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EVERMORE CHEMICAL INDUSTRY CO., LTD.



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EVERMORE CHEMICAL

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永續報告書

**2022 ESG Report**

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# About the Report

## Scope and Editorial Guidelines

This report discloses information for year 2022 (January 1, 2022 to December 31, 2022). 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, 2022 will also be covered. The reporting boundary mainly focuses on Evermore Chemical Industry, excluding other reinvested subsidiaries. Among them, the source of financial data is the financial report publicly published after being certified by a certified public accountant. Some statistical data are quoted from the annual report, information publicly published by government agencies and relevant websites, and are presented in the form of commonly used words and numbers. Exceptions will be separately explained in the report.

This report was prepared with reference to the "Foundation", "General Disclosures", and "Material Topics" of the Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) Standards, and also with reference to the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", which serves as the foundation for the disclosure of the information in the report and is disclosed regularly on an annual basis, and there was no information last year to restate the 2021 report, and the details can be referred to the Comparison Table of the Sustainability Reporting Standards in the appendix of this report.

## External Verification

Aside from major topics, this report also reflects on issues the stakeholders are concerned with. For the seven most important topics in the chemical industry: energy, water and wastewater, hazardous waste, occupational hazards, impact on the local community, and product output, we engaged Ernst & Young LLP to perform a limited assurance engagement in accordance with ISAE 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," to ensure that the data in this report comply with the requirements of the competent authorities and meet the expectations of our stakeholders.

## Contact

If you have any suggestions on Evermore Chemical Industry's ESG Report 2022, you are welcome to contact us through the following channels; for your convenience, we have also published this report on our website.

### ESG Committee of Evermore Chemical Industry

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Tel : 049-225-5357

Fax : 049-225-3912

Email : [csr@twemc.com.tw](mailto:csr@twemc.com.tw)

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

Speaker : WU, PAO-HUA, Assistant Vice President | Email : [baohua@twemc.com.tw](mailto:baohua@twemc.com.tw)



## Letter from the Chairman & President

we continue to do the right thing and develop new high value-added products  
in accordance with industry trends and customer needs,  
and never stop improving our technology.



In 2022, the war between Russia and Ukraine triggered an energy crisis, central banks have been raising interest rates, the world has entered a stagnant inflationary panic, and various costs have been rising, while consumer power is not as expected.

However, the shadow of Covid-19 continues to affect the world, and companies are entering a new era and new challenges after the tsunami of the epidemic. First of all, in response to the Paris Agreement 2050 net zero greenhouse gas emissions target, we are focusing more on recycling, bio-sustainability, carbon reduction-related product development and promotion. Next, we will focus on the development of Southeast Asia and emerging markets to adjust our over-reliance on specific markets, with the development of Vietnam shoe material market and Thailand ink market being the key development projects. In terms of management strategy, we are expanding into construction, optoelectronics, adhesives, and film materials through the AICA cooperation platform. We are also fully integrating internal resources to maximize the value of the combined effects of our subsidiaries, strengthening communication and coordination among the Group's various locations in order to respond to cross-country production shifts and enhance operational performance and profitability.

In terms of core technology, Evermore Chemical Industry focuses on the development of products that are in urgent demand in the market, such as sports, building materials, automobiles, electronics, and polyurethane related green materials. In 2022, we have successfully developed "Supercritical nitrogen foamed thermoplastic polyurethane material for bicycles" and "Polyurethane midsole material for sports shoes derived from materials developed through carbon capture and utilization (CCU)" for the sports industry; "Cement surface primer for fiber-reinforced plastic used in construction" and "Low-toxicity floor waterproof coating with minimal health risks" for the construction industry; "Low free-monomer cross-linking agent for high-performance, high weather resistance on automotive refinish paint" for the automotive industry; and "Wet polyurethane material derived from materials

developed through carbon capture and utilization (CCU)" and "Polyurethane materials derived from recycled PET for the coating on textile" for the green materials; for high-value materials, we have developed "Thermoplastic polyurethane extruded tubing with high-temperature dimensional stability" and "Cross-linking agent for semiconductor-grade electronic tapes". We are demonstrating our determination to be a green company through pragmatic management and environmentally friendly actions.

Despite the uncertainty of the general environment, we continue to do the right thing and develop new high value-added products in accordance with industry trends and customer needs, and never stop improving our technology. At the same time, we will not forget to promote ESG work, and take up corporate social responsibility, from the environmental, social, governance and climate change risk management, etc. in this report to explain to the public and stakeholders.

With the war going on, inflation continuing, and interest rates still rising, the challenges of running a business in 2023 will be even more daunting. Evermore Chemical Industry is working hard to minimize the impact of the environment, positioning itself precisely and continuing to make progress toward its promised goals.

Chair of the Board

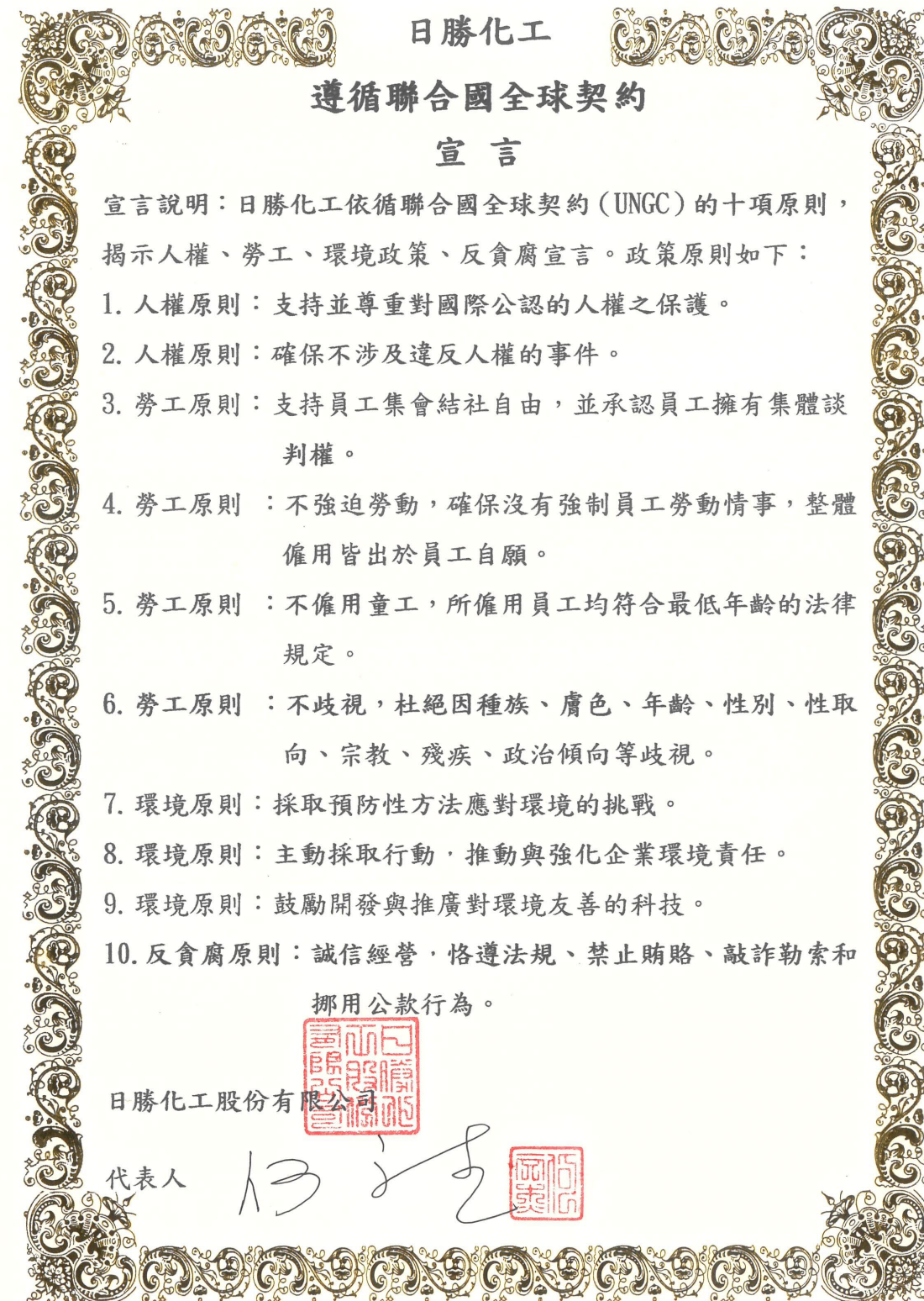
President

*Ho Wen-Chieh*

*Huang Chang-Tze*



# Policy Commitment



Evermore Chemical Industry has signed and followed the Declaration of United Nations Global Compact since 2017, and in addition to following the above ten principles, Evermore Chemical Industry is committed to continuously implementing the concepts and visions of the United Nations Sustainable Development Goals (SDGs) in all its policies and internal management practices.

## SUSTAINABLE DEVELOPMENT GOALS





## Company Overview

Evermore Chemical Co., Ltd. (hereinafter referred to as "the company"), located at No.7, Gongye S. 2nd Rd., Nantou City, Nantou County 54066, Taiwan (R.O.C.), was established in 1989. It was listed on the Taiwan Stock Exchange in 2002; The main business activities are the manufacturing and sales of synthetic resins and synthetic chemical raw materials, and the operation and reinvestment of related businesses. AICA Kogyo Company Limited ("AICA"), located in Aichi, Japan, became the major shareholder of Evermore Chemical in January 2018 by acquiring 50.1% of the Company's ordinary shares.

## Management philosophy

Evermore Chemical believes that on the road to sustainable development, enterprises should first combine corporate social responsibility with business strategy; Therefore, Evermore Chemical adheres to the concept of "simplicity and perseverance, research and innovation, sustainable management, and profit sharing", invests in corporate governance, operates the company in a down-to-earth manner and strives for perfection, and starts from the professional chemical field and honest operation to meet the needs of customers. Based on honesty, we will continue to innovate, share profits with employees, shareholders, customers and other stakeholders, and give back the results to the society to realize the maximum value of polymer industrial materials.

## Group Locations

Topco (Shanghai) Co., Ltd./ Shanghai, China.

Leadership (Shanghai) Co., Ltd./ Shanghai, China.

Pou Chien Chemical Co., Ltd.  
/ Dongguan, China

Evermore Chemical Dayuan factory  
/ Taoyuan, Taiwan

Giant Star Trading / Taichung, Taiwan

Evermore Chemical (operation headquarters)  
/ Nantou, Taiwan

Chem-Mat Technology/Nantou, Taiwan

TOP WELL  
/ Thailand Bangkok

U-BEST/ Vietnam Đồng Nai  
SUM YAD/ Vietnam Đồng Nai

/ Evermore Chemical Industry Identification System /

Green

Green R&D and production as starting point

Blue

Blue skies and water are the ultimate concern

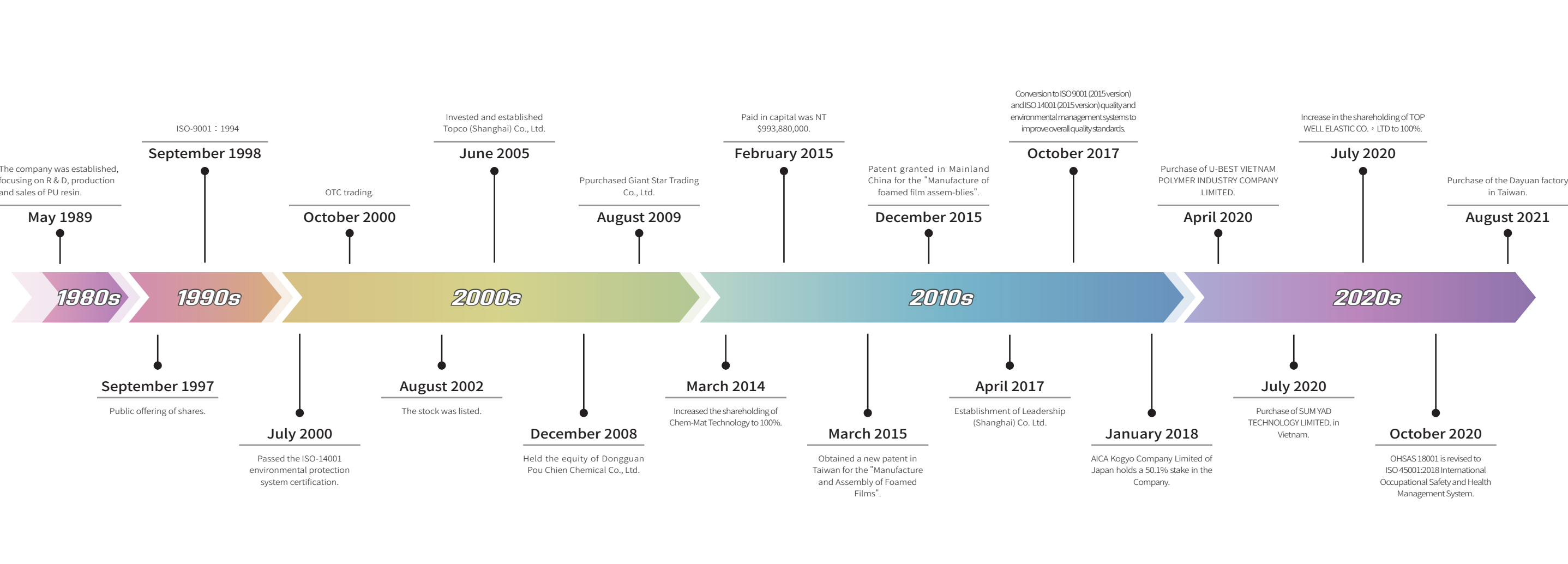
Representing Corporate Sustainability



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Important Events





External Participation

In addition to engaging in the synthetic resin industry, Evermore Chemical participates in various organizations in different ways in order to keep close contact with all walks of life and cooperate for sustainable development. The main participating organizations are as follows:

Participating organizations	Position in Evermore chemical
Taiwan Synthetic Resins & Adhesives Industrial Association, R.O.C.	General Supervisor
Taiwan Synthetic Resins & Adhesives Industrial Association, R.O.C.	Member
Nantou County Industrial Association	Member
Nantou County Industrial Association	Member
The Central Disaster Prevention Council	Member
Dimethylformamide (DMF) Tri-Aromatic Disaster Prevention Organization	Member
Toluene Diisocyanate (TDI) Evermore Toxic Disaster Prevention Group	Team Leader
National Joint Defense Organization of Evermore Plasticizer	Team Leader

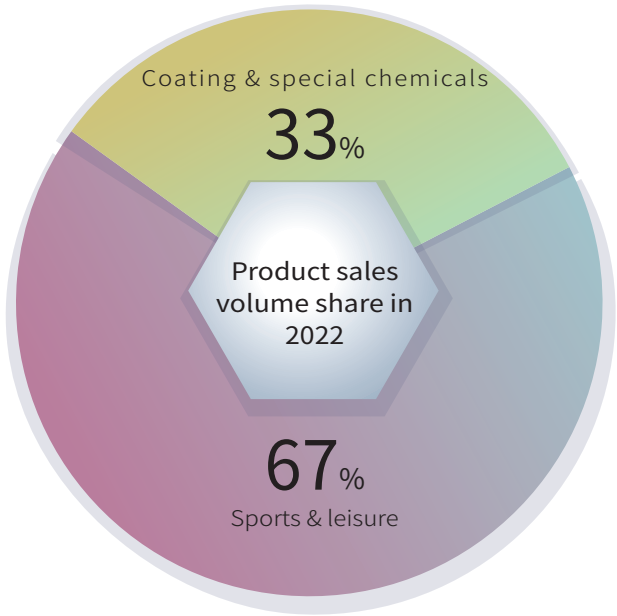
Product Category

Evermore Chemical mainly focuses on polyurethane (PU) technology and is actively developing into various fields. Currently, the main product applications of it can be divided into two main areas.

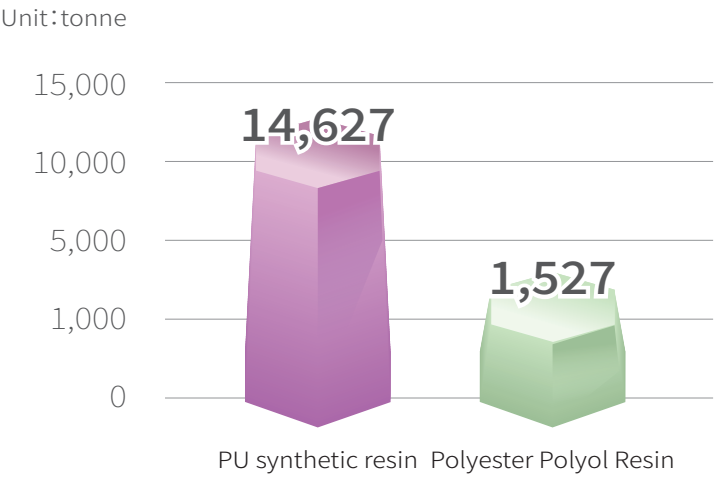
Two main areas of application	Main applications
<p><b>Coating &amp; Special Chemicals:</b></p> <p>The main focus is on products used in the industrial sector, as well as special chemicals, including LFT and ultraviolet (UV) cured coating products.</p>	Wood coatings, UV coatings, industrial adhesives.
<p><b>Sport &amp; Lifestyle :</b></p> <p>The main applications are in the garment, footwear and outdoor sporting goods industries, including PUR, PE, PUS and TPU.</p>	Leather, textiles, sports and leisure footwear, functional clothing, sports equipment and protective gear, food packaging adhesives.

