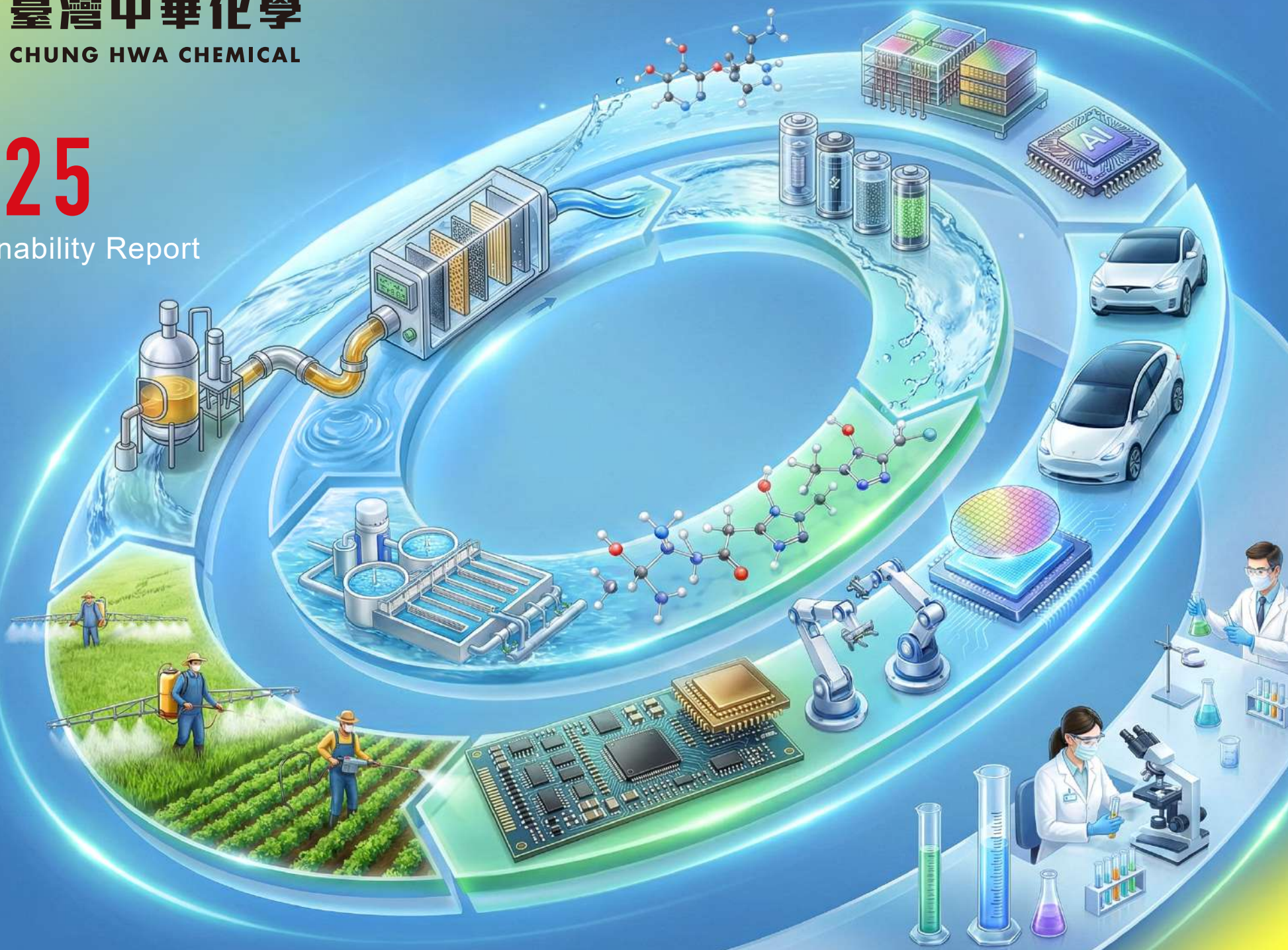




臺灣中華化學
CHUNG HWA CHEMICAL

2025

Sustainability Report





臺灣中華化學

CHUNG HWA CHEMICAL

Table of Contents

1 Basic Information

1.1 About the Report	5
1.2 Sustainability Strategy and Performance	7
1.3 Stakeholder Engagement	9
1.4 Management of Material Issues	11

2 Corporate Governance

2.1 Company Profile	17
2.2 Governance Structure	18
2.3 Economic Performance	26
2.4 Responsible Business Conduct	28
2.5 Risk Management	31
2.6 Climate Change Risks and Opportunities	33
2.7 Information Security	40

3 Products and Services

3.1 Products and Services	44
3.2 Product Health and Safety	46

4 Sustainable Supply

4.1 Industry Supply Chain	50
4.2 Supply Chain Management	53

5 Environmentally Friendly

5.1 Materials Management	56
5.2 Energy Governance	58
5.3 Emission Monitoring	61
5.4 Water Source Control	64
5.5 Waste Management	69

6 Employee Care

6.1 Human Capital	72
6.2 Remuneration and Benefits	76
6.3 Diversified Development	79
6.4 Workplace Safety	80

7 Social Prosperity

7.1 Social Investment	85
7.2 Indirect Impacts	88

Appendix

GRI Standards Index	93
SASB Standards Index	102
Enhanced Disclosure of Sustainability indicators	106
Climate-related Information	107
Third-Party Assurance Report	109
Greenhouse Gas Verification Statement	113
Various ISO Certificates	114

1

Basic Information

1.1 About the Report

1.2 Sustainability Strategy and Performance

1.3 Stakeholder Engagement

1.4 Management of Material Issues



1.1 About the Report

1.1.1 Reporting Period

This report is the sustainability report issued by Chung Hwa Chemical Industrial Works, Ltd. (hereinafter referred to as the “Group”, “Chung Hwa Chemical”, the “Company”, or “we”) disclosing its performance, management policies, and goals in the five major aspects of governance, products, supply chain, environment, and society for 2025 (from January 1, 2025 to December 31, 2025). The Company publishes its sustainability report annually and makes it available on its website.

Previous report publication date: August 2025.

Current report publication date: June 2026.

Estimated date of publication for the next report: May 2027.

The reporting period of this report is consistent with the individual financial statements. To ensure the report’s completeness and comparability, some chapters include information before January 1, 2025, and after December 31, 2025, with explanations provided in the notes to that chapter.

1.1.2 Guidelines to be Followed

This report has been prepared in accordance with the GRI Standards 2021 issued by the Global Sustainability Standards Board (GSSB) as the main basis for the Company to disclose sustainability management guidelines, material topics, and performance achievements.

In addition to following the GRI Standards 2021, this report references the Chemical Industry Standard issued by the Sustainability Accounting Standards Board (SASB) to disclose sustainability information related to the Company’s industry characteristics and operational activities, thereby strengthening the connection between sustainability issues and operational performance as well as risk management.

Regarding climate-related information disclosure, this report references the Task Force on Climate-related Financial Disclosures (TCFD) framework published by the Financial Stability Board (FSB) and details the Company’s management mechanisms and response actions to climate change issues from four core dimensions: governance, strategy, risk management, and metrics and targets.

Furthermore, information regarding the Company’s greenhouse gas emissions has been inventoried, quantified, and disclosed in accordance with the ISO 14064-1:2018 standard to enhance the consistency and comparability of relevant environmental information.

1.1.3 Scope of the Boundary

The scope of information disclosure in this report is consistent with the Company’s individual financial statements, covering Taoyuan Plant No. 1, Taoyuan Plant No. 2, and the Changhua Plant. For the complete list of entities, please refer to the Company’s individual financial statements.

If the scope of disclosure in any chapter of this report differs from what is stated above, further explanation will be provided in that specific chapter. The basis for calculating various statistical data is as follows:

Financial data	Information related to economic performance and value distribution is primarily based on data from the Company’s individual financial statements audited and certified by the CPAs. Unless otherwise noted, all financial figures are stated in New Taiwan Dollars (NT\$).
Environmental data	The greenhouse gas emissions are based on inventory data from ISO 14064-1:2018. Water resource and waste statistics are reported to local authorities by each operating site in accordance with the law.
Other data	The remainder of the disclosed information is compiled and provided by each responsible department based on internal management and statistical records.

1.1.4 Restatement of Information

There are no restatements of prior-period information in this report.

1.1.5 Internal Control

The Company has established management regulations related to sustainable development, and the Sustainability Office coordinates the preparation of the sustainability report and invites heads of relevant responsible departments to participate jointly. They are responsible for identifying material sustainability topics, compiling disclosure information, managing performance indicators, and reviewing content to ensure the completeness, accuracy, and consistency of the information disclosed in this report.

Each responsible unit provides sustainability-related information and performance data according to its duties, which are compiled by the Sustainability Office to draft the content of the report. After the initial draft is completed, it is first reviewed by the Sustainability Office, and then the Internal Audit Office carries out internal audit procedures to check the reasonableness and accuracy of the disclosed contents and data.

Once confirmed by internal check procedures, the report is submitted to the General Manager and the Sustainable Development Committee for deliberation as the basis for finalizing the report; the overall sustainable development strategies, policy directions, and promotion mechanisms are supervised by the Sustainable Development Committee and the Board of Directors. Upon completion, the completed sustainability report will be independently verified by a third-party external verification agency and then publicly disclosed after confirmation by the Board of Directors.

1.1.6 External Guarantee/Assurance

To enhance the transparency and credibility of the disclosed information in this report, the Company engages an independent external third-party assurance/verification institution to perform assurance procedures after the report is finalized and approved.

For the current year, the Company engaged PKF Taiwan to perform limited assurance in accordance with Taiwan Standard on Assurance Engagements 3000 (TWSAE 3000) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," which was formulated with reference to the International Standard on Assurance Engagements (ISAE) 3000. This assurance engagement covers 7 enhanced disclosure metrics; for relevant assurance methodologies, assurance scope, and results, please refer to the Appendix of this report.

1.1.7 Contact Information

Acting Spokesperson of the Company

Contact Person: Ching-An Cheng

Telephone: (03) 476-1266 Ext. 12610

Email: acc01@chciw.com.tw

Sustainability-related matters

Contact Person: Chia-Hung Wu

Telephone: (03) 476-1266 Ext. 12510

Email: darren@chciw.com.tw

Corporate social responsibility, community and neighborhood, and charity matters

Contact Person: Kuan-Hua Li

Telephone: (03) 483-0504 Ext. 11360

Email: log01@chciw.com.tw

Company Website: www.chciworld.com.tw

Address: No. 15, Gongye 5th Road, Shulin Village, Guanyin District, Taoyuan City

1.2 Sustainability Strategy and Performance

1.2.1 Message From the Management

Dear colleagues, partners, and all stakeholders who care about Chung Hwa Chemical,

Over the past year, the global operating environment remained full of variables. Elevated geopolitical risks, ongoing supply chain restructuring, energy price fluctuations, intensifying extreme weather, and rising demands from various countries regarding carbon reduction, sustainability disclosure, and corporate governance mean that what enterprises face is no longer merely market competition, but a comprehensive test of operational resilience and adaptability. On the other hand, the rapid development of artificial intelligence (AI), digital technology, and advanced manufacturing continues to transform industrial structures and market demands, bringing new challenges and new opportunities to enterprises.

Under such an environment, sustainable management is no longer just an optional add-on, but a fundamental condition for the steady development of an enterprise. For Chung Hwa Chemical, sustainability is not just a promise in a report but actions implemented in daily operations, management decisions, and organizational culture. Facing changes, only by striking a balance among growth, efficiency, risk, and responsibility can an enterprise move forward more steadily and go further.

Since its inception, Chung Hwa Chemical has always faced external challenges with a steady and pragmatic attitude and has continuously integrated the ESG spirit into various aspects of operational management. From corporate governance, environmental management, product quality, and supply chain cooperation to talent cultivation, the implementation of various tasks aims to continuously strengthen the corporate foundation and elevate overall resilience. Facing an uncertain market environment, the more robust the governance, the more refined the manufacturing processes, and the more efficient the resource utilization, the better equipped an enterprise is to stand firm in competition and create long-term value for stakeholders.

In corporate governance, Chung Hwa Chemical continuously strengthens the Board's oversight functions, risk management mechanisms, and regulatory compliance, attaches importance to information transparency and ethical management, and incorporates material sustainability topics into operational decision-making through institutionalized management. In environmental aspects, the Company continuously promotes greenhouse gas inventorying, energy and resource efficiency enhancement, pollution prevention, and waste reduction and reuse, while lowering operational environmental impacts through process improvements and equipment optimization. Facing global net-zero transition and carbon management trends, Chung Hwa Chemical will steadily implement various transition tasks with a more prudent and proactive attitude. In social aspects, the Company continues to place emphasis on occupational safety and health, talent cultivation, and employee care, and strives to create a safe, healthy, respectful, and growth-oriented work environment, while actively focusing on local connections and social participation to continuously expand the enterprise's positive influence.

Chung Hwa Chemical Industrial Works, Ltd.
Chairman



On the product and operational front, the Company continuously refines process technologies, improves quality stability and supply capability, and elevates overall operational efficiency through digital tools, automation applications, and management optimization. In future market competition, what is compared is not just capacity and price, but the comprehensive capability of quality, efficiency, stable supply, and sustainability management. Only by continuously accumulating core strength can we maintain competitive advantages and seize new development opportunities in a rapidly changing industry environment.

The foundation of corporate development ultimately stems from the dedication and hard work of every employee. Chung Hwa Chemical's ability to walk steadily to this day relies on colleagues' professionalism, responsibility, and perseverance in their respective positions. Therefore, the Company continuously values occupational safety, talent cultivation, and employee care, and strives to build a safe, healthy, respectful, and growth-oriented work environment, thus enabling every partner to work with peace of mind, learn continuously, and grow together with the enterprise.

Sustainability is not a short-term plan, but a journey that requires long-term investment and continuous refinement. Looking ahead, Chung Hwa Chemical will continue to deepen sustainable governance, strengthen environmental management, refine core technologies, and cultivate human capital with a steady, pragmatic, and responsible attitude to move forward hand in hand with employees, partners, and stakeholders across various sectors to jointly create longer-term value for the enterprise, industry, and society.

Finally, I would like to thank all colleagues, partners, and stakeholders for your support and companionship along the way. Facing the future, Chung Hwa Chemical will continue to uphold the spirit of integrity, responsibility, and pragmatism to steadily push forward various refinement and transformation efforts, continuously enhance corporate resilience, and create longer-term sustainable value for the industry, society, and the next generation.

