

2021

Sustainability Report



CHERNG TAY
TECHNOLOGY
CORPORATION

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LETTER FROM THE CHAIRMAN



Wang, Shen-Yi

Since the year of 2021, the world has entered the post-epidemic era. Although vaccines are widely available and provide much-needed protection, the continued spread of new variants of the virus continue to bring indirect challenges such as the rise of raw material costs, port congestion of transported goods, and production capacity interruptions. However, the company regards challenges as opportunities, and flexibly responds to all kinds of new trends after the epidemic through production capacity allocation and product sales strategies. Thanks to the efforts exerted by all of our employees, the company was able to achieve outstanding financial performance in 2021, with consolidated revenue and after-tax earnings per share hitting record highs, fully demonstrating the company's continuous improvement of product core competitiveness, active and effective management while displaying the determination to create the company's sustainable development and growth. Meanwhile, the company is also taking initiative in working on environmental, social and governance (ESG) issues related to sustainable development. In 2021, we carried out a number of sustainable action plans through "deepening corporate governance and implementing risk control", "promoting green and innovative products and marching towards a sustainable economy", and "practicing continuous social care based on humanism" in hopes of building a better and more sustainable environment and society with our core advantages.

Deepening corporate governance and implementing risk control

In order to pursue the sustainable growth of the company, the company has strengthened corporate governance, established a management mechanism which is implemented all the way from top management and executive to entry level employee to promote sound operations and ensure the rights and interests of stakeholders. In 2021, the company's group revenue and profit both delivered better results than previous years. According to the systematic evaluation results of the "The Seventh Corporate Governance Evaluation" issued by Taiwan Securities and Futures Institute, the company was ranked in top 6 to 20% among the 712 OTC companies.

Promoting green and innovative products and marching towards a sustainable economy

The company is well aware of the importance of sustainable operation and coexistence with the environment. As a leading brand with its own development technology for hot-melt adhesives and waterproof membranes, the company has molded green innovation into its own corporate culture starting from product perspective. The company's self-adhesive hot glue waterproof membrane products have the advantages of being environmentally friendly and pollution-free that improves product weather resistance and excellent waterproofing effect. In 2021, we received a subsidy from the Small Business Innovation and Research and Development Program (SBIR) of the Small and Medium Enterprise Division of the Ministry of Economic Affairs. The hot-melt adhesive products for air filtration are based on environmental protection and are launched in line with the EU RoHS halogen-free standard and have the flame-retardant safety characteristics of UL94_V0, providing customers with the best solution. The company also started from the source of reduction and held the "New Low-Carbon Trend" event in 2021. The water consumption of the whole plant was reduced by 9.9% compared with the one in previous year, and the business waste was reduced by 15.6% compared with the one in previous year.

Practicing continuous social care based on humanism

Talent is the company's important asset and the source of innovation. In addition to adhering to the "people-oriented" business philosophy, we hope to extend this spirit from our own employees to caring for all corners of the society and connect such positive force. The company not only provides competitive salary and benefits and a suitable education and training platform, but also strives to promote gender equality and a friendly working environment. In 2021, the company won again the honor of "Promoting Work Equal Rights in the Workplace" of Excellent Business Unit Award issued by the Southern Science Administration for three consecutive years. Furthermore, in order to enable students under poverty line to concentrate on their studies without any worries and concerns, we have also sponsored students of the Department of Chemical Engineering and Biotechnology of Tatung University for six consecutive years. Our colleagues also combined their own strengths to sponsor disadvantaged children and respond to activities such as "Paying it Forward to Taiwan Fund for Children and Families" in the hope of gathering everyone's sustainable influence and enabling our society to move constantly forward.

Looking forward to the year of 2022, the company will continue to face changes in the environment with a cautious thinking and attitude, toning up the shaping of green products and keeping up with the future development trends of products and markets for adding momentum to our business while strengthening our cooperation with global business partners and stakeholders in implementing corporate social responsibility together.

Awards, Recognitions, and Ratings



Won the 30th National Award of Outstanding SMEs.



臺灣證券交易所
上市櫃公司治理評鑑

Gain the recognition of the top 6% to 20% companies in the 7th Corporate Governance Evaluation



Awarded the 2020 Excellent Institution for Promoting Work Equal Rights in the Workplace

About this Report

1.Scope of the report:

This report is the Sustainability Report of Cherng Tay Technology Co., Ltd. (hereinafter referred to as our company), and the reporting period is from January 1st, 2021, to December 31st, 2021. The economic aspect of this report - financial performance covers the parent company and each subsidiary, and the data is calculated in New Taiwan dollars. The scope of environmental and social performance shall mainly based on the parent company.

2.Structure of the report:

The content of this report is analyzed and formulated based on the issues of concern to stakeholders and the relevant major issues of the company during the reporting period, and it is compiled in accordance with the core options of the GRI standard. The content structure comparison table in the appendix of this report is for readers' reference.

3.External assurance:

The company has entrusted Deloitte & Touche to conduct limited assurance on specific key performance information based on the No. 1 standard of the Assurance Standards Board. For the assurance report, please refer to the company's Chinese version of the Sustainability Report.

4.Issuance statement:

The reporting cycle of the company's Chinese version of the sustainability report is once a year, and the time of issuance for this report falls in September 2022 while the time of issuance of the previous report is June 2021. The English version of the Sustainability Report is mainly used for the company's internal documents and is expected to be issued at the end of each year. In response to the paperless environmental protection, the company's sustainability report is published on Market Observation Post system and the official website of our company.

5.Report contact person:

Should you have any suggestions on the contents of the report, please contact Miss Su Yi-Yu of the Administration Department of the company at the email address of ct4767@mail.cherngtay.com or the contact number of 076955222#1108.

Overview of the Company

1. Company introduction:

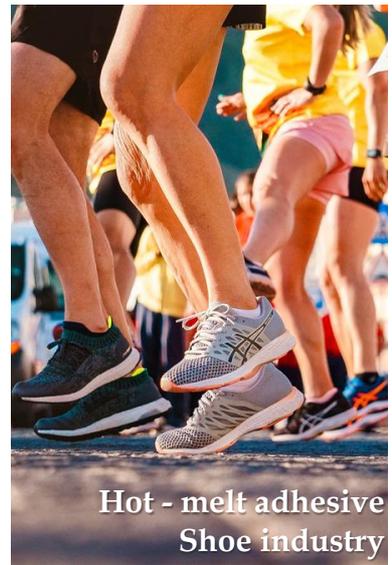
The company was established on June 13th, 1983, and since October 2018, it has been under the OTC trading of Taipei Exchange, with the stock symbol of 4767 and paid-in capital of NTD 314 million. The operational headquarters is located at No.1, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Taiwan. The operational bases and service points include Taiwan, China (Wuhan, Tianjin, Hangzhou, Zhongshan), Indonesia, India, Vietnam, a total of 8 regions. The chairman of the company is Mr. Sheng-Yi Wang, the general manager is Mr. Su, Chung-Jen, and the number of employees is 68.

2. Products and services:

The company's main operation service is the production and sales of its own brand hot glue adhesive products. In order to produce environmentally friendly green adhesive that meets the stringent requirements of environmental protection regulations in various countries nowadays, with excellent product quality, technical services and international certifications such as ISO, the company's products are widely used in various industrial or livelihood product packaging, automotive industry, electronics, filter materials, metals, consumer goods and other markets, directly approaching customers through self-built brand sales channels whose layout spreads widely all over the world. Another self-owned brand product is the waterproof membrane product, which is also deeply favored by the construction units of major public works and infrastructure in our country, such as the construction projects of major domestic public works, underground engineering, and rail engineering stations. In addition, the company's R&D team has developed self-adhesive hot-glue waterproof membrane products with competitive prices, which have successfully entered the Japanese market and become the only Taiwanese waterproof membrane company that has expanded into the Japanese market. It is expected that after gradually becoming the most representative hot glue and waterproof material company in Asia, we will be able to move forward to the leader of the world-class hot-melt adhesive and waterproof material brand.