Adhering to the business philosophy of research, innovation and sustainable operation, Evermore Chemical is committed to independent research and development of green products as the company's R & D strategy, and continues to develop green products without volatile organic compounds such as environmental protection, solvent-free and water-based series. Some of them have reached the RoHS specifications and meet the requirements of the European Union REACH. It is expected to make outstanding contributions to the efficiency of energy conservation and carbon reduction of the industry with the goal of being an important member of the industrial green supply chain. Evermore Chemical's sales of green products in 2022 exceeded NT \$1 billion, accounting for more than 56% of the total sales. it proves the company's determination to sustainable development, environmental protection and innovation.

Product sales volume share in 2022

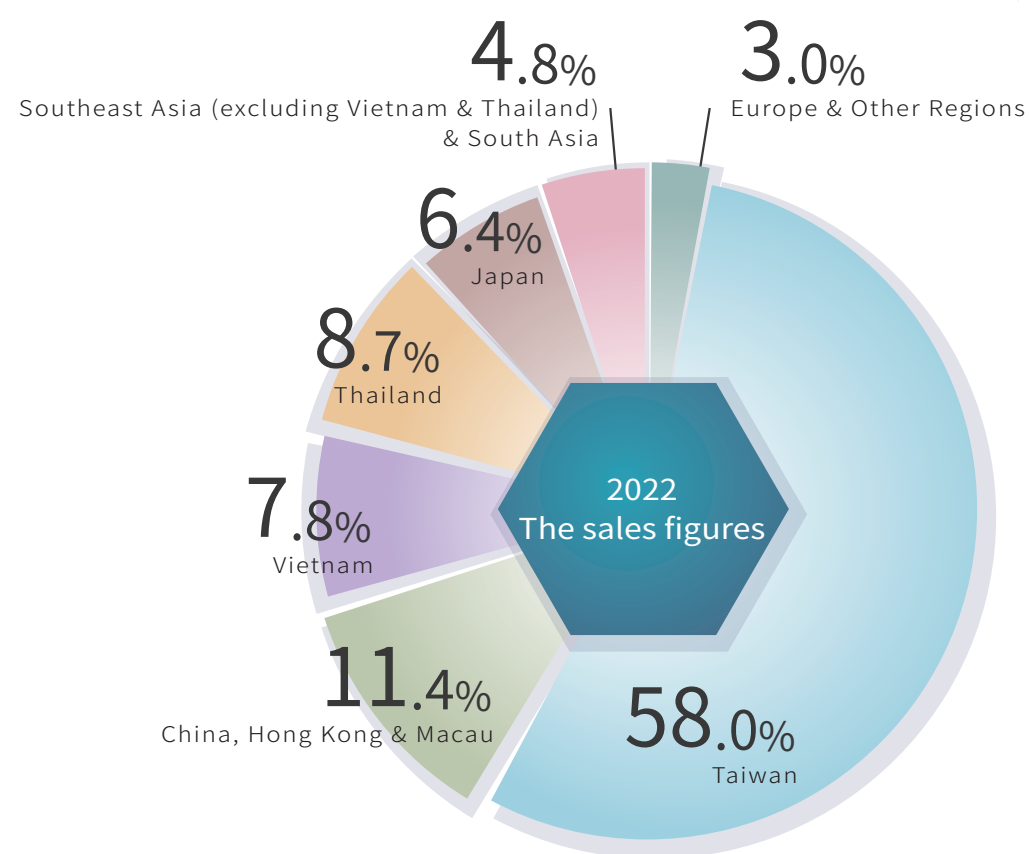


Net Product Output by Product Category in 2022





## Market Distribution



Percentage of Sales by Major Sales Regions and Sales Amount

"Focusing on Taiwan and developing towards the world" is the business goal of Evermore Chemical Industry. Since the establishment of the Group, we have never stopped working on the Taiwan market, and now we have successfully integrated UV light curing products, making our product line more complete and providing customers with a wide variety of choices. In addition, we continue to supply to Japan in Northeast Asia, and our sales in Vietnam and Thailand in Southeast Asia are improving, demonstrating that we are making firm and steady steps toward international expansion.

During the Covid-19 period in 2022, product sales will remain stable in countries in Northeast Asia, Southeast Asia, South Asia and Europe, and we are a trusted supplier of internationally recognized brands. Also due to the epidemic, sales in Taiwan remained at nearly 60% in 2022, reducing the risk of over-reliance on a single market and reducing the risk of accounts receivable, effectively helping to demonstrate economic performance. The Asia Pacific region is the second largest sales region for Evermore Chemical Industry, which has more flexibility in supply response due to its proximity.



## 2 Operating Description

### Business Performance

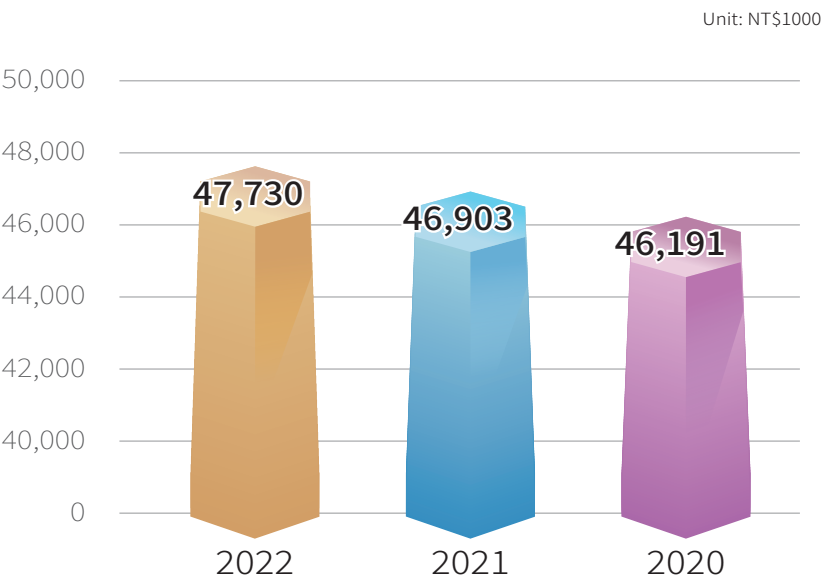
The actual business performance of Evermore Chemical in 2022 (merger) is as follows:

Unit: NT\$1000

Item	2020	2021	2022
Operating income	2,363,415	3,201,106	2,957,191
Operating profit	137,490	31,289	-3,293
Net profit before tax	77,584	6,408	43,222
Earnings per share (NT\$)	0.74	0.10	0.35
Dividend per share (NT\$)	0.50	0.00	0.5

### 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 2022, investments in R&D continued to grow. 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 R&D expenses invested over the past three years are shown in the right chart:



\* EMC Group R&D expenses was NT\$71,174 thousand In 2022.

### Investment Tax Credit

Depending on the nature of the Company's ongoing innovative research and development activities and the applicable regulations, the related expenditures may be eligible for government subsidies or income tax credits for profit-making activities, as follows:

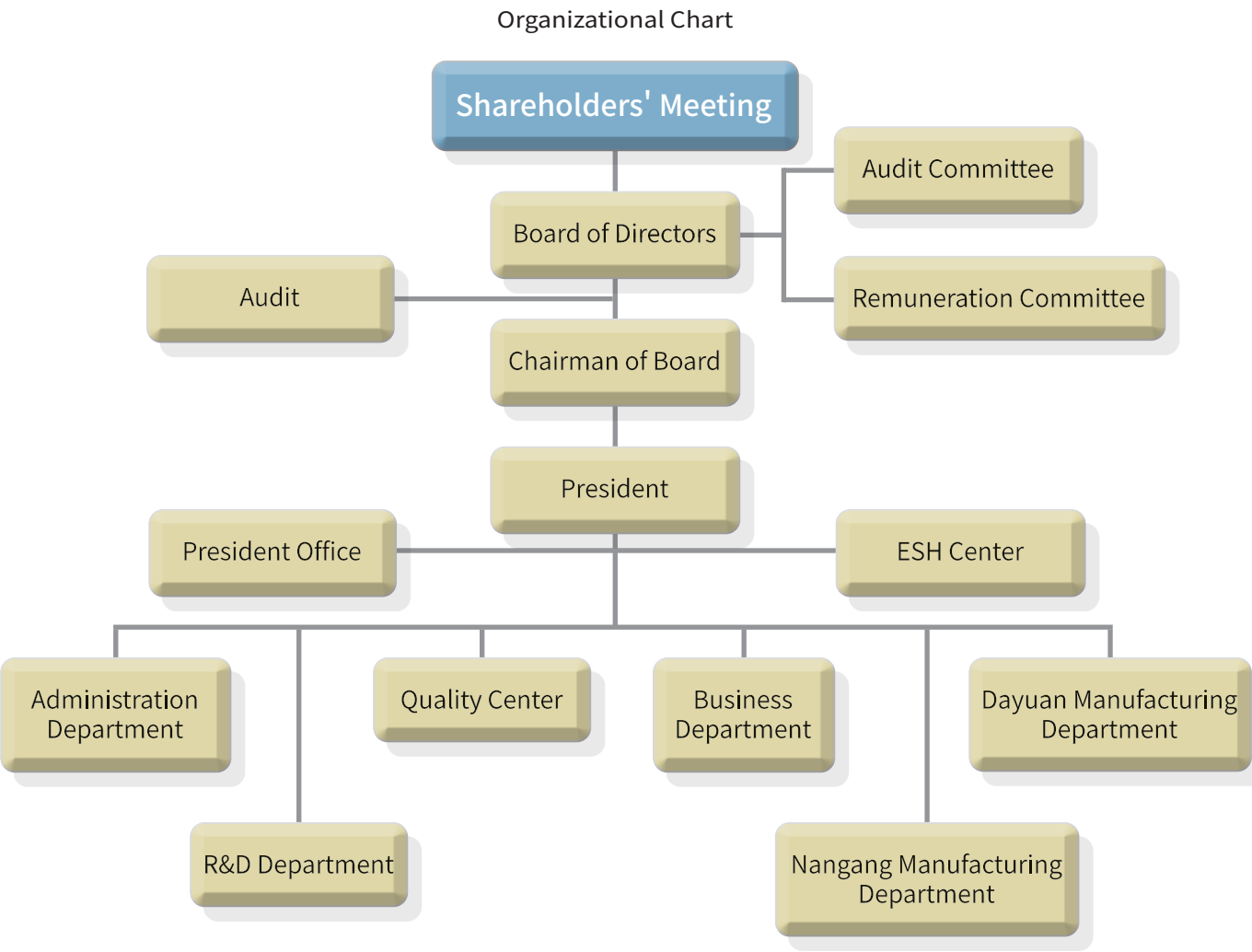
R&D investment tax credit applied in 2022

Unit: NT\$1000

Research and development:Project Title	Total personnel costs and consumables
TPU supercritical foam development plan	15,915

### Corporate Governance

With respect to corporate governance, the primary persons in charge are Board members and high-level managers. Governance is based on setting organizational goals and overseeing the achievement of those goals. The organizational structure is as follows:





Board members

The election of directors is based on the nomination system. The qualifications of director candidates are subject to nomination and evaluation procedures in accordance with the Company Act, and independent directors are subject to qualification and independence reviews in accordance with relevant securities laws and regulations. The Chairman is elected by and from among the Board members. The term of office of each Director is three years and each Director is eligible for re-election.

Position	Name	Date of election (appointment)
Director	HO, WEN-CHIEH	2021.08.10
Director (general manager of EVERMORE CHEMICAL)	HUANG, CHANG-TSE	2021.08.10
Corporate director	AICA KOGYO COMPANY LIMITED	2021.08.10
Representative of AICA Kogyo Company Limited	NISHINO GO	2022.11.01
Representative of AICA Kogyo Company Limited	NOBUYUKI OMURA	2021.08.10
Representative of AICA Kogyo Company Limited	MORI YOUSUKE	2022.04.18
Corporate director	YUE DEAN TECHNOLOGY CORPORATION	2021.08.10
Representative of YUE DEAN TECHNOLOGY CORPORATION	SHIH CHIH-HUNG	2022.05.11
Independent director	HIGASHIYAMA MIKIO	2021.08.10
Independent director	CHUEH, LIANG-WU	2021.08.10
Independent director	CHEN, CHUN-CHENG	2021.08.10

Current term : August 10, 2021 to August 9, 2024				
Gender	Age distribution			
	Under 50 years old.	Between 51 to 60 years old.	Between 61 to 70 years old.	Above 71 years old.
Male : 9	2	4	2	1

Professional Background of Directors

In accordance with the company's code of practice on corporate governance, the board of directors shall guide the company's operational strategy, supervise the management, exercise its powers in accordance with laws and regulations, and be responsible to the company and shareholders. Based on the above responsibilities, the composition of the members shall take into account the company's operational structure, business development direction, future development trend and other aspects, and shall consider the gender, nationality, age, cultural professional knowledge and skills (such as law, accounting, industry, finance, marketing or technology) and industrial experience of the directors in a diversified manner.

The company's development strategy is to expand outward based on its own products and technologies. The business development process needs the support of leadership and management, industrial experience, R & D and innovation, finance, law and other related professional knowledge, skills and experience. The board members

should include these abilities as a whole. At least one director of each profession or background should have one kind of ability accordingly.

Based on diversification considerations, the directors of the company are all employees with many years of experience in domestic or Japanese multinational companies and related industries, with industry related experience and executive ability. The diversification results are as follows:

Name	Professional background				Executive capability				
	Business	Legal affair	Financial accounting	Chemical	Leadership & management	Industry experience	R & D innovation	Financial analysis	Legal practice
HO, WEN-CHIEH				v	v	v	v	v	
HUANG, CHANG-TSE				v	v	v	v	v	
NISHINO GO				v	v	v	v		
NOBUYUKI OMURA	V				V	V		V	
MORI YOUSUKE	V		V		V	V			
SHIH CHIH-HUNG			V		V	V		V	
HIGASHIYAMA MIKIO	V				V	V		V	
CHUEH, LIANG-WU			V			V		V	
CHEN, CHUN-CHENG		V				V			V

Operations of the Board of Directors

The primary responsibility of the board of directors is to supervise and listen to the reports of the management team, understand the problems encountered in actual operation through dialogue with the management, and urge the management team to make adjustments if necessary. In order to provide more opportunities for directors to communicate and exchange and fully discuss the company's operation topics, the board of directors should hold at least one meeting every quarter. In 2022, the board of directors held six meetings, with an average of 98% actual attendance.

Board members	Number of meetings in 2022	Average attendance
9	6	98 %

Recusal of Directors for Conflicts of Interest

The company has provisions on the avoidance of directors' interests in the rules of procedure for board meetings and the code of good faith business practice. Directors who have an interest in the matters of the meeting with themselves or the legal persons they represent shall exercise a high degree of self-discipline and explain the important contents of their interest at the current board meeting. If there is a risk of harming the interests of the company, they shall not participate in discussions and voting, and shall withdraw from discussions and voting. They shall not exercise their voting rights on behalf of other directors. If they have disclosed relevant acts to interested parties in the company's annual report, they may refer to the relevant information of vermore Chemical on the market observation post system.



### Functional Committee

In order to strengthen the supervisory function of the board of directors, the board of directors of Evermore Chemical Industry has established two functional committees, "Audit Committee" and "Remuneration Committee" according to the law. In 2022, the Audit Committee held 5 meetings and the Remuneration Committee held 3 meetings with an average attendance rate of 100%.

#### Operations of Audit Committee:

Position	Name	Number of meetings attended	Attendance rate	Note
Independent Director	CHEN, CHUN-CHENG	5	100%	Newly elected on August 10, 2021; Convener
Independent Director	CHUEH, LIANG-WU	5	100%	Newly elected on August 10, 2021
Independent Director	HIGASHIYAMA MIKIO	5	100%	Newly elected on August 10, 2021

#### Operations of Remuneration Committee:

Position	Name	Number of meetings attended	Attendance rate	Note
Convener	CHUEH, LIANG-WU	3	100%	Newly elected on August 10, 2021. Convener
Member	CHEN, CHUN-CHENG	3	100%	Newly elected on August 10, 2021
Member	HIGASHIYAMA MIKIO	3	100%	Re-elected on August 10, 2021. The previous Convener

### Performance Evaluation

Please refer to the description of "Remuneration to Directors, Supervisors, President and Vice President, etc. for the most recent year" in the "Corporate Governance Report" section of the annual report for the remuneration policy of the Company's directors and managers.

For an assessment of the performance of the Company's directors, please refer to the description under "Corporate Governance Operations" in the "Corporate Governance Report" section of the annual report.

### Legal Compliance

Evermore Chemical strictly requires its employees, supervisors at all levels and members of the board of directors to abide by laws and regulations with acting in accordance with the law as the highest operating principle. It pays close attention to changes in laws and regulations that have an impact on the company's operation, and then conducts internal publicity and communication. At the same time, we actively participate in relevant courses such as the law promotion meeting and honest operation of the competent authority, and revise internal management rules when necessary.

### Preventive Measures

With zero record of violation as the ultimate goal of preventive measures, we not only formulated relevant procedures and codes, but also revised the "Code of ethical conduct for directors, supervisors and managers",

"Code of good faith business", "Code of good faith business operation procedure and guide to conduct", "Code of governance practice", "Internal major information processing operation procedure", "Whistler channel and protection system operation procedure" according to law, and published them on the company's website for all colleagues to abide by it.

The above-mentioned relevant codes are also used for education and training during the monthly meeting of the whole staff, and relevant information and management rules are put on the cloud. All colleagues can use computers or mobile apps to access the relevant regulations, reminding employees to follow the rules and regulations, so as to avoid violating the relevant regulations.

In May 2022, the Board of Directors' meeting was held to educate all directors on the handling of material internal information and prevention of insider trading management procedures. In September, to educate all employees on the topics of "avoiding insider trading" and "operating with integrity" to remind them to follow the regulations to avoid violating the laws and regulations. A total of 101 attendees participated.

