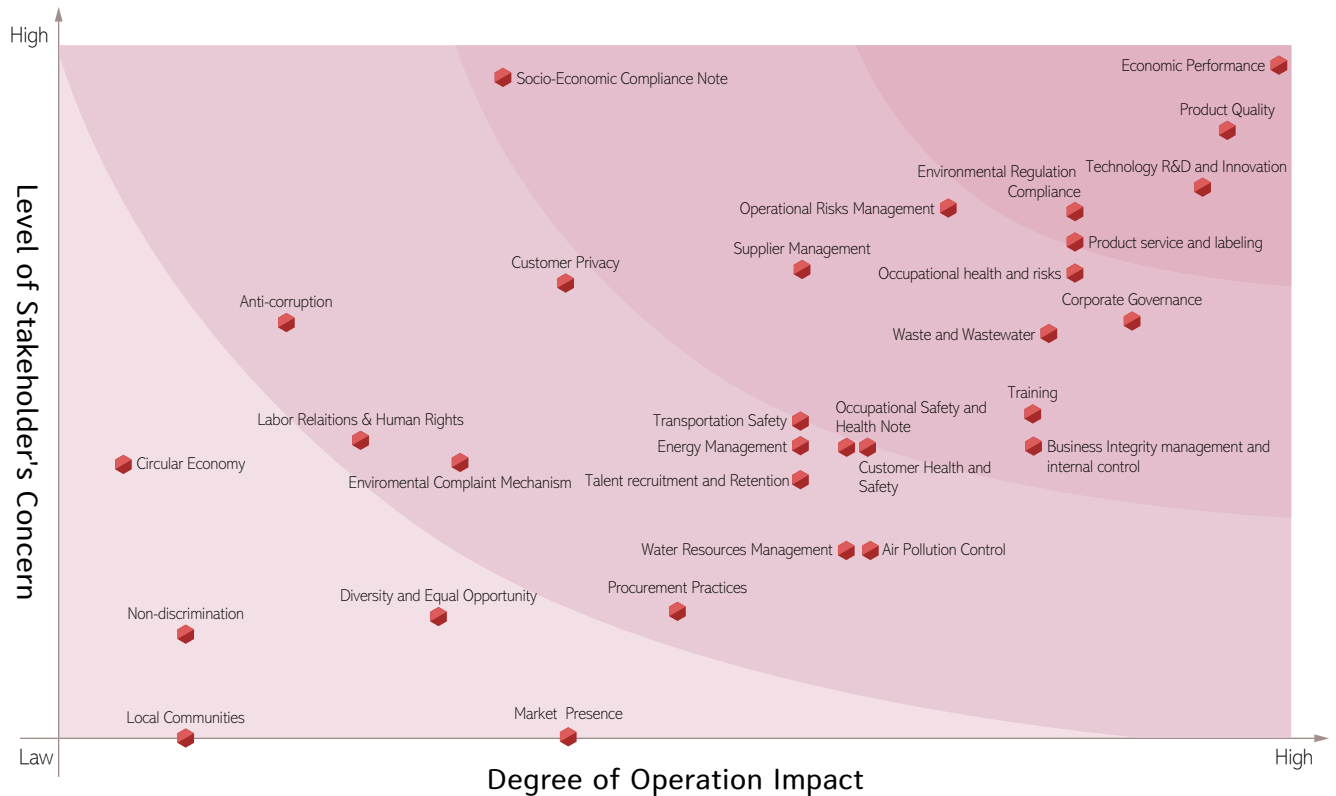
Approach to stakeholder engagement

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

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 30 sustainable topics this time to identify material issues; 8 of them have been identified as being material. We take them as references for operation strategy, and offer disclosure and response in this report. Other issues have been responded to meet the stakeholders' active concerns.

Matrix Diagram of Material Issues



Material Issues Boundary Description

The material issues that the stakeholders hope that the Company will respond to are as follows:

● Means high level of concern

Category	Aspect of Consideration	Within Organization	Outside of Organization				
		Employees	Investors	Customers	Partners	Competent authorities	Supplier / Contractor
Economic Issues	Economic Performance	●	●		●		●
	Technology R&D and Innovation	●	●	●	●		
	Corporate Governance	●	●			●	
	Business Integrity management and internal control	●	●		●	●	
	Operational Risks Management	●	●		●		
Environmental Issues	Environmental Regulation Compliance	●	●	●	●	●	●
	Waste and Wastewater	●	●	●	●	●	●
Labor Issues	Occupational health and risks	●		●	●	●	●
	Education Training	●		●	●	●	
Product Issues	Product Quality	●		●	●	●	
	Product service and labeling	●	●	●	●	●	



Differences from the important topics identified in the previous report :

- 1.The method of identification of stakeholders is the same as the previous year.
- 2.The key issues stakeholders are concerned with in 2020 are mostly similar to those in 2019, however more attention is paid to the presentation of "products, services and labeling". The continuous improvement of global environmental awareness has also made the stakeholders to turn their attention on "air pollution control", along with the "waste and wastewater" issue and upstream raw materials suppliers being the focus of environmental news.

Material Issue	2020 Order sequence for level of attention	2019 Order sequence for level of attention
Economic Performance	1	1
Product Quality	2	3
Technology R&D and Innovation	3	4
Environmental Regulation Compliance	4	5
Corporate Governance	5	8
Product service and labeling	6	2
Occupational health and risks	7	6
Waste and Wastewater	8	14
Operational Risks Management *Note	9	Note: "Operational Risk Management" was recognized in 2019 as part of "Corporate Governance".
Education Training	10	9
Business Integrity management and internal control *Note	11	Note: "Business Integrity Management and Internal Control" was recognized in 2019 as part of "Corporate Governance".
Supplier Management	12	16
Occupational Safety and Health *Note	13	Note:"Occupational Safety and Health" was recognized in 2019 as part of "Occupational Health and Risks".
Customer Health and Safety	14	13
Transportation Safety	15	N.A.
Air Pollution Control	16	11
Water Resources Management	17	14
Energy Management	18	17
Talent recruitment and Retention *Note	19	Note: "Employee Diversity and Equal Opportunity" was recognized in 2019 as part of "Talent recruitment and Retention".
Socio-Economic Compliance *Note	20	Note: "Product Regulation Compliance" was recognized in 2019 as part of "Socio-Economic Compliance".

