

2023 ESG Report



EVERMORE CHEMICAL INDUSTRY CO., LTD.

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About the Report

The report discloses the policies, goals, implementation status, and issues of concern to stakeholders of Evermore Chemical Industry Co., Ltd. (hereinafter referred to as "Evermore Chemical Industry") in environmental, social, and corporate governance aspects.

Reporting period

Reporting period			Publication date
This publication	2023	2023.1.1~12.31	2024 Agu
Last publication	2022	2022.1.1~12.31	2023 Sep

The report is disclosed annually and published once a year, with the publication being made available on the Evermore Chemical Industry's website thereafter.

Report Guidelines

Publishing unit	Standards, rules
Global Reporting Initiative (GRI)	GRI Standards (2021)
Taiwan Stock Exchange Corporation	Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Restatements of information

No information has been recompiled for published reports.

Scope and Boundary of Reporting

The content and the data of the report focus on Evermore Chemical Industry, excluding reinvested subsidiaries. If there are any exceptions, they will be explained in the notes accompanying each section of the text.

External Verification

The content of this report has been reviewed by the Sustainability Center composed of department heads, submitted to the Company's Board of Directors for approval, and then issued. As part of this process, seven indicators (please refer to Appendix 3 and Appendix 6) from Schedule 1-2 of the "Sustainability Disclosure Indicators - Chemical Industry" under Article 4, Section 1 of the Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies have been audited for limited assurance by EY Taiwan, in accordance with TWSAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information."

Contact

If you have any suggestions on Evermore Chemical Industry's ESG Report, you are welcome to contact us.

ESG Committee of Evermore Chemical Industry

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Letter from the Chairman & President

In 2023, global conditions remained unsettled. The Russia-Ukraine conflict in Europe persisted, alongside tensions such as the Israel-Palestine conflict and Red Sea crises, leading to soaring global energy prices and exacerbated inflation. Despite the easing of the COVID-19 pandemic, which was expected to spur economic recovery and increase demand across various industries, except for industries like technology and AI, most manufacturing sectors adjusted inventory and reduced production. This adjustment resulted in decreased demand for corresponding chemical products. These challenges once again put to the test the strategies and determination of businesses in pursuing and implementing ESG principles.

In terms of operations, our goal is to expand the business of UV resins and building material related chemicals in Northeast Asia through synergies with Aica Kogyo Co., Ltd. We plan to utilize production and sales bases in Southeast Asia (Vietnam and Thailand) to sell automotive, electronic, and building material related chemicals based on existing products, aiming to increase our presence in other application markets and reduce over-reliance on a single market.

The challenges brought by climate change are not just environmental but also encompass social, economic, and political dimensions. It is crucial for us to understand and proactively address these changes to safeguard our values and ensure long-term development. Therefore, there is a need to strengthen environmental management and the practice of sustainable development, which includes such aspects as reducing carbon emissions, conserving energy, and enhancing the efficiency of resource utilization. In 2023, we completed an organizational greenhouse gas inventory, which not only provided insights into emission data but also allowed us to formulate emission reduction strategies. Together, we are progressing towards the goal of achieving net-zero emissions by 2050.

As business operators, we firmly believe that in today's world, companies must not only pursue economic profitability (EPS) but also assume social and environmental responsibilities. We will continue to uphold the values of environmental protection, social welfare, and good governance (ESG), which is not only our commitment but also our mission.

Chairman

President

Sustainable performance in 2023

Economic series

Consolidated revenue of NT\$2,367,512 thousand in 2023

Consolidated net profit before income tax of NT\$92,103 thousand in 2023

Investment in research and development expenses of NT\$42,557 thousand in 2023

Employee education and training expenses amounted to NT\$332 thousand in 2023

0 instances of misconduct in 2023

Environmental series

In 2023, electricity consumption decreased by 0.31% compared to the previous year

In 2023, water consumption decreased by 2.63% compared to the previous year

In 2023, greenhouse gas emissions (Scope 1 and Scope 2) decreased by 1.68% compared to the previous year

Social series

Turnover rate of 3.19% in 2023

10 birth bonuses were granted in 2023

2 employees applied for parental leave in 2023





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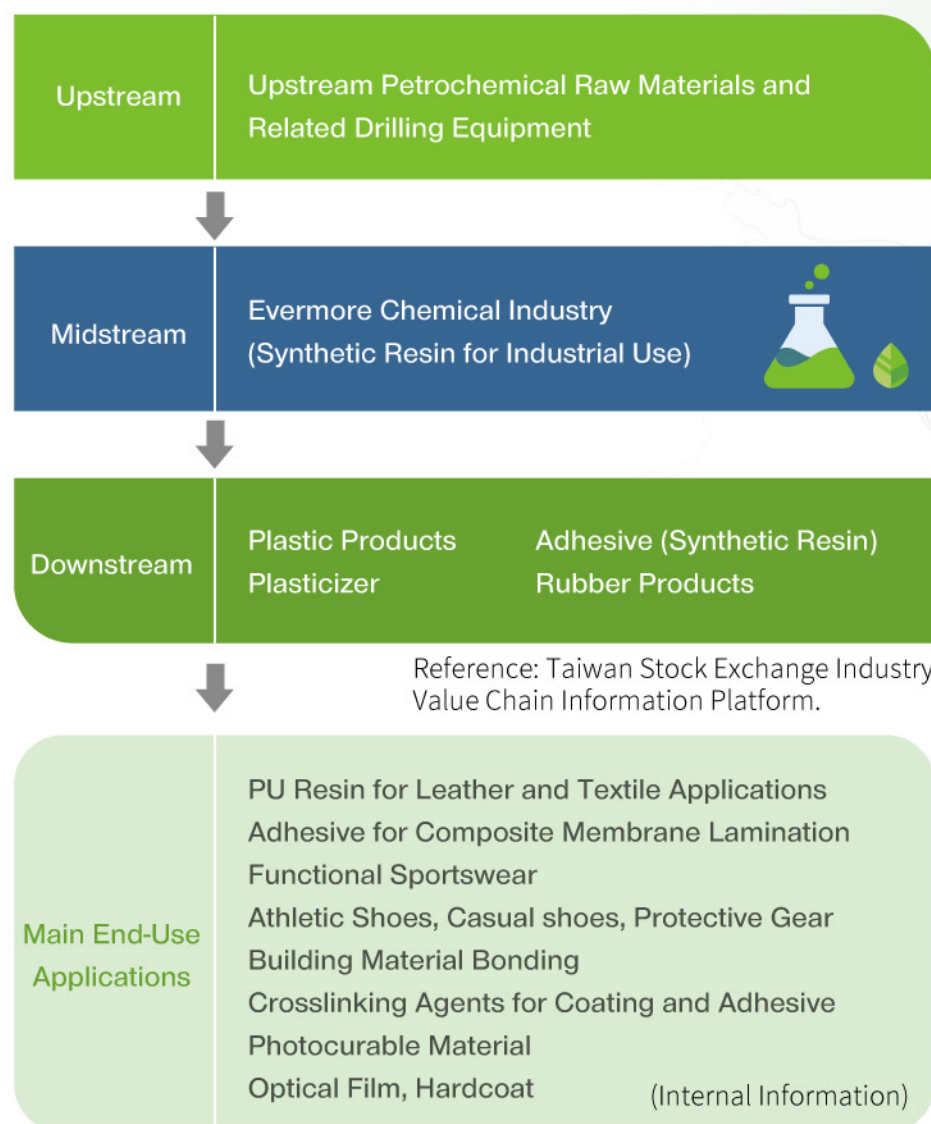
About Evermore Chemical Industry

Company profile

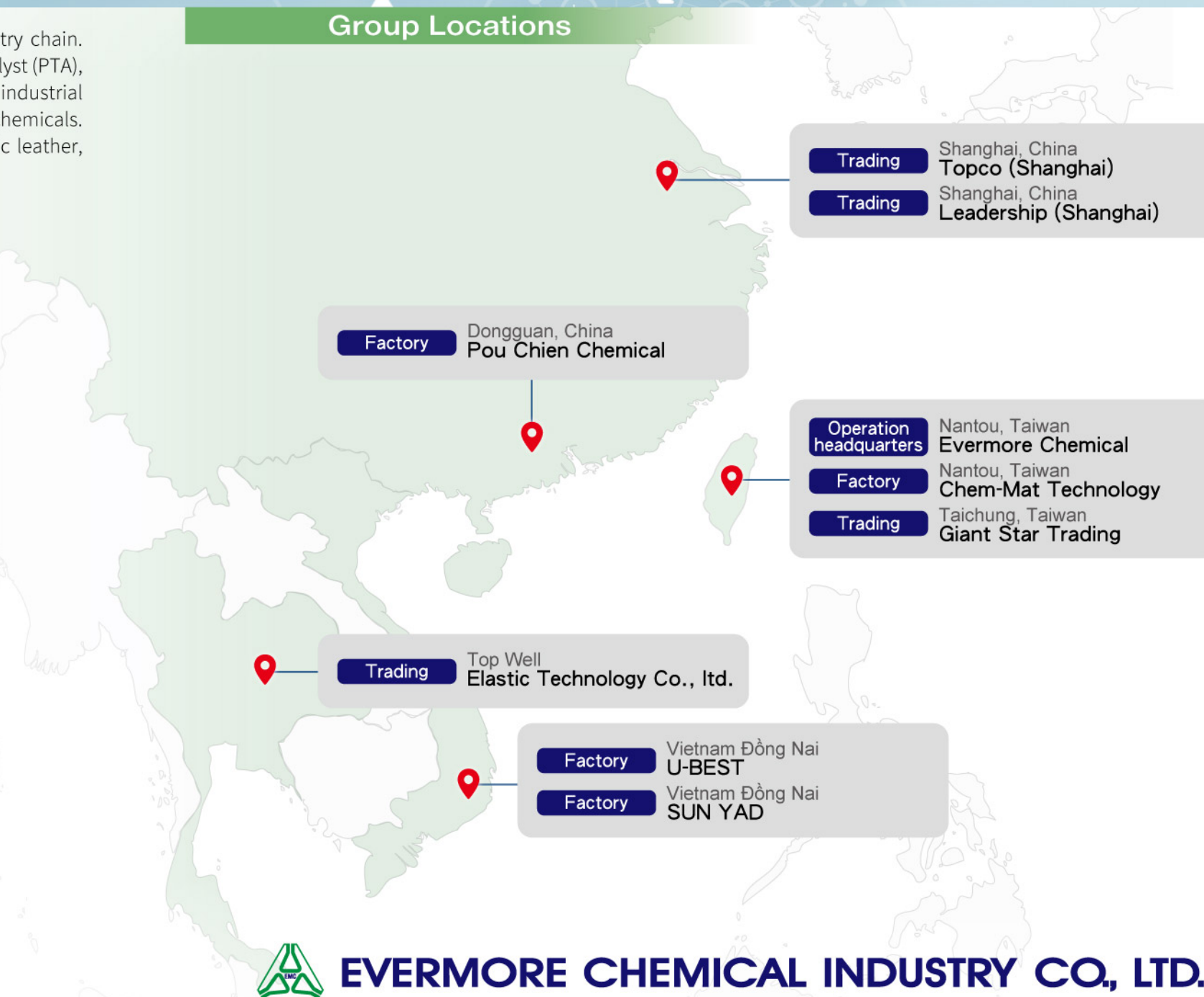
Evermore Chemical Industry Co., Ltd. (referred to as the Company and EMC) was established in May 1989. Currently, the headquarters is located at No. 7, Industrial South 2nd Road, Nangang Industrial Zone, Nantou City, Taiwan. EMC was listed on the Taiwan Stock Exchange in 2002. Our primary business includes manufacturing and selling of synthetic resin and chemical materials, and management and re-investment of related businesses.

In 2018, Aica Kogyo Co., Ltd., located in Aichi Prefecture, Japan, acquired 50.1% of the ordinary shares of the Company, becoming the largest shareholder of the Company.

The Company operates within the midstream segment of the petrochemical and plastics industry chain. Midstream products can be categorized into four main types, including purified terephthalic acid catalyst (PTA), surfactants, industrial synthetic resins, and rubber and plastic additives. We primarily manufacture industrial synthetic resins, which serve as raw materials for coatings, inks, adhesives, sealants, and specialty chemicals. These products find widespread application in consumer goods across industries such as synthetic leather, construction, transportation, electronics, and electric.



Group Locations



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1 About Evermore Chemical Industry

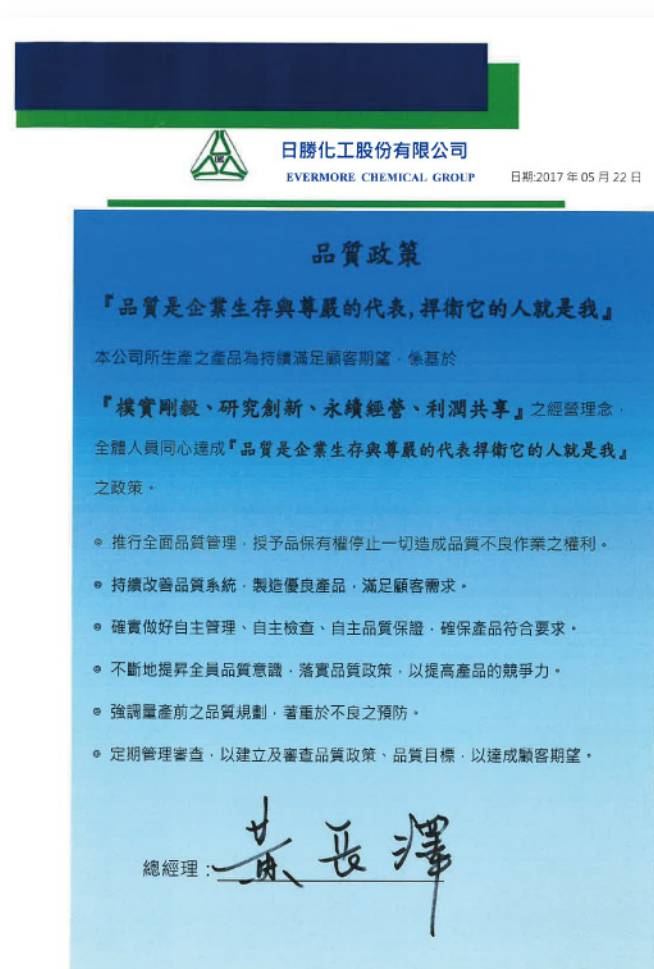
Business Philosophy and Sustainability Policies

The Company adheres to the business philosophy of "integrity, perseverance, research and innovation, sustainable operation, and profit sharing." Rooted in the professional domain of chemical engineering and conducting business with integrity, we conscientiously strive to fulfill the needs of our customers. With honesty, continuous innovation, profit sharing with stakeholders such as employees, shareholders and customers, we contribute back to the society, creating maximum value for the polymer industry.

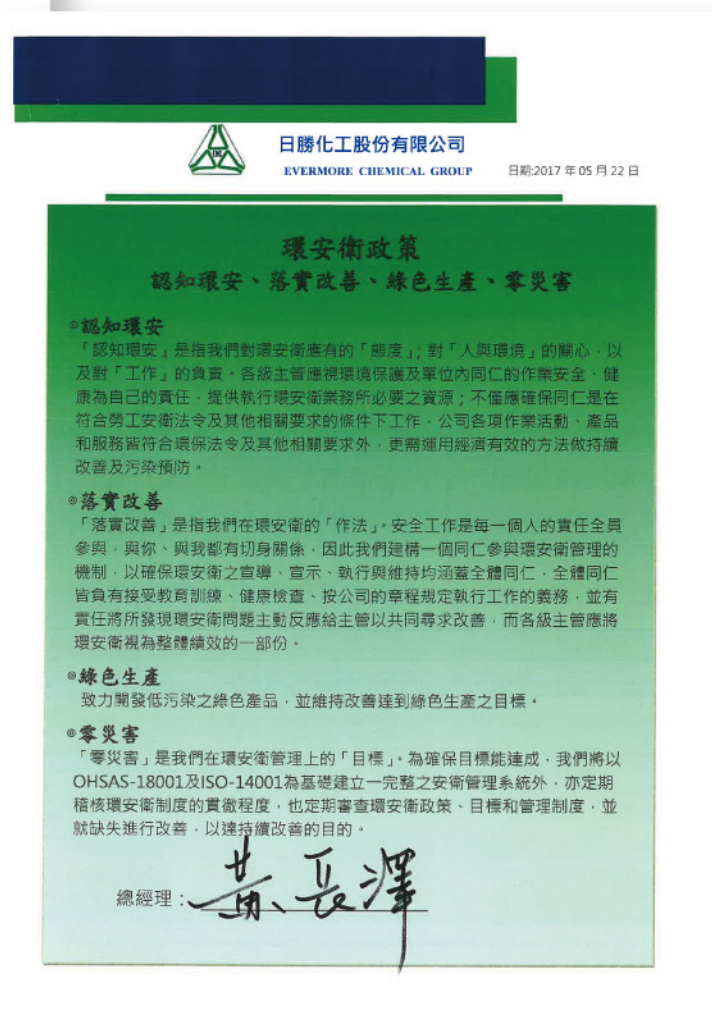
The Company references to the United Nations' 17 Sustainable Development Goals (SDGs) and continuously promotes relevant initiatives in industry innovation, human rights, health and wellbeing, and gender equality. We establish related objectives using ISO management systems, track their effectiveness, and reflect performance in the salaries and bonuses of all employees.



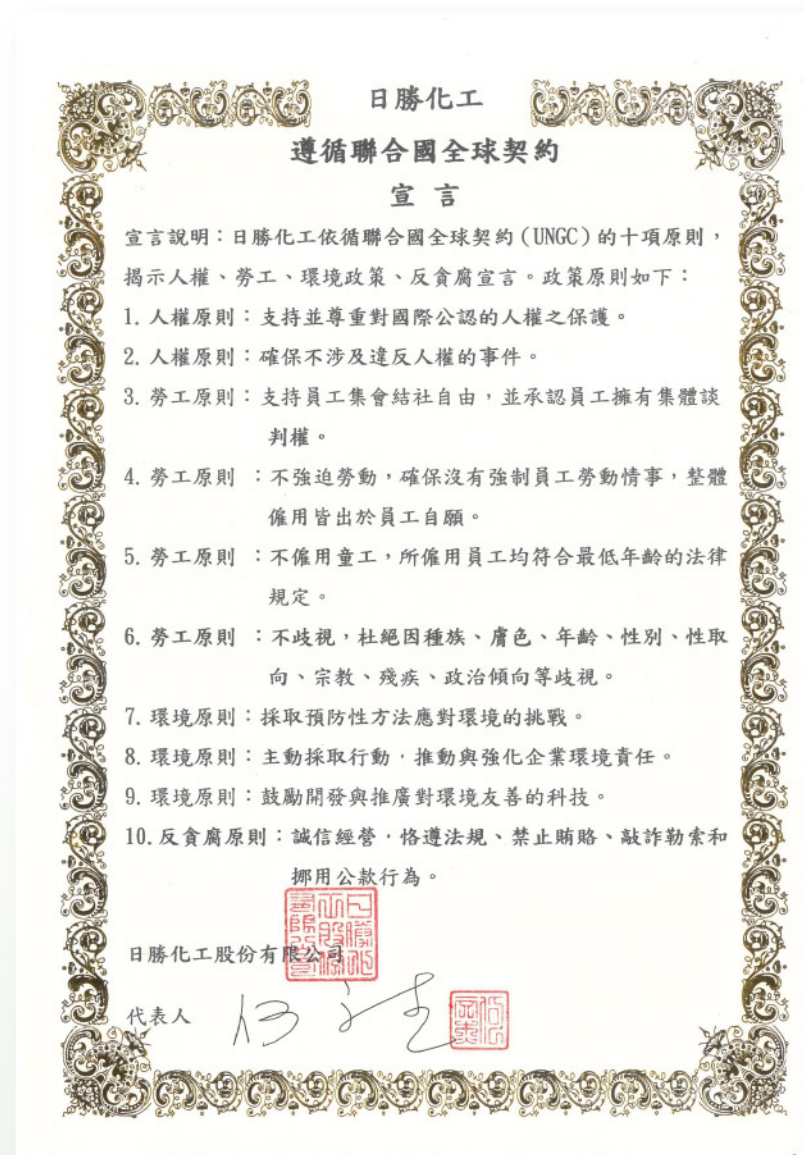
**SUSTAINABLE
DEVELOPMENT
GOALS**



Quality policy



Environmental safety and health policy



The United Nations Global Compact

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1 About Evermore Chemical Industry

Product Categories

Evermore Chemical mainly focuses on polyurethane (PU) technology and is actively developing into various fields. The annual production quantities of the products are as follows:

Unit: tons

Item	2021	2022	2023
PU synthetic resin	14,850	14,627	12,924
Polyester Polyol Resin	1,930	1,527	1,493

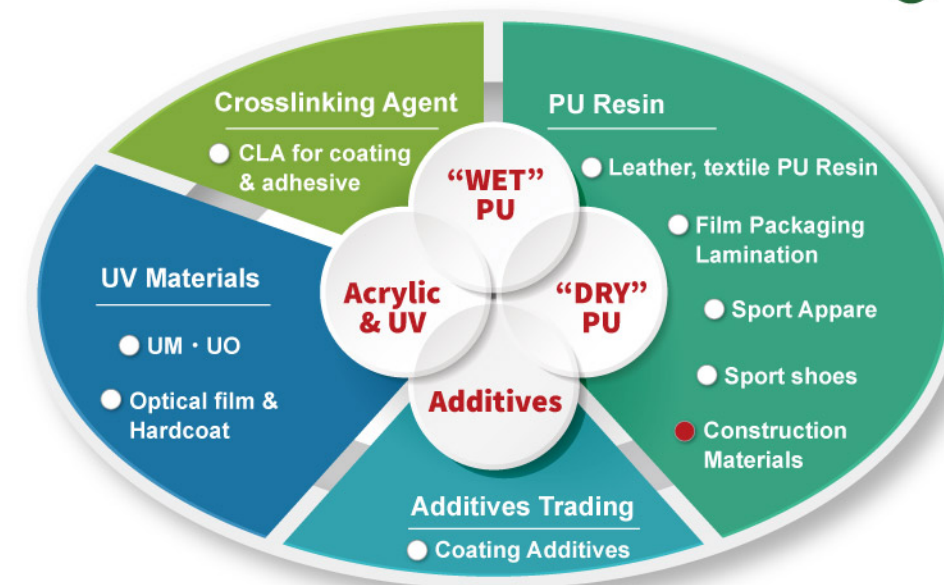
※ The production volume in this table excludes all semi-finished products used internally.

