

Taiwan Speciality Chemicals Corporation

Status of Promotion of Sustainable Development

Evaluation item	Operation status			Any deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
I. Does the Company have a governance structure that promotes sustainable development, and have a unit that specializes (or is involved) in promoting sustainable development, and have the Board of Directors authorize senior management to handle, and have the Board of Directors supervise the situation?	✓		<p>In order to achieve the goal of sustainable operation and fulfill corporate social responsibility, the Board of Directors of Taiwan Speciality Chemicals Corporation (TSCC) approved the establishment of the "ESG Sustainable Development Committee" in February 2023, and the name was changed to the "Corporate Sustainable Development Committee" on November 25, 2024. At the same time, the organizational charter is established. The organizational structure of the Committee is shown in the following figure. The Committee consists of supervisors at the manager level or above and the Chairperson of the Board acts as the Committee Chairperson. The Vice Chairperson and the President act as the Vice Chairpersons and a director general is appointed. The Committee is divided into 3 functional groups to coordinate the Company's corporate social responsibility and sustainable development aspects. The Corporate Sustainable Development Committee is the highest level of sustainable management and supervision organization within the organization. To implement environmental, social and governance activities, the committee integrates the concerns of each department and implements various sustainability issues, and regularly tracks, audit and review. The committee vice chairpersons review the performance and target achievement every year and continue to review and improve, and through the division of work among various departments, the Committee implements the corporate sustainable development commitment.</p> <p>The Committee is supervised by the Board of Directors, and regularly reports to the Board of Directors on the implementation of ESG. The Board of Directors supervises the goal setting and implementation of sustainable development, and gives relevant advice and guidance based on the contents of the Committee's report.</p>	No significant difference.

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II. Does the Company follow the principle of materiality to assess the risks associated with environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies? (Note 2)	✓		The Company has established the Sustainable Development Best Practice Principles and Code of Ethical Conduct in accordance with the law, and has also included environmental issues in the decision-making. In the future, the Company will establish relevant guidelines.	No significant difference.
III. Environmental Topics				
(I). Does the Company have established a suitable environmental management system based on its industrial characteristics?	✓		(I). The Company has implemented and passed the ISO 14001 environmental management system certification, regularly reviews environmental impacts and safety risks every year, and revises the management system.	No significant difference.
(II). Does the Company strive to improve the efficient use of various resources and use renewable materials with low impact on the environment?	✓		(II). The Company has implemented water-saving and power-saving measures to achieve resource conservation. The Company has also formulated "Supplier Code of Conduct" to require suppliers to comply with the "Responsible Business Alliance Code of Conduct" for the raw materials they provide, and to restrict the use of raw materials such as lead, mercury, cadmium, hexavalent chromium and PBB, and PBBDE.	No significant difference.
(III). Does the Company assess the potential risks and opportunities of climate change to the present and future of the Company, and take countermeasures for climate-related issues?	✓		(III). As a manufacturer, the Company has taken greenhouse gas inventory, energy conservation and carbon reduction, and ecological care issues into consideration in its decision making in response to the sustainability of the environment in the future. The Company also follows environmental protection and energy conservation guidelines to improve overall environmental performance indicators and thereby improve environmental quality, and establish the direction of sustainable development of the environment.	No significant difference.
(IV). Does the Company keep statistics on the greenhouse gas emission, water consumption and total weight of waste in the past two years, and formulate policies on energy saving and carbon reduction, greenhouse gas reduction, water consumption or other waste	✓		(IV). The Company has calculated the total water consumption and the total weight of waste, and has calculated the total greenhouse gas emission and conducted the third-party verification. The Company has promoted the ISO-50001 energy management system and completed the verification since 2024, and evaluated the energy-saving improvement plan. The	No significant difference.

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management?			Company has formulated the environmental policy and planned the short-, medium- and long-term reduction of emissions and waste. In the face of the issue of sustainable development of the environment in the future, the Company will continue to conduct greenhouse gas inventory, energy management, energy-saving and carbon reduction, and ecological care, and other related issues are included in the decision-making, and the Company will also improve the overall environmental performance indicators and improve the quality of the environment by following the principles of environmental protection and energy saving, in order to establish the direction of sustainable development of the environment.	
IV. Social Topics (I). Does the Company have the relevant management policies and procedures stipulated in accordance with relevant laws and regulations and international human rights conventions?	✓		(I). The Company supports the principles of the United Nations "Global Compact," and follows the goals of the United Nations "Universal Declaration of Human Rights" and the International Labor Organization Convention to respect human rights and comply with all local labor laws. The basic wages, working hours, vacations, pension payments, labor health insurance payments, and occupational hazard compensation of the Company's hiring of workers are in compliance with the relevant provisions of the Labor Standards Act. The Employee Welfare Committee has been established to handle various welfare matters through the Welfare Committee elected by the employees. The Company holds labor-management meetings regularly to understand the thoughts of both parties, achieve a win-win situation, and respect the basic labor human rights principles that are internationally recognized. The Company's employment policies do not have differential treatment and do not have any incidents that endanger the basic rights and interests of workers. The Company has formulated the human rights policy.	No significant difference.