4

Products and Services

Supply Chain Management and Procurement

In order to ensure the stable quality and supply of raw materials, EMC conducts various assessments for suppliers in order to effectively control risks.

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 Procurement Management

The main raw material used by EMC are not produced domestically and all are imported, for example, TDI, AA are imported from Korea, China and Japan etc. Therefore, EMC has signed long-term contracts to ensure the stable supply from cooperative suppliers.

Main raw material supply status

Origin/Raw Materials	2020/TDI	2020/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. Evermore Chemical Industry

Raw Material Supply Risk

Potential Risks	Strategy	Practice
Interruption of supply	Procurement diversification	Actively seek new and qualified suppliers at home and abroad
	Signing contracts	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 procure materials in advance if necessary.



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 (Security Data Sheet) and detailed product information for the customer's reference.

Evermore Chemical Industry 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 Dangerous Goods Code UN certification and GHS Globally Harmonized 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

Customer Service and Satisfaction

Evermore Chemical Industry offers professional service teams, satisfying customer needs at any time. We provide professional assistance and technical support in a timely manner, offering diverse services, so that customers know they are in good hands.

We hope customers will recognize the "Evermore" brand and increase their trust in our products. In addition to regular visits to our customers to communicate with them, we also conduct satisfaction surveys every year to see whether if they 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.



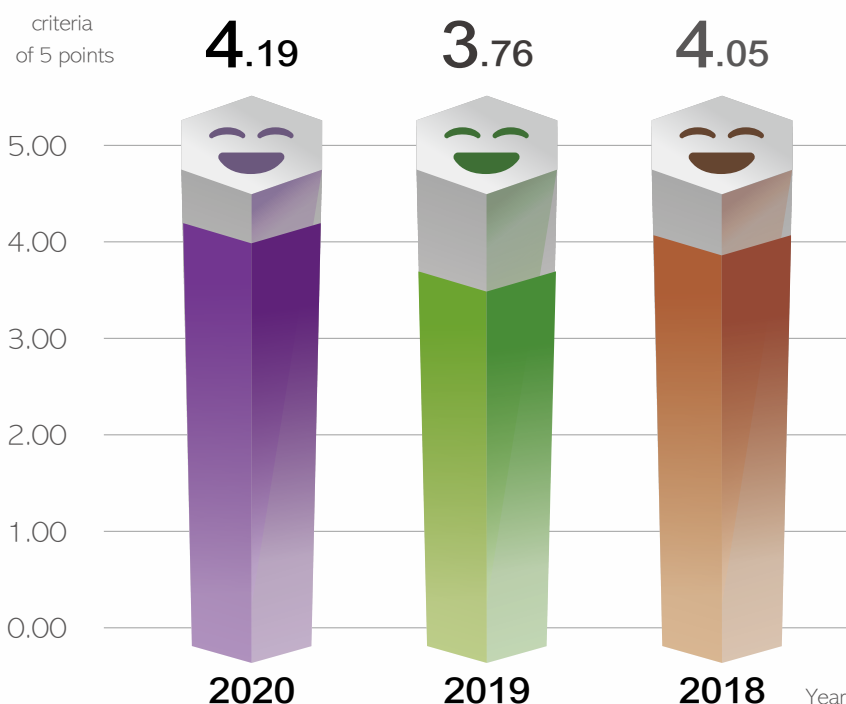
The survey is based on the ISO 9001 procedure, mainly for companies who had business contact with us within the past year. The assessment in the survey includes two major categories and some sub-categories, including:

Service satisfaction

Service attitude, business problem solving, business expertise, service efficiency, after-sales technical services.

Product satisfaction

Product quality, research and development, research scheduling, customization, packaging quality.





We use a 5-point scale with a full score of 5 as the standard for the satisfaction survey. The satisfaction rate in 2019 was 3.76, which is the lowest mark in recent years, therefore we conducted a comprehensive internal review and attempted our best to improve. We put forth countermeasures according to the issues from the customers and regularly track the effects of improvements with a cautious attitude. We received an excellent score of 4.19 in 2020. With all employees working together, EMC will continue to aim at improving customer satisfaction in the future.

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

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

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



5

Sustainable Environment

EMC believes that environmental protection and corporate development are closely linked. With the promotion of environmental protection issues and the development of environmental protection technology, the end treatment of waste gas, waste water and waste has gradually shifted to source prevention and treatment such as waste reduction during the manufacturing process, pollution prevention and cleaning. We actively use modern and advanced environmental protection technology, are committed to reducing the impact of the production process on the environment, and implement environmental management in order to keep our earth alive and well. EMC passed the ISO14001 environmental management system certification in 2000, and converted to ISO14001 (2015 edition) in 2017, following a set of environmental management mechanisms.

Raw Material Usage

Main material: 17907MT

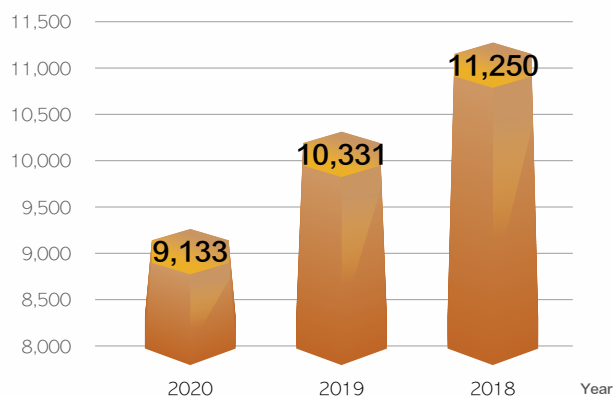
Submaterials and additives: 305MT

Packaging barrels: 36977 pieces of 55-gallon barrel; 222,305 pieces of 5 to 4.5-gallon barrel; 87,265 other packaging barrels.