In response to the international trend of environmental protection, there is an increasing demand from customers for eco-friendly, solvent-free products. To meet these demands, the Company continues to research and develop green environmental products such as solvent-free, water-based, and UV-curable products that do not emit volatile organic compounds. Some of these products already comply with RoHS regulations and meet the requirements of the EU REACH. Referring to SASB RT-CH-410b.1 disclosure indicator classification, the breakdown of the Company's product sales is as follows:

Item	2021	2022	2023
Eco-friendly solvent-free green products	52.07%	56.38%	57.21%
Traditional solvent-based products ※	39.44%	36.00%	36.63%
Other	8.49%	7.62%	6.16%
Total	100.00%	100.00%	100.00%

※ Traditional solvent-based products are classified as health and environmental hazards according to the GHS Hazard Classification, and are classified as Class 1 and Class 2 chemical substances.

※ Others are raw materials, commodities and materials.



The Evermore Chemical Industry Group focuses on expanding into other product areas centered around its core product, polyurethane (PU). This expansion can be broadly categorized into three main types: polyurethane resins, crosslinking agents (curing agents), and UV-cured products. In 2023, the consolidated total sales amounted to NT\$2.37 billion, with polyurethane resin sales being the major component. These resins are primarily used in soft material coatings and lamination applications (such as textiles, leather, functional sportswear, footwear, protective gear), imparting different textures and functionalities to fabrics. In recent years, we have started to develop the application of hard materials (wood and building material).

Item	2021	2022	2023
PU Resin	73.0%	73.9%	68.4%
Crosslinking Agent	10.5%	10.8%	11.5%
UV Materials	12.0%	12.6%	17.7%
Additives Trading	4.5%	2.7%	2.4%
Consolidated Total Sales Revenue	NT\$3.20 billion	NT\$2.96 billion	NT\$2.37 billion

In 2023, Evermore Chemical Industry Group's products were predominantly sold through exports, accounting for 63.7% of total sales, with China being the largest market.

Item	2021	2022	2023
Taiwan	35.0%	38.4%	36.3%
China	39.8%	32.0%	26.8%
Vietnam	15.0%	12.8%	18.0%
Thailand	3.7%	6.0%	5.8%
Indonesia	1.6%	3.5%	4.1%
Japan	3.2%	4.1%	6.3%
Other	1.7%	3.2%	2.7%
Consolidated Total Sales Revenue	NT\$3.20 billion	NT\$2.96 billion	NT\$2.37 billion



1 About Evermore Chemical Industry

Business Performance

In 2023, the overall economic condition continued to be affected by the COVID-19 pandemic and regional wars. Crude oil prices fluctuated frequently. Meanwhile, the overall economic activities did not improve significantly, due to the inflation. In 2023, the decline in sales volume and selling price led to a decrease in the overall operating revenue by 19.94% from 2022. However, the Company adjusted its product portfolio and increased the proportion of high-value products, and also benefited from the stable price of raw materials; therefore, its overall operating results were better than last year.

Item	2021	2022	2023
Operating income	3,201,106	2,957,191	2,367,512
Operating profit	31,289	(3,293)	91,535
Net profit before tax	6,408	43,222	92,103
Earnings per share (NT\$)	0.10	0.35	0.76
Dividend per share (NT\$)	0.00	0.50	0.50

External Participation

The Company regularly participates in external organizational activities, increasing the collection of information on the current situation and future trends of the industry on the management side, promoting more cooperation through exchanges with the industry, and in terms of environmental safety and hygiene, the Company regularly organizes and participates in drills and exercises to ensure its emergency response capability.

Participating organizations	Position in Evermore chemical
Taiwan Synthetic Resins & Adhesives Industrial Association	General Supervisor
Taiwan Regional Association of Synthetic Leather Industries	Member
Nantou County Industrial Association	Member
Nantou County Nangang Industrial Park Manufacturers' Association	Member
TJABC	Member
The Central Disaster Prevention Council	Member
Yong Sheng DMF Toxic Disaster Mutual Protection Organization	Member
Dimethylformamide Tri-Aromatic Disaster Prevention Organization	Member
Toluene Diisocyanate Evermore Toxic Disaster Prevention Group	Team Leader
National Joint Defense Organization of Evermore Plasticizer	Team Leader

※ Dimethylformamide : DMF ◦

※ Toluene diisocyanate : TDI ◦

Community Activities Involvement

Blood Donation

Since 2015, we have collaborated with the Nantou Blood Donation Room of the Taichung Blood Center. We arrange for blood donation vehicles to enter our factory premises, allowing enthusiastic employees to participate in close proximity. This year, we held two blood donation events, with a total of 48 colleagues participating. We successfully collected 19,500 C.C. of blood.



Participating in charity sales events, caring for children

Since 2013, we have been an organizer of the Nantou TFCF's Charity Fair. In addition to direct donations, we actively participate in the fair's charity sales events, donating all the day's sales proceeds. Nine employees participated in the company fair's charity sale this year. The proceeds from the sale, combined with the company's donation, amounted to contribution of NT\$76,148 in total.



Donation Campaign of Chinese New Year Dishes

Starting from 2019, we have been participating in activities organized by the Huashan Social Welfare Foundation. This year, the Company and colleagues responded to the Huashan Social Welfare Foundation - Nantou Love Angel Station's "Love for the Elderly, Love for Reunion" donation and Lunar New Year feast donation activities. The Company donated NT\$50,000, and colleagues provided a total of 22 Lunar New Year feasts.



Local Activities

Since 2015, the Company has actively participated in the Nantou County Workers' Games. With each participation, we have strengthened our connection with the community, fostering closer interactions with local organizations in a joyful and healthy atmosphere. This year, a total of 26 employees formed teams and participated, achieving multiple awards.



Corporate forestation

In 2010, the Company collaborated with National Taiwan University to promote the "Corporate Forestation Project," adopting one hectare of land area in the 9th forest compartments of Experimental Forest of National Taiwan University for forestation. Every year, we plan to organize a hiking event at the afforestation site, inviting employees and their families to hike along the trail. During the event, we also arrange a mountain cleaning activity, where participants collect litter along the trail to help maintain the local environment. Due to poor trail conditions caused by heavy rainfall in 2023, we prioritized the safety of our employees and their families and decided to cancel the hiking event.

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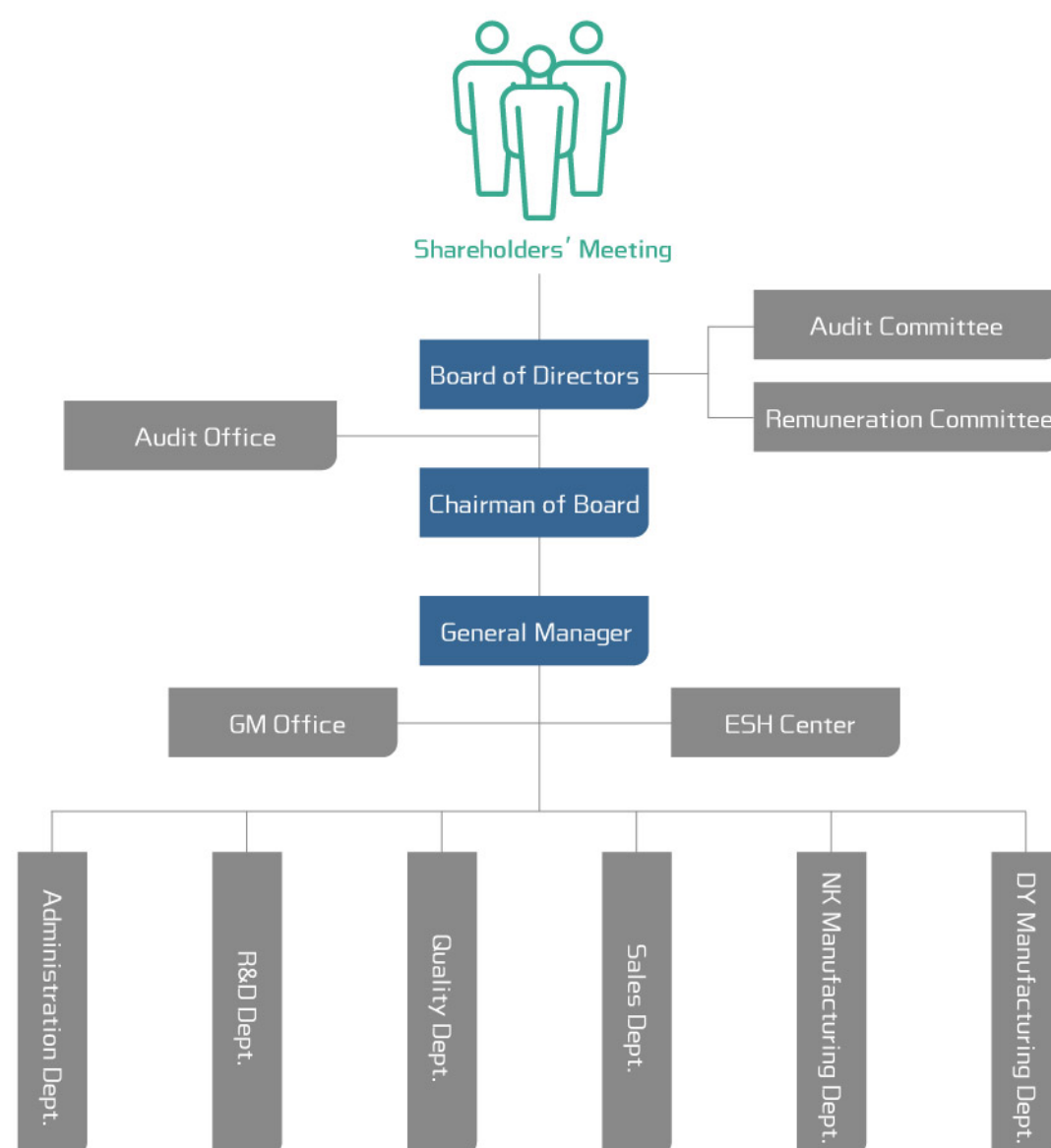
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Material Topics	Corporate Governance
Policy Commitment	Complying with regulations, implementing the Company's integrity management policy, and establishing good governance systems.
Management Action and Effectiveness	<ol style="list-style-type: none"> 1. The Board of Directors convened 6 meetings this year and convened Functional Committee meeting in advance based on agenda items. The Audit Committee met 5 times and the Remuneration Committee met 3 times during the year. 2. Arranged a separate meeting between independent directors and the accountant, which was held once this year. 3. Conducted performance evaluations of the Board of Directors and Functional Committee, compiling low-scoring items, and reporting them to the board meeting with appropriate responses.
Negotiation with Stakeholders	Stakeholders: shareholders/investors, suppliers, employees The Company's Finance Department in the Administration Division handles board meeting affairs and investor services. We respond to queries raised by board members and investors accordingly.

Organizational Chart



Board members

Members and their professional backgrounds

The highest governance body of the Company is the Board of Directors, which comprises six directors and three independent directors. The current term of office runs from August 10, 2021, to June 27, 2024. The Board convened six times this year, with a 100% attendance rate for all directors.

The director election follows a candidate nomination system, where the qualifications of director candidates are nominated and evaluated according to company regulations. Independent directors undergo separate qualification and independence reviews based on securities-related laws. The Chairman is elected from among the board members. Directors serve a term of 3 years and may be re-elected consecutively.

According to the "Corporate Governance Best Practice Principles," the board of directors should oversee the company's operational strategy, supervise the management team, exercise their powers in accordance with laws and regulations, and be accountable to the company and its shareholders. The Company adheres to the aforementioned duties of directors by ensuring diversity in the composition of board members, considering factors such as gender, nationality, age, and diverse cultural and professional expertise (including legal, accounting, industry-specific knowledge, finance, marketing, and technology).

The Company's development strategy focuses on expanding outward with our own products and technologies. The business development process requires leadership management, industry experience, research and development innovation, financial acumen, and legal expertise. Board members collectively should possess these capabilities, with at least one director possessing expertise in each of these areas or backgrounds.

The Company's directors are all professionals with extensive experience in industries related to Taiwan, Japan, and multinational corporations. They possess relevant expertise and capabilities to effectively execute their duties. The current board of directors is composed of the same gender, and we plan to elect female directors in 2024 to ensure alignment with our diversity policy.

This year, board members participated in professional development courses as required. In the board performance evaluation, board members also identified continuing education courses as an item that needed to be strengthened. The governance manager continues to communicate with board members, providing information on available courses to enhance their professional knowledge and ensure they can provide appropriate guidance for the company's future development.

Name	Nationality	Gender	Age	Employee	Professional background				Executive capability				
					Business	Legal affair	Financial accounting	Chemical	Leadership & management	Industry experience	R & D innovation	Financial analysis	Legal practice
HO, WEN-CHIEH	Republic of China	male	5	V				V	V	V	V	V	
HUANG, CHANG-TSE	Republic of China	male	3	V				V	V	V	V	V	
NOBUYUKI OMURA	Japan	male	2		V				V	V		V	
MORI YOUSUKE	Japan	male	2		V		V		V	V		V	
NISHINO GO	Japan	male	1					V	V	V	V		
SHIH, CHIH-HUNG	Republic of China	male	2				V		V	V		V	
HIGASHIYAMA MIKIO	Japan	male	3		V				V	V		V	
CHUEH, LIANG-WU	Republic of China	male	2				V			V		V	
CHEN, CHUN-CHENG	Republic of China	male	1			V				V			V

Age: 1 (41~50 years old); 2 (51~60 years old); 3 (61~70 years old); 5 (71~80 years old)

Please see the Company's annual report for detailed information.



Recusal of directors for conflicts of interest

According to the Company's "Board Meeting Rules," if a director or the institution that director represents has interest relations with a meeting affair, it should be stated and explained in the same meeting. If there is ground to believe that it may interfere with EMC's interest, the director in question should not participate nor present during discussion and voting, and cannot act on other director's behave to vote. The spouse, second-degree relatives by blood, or subsidiaries where there is a controlling relationship with a director are considered to have a conflict of interest if they benefit from agenda items discussed in board meetings. This is considered a personal conflict of interest for the director regarding those matters.

Furthermore, according to the "Code of Business Integrity," we are required to identify, supervise, and manage the risks of dishonest behavior that may arise from conflict of interest. We provide appropriate channels for stakeholders to proactively disclose potential conflict of interest concerning events and their relevance to the company.

In addition, as per the "Regulations on Financial and Business Operations Among Related Parties," procedures related to such operations must comply with this regulation, except where laws or articles provide otherwise. This ensures prevention of irregular transactions and improper benefit transfers among related parties.

In 2023, the Company did not experience any incidents of conflict of interest between directors and the Company.

Functional Committee

Operations of Audit Committee

The Company's Audit Committee comprises 3 members, all of whom are independent directors. The Committee's purpose is to assist the Board of Directors in fulfilling its responsibility to monitor the quality and integrity of the Company's accounting, auditing, financial reporting processes, and financial controls. The term of office for this committee is from August 10, 2021, to June 27, 2024.

The Audit Committee convenes at least once every quarter and may hold additional meetings as necessary. A committee resolution requires the agreement of more than half of all members. The voting results should be reported immediately after the vote and documented accordingly. This year, there were 5 meetings held with a 100% attendance rate among committee members.

Audit Committee Operations:

Position	Name	Number of meetings attended	Attendance rate	Note
Convenor	CHEN, CHUN-CHENG	5	100%	Lawyer
Member	CHUEH, LIANG-WU	5	100%	With accounting, finance expertise
Member	HIGASHIYAMA MIKIO	5	100%	With relevant experience in commercial and corporate business

Operations of Remuneration Committee

The Remuneration Committee of the Company consists of 3 members, all of whom are independent directors. The committee is tasked with exercising due care of a prudent manager, faithfully fulfilling its duties, and submitting its recommendations to the Board of Directors for discussion. The term of office for this committee is from August 10, 2021, to June 27, 2024.

The Remuneration Committee convenes at least two times every year and additional meetings are held as necessary. Resolutions of the Committee require the agreement of more than half of all members. The results of the voting should be reported immediately after the vote and documented accordingly. This year, there were 3 meetings held with a 100% attendance rate among committee members.

Remuneration Committee Operations:

Position	Name	Number of meetings attended	Attendance rate	Note
Convenor	CHUEH, LIANG-WU	3	100%	With accounting, finance expertise
Member	CHEN, CHUN-CHENG	3	100%	Lawyer
Member	HIGASHIYAMA MIKIO	3	100%	With relevant experience in commercial and corporate business

Remuneration policies

The Remuneration Committee regularly reviews at the beginning of each year the policies, systems, standards, and structures related to performance evaluations and remuneration for directors and managers. This review is based on the company's annual operational goals and considers industry salary information to assess the overall remuneration budget. Compensation for directors, executives, and employees is subject to the Remuneration Committee's approval before being submitted to the Board of Directors for resolution.

When distributing remuneration, the following factors are considered by the committee and subsequently reported to the Board of Directors for discussion before distribution.

Director compensation

Director compensation is managed in accordance with the Company's "Director, Functional Committee Member Compensation and Performance Evaluation Measures." Compensation consists of a fixed monthly allowance for transportation and an additional remuneration calculated at 2% of pre-deduction earnings in accordance with the Articles of Incorporation. For directors who also hold employee positions, their compensation is handled according to the management remuneration evaluation method. Performance metrics for directors include operational, governance, and financial outcomes. Evaluation criteria encompass profitability, adherence to relevant legal requirements in fulfilling board duties, providing high-quality decision-making recommendations, and participation in board meetings.

Manager's remuneration

Salary approvals are handled in accordance with the company's salary management system, and are divided into fixed and variable components, with the variable part consisting of bonuses based on annual operating results and 5% of earnings before deductions in accordance with the Articles of Incorporation; and the variable part of salaries are paid in accordance with the salary management system, with the performance evaluation items consisting of the achievement of annual budgets, departmental performance and individual performance, job skills performance, and operational management and strategic development items.

Performance Evaluation of the Governance Body

The Board of Directors and the Functional Committee of the Company conduct an annual internal performance evaluation by completing a questionnaire, which consists of a self or peer review of the members of the Board of Directors, a review of the performance of the Board of Directors as a whole, the Remuneration Committee, and the Audit Committee, and includes questions on the extent of participation in the Company's operations, mastery of the Company's goals and objectives, knowledge of responsibilities, quality of decision-making at meetings, selection of directors and their continuing education, internal control, internal relations, management and communication, etc.

Execution situation in 2023:

Evaluation frequency: Once a year

Evaluation period: January 1 to December 31, 2022

Reported to the Board of Directors: March 14, 2023



2 Corporate Governance

Evaluation scope	Evaluation method	Evaluation content	Evaluation result
The entire Board of Directors	Board of Directors and Independent Directors - Self-assessment questionnaire for board performance evaluation	1. Involvement level in the Company's operations 2. Decision-making quality of the Board of Directors 3. Composition and Structure of the Board of Directors 4. Selection and continuous education of Directors 5. Internal control, etc.	The average result is "Excellent"
Individual Board members	Board Member - Self-assessment questionnaire for Board member evaluation (self or peer)	1. Mastery of the Company's goals and mission 2. Understanding of Director responsibilities 3. Involvement level in the Company's operations 4. Internal relationship management and communication 5. Expertise and continuous education of Directors 6. Internal control, etc.	The average result is "Excellent"
Remuneration Committee	Committee - Functional Committee Performance Appraisal Self-Assessment Questionnaire	1. Involvement level in the Company's operations 2. Understanding the responsibilities of Functional Committee 3. Enhancing the decision-making quality of Functional Committee 4. Composition and selection of members for Functional Committee 5. Internal Control	The average result is "Excellent"
Audit Committee	Committee - Functional Committee Performance Appraisal Self-Assessment Questionnaire	1. Involvement level in the Company's operations 2. Understanding the responsibilities of Functional Committee 3. Enhancing the decision-making quality of Functional Committee 4. Composition and selection of members for Functional Committee 5. Internal Control	The average result is "Excellent"

Internal Control

Material Topics	Integrity Operation
Policy Commitment	Implementing the Company's integrity management policy, and establishing good governance systems
Management Action and Effectiveness	<ul style="list-style-type: none"> Establish integrity-related codes, guidelines, and procedures to regulate that it is forbidden to provide, promise, request or accept any direct or indirect illegal benefits for transactions or contracts EMC, our affiliates or shareholders may involve in. (1) On October 17, 2023, during the employee assembly, we conducted a training session on preventing insider trading, promoting integrity in operations, and the whistleblower channel. A total of 105 participants attended, with a total duration of 53 hours. (2) There were no reports of unethical behavior this year. After the annual audit plan is approved by the Board of Directors, monthly audit inspections are conducted. Any anomalies identified are tracked and verified on a quarterly basis until improvements are completed. (1) The Audit Department is staffed with an Audit Manager and an Auditor, totaling 2 personnel. This year, 83 audits were conducted, and the improvement completion rate was 100%. Audit reports are submitted to the Board of Directors on a monthly basis. The audit plan for the next year is submitted for review at the year-end Board of Directors meeting. (2) The Audit Department completed external educational training for 2 individuals for 24 hours.
Negotiation with Stakeholders	Supplier, contractor, employee, customer The Company's "Whistle Blower Channels and Protection System Procedures" provide channels for reporting and filing grievance about misconduct.

Integrity Operation

To uphold integrity and prevent unethical behavior, the Company has established the following relevant regulations. These regulations are published on both the Company's external website and the employee-only website.

Code of Integrity Operation	Integrity in Business Operations Procedures and Conduct Guidelines	Code of Governance Practice
Code of Ethics for Directors, Supervisors, and Managers	Internal Procedures for Major Information Processing and Insider Trading Prevention Management	Whistleblower Channel and Protection System Operating Procedures

The Company's integrity management unit is the Administration Division, which is subordinate to the Board of Directors, and is responsible for formulating and supervising the implementation of integrity management policies and preventive programs, and reports to the Board of Directors at least once a year. No incidents of dishonesty were reported in 2023. The implementation methods and results of the integrity management policy were presented to the Board of Directors on November 10, 2023.

Risk assessment for dishonest conduct

The Company's internal audit department conducts audits of various business operations in accordance with the audit plan. These audits assess whether the execution of these operations complies with relevant regulations. For detailed information, please refer to the chapter on Internal Control and Audit.