3. Product application:



4. Operational overview:

- a. Subsidiaries and business items included in the Company's consolidated financial statements:

Investee Company	Main Businesses	share holding ratio	Original Investment Amount (USD)	2021 Net Income (Loss) of the Investee (NTD)
Cherng Tay Technology (India) Private Limited	Sales of adhesives	99%	593 thousand	580 thousand
PT. Cherng Tay Indonesia (Cherng Tay Indonesia)	Sales of adhesives	70%	350 thousand	(711) Thousand
Success Asia Ltd.	International Investment	100%	240 thousand	17 thousand
Samoa Cherng Ying International INC.	International Investment	100%	4,060 thousand	57,154 thousand
Cherng Jin International INC	International Investment	100%	600 thousand	949 thousand
Cherng Tay (Zhongshan) Chemical CO., LTD	Production and trading of adhesive	100%	4,500 thousand	55,283 thousand
THANH THAI VIET NAM INDUSTRY TECHNOLOGY COMPANY LIMITED	Sales of adhesives	100%	600 thousand	975 thousand

- b. The important financial data of the Company's consolidated financial statements for the last two years are as follows. For the complete financial report, please refer to the official website of our company.

Item	Unit: NT\$ thousand	
	2020	2021
Net operating revenue	1,067,046	1,264,076
Operating costs	780,352	958,722
Gross profit	286,694	305,354
Operating expenses	196,121	198,538
Operating income	90,573	106,816
Other operating income and expenses	(3,895)	(3,619)
Profit before tax from continuing operation	86,678	103,197
Net profit for the period	72,101	89,155
Other comprehensive income for the period, net of income tax	6,764	(706)
Total comprehensive income for the period	78,865	88,449
Net profit attributable to Stockholders of the parent	72,657	89,369
Net profit attributable to non-controlling interests	(556)	(214)
Total comprehensive income attributable to Stockholders of the parent	79,549	88,694
Total comprehensive income attributable to non-controlling interests	(684)	(245)
TOTAL ASSETS	1,349,560	1,378,464
TOTAL LIABILITIES	560,209	538,362
TOTAL EQUITY	789,351	840,102
Earnings per share (Basic)	2.31	2.84

c. Product mix

1) Sales ratio of main products:

Unit: NT\$ thousand

Product item	2020		2021	
	Amount	%	Amount	%
Hot - melt adhesive	1,008,380	94.50%	1,199,035	94.85%
Waterproof membrane	58,666	5.50%	65,041	5.15%
Total	1,067,046	100.00%	1,264,076	100%

2) Sales area business ratio of main products (services):

Unit: NT\$ thousand

Sales area	2020		2021	
	Amount	%	Amount	%
Taiwan	301,741	28.28%	346,072	27.38%
Mainland China	724,089	67.86%	882,255	69.79%
Other	41,216	3.86%	35,749	2.83%
Total	1,067,046	100%	1,264,076	100%

d. External communication and cooperation:

Our company participates in the Allied Association for Science Park Industries, the Taiwan Synthetic Resins & Adhesives Industrial Association and the Kaohsiung City General Industrial Association and other associations. Through exchange activities, we try to learn more about domestic and foreign trends and norms and enhance business information communications and benign cooperation with the outside world.

Stakeholder Engagement

1. Negotiation of interested parties and stakeholders

Our company attaches great importance to the needs of stakeholders that we have formulated a code of practice for sustainable development to specifically promotes corporate governance, develop a sustainable environment, maintain social welfare, and implement sustainable development goals. According to the company's main business content, we identify the possible impact on stakeholders due to the company's operation process and establish good communication or complaint channels with the company and stakeholders to protect the rights and interests of our stakeholders. Our company has set up a part-time unit to promote sustainable development, which is called the "CSR Promotion Team". The general manager is authorized by the board of directors to be the chairman of the board, and the situation is reported to the board of directors on a regular basis. The organizational structure of the CSR Promotion Team is as follows:

Chairman's call - general manager					
Topic group	Corporate governance	Business performance	Employee rights	Environmental sustainability	Community co-prosperity
Constituent department	Administration Department, Finance Department, Audit Office	Finance Department, R&D Department, Procurement Department, Business Department	Administration Department	Administration Department, Production Department, Industrial Safety Management Representative	Administration Department
Topics covered	Corporate governance, ethics and integrity, risk management, external communication, etc.	Financial performance, innovative R&D, product responsibility, customer service, supply chain management, etc.	Human resources, welfare system, labor relations, occupational safety, etc.	Environmental management, pollution prevention, etc.	Community care, public welfare activities, academic sponsorship, etc.

a. Identification and analysis of stakeholders

Our company's CSR Promotion Team identifies and analyzes stakeholders based on the AA1000 SES-2011 stakeholder consensus standard and five principles (dependence, responsibility, tension, influence, and multiple viewpoints). After preliminary investigation, there are eight major categories of stakeholders of the company, including employees, shareholders, customers, suppliers, administrative agencies, financial institutions, communities, and media. Through five major steps of "identifying stakeholders", "investigating stakeholders' concerns", "collecting sustainable issues", "analyzing major issues", and "reviewing and results", our company conducts substantive analysis, determines the major issues of the 2021 corporate sustainability report, and continues to grasp the environmental, social, and economic-related major issues that stakeholders are concerned about, so as to respond to the demands and expectations of stakeholders.

1) Discriminant assessment description and results

“Dependency” is the stakeholders that directly or indirectly depend on an organization’s activities, products or services, or an organization’s operations also rely on it. “Responsibility” is the current or future legal, commercial, operational, and ethical responsibilities of an organization to its stakeholders. “Influence” is the stakeholders who have influence on organizational or operational decisions. “Multiple viewpoints” indicate that stakeholders have different viewpoints and perspectives, which can help the organization understand the current situation and identify new opportunities as the organization develops action plans. “Tension” means that the stakeholders tend to immediately focus on financial, economic, social or environmental issues from the organization. The scoring standard is divided into five grades: “None”, “Micro”, “Low”, “Medium”, “High”, and the scores are from 1 to 5 points. The evaluation results are as follows:

Stakeholders	Dependence	Responsibility	Influence	Multi-perspective	Tension	Sum
Employees	4	4	4	3	4	19
Shareholders	4	3	4	3	2	16
Clients	3	4	3	3	3	16
Suppliers	3	4	3	4	3	17
Administrative organs	2	4	4	4	3	17
Financial institutions	3	2	2	1	1	9
Community	3	4	3	2	4	16
Media	1	2	1	2	3	9

The company originally identified 8 categories of stakeholders. After the CSR promotion team held a meeting to identify the main stakeholders, the company finally defined 6 categories of main stakeholders, namely employees, shareholders, customers, suppliers, administrative organs, and communities.

2) Issue identification process of concern

Step 1 : Collection

The general manager of the CSR promotion team will convene relevant members and integrate the categories of stakeholders and concerns with reference to the GRI guidelines issued by the Global Reporting Initiative.

Step 2 : Questionnaire

According to the types of stakeholders and issues of concern, the level of concern about the issues of concern and the impact of the company’s operations on the economy, environment or society are evaluated and scored by means of questionnaires.

Step 3 : Analysis

The results of the questionnaires are statistically aggregated and analyzed into a scatter diagram of attention and impact to identify the priority order of issues of concern to stakeholders; and the scatter diagram is aggregated into a materiality matrix.