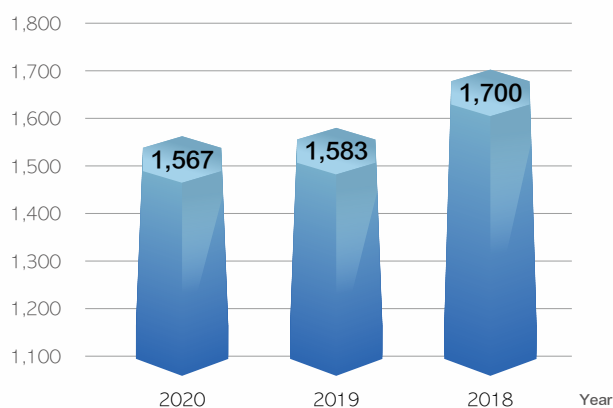
EMC puts continuous effort in packaging recycling and reduction. We have been using our inhouse SUS 304 and plastic ton barrels for local service for many years, they are recyclable for repeated use, which reduces packaging material use and consumption, as well as customer's costs for disposing of wastes.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

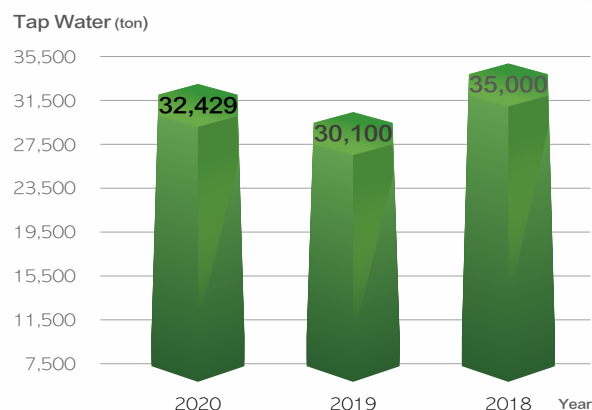
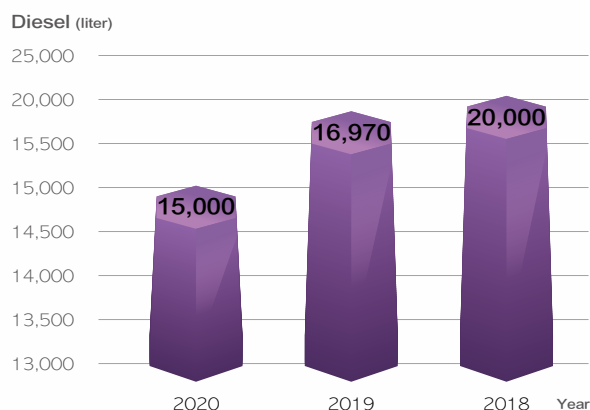
Energy Usage

Electricity (thousand kWh)



Natural gas (thousand m³)





Energy intensity

Item \ Year	2018	2019	2020
Unit electricity consumption (kWh/ton)	496.04	528.71	528.59
Unit oil consumption (liter/ton)	0.85	0.87	0.87
Unit natural gas consumption (M ³ /ton) *Note	70.09	78.40	86.43
Unit water consumption (cubic metre/ton)	1.51	1.54	1.88

*Note : Incinerator usage is not included

Environmental Protection Investment

As laws and regulations become stricter due to changes in environmental protection trends, regular inspections and implementation improvements are required to meet environmental protection requirements. Green products are being developed, promoted, and their sales being actively increased in order to achieve sustainable operation and corporate responsibility. Our environmental protection facilities include liquid jet incinerator, wastewater treatment equipment, biological filter treatment equipment for organic waste gas, and wastewater solid separation and recycling equipment. The chart for environmental expenditures in recent years is as follows:

Unit: NT\$1,000

Year \ Item	Air pollution	Wastewater	Wastes	Total annual amount (Note) *
2018	2234.05	4550.18	9439.97	16,224
2019	1965.85	3992.85	6431.91	12,391
2020	2051.81	2710.82	5845.43	10,608

*Note : The percentage is rounded to the nearest whole number.

Energy-Saving Solutions

We follow the spirit of the Energy Administration Act by strengthening the management of energy and promoting the rational and effective use of energy. In order to ensure the stability and safety of energy supply across the country, the central competent authority has formulated an energy development program in consideration of environmental impacts and economic development. Energy users who use energy up to the amount prescribed by the central competent authority shall report the use of energy data to the central competent authority.

EMC completes the energy declaration in January each year and completes the declaration of energy efficiency indicators in March. In the past two years, there has been significant energy-saving results, which are described in the table below:

Year	Save more than 1% of electricity	Energy-saving Actions and Achievements	Save
2019	Electricity saving ratio 3.08%	Upgrading air compressor with inverter-type air compressor	315,868 cubic metre of electricity
		Replacement and addition of LED lighting in the warehouse	12,782 cubic metre of electricity
2020	Electricity saving ratio 1.29%	Replace the old motor for cooling water	73,771 kWh
		Increase in the outlet temperature of chiller	41,066 kWh

In the future, we will replace low-efficiency boilers, review whether local exhaust pipes increase pressure loss and reduce efficiency, and consider replacing obsolete process equipment such as air compressors, pumps, and refrigerators and plan out green power evaluation.

GHG

The Greenhouse Gas Reduction and Management Act was promulgated and implemented by the President in July 2015. The legislative principles of the Greenhouse Gas Reduction and Management Act are based on the spirit of the United Nations Framework Convention on Climate Change (UNFCCC), taking joint responsibilities, implementing environmental justice, fulfilling the responsibility for protecting the earth, and ensuring the country's sustainable development.

The company actively embarks on greening, energy conservation and carbon reduction through researching and developing low carbon and green technology, reduces the environmental impact caused by greenhouse gases generated by production activities, and is moving towards a green economic development model that slows climate change.

Due to the impact of the Covid-19 pandemic in 2020, overall sales decreased, causing the intensity of emissions to slightly increase. Once the overall environment recovers, reducing the intensity of emissions will be one of the priorities of the sustainable environment.