In alignment with our internal control system, the Company has established an execution unit. The organizational chart, having been approved by the Board of Directors, was subsequently announced internally. In accordance with internal control and regulatory procedures, a "Work Affairs Approval Authority Table" is established. Each unit, based on the nature of the tasks, performs co-signatures and hierarchical reporting for approval, achieving mutual supervision and checks and balances.

A risk assessment was conducted for all instances of dishonesty within the Evermore Chemical Industry Group, based on the previously described mechanism. The assessment results indicate no material risks.

Continuous promotio

The dedicated unit regularly and occasionally conducts integrity management training for Board members and employees. The training includes information on integrity management policies, key points to avoid violations of integrity management, and reporting channels for discovering violations.

In 2023, presentations were made to employee at the monthly employee meeting on October 17 and to board members at the board meeting on November 10.



2 Corporate Governance

Date	Party	Number of participants	Content
1/18	All Directors	9 people	By email: 1. Internal personnel change reporting and announcement. 2. Regulated insiders are prohibited from trading in the Company's stock during the closed period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report.
6/27	All Directors	9 people 2.25 hours	By meeting: 1. Promotion and explanation of Internal Procedures for Major Information Processing and Insider Trading Prevention Management. 2. Regulatory compliance matters that listed companies, their directors and supervisors, and major shareholders should pay attention to in the securities market, as well as explanations on regulations regarding independent directors and directors and supervisors. 3. Regulated insiders are prohibited from trading in the Company's stock during the closed period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report. 4. Recent violations related to the reporting of changes in shareholding by insiders of listed companies and explanations regarding content dissemination.
6/27	All Directors	9 people 2.25 hours	By meeting: 1. Prohibition of insider trading (definition of closed periods, prohibition on trading the company's stock, case studies, and internal procedures during the closed period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report.) 2. Code of Conduct (definition of dishonest behavior, prohibition of offering or accepting undue benefits, internal procedures, etc.) 3. Whistleblowing channels (including instructions for using the system, whistleblower protection measures, and relevant internal procedures). • Meeting materials will be distributed to all employees via email following the meeting.
10/18	All Directors	9 people	By email: Prohibition of insiders on conducting securities lending transactions.
11/9	All Directors	9 people	By email: 1. Internal personnel change reporting and announcement. 2. Regulated insiders are prohibited from trading in the Company's stock during the closed period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report.
11/10	All Directors	9 people 2.25 hours	By meeting: Explanation of integrity in business operations regulations, and reporting on the implementation status in 2023.

Whistleblowing reporting or Complaint Pipeline

The Company has established "Whistleblower Channel and Protection System Operating Procedures" to provide a reporting channel for preventing dishonest and unethical conduct. These procedures outline the process for receiving and handling related information. If anyone discovers that the Company (including subsidiaries) or any individuals acting on behalf of the Company in their duties may be violating laws or professional ethics, or if employees of cooperating firms (including subsidiaries) deem it necessary to lodge a grievance due to business relations, they may report through the channels below. A designated individual will handle the report according to established procedures.

1. Reports and grievance concerning a member of the Board of Directors: supervisor0@twemc.com.tw
 2. Reports and grievance concerning a personnel other than Board members: chairman0@twemc.com.tw
 3. Confidential Employee Whistleblower System: <https://portal.dq-helpline.com/aica-whistleblowing>
- There were no reports of unethical behavior in 2023.

Internal Control

The Company's Audit Department is subordinate to the Board of Directors. The appointment, evaluation, compensation, and salary of audit personnel follow the same approval process as for general employees, with final approval by the Chairman of the Board. The department comprises 2 personnel: Audit Supervisor and an audit staff. They conduct their duties with independence and objectivity. Based on the internal control system, they have established detailed internal audit procedures. These procedures are used to execute audits and examine the effectiveness of existing control systems and procedures, as well as the degree of compliance with these procedures. They review the operation of internal controls and promptly provide management with any identified deficiencies or potential risks, along with the status of the improvement.

The Audit Department conducted routine audits in accordance with the audit plan approved by the Board of Directors. These audit cover nine major cycles and includes subsidiaries within the Group. An audit report is issued based on the audit findings. In addition to monthly distribution to all directors, presentations are made to the Audit Committee and the Board of Directors.

◎Internal Audit Execution Status

A total of 83 items were audited this year. No material deficiencies were identified, and all minor deficiencies have been fully rectified.

◎Internal Control Self-Assessment

The Audit Department annually requires all companies within the Group to conduct internal control self-inspections. Each unit, through sampling, reviews its own operations to ensure compliance with regulations, facilitating early identification and resolution of issues requiring cross-departmental communication. Following the submission of audit results, the Audit Department conducts a comprehensive review. This review encompasses the execution of operations and the effectiveness of relevant controls. Based on the findings of this review, a report is submitted to the Audit Committee and the Board of Directors. This report serves as the foundation for issuing the internal control system statement.

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2 Corporate Governance

Supplier Management

Material Topics	Supplier Management
Policy Commitment	Cultivating supplier relationships, implementing social responsibility initiatives, and enhancing sustainable competitiveness will collectively contribute to a sustainable future.
Management Action and Effectiveness	<p>1. Supplier evaluations are conducted quarterly, and any deductions are discussed and coordinated with the suppliers: Supplier evaluations were completed as scheduled this year. Suppliers were required to address any identified anomalies.</p> <p>2. Each year, supplier evaluations are conducted with teams comprised of administrative, quality assurance, research and development, manufacturing, and environmental safety departments visiting suppliers for audits. The annual supplier evaluation for the year was completed in the second quarter.</p> <p>3. A "Sustainable Procurement Guide" was issued to suppliers, requiring compliance with international standards related to human rights, occupational safety, and environmental protection.</p>
Negotiation with Stakeholders	<p>Customers and employees</p> <p>Delivery and quality issues can significantly impact product production schedules and development progress. Requests can be made through procurement to suppliers to coordinate and find the best operational solutions.</p>

Raw Material Procurement Management

The Company's primary raw materials, MDI (Diphenyl Methane Diisocyanate) and AA (Adipic Acid), are used predominantly in 2023 due to changes in product types. MDI 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 in 2023 is as follows:

Location / raw materials	MDI (Diphenyl Methane Diisocyanate)	AA (Adipic Acid)
Taiwan	0%	0%
Not in Taiwan	100%	100%
Source of supply	2 foreign sources	1 foreign sources

To pursue the quality of our products, improve product image, and ensure long-term stable supply to meet customer needs, we adhere to ISO 9001's "Supplier Management Procedure," "Supplier Survey and Evaluation Forms." Factory investigations are conducted before registering new suppliers. Suppliers are evaluated and scored annually, with specific requirements for materials ensuring compliance with restricted substances to guarantee product safety. We issue a "Sustainable Procurement Guide" requesting suppliers to adhere to local or international standards in human rights, occupational health and safety, environmental protection, fair trade, and product safety.

New supplier evaluation

Prior to registering new suppliers, we evaluate their compliance with human rights, occupational safety and health, and environmental protection standards, in addition to verifying the quality of their products. This comprehensive assessment serves as a basis for selecting new suppliers.

Supplier survey:

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 survey

The Company conducts supplier evaluations quarterly, assessing factors such as delivery delays, product quality issues, and cooperation levels. Additionally, according to the "Supplier Management Procedure," procurement selects manufacturers for factory audits based on specific criteria. Audit teams comprising personnel from administrative, quality assurance, research and development, manufacturing, and environmental safety departments are formed to evaluate operational management at supplier facilities. This assessment includes criteria such as commitment to green procurement, whether there is illegal employment of child labor, manufacturing capabilities and technology, quality control, process management, environmental practices, and implementation of 6S standards. These measures ensure suppliers meet the Company's procurement standards.

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



2 Corporate Governance

Evaluation Results

The Company conducted supplier evaluations based on established supplier management procedures. The evaluation results indicate that 178 suppliers were classified as A-level, including 6 newly registered suppliers this year. 10 suppliers were classified as B-level, primarily due to delivery delays and quality issues. We are addressing these concerns through communication with the suppliers, implementation of internal quality control measures, and, when necessary, returns and exchanges. 1 supplier was classified as C-level, a commodity supplier. The primary reason for this classification was a discrepancy in inspection standards between the Company, our clients, and the supplier. Through tripartite communication, we have reached a consensus on the inspection standards.

Evaluation result in 2023	Number of Supplier Transactions	Percentage
Level A 90 points (inclusive) and above	178	94.17%
Level B 80 points (inclusive) ~ 89 points	10	5.30%
Level C 60 points (inclusive) ~ 79 points	1	0.53%
Level D Below 60 points	0	0.00%
Total	189	100.00%

Risk Management

Operation Risk Management

The Company has established an "Operational Management Procedure" based on the ISO system. Annually, the President's Office reviews internal and external issues that may impact the Company's operations, assessing the risk level of each issue to the Company. Risk issues encompass areas such as policy, operations, finance, information security, legal compliance, integrity, and climate change. Furthermore, it mandates that each unit identify and document risk control measures for potential risks inherent in its operational processes, including the associated impact and consequences.

The following items were identified as high-risk in the risk assessment in 2023:

Category	Issue	Issue description	Action plan/notes
Internal issue	Operating factors - supply capacity	Overcapacity and underutilization	Maintain product quality and enhance service quality.
External issue	Regulatory factor - environmental regulations	The difficulty in handling industrial waste has increased, leading to higher disposal costs	Implement waste sorting to minimize the amount of waste requiring paid disposal.

Unit	Risk issue	Potential impact	Risk control measures
Manufacturing Division	Material input anomaly	The quality of the product does not meet the specified requirements, resulting in a delay in delivery.	Before adding materials, please double-check the items and quantities to be added and make sure to record them in the production operation record sheet.
Manufacturing Division	Inventory levels cannot be updated in real time	Unable to accurately calculate the time required for production	Ensure the timeliness and accuracy of raw material quantities and warehouse locations through procedures or systems.
Procurement	Supplier delivery delay	Production disruptions and customer delivery delays	Implement supplier evaluation; Request for a second supplier
EHS	Abnormal emissions	The equipment handling exceeded the established standards, resulting in a violation of environmental regulations	Continuously educate and train operational personnel.
EHS	Failure to detect nighttime malfunctions in a timely manner	Minor malfunctions leading to major accidents	Provide ongoing training to night guards and shift personnel on reporting anomalies promptly.
Public works	Discharge of untreated wastewater or wastewater containing excessively high concentrations	Fines imposed for violations of processing standards	Enhance the training of operating personnel on waste liquid handling procedures and conduct regular sampling and testing of discharged wastewater quality.

Information security management

The Information Management Unit, which falls under the Administrative Department, is responsible for formulating information security policies. This unit also regularly reviews and revises operational procedures to ensure compliance with information security standards. Develop a project plan for the continuous enhancement of protective measures to mitigate information security risks. Simultaneously reference ISO 27001 standards to establish information security management benchmarks, following the PDCA cycle. Continuously implement information infrastructure and information security measures to ensure the security, integrity, and availability of critical company information.

In 2023, resources allocated to information security management included firewall replacement, email defense mechanisms, and EDR endpoint protection software, totaling NT\$2,860 thousand.

Customer service and privacy

Customer Service

Customers are essential partners in our shared growth. Understanding customer needs, communicating promptly, building and maintaining positive interactions, and making customer experience a key improvement objective are all crucial.



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2 Corporate Governance

Customer satisfaction survey

We hope customers will recognize the "Evermore" brand and increase their trust in our products. In addition to regular visits to our customers to communicate with them, we also conduct satisfaction surveys every year to see whether if they are satisfied with our service and products. Overall, our customers are still very satisfied with us. We are committed to making improvements based on customer feedback, while also taking them as a reminder of our goal towards 100% satisfaction.

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

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

The results of the investigation conducted over the past three years are as follows:

We use a 5-point scale with a full score of 5 as the standard for satisfaction assessment and surveys. Customer satisfaction in 2023 is 4.21, very similar to the past three years and above. But we will not be complacent and we will continue to work hard in the spirit of continuous improvement, we strive for 100% customer satisfaction.

Year	2021	2022	2023
Satisfaction score	4.32	4.28	4.21

Privacy protection

The Company's "Personal Data Protection Management Regulations" outline the collection, processing, and use of personal data for employees, board members, suppliers, and customers. The regulations encompass all information that can directly or indirectly identify an individual, including information in digital form. Information systems are configured with access permissions based on the specific job responsibilities of employees. Employees with access to sensitive information are required to transfer the data to a designated list when their job responsibilities change.

No incidents involving the loss, leakage, or violation of customer data privacy occurred in 2023.

Product Research and Development and Improvement

The Company is committed to a business philosophy centered on research, innovation, and sustainable development. EMC actively invests in R&D activities every year, hoping to use low-pollution, high-value green products and technologies. Furthermore, in alignment with the United Nations' net-zero emissions goal to drive the Company's sustainable development.

Investment in R&D expenses of NT\$42,557 thousand

1 patent was obtained

Applied for an investment tax credit amounting to NT\$14,393 thousand

20 products certified by bluesign

Research and development personnel comprise 13% of the total workforce

Products successfully developed in recent years

1 TPU thermoplastic resin that can be used in supercritical nitrogen bubble technology

Development opportunity: Lightweight shoe materials and recyclable shoe materials.

Application areas: Slippers, shoe soles, and bicycle seat cushions.

Patent applications: Patent applications are pending in Taiwan, the United States, and China.

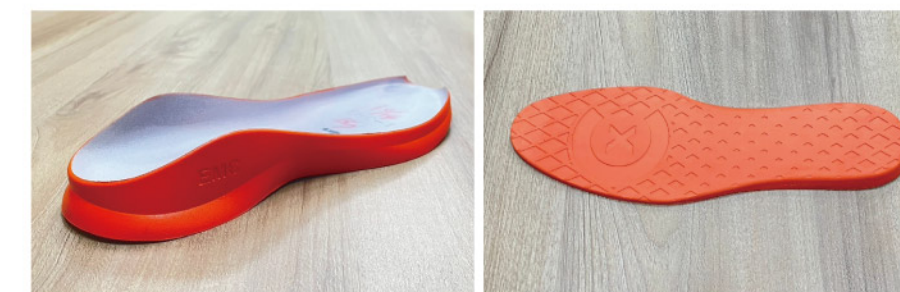


2 Footwear polyurethane material developed based on raw materials derived from negative emission technology

Development opportunity: By adopting environmentally friendly processes and utilizing low-carbon or even carbon-negative raw materials, the product will align with sustainability trends.

Application areas: Shoe midsole, footbeds.

Certification application: ISCC PLUS certification is currently being prepared.



3 Moisture curing adhesive

Development opportunity: Development of a high-durability, solvent-free, environmentally friendly reactive polyurethane wood adhesive. This adhesive offers advantages such as being solvent-free, formaldehyde-free, low VOC emissions, high bonding strength, and resistance to weather and moisture, enhancing product competitiveness.

Application areas: Woodworking bonding, textile bonding, paper Bonding.

Certification applied: 20 products certified by bluesign. 1 product has passed the German EPH test, American PFS TECO test, Norwegian NTI test, and Japanese JAIA F☆☆☆☆ and JAIA VOC certifications.



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Sustainable Environment

ESG Committee

The Sustainability Center of the Company is the top-tier sustainability organization. The members include the President (Director), the President's Office, and department heads. The President leads the execution of various tasks, while team members are assigned flexibly according to their roles and responsibilities. Using the "P-D-C-A (Plan-Do-Check-Act)" management model, policies are discussed and implemented in a strategic, systematic, and organized manner. Each unit sets management goals and methods based on the level of impact, carries out implementation and effectiveness reporting, and prepares sustainability reports.

The scope of the Sustainable Development Team includes sustainability issues such as environmental, social, and corporate governance and climate-related risks, opportunities, and their financial impacts. Through meetings and communication, the team assesses relevant issues, develops strategies and management indicators, tracks the implementation effectiveness of each unit, and reports the results to the Board of Directors in a timely manner.

The management team must propose company management policies, strategies, and objectives to the Board of Directors, along with review measures. The Board of Directors oversees and evaluates the sustainable development of these strategies, assesses their likelihood of success, monitors progress, and, if necessary, urges the management team to make adjustments.

In 2023, the Sustainability Center organized three meetings with representatives from relevant units based on the nature of the issues. The status of greenhouse gas inventories or climate change related measures are reported to the Board of Directors four times per quarter.

Organizational Chart



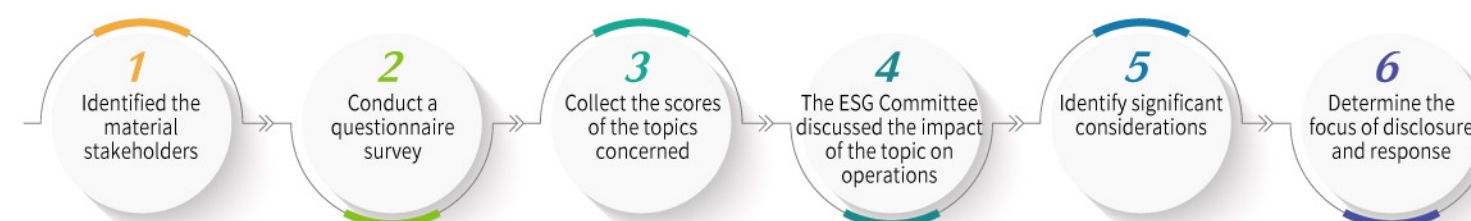
※ Team members are configured mechanically according to their functions and tasks.

Responsibility

ESG Committee	Review the sustainability issues related to the company's business operations, establishing long-term development directions and goals. Approval for the release of various reports. Report to the Board of Directors quarterly on the execution plan and its results.
Executive Secretary	Manage the planning and execution progress of tasks for each team. Management of Sustainability Center's meetings. Manage the progress of external assurance. Convene meetings to draft new annual goals for each project.
Audit Team	Collaborate with the organizational carbon inventory team to regularly verify the accuracy of all energy data. Collaborate with the Sustainability Report Team to jointly verify the accuracy of the data presented in each chapter of the report.
Sustainable Development/Risk Management Action Team	Monitor and update both internal and external issues, formulate strategies, establish indicators or targets and action plans. Develop an annual risk assessment plan (business management processes, climate change risk management) and report the results.
Organizational Greenhouse Gas Inventory Team	Develop an annual greenhouse gas inventory plan. Complete the annual organizational greenhouse gas inventory for Evermore Chemical Industry and submit the report. Guide subsidiaries in the process of conducting organizational greenhouse gas inventory. External assurance contact for energy-related projects.
Product Carbon Footprint Inventory Team	Develop a plan for product carbon footprint inventory. Conduct a product carbon footprint inventory and complete the verification process.
ESG Report Team	Develop a plan for writing a sustainability report. Complete the writing of the sustainability report and submit it. External assurance contact for projects other than energy-related projects.

Negotiation with Stakeholders

Analysis Process for Material Topic Identification for Stakeholders



Step 1 Identify key stakeholders

From various perspectives of operational activities, the Company, through the Sustainability Center and with reference to the AA1000 Stakeholder Engagement Standard (SES) and its 5 key principles (Accountability, Responsibility, Influence, Diversity of Views, and Concern), has identified 6 categories of stakeholders after discussion. Communication channels are established based on stakeholder classifications, and feedback is regularly reviewed. In addition to serving as a reference for preparing the sustainability report, the feedback is used to reassess management regulations, policy guidelines, and serves as a reference for setting annual policy objectives.