1.2.2 Sustainability Performance

Sustainability Performance in 2025

Environment

Annual energy consumption

84,676 GJ

Electricity consumption per unit of product

0.5803 GJ/metric ton

Annual total water withdrawal

378.181 million liters

Water consumption per unit of product

0.00154 million liters/metric tons

Total GHG emissions

27,181.969
metric tons of carbon dioxide equivalent

Society

Total annual welfare expenditure

NT\$ **7,602,868**

As a percentage of operating revenue

0.39%

Percentage of
male employees

76%

Percentage of
female employees

24%

Number of
male employees

208 people

Number of
female employees

64 people

Number of employees receiving annual
health checkups in 2025

264

Number of people undergoing special
health examination

59

Major occupational injuries or diseases in 2025

0

Total social welfare expenditure

NT\$ **182,250**

Governance

Revenue

NT\$ **1.96928** billion

Net profit (after tax)

5.11 million

Earnings per share

NT\$ **0.04**

Total annual product output

145,926 metric tons

Basic Chemicals

97,928 metric tons

Specialty Chemicals

6,418 metric tons

Electronic Chemicals

41,580 metric tons

Privacy rights and complaints

0 case

1.3 Stakeholder Engagement

1.3.1 Identification of Stakeholders

Chung Hwa Chemical systematically identifies stakeholders who have mutual impacts with the Company based on operational activity characteristics, value chain relevance, and degrees of impact on the economy, environment, and society. The identification process references the Company's Sustainable Development Best Practice Principles and is incorporated into operational decision-making, risk assessment, and information disclosure mechanisms to ensure that stakeholders' rights and interests receive appropriate attention and response.

Through review and analysis, Chung Hwa Chemical categorizes stakeholders directly or indirectly connected to the Company's operations into seven major types, namely:

Employees, customers, shareholders (investment institutions), partners (suppliers, contractors, peers), government agencies/industry associations, communities/neighborhoods, and financial institutions.

Each type of stakeholder plays a different role in the Company's operations and exerts critical influence on the enterprise's strategic planning, operational performance, and sustainable development. Chung Hwa Chemical regularly reviews stakeholders' topics of concern and their importance through institutionalized management mechanisms and uses them to adjust operational strategies and communication methods to elevate decision-making quality and corporate resilience.

Furthermore, the Company continuously gathers stakeholders' needs and expectations through diverse communication channels, and responds to their material issues of concern to strengthen mutual trust foundations and long-term partnerships, thus further fulfilling sustainable management goals.

1.3.2 Stakeholder Communication

In accordance with its Sustainable Development Best Practice Principles, Chung Hwa Chemical respects and values the rights and interests of all stakeholders, continuously seeks to understand their reasonable expectations and concerns through appropriate communication methods, and uses the results gathered as an important reference for sustainability topic management, risk assessment, and operational decision-making. The Company also strengthens interaction with various stakeholders through diverse normalized communication mechanisms and has established a transparent, effective, and responsive communication platform to enhance stakeholders' understanding and trust in the Company's operations, governance, and sustainability actions.

To implement stakeholder communication management, Chung Hwa Chemical assigns relevant responsible departments to plan corresponding communication channels, communication frequencies, and response mechanisms based on stakeholder categories, topic attributes, and interaction needs, while periodically reviewing communication effectiveness and changes in topics of concern. Through systematic communication and feedback integration, the Company is able to stay informed of external environmental changes and internal management priorities as a foundation for refining sustainability strategies and information disclosures. Additionally, the Company has established a corporate sustainability governance framework. The Sustainable Development Committee oversees relevant policies, systems, and implementation progress, and reports regularly to the Board of Directors to ensure that material issues of concern to stakeholders are systematically integrated into management processes and governance mechanisms.

Stakeholder Communication Status

Stakeholder category	Main issues of concern	Communication channel	Communication frequency
Employees	Remuneration & benefits, occupational safety & health, educational training, labor-management communication, career development	Labor-management meetings, departmental meetings, education and training, employee feedback channels, announcements & internal message communications	Regularly/ Irregularly
Customers	Product quality, supply stability, customer service, product safety, customer privacy	Business visits, telephone & email contacts, customer complaint handling mechanisms, satisfaction surveys	Regularly / On demand
Shareholders (Investment institutions)	Operational performance, corporate governance, sustainability strategy, risk management, information transparency	Shareholders' meetings, investor conferences, Market Observation Post System (MOPS), annual reports / sustainability reports, company website	Regularly / Annually
Partners (Supplier, contractor, peers)	Procurement cooperation, supply stability, quality management, occupational safety & health, regulatory compliance	Supplier evaluations, procurement communication meetings, written notices, audits / site visits, project collaborations	Regularly / On demand
Government agencies/ industry associations	Regulatory compliance, environmental safety, policy alignment, industrial development, information reporting	Official document correspondence, advocacy meetings, competent authority audits, industry association exchange activities	As required by competent authorities Regularly
Community/neighborhood	Environmental impact, pollution prevention, neighborhood relations, local participation, social contribution	Community visits, neighborhood relation activities, charitable participation, feedback channels	Regularly/ Irregularly
Financial institutions	Financial soundness, credit risk, sustainability management, major investment & operational planning	Credit transaction meetings, financial data provision, telephone & email contacts	Regularly / On demand

This table provides a summary of issues of concern to stakeholders; please refer to the relevant chapters of this report for detailed response measures

Through the aforementioned diverse communication mechanisms, Chung Hwa Chemical continuously collects concerns from various stakeholders, which are then compiled and analyzed by relevant departments to serve as an important basis for material topic evaluations, risk management, and sustainability strategy adjustments. In the future, we will also continue to refine communication quality and information disclosure transparency, strengthen positive interactions with stakeholders, and elevate the Company's sustainable governance effectiveness and overall operational resilience.

1.4 Management of Material Issues

Chung Hwa Chemical handles sustainability information management in accordance with the principle of materiality, using impact as the core foundation for determining material topics. The Company comprehensively considers its own operational activities, products and services, business relationships, and related value chain interactions to identify actual and potential, positive and negative impacts on the economy, environment, and people (including their human rights). Based on this, material topics of significance to the Company's operations, investor decision-making, and stakeholder concerns are identified to serve as the basis for sustainability management, risk control, and information disclosure. The Company's "Sustainability Information Management Regulations" explicitly define issues of materiality and stakeholder engagement, and we incorporate the collection, analysis, disclosure, and management of sustainability information into institutionalized processes.

In 2025, we collected a total of 37 valid questionnaires, with no invalid responses, through the material topic identification process; the survey respondents covered 8 stakeholder groups, including internal senior management, employees, customers/consumers, shareholders/investors, partners (suppliers, contractors, peers), government agencies/industry associations, communities/neighborhoods, and financial institutions. According to the Company's disclosure framework, these respondents can be categorized into internal and external key stakeholder groups to serve as a reference for material topic evaluation.

In terms of governance structure, the Sustainable Development Committee is established under the Board of Directors as the highest decision-making and supervisory body for sustainability, and is responsible for deliberating sustainability strategies and policies, reviewing material issues and sustainability reports, and supervising risk management, regulatory compliance, and disclosure accuracy. The Sustainability Office serves as the cross-departmental integration hub, responsible for collecting and analyzing ESG data, integrating functional group outcomes, coordinating the preparation, assurance, and disclosure of sustainability reports, and regularly reporting execution results to the committee.

1.4.1 Process for Evaluating Material Issues

Chung Hwa Chemical conducts material topic identification with reference to GRI Standards and other international sustainability disclosure standards, incorporating the Company's sustainability information management mechanism to advance related tasks. During the material topic evaluation process, the Company comprehensively considers operational activities, products and services, business relationships, and stakeholder concerns to identify actual and potential, positive and negative impacts generated or potentially generated on the economy, environment, and people (including their human rights), as the foundation for material topic identification. The formulation of the Company's "Sustainability Information Management Regulations" is also to ensure the

accuracy, completeness, and reliability of sustainability information, as well as to enhance transparency, compliance, and decision-making connectivity of sustainable development; its basis explicitly references international and domestic standards such as GRI, SASB, TCFD, and IFRS S1/S2.

Regarding material topic determination procedures, Chung Hwa Chemical first identifies the stakeholder groups to engage with, then broadly gathers their issues of concern and feedback through questionnaires, meetings, interviews, and other diverse channels. Concurrently, ESG-related indicators are incorporated into risk and opportunity assessments to identify topics of significance to the Company's operations, investor decisions, and stakeholder concerns, serving as the basis for subsequent risk management and operational direction planning.

In 2025, Chung Hwa Chemical reviewed 28 sustainability topics and conducted a comprehensive assessment of internal and external impacts for each topic, covering both positive and negative impact dimensions. Based on feedback from the ESG Working Group, stakeholders, and internal and external experts, the Company ranked them by impact significance and set a total score of 13.5 points or higher for internal and external impacts as the significance threshold. Ultimately, 15 material topics were selected as priority focus areas for disclosure in this report and the Company's sustainability management.

Furthermore, Chung Hwa Chemical has incorporated material topic management into the formal governance structure. The Sustainable Development Committee under the Board of Directors acts as the highest decision-making and supervisory body for sustainability, responsible for deliberating sustainability strategies and policies, reviewing material issues and sustainability reports, and supervising risk management, regulatory compliance, and disclosure accuracy. The Sustainability Office is responsible for collecting and analyzing ESG-related data, integrating functional group plans and execution outcomes, and coordinating the preparation, assurance, and disclosure of sustainability reports to ensure consistency, traceability, and management feasibility of material topic evaluation results.

According to the 2025 material topic identification results, Chung Hwa Chemical reviewed 28 sustainability topics and, based on the impact significance ranking results, selected the top 15 items as material topics for disclosure in this report. These material topics were confirmed after the Company comprehensively considered operational activities, stakeholder concerns, internal and external impact assessment results, and management importance, and they served as the primary basis for annual sustainability promotion plans, risk management, resource allocation, and information disclosure. The Company coordinates data integration and report compilation through the Sustainability Office, and submits them to the Sustainable Development Committee for review to ensure that material topic management is effectively connected with the corporate governance structure.

2025 Material Topics List

Ranking	Material topic	Aspect	Total score of internal & external impacts
1	Ethical corporate management	Governance	16.22
2	Energy	Environment	15.82
3	Economic performance	Economy / Governance	15.80
4	Information security	Governance	15.77
5	Occupational safety and health	Society	15.51
6	Employee benefits and compensation	Society	15.15
7	Product quality & safety	Society	15.11
8	Climate change	Environment	14.63
9	Indirect economic impacts	Economy / Society	14.51
10	Air quality	Environment	14.48
11	Greenhouse gas emissions	Environment	14.42
12	Employee hiring and retention	Society	14.32
13	Innovation & R&D	Economy / Governance	13.91
14	Labor-management communication	Society	13.76
15	Supply chain management	Governance / Society	13.75

Note: In the 2025 material topic identification process, a total of 28 topics were reviewed. Significance thresholds were established based on input from the ESG Working Group, stakeholders, and internal and external experts. Topics with a combined internal and external impact score of 13.5 points or higher were selected as material topics for this report.

Chung Hwa Chemical's 2025 material topics are mainly concentrated across three major dimensions: corporate governance and operational resilience, environmental and climate management, and employee and product responsibility. This indicates that in the process of promoting sustainable development, in addition to attaching importance to governance issues such as ethical management, information security, and economic performance, the Company also prioritizes energy management, climate change, greenhouse gas emissions, occupational safety and health, employee care, and product quality and safety to respond to stakeholders' expectations and strengthen corporate sustainable competitiveness.

1.4.2 Impact Management of Material Issues

Management strategy for material issues

Chung Hwa Chemical manages material topics through four dimensions: "impact identification, allocation of responsibilities, information control, and governance oversight". The Company incorporates positive and negative impacts involved in material topics into governance, environmental, social, and employee dimensions according to their nature. The Sustainability Office coordinates integration, while the Corporate Governance Group, Environmental Sustainability Group, Social Participation Group, Employee Care Group, and various business departments promote management measures according to their functions. Each functional group, besides being responsible for data collection, project execution, progress tracking, and outcome reporting, must propose management goals and improvement plans for annual key topics to respond to the substantive impacts of material topics on the Company's operations and stakeholders.

Regarding information management and internal control, Chung Hwa Chemical requires each department to process sustainability information in accordance with applicable laws, regulations, standards, frameworks, and operational procedures, and uses standardized data collection tools and methods to periodically collect, record, and analyze relevant data; if abnormal situations are discovered, immediate feedback must be provided and necessary actions must be taken. Records, analyzed data, source documents, reports, working papers, and forms for all sustainability information must be reviewed and approved by the head of the responsible unit and properly stored and archived by dedicated personnel, retained for at least five years, in principle, to ensure that material topic management demonstrates verifiability, traceability, and disclosure reliability.

Regarding supervision by the highest governance body, the Sustainable Development Committee under the Board of Directors is responsible for deliberating sustainability strategies and policies, reviewing material issues and sustainability reports, and supervising risk management, regulatory compliance, and disclosure accuracy. Furthermore, according to the organizational charter, the committee shall convene at least twice a year, periodically evaluate the execution effectiveness of the Company's sustainability development plans, and report execution outcomes to the Board of Directors at least once a year. This governance mechanism reflects GRI requirements for the highest governance body's responsibility in supervising impact management procedures and reviewing reported information.

In terms of disclosure, verification, and continuous improvement, sustainability-related information disclosed on Chung Hwa Chemical's official website must be reviewed by the Sustainability Office; the sustainability report must be approved by the Sustainable Development Committee before responsible units handle its public announcement and reporting operations. If sustainability information or reports require third-party independent assurance or verification, it shall be executed by a qualified third-party institution and processed upon approval by responsible management personnel; the Internal Audit Office also audits sustainability information management-related operations according to the audit plan. Any identified deficiencies shall be promptly communicated to the appropriate management levels and reported to the Board of Directors and the Audit Committee to form a closed loop of continuous improvement.