Item \ Year	2018	2019	2020
Direct GHG (Scope 1) emissions: tonCO ₂ e	3,106.4	2,976.1	2,944.7
Energy indirect (Scope 2) GHG emissions: tonCO ₂ e	6,003.6	5,634.4	4,749.9
Total ton CO ₂ e	9,110.0	8,610.5	7,694.6
Sales (Thousand NT\$)	1,722,985	1,401,812	1,219,612
GHG emissions intensity[CO ₂ emission per income] kg CO ₂ /NT\$	0.0053	0.0061	0.0063

Waste Management

Unit Waste Disposal Status

Item \ Annual Amount	2018		2019		2020	
	Usage quantity Usage Quantity	Ratio	Usage quantity Usage Quantity	Ratio	Usage quantity Usage Quantity	Ratio
General Industrial Waste	429.44	86.2%	426.9	82.44%	429.06	91.40%
Waste Recycling	66.72	13.4%	89.28	17.24%	40.61	8.60%
Other Wastes	1.98	0.4%	1.67	0.32%	0	0
Total (Unit: Tons)	498.14		517.85		469.67	

Note:

1. Rounded off to the second decimal.

2. General industrial waste includes sludge from wastewater plants; Solid waste from UM manufacturing was added in 2017.

The wastes produced by Taiwan's business units are general industrial wastes. EMC treats these wastes by incineration, physical treatment, and recycling according to the "Methods and Facilities Standards for storage, Clearance, and Disposal of Industrial Waste". We entrust a qualified organization for removal and disposal of industrial waste, and in accordance with the "Waste Disposal Act", we signed agreements with qualified waste removal and disposal vendors to sort out validity periods and implement control.

At the same time, we regularly report the removal and processing volume. According to the requirements of laws and regulations, the GPS positioning system installed on the waste cleaning vehicle is used to confirm whether the cleaning route is consistent with the location of the treatment vendor, and we visit the treatment plant regularly every year to implement waste removal and treatment management.

Air Pollution Emissions

	Particulate matter	Sulfur oxides	Nitrogen oxides	Volatile Organic Compounds
2018 Emissions (kg)	441.30	323.20	1583.54	15843.68
2019 Emissions (kg)	1229.10	192.36	2696.01	10334.01
2020 Emissions (kg)	1942.71	311.40	2837.41	8167.80



EMC mainly produces particulate pollutants, sulfur oxides (SO_x), nitrogen oxides (NO_x) and volatile organic compounds (VOCs) in its process. Volatile organic compounds (VOCs) adopt the biological filter for microbial treatment and the humidification tower to effectively implement humidity control, which is conducive to the growth of microorganisms. Maintenance and operation are carried out in order for the equipment to perform efficiently in pollution prevention and control in order to comply with the "Volatile Organic Compounds Air Pollution Control and Emission Standards" requirements.

In order to prevent the effusion of VOCs and comply with the air pollution control and emission standards of volatile organic compounds, equipment such as waste water treatment facilities adopts air-pollution prevention equipment that uses air-tight or enclosed gas gathering system to collect and send to the biological filter.

Each operational process complies with the content of the stationary pollution source operating permit. If there is a replacement or expansion of the stationary pollution source equipment, a change in the manufacturing process, the original (material) material, fuel or the product reaches the fixed pollution source setting operational change, the 2020 plastic and synthetic resin (polyurea (PU) resin) manufacturing process (M03) and the plastic and synthetic resin (acrylic resin) manufacturing process (M10), as mentioned above, shall be handled in accordance with the operating permit requirements. Complying with the law and fulfilling the duty of environmental protection are the basic principles of sustainable business operations.



Wastewater Management

Wastewater being produced by EMC is discharged into and monitored by wastewater treatment plants in Nangang Industrial Park. The recent wastewater discharge status is as follows:

Item	Year	Second half of 2020	First half of 2020	Second half of 2019	First half of 2019
pH		7.9	8.7	8.8	8.4
Water temperature		29.5	29.2	27.8	26.1
Biochemical Oxygen Demand		125	116	155	114
Chemical Oxygen Demand (mg/L)		185	241	553	233
Suspended solids (mg/L)		106	109	113	112
True color chromaticity		130	127	149	357
Free Available Residual Chlorine		0.03	0.06	0.06	-
Ammonia Nitrogen		2.67	0.5	1.98	4.74
Oil/fat		0.8	1.0	1.3	<0.5
Nitrate Nitrogen		9.63	5.06	19.7	40.1
Fluorine salt		0.44	0.23	0.17	0.23
Anionic Surfactant		<0.1	ND	0.13	ND
Phenols		0.0126	ND	0.0092	ND
Emissions (M3/year)			10,084		10,617

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

According to the "Chemical Industry Effluent Standards" of the Water Pollution Control Measures and Test Reporting Management Regulations announced on March 8, 2018, the testing items include general water quality, specific water quality (1), specific water quality (2) and 44 other water quality control items. The main items being examined are the hydrogen ion concentration index, water temperature, biochemical oxygen demand, chemical oxygen demand, suspended solids, color, free available residual chlorine, ammonia nitrogen, oil and fat, nitrate nitrogen, fluoride salt, anionic surfactant, phenols, etc. The regular inspected and declared items are far lower than the effluent standard or lower than the detection value. For applications in 2020, 12 items have been approved by the competent authority to be exempted from testing.

6

Occupational Safety

◆ Toxicity and Concerned Chemicals Management

Regulations of New and Existing Chemical Substances Registration: For new chemical substances and existing chemical substances that have been approved for registration, the registrant should declare the manufacture and import of new chemical substances or existing chemical substances in the previous year from April to September annually after the registration is approved starting from April 2020. The quantity declaration shall be handled through the network transmission system established by the central competent authority. At present, 270 login codes have been applied for, and they have been completed within the time limit according to regulations.

The Toxic and Concerned Chemical Substances Joint Prevention Plan made an amendment to Article 4 in April 2020 as below: "The relevant operators of the manufacture, usage, storage and transportation of concerned toxic and hazardous chemicals shall join or create a joint defense organization before operation." Effective starting January 2021.