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Sustainable Environment

Types of stakeholders and communication methods:

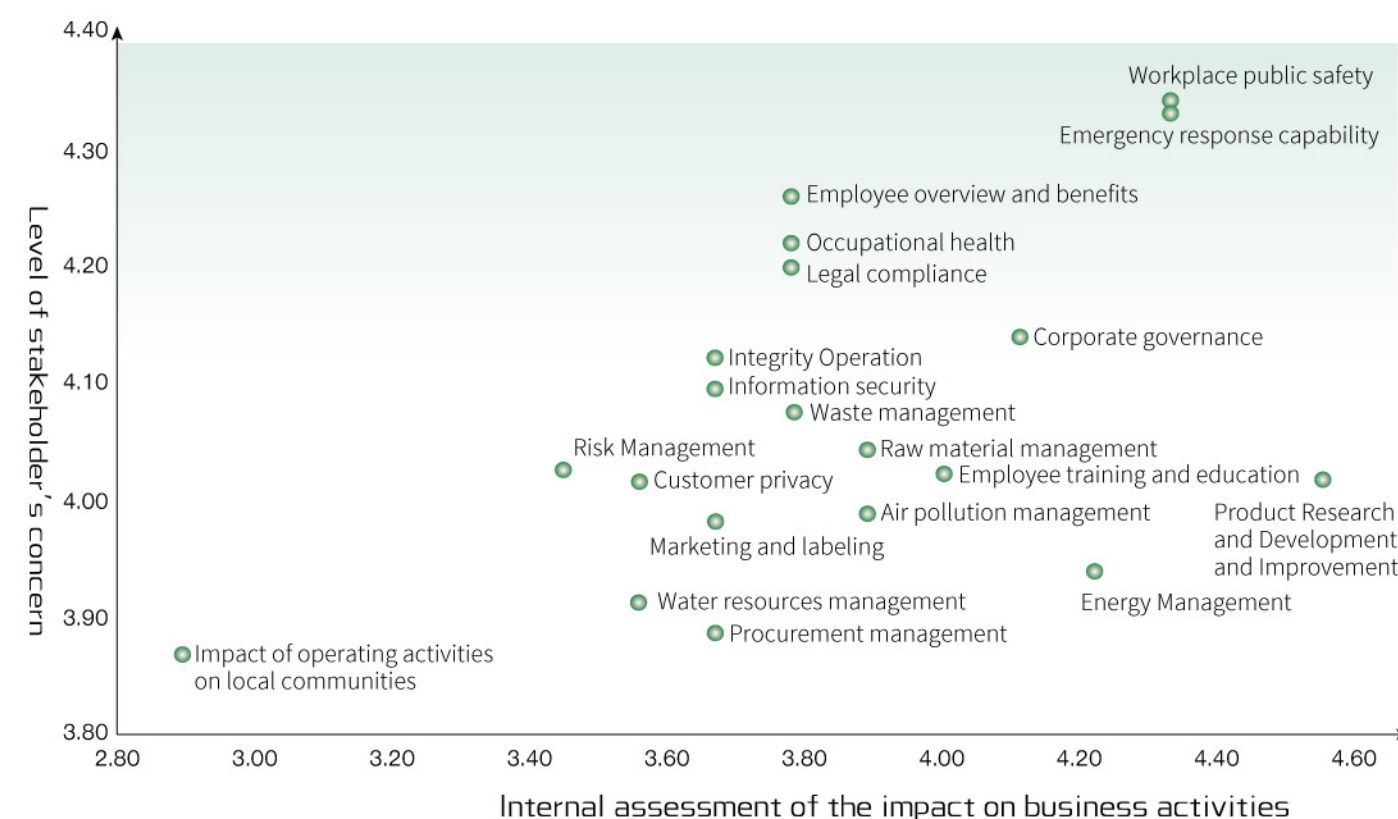
Stakeholders and their importance	Main responsible unit for communication execution	Major Concerns	Issues of concern in 2023
Employees & other workers It is the most important asset of the Company and the basis for creating competitiveness, continuously improving the software and hardware environment and creating a friendly working environment to facilitate performance improvement.	According to the respective unit	1. Employee Monthly Meeting (once a month) 2. Labor-Management Meeting (once per quarter) 3. Quality education training (conducted once a month, with production departments taking turns hosting) 4. Safety promotion materials (once per quarter) 5. 6S Meetings (with four inspections and two meetings held monthly) 6. Nurse On-Site Services (four times a month) 7. Employee Suggestion Box (open for submissions at any time)	Employee overview and benefits Workplace public safety Emergency response capability Occupational health Legal compliance
Customers Key business partners to meet customer needs and create a win-win situation.	Sales Dept.	1. Phone/email/communication software (anytime) 2. Contracts, product manuals, safety data sheets, shipment tests, etc. (when necessary) 3. Visits/Guest Visits (scheduled according to mutual availability)	Product Research and Development and Improvement Workplace public safety Customer privacy Emergency response capability Occupational health
Shareholders & other investors Evermore Chemical Industry will continue to act with integrity and implement a sustainable management attitude for the long-term benefit of shareholders.	Finance Division, Administration Department	1. Shareholders' Meeting (once every year) 2. Institutional Investors Conference (once every year) 3. Annual Report Publication (once a year) 4. Financial Statements (disclosed within the regulatory deadline)	Corporate governance Risk Management Integrity Operation Legal compliance Emergency response capability
Suppliers Suppliers provide stable and high-quality products and services to build a trustful supply chain relationship	Procurement Division, Administration Department, Engineering Division, Manufacturing Department, ESH Center	1. Phone/email/communication software (anytime) 2. Contracts, product manuals, safety data sheets, shipment tests, etc. (when necessary) 3. Supplier scoring (once per quarter) 4. Supplier evaluation (one site visit per year) 5. Pre-factory entry self-regulation documents (when applicable)	Integrity Operation Employee training and education Procurement management Raw material management Product Research and Development and Improvement
Governments 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.	According to the respective business unit	1. Official notices and letters (irregularly) 2. Regulatory briefings (irregularly) 3. Various declarations (submitted according to regulatory deadlines)	Water resources management Air pollution management Waste management Emergency response capability Legal compliance
Local Community The Company employs a large number of local talents to benefit the community economy. Enterprises must control air pollution, wastewater, and waste in accordance with the law to avoid polluting the community.	Administration Dept. ESH Center	1. Participation in charity sales, fundraising, and donation events (once a year) 2. Hold blood donation events (twice a year) 3. Phone/email/communication software (anytime) 4. Various reports to the Bureau of Industrial Parks (submitted according to regulatory deadlines) 5. Various inspections by the Bureau of Industrial Parks (submitted according to regulatory deadlines)	Integrity Operation Energy Management Water resources management Air pollution management Waste management

Step 2 Concern survey on material issues

The Sustainability Center, referencing specific issues from GRI 200, GRI 300, and GRI 400, discusses and selects 20 sustainability issues relevant to the Company and its industry characteristics to create a questionnaire. The survey is administered in both paper and electronic formats. With the assistance of the primary unit responsible for communication execution, stakeholder questionnaires are collected. The Sustainability Center members then assess the impact level of these issues, resulting in an analysis matrix based on the degree of concern and impact.

Step 3 Survey results analysis and ranking of major issues

In 2023, a total of 114 questionnaires on concern levels were collected, identifying 13 material topics.



Results of Material Issue Identification

Highly material	Workplace public safety, emergency response, corporate governance, employee profile and benefits, occupational health, regulatory compliance, and integrity in business practices
Moderate material issues	Energy management, water stewardship, air pollution management, procurement management, impacts of business activities on local communities, waste management



Explanation of material topics adjustments

Issues in 2023	Changes in importance		Description
	2022	2023	
Corporate Governance (2022: Operating performance)	Medium	Medium	Issues valued by "Investors/Shareholders" and "Senior Executives" The Company continuously employs internal controls and other measures to strictly prohibit corruption, competitive misconduct, and similar activities, thereby enhancing the credibility of our business ethics.
	High	--	
Product Research and Development and Improvement (2022: R&D)	Medium	Medium	Issues valued by "Customers" and "Suppliers."
Product Research and Development and Improvement (2022: Product Quality)	Medium	--	Issues valued by "Customers" and "Suppliers."
Customer privacy (2022: Customer Service)	Medium	Medium	Moderate concern issues for all stakeholders.
Waste management	Medium	Medium	
Legal compliance (2022: Economic Environmental Regulations)	High	High	
	High	High	
Integrity Operation	High	Medium	Issues valued by "Investors/Shareholders," "Suppliers" and "Community." Despite a decrease in concern this year, the Company continues to prevent unethical behavior through the maintenance of management regulations, internal audits, and educational training and awareness programs.
Procurement management (2022: Procurement practices)	Medium	Low	The overall level of concern among stakeholders has decreased this year, and we will continue to monitor the impact of this issue.
Marketing and labeling (2022: Products and labels)	High	Low	The overall level of concern among stakeholders has decreased, and we will continue to monitor the impact of this issue.
Energy Management (2022: GHG emissions)	Medium	Low	Despite a decline in stakeholder concern, the Company still adheres to legal regulations by performing all required energy reporting, testing, and disclosure activities.
Water resources management (2022: Wastewater management)	Medium	Low	Although the overall level of concern among stakeholders has decreased this year, water resources remain a significant global issue. Therefore, the Company continues to manage and review reduction measures for water resources alongside other energy resources.

List of material topics

Number	Topic title	Description	Financial impact Risk ※	Corresponding indicator	The report Chapter
1	Workplace public safety	Failure to improve workplace safety measures, resulting in the exposure of employees to hazards and the incurring of medical costs and loss of work hours.	Low	GRI 403: Occupational Health and Safety 2018	Occupation safety and health
2	Emergency response capability	Failure to conduct regular drills and simulations has left employees unfamiliar with evacuation routes, emergency equipment locations, and procedures, resulting in medical costs and production halts.	High	GRI 403: Occupational Health and Safety 2018	Occupation safety and health
3	Corporate Governance	Implementing board diversity to provide the operational team with professional, multi-dimensional supervision and guidance.	High	GRI 2 General Disclosures GRI 201 Economic Performance SASB RT-CH-410b Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Schedule 1-2	Corporate Governance
4	Employee overview and benefits	Ensure employee welfare, boost morale, and attract more talent.	Low	GRI 202 Market Presence GRI 401 Employment Relations GRI 405 Employee Diversity and Equal Opportunity GRI 406 Non-discrimination GRI 408 Child Labor GRI 409 Forced or Compulsory Labor	Human Resources
5	Occupational health	Provide appropriate protective equipment according to operational environment requirements and regularly check employees' health status.	Low	GRI 403: Occupational Health and Safety 2018 SASB RT-CH-320a SASB RT-CH-540a Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Schedule 1-2	Occupation safety and health
6	Legal compliance	Penalties paid for violating legal regulations and costs associated with operational improvements.	Low	GRI 2-27 Compliance with laws and regulations	Legal Compliance
7	Integrity Operation	Dishonest behavior, inappropriate gifts, improper benefits, etc., affect internal morale and reduce operational efficiency.	Low	GRI 205: Anti-corruption 2016	Internal Control
8	Energy Management	Implementing an electricity monitoring system to manage internal electricity usage trends.	Medium	GRI 302: Energy 2016 SASB RT-CH-110a SASB RT-CH-130 Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Schedule 1-2	Energy Management

Description:

※ Definition of financial impact: High: NT\$10 million or more. Medium: NT\$1 million to 10 million. Low: NT\$1 million or less.

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3 Sustainable Environment

List of material topics

Number	Topic title	Description	Financial impact Risk ※	Corresponding indicator	The report Chapter
9	Water resources management	Insufficient water resources affect current product manufacturing processes. Non-compliant water quality will result in additional treatment costs.	Low	GRI 303: Water and Effluents 2018 SASB RT-CH-140a Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Schedule 1-2	Water resources
10	Air pollution management	Properly maintain equipment to prevent leaks affecting the community, and promptly report to avoid fines and losses.	Low	GRI 305: Emissions 2016 SASB RT-CH-120a	Gas Emissions and Air Pollution Control
11	Procurement management	Issued sustainable procurement guidelines for bulk raw material suppliers, requiring compliance with local or international standards in human rights of labor, occupational health and safety, environmental protection, fair trade, and product safety.	Low	GRI 204 Procurement Practices GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	Supplier Evaluation
12	Impact of operating activities on local communities	Continuously participate in local activities, charitable donations, and give back to the community.	Low	GRI 413 Local Communities SASB RT-CH-210a Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Schedule 1-2	Community Communication Channel
13	Waste management	Internally implement garbage sorting for resource recycling to reduce waste.	Low	GRI 306 Waste SASB RT-CH-150a Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Schedule 1-2	Waste Generation and Reduction Strategies

Description:

※ Definition of financial impact: High: NT\$10 million or more. Medium: NT\$1 million to 10 million. Low: NT\$1 million or less.

Climate Change Risks

Climate Change Risks

According to the information from the National Council for Sustainable Development of the Executive Yuan, the Intergovernmental Panel on Climate Change (IPCC) released its Sixth Assessment Report (AR6) in February 2022, stating that global warming is projected to reach 1.5 degrees Celsius within the next 20 years. This will lead to increased climate hazards. The Company is also doing its utmost to mitigate climate impacts.

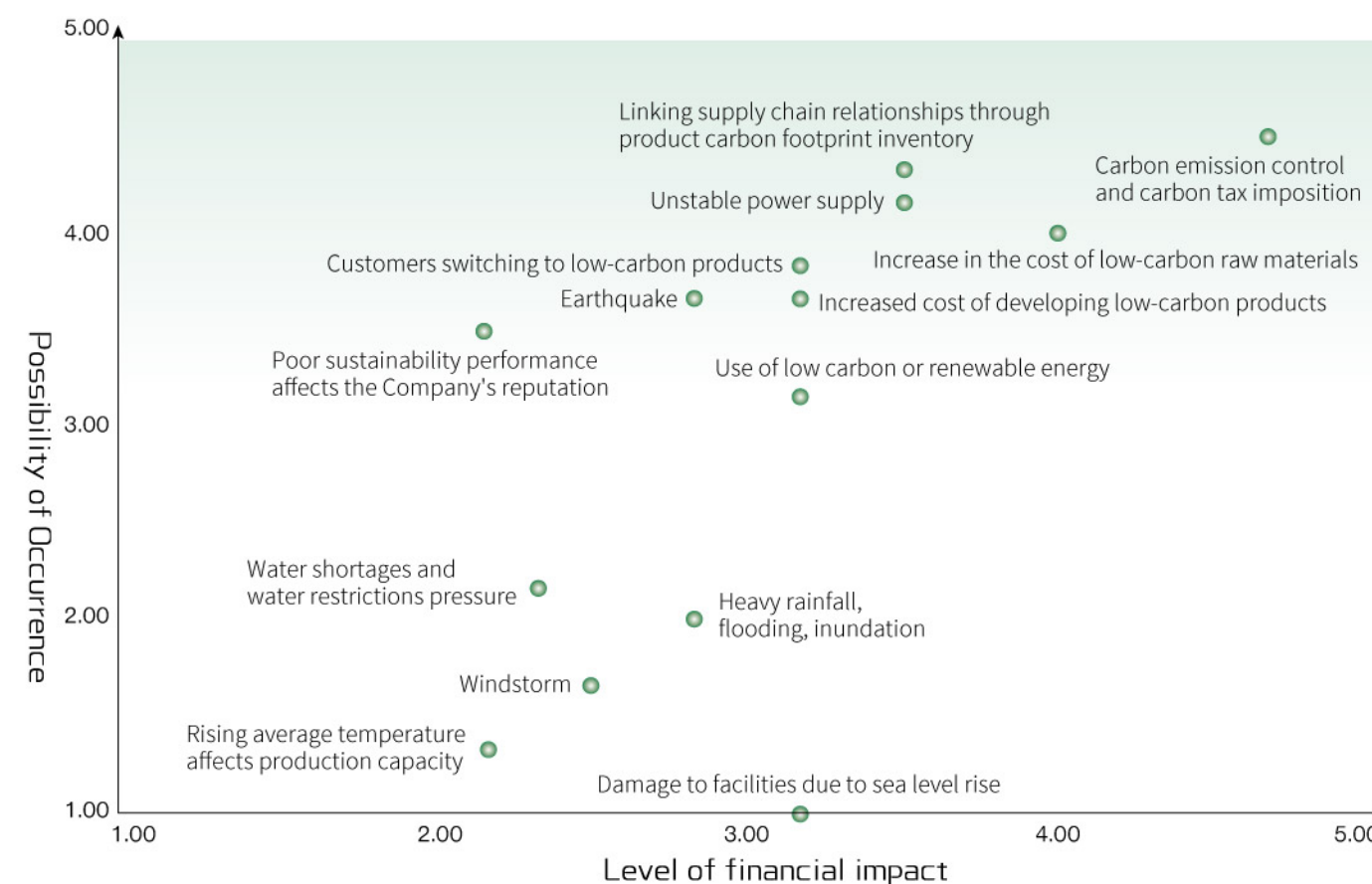
The Company references the Task Force on Climate-Related Financial Disclosures (TCFD) framework released by the Financial Stability Board (FSB). This framework comprises four core frameworks: "Governance," "Strategy," "Risk Management," and "Indicators and Targets." We collect climate-related risk items and assess their likelihood and potential impact on the Company. In alignment with the government's net-zero policies, we adjust energy-saving goals and action plans.

Climate 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, 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.

Climate Risk and Opportunity Identification

This year, the Sustainability Center's assessment identified 7 climate risks and opportunities. The results of the matrices and analysis are shown below.





3 Sustainable Environment

Climate Related Risks and Financial Impact Analysis

Type	Issue	Impact Period	Possibility of Occurrence	Financial impact	Financial impact level	Response
Transformation risk - regulatory	Carbon emission control and carbon tax imposition	Long-term	High	Increased costs Increase in expenses	High	Using low-carbon materials, replacing energy-consuming equipment with energy-efficient ones, adopting low-carbon or renewable energy sources to reduce carbon emissions
Transformation risk - technology	Increased cost of developing low-carbon products	Mid-term	Medium	Increase in R&D expenses Increase in procurement costs Increase in external certification fee Increase in capital expenditures	Medium	Utilizing external resources for low-carbon product development, Company's process carbon reduction or customer process carbon reduction technology development
Transformation risk - market	Increase in the cost of low-carbon raw materials	Mid-term	High	Increase in procurement costs	High	Search for low-carbon raw materials or suppliers
Substantial risk - immediacy	Unstable power supply	Short-term	High	Increased capital expenditures due to equipment damage and maintenance Increased costs due to damage to semi-finished products during the manufacturing process Decreased revenue due to production interruptions affecting delivery commitments	Medium	Monitoring power outage information from the electricity company Installing a generator for providing power during temporary blackouts.
Substantial risk - immediacy	Heavy rainfall, flooding, inundation	Short-term	Medium	Cost increase for post-remediation due to contamination of moisture-sensitive products by rainwater	Medium	Through Military Simulation (BCP) practices, ensuring that relevant response measures are executed properly and effectively. Regularly cleaning drains to ensure smooth drainage.
Substantial risk - long-term	Water shortages and water restrictions pressure	Long-term	Medium	Increase in expenses	Medium	Closely monitor the water company's water shutdown announcements to store water; increase the amount of recycled water in the plant during regular operations
Opportunity	Developing low-carbon products to enter new markets	Long-term	Medium	Increase in operating revenue	Medium	International brand customers show high acceptance of green and low-carbon products. Establishing a carbon emissions database through product carbon footprint assessments.
Opportunity	Improve process energy efficiency to reduce costs	Long-term	Medium	Decrease in expenses	Medium	Linking the supply chain with comprehensive database data can enhance brand attractiveness to customers, potentially generating revenue

※ Definition of financial impact: High: NT\$10 million or more. Medium: NT\$1 million to 10 million. Low: NT\$1 million or less.

Metrics & Targets

Global warming is increasingly severe, making carbon reduction a global issue. By identifying and managing risks and opportunities arising from international situations, policy changes, and climate change, we can collectively strive towards the goal of achieving "net-zero emissions by 2050." The Company actively substitutes existing materials with low-carbon alternatives. We have successfully incorporated negative carbon materials into our shoe material products, utilized recycled PET to produce polyester polyols for textile coating products, and employed bio-based materials in the production of photocurable acrylate monomer/oligomer products.

Currently, the market for low-carbon raw materials is not fully mature, resulting in increased development costs at this stage. As technology continues to advance and the market expands, it is anticipated that these costs will gradually decrease with the widespread adoption of low-carbon raw materials.

The Company has set the greenhouse gas emission indicator temporarily, using 2022 as the base year, aiming to reduce emissions by 14% compared to the base year by 2026. The R&D unit has started using negative carbon and low-carbon materials by changing product formulations, and continues to research energy-saving processes. The production unit continues to phase out aging equipment with high energy consumption or low efficiency. It is anticipated to complete the installation of a power monitoring system by 2024, which will allow for the management of electricity usage in key areas, further discussions on reduction strategies, and planning for the installation of solar panels to increase the use of green energy.

Energy Management

Material Topics	Energy Management
Policy Commitment	Focused on environmental issues, regularly reviewing and improving energy efficiency to reduce impact on the environment. Establishing the greenhouse gas emission reduction targets, using 2022 as the base year, aiming to reduce emissions by 14% compared to the base year of 2022 by 2026.
Management Action and Effectiveness	Establish annual objectives based on ISO management systems, track execution status monthly, and link performance to quarterly bonus performance calculation criteria. If the execution results do not meet the target values, it is necessary to submit a report with explanations for the discrepancies and proposed improvement measures.
Negotiation with Stakeholders	Investors/shareholders, government, customers, suppliers, community, employees You can inquire about ESG sustainability-related information from the Company through the "Contact Us" section on our website, or by communicating with the Company.

The Company follows the mechanisms of ISO 14001:2015 Environmental Management to enhance environmental protection technologies. 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.

Energy usage and intensity

The energy type used by the Company primarily consist of procured non-renewable energy source, including electricity, natural gas, steam, and diesel fuel. Conversion method for Joule. The conversion of various energy units into joules (J) = Original unit of energy x heating value x 4.184 ÷ 1,000,000. This calculation gives the energy amount in joules. (1 kcal= 4.184 KJ ÷ 1,000,000 KJ = 1 GJ.) The heating values and conversion factors for various energy sources are as the table below.

Names of the energy sources	Conversion factor	Heating value
Electricity	Using the published information by the Energy Administration	Using the Heat Content of Energy products announced by the Energy Administration
Tap water	Using the published information by the Taiwan Water Corporation	(Heating value is not used for the data on tap water in this report)
Natural gas	Using the heating value data provided by the natural gas company, and applying the conversion factors table from the Climate Change Administration, Ministry of Environment, to generate the coefficient of our factory	Using the heating value data provided by the natural gas company
Steam	The emission factor for externally sold steam provided by the steam company	Using the heating value data provided by the steam company
Gasoline and diesel fuel	The emission factors for gasoline and diesel from the Climate Change Administration's emission factor table	Using the Heat Content of Energy products announced by the Energy Administration



3 Sustainable Environment

The types of energy used in 2023

Usage and the types of energy	Non-renewable energy source	Renewable energy
Total energy consumption (in billion joules, GJ)	95,930	0
Percentage of total energy consumption (%)	100%	0%

Types of energy used and their usage amount in 2023

Unit: Billion joules (GJ)

Item	Year	2021	2022 (Base year)	2023
Electricity and refrigeration consumption	Total electricity	35,885	35,262	35,152
Heat supply and steam consumption	Natural gas consumption (Note 1)	62,675	60,456	57,833
	Steam consumption (Note 2)	511	1,423	1,604
Diesel consumption for power equipment		600	553	589
Gasoline consumption for trucks and service cars	Note 3		714	752
Total energy consumption within the organization		99,714	98,408	95,930
Net production (tons)		19,186.20	18,409.48	16,776.13
Unit output energy intensity (Note 4)		5.20	5.28	5.72

※All energy sources are individually tallied in their original units and then converted to billion joules (GJ) based on disclosure standards.

Note 1: The Company's Nangang plant area utilizes natural gas as its heating energy source.

Note 2: The Company's Dayuan plant area uses steam as its heating energy source. The Dayuan plant area was acquired and merged in August 2021, and the data provided only covers the period from August to December of that year.

Note 3: Gasoline consumption has been recorded since 2022.

Note 4: Formula for calculating energy intensity: energy consumption (GJ)/net production (tons)

Energy-saving initiatives and implementation status

Based on the organizational carbon footprint inventory results and internal meetings, electricity is identified as the primary energy source and the main contributor to carbon emissions for the Company. Below is an explanation of the initiatives and implementation status related to electricity:

In order to ensure the stability and safety of energy supply across the country, the central competent authority has formulated an energy development program in consideration of environmental impacts and economic development. Energy users who use energy up to the amount prescribed by the central competent authority shall report the use of energy data to the central competent authority. The Company completes the energy usage declaration in January each year and completes the declaration of energy efficiency indicators in March.

In accordance with the regulations set by the Energy Administration, MOEA, the Company reports the results of the previous year's energy-saving targets and the plans for the new year's targets. The annual energy savings rate should achieve at least 1% or more.

The energy-saving targets reported to the Energy Administration, MOEA at the beginning of each year are as follows:

Item	Year	2021	2022	2023
Net production		19,186 tons	18,409 tons	16,776 tons
Annual energy savings rate		1.11 %	1.58 %	1.93 %
Energy savings (kWh) ※		102,947 kWh	144,227 kWh	177,367 kWh
Conversion to billion joules (GJ)		370 GJ	519 GJ	638 GJ
Reduction of GHG emissions		50.959 tCO ₂ e	71.392 tCO ₂ e	87.797 tCO ₂ e

Explanation: Greenhouse gas emissions are calculated using the emission factors published by the Energy Administration, MOEA.