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(II). Does the Company have and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.), and appropriately reflect business performance or results in employee remuneration?	✓		(II). The Company has established the Attendance Regulations in accordance with the Labor Standards Act, which specifies the rights and privileges of employees on leave. In addition to the general benefits such as labor insurance, health insurance, group insurance, and pension payment, the benefits provided by the Company include year-end bonus, birthday and festival gifts, year-end banquet, wedding, funeral, and childbirth subsidies, and complete education and training seminars. According to the Articles of Incorporation, the Company shall set aside no less than 1% of its annual profits, if any, as remuneration to employees.	No significant difference.
(III). Does the Company provide employees with a safe and healthy work environment, and provide regular safety and health education to employees?	✓		(III). The Company values safety and health and workplace health management. It has formulated safety and health management related measures for the workplace, provides employees with a safe working environment, and conducts employee safety and health education and training, in order to reduce the safety and health risks of corporate operations.	No significant difference.
(IV). Does the Company have established an effective career capacity development training program for employees?	✓		(IV). In order to enhance the professional skills and management knowledge of employees, the Company has established education and training programs based on the work functions of each employee, and held education and training from time to time and sent employees to on-the-job training to train them.	No significant difference.
(V). Does the Company comply with relevant laws and international standards on issues such as customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant consumer protection or customer protection policies and complaint procedures?	✓		(V). The Company's products and services comply with relevant laws and international standards in terms of customer health and safety, customer privacy, marketing and labeling, and provides consumer protection policies and complaint methods in accordance with the law.	No significant difference.

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(VI). Does the Company have a policy in place to manage suppliers, and require them to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights?	✓		(VI). The Company has established the "Supplier Control Procedure" including written evaluation, monthly evaluation, qualification evaluation, continuous evaluation and guidance. The Company requires suppliers to sign the "Supplier Code of Conduct" and requires suppliers to comply with relevant regulations in terms of anti-bribery and corruption, social and environmental responsibility, conflict-free minerals, compliance with trade laws and regulations, and non-infringement.	No significant difference.
V. Does the Company refer to the internationally-prepared reporting standards or guidelines to prepare the report disclosing the Company's non-financial information, such as the Sustainability Report? Does the foregoing report obtain the assurance or assurance of the third-party verification unit?		✓	The Company has not yet prepared a sustainability report.	The Company has already planned to prepare the sustainability report in 2024 and will also conduct third-party verification.
VI. If the Company has established its own sustainable development best principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe its current practices and any deviations from the Best Practice Principles: Not applicable.				

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VII. Further information on the implementation of sustainable development to facilitate better understanding current implementation:			
1. Environmental protection: The Company has been actively promoting energy conservation, water conservation, and savings in photocopies, and has enhanced the recycling of waste. In 2023, the Company has strengthened the recycling of water, which saved 25% of water resources. We have also encouraged digitalization, reduced the number of photocopies of 67,000 sheets, strengthened the classification of garbage, and reduced the output of domestic waste by 35% in 2023. In 2024, the Company has complied with all regulations governing pollution prevention and control of effluents and waste, and passed the certification of ISO14001.			
2. Social welfare activities participated in 2024:			
(1) Subscribe the cleaning bag for the OEM production of the Changhua County private Christian joy nursery organization, and protect the local sheltered factory.			
(2) Subscribe the gift boxes for the bakery goods of the mentally and physically challenged people, and care for the disadvantaged groups.			
(3) In 2024, a total of 3 tons of valuable recyclables were donated to the Tzi Chi Foundation to recycle and reuse resources.			
3. Consumer rights: The Company's main products are precision chemical materials, and the main products are sold directly to the manufacturer, so the Company does not directly face consumers. For customers, the Company has established the "Customer Complaint Handling Procedure" to provide customers with complaint channels, and externally, the Company has signed supply contracts and quality contracts with customers, to fully protect customer rights and interests.			
4. Human rights: The Company values human rights very much. Regardless of race, gender and age, the Company provides equal rights to work, and also provides opportunities for employees to freely express and develop their career paths, respecting them.			
5. Safety and health: The Company is well aware of the importance of safety in the work environment, and promotes the concept of occupational safety and health, and abides by laws and regulations, to prevent injuries and diseases caused by exposure to the work environment by employees and external personnel. The Company is committed to fulfilling its corporate social responsibility (environmental protection and safety and health responsibility), and considering the potential environmental impact or hazard risks, has taken a proactive approach to prevent and eliminate these risks, and continues to control, actively consult with workers or their representatives to understand their needs and expectations, in order to establish a good occupational safety and health culture for the Company.			
6. Employee health care: Employee health is a key factor for maintaining work-life balance. The Company has full-time nurses to provide care for employees' health. In addition, the Company continues to protect the health of colleagues through the four main aspects of maternal protection, prevention of human-factor injuries, prevention of labor and prevention of unlawful infringement, and creating a blissful healthy workplace. The Company also sends e-mail every month, and organizes health seminars and various types of health promotion activities from time to time, to build a blissful healthy workplace.			