EMC regularly checks and implements the changes in regulations, and completes them within the validity of the legal requirements.

◆ Emergency Response Drills

Nantou County National defense mobilization and disaster prevention exercise (Nantou Disaster Drill VI)

Nantou County National defense mobilization and disaster prevention exercise (Nantou Disaster Drill VI) took place on August 11th, 2020. EMC is a member of the Nantou County Regional Joint Defense Organization for Toxic Chemicals. We participated in the drill "Rescue of DMF leakage caused by a small truck hitting a tanker due to an earthquake", which is requested by the county government that we cooperate with the drill. The mission is for the detecting team to wear A level protection for the testing process.



Dressing situation



Using a leak sealing lance set to stop the leaks.



Spontaneous toxic and concerned chemical substance drill

The spontaneous toxic and concerned chemical substance drill includes a written report and factory response drill test.

- The competent authority visited EMC on July 16th.
- During the contingency exercise, the Environmental Protection Agency issued the testing drill with pipeline falling off the tank car while unloading the material, causing a large amount of DMF to overflow.
- Participating in the drill test as the response group: Area A
- Participating in the drill test as the response group: Area A
- Results: EMC achieved the best performance in the Nangang Industrial Park and it shows our efforts in practicing the drills.



The safety protection team handles the leakage situation



Performed the decontamination operations after the task is completed

Environmental Offences

There were no penalties in 2020.

Occupational Safety

We promote the "Occupational Safety and Health Management System" to implement automatic inspections in order to eliminate workplace hazards and pollution factors, enhance the safety and health awareness of all employees, promote a healthy workplace environment and health management, and eliminate occupational disasters to ensure labor safety and health.

© Environmental Safety Awareness

refers to our due attitude to environmental safety and health, care for people and the environment, and responsibility for our work. Supervisors at all levels should regard environmental protection and the colleague's occupational safety and health as their own responsibilities and provide the necessary resources for the implementation of environmental safety and health services. Not only should they ensure that their colleagues work in compliance with the labor safety and health laws and regulations, they should make sure that the company's operational activities, products, and services all comply with environmental protection laws and other related requirements. It is also necessary to use cost-effective methods for continuous improvement and pollution prevention.

© Implementation improvement

refers to our "practice" in environmental safety and health. Occupational safety is the responsibility of everyone and all employees need to participate, therefore we have established an environmental safety and health management mechanism for colleagues to join so that all employees participate in the promotion, announcement, implementation and maintenance of environmental safety and health. Our employees are responsible for education, training, and health checkups. They are also obligated to perform their jobs in accordance with the company's articles of association and responsible for proactively reporting issues regarding environmental safety and health to their supervisors to seek improvement. All supervisors should regard environmental safety and health as part of the employees' overall performance.

© Green Production

Committed to developing low-pollution green products and maintaining improvement to achieve the goal of green production.

© Zero Disaster

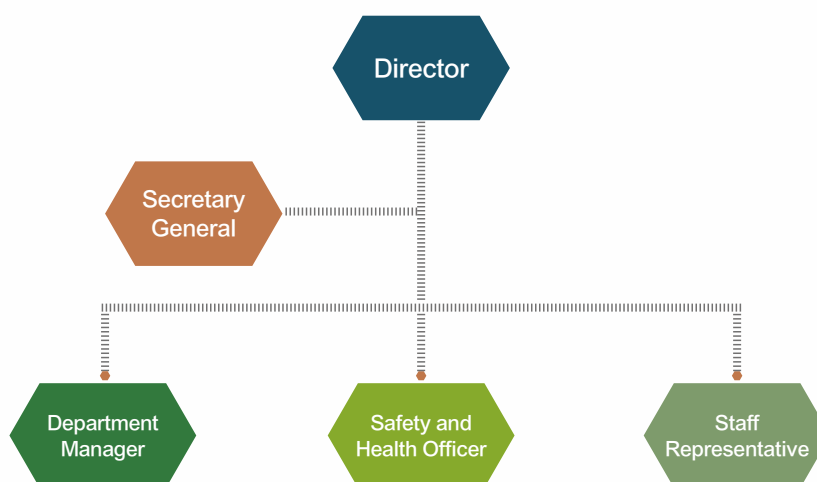
"Zero Disaster" is our "target" in environmental safety and health management. In order to ensure that we can achieve our target, a complete safety and health management system is established based on ISO45001 and ISO14001. The implementation of the environmental safety and health system is regularly audited and the policy objectives and management system are also regularly reviewed. Improvements are made accordingly in order to achieve the goal of zero disasters.



Occupational Safety and Health Organization

Evermore Chemical Industry has an Occupational Safety and Health Management Unit in compliance with regulations, which specifies the drafting, planning, supervision, and initiation of safety and health management matters, and offer guidance to other departments for actual implementation. The Committee is directed by the Chair of the Board and includes department managers, safety and health personnel, employee representatives and the executive secretary. At least one meeting is held every quarter, and the committee provide suggestions for the employer's health and safety policies, in addition to review, coordinate and suggest relevant matters. EMC's Occupational Health and Safety Committee discussed a total of 12 issues relevant to labor health and safety among the meetings, taking 100% of all issues discussed.

Operating Location "Occupational Safety and Health Committee" Organization Chart	
Director	Chair of the Board
Percentage of Manager and Professionals	47%
Percentage of Labor Representatives	53%
Meeting Frequency	1/Every quarter



Occupational Safety and Health Management

Evermore Chemical Industry passed the certification for "OHSAS 18001: 2001 Occupational Safety and Health Management System" in 2005, and "OHSAS 18001: 2007 Occupational Safety and Health Management System" in 2014. In 2020, we transferred to ISO45001 Occupational Safety and Health Management System and meeting international certification standards.

Employee health promotion and management

To comply with the Occupational Safety and Health Act as well as the Labor Health Protection Rules, companies must implement special physical examinations for newly hired workers to understand their health and fitness status. In order to take care of our employees, the frequency and items of physical examinations that we provide to the employees are superior to what the laws and regulations require. According to Article 4 of the Labor Health Protection Rules, in order for all labors to receive occupational health services, the "On-site Health Service" has been implemented since January 2020. Results: 85% of all employees were arranged for health consultation and guidance.