The energy-saving plan for 2023 is as follows:

Description of the energy-saving plan for 2023	Energy savings amount (kWh)	Reduction of emissions (tCO ₂ e)
[Nangang Plant] Cleaning of chiller copper pipes for Production Division 2 and utility systems ※	35,668	18.155
[Nangang Plant] Production Division 2 has shut down the chiller unit in non-essential processes and switched to using cooling water ※	138,476	68.546
[Nangang Plant] Reduce the compressor pressure of the nitrogen generator during periods of low production capacity※	3,223	1.595
[Nangang Plant] Production Division 1 and Production Division 3 have installed air curtains in their cold storage rooms	1,089	0.554
[Nangang Plant] Reduce the compressor pressure during periods of low production capacity	1,607	0.818
[Dayuan Plant]: The existing chiller air conditioning system has been replaced with split-type air conditioning units	6,000	3.054
Total	186,063	92.722

Description:※The plan is the energy-saving initiative submitted to the Energy Administration, MOEA.

Solar power generation equipment

In 2024, in addition to continuing and expanding successful energy-saving initiatives from previous years, we have planned investments in two solar power generation equipments, which are expected to commence operations in 2024.

Description of investment	Planned completion timeline	Investment amount
[Nangang Plant] Solar panel installation (Phase 1)	6/30	Estimated total cost of NT\$4,405 thousand.
[Nangang Plant] Solar panel installation (Phase 2)	9/30	Estimated total cost of NT\$9,996 thousand.

Power monitoring system

The Dayuan plant uses a power monitoring system to visualize energy usage situation. This system immediately alerts the relevant units to handle any anomalies detected. In 2023, a total of 893 kWh of abnormal energy consumption was detected. Upon discovery, the location of the anomaly was immediately identified, and the responsible unit was notified to make improvements.

Based on the experience at the Dayuan plant, it has been verified that energy visualization enhances management efficiency. Therefore, the Nangang plant is also planning to implement a monitoring system. This system will not only monitor electricity usage to identify potential inefficiencies and waste but also provide clear insights into the electricity consumption of each production line. This will contribute to the accuracy of carbon footprint inventory of products. The estimated construction cost for Phase 1 is NT\$3 million, with completion expected by June.

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3 Sustainable Environment

Water resources

Material Topics	Water resources management
Policy Commitment	Implement regular water conservation and water resource reuse, and enforce management of wastewater discharge
Management Action and Effectiveness	<p>Rainwater collection and reuse for irrigation of green plants.</p> <p>Process water, cooling water, and rainwater reclaimed and reuse.</p> <p>Process water reclaimed and reuse of 0.138 million liters.</p> <p>Continue to improve high-water-use processes to save production water supply.</p> <p>Monthly water withdrawal statistics are compiled and analyzed to monitor water usage situation year by year.</p> <p>Monitor water quality testing, and the wastewater discharge meets regulatory standards in both annual inspections.</p> <p>Control the outflow of domestic water and install water-saving faucets.</p>
Negotiation with Stakeholders	<p>Employee, community</p> <p>The Company's official website provides contact information. Stakeholders with inquiries regarding wastewater discharge, water conservation efficiency, or other related matters can reach out to us for assistance.</p>

Climate change and water resource impacts

According to the information published on the Climate Change Administration's website for 2023, the average annual temperature in Taiwan has increased by approximately 1.6°C over the past 110 years (1911-2020). The rate of warming has accelerated in the past 50 years and in the past 30 years. Regarding drought, there is a trend of increasing maximum consecutive dry days across various regions. Regarding "maximum 1-day rainstorm intensity" in Taiwan, under the worst-case scenarios projected for the mid and late 21st century, there is an expected decrease in the number of typhoons affecting Taiwan by about 15% and 55%, respectively. However, the proportion of intense typhoons is projected to increase by 100% and 50%, respectively. According to the danger level, vulnerability and risk assessment of climate change impact on water resources, industrial water usage may increase due to rising temperatures leading to higher demand for cooling water, but it is unlikely to cause a significant increase in industrial water use as a whole, which is considered to be a low to medium risk in terms of danger level, vulnerability and risk.

The Company's internal regular water-saving practices are divided into two main categories. In terms of process water conservation, reclaimed water in process water for reuse has been implemented for many years. The research and development team continuously optimizes high-water-usage product processes. The factory also accumulates data continuously to plan and establish targets for process water recovery. In terms of residential water conservation, we continue to install water-saving devices on faucets, reduce water outflow in low-frequency water usage areas, and collect rainwater for irrigating green plants.

Water withdrawal and water discharge

The Company sources water from tap water. The main uses of this water include as raw material or solvent, process cooling water, process steam boiler water, and domestic water. Starting in 2024, we will set a water withdrawal target, aligned with our ISO management system strategy, at 35.000 million liters (cubic kilometers). We will track this target on a monthly basis.

Unit: million liters

Item	Year	2021	2022 (Base year)	2023
Water withdrawal		42.476	39.764	38.719
Water discharge		9.051	12.346	11.098
Water consumption		33.425	27.418	27.621
Reuse of reclaimed process water		0.216	0.177	0.138

The data includes Nangang Factory and Dayuan Factory.

After treating the Company's industrial wastewater internally, it is discharged to a wastewater treatment plant in the industrial zone. External testing is conducted 2 times a year, following the regulations outlined in the "Water Pollution Control Measures Plan and Permit Application Review and Management Regulations" and the "Water Pollution Control Measures and Test Reporting Management Regulations - Chemical Industry Discharge Standards." These tests include general water quality assessments and 44 other specified tests. In 2023, there were no incidents of non-compliance with water quality-related emission permits, standards, or regulations.

astewater Discharge:

Item \ Year	2021		2022				2023			
Test results	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	
	Nangang	Nangang	Nangang	Dayuan	Nangang	Dayuan	Nangang	Dayuan	Nangang	Dayuan
PH value	8.3	8.1	8.0	7.6	8.2	7.5	8.3	7.6	8.1	7.4
Water Temperature	28.1	29.7	28.8	29.5	31.0	17.5	32.4	21.8	27.1	17.4
Biological oxygen demand	30.0	22.7	13.0	2.2	63.2	<1.0	25.5	40.3	14.6	3.2
Chemical oxygen demand (mg/L)	176.0	75.2	38.6	12.1	160.0	9.1	74.0	116.0	39.8	25.5
Suspended solids (mg/L)	19.0	4.0	8.7	4.0	36.0	1.1	8.0	2.1	4.9	<1.0
ADMI	63	78	44	<25	68	<25	65	30	65	<25
Free and effective residual chlorine	-	-	-	<0.02	-	0.03	-	0.06	-	0.06
Ammonia nitrogen	0.31	0.47	0.79	8.91	0.46	11.20	0.82	20.40	0.48	10.60
Oil and grease	<0.5	1.4	3.2	<1.0	2.2	<1.0	3.2	<1.0	3.2	<1.0
Nitrate nitrogen	1.43	2.35	2.05	0.25	2.45	0.45	2.02	0.51	3.35	0.37
Fluoride salt	0.25	0.21	0.17	0.09	0.17	0.08	<0.05	0.09	0.19	0.08
Anionic surfactant	0.25	0.21	0.17	0.09	0.17	0.08	<0.30	<0.10	0.11	<0.10
Phenols	0.0078	ND	ND	0.0126	ND	ND	ND	<1.000	0.0123	ND

Description:

1. The Dayuan plant was merged in 2021, and starting from 2022, it began conducting outsourced testing in the same manner.
2. Discharge standards for wastewater treatment plants:

Item	Industrial zone	Nangang Industrial Zone	Dayuan Industrial Zone
Chemical oxygen demand		640 mg/L	480 mg/L
Suspended solids		320 mg/L	240 mg/L

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3 Sustainable Environment

Gas Emissions and Air Pollution Control

Greenhouse Gas Emissions

The Company has used 2022 as the base year to conduct greenhouse gas emissions inventories. This includes our Nangang plant in Nantou City and our Dayuan plant in Taoyuan City. We identify significant energy use sources, set greenhouse gas reduction targets, and establish and track management actions and reduction strategies. Each year, our target is set to achieve a 1% reduction compared to the previous year, complemented by monthly tracking using the ISO management system.

Item	Year	2021	2022 (Base year)	2023
Scope 1		3,651.934	3,517.913	3,380.208
Scope 2		5,125.423	4,986.974	4,981.760
Total		8,777.357	8,504.886	8,361.968
Net production (tons)		19,186.20	18,409.48	16,776.13
Greenhouse gas emissions intensity		0.457	0.462	0.498

Description:

1. The coefficients used to calculate greenhouse gas emissions can be found in the section: Energy Usage and Intensity.
2. Greenhouse gas emission intensity = Emissions (metric tons CO₂e) / Net production (tons)
3. The greenhouse gases generated from the Company's operations include: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs).
4. The data includes Nangang Factory and Dayuan Factory.
5. Due to the merger of the Dayuan plant in August 2021, the data covers less than a full year and has not been fully compiled for comprehensive statistical analysis, we will use 2022 as the base year.

Air Pollutant Emissions

In the Company's product manufacturing process, the primary air pollutants emitted are sulfur oxides (SO_x), nitrogen oxides (NO_x), and volatile organic compounds (VOC). For volatile organic compounds (VOC), we employ biological filter technology and humidification towers to assist in humidity control, which benefits microbial growth. To prevent the dispersion of volatile organic compounds (VOC), equipment such as waste water treatment facilities adopts air-pollution prevention equipment that uses air-tight or enclosed gas gathering system to collect and send to the biological filter.

Item	Year	2021	2022 (Base year)	2023
Sulfur oxides (SO _x)		177.00	166.59	323.68
Nitrogen oxides (NO _x)		2,839.97	2,753.25	2,790.28
Volatile Organic Compounds (VOC)		8,761.49	15,073.12	14,887.85

Description:

1. Air pollution fees are declared in accordance with regulations and calculated by the system.
2. Emission coefficients are derived from air pollution fee declaration data.

Greenhouse gas reduction indicators and targets

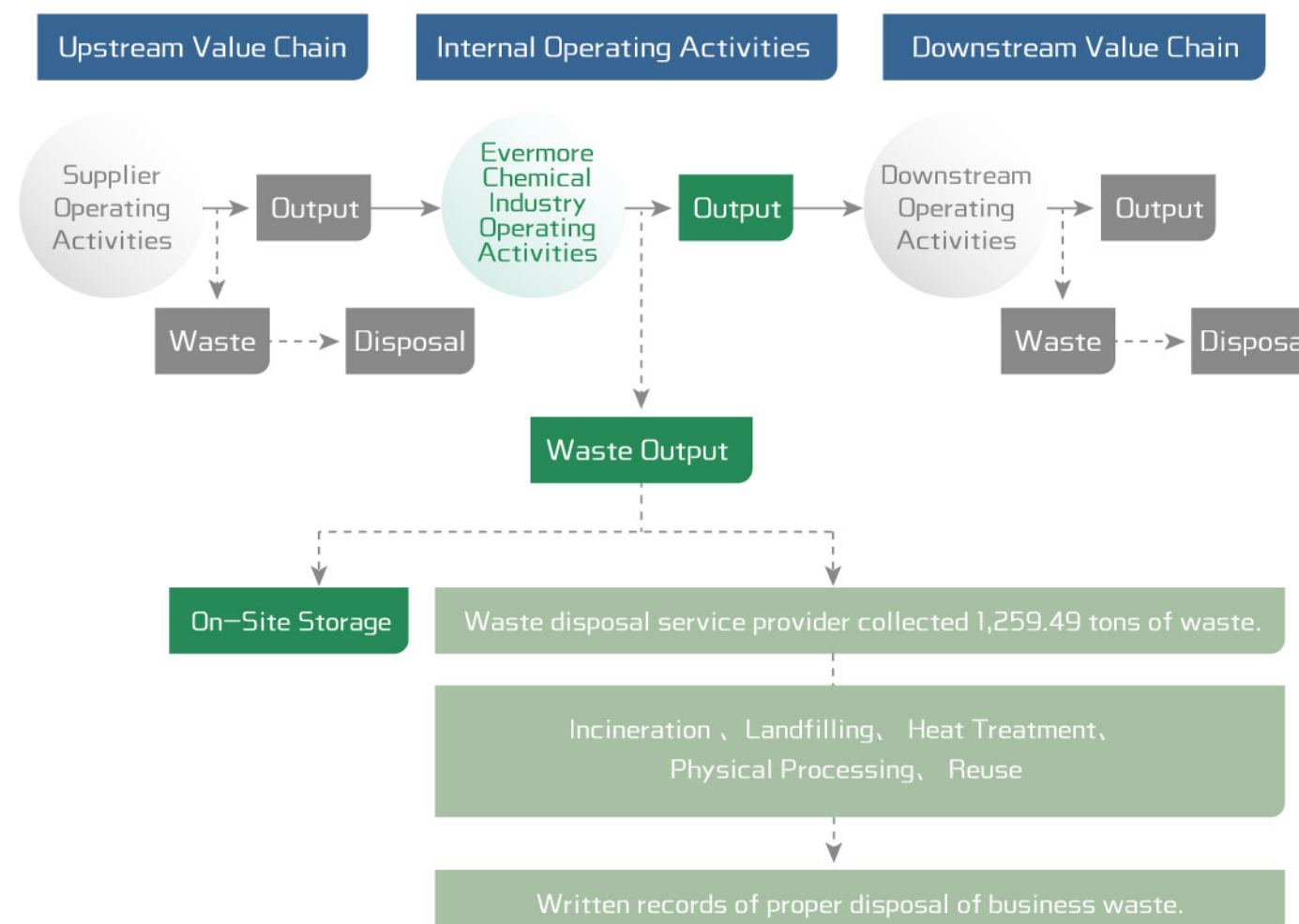
The Company conducts organizational carbon audits to identify major sources of emissions and initiates discussions on various reduction strategies starting from emissions management. Please refer to the following sections for detailed information: Sustainability Center - Indicators and Targets, Energy Management - Energy Saving Plans and Implementation Status.

Waste Generation and Reduction Strategies

Material Topics	Industrial Waste
Policy Commitment	Waste reduction and adoption of recycling patterns.
Management Action and Effectiveness	Internally, we continue to promote waste sorting to control the quantity of waste requiring paid disposal. The recycling amount of PE film this year is 2.35 tons We have signed contracts with government-approved waste disposal facilities to handle industrial waste in compliance with regulations. And continue to seek other cost-effective disposal methods. Industrial waste removal volume for the year is 1,259.49 tons
Negotiation with Stakeholders	Collaborating partners, government, and community neighbors When our collaborating partners collect waste, they inspect it immediately. If they find any waste that they cannot transport, they inform the environmental health and safety personnel. The waste is not transported, and the environmental health and safety personnel then find an appropriate disposal method. And according to government requirements, we request our collaborating partners to provide written documentation of proper cleaning records for record keeping. If the community has any reports related to waste, they can find the appropriate contact information on the Company's website.

The Company, according to the Waste Disposal Plan, engages qualified contractors and disposal facilities to transport waste. The waste is treated through incineration, thermal processing, landfilling, and reclaimed for reuse. We use testing reports provided by Ministry of Environment accredited inspection units to confirm that the waste classification codes are correct and compliant. Following the "Regulations Governing Determination of Reasonable Due Care Obligations of Enterprises Commissioning Waste Clearance," once the contractor completes waste disposal, we obtain a written record of proper waste disposal and retain it for documentation purposes.

Waste-related impacts on inputs, activities and output processes





3 Sustainable Environment

Based on the "Regulations Governing Determination of Reasonable Due Care Obligations of Enterprises Commissioning Waste Clearance," the Company completed site visits to waste disposal contractors in 2023. We documented their management practices for the storage, removal, treatment, and recycling of entrusted waste. Furthermore, we confirmed the routes of waste collection vehicles and the locations of disposal facilities using GPS tracking systems installed in the contractors' vehicles.

We have established programs such as waste reduction at the source, waste minimization in production, and waste sorting for recycling and reuse to manage waste generation. To reduce the volume of waste requiring disposal, we convene at the end of each year to discuss new reduction strategies for the upcoming year. Waste reduction targets are expected to be set from next year, aligning with ISO management system strategies. The target will be set at a waste generation rate of 0.021 per unit output (calculated as: waste disposal volume ÷ production volume), with monthly tracking to monitor progress.

Waste disposal data in 2023

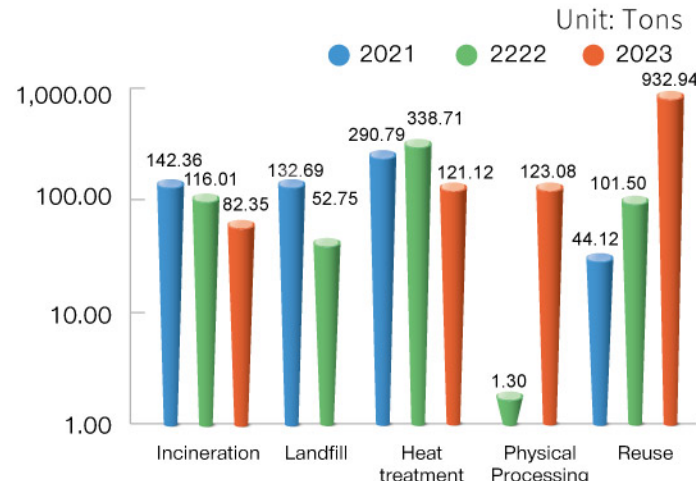
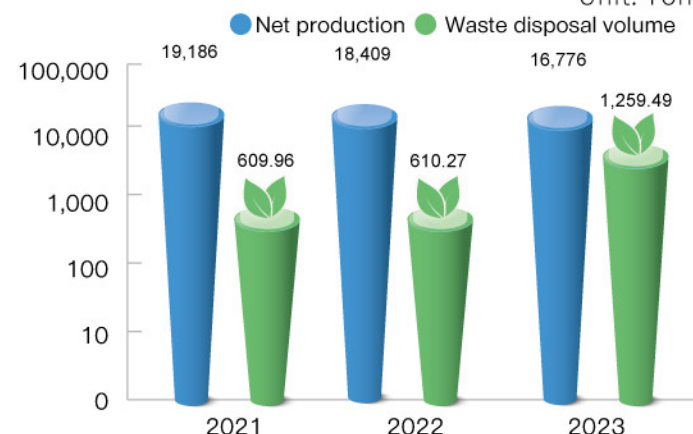
Unit: Tons

Category	Code	Incineration	Landfill	Heat treatment	Physical Processing	Reuse	Total
General waste	category D	75.82	0.00	121.12	123.08	805.68	1,125.70
	category R	0.00	0.00	0.00	0.00	6.12	6.12
Hazardous waste	C-0301	6.53	0.00	0.00	0.00	0.00	6.53
	B-0347	0.00	0.00	0.00	0.00	115.04	115.04
	B-0399	0.00	0.00	0.00	0.00	6.10	6.10
Total		82.35	0.00	121.12	123.08	932.94	1,259.49

The data includes Nangang Factory and Dayuan Factory.

Trend of waste removal volume in recent years

Unit: Tons



Waste reduction strategies

1. Empty drums used for raw materials are cleaned within the factory and reused as shipping containers for our own business activities under limited product categories, reducing the need for new purchases and the production of waste metal drums.
2. Used wash tank solvents, after ensuring they do not affect the quality of subsequent products and are within the specified maximum usage limits, are reused to reduce the purchase of new solvents and the generation of hazardous industrial waste.
3. Finished products sold to customers are returned to the factory after customers use up the products, where containers are cleaned and sorted based on product characteristics. Containers are clearly labeled for reuse with compatible products, ensuring no compromise to the quality of subsequent products. This approach allows the factory to reduce new purchases of containers and helps customers minimize waste generation. The packaging containers used for these products are predominantly stainless steel 1-ton barrels and IBC barrels.
4. Implementing a waste classification policy involves collecting recyclable waste for resale, thereby reducing the amount sent for incineration and lowering disposal costs. Since the end of 2021, the implementation of in-house PE film recycling has been highly successful and has been included as an annual performance indicator. In 2023, we recycled 2.35 tons of PE film, significantly reducing the amount of plastic waste sent for incineration and cutting down on disposal costs. We plan to continue with this program.

Legal compliance

Material Topics	Legal compliance
Policy Commitment	Monitor changes in regulations related to operational activities and incorporate them into daily operations to ensure compliance with the standards. Sign the environmental, health, and safety (EHS) policy and enhance overall employee awareness of environmental safety, ensuring effective implementation and continuous improvement.
Management Action and Effectiveness	Undergo external audits by BSI certification bodies annually for ISO management system. Conduct 6S inspections and use the 6S meeting time to communicate regulatory changes to each department. This year, we had 4 penalty cases, all of which have been reviewed, and improvement plans have been developed.
Negotiation with Stakeholders	Competent government authorities, local residents, employees, and suppliers In addition to 6S inspections and improvement proposals, internal employees are supported by the Company's "Whistleblower Channel and Protection System Operating Procedures," which provides channels for both internal and external personnel to report concerns.

Penalty cases

In 2023, the Company had a total of 4 penalty cases. We have paid the fines within the required deadlines and conducted internal reviews to develop corrective and preventive measures.

Date of the sanctions	Factory premises	Description of the violation	Fine amount	Improvement measures
04/25	Nangang plant	Incorrect declaration items	NT\$330,000	After reporting in accordance with regulations, a copy of the submitted content is stored, and the supervisor reviews and confirms it.
04/28	Dayuan Plant	Hazardous waste was not transported for the required annual disposal	NT\$60,000	Include the item in the "Annual Work Plan" and ensure the required annual disposal is conducted in accordance with regulations.
11/07	Nangang plant	A fixed crane with a lifting capacity exceeding 3 metric tons was used without having undergone a mandatory inspection and certification.	NT\$60,000	Remove the lifting hooks and chains, and switch to operations using equipment with a lifting capacity of 3 metric tons or less.
11/07	Nangang plant	Newly installed work platforms over 2 meters high lacked appropriate safety barriers and protective equipment	NT\$60,000	Install safety barriers with appropriate strength.





Human Rights Policy

The Company firmly believes that everyone should be respected, valued, and entitled to basic human rights. The Company adheres to the principles of the "Universal Declaration of Human Rights," respecting the dignity and worth of every individual regardless of race, religion, gender, age, nationality, or any other status. The Company also conducts supplier assessments and management to ensure that suppliers adhere to basic human rights. Compliance with these standards is a key criterion for collaboration. For more details, please refer to the section: Supplier Management.