### Anti-corruption Mechanism

In the code of conduct for good faith, the company clearly stipulates that when there are transactions or contracts between the company and its related parties and shareholders, it is strictly prohibited to directly or indirectly offer, promise, demand or accept any improper benefits. Maintain smooth communication channels with banks and other creditors, suppliers, communities or the Company's stakeholders, and respect and safeguard their legitimate rights and interests. When the legitimate rights and interests of the stakeholders are infringed, the Company will properly handle them in accordance with the principle of good faith.

The "working rules for employees" also clearly stipulates that "employees shall not take advantage of their authority to seek benefits for themselves or others, nor shall they accept entertainment treatment, gifts, rebates or other illegal benefits due to their official acts or acts against their duties". At the same time, through participating in exter-nal training and taking trainees as seed teachers, we strengthen the concept of laws and regulations of all colleagues internally.

In 2022, Evermore Chemical had no corruption incidents.





Internal Control

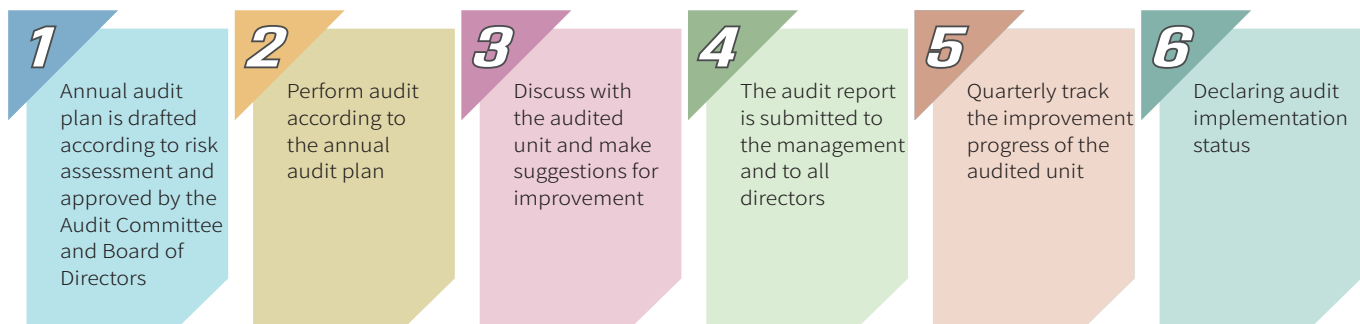
To enforce corporate governance, strengthen internal control and audit operations, the Auditing Department is established, directly below the Board of Directors, tasked with assisting the board and managers in inspecting and reviewing the internal control system, and evaluating the effectiveness and 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 Audit Committee and 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 send the audit reports to the directors every month, as well as attend the audit committee and board of directors' meetings to make reports. 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.

Whistleblowing reporting or Complaint Pipeline in Evermore Chemical Industry

If you have any suggestions or complaints, please use this mailbox, we will keep proper confidentiality for the parties involved and the investigation of the incident.  
If whistleblowing object is about the member of the board of directors, please email:supervisor0@twemc.com.tw  
If whistleblowing object is not about the member of the board of directors, please email:chairman0@twemc.com.tw

Internal Audit Procedure



In 2022, there was no major internal control deficiency, and the effective statement of the internal control system was disclosed in the annual report.

Risk Management

In accordance with the ISO "Business Strategy Management Procedures", each unit proposes relevant operational risks, opportunities and climate-related issues, and the Sustainable Development Team consolidates and identifies the climate-related risks and opportunities proposed by each unit, evaluates and identifies the financial impact or influence, and reduces the impact of related risks on business and finance by formulating relevant response strategies.

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. The main risks we face in 2022 include: The war between Russia and Ukraine has triggered significant fluctuations in energy, raw material and food prices, and central banks continue to raise interest rates in an attempt to curb inflation. We have conducted a comprehensive review of the risks we may face, their frequency of occurrence and the severity of their impact on Evermore

Chemical Industry's operations, and taken appropriate response measures to confirm the control and tolerance of the risks. The challenges and responses to each risk at this stage are summarized below:

1 Operation Risk

Evermore Chemical Industry's operational risks are first and foremost the large fluctuations in raw material prices or the lack of supply of discontinued goods.

Risk management measures: To reduce the risk of interruption of raw material supply, a task force is formed by our procurement, logistics and operating units. Through a non-single supplier strategy and monitoring of inventory quantities based on order requirements, we conduct quarterly and monthly discussions, and hold meetings at any time in response to unanticipated changes in international raw material supply and demand, price fluctuations, and exchange rate increases and decreases, in order to gather the wisdom of all people to solve difficult problems. Up to now, the Company has not experienced any supply chain disruptions.

Strategies and practices for reducing raw material supply risks:

Potential risks	Strategy	Measures
Supply interruption	Decentralized procurement	Actively seek new qualified manufacturers at home & abroad
	Make contracts	Sign contracts with manufacturers for bulk & important raw materials
	Procurement strategy & establishment of safety stock	Establish safety stock & pay attention to market trends at any time. Timely adjust the procurement strategy, & purchase & p



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. In addition, the Company uses capital flexibly in accordance with changes in interest rates to reduce financial risk.

3 Disaster risk

We adopt a preventive management attitude to establish a disaster risk management mechanism, and have formulated "emergency response management procedures" to avoid or reduce the possible loss of personnel injury, system equipment damage, property loss, etc., which may lead to operation shutdown. In addition to actively cooperating with and participating in various drills organized by authorities at all levels, two disaster prevention and rescue drills are held regularly every year. Through the participation of all employees in fire drills, the emergency response ability is strengthened to control accidents and eliminate hazards.

Risk Management Measures: A Develop green products and production processes, to reduce the impact of chemicals to the environment. B 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.

(See Chapter 8 of this report, "Climate Change Response," for additional details)

## ISO Management System Certification

The Company has passed ISO 9001 quality certification in 1998, and the current version is ISO 9001:2015; ISO 14001 environmental management system certification in 2000, and the current version is ISO 14001:2015; OHSAS 18001:2001 occupational safety and health management system certification in 2005, and the current version is ISO 45001:2018 in 2020. We use the ISO high-level structure to provide, in addition to allowing organizations to integrate a number of management systems, promote Q (quality), E (environment), O (safety and health), the introduction of C (cost) management, re-examination of their own documents, procedures, will be related to the content of the focus, re-adjustment, and through quality improvement, environmental protection and waste reduction and safety and health promotion, to promote the organization's business results more effective.

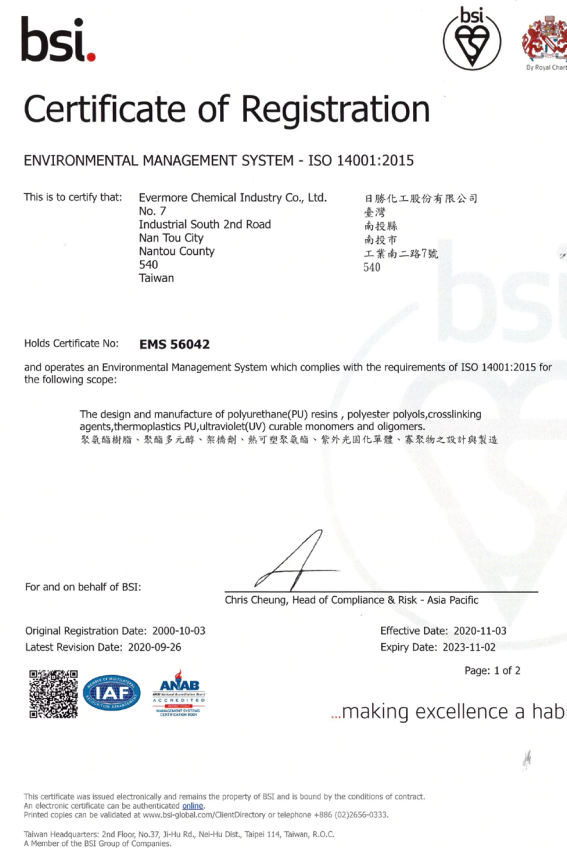
### Quality Policy

In order to continue to meet customer expectations, based on the management philosophy of "simplicity and perseverance, research and innovation, permanent performance management, and profit sharing", all staff members work together to achieve the policy of "quality is the representative of the company's survival and dignity, and the person who defends it is me". Actions taken are as follows:

- ▲ Implement total quality management and grant the right to stop alloperations that may cause poor quality.
- ▲ Continue to improve our quality system and produce high-quality products to meet our customers' needs.
- ▲ Do a good job in independent management, independent inspection and independent quality assurance to ensure that the products meet the requirements.
- ▲ Continuously improve the quality awareness and quality policy of all employees to improve the competitiveness of products.
- ▲ Emphasize quality planning before mass production, with emphasis on the prevention of defects.
- ▲ Conduct regular management review to establish and review quality policy and quality objectives to achieve customer expectations.

### Environmental Safety Awareness

"Cognition of environmental safety" refers to our "attitude" towards environmental safety and health, our concern for "people and environment", and our responsibility for our work. Supervisors at all levels shall regard environmental protection and the work safety and health of their colleagues as their own responsibilities, and provide necessary resources for the implementation of environmental safety and health business; Not only should we ensure that our colleagues work under the conditions that comply with the labor safety and health laws and other relevant requirements, but also that all the company's operations, products and services comply with the environmental protection laws and other relevant requirements. We also need to use economic and effective methods for continuous improvement and pollution prevention.



### Implement improvement

Safety is everyone's responsibility and is of personal concern. All employees have the obligation to receive education and training, health checks, and perform work in accordance with the Company's bylaws, and have the responsibility to take the initiative to respond to the supervisor for improvement of any environmental safety and health problems found. The supervisors at all levels also consider environmental safety and health as part of the overall performance.

### Green Production

We continue to develop low-pollution green products and strive for carbon reduction in every step of the manufacturing process.

### Zero Disaster

"Zero disaster" is our primary goal 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.



# 3 Negotiation with Stakeholders

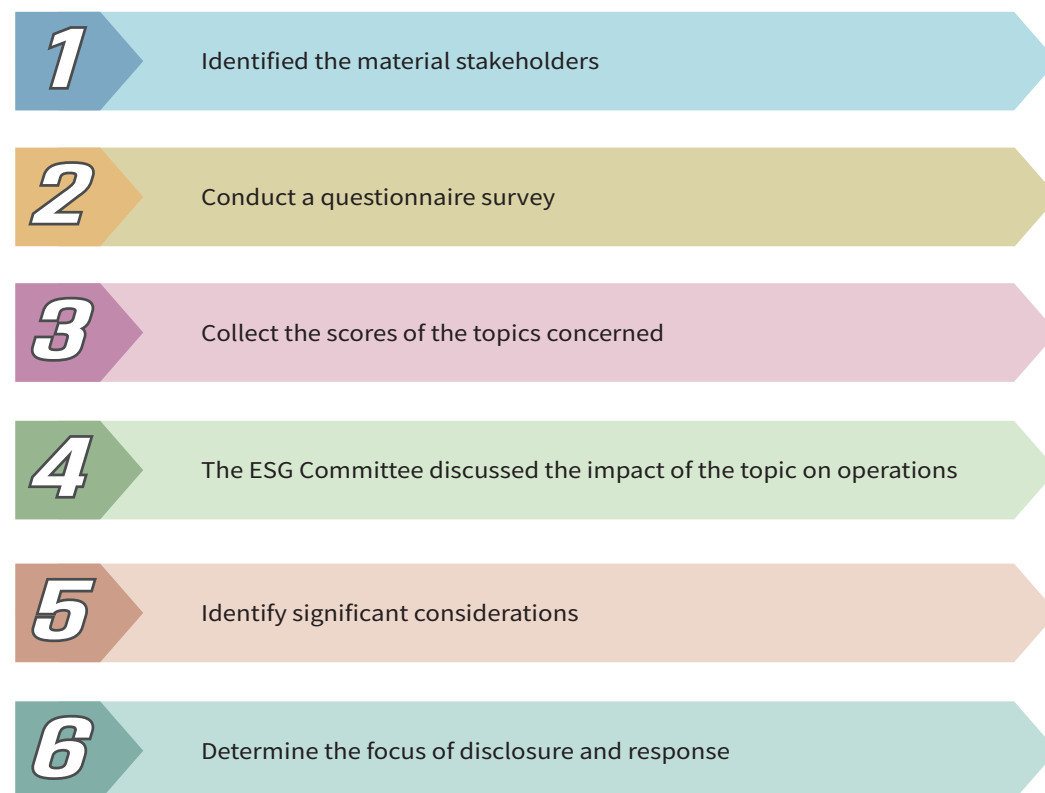
## Identification of Material Topics and Communication

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.

All stakeholders can use special ESG mailbox: [csr@twemc.com.tw](mailto:csr@twemc.com.tw), tell us your opinions, and

Evermore Chemical will respond to your suggestions as soon as possible.

### Analysis Process for Material Topic Identification for Stakeholders:



## Identification of Stakeholder

The members of the Sustainability Center discussed the most important stakeholders of Evermore Chemical Industry. We also refer to the AA1000 Stakeholder Engagement Standard (AA1000 SES 2015), which has five major principles: dependency, responsibility, urgency, influence and multiple perspectives. The Sustainability Center identifies seven categories of stakeholders: employees and other workers, customers, shareholders and other investors, suppliers, government, business partners and local communities.

## Approach to stakeholder engagement

Importance of Stakeholders to Evermore Chemical Industry	Major Concerns	Communication	Frequency of Communication
<b>Employees &amp; other workers</b> It is the most important asset of the Company and the basis for creating competitiveness, continuously improving the software and hardware environment and creating a friendly working environment to facilitate performance improvement.	<ul style="list-style-type: none"> <li>Operating Performance</li> <li>R&amp;D</li> <li>Product Quality</li> <li>Waste Management</li> <li>Employment Relations</li> <li>Occupational health and risks</li> </ul>	<ul style="list-style-type: none"> <li>Monthly Employee Meeting</li> <li>Results Presentation</li> <li>Monthly/Quarterly Quality Report</li> <li>Announcement/Promotion</li> <li>Labor Meeting</li> <li>Announcement/Promotion</li> </ul>	<ul style="list-style-type: none"> <li>Once every month</li> <li>Once every year</li> <li>Monthly/Quarterly</li> <li>Irregular</li> <li>Quarterly</li> <li>Irregular</li> </ul>
<b>Customers</b> Key business partners to meet customer needs and create a win-win situation.	<ul style="list-style-type: none"> <li>Integrity Operation</li> <li>Product Quality</li> <li>Procurement Practices</li> <li>Customer Service</li> <li>Raw Material Usage</li> <li>GHG Emissions</li> </ul>	<ul style="list-style-type: none"> <li>MOPS</li> <li>Inspection Report</li> <li>Product Warranty</li> <li>Telephone, Line, e-mail</li> <li>Product Manual</li> <li>Inventory Report</li> </ul>	<ul style="list-style-type: none"> <li>Any time</li> <li>Issuance of report with goods</li> <li>Issuance of guarantee with the goods</li> <li>Any time</li> <li>Issuance of product descriptions with the goods</li> <li>Annually</li> </ul>
<b>Shareholders &amp; other investors</b> Evermore Chemical Industry will continue to act with integrity and implement a sustainable management attitude for the long-term benefit of shareholders.	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Operating Performance</li> <li>Integrity Operation</li> <li>GHG Emissions</li> <li>Environmental Regulation Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' Meeting</li> <li>Legal person briefing/ Financial Reports / Annual Reports</li> <li>MOPS</li> <li>Inventory Report</li> <li>Government Announcement</li> </ul>	<ul style="list-style-type: none"> <li>Once every year</li> <li>Once every year</li> <li>Any time</li> <li>Annually</li> <li>Irregular</li> </ul>
<b>Suppliers</b> Suppliers provide stable and high-quality products and services to build a trustful supply chain relationship	<ul style="list-style-type: none"> <li>Integrity Operation</li> <li>R&amp;D</li> <li>Procurement Practices</li> <li>Supplier Evaluation</li> <li>Customer Privacy</li> <li>Products and labels</li> </ul>	<ul style="list-style-type: none"> <li>MOPS</li> <li>Meetings, interviews, phone calls</li> <li>Line and phone, supplier rating</li> <li>To the supplier factory in-depth evaluation</li> <li>Confidentiality contract</li> <li>SDS</li> </ul>	<ul style="list-style-type: none"> <li>Any time</li> <li>Any time</li> <li>Any time, annually</li> <li>Once every year</li> <li>Signing before cooperation</li> <li>Provide at the time of purchase and sale</li> </ul>
<b>Governments</b> In addition to complying with relevant laws and regulations, Evermore Chemical Industry communicates with the government in both directions to jointly promote the sustainable development of the industry.	<ul style="list-style-type: none"> <li>Anti-corruption</li> <li>Social Economic Regulations Compliance</li> <li>Wastewater Management</li> <li>Waste Management</li> <li>Transportation Security Management</li> <li>Occupational health and risks</li> <li>Employee Rights</li> </ul>	<ul style="list-style-type: none"> <li>Governance Review of Listed Companies</li> <li>On-time reporting and official correspondence</li> <li>On-time reporting and official correspondence</li> <li>On-time reporting and official correspondence</li> <li>On-time reporting and official correspondence</li> <li>On-time reporting and official correspondence</li> <li>On-time reporting and official correspondence</li> <li>Labor Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Once every year</li> <li>Any time, in accordance with the law</li> <li>Any time, in accordance with the law</li> <li>Any time, in accordance with the law</li> <li>Any time, in accordance with the law</li> <li>Any time, in accordance with the law</li> <li>Any time, in accordance with the law</li> <li>Convene once every three months</li> </ul>
<b>Business (collaborative) partners</b> We are committed to sustainable management and creating sustainable value for our partners.	<ul style="list-style-type: none"> <li>Integrity Operation</li> <li>Operating Performance</li> <li>R&amp;D</li> <li>Supplier Evaluation</li> <li>Procurement Practices</li> <li>GHG Emissions</li> </ul>	<ul style="list-style-type: none"> <li>MOPS</li> <li>Finance Report</li> <li>Meetings, interviews, phone calls</li> <li>To the supplier factory in-depth evaluation</li> <li>Contract Agreement</li> <li>Inventory Report</li> </ul>	<ul style="list-style-type: none"> <li>Any time</li> <li>Once every year</li> <li>Any time</li> <li>Once every year</li> <li>Irregular</li> <li>Once every year</li> </ul>
<b>Local Community</b> <ul style="list-style-type: none"> <li>The Company employs a large number of local talents to benefit the community economy.</li> <li>Enterprises must control air pollution, wastewater, and waste in accordance with the law to avoid polluting the community.</li> </ul>	<ul style="list-style-type: none"> <li>Employment Relations</li> <li>Environmental Complaints</li> </ul>	<ul style="list-style-type: none"> <li>Labor Meeting</li> <li>Telephone, in-person interview</li> </ul>	<ul style="list-style-type: none"> <li>Convene once every three months</li> <li>Any time</li> </ul>

Results of Material Issue Identification

We value the views of our stakeholders and have followed the GRI's recommendations to distribute questionnaires to employees and other workers, customers, shareholders and other investors, suppliers, governments, business (collaborative) partners and local communities to identify the level of interest in 30 sustainability topics. The importance of the issue is determined by cross-referencing with the staff who have the most exposure to sustainability practices (about 9% of the total number of staff) for the purpose of impact identification.