Workplace maternal health protection

EMC's implementation of maternal health protection is as follows:

Execution Items	Number of Protection Objects	Doctor Consultation
Female employees of childbearing age (15 ~ 49 years old)	25	
Pregnant female employees	2	1
Female employees who are breastfeeding	0	



Prevention of Musculoskeletal Diseases Caused by Repetitive Work

The filling operation and the transportation of finished barrels in the Second Department have been evaluated, and improvements are necessary. The improved results are as follows:

Improvement measures:

**200kg pallet type suspension boom
(saving device)**



Before Improvement: June 10th, 2020

After Improvement (using suspended boom): September 7th, 2020



Occupational Health and Safety Management

In order to effectively prevent occupational disasters and ensure the safety and health of employees, in accordance with the provisions of Article 12-1 of the Occupational Safety and Health Management Measures, the "Occupational Safety and Health Management Regulations" (hereinafter referred to as the regulations) are formulated to require supervisors at all levels, the management, and other relevant personnel to implement the regulations. The occupational safety and health management plan for the following year is formulated at the end of each year, including the identification, assessment and control of occupational environment or hazards, the management of machinery, equipment or appliances, the classification, labeling, communication and management of hazardous chemicals, and the sample, planning and monitoring of work environment. 16 occupational safety, health and environmental protection operation management plans are drawn up, which were promulgated after being approved by the Occupational Safety and Health Committee, and all units implemented them in accordance with the automatic inspection plan and the occupational safety and health management plan. The Environmental Safety and Health team checks the implementation status of each unit from time to time. Review meetings are conducted quarterly by the Occupational Health and Safety Committee, where performance of each unit is discussed and evaluated.



Hazardous Operations	Specialized Operation	Noise Operation	Dust Operation
Number of people in the Operating Environment	82	14	7
Operating Environment Monitoring Frequency	Once every half year	Once every half year	Once every half year
Operating Environment Monitoring Results	No anomaly	No anomaly	No anomaly
Number of people receiving test	82	14	7
Number of people who suffered occupational diseases	0	0	0
Protection Management Methods	<ul style="list-style-type: none"> • Provide 6 hours of education and training for new and existing employees. • Assign supervisors to obtain certifications on specific chemical operations in order to command and supervise specialized operations. • Provide a full range of personal protective gears. • The Company conducts an assessment on the operating environment every 6 months to ensure operational safety. 	<ul style="list-style-type: none"> • Provide 6 hours of education and training for new and existing employees • Provide a full range of personal protective gears. • The Company conducts an assessment on the operating environment every 6 months to ensure operational safety. 	<ul style="list-style-type: none"> • Provide 6 hours of education and training for new and existing employees • Provide a full range of personal protective gears. • The Company conducts an assessment on the operating environment every 6 months to ensure operational safety.



Accident Investigation, Statistics and Improvement

The statistical analysis data of occupational hazards at EMC is based on the important occupational hazard statistical indicators announced by the Ministry of Labor. The Disabling Frequency Rate (the average number of disabling injuries per 1 million working hours in FR workplaces), Disabling Severity Rate (average number of lost working days per 1 million working hours in SR workplaces), and statistical basis (excluding commuting traffic accidents) are selected.

Item	2018	2019	2020
Annual average	166	165	168
Occupational Injury (Cases) *Note 1	0	1	1
Occupational Disease (Cases)	0	0	0
Lost working day (days)	0	3	4
Total Working Hours (HR) *Note 2	373,024	374,550	374,568
Injury Rate (IR, %)	0	0.53	0.53
Occupational Disease Rate (%)	0	0	0
Injury Frequency Rate (FR, %)	0	2.67	2.67
Severity (SR, %)	0		

*Note 1: Occupational injuries exclude commuting traffic accidents. *Note 2: Total working hours include overtime hours.

EMC performs cause analysis, draft, and implement improvement programs on occupational accidents. All the units are then notified of the investigation report in order to avoid similar recurrences. Also, we regularly collect statistics and analyze the accident type with a high occurrence rate, and the accidents with high severity happening across departments or happening repeatedly will be listed as emphasis of education training and management.



7

Employment

Human Resources

Up until the end of 2020, we have a total of 171 legally hired employees, coming mainly from central Taiwan, taking over 90% and employees under non-fixed term contracts cover 100%. In our important operating office (Note 1), local (Note 2) residents take up 100% of high-level management positions (Note 3).

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

Table of Employee distribution and structure

Year		2018		2019		2020	
Category		Number of People	Proportion (%)	Number of People	Proportion (%)	Number of People	Proportion (%)
Total number of employees on non-fixed term contracts	Male	116	76%	113	76%	119	78%
	Female	36	24%	36	24%	33	22%
Total number of employees on fixed-term contracts Note 4	Male	15	100%	16	100%	19	100%
	Female	0	0%	0	0%	0	0%

Note 4: The current fix-term contract employees are all migrant workers.