Human Rights Assessment Form

The Company evaluates potential human rights issues that may arise from our operational activities and discusses mitigation measures. Execution situation in 2023 is as follows.

Issues of Concern	Affected groups	Risk mitigation measures	2023
Workplace inclusivity	Female Indigenous peoples Migrant workers Individuals with disabilities	Provide designated parking spaces for those in need. Establish a designated breastfeeding room. Provide seasonal ritual holiday leave for indigenous employees in accordance with regulations. Hold monthly meetings with migrant workers to facilitate regular internal communication. Hire individuals with disabilities in accordance with legal regulations and establish accessible pathways.	The number of people in need of designated parking spaces is 1, and the number of people using it is 1. The number of people in need of designated breastfeeding room is 1, and the number of people using it is 1. The number of people who are eligible for the seasonal ritual holiday leave is 2, and the number of people who use it is 2. The total number of employees with disabilities is equal to or greater than the legally mandated employment quota.
Workplace abuse	All employees	Establish a "Prevention and Handling Procedure for Workplace Abuse, Sexual Harassment and Violations of Workplace Equality," including assessment forms for both general employees and managerial levels. Implement mandatory education and training sessions every three years to comply with legal requirements and promote equality awareness among all employees, fostering a healthy and harassment-free workplace.	No incidents of workplace abuse.
Sexual harassment	All employees	Establish a "Whistleblower Channel and Protection System Operating Procedures" as well as a grievance channel, encourage and standardize the reporting and handling processes for whistleblowers, ensuring confidentiality throughout the process to protect the privacy of all parties involved. Publish relevant policies and internal and external reporting channels on the Company's official website.	No incidents of sexual harassment.

Issues of Concern	Affected groups	Risk mitigation measures	2023
Forced labor	All employees	Comply with relevant regulations under the Employment Service Act by refraining from withholding employees' or job seekers' identity documents, property, or deposits. Upon arrival, provide detailed explanations of labor conditions. Upon completion of the probationary period, request employees to submit probation reports for supervisors to review new employees' work experiences and conditions. The actual working conditions and wages of employees are consistent with the employment contract and work regulations, and they comply with legal requirements.	No violation cases of forced labor.
Excessive working hours	All employees	Through the attendance clock-in system and overtime request process, we accurately record employees' working hours. Compile a monthly alert list and provide it to department supervisors.	For employees involved in shifts or overtime, appropriate overtime pay or compensatory time off has been issued. Supervisors are mindful of work distribution and manpower allocation accordingly.
Personal data management and privacy protection	All employees	Establish a "Personal Data Protection Management Procedure" and, before new hires commence, use a "Personal Data Collection Notification and Consent Form" to confirm their consent, outlining the purposes of data collection, internal retention periods, and ensure that data is not used for other purposes. When organizing employee travel activities that require providing personal data to vendors, we ensure to include confidentiality clauses related to personal data protection in contracts. Alternatively, we may use a "Personal Data Confidentiality Agreement" from our management procedures to guarantee the protection of employees' personal data.	No violations related to personal data protection.
Occupational Safety Management	All employees Contractors	The international occupational health and safety management system ISO 45001 certification has been implemented. To ensure the health and safety of workers and prevent occupational accidents, we conduct regular monitoring of the work environment. Regularly conduct inspections of emergency showers, plant-wide drinking water fountains, and plant-wide fire fighting equipment. Enhance employee hazard recognition awareness through monthly 6S inspections and reports, regular occupational health and safety training, and the creation of internal communications materials. Before contractors enter the premises, the handling unit provides a "Construction Application and Hazard Notification Form" as required, ensuring hazard prevention awareness among internal and external workers.	Lost work incident: 1 case. For the actual incident that occurred, we have completed the accident notification process, provided care for employees' recovery, and offered appropriate compensation.
Child labor	Employed workers under the age of 16	Employment of persons under the age of 16 is prohibited. Candidates will be asked to provide their date of birth and their ID will be reviewed at check-in. Issue a "Sustainability Procurement Guide" to suppliers, requesting them to refrain from engaging in forced labor and employing child labor	No such case.



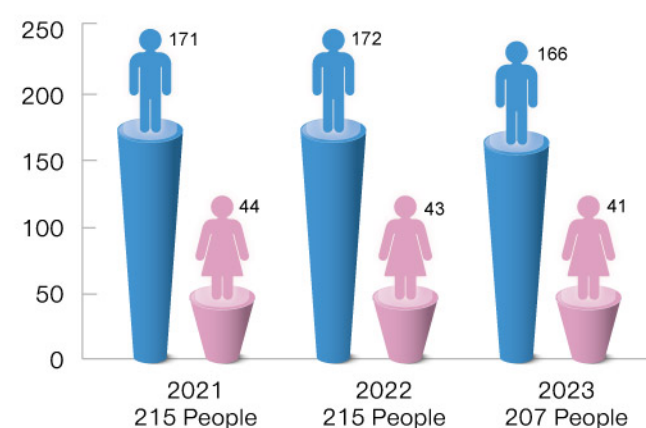
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Friendly Workplace

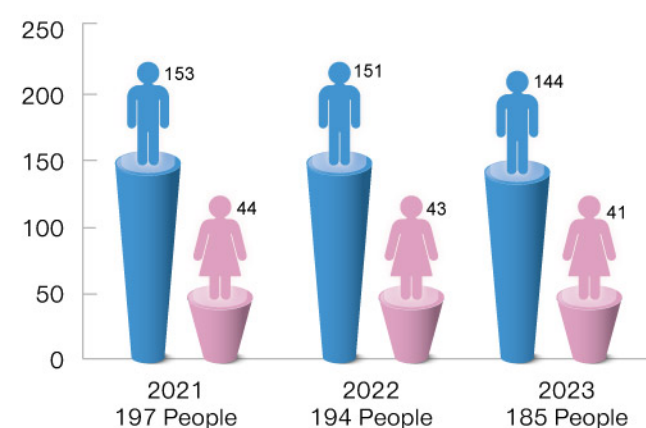
Human Resources

The Company primarily employs local residents from the operational area. As of the end of 2023, we have a total of 207 full-time employees. Among them, 185 are on non-fixed-term contracts, including 4 foreign nationals, and 22 are on fixed-term contracts, all of whom are foreign nationals in the manufacturing department. We did not hire any interns this year. The number of employees with disabilities exceeds the statutory requirements under the People with Disabilities Rights Protection Act. Additionally, our current workforce includes local indigenous people.

Total number of employees

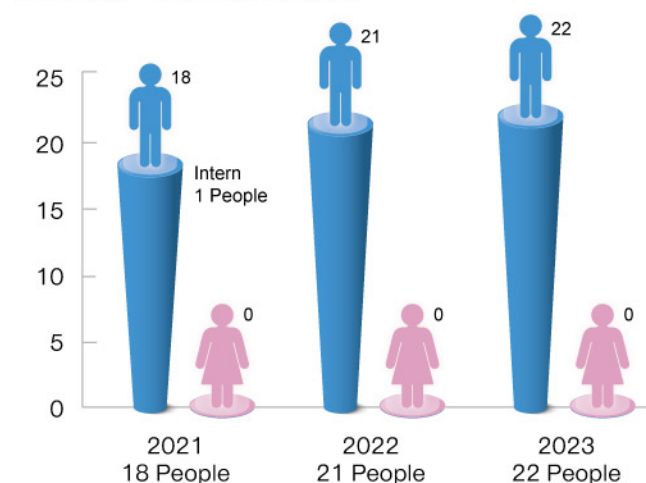


Fixed term contract employee



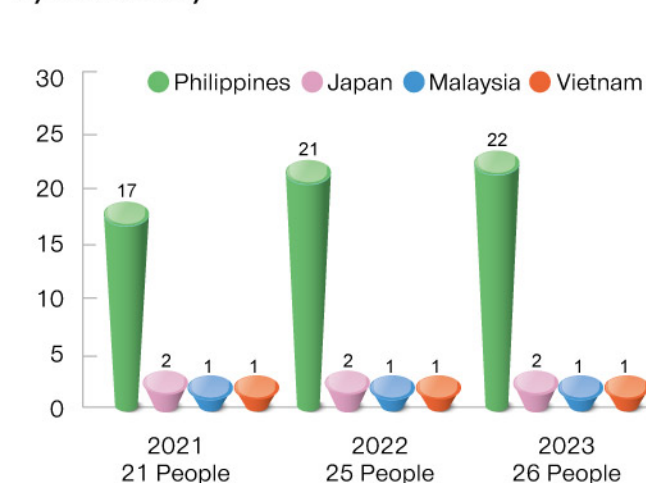
※ Full-time employees:
Including 4 foreign nationals in 2023.

Total number of employees on fixed-term contracts



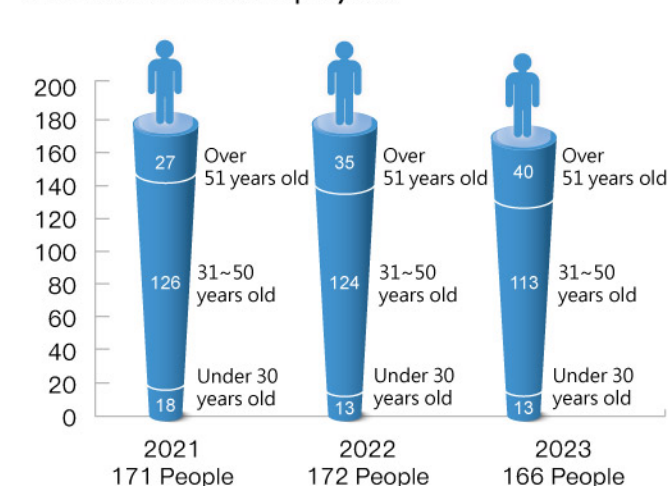
※Fixed-term contract employees: In 2023, all are foreign nationals in the manufacturing department, with no interns.

Distribution of foreign nationals by nationality

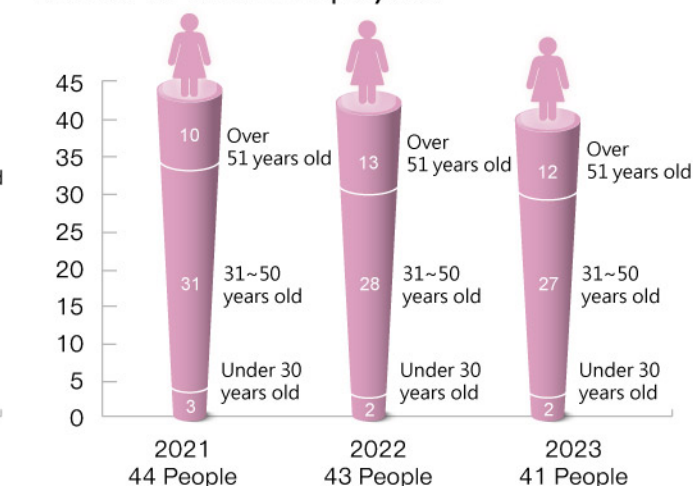


The Company, a manufacturer and distributor of resins and chemical raw materials, requires significant physical labor in its production plants, resulting in a predominantly male workforce. In the current year, the total number of male employees is 166, while female employees total 41. The primary age group among employees is between 31 and 50 years old, comprising 140 individuals at the end of the year. There are 15 employees under the age of 30 and 52 employees over the age of 51.

Number of male employees

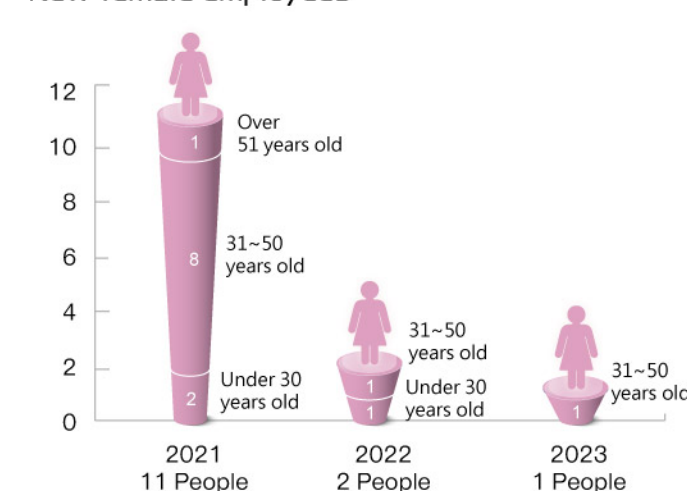


Number of female employees

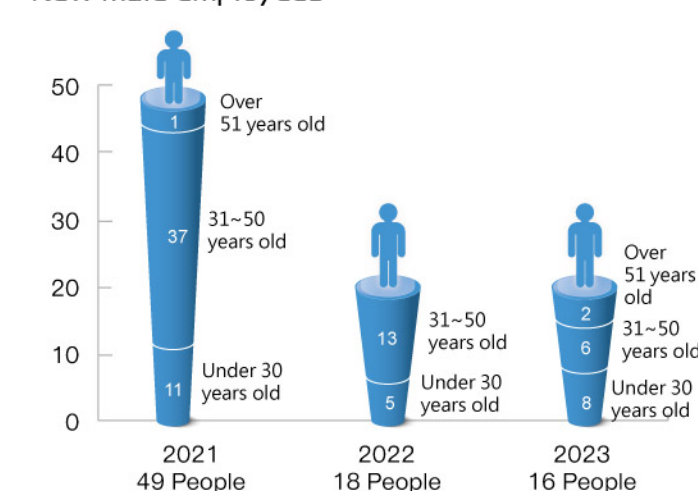


The Company welcomes employees from diverse background. The majority of employee turnover is male and primarily consist of on-site operators. As a chemical manufacturing plant, our production processes involve handling various chemicals, which requires a high level of vigilance and safety awareness, resulting in the possibility that some employees may seek other opportunities or change jobs. Nevertheless, we remain committed to providing excellent training and safety measures to ensure the safety and wellbeing of our employees at work. For more details, please refer to the section: Occupational Health and Safety. This year, there were a total of 17 new employees and 25 employee turnover, with the detailed distribution as follows.

New female employees



New male employees



Explanation: In 2021, due to the merger of the Dayuan plant, the overall number of new employees was higher.

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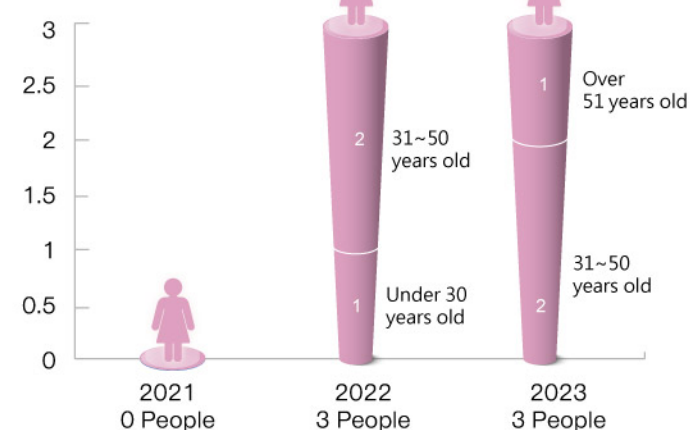
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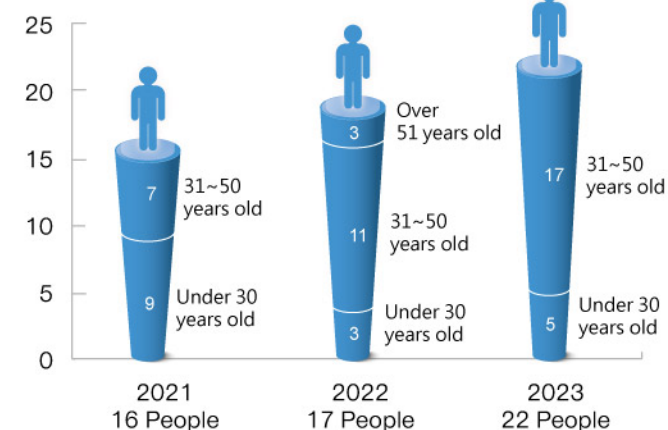


4 Friendly Workplace

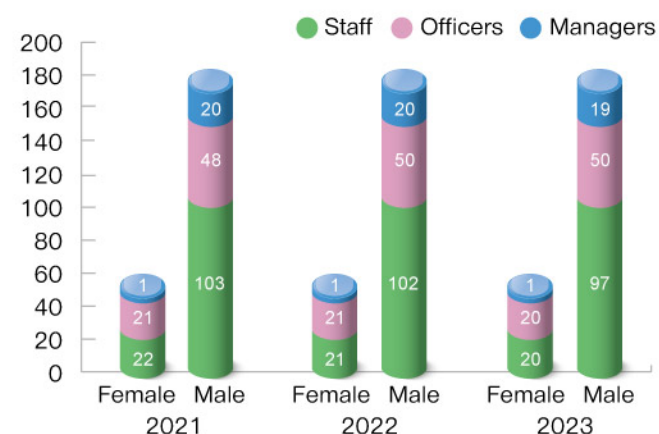
Female employee turnover



Male employee turnover



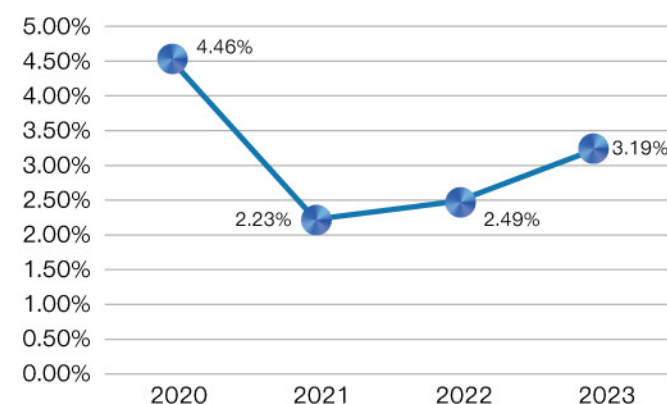
The Company has 20 managers for the current year, including 3 foreign nationals. There are 70 officers and 117 staff members. The detailed distribution is as follows.



Description:

1. Managers: Chairman/President/Vice President/Factory Manager/Manager/Director, and other similar positions.
2. Officers: Deputy Factory Manager/Deputy Manager/Section Manager/Deputy Section Manager, and other similar positions.
3. Staff: Team Leader/Lead Operator/Officer/Operator/Quality Inspector/Researcher, and other similar positions.

Turnover rate for the year



Talent Cultivation

To coordinate with business development and human resource planning requirements, the Company arranges orientation training, general training, professional training, quality system training and management training etc. for employees, to enhance the expertise, attitude and skills required for accomplishing their personal and team duties, increase productivity and work quality.

In compliance with regulatory requirements for continuing education, the Company regularly tracks employees' years of training and arranges periodic refresher courses. Simultaneously, we monitor course information that benefits employees' job functions and arrange for their participation in relevant training. We also encourage employees to proactively apply for and participate in relevant seminars and courses that benefit their own work. Flexible, self-directed learning is promoted to ensure employees keep their skills updated and have opportunities to expand their knowledge.

2023

792

Educational training for a total of 792 persons

2818.5

Total education and training hours of 2818.5 hours
The average number of training hours per person is 13.6 hours

322

The total investment in education and training is NT\$322 thousand

The training includes information on factory emergency response procedures. For detailed information, please refer to the section: Occupational Health and Safety - Emergency Response.

Average hours of training – by gender

Category	Year	2023
Each female employee	15.2	
Each male employee	13.2	
Each employee	13.6	

Average hours of training – by job level

Category	Year	2023
Manager	10.3	
Officer	17.7	
Staff	11.7	

Employee Salary and Benefits

Material Topics	Employee overview and benefits
Policy Commitment	Create a friendly working environment to enhance employee satisfaction
Management Action and Effectiveness	<p>Quarterly bonuses will be determined and distributed based on operating performance, inventory management, product quality, and environmental safety.</p> <p>Quarterly gatherings include dining subsidies, providing subsidies for a total of 445 persons for the quarterly gatherings this year.</p> <p>The number of applicants for parental leave is 2.</p> <p>The total number of subsidies for club activities and individual external education and training was 56.</p> <p>Employee tours and family days are organized annually. This year, domestic trips were planned, divided into two phases: one to Yilan and one to Matsu. The Yilan trip has been completed this year, while the Matsu trip, which is rescheduled for May 2024 due to the seasonal nature of the blue tears phenomenon.</p>
Negotiation with Stakeholders	<p>Employees</p> <p>The Company's website provides our email address, offering stakeholders a channel to provide feedback.</p> <p>The employee cafeteria is equipped with a "suggestion box" where employee can submit proposals or suggestions.</p> <p>Labor-management meetings are held at least 1 time per quarter, providing a platform for communication between employees and management.</p> <p>The Employee Welfare Committee meets 1 time per quarter as a principle, or convenes meetings as needed based on actual requirements.</p>

※ The Company does not have a union; labor-management communication takes place through labor-management meetings.



4 Friendly Workplace

Employee salary

Staff salary standards and local minimum wage comparison table

Item	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Average salary multiplier for staff	1.47	1.52	1.41	1.45	1.34	1.43
Local statutory minimum wage	Note 1		Note 2		Note 3	

Note 1: Taiwan's Labor Standards Act announced the minimum wage in 2021 as NT\$24,000.

Note 2: Taiwan's Labor Standards Act announced the minimum wage in 2022 as NT\$25,250.

Note 3: Taiwan's Labor Standards Act announced the minimum wage in 2023 as NT\$26,400.

The average salary of full-time employees in non-supervisory positions in 2023 was NT\$788 thousand, an increase of 4.65% compared with 2022, and the median salary of full-time employees in non-supervisory positions was NT\$703 thousand, an increase of 6.35% compared with 2022. 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.

Average Salary and Median Salary

Unit: NT\$ thousand

Item	2020	2021	2022	Difference between 2023 and the previous year
Number of full-time employees not holding managerial positions	155	187	180	3
Average salary of full-time employees not holding managerial positions (in NT\$ thousand/person)	685	753	788	35
Median salary of full-time employees not holding managerial positions (in NT\$ thousand/person)	610	661	703	42

Note: According to the definition by the Stock Exchange, "Full-time employees not holding managerial positions" refer to all employees excluding those in managerial roles (managers), employees of overseas branches, part-time employees, and full-time employees that are eligible for exclusion or exemption from statistical reporting (including both Taiwanese and foreign employees).

Remuneration and Bonus System

The Company's salary is determined with reference to the 3P theory and industry standard. In terms of bonuses, there are attendance bonuses, holiday bonuses, quarterly bonuses, proposal bonuses, and year-end bonuses. Additional profit-sharing may also be allocated to employees based on the Company's regulations if profits are achieved for the year.