A total of 60 questionnaires were sent out and 51 were returned and valid. The target population of the questionnaire, i.e., the percentage, is as follows:

Questionnaire Target	Number of returned valid copies	Percentage
Governments	3	6%
Business (collaborative) partners	2	4%
Suppliers	5	10%
Local Community	2	4%
Shareholders and other investors	8	16%
Customers	13	25%
Employees and other workers	18	35%

Among them, 13 major themes were identified, which were used as a reference for our business strategy and are the focus of this report.

These 13 topics can be categorized according to GRI principles as follows:

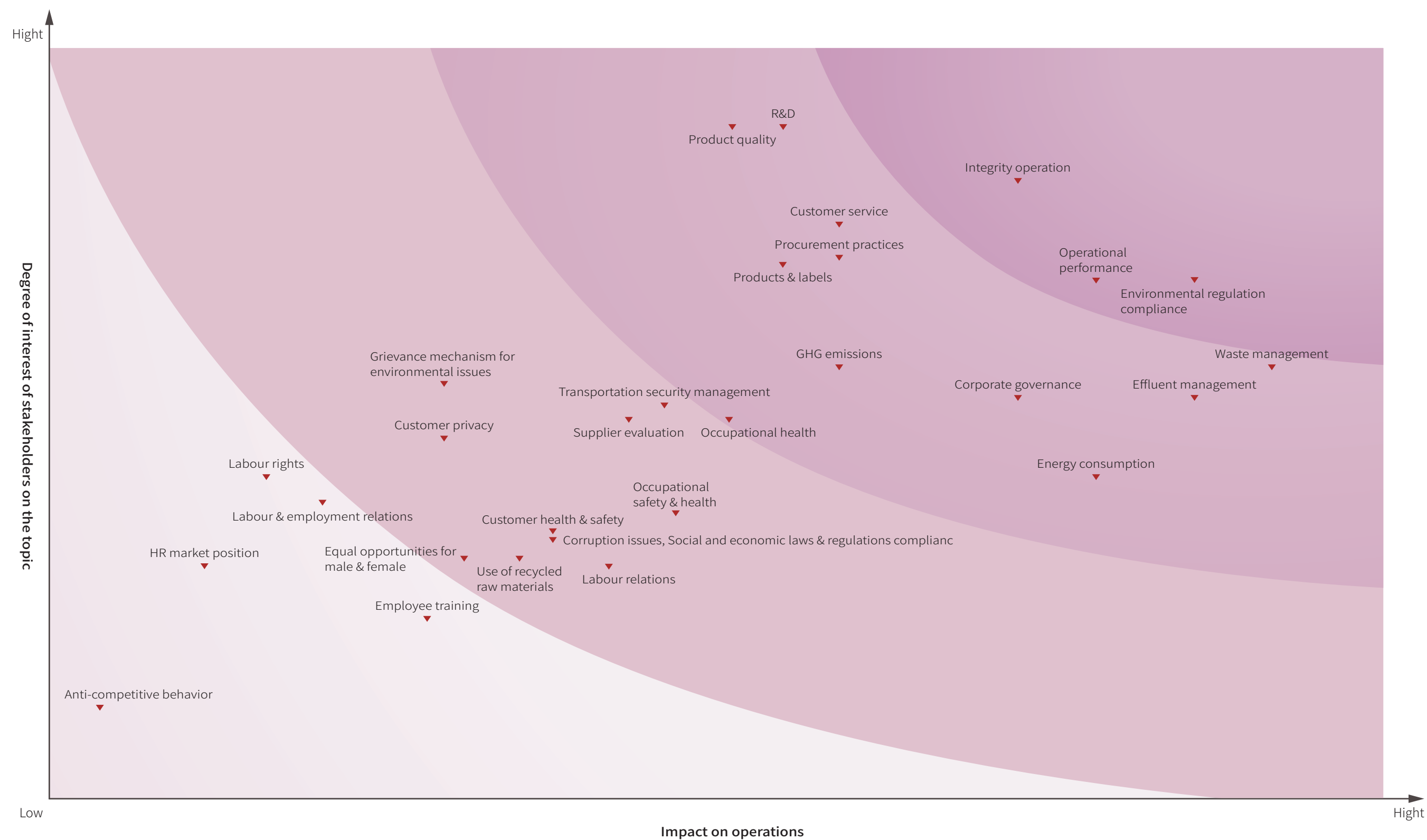
Category	Material Issue
General	Corporate Governance, Integrity Management
Economy	Procurement Practice, Operational Performance
Environment	Energy use, wastewater management, waste management, greenhouse gas emissions, compliance with environmental regulations
Society	Technology R&D, Product Quality, Customer Service, Product and Labeling

Please refer to the following sections of this report for the explanation of the response:

Corporate Governance	Functioning of the Board of Directors and Important Committees, Internal Control Audits, Shareholders' Equity, Operating Policies, Dividend Policies
Operating Performance	Revenue figures, sales status, government financial subsidies
Integrity Operation	Genuine implementation of integrity management principles and effective internal control system
R&D	Continuous investment in R&D and innovation, production of green products to improve product competitiveness
Product Quality	Product yield, quality certification standards, or customer complaints due to poor quality
Procurement Practices	Quality, delivery, capacity, safety and audit of raw materials
Customer Service	Customer Satisfaction, Customer Complaint Handling, Providing Complete Product Information and Application Advice
Energy Usage	Measures to promote energy consumption, reduce energy consumption, and conserve energy such as oil and electricity
Wastewater Management	Wastewater treatment and discharge control
Waste Management	Waste control, reduction, transport and legal disposal
GHG Emissions	Greenhouse gas information disclosure, carbon reduction action, net-zero emissions plan
Environmental Regulation Compliance	Whether there has been a serious violation of environmental regulations in the past year, as well as a significant fine, or a major dispute
Products and labels	Whether the product labeling complies with laws and regulations, safe use standards, and product information is correct and complete disclosure



Matrix Diagram of Material Issues



## 4

*Source of Raw Materials and Customer Service***Supplier Evaluation**

In order to pursue the company's product quality, improve the product image and provide long-term stable supply to customers' needs, the company not only regularly scores and evaluates suppliers according to ISO9001 "supplier management procedure" and "supplier evaluation form", but also requires manufacturers to provide assurance of restricted substances for necessary raw materials to ensure product safety.

The Company conducts quarterly supplier evaluations, which include whether there are delays in delivery, whether there is poor quality, and the degree of cooperation, etc. In addition, for all suppliers and in accordance with the requirements of the "Supplier Management Procedures", the purchasing department selects the manufacturer to conduct a factory evaluation based on the situation, and the evaluation team is formed by the personnel from the departments of Administration, Quality Assurance, Research and Development, Factory Affairs, and Environmental Safety, etc. The evaluation covers the operation and management of the factory, including whether it attaches importance to green procurement, whether there is illegal employment of child labor, the factory's manufacturing and technology, quality, process management, environmental protection, and the implementation of the 6S, etc., to ensure that suppliers meet the Company's requirements of the purchasing standards.

**Supplier survey form:**

Operation investigation project	Examples of survey items
Compliance with business ethics	Whether intellectual property rights are respected
Whether human rights are valued	Non-support and non-use of child labor
Whether to disclose relevant reports	Whether to publish an ESG report
Land type of the company	Whether the land is illegally used
Whether it has passed international certification	Whether it has been certified by ISO or other international certificates
Whether to comply with environmental protection laws and regulations	Whether the air pollution prevention and waste cleanup procedures are legal or not

**Supplier evaluation form:**

Audit items	Examples of the content
Operating management	Whether it attaches importance to environmental protection and green procurement
Manufacturing and technology	Standard operation process of product production
Quality management	Whether the delivery records are complete, well-kept and traceable
Production management	Whether 6S or other standardized control systems are implemented

**Provider Evaluation Ratings / 2022 Evaluation Results**

In 2022, the Company conducted a supplier evaluation in accordance with the Supplier Management Procedures, and the results of the evaluation were as follows:

Level	Score	Number of Supplier Transactions	Percentage
Level A	90 points (inclusive) and above	191	96%
Level B	80 points (inclusive) ~ 89 points	8	4%
Level C	60 points (inclusive) ~ 79 points	No transaction	0%
Level D	Below 60 points	No transaction	0%
Total		199	100%

**Raw Material Procurement Management**

The main raw materials used by Evermore Chemical Industry, such as TDI and AA, are not produced in Taiwan and must be imported from abroad. Therefore, long-term contracts are signed to ensure stable supply from our partners.

**Main raw material supply status:**

Location / raw materials	2022 / TDI	2022 / AA
Taiwan	0%	0%
Not in Taiwan	100%	100%
Source of supply	3 overseas	2 overseas



Customer Service and Satisfaction

Evermore Chemical provides a professional service team, which can understand the needs of customers at any time, give professional assistance and technical support immediately, and constantly provide more diversified services, so that customers can trust and feel more secure.

We expect to enable customers to recognize the brand value of Evermore Chemical and enhance their confidence in products. In addition to visiting customers and communicating with them at any time, we also conduct customer satisfaction surveys every year to understand whether customers are satisfied with our products and services in the past year. On the whole, the customers are still very satisfied with the evaluation of Evermore Chemical. We strive to improve the suggestions reflected by customers to Evermore Chemical, and work towards the goal of 100% customer satisfaction.

The customer satisfaction survey is conducted according to the ISO 9001 procedure, focusing on the manufacturers that have transaction records with Evermore Chemical in the past year.

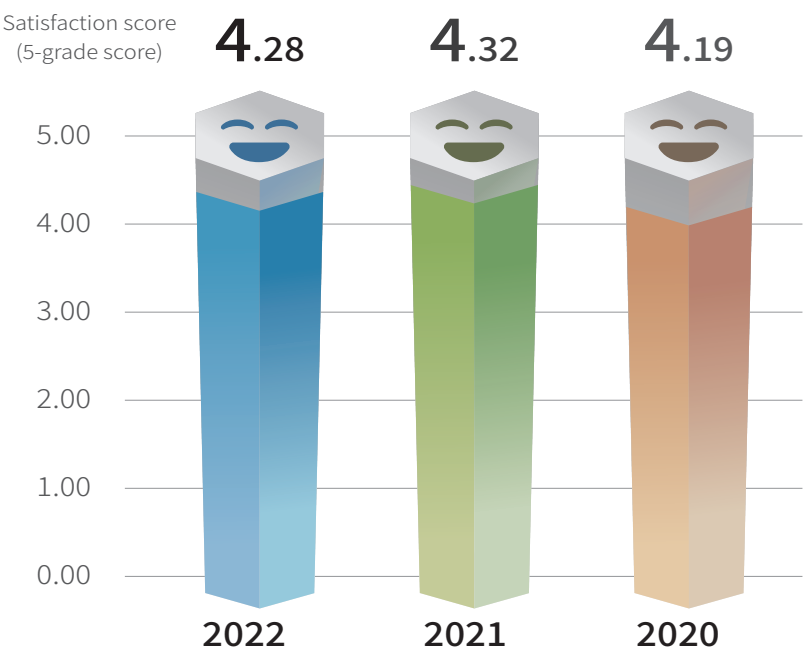
The evaluation items of the survey include two major items and several sub-items, including :

**Service Satisfaction**

Business service attitude, business problem-solving ability, business professional knowledge, speed of business staff in cooperation processing, after-sales technical service.

**Products Satisfaction**

Product quality, R & D innovation, R & D timeliness, product customization, product packaging quality.



We use the 5-grade scale with a full score of 5 as the standard for satisfaction evaluation and investigation. the customer satisfaction level for 2022 was 4.28, which is very similar to that of the last three years and higher than the average of the previous three years. However, we will not be complacent, and we will continue to strive for 100% customer satisfaction in the spirit of continuous improvement.

Correction and Prevention of Customer Complaints

The quality of Evermore Chemical Industry's products has been verified by various international standards, and we are always striving for 100% customer satisfaction. For the handling of customer complaints, the Company immediately reports the review in the meeting and sets up an inter-departmental team in a strict manner to carry out corrective and preventive measures. The review record clearly states the problem of customer complaints, verification and prevention measures, identification and investigation of the real cause, follow-up treatment, permanent solutions, and confirmation and tracking of the effects of the above, which is quite scientific and logical, demonstrating our responsible attitude towards product responsibility and pursuit of high quality.



Information Security Protection

The company also attaches great importance to the protection of customers' data and the confidentiality of information related to their privacy. The company is duty-bound to sign confidentiality agreements according to customers' needs. In addition, in terms of information security, it implements authority control, uses firewalls to block hacker intrusion, uses filtering software to filter viruses and spam, downloads abnormal status warnings, updates anti-virus software to prevent various viruses, regularly backs up, and so on, to avoid leakage of customer information caused by human errors.

As of 2022, there have been no complaints about the loss, leakage or infringement of privacy rights of customers.

## 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. We follow the mechanisms of ISO 14001: 2015 environmental management, constantly self-demand, improve standards, and move towards sustainable enterprises.

## Energy Intensity

Item \ Year	2020	2021	2022
Product electricity consumption (kwh)	9,133,220	9,973,020	9,799,788
Diesel for power equipment (litres)	15,000	17,085	15,729
Natural gas consumption (M <sup>3</sup> )	1,567,169	1,674,079	1,617,561
Steam consumption(M <sup>3</sup> )	--	183	509
Water consumption (Degrees/M <sup>3</sup> )	32,429	42,476	39,764
Gasoline Consumption for Trucks and Vehicles (Liters)	Note 3	Note 3	21,877
Unit product electricity consumption(kwh/tonne)	528.59	519.80	532.32
Unit product diesel consumption (litres/tonne)	0.87	0.89	0.85
Unit product gas consumption (M <sup>3</sup> /tonne) Note 1	90.70	95.85	107.53
Unit product steam consumption (M <sup>3</sup> /tonne) Note 2	--	0.11	0.15
Unit Products Gasoline consumption (Liters/metric tons)	Note 3	Note 3	1.19
Unit product water consumption (litres/tonne)	1.88	2.21	2.16
Product output (tonnes)	17,279	19,186	18,409

Note 1: Natural gas used by Nangang factory only, per unit product consumption is calculated based on the output of the plant area.

Note 2: Steam used by Dayuan factory only, per unit product consumption is calculated based on the output of the plant area.

Note 3: Statistics before 2021 are not available.



## Energy-Saving Solutions

Follow the spirit of the energy management law, to strengthen energy management and promote rational and effective use of energy, practice corporate sustainable actions. In recent years, there have been obvious energy-saving achievements, as shown in the following table:

## Energy Saving Achievements

Item \ Year	2020	2021	2022
Save more than 1% of the total electricity	1.29%	1.11%	1.58%
Total kWh saved	114,837	102,947	144,227

## Energy Conservation Action Plan

Year	Energy-saving Actions and Achievements	Power Saving (kWh)
2020	The cooling water motors were replaced by new ones	73,771
	Increased water temperature from ice water dispenser	41,066
2021	Replaced the utility motor of the Production Division 3	23,701
	Reduced the pressure of the air compressor in the utility area	9,847
	Replaced the mercury lamps of office T5 with LED lamps	14,809
	Reduced the temperature of cooling water tank to reduce the energy consumption of ice water dispensers	13,406
	Increased the temperature of ice water dispensers in division 2	41,184
2022	Mercury lamps replaced with LED lamps in division 3	13,516
	Set lighting waveboard to reduce the use of LED lights in division 3	3,379
	Utility system cooling water tower replacement heat sink	96,682
	Replace the old cooling tower with a new one in division 3	30,650

We have replaced old and low-efficiency equipments such as cooling water towers, and gradually replaced the lighting equipments with LED lamps. For future energy-saving actions such as green power planning, please refer to the description in "TCFD's Proactive Response" of the report.



## Water and Effluent Management

The water source of the company is tap water, which is mainly used for production (as raw material or solvent), cooling water for equipment during process operation, water for steam boilers, and domestic water for colleagues in the factory. In response to climate change and in line with the national water resources policy, the plant implements normal water conservation, confirms and installs water-saving faucets, reduces or recycles water through various improvements, takes the lead in saving water with practical actions, follows and coordinates the goal of entering a water-saving society.