List of material issues

2025 Material Topics Impact Boundaries and Management Approach

Material topic	Positive impact	Negative impact	Management approach and commitments	Management actions (prevention / mitigation / elevation)	Communication, grievance, and remediation mechanisms	Tracking and evaluation methods	Primary responsible units
Ethical corporate management	Enhance corporate governance quality, elevate investor and stakeholder trust, and maintain corporate reputation.	If mismanaged, it may lead to illegalities, fraud, reputational damage, and a decline in stakeholder trust.	Continuously refine corporate governance, ethical management, and risk management systems to lower non-compliance and ethical risks.	Revise governance systems, strengthen the Board's oversight functions, promote information transparency, and implement internal audit, internal control, and compliance management.	Handled through stakeholder communication, internal audits, compliance checks, and anomaly reporting mechanisms.	Periodically review governance performance indicators, system execution status, and deficiency improvement results.	Corporate Governance Team
Energy	Elevate energy use efficiency, lower costs, reduce environmental loads, and enhance operational resilience.	If energy management is insufficient, it may cause elevated energy consumption, increased costs, and expanded environmental impacts.	Elevate energy use efficiency and lower energy consumption and environmental loads.	Set energy management targets, promote energy-saving improvements, optimize equipment, and evaluate renewable energy adoption.	Collected and improved by relevant departments through internal management meetings, anomaly reporting, and stakeholder communication.	Regularly compile energy consumption data, review target achievement status, and evaluate improvement effectiveness.	Environmental Sustainability Group
Economic performance	Support steady corporate operations, create shareholder value, and enhance the long-term stability of employees and the supply chain.	If operational performance fluctuates, it may affect investors' confidence, resource commitment capacity, and long-term development.	Balance growth, risk control, and long-term value creation to maintain financial soundness and operational resilience.	Track revenue, profitability, and investment benefits in accordance with operational strategies and financial management mechanisms.	Respond to external concerns through shareholders' meetings, investor conferences, investor relations, and information disclosure mechanisms.	Regularly review financial and operational results; incorporate them into management reviews.	Corporate Governance Group / Finance & Accounting Department / Relevant Operational Units
Information security	Enhance data protection capabilities, maintain operational stability, and boost customer and investor trust.	If information security fails, it may cause data leaks, operational disruptions, compliance risks, and reputational damage.	Strengthen information security and data protection; maintain the accuracy and reliability of information disclosures.	Implement control over data collection, review, storage, and disclosure; strengthen information management processes and authorization reviews.	Handled in accordance with the Company's information management, anomaly reporting, and internal audit mechanisms.	Regularly review information management processes, anomaly cases, improvement results, and disclosure accuracy.	Corporate Governance Group / IT-related Responsible Units
Occupational safety and health	Lower occupational disaster risks, safeguard employee health, and elevate production stability and organizational trust.	If management is inadequate, it may cause industrial safety accidents, employee injuries, work stoppage losses, and regulatory risks.	Provide a safe and healthy work environment; continuously lower hazard factors and prevent occupational disasters.	Implement workplace health promotion initiatives, occupational disaster protection management, safety education and training, and improvement measures.	Promptly handled through employee grievances, labor-management communication, occupational safety feedback, and incident reporting mechanisms.	Regularly track occupational health and safety performance, education and training, accidents/incidents, and the execution status of improvement measures.	Employee Care / Occupational Safety-Related Units

Material topic	Positive impact	Negative impact	Management approach and commitments	Management actions (prevention / mitigation / elevation)	Communication, grievance, and remediation mechanisms	Tracking and evaluation methods	Primary responsible units
Employee benefits and compensation	Elevate employee satisfaction, retention rates, and organizational cohesion to strengthen talent competitiveness.	If systems are inadequate, it may lead to increased turnover rates, labor disputes, and reduced talent attraction.	Establish reasonable compensation and benefit systems that balance employee care with organizational competitiveness.	Plan compensation, benefits, leave, and care measures, while appropriately reflecting business performance in employee compensation.	Gather feedback through employee feedback, labor-management meetings, grievance mechanisms, and internal communication channels.	Regularly review benefit systems, compensation policies, retention status, and employee feedback results.	Employee Care Group / Human Resources Department
Product quality & safety	Elevate customer trust, safeguard usage safety, and strengthen brand and market competitiveness.	If quality or safety management is improper, it may cause customer complaints, product returns, regulatory risks, and brand damage.	Ensure that products and services comply with quality and safety requirements; avoid damage to customer rights and interests.	Implement quality management, regulatory compliance, process control, and anomaly improvements.	Handled through customer communication, customer complaint handling, quality anomaly feedback, and improvement procedures.	Regularly track quality performance, customer complaint cases, improvement measures, and customer feedback.	Quality Assurance Department / Relevant Operational Units
Climate change	Identify transition and physical risks in advance, promote low-carbon transition, and elevate corporate climate resilience.	Insufficient response may lead to regulatory pressures, increased costs, supply chain risks, and operational impacts.	Evaluate climate risks and opportunities, implement mitigation and adaptation measures, and elevate climate resilience.	Research the impacts of climate change, propose adaptation measures, and integrate energy-saving, carbon-reduction, and environmental management plans.	Adjust measures through stakeholder engagement, external standard tracking, and internal project reviews.	Regularly review climate-related risks, opportunities, project progress, and management effectiveness.	Environmental Sustainability Group
Indirect economic impacts	Drive local employment, supply chain development, and community co-prosperity to elevate the enterprise's external value.	If external impact management is insufficient, it may cause local relationship tensions, supply chain pressure, or poor social perception.	Evaluate the impacts of corporate operations on the external economy and society; promote positive interaction with the external environment.	Combine operational, social participation, and stakeholder communication mechanisms to review impacts on local areas and partners.	Respond and improve through community communication, stakeholder engagement, and external opinion collection.	Regularly review external topics of concern, cooperation results, and social impact assessment results.	Corporate Governance Group / Social Participation Group / Relevant Operational Units
Air quality	Lower impacts on the surrounding environment and community to elevate regulatory compliance and corporate image.	If air pollution management is improper, it may cause environmental pollution, resident concerns, penalty risks, and reputational damage.	Continuously promote air pollution prevention and emissions management to lower operational impacts on the environment.	Execute emissions management, environmental monitoring, anomaly improvements, and pollution prevention measures.	Handled through community communication, environmental monitoring anomaly reporting, and competent authorities' compliance mechanisms.	Regularly monitor air quality-related data; review improvement status and regulatory compliance.	Environmental Sustainability Group
Greenhouse gas emissions	Help build a foundation in carbon management, reduce decarbonization costs, and enhance external disclosure and market adaptability.	If emissions control is insufficient, it may increase carbon costs, regulatory pressure, and climate transition risks.	Execute greenhouse gas inventory, disclosure, and reduction management according to standards to gradually promote carbon reduction.	Execute inventory, reduction plans, data statistics, and emissions improvement measures; connect them with energy management.	Continuously refine practices through internal audits, external verifications, and stakeholder communication mechanisms.	Regularly conduct inventories; track reduction progress, audit results, and data accuracy.	Environmental Sustainability Group

Material topic	Positive impact	Negative impact	Management approach and commitments	Management actions (prevention / mitigation / elevation)	Communication, grievance, and remediation mechanisms	Tracking and evaluation methods	Primary responsible units
Employee hiring and retention	Establish a stable talent structure; elevate organizational capability continuity and key talent competitiveness.	If recruitment and retention are insufficient, it may cause manpower shortages, technological gaps, and increased management costs.	Establish talent recruitment, cultivation, and retention systems that elevate organizational stability and talent competitiveness.	Promote talent development systems, career training, employee care, and talent retention measures.	Gather needs and adjust policies through employee communication, grievance, and feedback channels.	Regularly review manpower structure, retention status, training outcomes, and employee opinions.	Employee Care Group / Human Resources Department
Innovation & R&D	Enhance product added value, expand green innovation opportunities, and support sustainable transition and market competitiveness.	If R&D investment is insufficient, it may weaken technological leadership, product differentiation, and future growth momentum.	Combine technological R&D, green innovation, and product optimization to elevate added value and sustainable competitiveness.	Implement green innovation projects, product optimization, and technological improvements; bridge environmental goals with market demands.	Make adjustments through cross-departmental project reviews, customer demand or feedback, and collaboration with operational units.	Regularly track R&D project progress, technology commercialization, and operational benefits.	R&D Department / Environmental Sustainability Group / Relevant Operational Units
Labor-management communication	Strengthen employee participation, elevate organizational trust and management effectiveness, and lower labor-management friction.	If communication is poor, it may trigger misunderstandings, disputes, increased grievances, and declining organizational morale.	Establish two-way communication and employee participation mechanisms to safeguard employees' rights to express opinions.	Implement labor-management communication, employee feedback, and negotiation/ collaboration mechanisms to build a happy workplace.	Handled and addressed through labor-management meetings, grievance channels, opinion submissions, and internal communication platforms.	Regularly review communication topics, response status, improvement measures, and employee satisfaction.	Employee Care Team
Supply chain Management	Elevate supply stability, strengthen supplier ESG management capabilities, and lower disruption risks.	If supply chain management is inadequate, it may trigger spillover risks in delivery time, quality, occupational safety, or human rights.	Establish a sustainable supply chain management policy to strengthen supplier risk identification and collaborative management.	Promote supplier ESG audits and education; incorporate management of environmental, occupational safety and health, and labor human rights topics.	Conduct management through supplier communication, audit feedback, improvement requirements, and collaboration mechanisms.	Regularly track supplier management results, improvement progress, and supply chain risk changes.	Environmental Sustainability Group / Procurement Department / Supply Chain Management Department

Note: This management policy list only states key policies or strategies and management objectives. Please refer to each chapter for detailed management policies.

2

Corporate Governance

2.1 Company Profile

2.2 Governance Structure

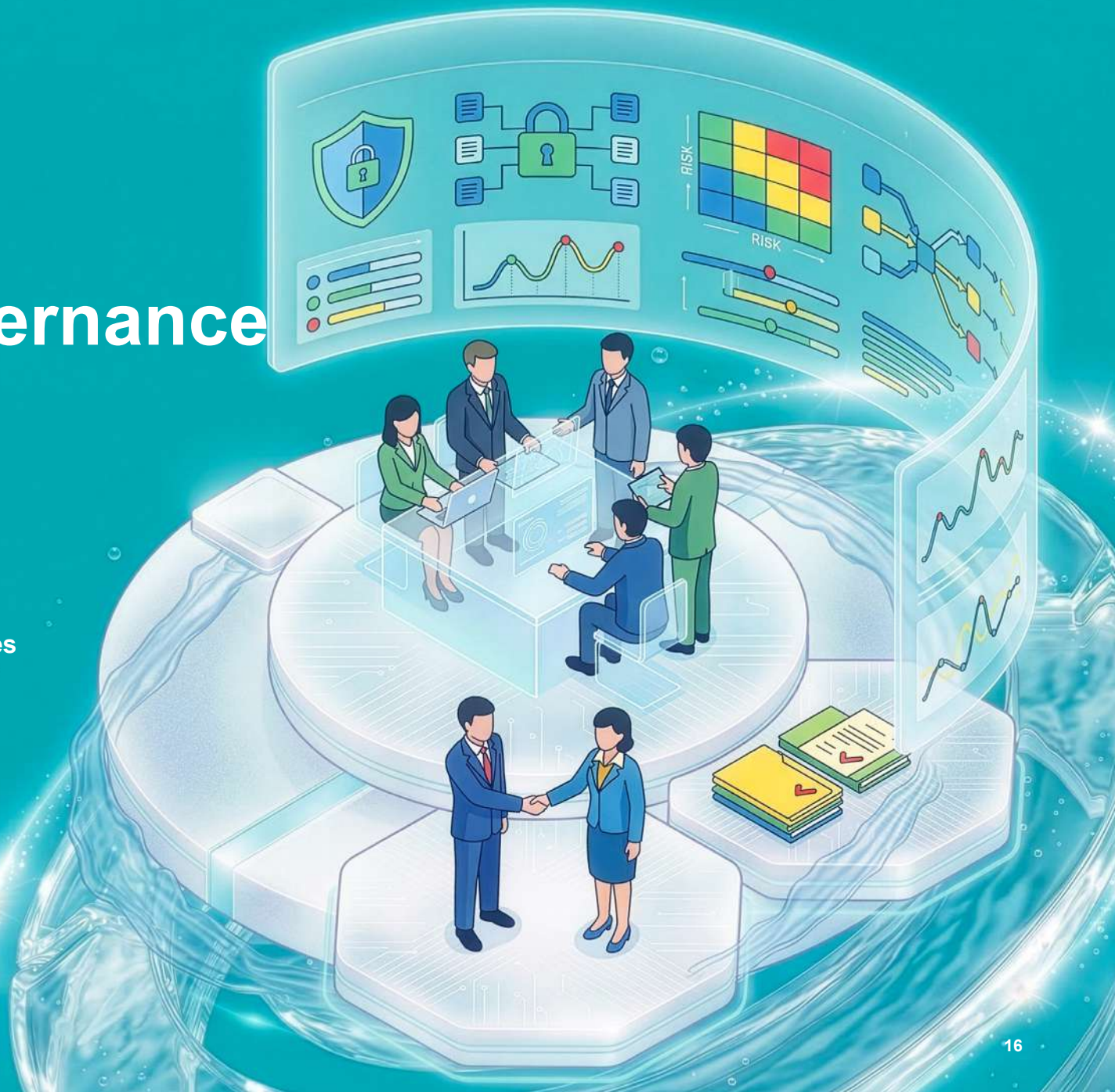
2.3 Economic Performance

2.4 Responsible Business Conduct

2.5 Risk Management

2.6 Climate Change Risks and Opportunities

2.7 Information Security



2.1 Company Profile

2.1.1 Basic Information

Founded in 1956, Chung Hwa Chemical has grown over the past 60 years, expanding from basic chemicals to specialty chemicals and electronic chemicals. Headquartered in Taoyuan City, Taiwan, the Company has manufacturing plants, warehouses, sales offices, and offices in Guanyin District, Taoyuan City, and Changhua City.

Chung Hwa Chemical

Name of the Company	Chung Hwa Chemical Industrial Works, Ltd.
Company type	Publicly listed company and limited liability company
Date of establishment	October 30, 1956
Location of head office	No. 15, Gongye 5th Road, Shulin Village, Guanyin District, Taoyuan City
Industry category	Chemical manufacturing industry
Main products or services	We provide a variety of chemical products covering basic chemistry, specialty chemistry, and electronic chemistry
Paid-in capital	NT\$1,280,195,590
Net sales	NT\$1,969,278,055
Number of employees	272 people

• The Company's spirit and vision

Chung Hwa Chemical's mission is to create value for customers and create useful chemicals to improve the world. With three primary product lines of basic chemicals, specialty chemicals, and electronic chemicals, we are expanding our reach to Taiwan, the Asia-Pacific region, Europe, and the United States, bringing positive change and value to Taiwan's economic, social, and environmental development.

• Members of public associations

Chung Hwa Chemical continues to participate in business-related associations and organizations, exchanging industry knowledge, information, and practical experience with peers and professionals, hoping to jointly respond to changes in the international situation and improve industry standards. In 2025, the Company joined 11 public associations and organizations, which are listed as follows:

Public associations	Membership status
Taiwan Responsible Care Association (TRCA)	General member
Guanyin Industrial Association	General member
Taiwan Acid and Alkali Industry Association	General member
Taiwan Surface Finishing Association	General member
Taiwan Carbon Capture Storage and Utilization Association	General member
Taiwan Dyestuffs and Pigments Industrial Association	General member
Importers and Exporters Association of Taipei, IEAT	General member
Taiwan Synthetic Resins & Adhesives Industrial Association, TSRAIA	Director
Taipei Chemical Suppliers' Association	General member
Taiwan Corporate Governance Association, TCGA	General member
Taiwan Chemical Technology Industry Association (TCIA)	Director