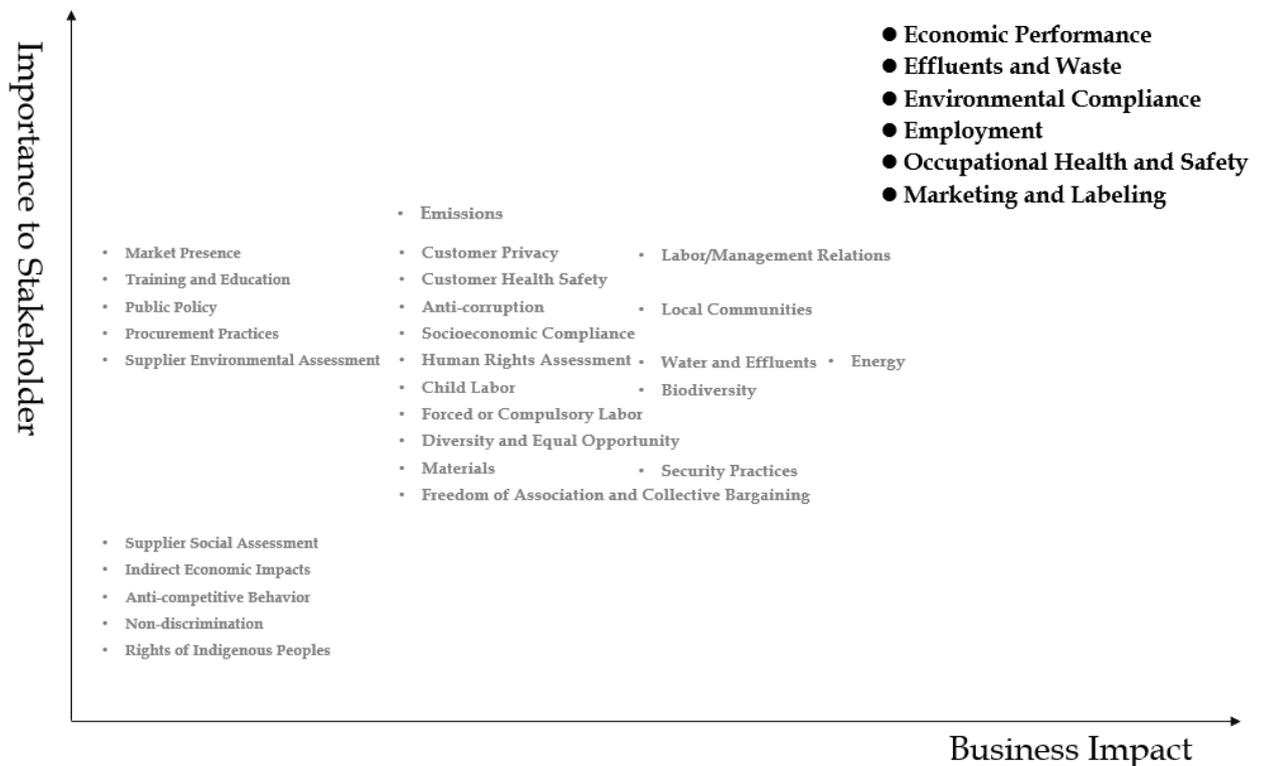
Step 4 : Review

After the analysis result is approved by the general manager, it becomes the structure of the analysis of this report, and the result is used as the goal of continuous improvement in the future.

b. Materiality analysis

Based on the aforementioned issues of interest and concerns to stakeholders and with reference to the GRI200 / 300 / 400 series of issues, our company conducts risk assessments on environmental, social, and corporate governance issues related to company operations to identify major issues and formulate their related risk management policies or strategies and identify and analyze them through questionnaires and with reference to the opinions of external stakeholders.

We have analyzed and aggregated all questionnaire scores to identify the level of concern and its importance to determine the priority and listed the top 6 issues of concern to people and identified the boundaries of each major issue before disclosing them in this report. Please refer to the chart below for the materiality matrix analysis, material issues and identification table of internal and external boundaries of the organization.



Order of material extent	Material issues	Corresponding GRI	Value chain judgment					Chapter
			Inside the organization		Outside the organization			
			Our company	Government	Community	Supplier	Client	
1	Economic Performance	201-1						Overview of the Company Corporate Governance Friendly Workplace
		201-2	★			★	★	
		201-3						
2	Effluents and Waste/ Water and Effluents	303-1						Sustainable Environment
		303-2						
		303-3						
		303-4						
		303-5	★	★	★	★		
		306-1	★	★	★	★		
		306-2						
306-3								
306-4								
306-5								
3	Environmental Compliance	307-1	★	★	★		Corporate Governance	
4	Employment	401-1						Friendly Workplace
		401-2	★	★				
		401-3						
5	Occupational Health and Safety	403-1						Friendly Workplace
		403-2						
		403-3						
		403-4						
		403-5	★	★	★			
		403-6	★	★	★			
		403-7						
		403-8						
		403-9						
		403-10						
6	Marketing and Labeling	417-1	★				★	Corporate Governance
		417-2						

2. Please refer to the company's official website for the communication and response of the company's stakeholders in 2021.

Corporate Governance

1. Governance structure and organizational responsibilities

Organizational hierarchy	Job responsibilities	
Corporate governance	Board of Directors	Supervise the operation of the company's management team, observe the relevant laws and decrees, the company's articles of association, the company's corporate governance spirit, and ethical standards, be responsible to shareholders and stakeholders, and exercise the delegated powers in accordance with the resolutions of the shareholders' meeting
	Compensation Committee	Formulate and regularly review the policies, systems, standards and structures for performance evaluation and remuneration of directors and managers, and regularly evaluate and determine the remuneration of directors and managers
	Audit Committee	Assist the board of directors in the effective execution of its mandate to supervise the company's compliance with the Company Law, the Securities and Exchange Law and other relevant laws and regulations
	Auditing Office	Reasonably ensure the effectiveness of the implementation of the internal control system, strengthen corporate governance and risk assessment
	Integrity Management Team	Promote business integrity and regularly report to the Board of Directors
	CSR Promotion Team	Promote the company's sustainable development of various matters
	Head of Corporate Governance	Handle matters related to the meeting of the board of directors and shareholders' meeting according to the law
	Chairman	Preside over the meeting of the board of directors and shareholders meeting and uphold the resolutions of the meeting to guide the effective implementation of the company's decision-making
Business management	CEO	Establish the company's vision and inherit the corporate culture, continue to communicate with the management to plan the future blueprint of the group and cultivate the successor team to ensure the sustainable development of the company
	General Manager	The formulation of the group's operating policies, strategies and objectives, the compilation, review and control of the annual budget; the company's medium and long-term business strategy planning, new business development direction and the group's market layout planning; the group's operational performance supervision and control and investment strategy planning
	General Manager's Office	Responsible for integrated marketing projects such as brand marketing promotion, operational analysis, and market research. Assist in the assessment of investment evaluation plans such as medium and long-term operating strategies and new businesses
	Industrial Safety Management Representative	Planning and supervising labor safety and health business
	Business Department	Analyze market trends and customer needs, overall product marketing planning, customer service and new market development, new product development and marketing, etc.
	R&D Department	Research and planning of new products and new technologies, formulate quality inspection standards, etc.
	Procurement Department	Execution and management of procurement and import operations, supplier management, market information collection, analysis and investigation, etc.
	Production Department	Production scheduling and execution, production efficiency and yield control and continuous improvement
	Finance Department	Group capital planning and management, accounting system implementation and accounting processing, tax operation planning and implementation, statement preparation and analysis, stock business operations
	Administration Department	Establishment and revision of various management systems, planning and implementation of human resources, employee insurance and benefits, maintenance of labor-management relations, legal consultation, environmental protection-related business, etc.
	Information Department	Integration planning, promotion and maintenance of enterprise information systems; information security and technology management, etc.