### Water Consumption

Item \ Year	2020	2021	2022
Tap water (l Degrees/M <sup>3</sup> )	32,429	42,476	39,764

### Reuse of Recycled Water

Reuse project \ Year	2020	2021	2022
Process recycled water (metric tons)	172	216	177



The wastewater of the Company's Nangang plant is regularly outsourced for inspection twice a year, and the newly merged Dayuan plant will be carried out in the same manner from 2022. After internal treatment, the wastewater is discharged to the wastewater treatment plant in the industrial area and is monitored by the wastewater treatment plant in the industrial area. The recent wastewater discharge status is as follows:

### Wastewater Discharge

Item \ Year	2020		2021		2022 Dayuan		2022 Nangang	
	First half of the year	Second half of the year	First half of the year	Second half of the year	First half of the year	Second half of the year	First half of the year	Second half of the year
PH value	8.7	7.9	8.3	8.1	7.6	7.5	8.0	8.2
Water Temperature	29.2	29.5	28.1	29.7	29.5	17.5	28.8	31
Biological oxygen demand	116	125	30	22.7	2.2	<1	13.0	63.2
Chemical oxygen demand (mg/L)	241	185	176	75.2	12.1	9.1	38.6	160
Suspended solids (mg/L)	109	106	19	4	4	1.1	8.7	36
ADMI	127	130	63	78	<25	<25	44	68
Free and effective residual chlorine	0.06	0.03	-	-	<0.02	0.03	-	-
Ammonia nitrogen	0.5	2.67	0.31	0.47	8.91	11.2	0.79	0.46
Oil and grease	1.0	0.8	<0.5	1.4	<1	<1	3.2	2.2
Nitrate nitrogen	5.06	9.63	1.43	2.35	0.25	0.45	2.05	2.45
Fluoride salt	0.23	0.44	0.25	0.21	0.09	0.08	0.17	0.17
Anionic surfactant	ND	<0.1	<0.1	<0.1	7.6	ND	ND	ND
Phenols	ND	0.0126	0.0078	ND	0.0126	ND	ND	ND
Discharge (m <sup>3</sup> / year)	10,084		9,051		1,814		10,532	

\* Water quality specifications:

1. Discharge standard of wastewater treatment plant in Nangang Industrial Zone: suspended solids (SS) less than 320 mg / L; Chemical oxygen demand (COD) less than 640mg / L.
2. Wastewater treatment plant in Dayuan Industrial Zone: the suspended solids (SS) is less than 240 mg / L; Chemical oxygen demand (COD) less than 480mg / L.

In accordance with the "measures for the administration of the review of water pollution prevention and control measures plans and permit applications", and the "chemical industry discharge water standard" of the water pollution prevention and control measures and the measures for the administration of testing and application announced in March 2018, the testing items include 44 water quality control items such as general water quality, specific water quality (1), specific water quality (2), etc. The main testing items include hydrogen ion concentration index, water temperature, biochemical oxygen demand, chemical oxygen demand, suspended solids, ADMI, free and effective residual chlorine, ammonia nitrogen, oil, nitrate nitrogen fluoride salts, anionic surfactants, phenols, etc. the items declared for regular testing are far lower than the standards of discharge water or the detection limits of methods.

In 2022, Evermore Chemical did not violate water pollution related regulations.

## Greenhouse Gas Emissions

Evermore Chemical Industry has started the greenhouse gas inventory and verification, and further launched greenhouse gas reduction and control measures to actively save energy and reduce carbon emissions. Through the research and development of low-carbon energy and green technology, Evermore Chemical Industry also reduces the impact of greenhouse gases generated by production activities on the environment, and moves towards the development of a green economy, demonstrating the corporate responsibility of sustainable management.

### Greenhouse Gas Emissions

Item \ Year Factory	2021年		2022年	
	Nangang Factory	Dayuan Factory	Nangang Factory	Dayuan Factory
Scope 1	3,641.176	10.758	3,506.455	11.458
Scope 2	4,842.104	283.319	4,602.891	521.280
Total emissions (ton CO <sub>2</sub> e)	8,777.357		8,642.084	
Product output (MT)	19,186.202		18,409.48	
Greenhouse gas emissions intensity (ton CO <sub>2</sub> e/ton Product output)	0.457		0.469	

Greenhouse gas emissions converted from general power consumption account for about 50-60% of the total emissions, hence when it powers up and operates, the output is high while the converted greenhouse gas emissions intensity is relatively low.

### Air Pollutant Emissions

Item \ Year	(Unit: kg)		
	2020	2021	2022
Particulate pollutants	1,942.71	1,141.20	1,077.3
Sulfur oxide	311.40	177.00	166.59
Nitrogen oxide	2,837.41	2,839.97	2,753.25
Volatile organic compounds (VOCs)	8,167.80	8,761.49	15,073.12
Total emissions	13,259.32	12,919.66	19,070.26

In the production process of the company, the main air pollutants are particulate pollutants, sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>) and volatile organic compounds (VOCs).

For volatile organic compounds (VOCs), biofilter microbial treatment and humidification tower are used to effectively control the humidity, facilitate the growth of microorganisms, and the equipment is indeed maintained and operated to give full play to the best treatment efficiency, do a good job in pollution prevention and control, and comply with the requirements of the "air pollution control and emission standards for volatile organic compounds".

To prevent VOC emission and meet the requirements of air pollution control and emission standards of VOCs, for example, wastewater treatment facilities adopt closed or enclosed gas gathering systems to collect VOCs and then send them to the air pollution control equipment of biofilter bed for treatment.

When all processes comply with the contents of the Topicd fixed pollution source operation permit, if there is a change or expansion of the fixed pollution source equipment, a change in the process, raw materials, fuels or products, or a change or change in the fixed pollution source setting operation, the plastic and synthetic resin (PU resin) manufacturing process (M01) and the plastic and synthetic resin (polyester resin) manufacturing process (M02), It shall be handled in accordance with the application regulations for operation permit. Implementing compliance with the law and doing our part in environmental protection is the basic principle of sustainable operation of enterprises.

## Waste Management

### Waste Separation and Disposal Status

Waste Separation and Disposal Status						(Unit: Ton)
Category	Waste code	Processing method	2021		2022	
			Clearance volume	Percentage	Clearance volume	Percentage
General waste	D category	Incineration	140.37	92.76%	105.89	88.46%
		Landfill	132.69		52.75	
		Heat treatment	290.79		338.71	
		Physical Processing	0		1.3	
		Reuse	0		34.9	
	R category	Reuse	1.92		6.28	
	Subtotal		565.77		539.83	
Hazardous waste	C-0301	Incineration	1.99	7.24%	10.12	11.54%
	B-0347	Reuse	35.46		49.492	
	B-0399	Reuse	6.737		10.825	
	Subtotal		44.187		70.437	
	Total		609.957		610.267	
Percentage of Hazardous Waste Recycled			95.50%		85.63%	

\* General wastes mainly include D-0202 waste resin (except D-0201), D-0299 waste plastic mixture, D-1801 General waste from business activities, D-0901 organic sludge, D-1504 non-hazardous organic waste or waste solvent.

\* Hazardous Business Waste C-0301 Committee Qualified Cleaners and Disposal Plants.

\* Hazardous business waste B-0347 mainly uses dimethyl methylamine after washing the tank, it does not affect the quality of the product raw material use.



Effectiveness Management

- ▲ Incineration, heat treatment, landfill treatment and recycling should be adopted according to the disposal methods in the waste disposal plan. We sign a tripartite agreement with qualified waste removers and treatment plants, sort out the list of validity periods, and implement control measures.
- ▲ The waste shall be entrusted to an environmental inspection and measurement institution approved by the environmental protection administration to provide a test report to prove the compliance of classification.
- ▲ The cleaning contractor shall log in the access control operation before entering the factory, and the environmental safety and health personnel shall monitor the actual situation during cleaning and transportation; Topic a declaration form in accordance with regulations.
- ▲ The GPS positioning system installed on the waste disposal vehicle is used to track the removal route and confirm whether the location of the waste disposal vehicle is consistent with the location of the waste disposal plants.
- ▲ 「The "criteria for determining the due diligence obligation of enterprises entrusted with cleaning" establishes an enterprise's internal independent inspection and audit waste system: regular inspection and audit every quarter, making inspection and audit records, tracking missing improvements, and incorporating them into the focus of independent inspection and audit.
- ▲ Visit the treatment plant regularly every year to implement waste removal and treatment management.

Waste Reduction and Recycling Patterns:

Establish multiple schemes such as source reduction improvement, production waste reduction and sorting, and recycling/regenerative cycle, such as:

- ▲ After the raw material empty barrels are cleaned and processed in factory, choose and used by products that do not affect the quality.
- ▲ Choose and use washing tank solvents which do not affect the quality.
- ▲ The number and quality of washing tank solvents are controlled, and they are tested and used by customers.
- ▲ Practical application of recycling of packaging barrels of finished products
  - 1 | Stainless steel barrels: loaded back after use by customers, and reused after confirming the quality in the barrels.
  - 2 | IBC barrels: loaded back after use by regular customers, and reused in the original product items.
  - 3 | 50 gallon barrels: repurchase of fixed items of products by certain customers, and reused in the original product items after use and loading back by them.
  - 4 | Execute waste classification, and inspect and improve at any time, while announcing to everyone the determination to implement and put into daily action.



Toxic and Concerned Chemicals Management

The list, the quantity range and the deadline for designating the list of existing chemical substances that should be completed by the end of 2024, and Evermore Chemical Industry shall obtain standard registration as follows:

Item	Standard login level	Date Acquired	Standard Login Completion Code
Acrylic acid (cas no 79-10-7)	Level 3	2021.09.30	ESR100000268-002
Methacrylic acid (cas no 79-41-4)	Level 3	2021.10.28	ESR110001719
Methyl 3-isocyanate-3,5,5-trimethylcyclohexyl isocyanate (cas no 4098-71-9)	Level 3	2021.11.11	ESR110001495
4,4 '-methylenediphenylene diisocyanate (cas no 101-68-8)	Level 4	2021.11.08	ESR110001642
Trioxypolyethylene glycol diacrylate (cas no 42978-66-5)	Level 3	2021.11.03	ESR110001552
Diphenyl ketone (cas no 119-61-9)	Level 3	In Progress	
2-phenylphenol (cas no 90-43-7)	Level 3	In Progress	
Polymethylene Phenylene Isocyanate (cas no9016-87-9)	Level 3	In Progress	

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

Environmental Penalty Incidents

There were no environmental penalty events in 2022.



# 6 Occupational Safety

## Occupational Health and Safety Management System

The purpose of the occupational safety and health management system is to implement various automatic inspections to eliminate work hazards and pollution; to raise the awareness of all employees on safety and health, to build a healthy workplace environment, and to eliminate occupational disasters to protect the safety and health of workers. At present, ISO 45001: 2018 has been implemented, including the identification, assessment and control of environmental or operational hazards; the management of machinery, equipment or appliances; the classification, marking, general knowledge and management of hazardous chemicals; the sampling and monitoring of the operating environment, etc., and regularly reviews and continuously improves at the occupational safety and health committee and management review meeting to improve work and environmental safety and promote employee health.

## Hazard Identification and Risk Management Proces

In order to effectively prevent occupational disasters, trained personnel identify operating activities or working environments, assess hazards and environmental impact items, For assessment level take control measures, such as safety and health management objectives, operation control, emergency response measures, or education and training for the assessment. In case of occupational disaster, in addition to analyzing the causes, the company shall develop and implement improvement plans, and re-examine the hazard identification and re evaluate the risk level. After informing all units of the accident investigation report, the competent and responsible units should also publicize the disaster in the monthly meeting to avoid similar recurrence.

The company through the two indicators of active ones (false alarm accidents, safety and health proposals) and passive ones(incident experience, punishment by the competent authority, audit results), and incorporating them into 6S inspection, the audit intensity was increased, potential unsafe conditions were found, and the case listing and implementation was improved. The "occupational safety and health and environmental protection operation management plan" is formulated at the end of each year. The statistical analysis data of occupational disasters are based on the statistical indicators of important occupational disasters published by the Ministry of labor, and the statistical basis (excluding commuting traffic accidents) is the disabling injury frequency rate (F.R. average number of disabled injuries per 1 million working hours in the workplace) and the disabling injury severity rate (S.R. average number of lost working days per 1 million working hours in the workplace)

### Statistical Analysis of Occupational Accidents

Item	2020	2021	2022
Annual average number of people	168	212	212
Sick leave hours	460	676	1,298.5
Absence rate% * Note 1	0.13	0.17	0.31
Occupational injury(number of cases)	1	0	2
Occurrence of occupational diseases (number of cases)	0	0	0
Lost working days (days)	4	0	6
Total working hours (HR) * Note 2	374,568	402,819	434,458
Injury rate (IR,%)	0.53	0	0.92
Incidence of occupational diseases (%)	0	0	0
Frequency rate (FR,%)	2.67	0	4.60
Severity rate (SR,%)	10	0	13
Number of deaths on duty	0	0	0

Note 1: Absence % = [Days Absent (Occupational Accident Injury + Sickness)/Total Days Worked] x 100%; both absenteeism and occupational injuries do not include commuting accidents.

Note 2: Total hours worked include overtime hours. The data is based on the declaration of "the Ministry of Economy and the General Accounting Office of the Executive Yuan Manufacturing Salary Express Report for Employees", but does not include the employees who left the company in the current month.

## Participation, Consultation and Communication on Occupational Safety and Health

In accordance with the provisions of the Occupational Safety Law, an occupational safety and health committee shall be set up to specify personnel, formulate, plan, supervise and promote safety and health management matters, and guide the relevant departments to implement them in a concrete way. Regular quarterly meetings are held to make recommendations on health and safety policies and to deliberate, coordinate and advise on health and safety-related matters. At the same time, the Company encourages employees to complete the improvement of potentially unsafe conditions through proactive proposals, and publicly issue bonuses to proposal colleagues for the purpose of continuous improvement.

## Preventing and Mitigating Company-Related Occupational Safety Impacts

The contractors are regarded as important working partners of us. In order to ensure the work safety of the contractors' personnel, the contractors shall be informed to follow the company's "safety, health and environmental protection regulations" before contract awarding or construction, and the contractor is required to abide by and publicize them to its employees. When signing the contract or the contractor enters the plant for construction, it is required to complete the "outsourcing works safety contract". In addition to hazard notification and supervision in accordance with relevant laws and regulations on occupational safety and health, all production units also promote various management mechanisms to strengthen the safety and health management of contractors.

Work safety permit mechanism: for hot work, confined space, overhead, hanging, pipeline interruption, excavation, storage tank area, etc., an application for "safe work permit" is required to ensure the effective management and operation of various hazardous operations, avoid accidents, casualties and reduce the impact on the environment.

Operational environment monitoring is implemented every six months, mainly for specific chemical substances, organic solvents, noise and dust operations. The results in 2022 were classified as level I management: for those whose exposure concentration was less than half of the allowable exposure standard, in addition to continuing to maintain the original control or management measures, when the process or operation content changes, appropriate change management measures were taken.





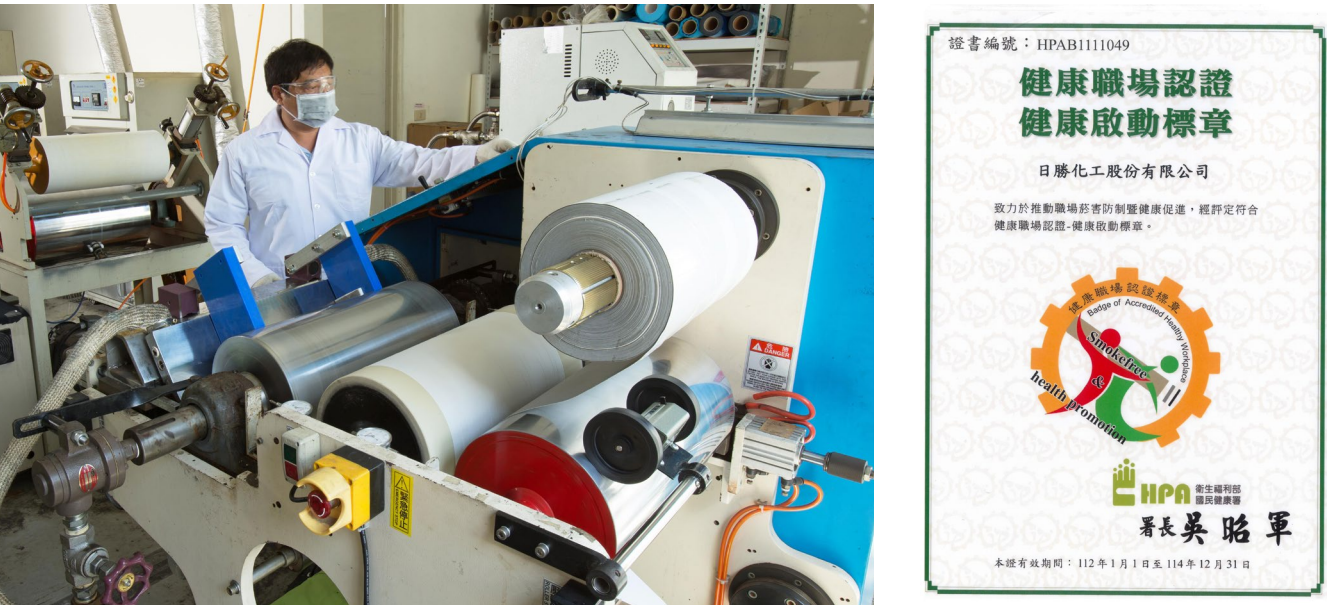
Occupational Safety and Health Education Training

In accordance with regulatory requirements, ensure that everyone can familiarize themselves with occupational safety and health related regulations and the company's safety and health management mechanism, arrange occupational health and safety related education and training, so as to introduce the company's safety and health culture and concept. Every year, according to the education and training plan, with safety and health and environmental protection and fire training, courses such as respiratory protection plan, hazardous chemicals general education and training, heap machine accident prevention, plant emergency response, occupational safety and health or environmental protection laws and regulations should be qualified licensed operations or responsible personnel, a total of 704 training in 2022 (internal training 666; external training 38).