2.1.2 Operating Locations

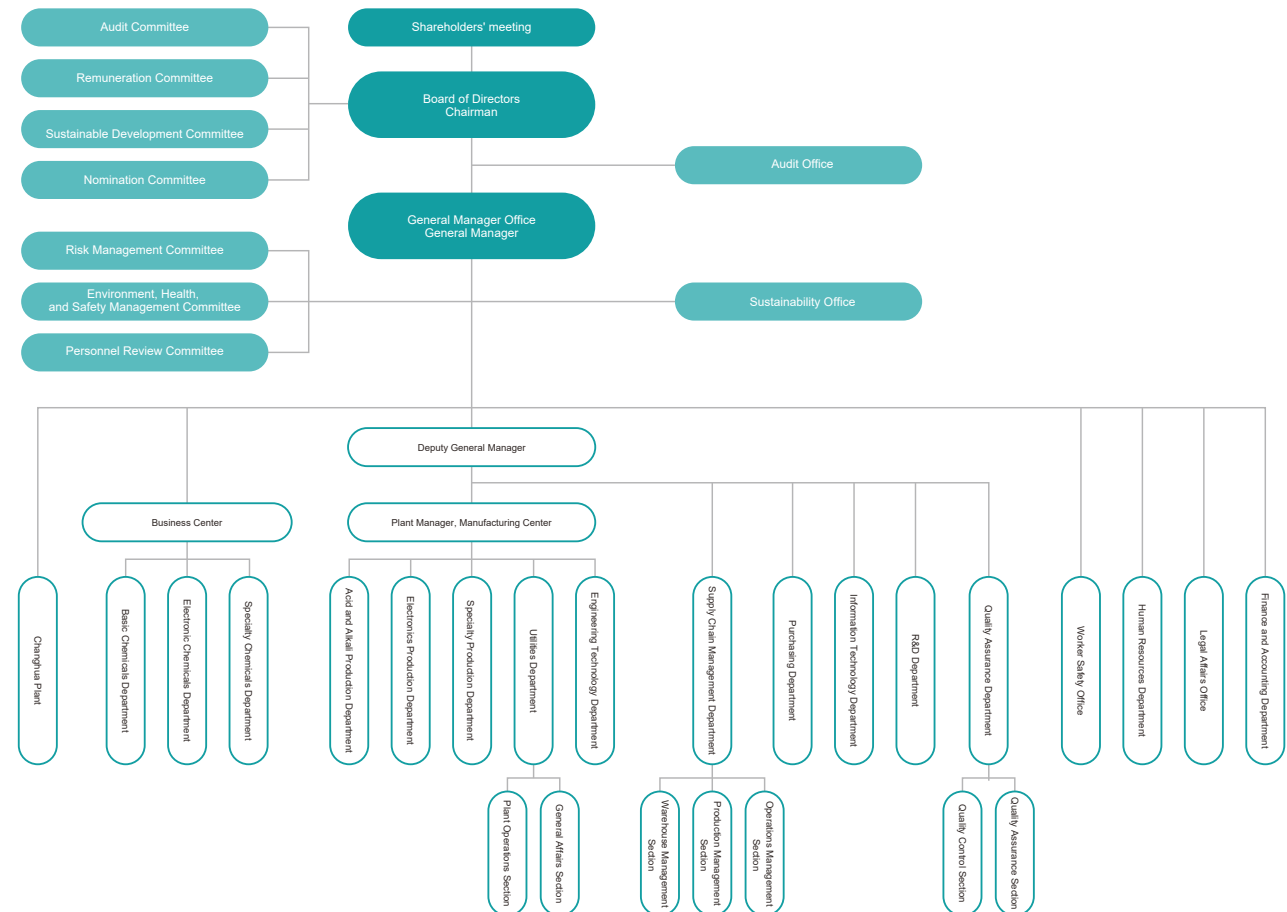
Operational layout of Chung Hwa Chemical

Region	Nature of business at the operating location	Number of operating sites
 Taoyuan Plant No. 1	R&D Center Warehouse Manufacturing Center Basic Chemicals Specialty Chemicals Electronic Chemicals	1
 Taoyuan Plant No. 2	Head Office Warehouse	1
 Changhua Plant	Specialty Chemicals Basic Chemicals Warehouse	1

2.2 Governance Structure

2.2.1 Governance Structure

The highest authority in the Company is the shareholders' meeting, which consists of directors elected by shareholders. The Board of Directors is the highest governance body of the Company and is responsible for overall operational decision-making. Functional committees such as the Audit Committee, Nomination Committee, Remuneration Committee, and Sustainable Development Committee are established to oversee the Company, directors' remuneration, the Company's financial statements, and ESG key performance targets. In addition, an Internal Audit Office is established to supervise the effectiveness of the Company's internal control system. Each committee must regularly report its implementation results and resolutions to the Board of Directors to safeguard the interests of the Company and its stakeholders.



• Operation and composition of the Board of Directors

The Board of Directors plays a balancing and supervisory role between the Company's owners and managers. It exercises the rights and obligations granted by shareholders and formulates operating policies based on the interests of stakeholders. It also determines the Company's management level, monitors the Company's operating conditions, decides on sustainable development strategies, and tracks the effectiveness of their strategy's implementation.

The Company's Board of Directors adopts a candidate nomination system, whereby 7 to 11 directors are elected from a list of nominees by the shareholders' meeting. Directors serve a three-year term and are eligible for re-election. The nomination and selection criteria are based on the independence of the candidates, their professional background, and their relevance to the Company's operations and development, while also taking into account diversity of the Board's composition. The current Board of Directors is composed of 8 directors (including 4 independent directors) and 0 supervisors, with a male-to-female ratio of 5:3.

In principle, Chung Hwa Chemical holds a Board meeting once a quarter. In 2025, it held a total of 5 regular Board meetings and 2 extraordinary Board meetings, with an average attendance rate of 100.0%. For details of the attendance of each director and the content of the proposals, please refer to pages 16 and 39 of Chung Hwa Chemical's 2025 Annual Report.

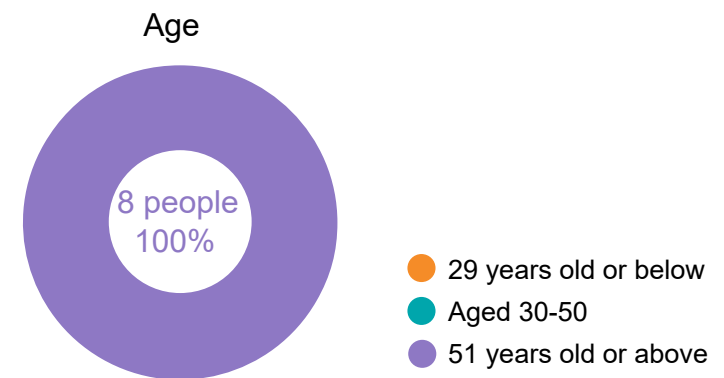
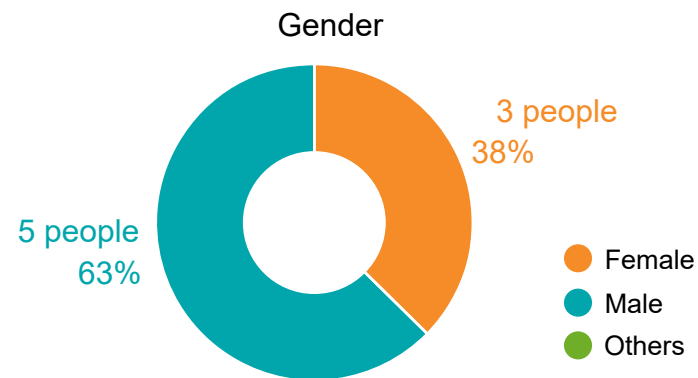
Information on Chung Hwa Chemical's Board of Directors (current term: May 24, 2024 to May 23, 2027)

Job title	Term of office	Name	Gender	Age	Concurrently holds positions in the Company	Concurrently holds important positions in other companies	Functional Committee		
							Audit Committee	Remuneration Committee	Sustainable Development Committee
Chairman	3	Wen-Yuan Kan	Male	51 years old or above	-	Director of Everlight Chemical Industrial Corporation			
Director	3	Yi-Ling Feng	Female	51 years old or above	-	-			
Director	3	Everlight Chemical Industrial Corporation (Representative: Ching-Tai Chen)	Male	51 years old or above	-	Deputy General Manager of Production at Everlight Chemical Industrial Corporation			
Director	3	Chung-En Investment Co., Ltd. (Representative: Shu-Wan Tang)	Male	51 years old or above	-	CEO & President, Chinese Strategic Management Accounting Institute ROC			
Independent director	3	Hsiao-Kang Ma	Male	51 years old or above	-	President of Taiwan Carbon Capture Storage and Utilization Association (TCCSUA) Independent Director of Ho-Ping Power Company Independent Director of Data Image Corporation FIAAM Fellow TC member of the National Environmental Research Academy	V	V	V
Independent director	3	Chiang Hsiao-Che	Male	51 years old or above	-	Director of Zirco Applied Materials Co., Ltd.	V	V	V

Job title	Term of office	Name	Gender	Age	Concurrently holds positions in the Company	Concurrently holds important positions in other companies	Functional Committee		
							Audit Committee	Remuneration Committee	Sustainable Development Committee
Independent director	3	Pi-Chuan Sun	Female	51 years old or above	-	Honorary Professor of Tatung University Director of Taiwan Academy of Management Independent Director of Solar Applied Materials Technology Corp.	V	V	V
Independent director	3	Yu-Chun Liu	Female	51 years old or above	-	Chief Accountant of Gloria & Partners CPAs Firm Chairman of Gloria & Partners Accounting and Management Consulting Co., Ltd. Founder and CEO of Angel FAS Member of the Financial Report Review and Assistance Committee, Department of Medical Affairs, Ministry of Health and Welfare Chairman of New Taipei City Autism Association Board Member of Christ's College Taipei	V	V	V

Note: If the Chairman concurrently serves as part of top management, please state the reasons and how conflicts of interest are avoided.

Gender and age distribution of directors



Distribution of directors' professional competence and experience

Job title	Name	Distribution of directors' professional competence and experience											
		Leadership decision-making	Business management	Financial and accounting law	Industry knowledge	Industrial technology	Marketing	Business development	Information technology	Risk management	Environmental sustainability	Social engagement	Supply chain management
Chairman	Wen-Yuan Kan	V											
Director	Yi-Ling Feng			V									
Director	Everlight Chemical Industrial Corporation (Representative: Ching-Tai Chen)					V							
Director	Chung-En Investment Co., Ltd. (Representative: Shu-Wan Tang)			V									
Independent director	Hsiao-Kang Ma										V		
Independent director	Chiang Hsiao-Che				V								
Independent director	Pi-Chuan Sun		V										
Independent director	Yu-Chun Liu			V									

• Continuing education for directors

The Company arranges continuing education for directors every year to enhance their professional skills and knowledge as well as topics related to sustainable development, in order to strengthen the professional capabilities of directors and the Company in responding to operational impacts. Courses or forums attended by directors in 2025 included the 2025 Cathay Sustainable Finance and Climate Change Summit, CDP Taiwan Event, and the 21st International Summit on Corporate Governance. The cumulative training hours for all directors reached 57 hours.

Continuing education items for directors in 2025: Page 23 of Chung Hwa Chemical's 2025 Annual Report.

• Remuneration structure for directors and senior executives

The remuneration of Chung Hwa Chemical's directors includes fixed salary, variable directors' remuneration, and business execution expenses. The Remuneration Committee adjusts individual remuneration based on industry benchmarks and individual director performance. In addition to fixed salaries and retirement benefits, performance bonuses will be calculated based on the achievement of various performance indicators. For the 2025 directors' remuneration, the remuneration range table, and distribution standards, please refer to page 12 of Chung Hwa Chemical's 2025 Annual Report.

The remuneration system for senior management of Chung Hwa Chemical is recommended by the Remuneration Committee to the Board of Directors for approval. In addition to fixed salaries and retirement benefits, performance bonuses are calculated based on the achievement of various performance indicators. The retirement system for senior management is the same as that for other employees. Please refer to page 13 of Chung Hwa Chemical's 2025 Annual Report for the 2025 remuneration and remuneration range table for senior management.

• Resignation and retirement policy for directors and top management

The advance notice period for the resignation of Chung Hwa Chemical's directors and top management is determined in accordance with local government regulations. The required notice days and calculation methods for severance pay are no different from those for other employees. Furthermore, apart from severance pay, no other payments or in-kind benefits will be distributed to resigning directors and top management.

• The link between remuneration for directors and senior management and ESG performance

To align directors' performance with the Company's sustainable development vision and short, medium and long-term goals, assess directors' core competencies, strengthen directors' responsibilities, and implement the link between performance and remuneration, Chung Hwa Chemical has incorporated ESG strategic goals into the evaluation of directors' variable remuneration. In order to encourage and recognize the efforts and achievements of senior management in sustainable development, the Company has established a policy linking senior management's remuneration to ESG performance. Remuneration is calculated based on individual participation in ESG issues and the level of achievement regarding departmental ESG targets.

Percentage of senior managers and sustainability performance weighting

Senior manager	Percentage of current year's sustainability performance weighting
General Manager/Deputy General Manager	10%
Assistant Vice President	10%

For details on ESG performance-linked policies, please refer to the Company's ESG website: [Company ESG website](#)

• Performance evaluation of the Board of Directors

The Company conducts annual self-evaluations of the performance of the Board of Directors, functional committees (including the Audit Committee, Remuneration Committee, and Nomination Committee), the Sustainability Development Committee, and individual directors. To further enhance the effectiveness of the Board's operations and strengthen corporate governance, the Company also appoints an independent external professional institution or team of experts and scholars to conduct performance evaluations of the Board of Directors every three years, which serve as a reference for the Company's improvement of the Board's operational performance.

The items for evaluating the performance of the Board of Directors include the following five major aspects:

1. Participation in the Company's operations (including ESG participation and decision-making)
2. Enhance the quality of the Board of Directors' decision-making
3. Composition and structure of the Board of Directors
4. Election and continuing education of directors
5. Internal control

The items for evaluating the performance of individual directors of the Company include the following six aspects:

1. Understanding of the Company's goals and missions
2. Awareness of the duties and responsibilities of directors
3. Degree of participation in the Company's operations
4. Internal relationship management and communication
5. Professional and continuing education of directors
6. Internal control

• Performance evaluation results in 2025

The results of the internal evaluation of Chung Hwa Chemical this year was excellent, indicating that the Board of Directors and its various functional committees operate effectively with a well-balanced composition. Directors and committee members actively participated in discussions, thereby fully meeting corporate governance requirements. Last year (2024), the Company appointed the Taiwan Corporate Governance Association to conduct a performance evaluation of the Board of Directors, using online self-evaluation and on-site interviews with the Chairman, directors and independent directors, conveners of functional committees, and representatives from the administrative office, and to issue a performance evaluation report. The evaluation results have been submitted to the Board of Directors (External Evaluation Report: 2024 External Evaluation Report).

Implementation of the Board of Directors' evaluation

Evaluation cycle	Date of evaluation	Assessment method	Assessment scope	Evaluation results
Once a year	January 1 to December 31, 2025	Internal self-evaluation	Overall performance of the Board of Directors	98.33 points; Level 4.92 (Out of a full score of 100 points; Highest Level 5)
Once a year	January 1 to December 31, 2025	Internal self-evaluation	Individual board members	Average 98.69 points; Level 4.94 (Out of a full score of 100 points; Highest Level 5)
Once a year	January 1 to December 31, 2025	Internal self-evaluation	Functional committee	Average 97.88 points; Level 4.89 (Out of a full score of 100 points; Highest Level 5)
Once every 3 years	October 1, 2023 to September 30, 2024	Appointed an external independent third-party organization to conduct the evaluation	Overall performance of the Board of Directors	Directors actively assist the management team and implement the supervisory responsibilities of the Board of Directors. The Board of Directors' meeting culture is healthy. The Audit Committee communicates with the audit director once every six months to fully exercise its functions of guidance and supervision.

• Management of conflicts of interest

The rules of procedure for Chung Hwa Chemical's Board of Directors, the audit committee, the remuneration committee, and the nomination committee all contain provisions for conflicts of interest. If proposals by directors involve their own interests, those of their spouse, relatives within the second degree of kinship, or a company with which the director has a controlling relationship, the director must disclose the nature of their interests at the Board of Directors' meeting. If such interests are likely to be detrimental to the interests of the Company, the director shall not participate in the discussion or vote, and shall recuse himself/herself from the discussion and vote, and shall not exercise the voting rights of other directors on behalf of them. The names of relevant directors, description of the important matters, and circumstances of their recusal shall be recorded in the meeting minutes. Directors and managers are also required to complete the annual related party transaction declaration and report the results to the Audit Committee.