2. Board members

Name	Academic and experience background
Shen-Yi Wang	<ul style="list-style-type: none"> • Department of Chemical Engineering, Tatung University • Chairman of Cherng Tay Technology Co. Ltd. • General Manager of Cherng Tay Technology Co. Ltd.
Ching-Chu Lai	<ul style="list-style-type: none"> • EMBA, National Cheng Kung University • Department of Chemical Engineering, Tatung University • Director of the Board of Cherng Tay Technology Co. Ltd. • General Manager of Cherng Tay Technology Co. Ltd.
Chin-Chou Chen	<ul style="list-style-type: none"> • Department of Statistics, National Cheng Kung University • Director of the Board of Cherng Tay Technology Co. Ltd. • USI Coporation Kaohsiung Headquarters Senior Commissioner of the Chief Factory Director's Office
Yung-Ta Li	<ul style="list-style-type: none"> • National Hsinchu Senior Industrial Vocational School • Supervisor of Cherng Tay Technology Co. Ltd.
Li-Chung Hsu	<ul style="list-style-type: none"> • Providence University Institute of Business Administration • General Affairs Manager of Giant Manufacturing Co. Ltd. • Special Assistant and Spokesperson of Giant Manufacturing Co. Ltd.
Chia-Ming Chen	<ul style="list-style-type: none"> • PhD in Chemical Engineering, Pennsylvania State University • Professor of the Department of Chemical Engineering and Biotechnology and Associate Dean of the School of Engineering, Tatung University • General Manager of Tatung Biotech Co., Ltd.
Liu-Ching Tsai	<ul style="list-style-type: none"> • Doctor of Philosophy Ph.D., National Chengchi University • Full-time Assistant Professor, Accounting Group, Department of Business Education, National Changhua University of Education • Full-time Professor and Chair of the Department of Finance, National Chiayi University



Board members

3. Integrity management and regulatory compliance

The Administration Department of the company is a dedicated unit for promoting integrity management. It is responsible for assisting the board of directors and management to formulate and supervise the implementation of integrity management policies and behavior guidelines to ensure the implementation of integrity management rules and compliance with the government and various environmental protection, occupational safety, basic labor rights and product quality and other norms. In 2021, the company has not been punished by the competent authority for violating relevant regulations such as integrity management, product responsibility, labor rights, environmental protection, safety, and hygiene, etc., and it is assessed that the company's Kaohsiung Science Park plant and Luzhu plant had no significant practical effect or operating activities with potential negative impact on the local community.

a. Rulemaking

The "Integrity Management Code" and the "Integrity Management Operation Procedures and Behavior Guidelines" are formulated, which are applicable to all employees, directors, managers and other stakeholders of the company and its subsidiaries. All acts of dishonesty and offering or accepting improper benefits are strictly prohibited.

b. Educational propaganda

Through various meetings, the company promotes the company's integrity management philosophy and emphasizes the importance of ethics. It is strictly prohibited to engage in fraud, accept improper hospitality from manufacturers or accept bribes, and corruption.

c. Complaints line

The company provides effective communication methods for employees, shareholders, stakeholders and outsiders in the stakeholder area of the official website, and also discloses the email addresses directly sent and received by the reporting unit. The audit office of the company is the reporting unit which accepts reports involving dishonest behavior and promises to protect the identity and content of the whistleblower from being improperly handled due to the reporting situation. In 2021, the number of internal and external whistleblower cases was 0.

d. Administration of Permit for Operation

Our company applies for production licenses in accordance with regulations, sets up necessary pollution disposal facilities, pays relevant fees on schedule, and assigns special personnel to conduct management. The implementation of the license obtained in accordance with the law is as follows:

Plant	Pollution source	Certificate number
Kaohsiung Science Park plant	Air pollution	Southern Science Park Air Operation Certificate Number E0021-02
	Waste disposal	Southern Environmental Number 1080034067, Clearance Plan Approval Number E10308290001
	Sewage	Southern Science Park Environmental Water Permit Number E0022-02
Luzhu plant	Air pollution	Kaohsiung City Environment Bureau Air Operation Certificate Number E1653-02, E1669-01
	Waste disposal	Environmental Protection Bureau Kaohsiung City Government Waste Management Number 10932257600, Clearance Plan Approval Number S09406090007

4. Risk management

In order to improve risk management operations and reasonably ensure the achievement of sustainable goals, the company has formulated “risk management policies and operating procedures” to identify and manage risk management operations at all levels within the company’s corporate risk scope to ensure that the effectiveness of business and efficiency, the company’s risk management policies and operating procedures are described as follows:

a. Management of the organization

The board of directors is the highest decision-making unit for risk management. The Audit Committee is responsible for designing and supervising the improvement of risk management policies to ensure the effective implementation of internal controls. The audit office conducts checks and audits on the company’s risk management to ensure that business activities comply with the regulations and control procedures. The general manager manages the overall risk management of the company and supervises the risk management implementation of each risk management department. Financial Supervisor: plan and coordinate the affairs of various risk management departments as whole and summarize the overall risk management operation results of the year. Each risk management department is responsible for analyzing and monitoring the relevant risks within the department.

b. Scope of risk management

The company’s risk management categories include “Financial Risk”, “Business Risk”, “Occupational Safety Risk”, “Information Security Risk”, “Human Resources Risk”, “Intellectual Property Risk”, “Intellectual Property Risk”, “Other Risks”, a total of eight major items.

c. Risk management process

Each risk management department formulates and implements specific risk management plans according to the scope of risk management, monitors risks on a regular basis, and reports the operation of risk management to the financial supervisor; the chief financial officer reports the company’s risk management operation to the general manager from time to time, and reports the company’s overall risk management operation effectiveness to the audit committee and the board of directors at least once a year. Please refer to the Company’s annual report for the operation status of risk management in 2021.

d. Financial implications and other risks and opportunities of climate change

- 1) In 2021, the company adopted the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board, FSB to identify risks and opportunities and set up a response plan based on the identification results. It is hoped that the company can achieve energy conservation and carbon reduction, reduce the impact of natural disasters caused by extreme climates or related external forces in the factory area, and reduce the impact of climate change risks on the company’s operations. The TCFD indicator disclosure comparison description is as follows:

Core element	Disclosure	Response description
Governance	1. Describe the Board's oversight of climate-related risks and opportunities.	(1) The Board of Directors of the Company understands the importance of issues related to climate change, and the "CSR Promotion Team" established by the management regularly reports information on climate-related issues such as greenhouse gas emissions, energy consumption, water consumption and green innovative products to the Board of Directors. (2) The Board of Directors of our company approves the risk management policy and structure and is responsible for approving, reviewing, and supervising the company's "climate change risk" management. The Audit Committee makes suggestions for improvement in the design of risk management policies and is responsible for supervising the company's implementation of risk management.
	2. Describe the role of management in assessing and managing climate-related risks and opportunities.	(1) Groups such as "Environmental Sustainability", "Economic Performance" and "Corporate Governance" have been established under the "CSR Promotion Team" of our company to take charge of promoting and implementing climate-related issues, including innovative research and development, energy conservation and carbon reduction, and risk management and other issues. (2) The general manager of our company manages the overall risk management of the company and supervises the risk management implementation of each risk management department. The financial supervisor is responsible for making the overall plan of and coordinating various risk management of various departments.
Strategy	1. Describe the short-, medium- and long-term climate-related risks and opportunities that the organization has identified.	Our Company identifies short-, medium- and long-term climate-related risks and opportunities as follows: (1) Short-term risks/opportunities: extreme weather events (typhoons, rainstorms, droughts)/development of green innovative products. (2) Medium and long-term risks/opportunities: the cost of low-carbon technology and the increase in laws and regulations related to sustainable development/research and development of green innovative products.
	2. Describe the impact of climate-related risks and opportunities on the organization's business, strategic and financial planning.	Through business meetings, various project management and inter-departmental communication meetings, our company discusses climate issues covering products and services, supply chain, research and development, investment, and business operations, and evaluates risks, opportunities and impacts on financial planning. The extent of the business income and cost, capital investment, operating expenses, etc., and appropriate strategies are adopted.
	3. Describe the organization's strategic resilience, considering relevant scenarios for different climates (including 2°C or more severe scenarios).	Based on industry data analysis, it is estimated that under the 2°C scenario, the economic system will shift to low-carbon, high-efficiency energy technology improvements or innovations, which will have a significant impact on company operations, including corporate competitiveness, production and distribution costs, and the final impact on customers with products and services demand. Our Company continues to use robust governance, management, and disruptive innovation strategies to grasp the impact of climate-related risks and opportunities in response to the transition to a low-carbon economy.
Risk Management	1. Describe the organization's process for identifying and assessing climate-related risks.	In 2021, the Board of Directors of the Company adopted the "Risk Management Policy and Operational Procedures" to incorporate climate change risk into an important management area of operations on considering both external laws and regulations and the interests of stakeholders.
	2. Describe the organization's processes for managing climate-related risks.	In view of the impact of climate change risks on operations, the company has designed and controlled various internal control system cycles to mitigate or transfer the impact of climate-related risks on the company.
	3. Describe how the identification, assessment and management of climate-related risks are integrated into the organization's overall risk management system.	The Company's "Risk Management Policies and Operating Procedures" incorporates climate change risks into the overall risk management framework. Due to the particularity of climate change risks, the management of the Company promotes various types of projects, identifies climate risks and opportunities in operations, and adopts relevant countermeasures and solutions.
Metrics and Targets	1. Disclose the metrics the organization uses to assess climate-related risks and opportunities following its strategy and risk management process.	The company's 2022 sustainable development plan and goals include the total equivalent of greenhouse gas emissions from a single plant, electricity consumption per unit of product, and domestic waste per capita, etc., into the assessment indicators for climate-related risks and opportunities.
	2. Disclosure of Scope 1, 2 and 3 (if applicable) GHG emissions and the associated risks.	(1) According to the ISO14064-1 Greenhouse Gas Inventory Principles, the company conducts an inventory of the 2021 Kaohsiung Science Park plant's greenhouse gases, with a total of 137,294 metric tons of CO ₂ e for the first category and 408,708 metric tons of CO ₂ e for the second category. (2) According to the "Roadmap for the Sustainable Development of Listed OTC Companies" by the Financial Supervisory Commission, the company should complete the greenhouse gas verification of individual companies by 2028 and the greenhouse gas verification of all subsidiaries in the consolidated statements by 2029. The company will expand the scope of greenhouse gas inventory in accordance with the law and continue to optimize energy management to avoid the occurrence of related risks.
	3. Describe the goals the organization uses to manage climate-related risks and opportunities, and how it is being implemented.	(1) The management of the company has set a target of reducing the total GHG emissions of the Kaohsiung Science Park plant by 2% in 2020 in 2021. However, due to the increase in sales growth, the production value in 2021 has increased, and the GHG reduction target has not been achieved thus. (2) Our company continues to promote energy saving and carbon reduction measures in office operations and conduct education and training for employees to place importance on the sustainable balance of economy, society, and environment.

- 2) Based on the analysis results of climate change scenarios, our company evaluates the potential financial impact on the company and discusses the corresponding measures and actions. The descriptions are as follows:

Climate risk	Potential financial impact	Climate opportunity	Potential financial impact	Responding conduct
Climate disaster (such as typhoon, flood, drought, etc.)	Production was tremendously affected, and operating costs increased.	Improve natural disaster resilience	Reduce the volatile impact of disasters on manufacturing costs.	<ol style="list-style-type: none"> 1. Elevated racks are used, production equipment is raised during typhoons, and the drainage system is regularly dredged during non-flood seasons. 2. Set up emergency power generation system and rainwater recycling system. 3. Improve cooling tower efficiency and water delivery system.
Low carbon green product competition	Low-carbon green product development, R&D expenses increase.	Develop or expand products and services	Meet customer demand for green products and increase operating income.	Collect industry and market information and evaluate investment in green product development.
Increased cost of greenhouse gas emissions	Investment in carbon reduction equipment increases the cost of fixed assets.	Obtain public sector incentives and cooperation	Accumulate carbon rights to meet future plant expansion.	Allocate appropriate manpower to pay attention to changes in domestic legal trends and formulate countermeasures.
Company image impact	News about climate change creates a negative image for the company and increases the cost of external image management.	Improve long-term investment willingness of investors	Stabilize the shareholder structure and reduce the probability of large fluctuations in stock value.	Organize seminars on climate change-related issues to discuss corporate environmental matters and resource utilization ethics issues, and plan internal green office actions and external beach cleanups.

5. Product liability

The company insists on the R&D and design management of hot-melt adhesive products from R&D design, procurement screening, production management to product labeling, all links are in keeping with the European Union's Restriction of Hazardous Substances Directive (RoHS), Substances of Very High Concern (SVHC), eight heavy metals, halogen-free and other industry norms and directives, in order to reduce the impact on humans and the environment and in line with international trends. In addition, regarding the self-adhesive waterproof membrane developed through its own technology, apart from adhering to the quality better than ASTM, CNS, and other industry standards, we also take initiative in developing various niche products to meet the special design specifications required by different projects. The company's product responsibility evaluation management is about the adoption of source management. During the development and design stage, the raw material base is carefully selected, and the procurement screening is carried out before, during and after the production stage. The production management applies strict quality control operations and varies according to customers. The environmental protection needs are actually marked on the product. Our company's product liability assessment management procedures are as follows:

a. R&D design

The product R&D design adopts source management, giving priority to the selection of raw materials that comply with RoHS and SVHC standards and do not contain heavy metals and halogens, and appropriately evaluate the use of biomass sources instead of petrochemical sources to reduce environmental impact.

b. Purchasing screening

Regularly conduct supplier evaluation and sign quality specification contracts and require suppliers to provide environmental protection commitments to meet international standards. At the same time, third-party external testing reports are regularly provided for special raw material requirements to confirm that they meet the requirements of non-restricted substances.

c. Production management

All raw materials must be subject to quality control before entering the factory, and non-conforming products shall be marked and stored separately. Product batch management to prevent cross-contamination between production lines.

d. Product labeling

Regularly update SDS (Safety Data Sheet) to provide reference for downstream manufacturers and conduct GHS hazard classification according to different environmental protection needs of customers, and regularly entrust a third-party impartial unit to conduct sample finished product inspection and issue a test report.