Preventing Workplace Abuse

Revise and promote the announcement of "Written Statement of Workplace Violence" and "Execution Procedure for Handling Physical or Mental Violence in the Execution of Duties". The "Hazard Identification and Risk Assessment Form for Prevention of Unlawful Infringement in the Workplace" shall be evaluated by the supervisors of each unit; the characteristics of the company and the nature of the workplace shall be evaluated by the "Hazard Identification and Risk Assessment Form for Prevention of Unlawful Infringement in the Workplace" of the supervisors of each department; after statistical analysis, the situation of further reducing the risk shall be improved and controlled.



Employee health promotion

All Staff Medical Examination and Maternal Health Protection Plan

In accordance with the Occupational Safety and Health Act and the Labor Health Protection Rules, companies are required to implement special medical examinations for new workers to understand the health fitness status. In order to compassionately care for employees, the company implements annual employee health inspections, which are superior to the frequency of laws and regulations and inspection items.

The number of health checkups in 2022 was 191, accounting for 92%, mainly due to the impact of the COVID-19 pandemic, and overseas employees were unable to arrange to return home.

In 2022, two pregnant female employees were admitted to maternity protection, arranged for medical personnel engaged in labor health services to interview them, and provided health guidance and management.

Occupational Health Services

In accordance with the rules of labor health protection, in order to enable workers to receive comprehensive occupational health care services, business establishments are required by law to apply for "clinical health services for medical personnel". Frequency of service: physician: 4 times/year; nursing staff: 4 times/month. In 2022, the ratio of medical staff to factory health services to perform health consultation and guidance reached 36.6% (77 people/year average 212 people). The tracking management and health guidance for those with abnormal health examination results in 2022 are conducted by medical interviews and health hygiene education.

Evermore Chemical Industry attaches great importance to the analysis and evaluation of labor physical examination results and health management, and will conduct interviews and follow-up on abnormal items for peer health examination reports every year, such as high blood pressure (prone to immediate harm), chest X-rays and thyroid abnormalities (there is a risk of cancer), and abnormally high blood fat (metabolic syndrome) to avoid harm. For the health management planning and implementation of employees is more active, especially the prevention of abnormal workloads such as shifts, night work, long working hours, etc., issued personal and work fatigue scale for evaluation, and arranged interviews and guidance to carry out statistical analysis of colleagues' health status as follows:

Risk classification and interview suggestions		Risk of brain and cardiovascular diseases		
		Low < 10%	Middle 10-20%	High > 20%
Workload risk	Low	No interview required (44 persons)	No interview required (9 persons)	Interview suggested (2 persons)
	Middle	No interview required (29 persons)	Interview suggested (1 persons)	Interview required (0 persons)
	High	Interview suggested (08 persons)	Interview required (3 persons)	Interview required (0 persons)



# 7 Social Responsibility

## Human Resources

By the end of 2022, the total number of employees employed by Evermore Chemical Industry was 215. All of them are full-time employees, mainly in Taiwan, accounting for about 90% of the total number of employees, and 100% of the Taiwanese employees were indefinite contract employees.

### Employee Distribution Structure

Year		2020		2021		2022	
Category		Number	Proportion	Number	Proportion	Number	Proportion
Indefinite contract employee	Male	119	78.3%	153	77.7%	151	77.8%
	Female	33	21.7%	44	22.3%	43	22.2%
Fixed-term contract employee	Male	19	100.0%	18	100.0%	21	100.0%
	Female	0	0.0%	0	0.0%	0	0.0%

### Employee Age Structure

Category	Male		Female		Total	
	Number	Proportion	Number	Proportion	Number	Proportion
Under 30	13	6.1%	2	0.9%	15	7.0%
31 ~ 50 years old	124	57.7%	28	13.0%	152	70.7%
Above 51	35	16.3%	13	6.1%	48	22.3%
Subtotal	172	80.0%	43	20.0%	215	100.0%

### Employee Position Structure

Position level *Note	Female	Male	Under 30	31 ~ 50 years old	Above 51
Senior Executives	1	20	0	12	9
Mid-level officers	21	50	0	46	25
Grassroots staff	21	102	15	94	14
Total	43	172	15	152	48

Note: The Senior Executives: Chairman / General Manager / Vice President / Assistant Manager / Plant Manager / Manager etc.  
 The Mid-level staff: Deputy Plant Manager / Assistant Manager / Chief / Deputy Chief etc.  
 The grassroots staff: team leader / chief operator / clerk / operator / quality inspector etc.

### New entrants in the last 3 years:

Gender	Age	Number & Proportion	2020	2021	2022
Male	Under 30	Number	7	11	5
		Its proportion in separation staff	35.0 %	18.3 %	25.0 %
	31 ~ 50 years old	Number	8	37	13
		Its proportion in separation staff	40.0 %	61.7 %	65.0 %
	Above 51	Number	4	1	0
		Its proportion in separation staff	20.0 %	1.7 %	0.0 %
Female	Under 30	Number	1	2	1
		Its proportion in separation staff	5.0 %	3.3 %	5.0 %
	31 ~ 50 years old	Number	0	8	1
		Its proportion in separation staff	0.0 %	13.3 %	5.0 %
	Above 51	Number	0	1	0
		Its proportion in separation staff	0.0 %	1.7 %	0.0 %
Total	Total number of new staffs		20	60	20
	Its proportion in total staffs		11.7 %	27.9 %	10.3 %

### Last 3 years of staff separation :

Gender	Age	Number & Proportion	2020	2021	2022
Male	Under 30	Number	4	9	3
		Its proportion in separation staff	28.6 %	56.6 %	15.0 %
	31 ~ 50 years old	Number	5	7	11
		Its proportion in separation staff	35.7 %	43.8 %	55.0 %
	Above 51	Number	1	0	3
		Its proportion in separation staff	7.1 %	0.0 %	15.1 %
Female	Under 30	Number	3	0	1
		Its proportion in separation staff	21.4 %	0.0 %	5.0 %
	31 ~ 50 years old	Number	1	0	2
		Its proportion in separation staff	7.1 %	0.0 %	10.0 %
	Above 51	Number	0	0	0
		Its proportion in separation staff	0.0 %	0.0 %	0.0 %
Total	Total number of separation staff		14	16	20
	Its proportion in total staffs		8.2 %	7.4 %	9.3 %



## Employee Diversity and Equal Opportunity

The company's human resource management system is governed by labor related laws and regulations, and the rights and interests of employees are legally protected. Diverse employees can enrich the corporate culture, so Evermore Chemical also employs disabled and aboriginal colleagues. Except for the physically demanding work, women are employed in all other jobs. In terms of labor practice, we fully demonstrate employee diversity and equal opportunities.

## Staff Communication

The Company maintains good communication with employees, everyone actively participates in our operations out of loyalty. We also hold monthly employee meeting and regular labor relation meetings every 3 months. 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.

## Employee Benefits

Evermore Chemical regards employees as its biggest asset and knows talents are the foundation of the enterprise. It expects to attract excellent talents to join the work team through the overall salary system with market competitiveness, and promises to provide high-quality work platform and challenging tasks, so as to accumulate a group of excellent talents who agree with the company's mission, vision and core values, and move towards the goal of success together.

## Remuneration System

The current work rules are all based on the Labor standards Act, and some of the provisions and benefits are even better than the Labor standards Act; In terms of bonus, we have attendance bonus to encourage attendance, year-end bonus and quarterly bonus related to business performance, inventory, quality, safety, etc. If there is surplus, we also have employee compensation according to the company's rules and regulations. These have been listed in the rules and regulations or the company's articles of association, and there are laws and regulations to follow.

## Employee Salary

The salary of entry-level employees is slightly higher than the local basic salary in order to attract and retain talents.

Salary Standards of Entry-level Staff and Local Minimum Wage Comparison Table

Item	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
Average standard salary of Entry-level Staff	1.40	1.50	1.47	1.52	1.41	1.45
Local minimum salary * Note	1	1	1	1	1	1

Note : Minimum salary in 2020: NT\$23,800; minimum salary in 2021: NT\$24,000; minimum salary in 2022: NT\$25,250

The average salary of full-time employees in non-supervisory positions in 2022 was NT\$753 thousand, an increase of 9.9% compared with 2021, and the median salary of full-time employees in non-supervisory positions was NT\$661 thousand, an increase of 8.36% compared with 2021. Overall, in addition to salary adjustments, the Company adheres to the business philosophy of profit sharing and appropriately returns the results of the Company's operations to its employees.

Table of Average Salary and Median Salary

Unit: NT\$1000

Item	2020	2021	2022	Difference between 2022 and the previous year
Number of full-time employees not holding executive positions	148	155	187	32
Average salary of full-time employees not holding executive positions (\$000/person)	713	685	753	68
Median salary for full-time employees not holding executive positions (\$000/person)	654	610	661	51

Note: the definition of "full-time employees not holding executive positions" by the stock exchange refers to the number of full-time employees (including Taiwanese and foreign employees) of all employees of the enterprise after deducting those who are in charge of executive positions (managers), employees of overseas branches, part-time employees and those excluded from statistics.

## Employee Retirement Plan

Since July 1, 2005, in line with the implementation of the new pension ordinance, those who are applicable to the new system will be allocated to the labor insurance bureau at the rate of 6% of the monthly wages of workers in accordance with the provisions of the Labor Pension Act, For employees subject to the Labor Standards Act, the contribution rate is 2% of the monthly wages of labor to the pension account of Bank of Taiwan. All employees participate in the retirement plan.

## Other Benefits

In order to further protect employees, all employees of Evermore Chemical enjoy group insurance. At the same time, to improve the welfare of employees, the company regularly allocates welfare funds every month, and the employee welfare committee composed of labor and capital representatives is responsible for the movement and expenditure of welfare funds, and handles the following measures:

Benefits	
Domestic and international travel	Group insurance
Subsidies for weddings and funerals	Subsidies for training courses such as skills, hobbies and sports
Maternity Benefit	Outdoor activities such as family days
Bonus for the three major festivals	Quarterly dining
Birthday Benefit	Assistance for staff hospitalization and injury

In addition, the company provides food allowance on weekdays, quarterly bonus and employee compensation according to business performance, and provides ESOP trust scheme for middle-level staff and above, Our staff benefit are rich and diverse welfare.





Parental Leave

To cooperate with government policies and provide care for our employees, we promote unpaid parental leave for raising children, and ensure smooth reinstatement after their unpaid parental leave are over. 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 2022, male colleagues also applied for parental leave according to their needs. Evermore Chemical Industry endeavors to implement gender equality and encouraged employees to achieve a balance between work and family.

Application of Unpaid Parental Leave and Reinstatement Status of the Company

Item	2020			2021			2022		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Actual number of applications for parental leave	0	0	0	1	0	1	1	2	3
Number of persons to be reinstated in the current year (A)	0	0	0	1	0	1	0	0	0
Number of people applying for reinstatement in the current year (B)	0	0	0	1	0	1	0	0	0
Reinstatement rate (%) (B / A)	0	0	0	100	0	100	0	0	0
Retention rate (%) * Note	-	-	-	-	-	-	-	-	-

Note: "retention rate" refers to the retention rate of employees who have been reinstated after the parental leave for more than one year. . If the number of people reinstated in the previous year is 0, it is represented by -.

Talent Cultivation

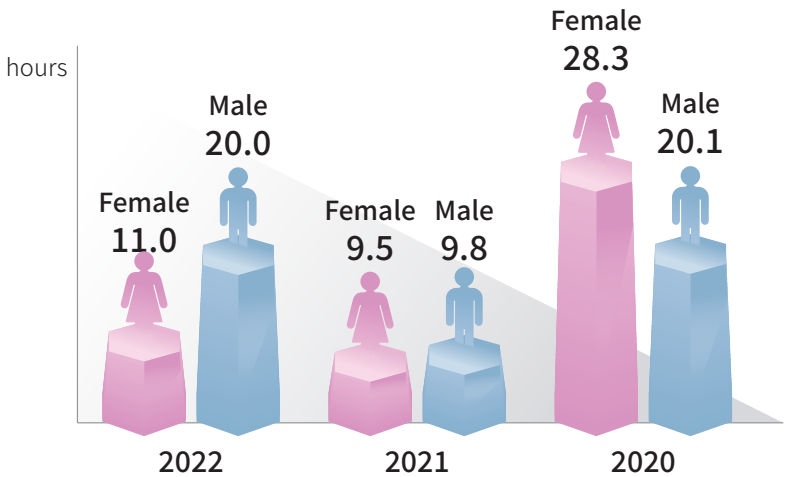
Training Policy and Category

To meet the needs of enterprise development and organizational manpower planning, we arrange pre-service training, general training, professional training, quality system training, management training and other subjects, improve the knowledge, attitude and skills required by employees to achieve team and individual work goals, promote the production efficiency and work quality of employees, and improve the profits and brand image of the enterprise. Evermore Chemical aims to meet customer needs and fulfill social and corporate responsibilities in developing training policy.

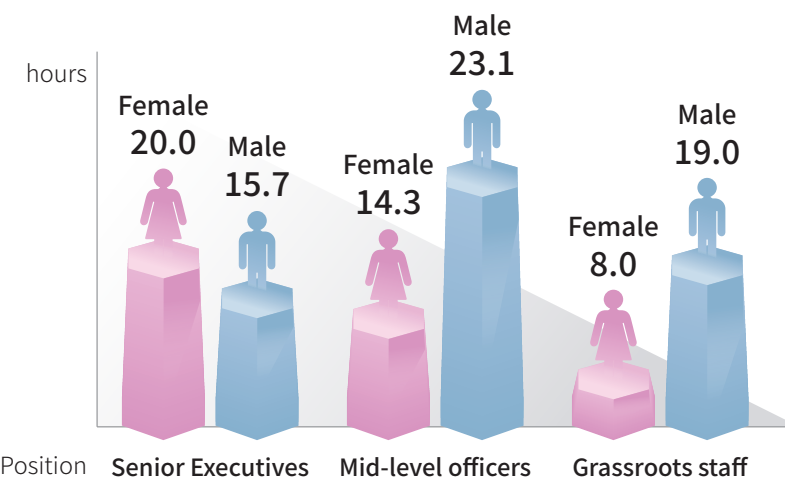
Talent Cultivation and Training

According to the systematic training system, Evermore Chemical Industry improves the efficiency of the training system and improves the quality of human resources to increase the competitiveness of enterprises. EMC provided training for 3,058.5 hours in total in 2022, with an average of 17.8 hours of training accepted by each employee.

Average hours of staff education and training in recent three years



Average hours of staff education and training in 2022



Product Safety and Responsibility

The product packaging complies with the United Nations Standard - globally harmonized system of classification and labeling of chemicals(GHS). When preparing for shipment, the company also provides product labels and documents required by laws and regulations, including safety data sheet (SDS), chemical label regulations required at home and abroad, warning notes, etc. The font size and language use of the labels meet the specifications and customer requirements. Meanwhile, the company's quality inspection report and product guarantee are attached. The products shipped are fully guaranteed in terms of quality within the correct range of use by customers, so that customers can use them free of concern.

There was no incidence of failure to comply with laws and regulations regarding information and labeling of products and services in 2022.





## Social Co-prosperity

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

Since 2010, Evermore Chemical Industry has adopted one hectare of land in the 9th forest compartments of Experimental Forest of National Taiwan University for forestation. Hiking activities are held every year, in addition to "visiting" the current situation of the trees planted by the company, it is also an annual family day. We carry out mountain activities along the way to prove that companies value a sustainable environment, create a healthy atmosphere, and balance life and work.



### Encouragement of Enthusiastic Participation in Blood Donation

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 2022 reaching 30,000CC. For successful blood donors, the Company gives gift cards to prove that they are in good health and actively create a multi-win situation.



### Tree Planting in the Factory and Greening of the Environment Soothes the Emotions

In order to reduce the established impression of the chemical plant as a dangerous and highly polluted environment, the Company has continued to plant trees and greenery in the plant to create a green and biodiverse ecological environment, so that all employees, visitors, and partners can work in an environment of lush grass and trees, insects, and birds, providing a working environment with relatively low environmental stress.

## Local Activities Involvement

### Community Engagement and Employee Mental and Physical Health

In order to establish a good interactive relationship with the community and take into account the physical and mental health of employees, the Company annually signs up to participate in the "Nantou County Labor Games", actively participates in local events, fully demonstrates the warmth of "gentlemen can't fight without shooting", and has good interaction with local authority groups. In 2022, it won the double championship of the group competition and the spirit championship.

### Caring for the Community and Donation Campaign of Chinese New Year Dishes

Located in Nantou, Evermore Chemical Industry is very concerned about the weak elderly living alone on the ground. In 2022, together with colleagues, they participated in the Huashan Social Welfare Foundation's "Donating Chinese New Year Dishes to Send Love to the Lonely Old" activity, hoping to gather people's efforts to fill the gap between the need to be delivered on weekdays and the long annual leave without a meal. The Company sponsored the publicity activities, and colleagues made voluntary donations, benefiting nearly 50 elders.



### Help the Seedlings by Sponsoring a Charity Sale at the Family Support Garden Party

Evermore Chemical Industry and its employees have been participating in charity garden parties held by family help centers in Nantou County for eleven years until now, and have been committed to the public welfare through practical actions. The Company has long been the organizer of the charity garden party, not only contributing money, but also at the same time, calling on employees to set up booths for charity sales, in the hope that on the one hand, to really help the economically disadvantaged children, and on the other hand, to encourage employees to give full play to love, and do their part for the Nantou region.elders.