For details of related-party transactions, cross-shareholdings by directors, controlling shareholders or other stakeholders in 2025, please refer to page 42 of Chung Hwa Chemical's 2025 Annual Report.

In addition, the Company has also formulated an ethical code of conduct for employees at all levels, ethical code of conduct for directors and managers, and employees' code of ethical conduct. The chairman has designated a corporate governance officer and related personnel to form a dedicated ethical management unit to oversee the implementation of these codes of conduct and report implementation results to the Board of Directors on a regular basis. As of the end of 2025, no major conflict of interest incidents have occurred in Chung Hwa Chemical.

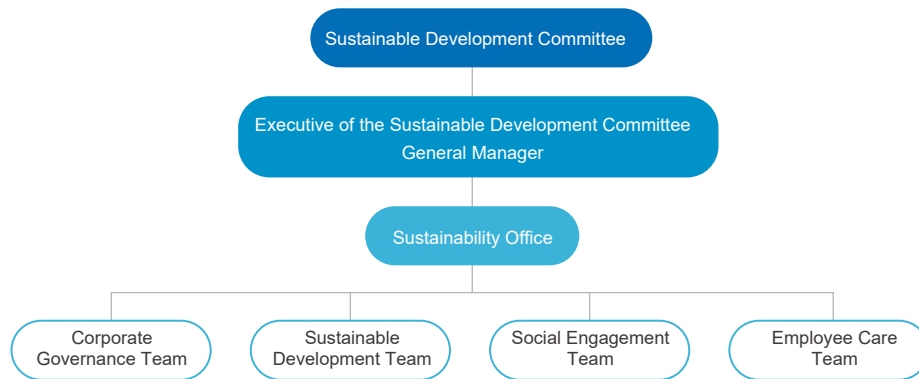
2.2.2 Functional Committees

• Sustainable Development Committee

The Sustainable Development Committee was established as the highest-level sustainable development unit within the Company. The Committee consists of the Chairman, General Manager, and four independent directors. The Sustainable Development Committee has established its organizational charter, which has been approved by the Board of Directors. This charter governs the Committee's rights, responsibilities, and obligations. The committee is primarily responsible for managing, deciding, and supervising the governance strategy, policy implementation effectiveness, and target achievement rates for major ESG issues related to the Company's operations, and reporting implementation results to the Board of Directors on a regular basis each year.

The Sustainability Office under the committee has established four executive groups based on their functional responsibilities: the corporate governance group, the sustainable development group, the social engagement group, and the employee care group. Each unit will appoint a supervisor to serve as a group member, and each group will nominate personnel to serve as group leaders and secretaries. The implementation team is responsible for identifying major ESG issues related to the Company's operations, formulating management strategies and targets, and preparing the annual sustainability report. Each team leader regularly reviews their implementation team's performance and progress toward goals, and reports quarterly to the Sustainability Office.

Organizational chart of the Sustainable Development Committee



Each functional group should have the ability to operate across departments. The Company may adjust the group categories and responsibilities as needed based on its sustainable development progress. The Company's current functional groups include:

- Corporate Governance Team: Accounting, Legal Affairs, Business, Quality Assurance
- Sustainable Development Team: Occupational Safety, Public Utilities, R&D
- Social Engagement Team: General Affairs, Engineering Technology, Procurement
- Employee Care Team: Human Resources, IT

• Implementation of the Sustainable Development Committee

In 2025, the Company's Sustainable Development Committee held 2 meetings, with an average attendance rate of 100%. Two of these meetings involved communicating with the Board of Directors on significant matters. Please refer to the table below.

Matters communicated between the Sustainable Development Committee and the Board of Directors in 2025

Date of meeting	Significant matters communicated to the Board of Directors	Major recommendations of the Board of Directors	Resolution of the ESG Committee	Resolution of the Board of Directors
January 14, 2025	2024 Annual Sustainability Report Preparation Proposal	None	Approved by all attending members after version revision and review	Approved by all directors present
August 5, 2025	Proposal to review the Company's 2024 Sustainability Report	None	The resolution was approved by all present members	Approved by all directors present

• Remuneration Committee

The current Remuneration Committee consists of four independent directors, all of whom meet the independence requirements stipulated by law. Their term of office is from May 24, 2024 to May 23, 2027. The Company has established the Remuneration Committee Charter to regulate the duties and obligations of the Remuneration Committee, and is responsible for formulating and regularly evaluating the remuneration system and standards for the aforementioned members. The Remuneration Committee generally convenes once every six months. In 2025, a total of 4 meetings were held, with a member attendance rate of 100%.

Job title	Name	Actual attendance rate (B)	Number of attendance by proxy	Number of attendance required (A)	Actual attendance rate (%) (B/A)
Convener	Yu-Chun Liu	4	0	4	100
Committee member	Chiang Hsiao-Che	4	0	4	100
Committee member	Hsiao-Kang Ma	4	0	4	100
Committee member	Pi-Chuan Sun	4	0	4	100

Remuneration policy

1. Maintain external competitiveness of salaries: Maintain a competitive salary level by analyzing and understanding the relevant labor market and salary conditions on a regular and ad hoc basis.
2. Maintain internal equity of salaries: Use appropriate salary management tools to ensure salaries accurately reflect the relative contribution of each position and maintain internal balance.
3. Implement an incentive salary system: Salary is appraised based on the degree of contribution of the position, and is adjusted based on performance, to ensure that the salary of employees with high contributions and outstanding performance is significantly different from that of ordinary employees.
4. Control corporate personnel costs: By accurately understanding the salary levels of each position, we ensure that employees' salaries fall within a reasonable range to effectively manage labor costs.

The remuneration to employees and directors for the current year was approved by resolution of the Board of Directors on March 11, 2026, and by resolution of the shareholders' meeting on May 29, 2026.

• Audit Committee

The Company's Audit Committee consists of four independent directors and operates with a term of office from May 24, 2024 to May 23, 2027. Its responsibilities include auditing the Company's financial statements, supervising the appointment and independence of CPAs, establishing or revising internal control systems, and supervising the Company's internal rules and regulations to comply with relevant laws and regulations. In principle, meetings are held quarterly. Department heads, internal auditors, accountants, legal counsel, etc. are assigned to attend discussions when necessary. In 2025, a total of 6 meetings were held, with a member attendance rate of 100%.

Job title	Name	Actual attendance rate (B)	Number of attendance by proxy	Number of attendance required (A)	Actual attendance rate (%) (B/A)
Convener	Chiang Hsiao-Che	6	0	6	100
Committee member	Hsiao-Kang Ma	6	0	6	100
Committee member	Pi-Chuan Sun	6	0	6	100
Committee member	Yu-Chun Liu	6	0	6	100

For the implementation status of the Audit Committee, please refer to pages 17–20 of Chung Hwa Chemical's 2025 Annual Report.

2.3 Economic Performance

2.3.1 Economic Value

In the fourth quarter of each year, each department prepares the budget for the following year. The Finance Department then compiles budgets or targets for sales, production, procurement, and salary expenses, and prepares a projected profit and loss statement, balance sheets, and cash flow statements, which are submitted to the General Manager for review. At the first Board of Directors meeting of the following year, the Chairman or a representative designated by the Chairman reports the budget preparation results, which are resolved and approved by the Board of Directors.

The Finance Department compiles the current financial statements every month, compares them with the budget and previous operating conditions, and submits them to the management meeting for discussion and review of operational improvements. Chung Hwa Chemical's quarterly and annual financial statements are published on the Company's official website and the MOPS.

In 2025, the Company's revenue was NT\$1,969,278 thousand, a 5.46% increase from 2024; net profit after tax was NT\$5,109 thousand, with earnings per share after tax of NT\$0.04. Please refer to the Company's annual report for further details and analysis of its financial performance.

Financial performance of Chung Hwa Chemical

Item	2023	2024	2025
Operating revenue (NT\$ thousand)	1,723,975	2,083,083	1,969,278
Net profit before tax (net loss) (NT\$ thousand)	10,304	75,129	6,509
Net profit after tax (net loss) (NT\$ thousand)	46,053	63,129	5,109
Earnings (loss) per share (NT\$)	0.39	0.51	0.04
Cash dividends (NT\$/Share)	0.30	0.50	0.15

Note: Cash dividends refer to the amounts distributed according to the profit distribution resolution for each reporting year (the 2025 distribution amount was approved by the Board of Directors on March 11, 2026).

The Company analyzed its financial position based on the GRI's stakeholder economic distribution approach. The Company's direct economic revenue (operating revenue and non-operating revenue) for this year amounted to NT\$1,978,062 thousand, with a total distribution of NT\$1,577,850 thousand. The top three economic distribution items were operating costs (83.2%), employee salaries and benefits (14.5%), and payments to investors (1.3%).

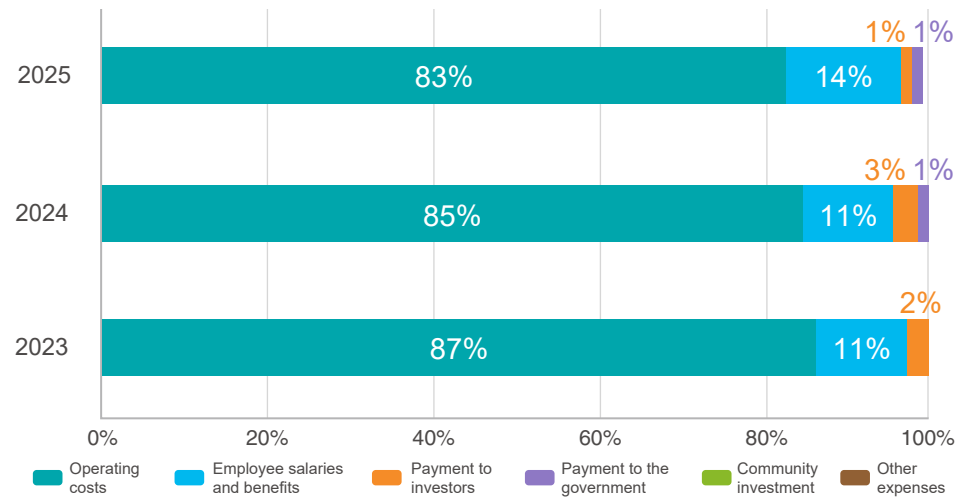
Economic value generated and distributed in the past three years

Unit: NT\$ thousand

Economic value	Item	2023	2024	2025
Direct economic revenue	Net operating revenue	1,723,975	2,083,083	1,969,278
	Financial investment income	0	0	0
	Sales revenue of assets	3,081	583	1,187
	Royalty income	0	0	0
	Government grants acquired	333	55	5,025
	Other income	36,170	7,902	2,572
Direct economic value generated		1,763,559	2,091,623	1,978,062
Economic distribution	Operating costs	1,671,750	1,775,133	1,312,620
	Employee salaries and benefits	205,629	229,113	228,144
	Payment to investors	41,531	64,798	19,946
	Payment to the government	-792	20,227	14,593
	Community investment	27	40	6
	Other expenses	1,321	1,865	2,541
Distributed economic value		1,919,466	2,091,176	1,577,850
Retained economic value		-155,907	447	400,212

Note: Retained economic value = Direct economic value generated - Distributed economic value.

Proportion chart of economic allocation items in each year



The Company's shareholding structure includes shareholdings by government entities. In 2025, the Company received a total of NT\$5,025 thousand in government subsidies, mainly consisting of project subsidies and incentive payments.

2025 Financial subsidies from the government

Country	Locations	Government shareholding (%)	Total government subsidies (NT\$ thousand)		
			2023	2024	2025
Taiwan	Taoyuan Plant No. 1	0	130	15	5,000
Taiwan	Taoyuan Plant No. 2	0	203	40	25
Total			333	55	5,035

2.3.2 Tax Policy

• Tax policy

The Company complies with the tax laws and regulations of the countries in which it operates and handles all tax return filings and payment operations in accordance with the principle of integrity to ensure the accuracy and compliance of tax processing, thus fully fulfilling its corporate tax obligations.

To effectively manage tax risks, the Company continuously pays close attention to changes in tax laws and regulations, and identifies, evaluates, and manages tax risks that may arise from operational activities, while taking appropriate measurement, control, and response measures to reduce tax uncertainty and related risks.

The Company incorporates tax management into its overall sustainable development strategy, and strives to strike a balance among corporate governance, environmental governance, and social governance, while continuously strengthening communication and trust with stakeholders. Through a sound tax management mechanism, tax audit risks are reduced, and the reasonableness and transparency of tax burdens are ensured, thus fulfilling the goal of sustainable corporate management.

Tax strategy and management policy

Highest responsible governing body for tax governance	Board of Directors
Tax execution unit	Finance Department, which discusses the Company's tax strategy once per quarter, and is responsible for daily tax administration and filing practices.
Tax audit unit	Audit Department, which reviews tax processing procedures, filing procedures, internal control systems, and compliance with tax laws and regulations once per year.
Tax compliance	File tax returns and pay taxes in accordance with local regulations and standards requirements
Tax strategy:	- Transactions between related entities follow arm's length principles and adhere to internationally recognized transfer pricing guidelines published by the OECD. - Avoid the use of tax havens or tax planning for the purpose of tax avoidance - Refrain from transferring company profits to low-tax countries
Governance body training	Members of the tax governance body regularly receive education and training from competent authorities or internal sources to strengthen their professional tax knowledge.

• Tax risk management

Changes in tax laws and regulations may increase the Company's effective tax rate, increase its tax burden, and affect its net profit. To effectively manage tax risks, the tax execution unit regularly reviews tax law dynamics across countries where operating sites are located, identifies potential tax risks, and reports them to the Board of Directors to discuss and formulate response measures. When new operating activities or transactions occur, potential tax impacts are assessed in advance to formulate the optimal tax strategy.

• Whistleblowing mechanism

Furthermore, an independent grievance channel has been established internally, allowing employees and external stakeholders to report unethical or illegal tax practices, or potential concerns regarding the Company's tax integrity. Such reports are handled directly by the tax governance unit. No unethical or illegal tax practices occurred in the current year.

• Stakeholder communication

The Company formulates its tax strategy with reference to regulations, explanatory rulings, or press releases issued by competent authorities, regularly participates in tax seminars or courses hosted by local tax authorities to update the latest regulatory information, and periodically discusses with CPAs the potential impact of future tax regulations on the Company. If regulations require tax policies to be reviewed in advance by competent authorities, the Company obtains approval from competent authorities in accordance with regulatory requirements.

Chung Hwa Chemical's income tax is audited and certified by an external accounting firm to ensure that the Company pays reasonable taxes; additionally, in cooperation with tax investigations by the National Taxation Bureau, tax supplementary explanations and relevant documents are provided in accordance with competent authorities' requirements.

2.4 Responsible Business Conduct

2.4.1 Ethical Corporate Management

The Company has established ethical corporate management policies in accordance with its "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", identifying potential adverse impacts on stakeholders arising from its business relationships. It has also established relevant preventive measures and remedial systems for specific risks, along with an independent supervisory unit to monitor the subsequent handling of incidents and to dynamically improve and optimize its commitment to responsible business conduct to ensure that it can meet the requirements and goals of ethical corporate management standards.