6. Supply chain management

Our company regards suppliers as important business partners, and jointly reduces potential risks related to society and the environment by strengthening mutual cooperation. In order to ensure the smoothness of production and supply, the structural management of the supply chain of our company is mainly based on the company's "Procurement Management Measures" for process management. It is required that each raw material category be provided with 2 to 3 qualified suppliers as alternative sources of supply. In addition, it closely cooperates with key raw material manufacturers to form a strategic partnership and regularly shares and discusses the latest raw material information, market industry trend analysis and formulation of new product development, which brings the benefits of vertical integration to the company's supply chain structure. The company's supplier management process is described as follows:

a. Supplier import

To ensure that the suppliers comply with standardized production, it is obliged that all suppliers of our company pass ISO or OHSAS and other system certification, comply with environmental regulations - banned/restricted chemical substances such as RoHS, REACH, GHS and other related certification qualifications, and sign product inspection specifications.

b. Performance evaluation

The performance evaluation of major suppliers is carried out every year, and the evaluation items comprise five items including quality, delivery time, cost, service, and technology. The annual performance evaluation scores are graded and managed as an important basis for future order allocation and continuous cooperation. More support is given to excellent suppliers to deepen mutual cooperation. For unqualified suppliers, improvement is required to be completed within a quarter. Otherwise, trading will be suspended or stopped. The results of supplier performance evaluation in 2021 and 2020 (the proportion of suppliers) are as follows:

Evaluation level	2020	2021
Grade A: Excellent supplier	15%	26%
Grade B: Qualified supplier	85%	74%
Grade C: Unqualified supplier	0%	0%

c. Ongoing risk management

Conduct on-the-spot inspections of suppliers from time to time to check and investigate whether there are potential risks in the management of suppliers in terms of fire protection, industrial safety, environment, labor rights, legal production, and integrity management to ensure smooth and safe supply. In 2021, in response to the epidemic situation in many countries and serious delays in international transportation, the procurement strategy adjusted the proportion of suppliers abroad and domestic and increased the procurement of domestic supply sources to ensure the stability of the supply chain and localization of production to reduce the risk of transportation and material outage. The proportion of domestic and foreign suppliers is as follows:

Purchasing area	2020	2021
Overseas	58%	54%
Domestic	42%	46%

In 2021 and 2020, our Company did not experience any significant changes in organizational size, structure, ownership, or supply chain.

Sustainable Environment

In pursuit of economic development, our company follows the government and other environmental protection regulations, and promotes energy, water resources, and waste management measures to reduce the impact of operations on the environment.

1. Energy management

The building floor of our company adopts green architectural design, with a total of 215 large trees and 1,200 medium-sized shrubs planted around the building, covering a green area of 28% that can achieve ventilation and heat dissipation and reduce the use of office air-conditioning power. In addition, aside from regularly reviewing the contracted capacity of electricity consumption, the company also promotes energy-saving and carbon reduction actions such as turning off the electricity and using stairs instead of elevators and provides external renewable energy manufacturers to build solar energy systems on the scaffolding of the employee parking lot inside the plant. All together we advocate the global net zero transformation goal.



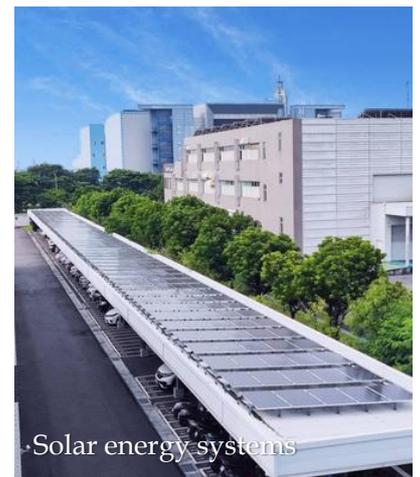
Energy Conservation and Carbon Reduction Action Initiative



Plant beautification



Green architectural design



Solar energy systems

a. Energy usage (including Kaohsiung Science Park plant and Luzhu plant)

Item	2020		2021	
	Total usage	Energy consumption (GJ)	Total usage	Energy consumption (GJ)
Electricity	931,333 kilowatt-hours	3,352.80	960,840 kilowatt-hours	3,459.02
Natural gas	111,144 kilowatt-hours	4187.24	113,970 kilowatt-hours	4,293.70
Gasoline	1,521 litres	49.67	2,447 litres	79.9
Total		7,589.71		7,832.62

Note 1:

All energy used by the company is purchased from outside sources, and no self-produced energy or purchased renewable energy is used.

Note 2:

Data sources (1) Electricity is the electronic bill of Taiwan Power Company; (2) Natural gas is the payment voucher of Nan Jehn Natural Gas Co.LTD and Shinhsiung Natural Gas Inc.; (3) Gasoline is the annual payment voucher amount, and it is calculated and converted according to the Kaohsiung City Average Price Annual Report as announced by the Bureau of Energy, Ministry of Economic Affairs, R.O.C.

Note 3:

The calculation basis of the energy use unit (joule) is estimated by using the values shown in the "Energy Product Unit Calorific Value Table" in the "Energy Statistics Manual" published by the "Bureau of Energy, Ministry of Economic Affairs, R.O.C." in June 2022. (1Kcal = 4.186KJ).

b. Energy intensity

Energy	Product (unit)	2020	2021
Electricity (GJ)	Hot-melt adhesive products (metric tons)	1.21353	1.06589
	Waterproof membrane products (square meters)	0.00063	0.00065
Natural gas (GJ)	Hot-melt adhesive products (metric tons)	1.02625	0.92614
	Waterproof membrane products (square meters)	0.00237	0.00237

Note 1:

The power intensity is differentiated by product and is calculated by dividing the total electricity consumption (GJ) by the "annual output value (total metric tons of hot melt adhesive/year), (total square meters of waterproof membrane)/year".

Note 2:

The natural density is differentiated by product and is calculated by dividing the total natural gas consumption (GJ) by the "annual production value (total metric tons of hot melt adhesive/year), (total square meters of waterproof membrane)/year".

2. Water resource management

The area where the company is located is not a high or extremely high-water shortage area that 100% of the water resources used are supplied or recycled by the waterworks rather than coming from ecological conservation areas or groundwater sources. Our company's water-saving measures include: 1. The cooling water generated in the production process is recovered and filtered before being recycled, which greatly reduces the water demand for the process. 2. The rainwater recovery and storage system are the main source of water for planting irrigation, fire-fighting reserve water and toilet water. 3. Adopt two-stage water-saving toilets and water-saving slogans are put up at all taps to advocate for employees to save water for office and domestic use.

Furthermore, the company formulates the company's wastewater pollution prevention and control measures plan in accordance with environmental protection laws and regulations and regularly tests the water quality to ensure that the wastewater treated and discharged by the company meets the standards set by the government. The water used in the production process of the company's Kaohsiung Science Park plant and Luzhu plant is filtered and recycled, and the wastewater discharge is mainly domestic sewage.

a. Water volume and intensity (Kaohsiung Science Park plant and Luzhu plant, unit: million liters)

Item	2020	2021
Water intake	3.15	2.84
Sewage volume	1.37	1.35
Water consumption	1.78	1.5
Water intensity	0.026	0.022

Note 1:

Since the company's technology has not yet calculated the amount of rainwater recycling, the water intake in the two years does not include rainwater recycling.

Note 2:

Water withdrawals are from non-water stress areas.

Note 3:

Water consumption is the amount of intake water minus the amount of sewage, and the one of 2020 is an estimated value.

Note 4:

Water intensity is water consumption divided by number of employees.

b. Wastewater volume (Kaohsiung Science Park plant and Luzhu plant)

Plant	2020		2021	
	Total measure	Million liters	Total measure	Million liters
Kaohsiung Science Park plant	1251.94	1.25	1232.07	1.23
Luzhu plant	119.22	0.12	119.23	0.12
Total	1,371.16	1.37	1,351.30	1.35

Note 1:

Taiwan, where the Kaohsiung Science Park plant and Luzhu plant are located, is a non-water stress area.

Note 2:

Since Luzhu Factory is not required by the government management unit for sewage management, no flow meter is set to count the discharge. The above data is based on the annual average waste and sewage discharge per person of the Kaohsiung Science Park plant to estimate the waste and sewage volume of the Luzhu plant in the year of 2020 and 2021.

c. Wastewater intensity (Kaohsiung Science Park plant)

	2020		2021	
	Total measure	Million liters	Total measure	Million liters
Wastewater discharge per capita	19.87	0.02	19.87	0.02



3. Waste management

Our company submits a waste cleaning plan in accordance with the regulations of the competent authority, stores and sorts it at designated locations, and entrusts a manufacturer licensed by the Environmental Protection Administration to carry out regular cleaning and transportation, and report waste information on a monthly basis.