In 2015, the Company established an Employee Stock Ownership Committee to encourage employees to save for their long-term future. The Company allocates 20% of the employee savings amount as an incentive to encourage retention and implement the concept of profit sharing. This initiative aims to foster a shared sense of accomplishment among employees and strengthen their commitment to the Company.

Other benefit

In terms of subsidies, the Company provides allowances for events such as weddings, funerals, celebrations, and condolences for illness or injury. We also offer subsidies for external activities related to talents, hobbies, and sports. Additionally, there are subsidies for quarterly gatherings and employee trips. During our monthly employee meetings, we celebrate birthdays of employees born that month and present them with birthday bonuses and gifts.

To ensure the safety of employees at work, the company distributes safety protective equipment according to the specific requirements of each workplace and job duty in terms of workplace safety. The Company provides safety helmets, safety shoes, goggles, protective aprons, earplugs, gloves, activated carbon medical masks, reflective vests, and other safety equipment as necessary. Usage guidelines are established to ensure the personal safety of employees, reducing and preventing health and safety hazards in the workplace. The Company also purchases group medical insurance to serve as compensation in case of injuries or accidents.

The Company conducts annual health examinations for all employees, with frequencies and content exceeding current regulatory standards. Specific examination items are selected based on the nature of each employee's work and potential exposure risks. Employees can utilize the health examinations to understand their current physical condition and discuss preventive healthcare measures with the company nurse. This proactive approach enhances employee health protection and promotes overall wellbeing.

Proposal Bonus

To encourage employee suggestions and recognize their contributions and innovative thinking, the Company awards a proposal bonus at the monthly employee meetings. This public acknowledgment aims to boost employee engagement in their work, affirm their efforts, and foster a collaborative spirit among all employees to create greater value together. In 2023, the total number of proposals submitted was 3.



Encouraging childbirth

The Company values the wellbeing of employees and their families, offering a childbirth allowance to support a balance between work and family life. All eligible employees can receive approved paternity leave and parental leave, allowing them sufficient time to spend with their newborns and care for their families.

In 2023, 10 employees received childbirth allowances, 2 employees applied for parental leave, and out of 4 employees eligible to return to work, 3 actually submitted return-to-work applications, representing a return rate of 75%.

Retirement benefits

The Company has established a "Employee Retirement Policy" in accordance with the Labor Standards Act and the Labor Pension Act. Employees who joined the Company after July 1, 2005, are required to contribute 6% of their monthly salary to their individual retirement account at the Bureau of Labor Insurance, as mandated by the Labor Pension Act. Employees who are eligible for the Labor Standards Act's pension system contribute 2% of their monthly salary to their designated retirement account.

Company Activities

Evermore Chemical Industry has established an Employee Welfare Committee, with members appointed by colleagues from various units or participating voluntarily. Management of the Company also participates in meetings as needed to assist in resource allocation, ensuring that the committee's operations align with the interests of employees and the Company. The committee generally holds meetings once per quarter, with the flexibility to adjust the frequency based on demand. The Welfare Committee meets at the beginning of each year to plan the annual budget and activities for the entire year.



4 Friendly Workplace

(1) Employee tour

This year's employee travel plan spans across two years and consists of two themed destinations: Yilan's Guishan Island and Matsu's Blue Tears. Each destination will host two separate groups of employees for travel activities. The Yilan group completed their travel activities in the third quarter. Due to seasonal restrictions related to Matsu's Blue Tears phenomenon, the trip is scheduled to depart in May 2024.



(2) Company's Year-End Banquet

The Company organizes a year-end banquet before the Lunar New Year to reward employees for their hard work, inviting both employees and their families to participate. The event features a diverse range of activities, bringing all employees together to enjoy a warm and joyful evening. It aims to foster emotional bonding and cohesion among colleagues.



(3) Quarterly Gatherings & Family Day

The Welfare Committee provides a quarterly dining subsidy per person, allowing colleagues to organize and enjoy meals independently outside of working hours. This relaxed atmosphere encourages interaction and enhances emotional connections among employees. This year, subsidies were provided to a total of 445 persons.

The Company organizes large-scale family events annually, considering the current situation, to allow employees' family members to participate. These events encourage employees to achieve a balance between work and family life. This year's Family Day was held at the "Old Pot Farm," featuring DIY food crafting activities. A total of 313 employees and their family members participated.



(4) Club activities and individual external education and training

The Welfare Committee provides a monthly per-person club subsidy to support employees' personal growth and pursuit of interests. Employees are encouraged to participate in a variety of club activities, ranging from photography and cooking to yoga and other interests, catering to diverse hobbies and preferences. This year, a total of 9 individuals participated in external education and training, while 47 individuals utilized the club subsidy.



Occupational Safety and Health

Material Topics	Workplace public safety, emergency response capability
Policy Commitment	Provide employees with a safe, healthy, and high-quality work environment, as well as ensuring quality and safety for contractors, effectively preventing occupational hazards, and safeguarding the health and safety of workers.
Management Action and Effectiveness	Implementing ISO 45001:2018 standards, the certification is valid until November 2026. Establishing a Health and Safety Committee to formulate, plan, supervise, and promote improvements in potential unsafe conditions. This year, the Health and Safety Committee held 4 meetings and successfully implemented 3 proposals for improvements. 104 persons received on-site health consultations from medical personnel, and 4 persons received maternity protection consultations. Emergency response-related education and training were completed, with a total of 704 participants. Incident not meeting the target: There was 1 work safety accident this year, resulting in a loss of 5 workdays.
Negotiation with Stakeholders	Employees Continuing to promote the 6S methodology within the factory, with weekly patrols and 2 meetings per month to present self-inspection and cross-inspection results, followed by improvement initiatives.

To enhance autonomous management and continually improve occupational health and safety performance, reduce occupational hazards, and safeguard the safety and health of employees and contractors, Nangang Plant of Evermore Chemical Industry obtained OHSAS 18001 certification in 2005, conducting hazard assessment, identification, communication, and management related to operational environment, mechanical equipment, and chemical substances. In 2020, the certification was updated to ISO 45001 (2018 version), and the current certification is valid from November 2023 to November 2026.



ISO 9001: 2015

ISO 14001: 2015

ISO 45001: 2015

Product Safety and Responsibility

Evermore Chemical Industry adheres to the United Nations' Globally Harmonized System of Classification and Labeling of Chemicals (GHS) for product packaging classification. During shipment preparation, we provide customers with product labeling required by regulations, Safety Data Sheets (SDS), language translations of chemical regulations both domestically and internationally, hazard statements, dimensions, and other necessary information. Additionally, we include inspection reports and product certificates to ensure customers have accurate information for the proper use of our products. In 2023, there were no incidents of non-compliance with product and service information and labeling regulations, nor were there any violations of marketing communication-related regulations.

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4 Friendly Workplace

Hazard Identification, Risk Assessment and Accident Investigation

Evermore Chemical Industry operates in accordance with ISO management systems, conducting hazard and risk assessments of the work activities and the environment, classifying the impact of workers' injuries and illnesses, the scope of environmental hazards, and the hazards of chemicals. Based on identified risks related to safety and health hazards, management plans, operational controls, emergency responses, and education training programs are established.

When changes occur in processes, activities, or services that involve conditions, methods, raw materials, machinery or equipment, facilities, or utilities affecting the process, a "Change Request and Evaluation Form" should be submitted. Simultaneously, hazard identification and risk assessment for the changed operations should be conducted. This includes updating or establishing relevant documents, conducting personnel notification and training after the change, and performing safety inspections before implementation to control the change effectively.

Regarding accident investigation, proactive indicators (near-miss incidents and safety proposals), along with reactive indicators (past accident experiences, penalties, and audit results), are incorporated into routine 6S inspection themes. Inspectors are tasked with conducting self-inspections, and regular meetings of the Health and Safety Committee are held to report on occupational accident statistics, promote safety and health, review workplace inspections, corrective and preventive measures. Potential unsafe conditions are logged for improvement and tracking to prevent and mitigate occupational injuries. In 2023, 4 Health and Safety Committee meetings were convened.

Contractor management

To ensure the safety of contractors' work, the Company informs contractors of our "Safety, Health, and Environmental Regulations" before project contracting and construction commence. We require contractors to adhere to these regulations and ensure they communicate them to their employees. Contractors are required to complete an "Outsourced Work Safety Contract" before entering the premises for construction, after signing the contract. For tasks such as fire work, confined spaces, working at heights, lifting operations, pipeline interruptions, excavation, and operations in tank storage areas, it is necessary to submit a "Safety Work Permit" application. This process ensures effective management and operation of various hazards, aiming to prevent accidents, injuries to personnel, and minimize environmental impact.

Emergency response

Evermore Chemical Industry has established emergency response procedures, conducting fire and hazardous chemical disaster drills two times annually to ensure employees understand evacuation routes and contingency procedures on-site. Additionally, external education and training programs are implemented according to regulatory requirements and educational plans. These include respiratory protection programs, general chemical hazard awareness training for employees, forklift accident prevention, and certification required by law. These measures aim to mitigate the impact on personnel and the community in the event of a disaster.

Implementation status of emergency response-related education and training

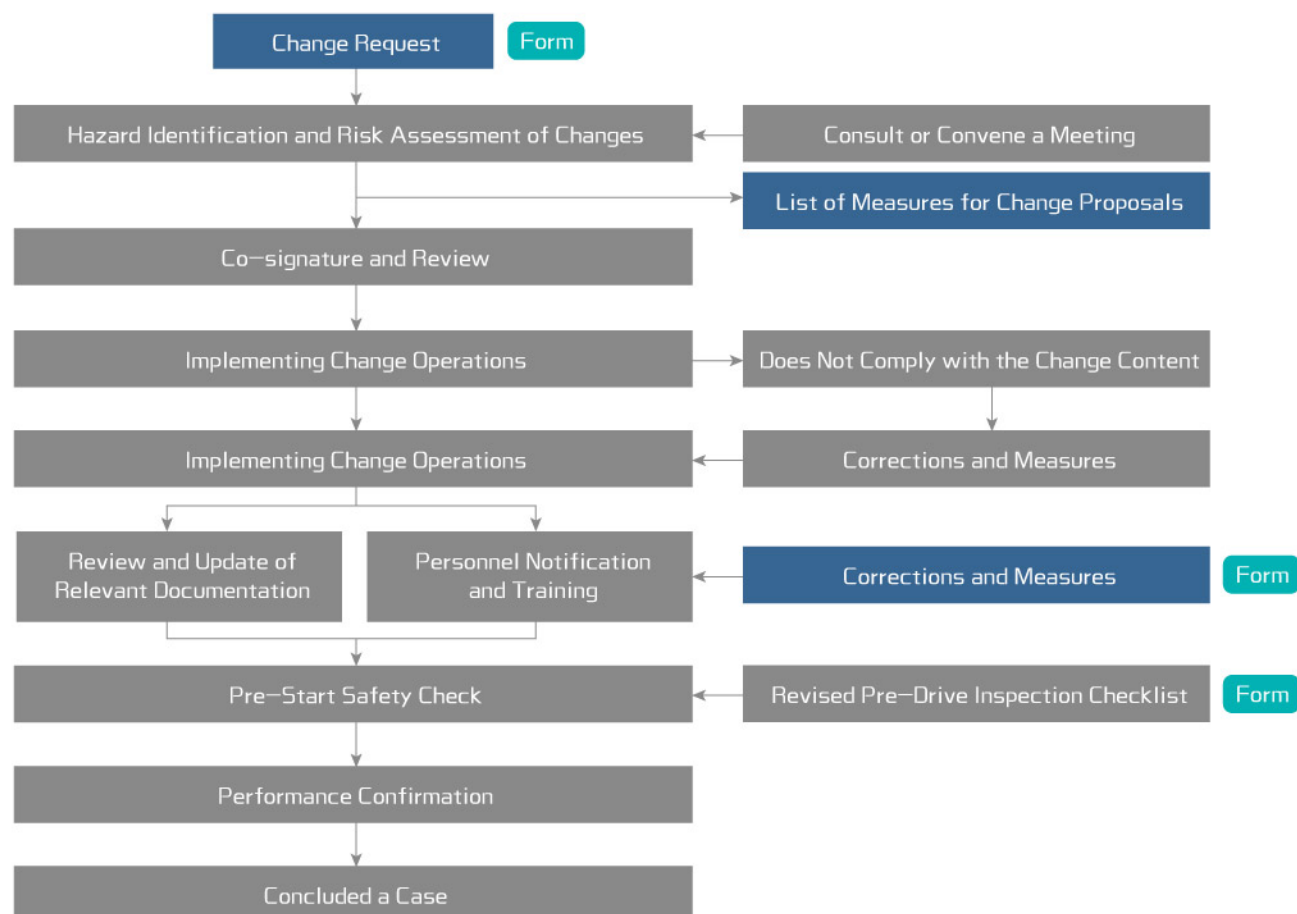
Item \ Year	2021	2022	2023
Number of internal trainers	509	666	705
Number of external trainers	52	38	66
Total number of persons	561	704	737



Occupational disaster

In the event of an occupational accident, the incident is reported promptly according to regulations, and relevant personnel immediately undertake necessary actions. Follow-up investigation and analysis of causes are conducted. Depending on the findings, hazard identification and risk assessment are reviewed, and preventive measures are formulated. The incident is then reported by the responsible unit at the monthly employee meeting to inform all employees about the causes of the disaster and the measures taken to prevent its recurrence.

In 2023, there was 1 reported occupational safety incident resulting in a loss of 5 workdays. The incident involved an employee who was injured while cleaning pipelines. The employee's finger was caught by a ball valve, requiring medical treatment and stitches. Fortunately, the physician diagnosed no bone injuries. All personnel have been instructed to avoid unsafe behaviors, along with improvements in hardware and enhanced signage around the premises. In 2023, there were 3 incidents of employees being involved in traffic accidents during their commute to and from work.



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4 Friendly Workplace

Statistical analysis of occupational accidents in recent years are as follow:

Item		2021	2022	2023
Average number of persons per year	persons	212	212	204
Hours of sick leave	hours	676.0	1298.5	1819.0
Absence Rate *Note 1	%	0.17	0.31	0.45
Occupational Injury *Note 2	cases	0	2	1
Occupational disease	cases	0	0	0
Lost working day	days	0	6	5
Total working hours *Note 3	hours	402,819	434,458	413,336
Injury Rate (IR)	%	0.00	0.92	0.48
Occupational disease rate	%	0	0	0
Injury frequency rate (FR)	%	0.00	4.60	2.42
Severity (SR)	%	0	13	12
Number of deaths on duty	cases	0	0	0

Note 1: The calculation method for absence rate: [Days Absent (Occupational Accident Injury + Sickness)/Total Days Worked] x 100%; excluding commuting accidents

Note 2: Occupational injuries: exclude commuting traffic accidents

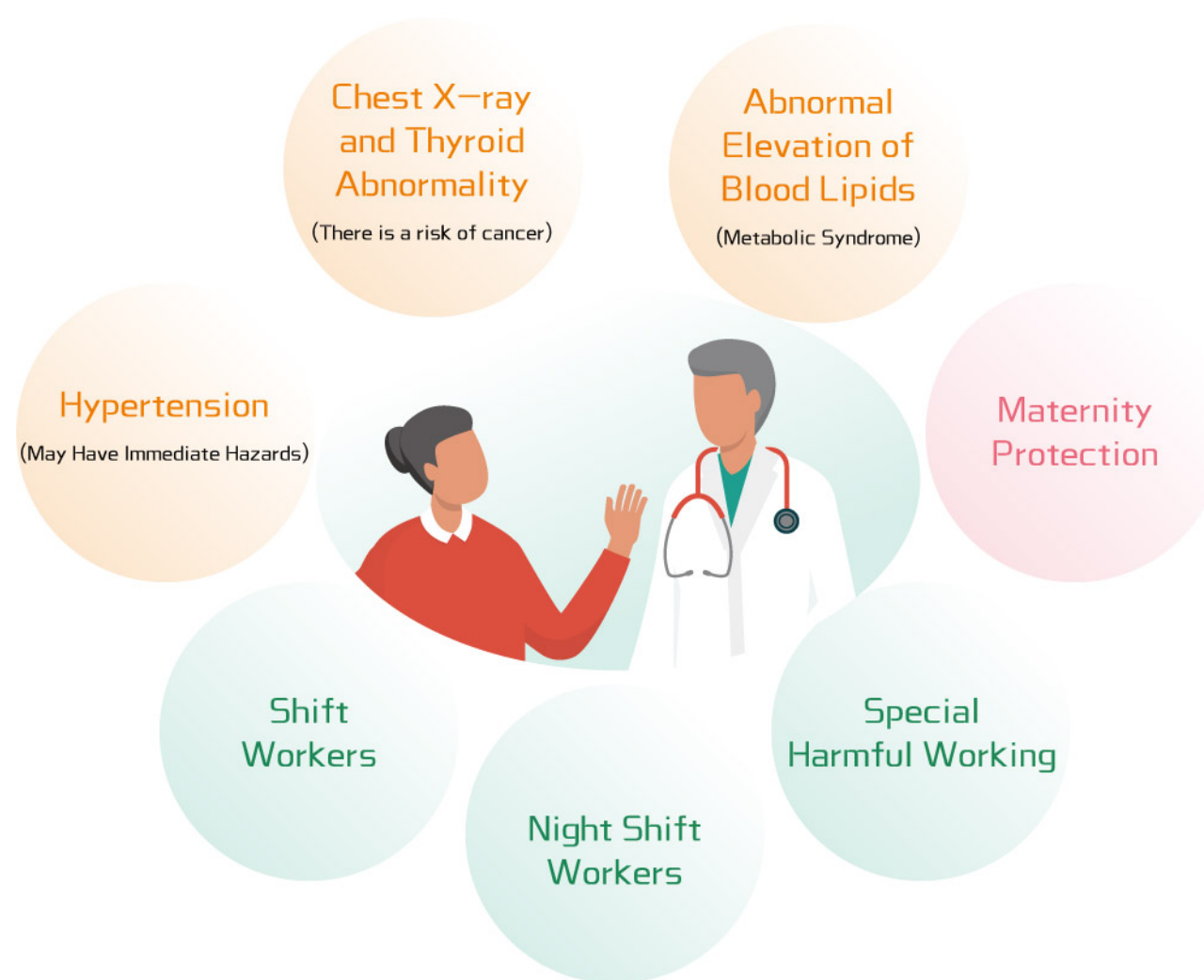
Note 3: Total hours worked: including overtime hours. The data is based on the declaration of "the Ministry of Economy and the General Accounting Office of the Executive Yuan Manufacturing Salary Express Report for Employees", but does not include the employees who left the company in the current month.

Employee health check-ups and maternal health protection

Material Topics	Occupational health
Policy Commitment	Provide employees with a safe, healthy, and high-quality work environment, as well as ensuring quality and safety for contractors, effectively preventing occupational hazards, and safeguarding the health and safety of workers.
Management Action and Effectiveness	Maintain good communication with department heads to promptly address any incidents involving employees, whether they occur on or off-site. This includes injuries, reoccurrence of old injuries, or female employees entering pregnancy. Immediate concern and arrangement for nurse consultations are provided to offer the most reassuring support. Health check-ups are conducted annually. This year, a total of 188 employees underwent health check-ups. Consultation sessions with doctors and nurses are arranged for employees. This year, a total of 104 employees received health consultations, and 4 employees received maternal health protection consultations.
Negotiation with Stakeholders	Employees When an accident occurs inside or outside the plant, the affected individual informs their manager. Following the reporting process, the incident is then reported to the President. The Environmental Health and Safety Center conducts an investigation and follows up on the effectiveness of preventive measures. Reports of workplace misconduct or illegal activities can be submitted via the suggestion box located in the employee cafeteria or through the whistleblower email address published on the Company's website.

Evermore Chemical Industry, in accordance with the "Occupational Safety and Health Act" and the "Regulations on Labor Health Protection," conducts annual employee health check-ups. The frequency and scope of these check-ups exceed current regulatory standards, and the results are retained and managed by the Environmental Health and Safety Center. Based on the health check-up results, employees with abnormalities are promptly advised to visit a hospital for further examination. Additionally, when health services are provided by on-site nursing staff, consultations and follow-up arrangements are scheduled. The frequency of on-site health services is conducted according to regulations, with physicians visit the plant 4 times a year, while nursing staff visits 4 times a month.

Regarding maternal protection, in 2023, there were 4 cases. Employees were scheduled for consultations with nursing staff at various stages: before pregnancy, during pregnancy, and after delivery. These consultations focused on monitoring physical changes, providing pregnancy-related information, and establishing psychological support.



Item	2021	2022	2023
The number of persons who undergo health check-ups	149	191	188
Percentage of total employees	90.9%	92.0%	93.1%
The number of persons who undergo health consultation	81	77	104
The number of persons who undergo maternal health consultations	2	2	4



Appendices 1 | GRI General disclosures

Statement of use	EVERMORE CHEMICAL INDUSTRY CO., LTD. has reported the information cited in this GRI content index for the period January 1, 2023 to December 31, 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	NA

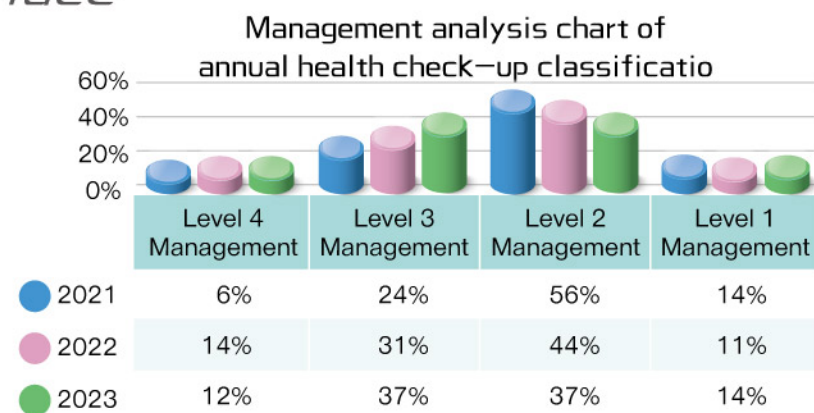
GRI 2: General Disclosures 2021

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	2-2 Entities included in the organization's sustainability reporting	Group Locations	06
	2-3 Reporting period, frequency and contact point	About the Report	02
	2-4 Restatements of information	About the Report	02
	2-5 External assurance	About the Report	02
2. Activities and workers	2-6 Activities, value chain and other business relationships	Company profile	05
	2-7 Employees	Human Resources	47
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3. Governance	2-9 Governance structure and composition	Board Members and their professional backgrounds	14
	2-10 Nomination and selection of the highest governance body	Board Members and their professional backgrounds	14
	2-11 Chair of the highest governance body	Board Members and their professional backgrounds	14
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Committee	27
	2-13 Delegation of responsibility for managing impacts	ESG Committee	27
	2-14 Role of the highest governance body in sustainability reporting	ESG Committee	27
	2-15 Conflicts of interest	Recusal of directors for conflicts of interest	15
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	2-17 Collective knowledge of the highest governance body	Board Members and their professional backgrounds	14
	2-18 Evaluation of the performance of the highest governance body	Performance Evaluation of the Governance Body	16
	2-19 Remuneration policies	Remuneration policies	16
	2-20 Process to determine remuneration	Remuneration policies	16
	2-21 Annual total compensation ratio	Remuneration policies	16
	2-22 Statement on sustainable development strategy	Business Philosophy and Sustainability Policies	07
	2-23 Policy commitments	Letter from the Chairman & President	03
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	2-25 Processes to remediate negative impacts	Whistleblowing reporting or Complaint Pipeline	20
	2-26 Mechanisms for seeking advice and raising concerns	Whistleblowing reporting or Complaint Pipeline	20
	2-27 Compliance with laws and regulations	Legal compliance	44
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5. Stakeholder engagement	2-29 Approach to stakeholder engagement	Negotiation with Stakeholders	28
	2-30 Collective bargaining agreements	Employee Salary and Benefits	50

4 Friendly Workplace

Classified health management for special health hazardous operations

The Company analyzes and manages labor health check-up results according to the "Regulations on Labor Health Protection." The recent distribution of labor health levels is as follows.