The Company is committed to the following policies on responsible business practices, which are also disclosed in its annual report, website, etc.

Approval unit	Execution unit	Policies and regulations	References
Approved by the Board of Directors and submitted to the shareholders' meeting	Directors, managers, employees, agents, and substantial controllers of the Company	Ethical Corporate Management Best Practice Principles	Ethical Corporate Management Best Practice Principles for TWSE and TPEX Listed Companies
Approved by the Board of Directors and submitted to the shareholders' meeting	Directors, managers, employees, agents, and substantial controllers of the Company	Procedures for Ethical Management and Guidelines for Conduct	Ethical Corporate Management Best Practice Principles for TWSE and TPEX Listed Companies

The Company organizes training courses on ethical corporate management, and explains in the courses the prohibited behaviors in its business operations, including "Courses on Code of Ethics (trade secrets, intellectual property, information use, fair competition and antitrust) / Anti-corruption Courses (including bribery, offering or accepting improper benefits, fraud, extortion, money laundering)", etc., to prevent the occurrence of unethical behavior.

In 2025, the Company's execution status regarding participation in ethical management-related training courses is as follows:

Training name	Organizer	Time	Participants
1. Education and promotion of ethical corporate management - Business integrity policy - Prohibition of dishonest conduct - Ethical Corporate Management Best Practice Principles - Channels and methods for whistleblowing 2. Disciplinary action for dishonest behavior	Chung Hwa Chemical - Corporate Governance	August 7, 2025 (0.25 hours)	Director
		December 9, 2025 (0.5 hours)	Managers and heads of various departments
	Head of each department	Starting from December onwards	Personnel from all departments of the Company
1. Prevention of insider trading - Constituent requirements - Fines 2. Making known common ways in which reporting changes related to insider shareholding violates the Securities and Exchange Act	Chung Hwa Chemical - Corporate Governance	August 7, 2025 (0.25 hours)	Director
		December 9, 2025 (0.5 hours)	Managers and heads of various departments
2025 Seminar on Prevention of Insider Trading	Securities and Futures Development Foundation	September 26, 2025 (3 hours)	Corporate Governance Officer and Department Employees
2025 Insider Equity Trading Compliance Awareness-raising Session	Securities and Futures Development Foundation	November 21, 2025 (3 hours)	Corporate Governance Officer and Department Employees

To mitigate the impact of any violations of ethical corporate management and professional ethics, employees of Chung Hwa Chemical at all operating locations can use the internal whistleblower reporting process to report any violations of ethical corporate management. Suppliers and stakeholders can also report any illegal or unethical conduct through the complaint channel.

Grievance and whistleblowing channels can be accessed via the whistleblowing email: ethics@chciw.com.tw / whistleblowing hotline: 03-4761266 Ext. 12999. When handling complaints, the responsible investigator will conduct investigations and reports based on the principle of fairness. The rules for rewards and punishments are clearly defined in the Work Rules and are publicly disclosed upon approval. For more serious reward and punishment cases, they are discussed and decided by the Personnel Review Committee.

The Company has established the "Procedures for Ethical Corporate Management and Code of Conduct" to specify the investigation procedures for whistleblowing cases and the subsequent measures to be taken upon completion of the investigation.

- Any report involving general employees shall be submitted to the department head. Any report involving directors or senior executives shall be submitted to the Audit Committee.
- The responsible unit of the Company and the supervisor or personnel who received the report in the preceding paragraph shall immediately investigate the relevant facts and, if necessary, seek assistance from the Compliance Department or other relevant departments.
- If the reported individual is confirmed to have violated relevant laws and regulations or the Company's ethical corporate management and related regulations, the Company shall immediately require the individual to cease the relevant conduct and take appropriate disciplinary measures. If necessary, the Company shall report to the competent authorities, refer the matter to judicial authorities for investigation, or seek compensation through legal procedures to safeguard the Company's reputation and interests.
- Documents related to the acceptance of reports, the investigation process, and investigation results should all be kept in written form and preserved for five years, and may also be stored electronically. If a lawsuit related to the contents of the report occurs before the expiration of the preservation period, the relevant data shall continue to be preserved until the conclusion of the lawsuit.
- If the reported facts are verified as true, the relevant Company unit shall be responsible for reviewing the relevant internal control systems and operating procedures, and proposing improvement measures to prevent the same behavior from happening again.
- The Company's responsible unit shall report the reported incident, its handling method, and subsequent review and improvement measures to the Board of Directors.

The Company's "Ethical Corporate Management Best Practice Principles" also specifies the relevant confidentiality mechanisms. Personnel handling whistleblowing reports shall keep the identity of the whistleblower and the details of the report confidential. The Company also promises to protect whistleblowers from any adverse treatment as a result of their reports.

2.4.2 Human Rights Policy

To fulfill corporate social responsibility, protect the basic human rights of all employees, customers, and stakeholders, and create and foster a working environment that respects personal dignity and value, the Company supports and adheres to international human rights conventions, including the United Nations Universal Declaration of Human Rights (UDHR), the United Nations Framework and Guiding Principles on Business and Human Rights (UNGCR), the United Nations Global Compact, the International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at Work, and Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). The Company formulates various human rights policies including non-discrimination, freedom of association and collective bargaining for employees, prohibition of child labor, and prohibition of forced labor, so as to safeguard the fundamental rights of employees and stakeholders.

• Human Rights Risk Identification and Policy Formulation

Based on human rights cases occurring in past years and human rights risks of its industry, Chung Hwa Chemical assesses key human rights topics and targets and subsequently formulates the Company's human rights policies and plans. Please refer to the table below for further details:

Human rights policy	Specific plans
Comply with the labor and environmental laws and regulations of the Company's location	1. Working conditions are established in accordance with government labor-related laws and regulations.
Eliminate illegal discrimination and treat all employees fairly and with respect	1. Provide equal employment opportunities to all job seekers in accordance with the Employment Service Act. 2. Formulate a written statement to prevent workplace misconduct. 3. Comply with SA8000 Social Responsibility Standards.
Prohibition of forced labor	1. Comply with the Labor Standards Act. 2. Sign a written employment contract.
Prohibition of child labor	1. Verify the age of personnel during hiring and prohibit the use of child labor.
Providing a safe working environment	1. ISO 14001 environmental management certification. 2. ISO 45001 occupational safety and health management certification. 3. Conduct education and training. 4. Establishment of the Environmental and Work Safety Committee. 5. Periodically organize education and training on safety, health, and fire protection, etc.
Establish a good communication environment.	1. A complaint channel is available for employees to use when their legal rights and interests are infringed or improperly handled and cannot be reasonably resolved. 2. There is a "Personnel Review Committee" to conduct reviews when employees receive significant rewards or punishments from the Company. 3. Establish an open communication mechanism (semi-annual Town Hall meetings).

• Human rights policy training

To help employees, other external workers, suppliers, and external stakeholders understand the content of Chung Hwa Chemical's various human rights policies, in addition to providing human rights policy education and training courses upon onboarding of new employees, the Company also regularly conducts education and promotion through various means, such as formal and informal meetings, employee feedback mailboxes, and intranet announcement platforms to ensure that all personnel understand their own rights and company regulations. All policies are publicly disclosed on the Company's official website and in the sustainability report.

• Communication and remedies for human rights policies or cases

The Company has set up an opinion submission platform and suggestion box to enable all workers and external stakeholders to communicate with the dedicated department regarding various human rights events, including policy improvement recommendations, potential risk alerts, and grievances concerning human rights violations.

The Company did not have any human rights incidents such as discrimination, child labor, and forced labor during 2025.

2.4.3 Legal Compliance

In 2025, the Company recorded a total of 1 non-compliance case with environmental regulations, 0 cases with social regulations, 1 case with governance and economic regulations, and 0 cases with product and service regulations, representing an increase of 2 cases compared to 2024. Below is an explanation of the number of major violations of laws and regulations, penalty details, violation items, and improvement measures for the current year in four major aspects: environment, society, governance and economy, and products and services:

2025 External Regulatory Violation Summary

Violation 1: Article 28, Paragraph 1 of the Water Pollution Control Act

Reason for violation: On April 23, 2025, personnel from the Wastewater Treatment Center of the MOEA Guanyin Industrial Park inspected the facility and discovered a leakage from a one-ton sulfuric acid container in the A5 Electrochemical Plant process area. The leaked acid drained into a rainwater collection pit adjacent to the pH adjustment storage pool (pH 1.58), subsequently discharged into the industrial park's rainwater ditch via RD03, and ultimately polluted the receiving water body, Shulin Creek. This failure to contain the leakage resulted in water pollution. Furthermore, the Company failed to notify the competent authority within three hours of the incident, thus violating Article 28, Paragraph 1 of the Water Pollution Control Act, and was cited pursuant to Article 51, Paragraph 2 of the same Act.

Penalty: Fine of NT\$45,500, and 2 hours of environmental education.

Violation 2: Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities

Violation: The Company should have issued the Board meeting notice for the Q3 2025 financial report by October 29, 2025, and have the said financial report approved by the Board of Directors on November 6, 2025. However, the Company delayed the release of the material information until November 7, 2025.

Penalty: Fine of NT\$30,000.

Payment of fines in the past two years

Year	2024	2025
Payment of fines for violations that occurred in the current year (number of cases)	0	2
Payment of fines for violations that occurred in the current year (amount)	0	75,500

2.5 Risk Management

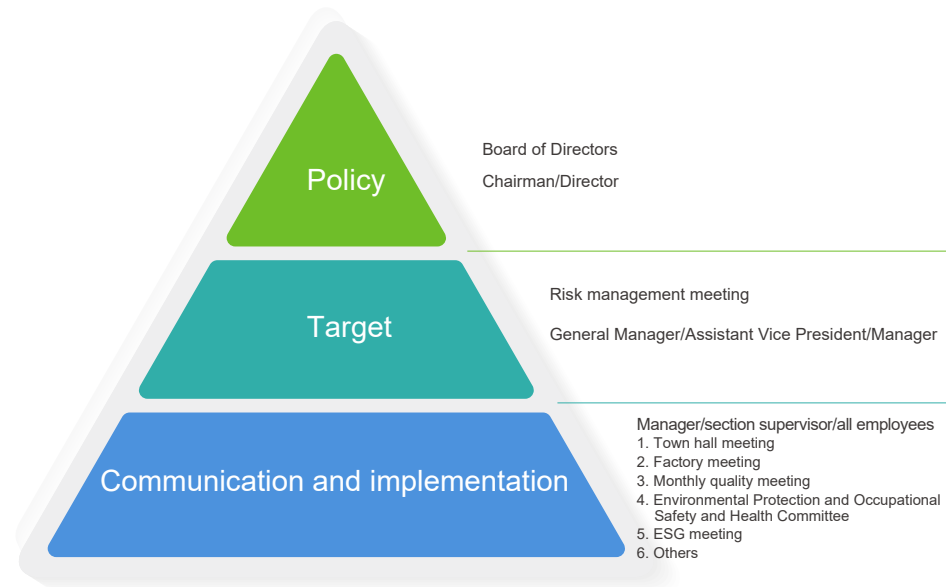
2.5.1 Risk Management Organization

The risk management capability of the enterprise plays a vital role in addressing the risks and opportunities arising from internal and external factors. Risks and opportunities arising from global trends and the environment may affect the profitability and even survival of enterprises. Instead of leaving the future to unpredictable circumstances and variables, we should continuously enhance our competitiveness and influence, fully seize business opportunities, and embrace the new era.

The Company's risk management organization is governed by Article 27 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies". The Company has established a "Risk Management Committee" as the highest authority responsible for risk management, and the "General Manager's Office" serves as the executive body for risk management. The responsibilities of each department are as follows:

Board of Directors	The Board of Directors serves as the highest supervisory body for risk management and is responsible for reviewing the annual risk management report, risk implementation report and audit report to ensure the effective implementation of the risk management system. The Board of Directors' meeting units periodically interact and communicate with functional heads on environmental and social issues related to the Company, and regularly review ESG impacts, performance and strategic goals at the end of each year.
Risk Management Committee	Determine major risks and risk management units, identify and analyze risks, formulate specific methods to implement risk management, and report to the Board of Directors regularly.
Risk management unit (General Manager's Office)	Identify risk issues and discuss management targets with the risk execution unit.
Risk execution unit (each unit)	Propose risk management objectives and policies. Report the results to the risk management unit regularly.
Risk audit unit (Audit Office)	Evaluate the effectiveness of risk management systems and mechanisms. Based on the risk assessment results, the Company formulates audit plans and executes audit operations to assist the Board of Directors in supervising and controlling potential risks in implementing decisions, ensuring that all operational risks are effectively controlled and providing timely improvement suggestions.

• Organization chart of the Risk Management Committee



2.5.2 Risk Identification and Response Measures

The Company complies with Principle 15 of the Rio Declaration on Environment and Development, which states: "States should widely apply the precautionary approach to protect the environment according to their capabilities". Where there are threats of serious or irreversible damage, the lack of full scientific certainty shall not be used as a justification for postponing measures to prevent environmental degradation. Therefore, the Company has adopted this precautionary approach as its environmental risk assessment method for Taoyuan Plant No. 1, Taoyuan Plant No. 2, and Changhua Plant, covering all 272 employees, to reduce and avoid negative environmental impacts during environmental management.

The Company follows the ISO 31000 risk management principles and guidelines to plan the implementation of its risk management system. It identifies and assesses internal risk issues in accordance with the scope of Chung Hwa Chemical's risk management policies and procedures, and implements mitigation measures for these issues. Details are as follows:

Risk aspect	Risk issue identification	Impact	Risk mitigation measures
Environment Aspect	Global energy transition, green power percentage, carbon tax, and other regulations will increase operating costs.	Increased energy and environmental protection expenditure costs affect company profits.	Conserve energy and reduce carbon; increase the proportion of new energy usage.
Society Aspect	Low population growth rate makes it difficult for traditional industries to recruit young people.	Direct and indirect manpower shortages affect production capacity, quality monitoring, and anomaly improvement capabilities.	Elevate employee salary benefits and improve working environments and equipment to attract and retain personnel retention.
	Increases in basic salary and related personnel rate adjustments increase operating costs.	Increases in related personnel expenditure costs affect the Company's profits.	Increase sources of income while cutting costs, adopting high-profitability products, eliminating low-profitability products, and elevating the Company's overall profitability.
Economic Aspect	U.S. tariffs and mainland China's rare-earth metal issues affect the semiconductor supply chain market conditions.	Market condition fluctuations are high, affecting product selling prices and profits.	Electronic acids are mainly supplied domestically, avoiding the impact of export tariffs.
	The wide variety of products presents potential risks of regulatory oversight gaps and safety management risks.	Penalized by public sector entities, affecting corporate image and the Company's profits.	Reduce product variety and concentrate resources on high-profit products to lower management and environmental safety risks.
Product Aspect	Some production equipment is aged with a slower update and improvement speed.	High failure rates lead to frequent production line shutdowns for maintenance, affecting production capacity.	Allocate budget year by year to phase out outdated, inefficient production equipment and eliminate low-profitability products.
	Competitors of traditional industrial products actively compete for orders in the market.	Reduced customer base, lowered selling prices, and impacted profitability.	Transition to specialty chemical products with a focus on high-margin offerings, while increasing the proportion of traded goods to diversify business risks.
	When adopting new products, on-site production hardware and equipment cannot match, requiring investment in modification or abandoning new products.	Requires reinvestment or abandoning new products, affecting the Company's revenues.	Track industry and customer demand to accelerate R&D schedules and seize market opportunities.
Others	Cyberattacks or unauthorized access to the Company's networks or email systems	Company network paralysis or tampering, or email impersonation used to distribute malicious links affects the Company's operations and impacts customers.	The Company implements ISO 27001 to establish a comprehensive information security management system.