Employee Age Structure in 2020

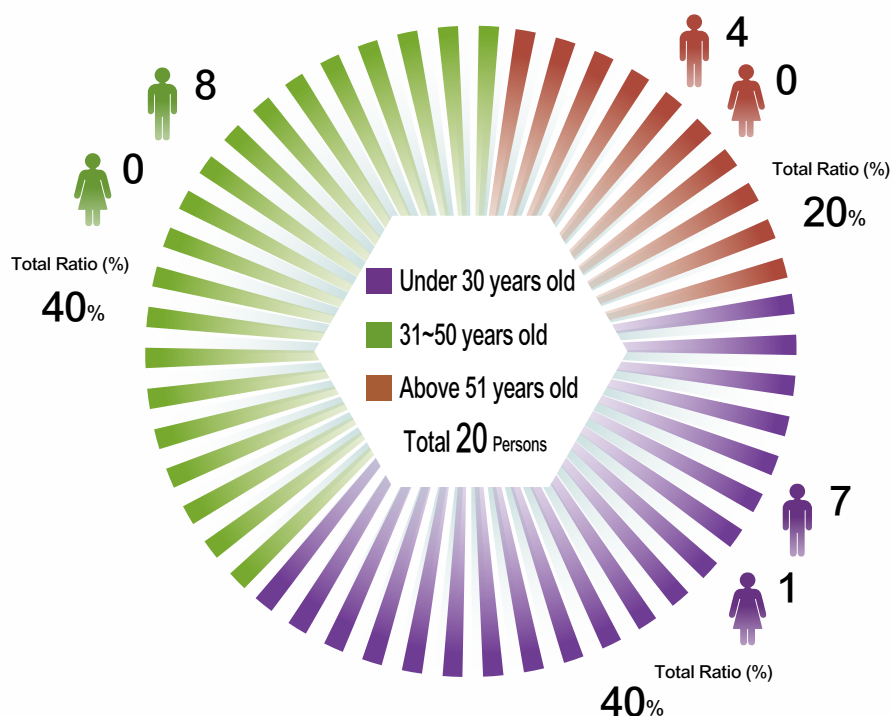
Category	Male		Female		Total	
	Number of People	Proportion (%)	Number of People	Proportion (%)	Number of People	Proportion (%)
Under 30 years old	21	12.57	4	2.40	25	14.97
31~50 years old	91	54.49	20	11.98	111	66.47
Above 51 years old	26	15.57	9	5.39	35	20.96
Subtotal	138	82.63	33	19.76	171	102.40

Employee Position Structure in 2020

Position Note 5	Female	Male	Under 30 years old	31~50 years old	Above 51 years old
High-level Managers	1	14	0	9	6
Mid-level Officers	16	37	0	36	17
Entry-level Employees	16	87	25	66	12
Total	33	138	25	111	35

Note 5:

- High-level managers: Chairman/President/Vice President/Director/Manager/Factory Manager . etc.
- Mid-level officers: Deputy Factory Manager/Deputy Manager/Section Manager/Deputy Section Manager . etc.
- Base-level staff: Team Leader/Lead Operator/Officer/Operator/Quality Inspector . et



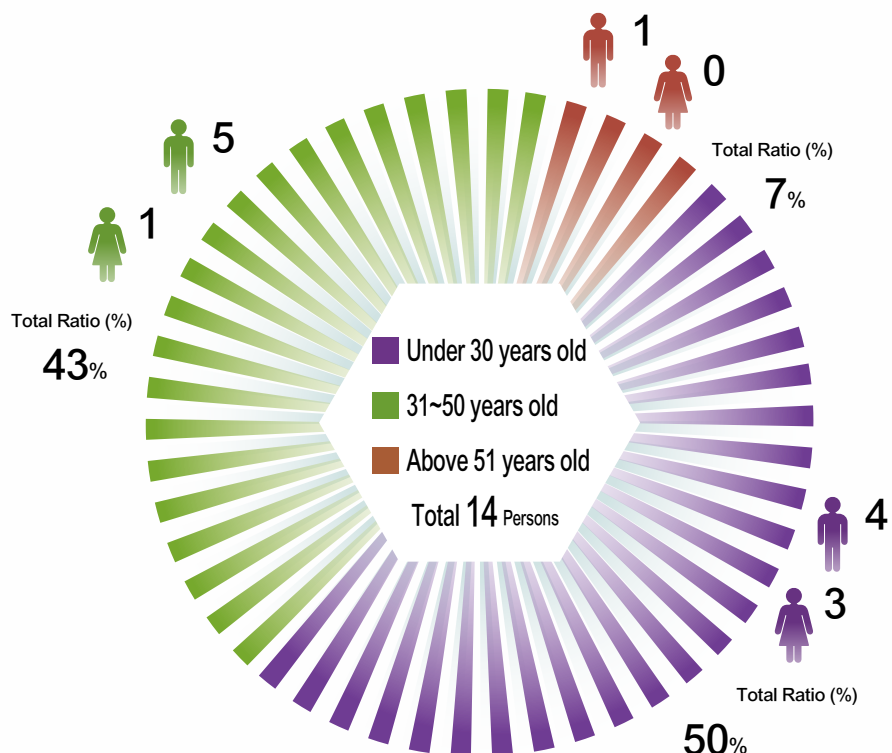
Employee Diversity and Equal Opportunity

EMC's human resources management systems comply with relevant labor laws and regulations, and employee's rights are under legal protection. Diverse 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

Evermore Chemical Industry maintains good communication with employees, everyone actively participate in our operations out of loyalty. We also hold regular labor relation meetings every 3 months and monthly meetings in accordance with the law. In these meetings, high-level managers report to and discuss with employees about the status of business operations, labor conditions and benefits. In addition, we also have employee mailbox set up, offering easy access for them to provide suggestions.

14 resigned in 2020



Employee Benefits

Employees are Evermore Chemical Industry's biggest asset, as talents are the foundation for a business. We hope to attract talents through our competitive total remuneration system, and promise to offer quality job opportunities and challenging tasks, together moving toward success with those who identify with our mission, vision and core values.

Remuneration System

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

- The starting salaries of new employees are at least 1.2 times higher than the minimum wages.
- Ratio of the highest individual annual income to the median annual income of all employees is: 2.51 times
- Ratio of the highest individual wage to the median income of other employees is 2.53: 1
- Ratio of the adjustment to the highest personal wage to the median income of other employees:
Not applicable (No salary adjustment due to Covid-19 in 2020)

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

Item	2018		2019		2020	
	Male	Female	Male	Female	Male	Female
Entry-level employee's standard wages	1.58	1.65	1.42	1.50	1.40	1.50
Local minimum wage	1	1	1	1	1	1

Entry-level employee: Team Leader/Lead Operator/Officer/Operator/Quality Inspector . etc.
(grade 1~3, not including deputy directors)

Minimum Wage in 2018: NT\$ 22,000 | Minimum Wage in 2019: NT\$ 23,100 | Minimum Wage in 2020: NT\$ 23,800

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 our employees enjoy group insurance, to better protect their rights. Also, 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	Group insurance
Subsidies for weddings or funerals	Subsidies for talent, hobbies, sport training etc.
Maternity pension	Outdoor activities on family day etc.
Three holiday bonuses	Parental leave
Birthday Gold	Quarterly gathering
Consolation and subsidies for sickness or injury	Subsidies for social activities

In addition, EMC offers food allowance; We also issue quarter bonuses and employee bonuses based on our business performance; Midlevel managers would also be able to choose from employee stock ownership trust plans; Overall, there are diverse 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. In 2020, no employees have applied for the unpaid parental leave.