Level 1 Management: Results from special health checks or follow-ups are either entirely normal or show some abnormalities, but the physician's comprehensive assessment deems them as non-abnormal.

Level 2 Management: Results from special health checks or follow-ups show partial or complete abnormalities, but the physician's comprehensive assessment deems them as abnormal and unrelated to work.

Level 3 Management: Results from special health checks or follow-ups show partial or complete abnormalities. The physician's comprehensive assessment deems these results as abnormal, and the relationship between the abnormalities and work cannot be determined. Further evaluation by a specialist in occupational medicine is required.

Level 4 Management: Results from special health checks or follow-ups show partial or complete abnormalities, and the physician's comprehensive assessment deems them as abnormal and related to work.

Community Communication

Material Topics	Air pollution management, impact of operating activities on local communities
Policy Commitment	Align with environmental regulations to safeguard community interests, while minimizing negative impact on the environment and society.
Management Action and Effectiveness	Track the expiration date of each license and note whether the plant's operations are in compliance with the license, and make changes in a timely manner. No direct complaints received from the community, neighbors, or nearby factories. There were no cases where the Environmental Protection Bureau received reports and conducted investigations at the plant.
Negotiation with Stakeholders	Community, neighbors, and nearby factories can find contact information for reporting and submitting grievance on the Company's website. They can inform the Company via phone, email, etc.

In order to reduce and mitigate the impact on the community, Evermore Chemical Industry evaluates the potential impact of its business activities and conducts relevant tests and management for air, water, and noise, in accordance with the laws and regulations of the competent authorities. We provide clear communication channels for nearby residents, including phone and email, etc.

	Nangang plant of Evermore Chemical Industry	Dayuan plant of Evermore Chemical Industry
Industrial zone location	Nangang Industrial Zone	Dayuan Industrial Zone
Air	With the application, change and extension of permits and outsourcing of volatile organic compounds emission testing, there has been no odor complaint from residents in 2023.	
Water	In accordance with the Water Pollution Control Measures and Test Reporting Management Regulations, we conduct external testing 2 times a year. In 2023, both tests met the required standards.	
Noise	In accordance with the Implementation Measures for Labor Environmental Monitoring, we conduct regular external testing each year. For the year 2023, all tests met the required standards.	



5 Appendices

Appendices 2 | GRI 200, 300 and 400 Topic-specific standards

GRI3: Material Topics 2021

Number	Disclosure metrics	Corresponding chapter	Page
3-1	Process to determine material topics	Analysis Process for Material Topic Identification for Stakeholders	28
3-2	List of material topics	Results of Material Issue Identification	31
3-3	Management of material topics	List of material topics	32

GRI 200, 300 and 400 Topic-specific standards

Number		Disclosure metrics	Corresponding chapter	Page
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Business Performance	11
	201-2	Financial implications and other risks and opportunities due to climate change	Climate Related Risks and Financial Impact Analysis	34
	201-3	Defined benefit plan obligations and other retirement plans	Retirement benefits	52
	201-4	Financial assistance received from government	Product Research and Development and Improvement	25
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Staff salary standards and local minimum wage comparison table	51
	202-2	Proportion of senior management hired from the local community	Human Resources	49
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Raw Material Procurement Management	21
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Risk assessment for dishonest conduct	18
	205-2	Communication and training about anti-corruption policies and procedures	Continuous promotion	18
	205-3	Confirmed incidents of corruption and actions taken	Whistleblowing reporting or Complaint Pipeline	20
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy usage and intensity	37
	302-2	Energy consumption outside of the organization	Not yet commenced	X
	302-3	Energy intensity	Energy usage and intensity	37
	302-4	Reduction of energy consumption	Energy-saving initiatives and implementation status	38
	302-5	Reductions in energy requirements of products and services	Energy-saving initiatives and implementation status	38
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water resources	39
	303-2	Management of water discharge-related impacts	Water resources	39
	303-3	Water withdrawal	Water resources	39
	303-4	Water discharge	Water resources	39
	303-5	Water consumption	Water resources	39
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions	41
	305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions	41
	305-4	GHG emissions intensity	Greenhouse Gas Emissions	41
	305-5	Reduction of GHG emissions	Greenhouse gas reduction indicators and targets	41
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Pollutant Emissions	41

Number		Disclosure metrics	Corresponding chapter	Page
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste-related impacts on inputs, activities and output processes	42
	306-2	Management of significant waste-related impacts	Waste-related impacts on inputs, activities and output processes	43
	306-3	Waste generated	Waste-related impacts on inputs, activities and output processes	42
	306-4	Waste diverted from disposal	Waste disposal data in 2023	43
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	New supplier evaluation	21
	308-2	Negative environmental impacts in the supply chain and actions taken	Supplier Management	21
GRI 401: Employment 2016	401-1	Employee hires and employee turnover	Human Resources	48
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Employee Salary and Benefits	51
	401-3	Parental leave	Encouraging childbirth	52
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Safety and Health	54
	403-2	Hazard identification, risk assessment, and incident investigation	Hazard Identification, Risk Assessment and Accident Investigation	55
	403-3	Occupational health services	Employee health check-ups and maternal health protection	57
	403-4	Worker participation, consultation, and communication on occupational health and safety	Employee health check-ups and maternal health protection	57
	403-5	Worker training on occupational health and safety	Employee health check-ups and maternal health protection	57
	403-6	Promotion of worker health	Employee health check-ups and maternal health protection	57
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Hazard Identification, Risk Assessment and Accident Investigation	55
	403-8	Workers covered by an occupational health and safety management system	Occupational disaster	57
	403-9	Work-related injuries	Occupational disaster	57
	403-10	Work-related ill health	Occupational disaster	57
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	405-1	Diversity of governance bodies and employees	Human Resources	47
	405-2	Ratio of basic salary and remuneration of women to men	Employee Salary and Benefits	51
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Human Rights Assessment Form	45
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights Assessment Form	45
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Assessment Form	45
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	Community Communication	59
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supplier survey	21
	414-2	Negative social impacts in the supply chain and actions taken	Supplier Management	21
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Product Safety and Responsibility	54
	417-2	Incidents of non-compliance concerning product and service information and labeling	Product Safety and Responsibility	54
	417-3	Incidents of non-compliance concerning marketing communications	Product Safety and Responsibility	54
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer service and privacy	24



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Appendices 3 | 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 2023	
1	Total energy consumption, Percentage of purchased electricity, Percentage of renewable energy and total amount of self-generated energy * Note	Total energy consumption:	
		Product electricity consumption	35,152 GJ
		Diesel for power equipment	589 GJ
		Natural gas consumption	57,833 GJ
		Steam consumption	1,604 GJ
		Gasoline Consumption for Trucks and Vehicles	752 GJ
		Percentage of purchased electricity	100 %
		Percentage of renewable energy	0 %
2	Total water intake, consumption and discharge of waste (sewage) water required by laws and regulations or disclosed voluntarily.	Total amount of self-generated energy	
		Total water intake	38.719 Thousand m ³
		Total water consumption	27.621 Thousand m ³
		Discharge of waste (sewage) water	11.098 Thousand m ³
3	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	127.67 Tonne
		Percentage of Recycled Waste	94.89 %
4	Number of occupational injuries and the injury rate	Number of occupational injuries	1 Number of people
		Tthe injury rate	0.48 %
5	Operating activities that have significant actual or potential negative impacts on local communities	Corresponding chapter: Community Communication	P.59
6	Specific and effective mechanisms and actions taken by the enterprise itself and its suppliers to reduce the negative impact on the environment or society.	Corresponding chapter: Supplier Management	P.21
7	The amount of product produced by product category	PU synthetic resin	12,924 Tonne
		Polyester Polyol Resin	1,493 Tonne

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	Corresponding chapter	Page
1	Describe the oversight and governance of climate-related risks and opportunities by the Board and management.	ESG Committee	27
2	Describe how the identified climate risks and opportunities impact your business, strategy and finances (short, medium and long term).	Climate Related Risks and Financial Impact Analysis	35
3	Describe the financial impact of extreme weather events and transition actions.	Climate Related Risks and Financial Impact Analysis	35
4	Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	Climate Change Risks	34
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.	Climate Related Risks and Financial Impact Analysis	35
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	The details of the greenhouse gas inventory and assurance, as well as reduction targets, strategies, and specific action plans, are provided in sections 1-1 and 1-2.	According to the Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies published by the Financial Supervisory Commission, the Company is scheduled to complete verification by 2028.	
1-1	The Company's greenhouse gas inventory and assurance status for the past two years 1-1-1 Greenhouse gas inventory information Describe the greenhouse gas emissions for the last two years (in metric tons of CO ₂ e), intensity (in metric tons of CO ₂ e per NT\$ million), and data coverage scope.	Please refer to Table 1 below.	
	1-1-2 Greenhouse gas assurance information Provide a description of the status of the most recent two-year assurance, including the scope of the assurance, the assurance organization, the assurance criteria, and the opinion of the assurance.	According to the Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies published by the Financial Supervisory Commission, the Company is scheduled to complete verification by 2028.	
1-2	Greenhouse gas reduction targets, strategies and specific action plans Describe the base year of greenhouse gas reduction and its data, reduction targets, strategies and specific action plans and achievement of reduction targets.	Corresponding chapter:	41

Table 1

Basic information of the Company <input type="checkbox"/> Companies with a capital of over NT\$10 billion, steel industry, cement industry <input type="checkbox"/> Companies with a capital of more than NT\$5 billion but less than NT\$10 billion <input checked="" type="checkbox"/> Companies with a capital of less than NT\$5 billion		According to the Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies, at least the following should be disclosed <input checked="" type="checkbox"/> Parent company only audit <input type="checkbox"/> Parent company only assurance <input type="checkbox"/> Audit of subsidiaries in consolidated financial statements <input type="checkbox"/> Assurance of subsidiaries in consolidated financial statements	
Total emissions of Scope 1 (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e/thousand)	Assurance institutions	Description of assurance situation
parent company	3,380.208	Not yet commenced	According to the Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies published by the Financial Supervisory Commission, the Company is scheduled to complete verification by 2028, while the audit for the subsidiaries in the consolidated financial statements of the Company are scheduled to complete verification by 2029.
subsidiary			
Total	3,380.208		
parent company	4,981.760	Not yet commenced	The reason is same to Scope 1.
subsidiary			
Total	4,981.760		

Appendices 4 | Accounting Standard 2 SASB

Comparison Table

Code	MetricC	Corresponding chapter	Page
RT-CH-110a.1	Scope 1 greenhouse gas emissions (tons CO ₂ e)	Greenhouse Gas Emissions	41
RT-CH-110a.2	Scope 1 Percentage of greenhouse gas emissions subject to emission limit regulations (%)	Greenhouse Gas Emissions	41
RT-CH-120a.1	Management strategies or plans for greenhouse gas emissions in scope 1, including emission reduction targets, performance analysis, etc.	Greenhouse gas reduction indicators and targets	41
RT-CH-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O) (2) SO _x (3) volatile organic compounds (VOCs) (4) hazardous air pollutants (HAPs)	Air Pollutant Emissions	41
RT-CH-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable (4) Total self-generated energy ¹	Energy usage and intensity	37
RT-CH-140a.1	(1) Total water withdrawn (2) Total water	Water resources	39
RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Water resources	39
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water resources	39
RT-CH-150a.1	Amount of hazardous waste generated, percentage recycled	Waste Generation and Reduction Strategies	44
RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	Community Communication	59
RT-CH-320a.1	(1) Total recordable incident rate (TRIR) (2) fatality rate	Occupational disaster	57
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Employee health check-ups and maternal health protection	57
RT-CH-410a.1	Revenue from products designed for usephase resource efficiency	Product Research and Development and Improvement	25
RT-CH-410b.1	(1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances (2) Percentage of such products that have undergone a hazard assessment	Product Categories	09
RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Product Research and Development and Improvement	25
RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Evermore chemical has no such products	X
RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Sustainable Environment	27
RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR) ³	Occupational Safety and Health	57
RT-CH-540a.2	Number of transport incidents ⁴	Occupational disaster	57

Appendices 5 | Recommendations of the Task Force on Climate-related Financial Disclosures

Aspect	Item	Corresponding chapter	Page
Governance	Describe the board's oversight of climate-related risks and opportunities.	ESG Committee	27
	Describe management's role in assessing and managing risks and opportunities.		
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Related Risks and Financial Impact Analysis	35
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate Related Risks and Financial Impact Analysis	35
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Not yet commenced	
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	Climate Change Risks	34
	Describe the organization's processes for managing climate-related risks.	Climate Change Risks	34
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate Change Risks	34
Metrics & Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	ESG Committee	27
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Greenhouse Gas Emissions	41
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	ESG Committee- Metrics & Targets	36
		Energy-saving initiatives and implementation status	38

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Appendices 6 | Accountant Independent Assurance Report



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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", as defined by Standards on Assurance Engagements issued by the Accounting Research and Development Foundation in Taiwan, here after referred to as the engagement, to report on Evermore Chemical's selected sustainability performance indicators ("the Subject Matter") in Evermore Chemical's 2023 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 selecting the Criteria, including referencing to the *GRI Standards 2021* issued by the Global Reporting Initiative ("GRI"), 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 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("TWSAE 3000")* 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 the *Norm of Professional Ethics for Certified Public Accountant of the Republic of China* (NFCPAAROC Code), and have the required competencies and experience to conduct this assurance engagement.

We also apply *Standard on Quality Management 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements,"* issued by the Accounting Research and Development Foundation in Taiwan 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 of applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with Evermore Chemical's personnel to understand the business and reporting process.



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- 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.
- Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified.
- Identified and tested assumptions supporting calculations.
- Tested, on a sample basis, underlying source information to check the accuracy of the data.
- Read the Report to ensure the implementation of overall sustainable responsibility and reporting process is consistent with our understanding.

Inherent Limitations

Considering 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 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

8 August 2024

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 Article 4, Appendix 1-2 (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																								
1	37 、 63	Energy Management	<p>Evermore Chemical's 2023 energy consumption is as follows :</p> <p style="text-align: right;">Unit : GJ</p> <table><tr><th>Item</th><th>2023</th></tr><tr><td>Electricity and refrigeration consumption</td><td>35,152</td></tr><tr><td>Natural gas consumption</td><td>57,833</td></tr><tr><td>Steam consumption</td><td>1,604</td></tr><tr><td>Diesel for power equipment</td><td>589</td></tr><tr><td>Gasoline consumption for trucks and service cars</td><td>752</td></tr></table> <table><tr><th>Quantitative Indicator</th><th>Unit</th><th>2023</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> <p>Note: The total amount of self-generated energy is based on the definition of the "Renewable Energy Development Act", "Implementation Regulations Governing Renewable Energy Certificates ", or related sub-laws.</p>	Item	2023	Electricity and refrigeration consumption	35,152	Natural gas consumption	57,833	Steam consumption	1,604	Diesel for power equipment	589	Gasoline consumption for trucks and service cars	752	Quantitative Indicator	Unit	2023	Percentage of purchased electricity	%	100	Percentage of renewable energy	%	0	Total amount of self- generated energy	GJ	0	Evermore Chemical's 2023 energy management statistics
Item	2023																											
Electricity and refrigeration consumption	35,152																											
Natural gas consumption	57,833																											
Steam consumption	1,604																											
Diesel for power equipment	589																											
Gasoline consumption for trucks and service cars	752																											
Quantitative Indicator	Unit	2023																										
Percentage of purchased electricity	%	100																										
Percentage of renewable energy	%	0																										
Total amount of self- generated energy	GJ	0																										
2	39 、 63	Water resources	<p>Evermore Chemical's 2023 water withdrawal is as follows :</p> <p style="text-align: right;">Unit : m³</p> <table><tr><th>Item</th><th>2023</th></tr><tr><td>Water withdrawal</td><td>38.719</td></tr><tr><td>Water consumption</td><td>27.621</td></tr><tr><td>Water discharge</td><td>11.098</td></tr></table> <p>Note: Water withdrawal = Water consumption plus Water discharge</p>	Item	2023	Water withdrawal	38.719	Water consumption	27.621	Water discharge	11.098	Evermore Chemical's 2023 water withdrawal and wastewater discharge statistics																
Item	2023																											
Water withdrawal	38.719																											
Water consumption	27.621																											
Water discharge	11.098																											



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No.	Page	Content title	Subject matter information	Applicable criteria																					
3	43、63	Waste Generation and Reduction Strategies	<p>Evermore Chemical's 2023 waste reusing percentage is as follows：</p> <p style="text-align: right;">Unit：Tons</p> <table><tr><th>Category</th><th>code</th><th>Processing method</th><th>Clearance volume</th></tr><tr><td rowspan="4">Hazardous waste</td><td>C-0301</td><td>Incineration</td><td>6.53</td></tr><tr><td>B-0347</td><td rowspan="2">Reuse</td><td>115.04</td></tr><tr><td>B-0399</td><td>6.10</td></tr><tr><td colspan="3">Subtotal</td><td>127.67</td></tr><tr><td colspan="3">Percentage of Recycled Waste</td><td>94.89%</td></tr></table> <p>Note：Percentage of Recycled Waste= Reuse of Hazardous waste/Total of Hazardous waste</p>	Category	code	Processing method	Clearance volume	Hazardous waste	C-0301	Incineration	6.53	B-0347	Reuse	115.04	B-0399	6.10	Subtotal			127.67	Percentage of Recycled Waste			94.89%	Evermore Chemical's 2023 waste generation and reduction statistics
Category	code	Processing method	Clearance volume																						
Hazardous waste	C-0301	Incineration	6.53																						
	B-0347	Reuse	115.04																						
	B-0399		6.10																						
	Subtotal			127.67																					
Percentage of Recycled Waste			94.89%																						
4	57、63	Occupational Safety and Health	<p>Evermore Chemical's occupational injury status for employees in 2023 is as follows：</p> <table><tr><th>Item</th><th>Unit</th><th>2023</th></tr><tr><td>Absence rate%</td><td>%</td><td>0.45</td></tr><tr><td>Lost working days</td><td>Days</td><td>5</td></tr><tr><td>Occupational disease</td><td>cases</td><td>1</td></tr><tr><td>Injury rate (IR)</td><td>%</td><td>0.48</td></tr><tr><td>Occupational disease rate</td><td>%</td><td>0</td></tr><tr><td>Number of deaths on duty</td><td>Number</td><td>0</td></tr></table> <p>Note：</p> <p>1. Absence rate%=[Days Absent (occupational accident injury + sickness)/total days worked] ×100%; exclude commuting accidents.</p> <p>2. Total hours worked: including 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.</p>	Item	Unit	2023	Absence rate%	%	0.45	Lost working days	Days	5	Occupational disease	cases	1	Injury rate (IR)	%	0.48	Occupational disease rate	%	0	Number of deaths on duty	Number	0	Evermore Chemical's 2023 occupational safety and health statistics
Item	Unit	2023																							
Absence rate%	%	0.45																							
Lost working days	Days	5																							
Occupational disease	cases	1																							
Injury rate (IR)	%	0.48																							
Occupational disease rate	%	0																							
Number of deaths on duty	Number	0																							
5	59、63	Community Communication	<p>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 2023, there was no failure to pass the tests. Noise conducts regular external testing each year. In 2023, there was no failure to pass the tests.</p>	Evermore Chemical's 2023 community communication statistics																					



No.	Page	Content title	Subject matter information	Applicable criteria																								
6	23 、63	Supplier Management	<div>Evermore Chemical's supplier evaluation results in 2023 are 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>178</td><td>94.17%</td></tr><tr><td>Level B</td><td>80 points (inclusive) ~ 89 points</td><td>10</td><td>5.30%</td></tr><tr><td>Level C</td><td>60 points (inclusive) ~ 79 points</td><td>1</td><td>0.53%</td></tr><tr><td>Level D</td><td>Below 60 points</td><td>0</td><td>0.00%</td></tr><tr><td>Total</td><td></td><td>189</td><td>100%</td></tr></table>	Level	Score	Number of Supplier Transactions	Percentage	Level A	90 points (inclusive) and above	178	94.17%	Level B	80 points (inclusive) ~ 89 points	10	5.30%	Level C	60 points (inclusive) ~ 79 points	1	0.53%	Level D	Below 60 points	0	0.00%	Total		189	100%	Evermore Chemical's 2023 supplier management statistics
Level	Score	Number of Supplier Transactions	Percentage																									
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7	9 、63	Product Categories	<div>Evermore Chemical's net product output by item in 2023 is as follows :</div> <div>Unit: Tons</div> <table><tr><th>Item</th><th>2023</th></tr><tr><td>PU synthetic resin</td><td>12,924</td></tr><tr><td>Polyester Polyol resin</td><td>1,493</td></tr></table>	Item	2023	PU synthetic resin	12,924	Polyester Polyol resin	1,493	Evermore Chemical's 2023 product categories statistics																		
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