2.6 Climate Change Risks and Opportunities

Chung Hwa Chemical regards climate change as a critical issue affecting operational resilience, cost structures, supply chain stability, market competitiveness, and capital allocation. Continuing the main disclosure themes of the previous two years, the Company maintains Board supervision, cross-departmental risk identification, impact assessment, and metric tracking as the core of climate management, while incorporating the 2025 climate risk and opportunity identification results into annual management and information disclosure.

In accordance with the Company's "Sustainable Development Best Practice Principles" and "Sustainability Information Management Regulations," climate issue management should integrate materiality principles, sustainability data collection, and risk management processes. The Company continuously evaluates the actual and potential impacts on its current and future operations across transition risks, physical risks, and low-carbon transition opportunities.

Key Identification Priorities for 2025

This year we identified a total of 12 climate issues, including 8 risks and 4 opportunities. High-priority risks encompassed carbon fees and carbon pricing, electricity tariff adjustments, water scarcity, and extreme rainfall. Conversely, key opportunities centered on energy conservation, resilience investments, low-carbon products, and green power.

2.6.1 Climate Governance

• Supervision of climate-related risks and opportunities by the Board of Directors.

Chung Hwa Chemical's climate governance structure is jointly formed by the Board of Directors, Sustainable Development Committee, Sustainability Office, and various functional groups. The Board of Directors is the highest governance body of the Company. In addition to incorporating climate issues into corporate governance and business strategy, the Board has integrated climate risk and opportunity management into its overall policies, continuously supervising the execution of various risk management mechanisms. The Sustainable Development Committee is responsible for deliberating sustainability strategies and policies, and supervising risk management, regulatory compliance, and disclosure accuracy. The Sustainability Office acts as the cross-departmental integration hub, and coordinates ESG data collection, annual plans, effectiveness tracking, and sustainability report compilation across working groups.

At the execution level, the Environmental Sustainability Group is the primary functional group for climate issues and is responsible for research and promotion of energy management, greenhouse gas inventory, carbon emission reduction, water resource management, supply chain sustainability, renewable energy introduction, as well as climate change impacts and adaptation measures. Each functional group convenes a meeting at least once every half year, and reports summarized execution status to the Sustainability Office and the Sustainable Development Committee.

The Company's climate risk management process is integrated into the existing risk management system, and sequentially includes risk assessment, risk analysis, risk evaluation, risk response, and risk response effectiveness evaluation and improvement, thus forming a closed management loop of governance, execution, and review.

Governance level	Main duties
Board of Directors / Sustainable Development Committee	Deliberate sustainability strategies and policies, supervise risk management and regulatory compliance, and review material issues as well as sustainability reports.
Sustainability Office	Coordinate ESG data collection and analysis, integrate functional groups' annual plans, track execution outcomes, and take responsibility for sustainability report compilation and disclosure.
Environmental Sustainability Group	Responsible for project planning and execution regarding greenhouse gases, energy, water resources, carbon reduction, green power, and climate adaptation.
Business Units / Responsible Units	Provide operational and environmental safety-related data; cooperate to execute risk responses and improvement tracking.

• Responsibilities of management

Because climate change involves a wide range of issues, in order to fully adopt opinions from various units and discuss pre-response measures, the General Manager leads the Sustainability Office, under which are established the Corporate Governance Team, Sustainable Development Team, Social Engagement Team, and Employee Care Team. Its members, composed of personnel from the General Manager's Office, Finance and Accounting Department, Legal Affairs Office, Operations Center, Occupational Safety Office, R&D Department, Engineering & Technology Department, Plant Operations Department, Quality Assurance Department, Human Resources Department, Manufacturing Center, and other units, are responsible for identifying, evaluating, and managing climate-related risks and opportunities and formulating their strategies and targets, to continuously analyze and control climate risks and opportunities and plan climate sustainability strategies, thus ensuring the implementation of climate actions.

• Climate Change Risk Management System

The identification, evaluation, and management of the Company's climate change-related risks are conducted in accordance with the overall risk management mechanism and integrated into the Company's existing risk management system to identify the potential impacts of climate change on operations in a systematic manner.

In terms of risk identification and evaluation, each unit identifies climate-related risks and opportunities based on operational characteristics, and conducts evaluation and grading through existing risk management processes to keep abreast of the level of risk exposure and its potential impacts.

In terms of risk management, climate-related issues evaluated as high-risk will be submitted to the "Risk Management Committee" as discussion proposals, with the execution status of control measures continuously tracked. Relevant major risks are also simultaneously integrated into the work plans of respective departments, where risk control effectiveness is regularly reviewed and the effectiveness of existing measures is assessed. Improvement plans are proposed as necessary to mitigate risks and enhance overall response capabilities.

Regarding system integration, the Company's climate-related risk management mechanism has been incorporated into the overall risk management framework. Through a cross-departmental and tiered responsibility management model, management policies, risk assessment operations, and the execution of preventive and response measures are integrated to ensure that climate risk management is closely linked with daily operational decisions, so as to minimize the impacts on the Company's operations.

To implement the supervisory mechanism of climate change risk management, the Company's Sustainability Office periodically reports (at least twice a year) to the Sustainable Development Committee on the implementation of corporate sustainable development matters, and reports material environment, social, and governance issues related to the Company's operations along with their risk management operations and execution status to the Board of Directors. The most recent report date was January 14, 2026.

Additionally, considering the importance and specificity of climate change issues, the Sustainable Development Committee periodically reports (at least twice per year) to the Board of Directors regarding environmental performance and targets, as well as climate change responses and controls, in order to respond to climate-related risks and opportunities more swiftly.



2.6.2 Identification and Assessment of Climate Risks and Opportunities

The Company identifies climate risks and opportunities in accordance with materiality principles and impact-oriented methods. As for the evaluation process, we reference domestic and international technical reports, laws and regulations in operational locations, and industry disclosure information, and gather perspectives from relevant departments as well as external consultants and experts to score the "Degree of Impact / Benefit" and "Likelihood of Occurrence" of each climate issue, while confirming the impact level and management priority of each item. According to the "Sustainability Information Management Regulations", each department shall use standardized tools to collect, record, analyze, and store sustainability information, which, after being reviewed by responsible supervisors, serves as the basis for subsequent management and disclosure.

According to the 2025 identification working paper, a total of 12 climate topics were reviewed this year, including 8 risks and 4 opportunities, with the scope of impact covering the Company's direct operations, upstream supply chain, and downstream customers / users. The overall assessment results indicate that the climate issues faced by Chung Hwa Chemical possess characteristics of both transition risks and physical risks, while opportunities arise from efficiency enhancements, low-carbon products, green power introduction, and operational resilience investments.

Risks and opportunities related to climate change

Main Category	Sub-category	Type	Climate risk or opportunity	Upstream	Operations	Downstream	Time horizon
Transition risk	Policy and regulatory risks	Risk	The implementation of carbon fees and pricing mechanisms makes emissions costs explicit, while squeezing gross margins.		•		Short-term
	Market risk	Risk	Customers request PCF, renewable energy, and carbon reduction commitments.		•	•	Short-term
	Market risk	Risk	Energy transition leads to structural cost increases.		•		Medium term
	Market risk	Risk	Extreme weather leads to raw material supply delays and cost fluctuations, thus squeezing production and contract fulfillment flexibility.	•	•		Short-term
	Market risk	Risk	Changes in electricity pricing structures and peak electricity usage restrictions		•		Short-term
	Energy sources	Opportunity	Adopt green power to enhance customer competitiveness		•	•	Medium term
	Products and services	Opportunity	Low-carbon products create market opportunities		•	•	Medium term
Physical risk	Acute risk	Risk	Typhoons and extreme rainfall cause factory flooding.		•		Short-term
	Acute risk	Risk	Unstable energy supply risks production halts and increased costs.		•		Short-term
	Chronic risk	Risk	Water resource scarcity leads to process disruptions.		•		Medium term
	Resource use efficiency	Opportunity	Energy-saving projects reduce energy costs.		•		Short-term
	Resilience	Opportunity	Strengthen disaster prevention and backup systems through resilience investments, lower shutdown risks, and elevate sustainable financing and capital acquisition capabilities		•		Short-term

Note: • indicates the primary value chain position impacted by the issue.

Note: This table focuses on the identification results of climate risks and opportunities; for related impact assessments, financial impacts, and management policies, please refer to 2.6.3.

2.6.3 Impact Assessment of Climate Risks and Opportunities

Under the supervision of the Board of Directors and sustainable governance mechanisms, the Company evaluated the actual and potential impacts on business, strategic, and financial dimensions for the 12 climate-related risks and opportunities examined in 2025. Dimensions evaluated include degree of impact, likelihood of occurrence, time and geographic scope, value chain impact, and financial impact, based on which response strategies were formulated to respond promptly to challenges and opportunities brought by climate change, thus elevating organizational climate resilience. To keep abreast of impacts across different time horizons, the Company divides evaluation periods into short-term (1 to 3 years), medium-term (3 to 10 years), and long-term (10 years or more).

Overall, negative impacts of risks are mainly concentrated in dimensions such as rising emission and energy costs, reduced operating revenues, process disruptions, raw material supply delays, and increased expenditure on equipment and disaster prevention; positive impacts of opportunities are mainly reflected in dimensions such as declining energy costs, enhanced market competitiveness, revenue growth, strengthened operational resilience, and improved conditions for sustainable financing and capital acquisition. Climate issues are no longer merely environmental issues for Chung Hwa Chemical, but critical business issues that directly affect cost structures, operational stability, customer strategies, and investment planning.

Climate Risk and Opportunity Impact Assessment Table

Main category	Sub-category	Type	Risk or opportunity	Negative impact	Positive impact	Financial impact	Degree of impact	Likelihood of occurrence	Time horizon	Management policy
Transition risk	Policy and regulatory risks	Risk	The implementation of carbon fees and pricing mechanisms makes emissions costs explicit, while squeezing gross margins.	Emission costs and carbon reduction investments become explicit, thus increasing operating costs and squeezing gross margins.	Can accelerate the establishment of carbon management systems and carbon reduction investment planning, thus elevating regulatory response capabilities	Increase in operating or capital costs	4	5	Short-term	Establish carbon fee scenario models and carbon reduction roadmaps; strengthen ISO 14064
	Market risk	Risk	Customers request PCF, renewable energy, and carbon reduction commitments.	If responses are insufficient, it may affect order-taking capabilities and customer retention	Can promote low-carbon sales strategies and product differentiation to elevate customer stickiness	Decrease in demand for products or services	4	4	Short-term	Establish customer segmentation and low-carbon sales strategies, plan product carbon footprints, and promote supply chain carbon reduction collaboration and data integration
	Market risk	Risk	Energy transition leads to structural cost increases.	Long-term energy transition investments and increased operating costs	Can help lay out a low-carbon energy structure in advance to elevate medium- to long-term competitiveness	Increase in operating or capital costs	3	4	Medium term	Long-term energy transition investment planning
	Market risk	Risk	Extreme weather leads to raw material supply delays and cost fluctuations, thus squeezing production and contract fulfillment flexibility.	Increased volatility in raw material supply schedules and pricing elevates delivery lead times and contract fulfillment risks	Can promote the establishment of supply chain resilience and backup mechanisms	Increase in operating or capital costs	4	3	Short-term	Second sources, safety stock, and arrival early warning systems; long-term contracts/flexible clauses for critical raw materials; supplier BCP audits and collaborative drills

Main category	Sub-category	Type	Risk or opportunity	Negative impact	Positive impact	Financial impact	Degree of impact	Likelihood of occurrence	Time horizon	Management policy
Transition risk	Market risk	Risk	Changes in electricity pricing structures and peak electricity usage restrictions	Rising electricity costs increase pressures on production capacity and scheduling.	Can accelerate energy-saving projects and demand management; improve energy efficiency	Increase in operating or capital costs	4	5	Short-term	Energy-saving projects, demand management, green power evaluation
	Acute risk	Risk	Typhoons and extreme rainfall cause factory flooding.	Damage to facilities and equipment results in operational shutdowns and repair costs.	Can prompt the Company to refine flood prevention inspections and disaster response capabilities	Decrease in operating revenues	5	4	Short-term	Flood prevention inspections, equipment elevation, disaster SOPs
Physical risk	Acute risk	Risk	Unstable energy supply risks production halts and increased costs.	Power supply instability causes line shutdowns, yield drops, and increased backup costs.	Can strengthen backup power and energy management systems, thus elevating power supply resilience	Increase in operating or capital costs	3	4	Short-term	Establish backup power and energy storage systems, strengthen energy management systems, and diversify power supply sources
	Chronic risk	Risk	Water resource scarcity leads to process disruptions.	Water shortages potentially lead to shutdowns, production capacity drops, and elevated process risks.	Can prompt the Company to elevate the recycled water ratio and backup water source configurations, thus strengthening process stability	Decrease in operating revenues	5	4	Medium term	Elevate recycled water ratio; plan backup water sources
Opportunity	Resource use efficiency	Opportunity	Energy-saving projects reduce energy costs.	If energy-saving projects are not continuously implemented, opportunities to save energy and lower costs will be missed.	Can directly lower energy consumption and energy costs, thus improving the gross margin structure	Decrease in operating or capital costs	4	4	Short-term	Energy KPI management
	Energy sources	Opportunity	Adopt green power to enhance customer competitiveness	If implementation is insufficient, opportunities with strategic customers and low-carbon supply chains may be missed.	Can help respond to customers' low-carbon procurement needs, thus elevating market competitiveness and capital accessibility	Increased capital accessibility and investment opportunities	3	3	Medium term	Green power proportion planning
	Products and services	Opportunity	Low-carbon products create market opportunities	Failure to establish a timely presence may result in missed opportunities for new customers and new orders.	Can expand the low-carbon product market and drive revenue growth	Increase in operating revenues	4	3	Medium term	Low-carbon product R&D
	Resilience	Opportunity	Strengthen disaster prevention and backup systems through resilience investments, lower shutdown risks, and elevate sustainable financing and capital acquisition capabilities	Higher capital expenditure is required in the short term.	Can lower shutdown losses, elevate operational resilience, and improve financing terms	Short-term capital expenditure increases will help lower risk costs and elevate capital acquisition capabilities over the long term.	4	4	Short-term	Incorporate disaster prevention and backup into capital expenditure planning; combine risk assessment and KPI management, and connect them with sustainable financing mechanisms

Degree of impact on costs by actions taken to manage risks or opportunities

Sub-category	Type	Labor cost	Equipment cost	Capital expenditure	R&D expenses	Social activity expenses	Losses and remediation	Outsourcing cost	Insurance premium
Policy and regulatory risks	Risk	2	2	3	2	1	2	3	1
Market Risk - Customers' Low-Carbon Requirements	Risk	3	2	2	2	1	4	2	1
Market Risk - Energy Transition Costs	Risk	1	1	2	1	1	3	1	5
Market Risk - Raw Material Delays and Cost Volatility	Risk	2	1	2	1	1	3	4	1
Market Risk - Electricity Prices and Peak Usage Restrictions	Risk	1	2	3	1	1	2	2	1
Acute Risk - Flooding	Risk	3	4	4	1	1	5	3	3
Acute Risk - Energy Supply Instability	Risk	4	2	2	1	1	2	2	2
Chronic Risk - Water Scarcity	Risk	2	3	4	2	1	5	3	2
Resource use efficiency	Opportunity	2	3	3	2	1	1	2	1
Energy sources	Opportunity	2	2	3	1	1	1	3	1
Products and services	Opportunity	3	3	3	4	2	1	3	1
Resilience	Opportunity	2	3	5	1	1	3	3	2

Note: A higher score represents a greater degree of impact, with 0 representing no impact.