In 2021 and 2020, the company did not violate the Waste Disposal Act. All business wastes produced are non-hazardous wastes, and no hazardous wastes are produced. According to the assessment, we did not have any significant impact or significant influence on the organization's business activities. In addition, through research and development, our company uses technology to recycle and utilize resources that consume raw materials and products that do not meet quality standards in the production process to create waste value.

a. Waste production and disposal methods (Kaohsiung Science Park plant and Luzhu plant, unit: metric tons)

Disposal method	Item	2020	2021
Direct disposal (incineration)	Waste rubber	10.228	11.848
	Wastepaper mixture	13.41	12.54
	Domestic waste	32.99	19.65
	Gross weight of direct disposal	56.628	44.038
Recycle (including observing the announcement of the Recycling Fund Management Board for the pipelines that should be recycled and cleaned)	Wastepaper	1.25	1.88
	Scrap drum	11.99	13.02
	Total weight recovered	13.24	14.9
Total non-hazardous waste		69.868	58.938

b. Waste intensity (unit: metric tons)

Item	2020	2021
Waterproof membrane products	0.00004	0.00003
Hot-melt adhesive products	0.01658	0.01253

Note 1:

Calculated by dividing the total amount of waste by "annual output value (total metric tons of hot-melt adhesive/year), (total square meters of waterproof membrane)/year".

c. Amount of recycled material (unit: metric tons)

Item	2020	2021
Reclaimed materials	55.5	66.2

Friendly workplace

1. Human resource

The company evaluates the current manpower situation and analyzes future manpower needs according to the current year's business goals and makes plans in accordance with government labor-related laws and regulations. Employee recruitment and selection procedures are conducted in an open, fair, and impartial manner, and there is no discriminatory treatment based on race, gender, age, religion, nationality, or political stance. For current employees, the company is committed to promoting a friendly, healthy and gender-equal workplace environment and has won the honorary award for "Promoting Workplace Equality at Work" by the Southern Taiwan Science Park Bureau, NSTC for three consecutive years.



a. Employee profile for the last two years

1) Statistics by gender

Unit: people

Gender	2020	2021
Male	40	37
Female	29	31
Total	69	68

2) Statistics by age

Unit: people

Age	2020	2021
under the age of 30	8	10
30 to 50 years of age	44	39
over 50 years old	17	19
Total	69	68

3) Statistics by workplace

Unit: people

Plant	2020	2021
Kaohsiung Science Park plant	63	62
Luzhu plant	6	6
Total	69	68

4) Employee turnover statistics

Gender	Age	New employee				Staff turnover			
		2020		2021		2020		2021	
		Number of people	%						
Female	under the age of 30	2	2.90%	3	4.40%	0	0.00%	1	1.50%
	30 to 50 years of age	2	2.90%	0	0.00%	2	2.90%	0	0.00%
	over 51 years old	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	Subtotal	4	5.80%	3	4.40%	2	2.90%	1	1.50%
Male	under the age of 30	2	2.90%	2	2.90%	0	0.00%	1	1.50%
	30 to 50 years of age	1	1.40%	3	4.40%	3	4.40%	7	10.40%
	over 51 years old	1	1.40%	0	0.00%	2	2.90%	0	0.00%
	Subtotal	4	5.80%	5	7.40%	5	7.40%	8	11.90%
Total		8	11.60%	8	11.80%	7	10.30%	9	13.40%

Note 1:

The statistical area is Kaohsiung, Taiwan, including the employees of Kaohsiung Science Park Plant and Luzhu Plant

Note 2:

New recruits include reinstatement after leave of absence, and employment after retirement

Note 3:

Proportion of new employees (%) = number of new employees/number of employees at the end of the year

Note 4:

Proportion of resigned employees (%) = annual number of resigned employees / average number of incumbents in the current year

b. Employee profile for the last two years

1) Salary expenses (unit: thousand NTD)

Gender	2020	2021
Male	39,967	42,573
Female	18,583	21,071
Total	58,550	63,644

2) Information on the number of full-time employees who are not in supervisory positions and the average and median salary (unit: NTD)

Item	2020	2021
Number of full-time employees who are not in supervisory positions	65	61
Average salary of full-time employees who are not in supervisory positions	751,000	843,000
Median salary of full-time workers not in supervisory positions	683,000	739,000

2. Employee care

The company attaches great importance to the needs of each employee and provides employees with a comprehensive welfare system, so that they can contribute to their jobs with peace of mind. In addition to complying with the provisions of the Labor Standards Act, employees can apply for parental leave without pay in accordance with the company's "Employee Leave Rules" and apply for an extension of leave of absence according to their actual needs, apply for advanced reinstatement when there is no need for childcare; during the period of childcare leave, the employee can still enjoy labor and health insurance benefits insured by the company.

a. Benefit measures

Item	Content
Salary	Fixed salary, leave and attendance system
Bonus	Bonuses are distributed according to the company's operating profitability, performance of each team, department goals and individual performance of employees. Including performance bonus, year-end bonus, incentive bonus, team bonus
Insurance and health	Enjoy labor/health insurance, retirement system, group insurance, regular annual health check, senior employee health check upgrade program once every two years, business travel insurance, paid vaccination leave
Welfare care	Festival cash gifts, birthday cash gifts, employee wedding and funeral subsidies, maternity allowance, company trip, year-end party, exclusive employee car and motorcycle parking shed, parental leave, menstruation leave, family care leave, paternity leave
Learning and growth	Lectures on life, arts, culture and health, diverse internal and external employee orientation and training, public welfare activities

b. The cost of co-planning benefit measures with the company's welfare committee (unit: NTD)

Item	Number of people	Amount
Holiday bonus	67	367,500
Birthday cash gift	70	35,010
Weddings and funerals grants	2	11,000
Emergency allowances (including maternity pension)	2	1,200
Year-end party	67	366,591
Total		781,301





Health Lecture



Education Training



Mother's Day Thankgiving Activities

c. Parental leave

Item	Year of 2020			Year of 2021		
	Male	Female	Total	Male	Female	Total
The actual number of people who applied for parental leave without pay in the current year	0	0	0	0	0	0
Number of people who should be reinstated without pay in the current year	0	0	0	0	0	0
The actual number of people who have been reinstated without pay in the current year	0	0	0	0	0	0
Reinstatement rate (%)	0%	0%	0%	0%	0%	0%
The actual number of people reinstated in the previous year	0	1	1	0	0	0
Number of people still employed 12 months after reinstatement in the previous year	0	0	0	0	0	0
Retention rate (%)	0%	0%	0%	0%	0%	0%

d. Disabled workers

The company attaches great importance to the special needs of employees with disabilities and their career development. In 2021, one person with disabilities was employed, accounting for 1.47% of the total number of employees.

e. Retirement planning

In June 2016, the company approved the settlement of employees' seniority in the old system according to the letter of Southern Environmental Number 1050007950. All employees who have been employed since July 1st, 2015 (inclusive) shall implement the new labor retirement system in accordance with the "Labor Pension Act", and individual employees can also make their own contributions according to their own aspirations, up to a maximum of 6% of their wages.

f. Employee communication channel

The company has established various smooth communication channels for employees to promote employees' understanding of the company's current situation and business development, and to provide employees with opportunities to participate and express their opinions. The communication channels are as follows:

Item	Object	Content	Frequency
Employee complaint line and channel	All employees	Illegal, unfair, or improper cause damage to the rights and interests of employees	from time to time
Labor coordination meeting	Labor representative	Communicate and discuss labor rights, benefits, labor issues	quarterly
Welfare committee meeting	Committee	Description of employee welfare activities and fund utilization	quarterly

3. Occupational safety and health

In order to ensure that employees can work in a safe environment, the company has established a safe and hygienic working environment and standardized operation standards that comply with laws and regulations to prevent personnel negligence and occupational disasters for ensuring labor safety and promoting their physical and mental health while implementing the company's occupational safety and health policies and zero-disaster industrial safety goals. The occupational safety and health management system of the Kaohsiung Science Park plant and Luzhu plant covers the scope of work activities of all employees

a. Emergency response

Our company conducts disaster response drills once every six months, plans independent firefighting groups and drills, and controls disaster risks to reduce the possibility and impact of personal injury or property loss. The instructions for employee participation in disaster drills in 2021 are as follows:

Organization type	2021.2.9	2021.11.16
Bulletin group	3	3
Fire fighting group	12	10
Evacuation guidance group	6	7
Security group	5	4
First-aid group	5	5
Other groups	26	22
Total number of participants	58	52



Fire fighting group



Security group

b. Safety management of transportation contractors

In order to ensure that the transportation contractors can fulfill their safety commitments, the company requires all transportation drivers to obtain the relevant certificates and driving licenses for the transportation of goods. When entering the factory area, it is obliged that they conduct certificate inspection, record the time of entry, and exit of vehicles in the factory area, and follow the route of the goods in the factory. In 2021, there were no transportation incidents or accidents that had caused personal injury.

c. Employee health

The company regularly provides employee health examination services, including one-on-one health consultation with professional physicians, and provides health examination upgrade services for employees who have worked for the company for more than 10 years once every two years. The results of health examination are managed by grades and levels, and employees who report abnormalities and need to be re-checked will be urged to seek medical treatment as soon as possible; employees who need to seek for doctor's advice on a regular basis will be treated as case-by-case care, with timely care provided, follow-up medical conditions tracked, and appropriate health and education measures given. The statistics of the number of employees participating in the health examination are as follows:

Item	2020	2021
General medical examination	67	67
Senior staff health check	-	33



Doctor consultation



Health examination

d. Employee injury and absence statistics (only the statistics of regular employees are compiled, non-employee information is not included)

Category	Item	Year of 2020	Year of 2021
Annual death toll	Annual deaths of women	0	0
	Annual deaths of men	0	0
	Total death toll	0	0
The total number of working days in the year	The total number of working days of women in a year	7,072	9,705
	The total number of working days of men in a year	7,362	9,089
	The total number of working days of all employees in the year	16,777	16,451
Total working hours	Total working hours	134,216	131,608
Number of disabling injuries	Total number of incapacitating injuries for women	0	0
	Total number of disabling injuries for men	0	0
	The total number of disabling injuries	0	0
	Frequency of disabling Injury (Number of disabling injuries x 106/Total working hours) x 100%	0.00%	0.00%
Total number of occupational diseases	The total number of occupational diseases in women	0	0
	Total number of occupational diseases in men	0	0
	The total number of occupational diseases	0	0
	Overall occupational disease rate (Total occupational diseases x 106/Total working hours) x 100%	0.00%	0.00%
Lost days of work	Total loss of workdays for women	0	0
	Total loss of workdays for men	0	0
	Total loss of workdays	0	0
	Lost days rate (Total injury lost days x 106/Total experienced working hours) x 100%	0%	0%
Number of days of absence	Total absence days for women	27	17.38
	Total absence days for men	29.63	24.5
	Total absence days	56.63	41.88
	Absence rate (Days of absence/Total working days) x 100%	0.34%	0.25%

e. Measures in response to Covid 19

To prevent and control the disruption of the company's operations due to the COVID-19 epidemic, the company has simulated contingency plans and measures to be taken by the responsible units of our company when a person is diagnosed. The Administration Department pays close attention to the various epidemic prevention measures announced by the Central Epidemic Command Center, adopts irregular rolling announcements and requests all of our colleagues to implement various epidemic prevention policies. During the period, the company also cooperate with the confirmed footprints announced by the Kaohsiung City Government every day to conduct internal employee epidemic investigations for ensuring the health of our employees. In addition, the company also provides the benefits of paid vaccination leave to encourage colleagues to get vaccinated as soon as possible.



Epidemic prevention materials



Disinfect regularly

Society Mutual-Prosperity

During the epidemic, the company continued to actively promote social welfare activities such as “caring for the underprivileged groups”, “public welfare promotion” and “academic sponsorship” through the company’s influence for practicing and showing specifically the caring for the society and the vision of creating a common prosperity and a wonderful home together with the community.

1. Caring for the underprivileged groups



Due to the impact of the epidemic, the willingness of the public to donate to the public welfare has been greatly reduced. The employees of the company spontaneously responded to the public welfare program of the local community - House of the Little Angels Kaohsiung, contributing love to the children who are bereaved, orphaned, abandoned, or have encountered significant family changes by saving the coins that used to buy drinks every day. Employees can do charity work in their daily life, and they can also help House of the Little Angels Kaohsiung mitigate the impact of the epidemic and work together to create a stable haven for children. This donation raised a total of NTD 21,349, which was used to purchase living materials for the House of the Little Angels Kaohsiung and to make efforts and voice for disadvantaged infants and children and families in need of adoption.

2. Public welfare promotion



Books are an important medium of knowledge dissemination and a shortcut to enrich the soul. The company not only responds to knowledge dissemination but also considers environmental protection and public welfare. In 2021, we participated in “donation of used books, cherish old things, and pay it forward to Taiwan Fund for Children and Families” held jointly by Mollie used books and Taiwan Fund for Children and Families by calling on all employees to participate in second-hand book fundraising activities, with a total of 427 books having been collected. Second-hand books not only allow knowledge to be widely spread, but also hope to continue the value of a good book and look forward to leading children in remote areas to see a wider world through reading. In this way, energy saving and carbon reduction and resource reuse can also be implemented, so as to make contributions to the environmental protection of the earth and fulfill corporate social responsibilities..

3. Academic sponsorship



Aside from fulfilling corporate social responsibilities, we also think about how to integrate public welfare activities with our company’s own business in hopes of achieving the complementary and synergistic effects. Apart from holding the “Department Sharing Session” of Tatung University in the past, the company also provides students who are interested in the chemical industry with the relevant skills required by the industry to reduce the gap between industry and academia. It is hoped that through the interactions carried out by the chairman with the students in person, we can help students explore their own interests so that they can have a clearer grasp of future career planning. Furthermore, the company has sponsored students from the Department of Chemical Engineering and Biotechnology of Tatung University for six consecutive years with an annual scholarship of NTD 50,000. In 2020, the company sponsored a scholarship of NTD 150,000 for Indonesian exchange students. In addition to allowing exchange students to concentrate on their studies without any worries, it also took this opportunity to expand the company’s corporate image in the potential human market, which is conducive to talents recruitment in the future.

Appendix - GRI content index

GRI Standard	Disclosure	Report Content or Explanation	Page Number
GRI 102 General Disclosures 2016			
GRI 102-1	Name of the organization	Overview of the Company	7
GRI 102-2	Activities, brands, products, and services	Overview of the Company	7~8
GRI 102-3	Location of headquarters	Overview of the Company	7
GRI 102-4	Location of operations	Overview of the Company	7
GRI 102-5	Ownership and legal form	Overview of the Company	7,9
GRI 102-6	Markets served	Overview of the Company	7
GRI 102-7	Scale of the organization	Overview of the Company	7,9
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