### Community Communication Channel

In order to avoid impact on the community and maintain the health of employees and the life of the community, the company entrusts a credible testing unit to test the air quality of the plant every year; The Management Office of Nangang Industrial Park conducts two no-alarm tests for wastewater every month. In 2022, there was no failure to pass the tests, which clearly shows that there were no operation activities with significant actual or potential negative impact on the local community.

In addition, Evermore Chemical has clearly formulated emergency response management procedures and conducted regular drills to avoid the impact of accidents on the surrounding communities; At the same time, telephone, e-mail and other communication channels shall be opened to neighboring communities to provide clear communication channels for residents, so as to safeguard residents' rights and interests and reduce negative impact on the environment or society.



# 8 Responses to Climate Change



The uncertainty of climate change poses a great challenge to companies. Evermore Chemical Industry has made reference to the Task Force on Climate-related Financial Disclosures (TCFD) "Governance," "Strategy," "Risk Management," and "Indicators and Targets" of the Financial Stability Board (FSB) to make climate-related financial disclosures. We evaluate the risks, opportunities and potential financial impact of climate change on the Company, and review and adjust the Company's energy-saving and carbon-reduction measures in a timely manner with reference to the government's net-zero transformation policy.

The ESG Committee, led by our President, conducts risk identification for climate change, takes stock of business risks, identifies business opportunities for early response, identifies risks through internal discussions, ranks these possibilities and the extent to which they will affect business operations, and recommends action steps to implement countermeasures.

## Governance

In order to implement sustainable development strategies, a functional Corporate Sustainability Committee (CSR Committee) was established in 2015 and renamed ESG Committee in 2022 (to be called "Sustainability Center" from 2023), which is the highest level of sustainability organization in the management team of Evermore Chemical Industry. It consists of the President, President's office, and department heads, and is able to effectively integrate resources, discuss and implement policies in a strategic, systematic, and organized manner, and set management goals and methods by each unit according to the level of impact through the disclosure of climate-related risks and opportunities. The Committee shall report to the Board of Directors on a quarterly basis from 2022 onwards on the status of greenhouse gas inventories or climate change related measures.

Among the ESG committees, the Sustainable Development Team is responsible for evaluating, setting strategies and management indicators for environmental, social, corporate governance and climate risks, opportunities and financial impacts on sustainability issues and presenting them to the Board of Directors in a timely manner. The Board of Directors and functional committees monitor the progress of the relevant strategies and targets and urge the management team to make adjustments when necessary.

The ESG 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.

ESG Committee Organizational Chart



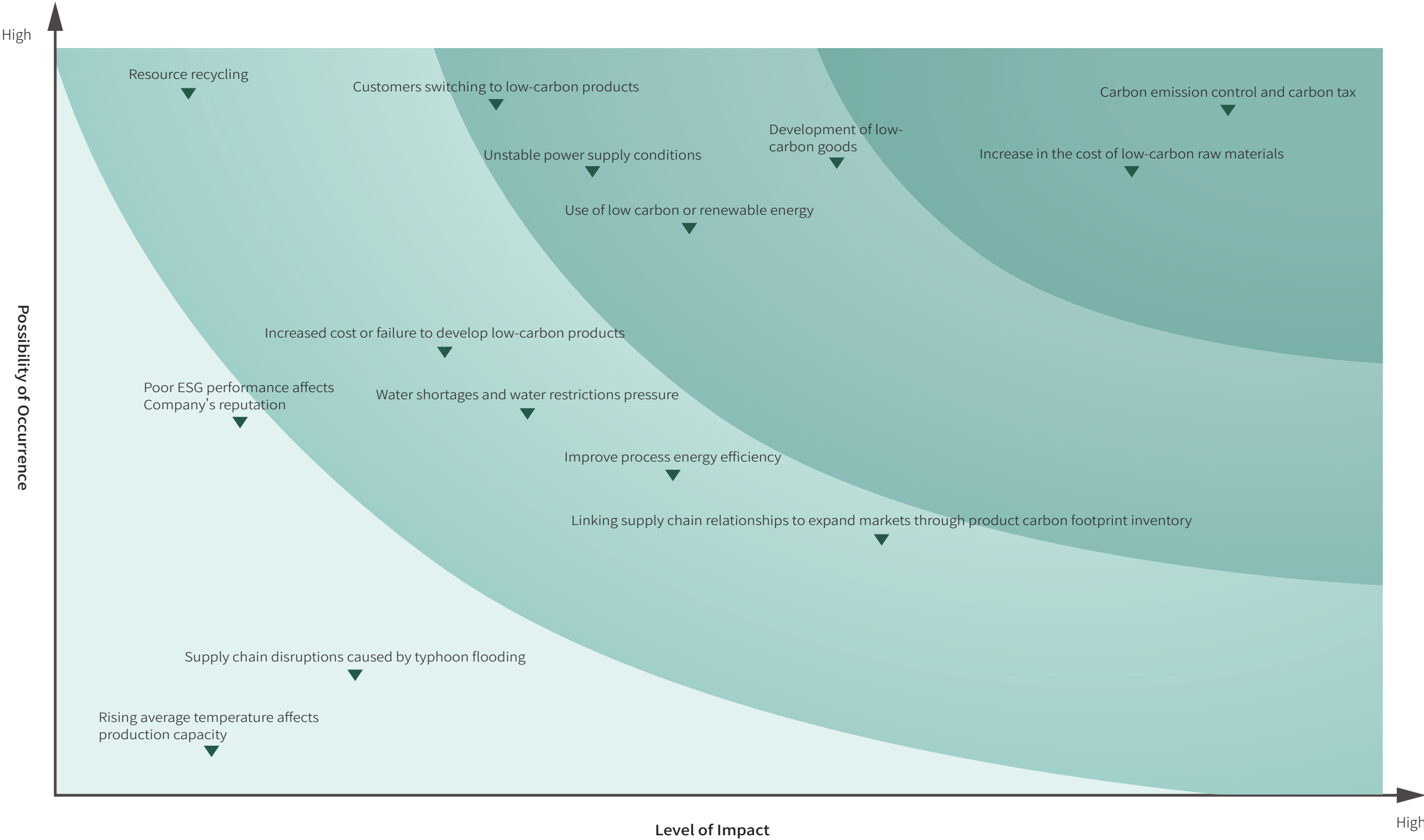
※The members of the committees are configured mechanically according to their functions and tasks.



Strategy

Climate Risk and Opportunity Identification

After internal discussions, the Company identified the following matrix of climate risk issues based on the likelihood of occurrence and degree of impact, and determined that in 2022, the Company focused on the degree of impact and likelihood of occurrence of the following issues: "carbon emission control and carbon tax," "increase in the cost of low-carbon raw materials," "customers switching to low-carbon products," "water shortages and water restrictions pressure," "unstable power supply conditions," and "increased cost or failure to develop low-carbon products":



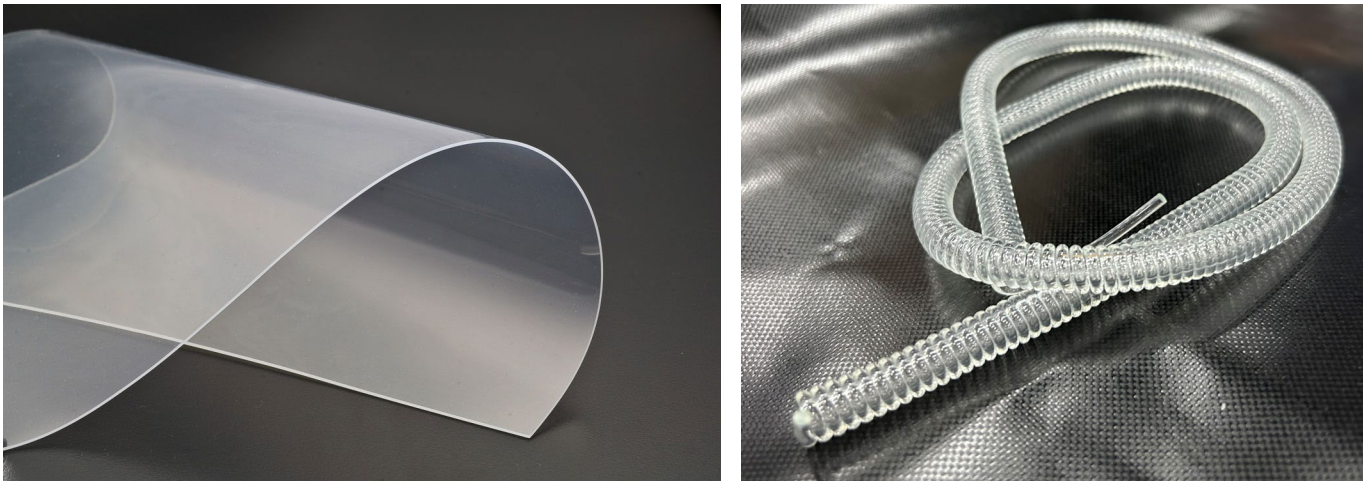
Climate Related Risks and Financial Impact Analysis

In determining the duration of climate risk and opportunity impact issues, the Company defines the short term as current to within 2 years, the medium term as more than 2 years to within 5 years, and the long term as more than 5 years to within 10 years.

Type	Orientation	Risk Description	Impact Period	Potential Financial Impact	Response
Transformation Risk	Policies and Regulations	Carbon emission control and carbon tax	Long-term	Increase in costs or capital expenditures	Improvements or additions to equipment, increased use of green energy or products to reduce carbon emissions
	Technology	Increased cost or failure to develop low carbon products	Mid-term	Increase in costs	Develop Company's process carbon reduction or customer process carbon reduction technology
	Market	Increase in the cost of low-carbon raw materials	Mid-term	Increase in costs	Search for low-carbon raw materials or suppliers
		Customers switching to low carbon products	Long-term	Decrease in revenue	Actively develop low-carbon products to meet customers' carbon neutrality commitments
	Reputation	Poor ESG performance affects Company's reputation	Long-term	Decrease in revenue	Continuously improve corporate governance and actively implement carbon reduction related measures
Substantial Risk	Immediacy	Unstable power supply conditions	Short term	Increase in costs	Closely monitor power company outage announcements and adjust production schedules to maintain normal operation of emergency power generation equipment
	Long-term	Water shortages and water restrictions pressure	Long-term	Increase in costs	Closely monitor the water company's water shutdown announcements to store water and increase the proportion of recycled water in the plant

Climate Related Opportunities and Financial Impact Analysis

Opportunity Type	Item	Impact Period	Potential Financial Impact	Opportunity Description
Resource Efficiency	Improve process energy efficiency	Long-term	Decrease in expenses	Identify emission hotspots through carbon inventories and improve production scheduling design by tracking OEE efficiency to reduce energy use and carbon emissions
Energy Sources	Use of low carbon or renewable energy	Mid-term	Increase in revenue	Use of green energy to reduce the risk of greenhouse gas emissions, although the cost may increase, but in line with the customer's carbon reduction policy, there is an opportunity to increase revenue
Products and Services	Development of low-carbon goods	Long-term	Increase in revenue	Increase in acceptance of green/reduced carbon products by international brand customers can generate revenue
Market	Linking supply chain relationships to expand markets through product carbon footprint inventory	Long-term	Increase in revenue	Establishing a database through product carbon footprint inventory and linking the supply chain with a database of carbon emissions, complete database data can enhance brand customer appeal



Management, Tracking and Revision

In accordance with the ISO "Business Strategy Management Procedures", each unit proposes relevant operational risks, opportunities and climate-related issues, and the Sustainable Development Team consolidates and identifies the climate-related risks and opportunities proposed by each unit, evaluates and identifies the financial impact or influence, and reduces the impact of related risks on business and finance by formulating relevant response strategies, using SWOT to analyze and formulate the company's strategic objectives, and at the same time incorporating the identification of climate-related risks and opportunities to establish short-, mid-, and long-term strategies and management indicators. The policies and management indicators are implemented by each relevant unit, and each unit fully implements the risk control of daily operation according to the formulated operation standards and management regulations.

The Sustainable Development Team integrates organizational resources, coordinates and tracks the implementation status of each policy, meets from time to time to review the implementation progress, revises the strategy or management indicators when necessary, and reports the implementation results to the Board of Directors.

Indicators and Objectives

Carbon reduction is already a global issue. In addition to the purpose of carbon reduction, the development of low carbon transformation products and technologies will also help expand business opportunities and enhance the competitiveness of enterprises. In 2022, the Company has successfully developed green materials such as "water-based polyurethane inks for shoes", "Wet polyurethane material derived from materials developed through carbon capture and utilization (CCU)", "Polyurethane materials derived from recycled PET for the coating on textile", and "polyurethane biomass binding agents for environmentally friendly wooden walkways", which have been applied to sports, construction, and automotive materials, helping various industries to produce more environmentally friendly products. The amount of research and development and sales of green products is also gradually increasing. In broad terms, green products accounted for 56% of our revenue in 2022 and 52% in 2021.

In order to avoid the problem of supply chain disruption caused by drastic changes in weather, the Company monitors the procurement status at all times, and immediately evaluates the importation of materials from different regions to diversify the risk in case of any suspicion of drought, flood, heat or extreme cold in fixed supply locations.

The Company continues to carry out relevant waste reduction and energy saving measures. Please refer to the section "5. Sustainable Environment" for relevant plans and results. The Company began to conduct a systematic carbon inventory in the second half of 2022. Based on the results of the inventory, we have analyzed the causes and planned a clearer short-, mid- and long-term plan to set more specific indicators and goals.



# Appendices

## Appendix 1 GRI content index

Statement of use	EVERMORE CHEMICAL INDUSTRY CO., LTD. has reported the information cited in this GRI content index for the period January 1, 2022 to December 31, 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1 : Foundation 2021
Applicable GRI Sector Standard(s)	NA

GRI 2 : General Disclosures 2021			
GRI Number	Disclosure metrics	Corresponding chapter	Page number
1. The organization and its reporting practices			
2-1	Organizational details	About Evermore Chemical Industry-Company Overview	6
2-2	Entities included in the organization's sustainability reporting	About the Report-Scope and Editorial Guidelines	1
2-3	Reporting period, frequency and contact point	About the Report-Scope and Editorial Guidelines, Contact	1
2-4	Restatements of information	About the Report-Scope and Editorial Guidelines	1
2-5	External assurance	About the Report, Appendix 4	1.67
2. Activities and workers			
2-6	Activities, value chain and other business relationships	Company Overview 、 Product Category 、 Market Distribution 、 Raw Material Procurement Management 、 Customer Service and Satisfaction	6.10.12 31.32
2-7	Employees	Human Resources	46
2-8	Workers who are not employees	Human Resources	46
3. Governance			
2-9	Governance structure and composition	Corporate Governance	15
2-10	Nomination and selection of the highest governance body	Corporate Governance - Board members, Professional Background of Directors	16
2-11	Chair of the highest governance body	Corporate Governance - Board members	16
2-12	Role of the highest governance body in overseeing the management of impacts	Operating Description - Operations of the Board of Directors	17
2-13	Delegation of responsibility for managing impacts	Operating Description - Operations of the Board of Directors	17
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance 、 Governance	15.54
2-15	Conflicts of interest	Operating Description - Recusal of Directors for Conflicts of Interest	17
2-16	Communication of critical concerns	Identification of Material Topics and Communication	24
2-17	Collective knowledge of the highest governance body	Corporate Governance 、 Governance	15.54

GRI 2 : General Disclosures 2021			
GRI Number	Disclosure metrics	Corresponding chapter	Page number
2-18	Evaluation of the performance of the highest governance body	Functional Committee	18
2-19	Remuneration policies	Performance Evaluation	18
2-20	Process to determine remuneration	Performance Evaluation	18
2-21	Annual total compensation ratio	Employee Salary	48
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Policy Commitment	5
2-23	Policy commitments Embedding policy commitments	Policy Commitment	5
2-24	Embedding policy commitments	Identification of Material Topics and Communication	24
2-25	Processes to remediate negative impacts	Contact, Internal Control	1.20
2-26	Mechanisms for seeking advice and raising concerns	Internal Control	20
2-27	Compliance with laws and regulations	Legal Compliance	18
2-28	Membership associations	External Participation	10
5. 利害關係人議合			
2-29	Approach to stakeholder engagement	Negotiation with Stakeholders	24
2-30	Collective bargaining agreements	Staff Communication	48

GRI3 : Material Topics 2021			
GRI Number	Disclosure metrics	Corresponding chapter	Page number
3-1	Process to determine material topics	Negotiation with Stakeholders	24
3-2	List of material topics	Results of Material Issue Identification	26
3-3	Management of material topics	Results of Material Issue Identification	26

## Material Topics.

Material Topics	GRI Topic Standards	Disclosure metrics	Corresponding chapter	Page number
Operating Performance	GRI 201 : Economic Performance 2016	201-1 Direct economic value generated and distributed	Business Performance	14
		201-2 Financial implications and other risks and opportunities due to climate change	Strategy	56
		201-3 Defined benefit plan obligations and other retirement plans	Employee Benefits	48
		201-4 Financial assistance received from government	Investment Tax Credit	15
Procurement practice	GRI204 : Procurement Practices 2016	204-1Proportion of spending on local suppliers	Raw Material Procurement Management	31
	GRI 308 : Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supplier Evaluation	31
Honest operation	GRI 205 : Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption Mechanism	19
Energy consumption	GRI 302 : Energy 2016	302-1 Energy consumption within the organization	Energy Intensity	34
Effluent management		302-3 Energy intensity	Energy Intensity	34
	GRI 303 : Water and Effluents 2018	303-3 Water withdrawal	Water and Effluent Management	36
		303-4 Water discharge	Water and Effluent Management	36
303-5 Water consumptio		Water and Effluent Management	36	
Greenhouse gas emissions	GRI 305 : Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions	38
		305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions	38
		305-4 GHG emissions intensity	Greenhouse Gas Emissions	38
		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Pollutant Emissions	38
Waste management	GRI 306 : Waste 2020(2022.01.01 Effective)	306-4 Waste diverted from disposal	Waste Management	39
		306-5 Waste directed to disposal	Waste Management	39
Human Resources	GRI 401 : Employment 2016	401-1 New employee hires and employee turnover	Human Resources	46
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits	48
		401-3 Parental leave	Employee Benefits	50
	GRI 404 : Training and Education 2016	404-1 Average hours of training per year per employee	Talent Cultivation	50
	GRI 405 : Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Employee Benefits	48