Unpaid Parental Leave and Reinstatement Rate

Unit: Person(s)

Item	2018			2019			2020		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Actual Parental Leave	1	1	2	0	0	0	0	0	0
Expected Reinstatement	2	1	3	1	0	1	0	0	0
Reinstatement Applications	2	1	3	0	0	0	0	0	0
Reinstatement Rate (%)	100	100	100	0	-	0			0
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

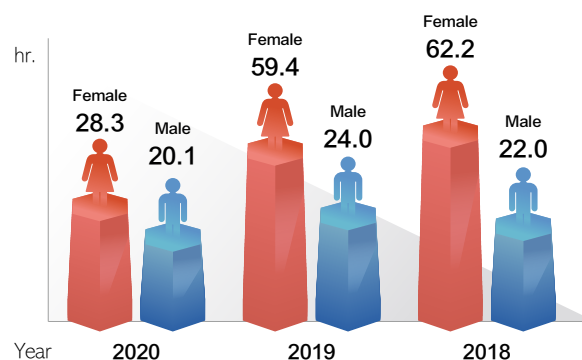
Training Policy and Category

To coordinate with business development and human resource planning requirements, 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.

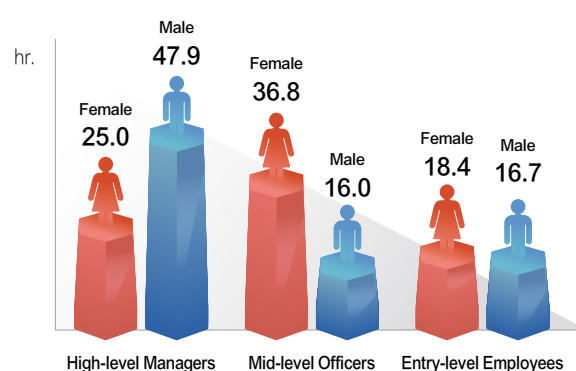
Talent Cultivation and Training

EMC provided training for 3302 hours in total in 2020, with an average of 20 hours of training accepted by each employee. The training hours in 2020 is lesser than that of the previous two years, and considering the effectiveness of the courses, the number of internal language training courses has been reduced. EMC followed the 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 2020



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

102-42	Approach to stakeholder engagement	14	
102-43	Approach to stakeholder engagement	14、15	
102-44	Key topics and concerns raised	15	
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	16	
102-48	Restatements of information	-	None
102-49	Changes in reporting	-	None
102-50	Reporting period	1	
102-51	Date of most recent repo	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	15	
103-2	The management approach and its components		Please refer to the content of each issue
103-3	Evaluation of the management approach		

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	7	
	201-2	Financial implications and other risks and opportunities due to climate change.	12	
	201-3	Defined benefit plan obligations and other retirement plans	33	
	201-4	Financial assistance received from government	8	
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	33	
	202-2	Proportion of senior management hired from the local community	31	
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services provided supported	22	
	203-2	Significant indirect economic impacts	-	
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	17	
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	10	
	205-2	Communication and training about anti-corruption policies and procedures	10	
	205-3	Confirmed incidents of corruption and actions taken	-	No such situation
GRI 206: Anti-competitive	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	

STANDARD DISCLOSURES PART: Topic-specific Standards

GRI 300: Environmental Series			Page	Note
Series	Disclosure	Description		
GRI 301: Materials	301-1	Materials used by weight or volume	21	
	301-2	Recycled input materials used	21	
	301-3	Reclaimed products and their packaging materials	21	
GRI 302: Energy	302-1	Energy consumption within the organization	21 、 22	
	302-2	Energy consumption outside of the rganization	-	
	302-3	Energy intensity	22	
	302-4	Reduction of energy consumption	22	
	302-5	Reductions in energy requirements of products and services	22	
GRI 303: Water	303-1	Materials used by weight or volume	22	None
	303-2	Water sources significantly affected by withdrawal of water	-	
	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		No such situation
	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	23	
	305-2	Energy indirect (Scope 2) GHG emissions	23	
	305-3	Other indirect (Scope 3) GHG emissions	-	
	305-4	GHG emissions intensity	23	
	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	24	
GRI 306: Effluents and Waste	306-1	Water discharge by quality and destination	24	No such situation
	306-2	Waste by type and disposal method	24	
	306-3	Significant spills	-	
	306-4	Transport of hazardous waste	23	
	306-5	Water bodies affected by water discharges and/or runoff	24	
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	26	
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	17	
	308-2	Negative environmental impacts in the supply chain and actions taken	17	

GRI 400: Social Series			Page	Note
Series	Disclosure	Description		
GRI 401: Employment	401-1	New employee hires and employee turnover	32	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	33	
	401-3	Parental leave	33	
GRI 402: Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	34	
GRI 403: Occupational Health and Safety	403-1	Workers representation in formal joint management - worker health and safety committees	27	
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	30	
	403-3	Workers with high incidence or high risk of diseases related to their occupation	28 、 29	
	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	34	
	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	-	
	405-2	Ratio of basic salary and remuneration of women to men	33	
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	-	
GRI 408: 2016 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	-	No such situation
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		-
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		-
	413-2	Operations with significant actual and potential negative impacts on local communities		
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	17	
	414-2	Negative social impacts in the supply chain and actions taken	17	
GRI 415: Public Policy	415-1	Political contributions	-	No such situation
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	18	
	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	18	
	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	26	



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