Material Topics	GRI Topic Standards	Disclosure metrics	Corresponding chapter	Page number
Occupational safety	GRI 403 : Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety Management System	42
		403-2 Hazard identification, risk assessment, and incident investigation	Hazard Identification and Risk Management Process	42
		403-3 Occupational health services	Employee health promotion	45
		403-4 Worker participation, consultation, and communication on occupational health and safety	Participation, Consultation and Communication on Occupational Safety and Health	43
		403-5 Worker training on occupational health and safety	Occupational Safety and Health Education Training	44
		403-6 Promotion of worker health	Employee health promotion	45
Local communities	GRI 413 : Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Community Communication Channel	53
Products and labeling	GRI 417 : Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Product Safety and Responsibility	51



# Appendix 2 Items disclosed pursuant to the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies":

## I. Article 4, Item 1, Schedule 1-2: Indicators of Sustainable Disclosure - Chemical Industry

Number	Indicator	Disclosed content in 2022			Corresponding chapter	Page number
I	Total energy consumption, Percentage of purchased electricity, Percentage of renewable energy and total amount of self-generated energy * Note	Total energy consumption :			Energy Intensity	34
		Product electricity consumption	35,262	(GJ)		
		Diesel for power equipment	553			
		Natural gas consumption	60,456			
		Steam consumption	1,423			
		Gasoline Consumption for Trucks and Vehicles	714			
		Percentage of purchased electricity	100.00	(%)		
		Percentage of renewable energy	0.00	(%)		
		Total amount of self-generated energy	0	(GJ)		
II	Total water intake, consumption and discharge of waste (sewage) water required by laws and regulations or disclosed voluntarily.	Total water intake	39.76	(m³)	Water and Effluent Management	36
		Total water consumption	27.41			
		Discharge of waste (sewage) water	12.35			
III	The total amount of hazardous waste produced in the production process of products according to the requirements of laws and regulations or voluntarily disclosed. and recovery percentage.	Total amount of hazardous waste	70	(Tonne)	Waste Management	39
		Percentage of Recycled Waste	85.63	(%)		
IV	Number of occupational injuries and the injury rate	Number of occupational injuries	2	(Number of people)	Hazard Identification and Risk Management Process	42
		Tthe injury rate	0.92	(%)		
V	Operating activities that have significant actual or potential negative impacts on local communities	Issues with significant negative impacts have not yet been identified			Community Communication Channel	53

Number	Indicator	Disclosed content in 2022			Corresponding chapter	Page number
VI	Specific and effective mechanisms and actions taken by the enterprise itself and its suppliers to reduce the negative impact on the environment or society.	Please refer to the chapters on Negotiation with Stakeholders, Source of Raw Materials and Customer Service			Negotiation with Stakeholders	34
					Source of Raw Materials and Customer Service	30
VII	The amount of product produced by product category	PU synthetic resin	14,627	(Tonne)	Product Category	10
		Polyester Polyol Resin	1,527			

Note 1: The total amount of self-generated energy is based on the definition of the "Renewable Energy Development Ordinance", "Renewable Energy Certificate Implementation Measures", or related sub-laws.

## II. Article 4-1, Schedule 2 Risks and Opportunities of Climate Change to the Company and Related Response Measures Taken by the Company

Item	Project	Corresponding chapter	Page number
1	Describe the oversight and governance of climate-related risks and opportunities by the Board and management.	Governance	54
2	Describe how the identified climate risks and opportunities impact your business, strategy and finances (short, medium and long term).	Strategy	56
3	Describe the financial impact of extreme weather events and transition actions.	Strategy	56
4	Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	Management, Tracking and Revision	59
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors and major financial impacts used should be stated.	Not configured yet	-
6	Where there is a transformation plan to address climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical and transformation risks.	Indicators and Objectives	59
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	Not configured yet	-
8	If climate-related targets are set, information such as the activities covered, greenhouse gas emission ranges, planning schedules, progress achieved each year, and, if carbon credits or renewable energy certificates (RECs) are used to achieve the targets, the source and quantity of carbon credits or the quantity of renewable energy certificates (RECs) that are offset.	Not configured yet	-
9	Greenhouse gas inventory and assurance.	Not assured yet	-

### Appendix 3 Accounting Standard 2 SASB Comparison Table

Disclosed topic	Indicator number	Disclosed indicator	Corresponding chapter	Page number
Greenhouse gas	RT-CH-110a.1	Scope 1 greenhouse gas emissions (tons CO2e); Scope 1 Percentage of greenhouse gas emissions subject to emission limit regulations (%)	Greenhouse Gas Emissions	38
	RT-CH-110a.2	Management strategies or plans for greenhouse gas emissions in scope 1, ncluding emission reduction targets, performance analysis, etc.	Greenhouse Gas Emissions	38
Air quality	RT-CH-120a.1	1.Nitrogen oxides 2.Sulfur oxide 3.Volatile organic compounds (VOCs) 4.Hazardous Air Pollutants (HAPs)	Air Pollutant Emissions	38
Energy Management	RT-CH-130a.1	Total energy consumed	Energy Intensity	34
Water management	RT-CH-140a.1	1.Total water intake 2.Total water consumption	Water and Effluent Management	36
	RT-CH-140a.2	Number of cases of non-compliance with water quality-related discharge permits, standards and regulations	Water and Effluent Management	36
	RT-CH-140a.3	Describe water resource management risks and strategies, and risk mitigation practices	Water and Effluent Management	36
Hazardous waste management	RT-CH-150a.1	Total amount of hazardous waste generated by the company and the percentage recovered	Waste Management	39
Community Relations	RT-CH-210a.1	Discuss the risks associated with participation in the management of community benefits	Community Communication Channel	53
Occupational health and safety	RT-CH-320a.1	1. Accident Rate (TRIR) Formula : (number of accidents x200,000) / total working hours 2. Mortality rate	Hazard Identification and Risk Management Process	42
	RT-CH-320a.2	Description of the assessment and monitoring of (reducing long-term / chronic exposure) he health risks of employees	Employee health promotion	45
Chemical safety and environmental	RT-CH-410b.1	1. containing chemicals classified by GHS as health and environmental hazards and classified as 1 and 2 (%) 2. Proportion of relevant products for which hazard analysis has been conducted (%)	Product Category Toxic and oncerned Chemicals management	10 41
	RT-CH-410b.2	Strategies for the development of high concern chemicals and alternative products that reduce human and environmental impact	Product Category	10
Genetically Modified Organisms	RT-CH-410c.1	Proportion of genetically modified products in overall revenue	The company has no such products	-
Law and monitoring management	RT-CH-530a.1	On environmental and social Topics, the company's position on government supervision and policy planning	Legal Compliance	18
			Sustainable Environment	34

### Appendix 4 Accountant Independent Assurance Report

**Evermore Chemical Industry Co., Ltd.**  
**Independent Auditor’s Limited Assurance Report**  
**2022**



## English Translation of a Report Originally Issued in Chinese

### **Independent Auditor's Limited Assurance Report**

To: Evermore Chemical Industry Co., Ltd.

#### **Scope**

We have been engaged by Evermore Chemical Industry Co., Ltd ("Evermore Chemical") to perform a limited assurance engagement, to report on Evermore Chemical's selected sustainability performance indicators ("the Subject Matter") for Evermore Chemical's 2022 ESG Report ("the Report").

#### **Selected Information and the Applicable Criteria**

Regarding the Subject Matter and the applicable criteria ("Criteria"), please refer to Appendix 1.

#### **Management's Responsibility**

Evermore Chemical's management is responsible for the preparation of the Report according to the rules of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and applicable criteria, including referencing to Global Reporting Initiatives Standards ("GRI Standards") issued by Global Reporting Initiative (GRI). Evermore Chemical's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

#### **EY's responsibilities**

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with Standards of Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation in Taiwan. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

#### **Our independence and quality management**

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Description of procedures performed**

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the selected sustainability performance indicators and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with Evermore Chemical's personnel to understand the business and reporting process.
- Conducted interviews with Evermore Chemical's key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period.

- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria.
- Performing analytical procedures on selected sustainability performance indicators; Collecting and assessing other supporting documentation and management representation obtained; Testing on a sample basis if necessary.
- Identifying and testing assumptions supporting calculations.
- Samples of the underlying source information are selected for testing to check the accuracy of the data.
- Reading the Report to ensure the implementation of overall sustainable responsibility and reporting process is consistent with our understanding.

#### Limitations

Non-financial information contains within the Report are subject to measurement uncertainties. The selection of different measurement techniques can result in materially different measurement. Also, assurance engagements are based on selective testing of information being examined, and it is not possible to detect all of the existing material misstatements whether resulting from fraud or error.

#### Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the selected sustainability indicators, in order for it to be in accordance with the Criteria.

Ernst & Young, Taiwan

Chen, Ming Hung

4 August 2023

#### Notice to Readers

The reader is advised that the assurance report has been prepared originally in Chinese. In the event of a conflict between the assurance report and the original Chinese version or difference in interpretation between the two versions, the Chinese language assurance report shall prevail.

Appendix 1 : Information on the subject matter selected by Evermore Chemical and its applicable standards. In accordance with Paragraph 2, Article 4 (hereinafter referred to as the " Rules ") of the " Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies ", emphasize the disclosure of information and the summary of selected subject matter information.

No.	Page	Content title	Subject matter information	Applicable criteria	Rules																								
1	34 、 64	Energy Intensity	<div>Evermore Chemical's 2022 energy consumption is as follows :</div> <table><tr><th>Category</th><th>Energy Consumption (GJ)</th></tr><tr><td>Product electricity consumption</td><td>35,262</td></tr><tr><td>Diesel for power equipment</td><td>553</td></tr><tr><td>Natural gas consumption</td><td>60,456</td></tr><tr><td>Steam consumption</td><td>1,423</td></tr><tr><td>Gasoline consumption for trucks and vehicles</td><td>714</td></tr></table> <table><tr><th>Quantitative Indicator</th><th>Unit</th><th>2022</th></tr><tr><td>Percentage of purchased electricity</td><td>%</td><td>100</td></tr><tr><td>Percentage of renewable energy</td><td>%</td><td>0</td></tr><tr><td>Total amount of self- generated energy</td><td>GJ</td><td>0</td></tr></table> <div>Note: The total amount of self-generated energy is based on the definition of the "Renewable Energy Development Ordinance", "Renewable Energy Certificate Implementation Measures", or related sub-laws.</div>	Category	Energy Consumption (GJ)	Product electricity consumption	35,262	Diesel for power equipment	553	Natural gas consumption	60,456	Steam consumption	1,423	Gasoline consumption for trucks and vehicles	714	Quantitative Indicator	Unit	2022	Percentage of purchased electricity	%	100	Percentage of renewable energy	%	0	Total amount of self- generated energy	GJ	0	Evermore Chemical's 2022 energy consumption statistics	Items 1, Subparagraph 1
Category	Energy Consumption (GJ)																												
Product electricity consumption	35,262																												
Diesel for power equipment	553																												
Natural gas consumption	60,456																												
Steam consumption	1,423																												
Gasoline consumption for trucks and vehicles	714																												
Quantitative Indicator	Unit	2022																											
Percentage of purchased electricity	%	100																											
Percentage of renewable energy	%	0																											
Total amount of self- generated energy	GJ	0																											
2	36 、 64	Water and Effluent Management	<div>Evermore Chemical’s 2022 water intake is as follows :</div> <div>Unit : m<sup>3</sup></div> <table><tr><th>Item</th><th>2022</th></tr><tr><td>Total water intake</td><td>39.76</td></tr><tr><td>Total water consumption</td><td>27.41</td></tr><tr><td>Discharge of waste (sewage) water</td><td>12.35</td></tr></table> <div>Note: Total water intake = Total water consumption + Discharge of waste (sewage) water</div>	Item	2022	Total water intake	39.76	Total water consumption	27.41	Discharge of waste (sewage) water	12.35	Evermore Chemical's 2022 water and wastewater discharge statistics	Items 2, Subparagraph 1																
Item	2022																												
Total water intake	39.76																												
Total water consumption	27.41																												
Discharge of waste (sewage) water	12.35																												



No.	Page	Content title	Subject matter information	Applicable criteria	Rules																									
3	39 、64	Waste Management	<div>Evermore Chemical’s 2022 waste reusing percentage is as follows ：</div> <div>Unit : Tonne</div> <table><tr><td>Category</td><td>Waste code</td><td>Processing method</td><td>Clearance volume</td></tr><tr><td rowspan="4">Hazardous waste</td><td>C-0301</td><td>Incineration</td><td>10.12</td></tr><tr><td>B-0347</td><td rowspan="2">Reuse</td><td>49.492</td></tr><tr><td>B-0399</td><td>10.825</td></tr><tr><td colspan="3">Subtotal</td><td>70.437</td></tr><tr><td colspan="3">Total</td><td>610.267</td></tr><tr><td colspan="3">Percentage of Hazardous Waste Recycled</td><td>85.63%</td></tr></table>	Category	Waste code	Processing method	Clearance volume	Hazardous waste	C-0301	Incineration	10.12	B-0347	Reuse	49.492	B-0399	10.825	Subtotal			70.437	Total			610.267	Percentage of Hazardous Waste Recycled			85.63%	Evermore Chemical's 2022 hazardous waste disposal statistics	Items 3, Subparagraph 1
Category	Waste code	Processing method	Clearance volume																											
Hazardous waste	C-0301	Incineration	10.12																											
	B-0347	Reuse	49.492																											
	B-0399		10.825																											
	Subtotal			70.437																										
Total			610.267																											
Percentage of Hazardous Waste Recycled			85.63%																											
4	42 、64	Hazard Identification and Risk Management Process	<div>Evermore Chemical’s occupational injury status for employees in 2022 is as follows ：</div> <table><tr><td>Item</td><td>Unit</td><td>2022</td></tr><tr><td>Absence rate%</td><td>%</td><td>0.31</td></tr><tr><td>Lost working days</td><td>Days</td><td>6</td></tr><tr><td>Injury rate (IR)</td><td>%</td><td>0.92</td></tr><tr><td>Incidence of occupational diseases</td><td>%</td><td>0</td></tr><tr><td>Number of deaths on duty</td><td>Number</td><td>0</td></tr></table> <div>Note ：</div> <div>1. Absence rate%=[Absence days (occupational injury leave + sick leave due to occupational disasters)/total working days]×100%; It does not include commuter traffic accidents.</div> <div>2. Total hours worked include overtime hours. The data is based on the declaration of "the Ministry of Economy and the General Accounting Office of the Executive Yuan Manufacturing Salary Express Report for Employees", but does not include the employees who left the company in the current month.</div>	Item	Unit	2022	Absence rate%	%	0.31	Lost working days	Days	6	Injury rate (IR)	%	0.92	Incidence of occupational diseases	%	0	Number of deaths on duty	Number	0	Evermore Chemical's 2022 employee occupational injury statistics	Items 4, Subparagraph 1							
Item	Unit	2022																												
Absence rate%	%	0.31																												
Lost working days	Days	6																												
Injury rate (IR)	%	0.92																												
Incidence of occupational diseases	%	0																												
Number of deaths on duty	Number	0																												
5	53 、64	Community Communication Channel	Evermore entrusts a credible testing unit to test the air quality of the plant every year; the Management Office of Nangang Industrial Park conducts two no-alarm tests for wastewater every month. In 2022, there was no failure to pass the tests, which clearly shows that there were no	Evermore Chemical's 2022 community communication channel statistics	Items 5, Subparagraph 1																									

No.	Page	Content title	Subject matter information	Applicable criteria	Rules																								
			operation activities with significant actual or potential negative impact on the local community.																										
6	31 、 65	Source of Raw Materials and Customer Service	<div>Evermore Chemical’s supplier evaluation in 2022 is as follows :</div> <table><tr><th>Level</th><th>Score</th><th>Number of Supplier Transactions</th><th>Percentage</th></tr><tr><td>Level A</td><td>90 points (inclusive) and above</td><td>191</td><td>96%</td></tr><tr><td>Level B</td><td>80 points (inclusive) ~ 89 points</td><td>8</td><td>4%</td></tr><tr><td>Level C</td><td>60 points (inclusive) ~ 79 points</td><td>No transaction</td><td>0%</td></tr><tr><td>Level D</td><td>Below 60 points</td><td>No transaction</td><td>0%</td></tr><tr><td>Total</td><td></td><td>199</td><td>100%</td></tr></table>	Level	Score	Number of Supplier Transactions	Percentage	Level A	90 points (inclusive) and above	191	96%	Level B	80 points (inclusive) ~ 89 points	8	4%	Level C	60 points (inclusive) ~ 79 points	No transaction	0%	Level D	Below 60 points	No transaction	0%	Total		199	100%	Evermore Chemical's 2022 supplier evaluation documents	Items 6, Subparagraph 1
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7	11 、 65	Product Category	<div>Evermore Chemical’s net product output by product category in 2022 is as follows :</div> <table><tr><th>Product Category</th><th>Net Product Output (tonne)</th></tr><tr><td>PU synthetic resin</td><td>14,627</td></tr><tr><td>Polyester polyol resin</td><td>1,527</td></tr></table>	Product Category	Net Product Output (tonne)	PU synthetic resin	14,627	Polyester polyol resin	1,527	Evermore Chemical's 2022 product category	Items 7, Subparagraph 1																		
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