2.6.4 Climate-Related Indicators and Targets

The setting of Chung Hwa Chemical's climate-related metrics and targets is based on existing medium- to long-term environmental targets and incorporates the results of the 2025 climate risk and opportunity identification. It incorporates carbon reduction, energy conservation, water resource management, low-carbon electricity, low-carbon products, operational resilience, and supply chain collaboration into tracking. Considering that the Company's current 2030 medium- to long-term environmental targets already cover primary climate management dimensions, we still use existing quantitative targets as the main framework for 2025, while supplementing management metrics such as green power, low-carbon products, resilience, and supply chain synergy based on this year's identification results to elevate decision-making connectivity and practical feasibility in climate governance.

Climate-related Indicators and Targets

Key management focus	Main metrics	Medium- to long-term targets	2025 management direction
Greenhouse gas management	Scope 1 and Scope 2 emission volumes and emission intensities	Total greenhouse gas emissions will be reduced by 33% by 2030 compared to the baseline year.	Strengthen inventory quality, carbon fee scenario analysis, and carbon reduction roadmap management
Energy management	Total energy consumption, energy intensity, annual energy savings	Total energy consumption will be reduced by 10% by 2030 compared to the baseline year.	Promote energy-saving projects, demand management, and equipment efficiency enhancement
Environmental Regulatory Compliance	Emission testing and environmental data compliance rate	Maintain a 100% testing data compliance rate.	Continuously strengthen monitoring, compliance checks, and anomaly early warnings
Water resource management	Total water withdrawal, recycled water ratio, backup capacity	Total water withdrawal will be reduced by 10% by 2030 compared to the baseline year.	Elevate recycled water ratio, evaluate backup water sources, and plan reclaimed water
Waste and Resource Circulation	Waste recycling rate, reuse rate	Waste recycling rate will reach 95% or above by 2030.	Continuously promote classification improvement, process recycling, and reuse
Low-Carbon Electricity Management	Green power usage, green power percentage, low-carbon electricity coverage rate	Gradually establish annual elevation targets	Plan green power introduction and procurement strategies based on customers' needs and power supply conditions
Low-Carbon Product Management	Product carbon footprint completion rate, number of low-carbon products developed	Gradually establish annual management targets for key products and strategic customers	Focus on low-carbon specifications with commercialization potential in line with customer demand
Resilience and Supply Chain Synergy	High-risk facility improvement completion rate, second-source establishment rate, supplier BCP coverage rate	Gradually establish annual improvement targets	Incorporate disaster prevention, backup, supply chain drills, and risk dashboards into management

2.7 Information Security

Using ISO/IEC 27001:2022 as its management framework, the Company incorporates information security into operational governance and risk management mechanisms, with a focus on maintaining the confidentiality, integrity, and availability of information assets. Through institutionalized processes, education and training, risk assessments, incident response, and business continuity drills, the Company elevates corporate operational resilience and regulatory compliance capabilities.

System establishment



Issuance of 23 procedure manuals/management manuals and 43 derivative forms has been completed, serving as the foundation for institutionalized ISMS operations.

Education and training



All employees completed 2 cybersecurity training sessions in 2025, and they achieved the management requirement of test scores of 70 points or higher.

Permission Control



No unauthorized access incidents resulting from improper permission management occurred in 2025, demonstrating that basic control measures have been effectively implemented.

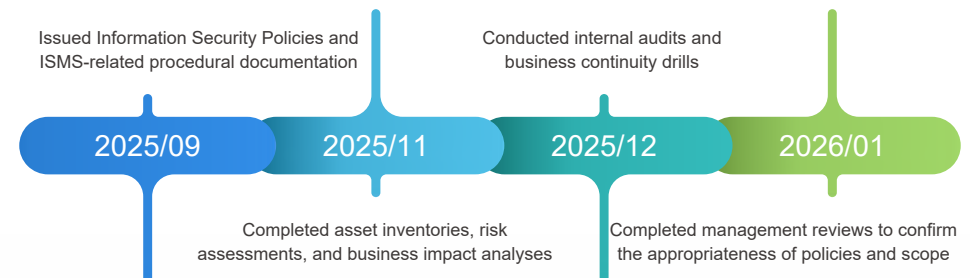
Operational Resilience



Business continuity drills have been completed, with key business system recovery, backup restoration, and incident reporting serving as verification priorities.

Information Security Management Milestones

It is summarized according to 2025 system implementation, internal audits, drills, and management review milestones.



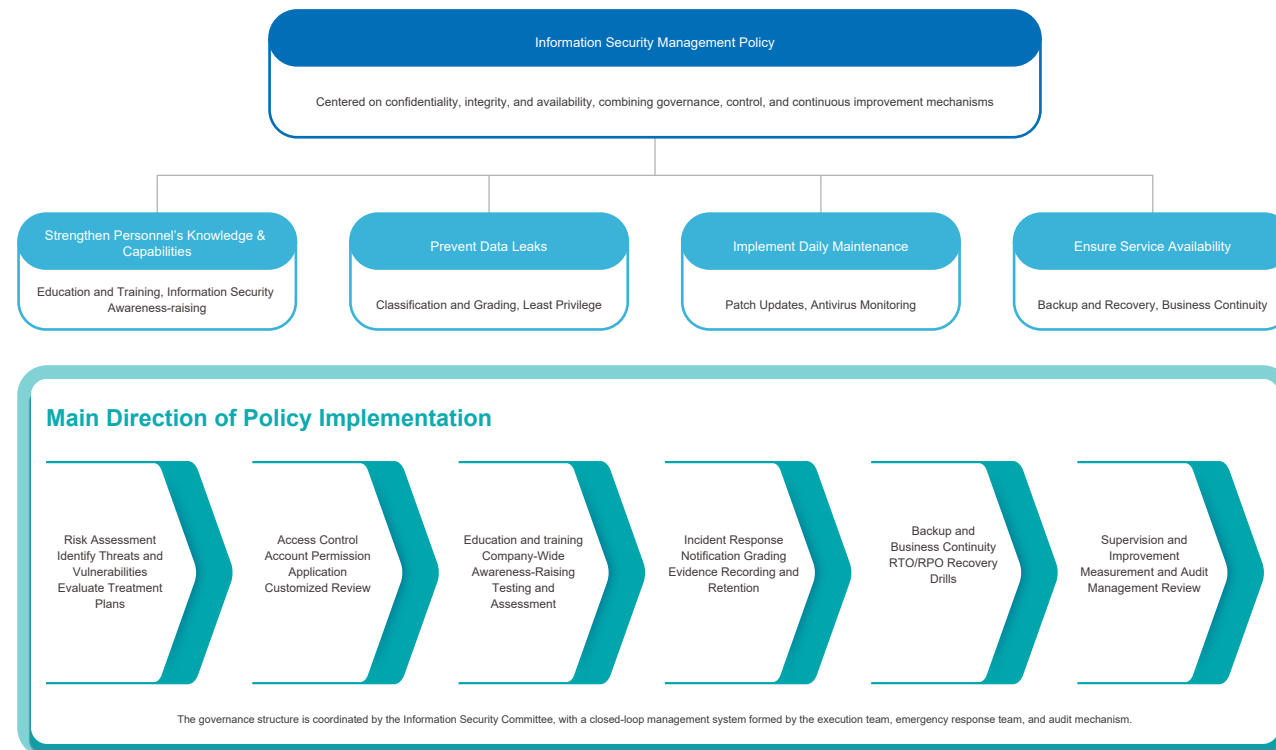
2.7.1 Information Security Management Policy

The Company has published the "Information Security Policy" as the highest guiding principle for the Information Security Management System (ISMS). The policy applies to all units and all internal and external personnel who use, process, or manage the Company's information assets. The management focus lies in preventing risks such as data leaks, unauthorized access, system disruptions, and operational impacts through institutionalized governance and daily operational controls.

In terms of governance structure, the Information Security Committee is responsible for policy review, resource coordination, and management reviews, with policy implementation jointly promoted by the Executive Secretary, Information Security Execution Team, Emergency Response Team, and audit mechanisms. The policy also requires all employees to adhere to information security procedures, report information security incidents and vulnerabilities in real time, and continuously raise awareness through announcements, meetings, and education and training.

Furthermore, the Company adopts a risk-oriented management approach and incorporates asset inventorying, classification and grading, access control, malicious software protection, data backup, incident reporting, and business continuity into standardized procedures, while conducting policy reviews at least once per year and executing immediate reviews during major changes to maintain the appropriateness and effectiveness of the policy.

Policy Framework



In terms of governance structure, the Company has established an Information Security Committee, Executive Secretary, Information Security Execution Team, Emergency Response Team, and Information Security Audit Team, forming a governance mechanism led by management and characterized by cross-departmental collaboration. The Information Security Committee is responsible for policy reviews, resource coordination, and management reviews; the Information Security Execution Team is responsible for system planning, risk management, educational training, and improvement measure promotion; and the Audit Team periodically reviews the system execution status to strengthen the closed management loop and continuous improvement mechanisms.

Policy Vision and Management Actions

Policy vision	Management focus	Key management actions
Strengthen Personnel's Knowledge & Capabilities	Elevate all employees' awareness of information security and responsibility	Conduct information security education and training, awareness-raising, and tests; new employees complete relevant education and training before commencing their formal duties.
Prevent Data Leaks	Strengthen data protection and the principle of least privilege	Implement information classification and grading, account and permission application reviews, periodic permission reviews, and access control over critical data.
Implement Daily Operations & Maintenance	Lower daily operational and system maintenance risks	Execute patch updates, anti-virus and malicious software protection, log monitoring, equipment management, and separation of formal/testing environments.
Ensure Service Availability	Maintain recovery capabilities and resilience for key services	Reduce disruption impacts through backups, business impact analysis, RTO/RPO settings, business continuity plans, and annual drills.

Annual Execution Status Summary

Orientation	Indicator	2025 results	Description
Institutionalization	Document establishment	23 procedures / management manuals; 43 forms	Establish ISMS-related institutional document systems to enhance process standardization, traceability, and audit efficiency.
Awareness Strengthening	Education and training	All employees met the required test standards twice this year.	All employees participate in information security awareness-raising training at least twice per year and pass with test scores of 70 points or higher.
Permission Control	Unauthorized Access Incidents	0 cases	Annual measurement results show that no unauthorized access incidents caused by improper permission management occurred.
Operational Resilience	Drills & Recovery	Completed 1 drill	Executed business continuity drills for equipment failure and system service recovery scenarios, validating notification, backup restoration, and recovery processes.

3

Products and Services

3.1 Products and Services

3.2 Product Health and Safety



3.1 Products and Services

With years of expertise in the chemical materials sector, Chung Hwa Chemical integrates chemical research and development, manufacturing, sales, and technical services into its core business framework. The Company is strategically committed to establishing itself as a vital sustainable supplier in the electronic and specialty chemical supply chains throughout Taiwan and the Asia-Pacific region. Based on currently disclosed public information, the Company's product structure has centered on three major business axes: basic chemicals, specialty chemicals, and electronic chemicals. By integrating research and development, manufacturing processes, and application support capabilities, the Company is steadily upgrading from a traditional chemical supplier into a solution provider equipped with both material integration and customer service capabilities.

In terms of sustainable governance, the Company conducts the management of environmental, social, and corporate governance issues in accordance with Sustainable Development Best Practice Principles. While pursuing business growth and profitability, the Company requires that sustainability risks, stakeholder rights, and product responsibilities be incorporated into management decisions; additionally, the Sustainable Development Committee and Sustainable Development Execution Team take charge of relevant policies, systems, promotion plans, and performance reviews, thus laying a governance foundation for product and service management.

3.1.1 Introduction to Products and Services

Chung Hwa Chemical's product portfolio spans diverse chemical material fields, with a total of 64 products currently listed on its official website. Among them, basic chemicals primarily consist of sulfuric acid, dilute sulfuric acid, fuming sulfuric acid, chlorosulfonic acid, aluminum sulfate, polyaluminum chloride, liquid caustic soda, hydrochloric acid, and various phosphate, silicate, and inorganic salt products; specialty chemicals cover p-toluenesulfonic acid, sodium 5-sulfoisophthalate, lithium 5-sulfoisophthalate, BPS, SLS, SLES, benzoic acid, and succinic acid; electronic chemicals include ppt/ppb electronic-grade sulfuric acid, hydrogen peroxide, tetramethylammonium hydroxide, NMP, IPA, DMSO, PGMEA, and metal etching solutions. This demonstrates that the Company's product portfolio has achieved significant depth, extending from bulk commodity raw materials to high-purity, high-value-added electronic materials.

In terms of market applications, the Company's basic chemicals mainly support water treatment, food processing, and surface treatment applications; specialty chemicals are widely applied in textile, coating, and cleaning fields; electronic chemicals focus on semiconductor and electronic manufacturing process requirements, including critical stages such as developing, etching, photoresist stripping, and wafer cleaning. Taking electronic-grade sulfuric acid as an example, official disclosures indicate that it is primarily used in silicon wafer cleaning, photolithography, etching, and printed circuit board (PCB)-related manufacturing processes. This demonstrates that the Company has successfully entered application markets with demanding requirements for high purity and high stability.

In addition to product supply, the Company has built technical service capabilities that run parallel with its products. According to disclosures on the official website, the Company possesses technical capabilities and service offerings including sulfonation, hydrogenation, esterification,

contract mixing and repacking, and wastewater testing and analysis. It emphasizes combining its R&D team, equipment resources, and upstream-downstream industry experience to provide customers with comprehensive technical support and application solutions. From a business model perspective, the Company does not rely solely on single-point product transactions. Instead, it enhances customer retention and the added value of its product portfolio through process engineering capabilities, application experience, and customized services.

Overall, the development of the Company's products and services exhibits three distinct characteristics: first, maintaining the supply scale and stability of basic chemicals to support the existing market and cash flow foundation; second, continuously strengthening differentiated applications for specialty chemicals to improve gross margin structure and market segmentation; third, actively expanding the strategic presence in electronic chemicals and high-purity materials to respond to the high-tech industry's stringent requirements for quality stability, impurity control, and long-term supply capacity. This product portfolio strategy aligns with the "Company's mission to become an important sustainable supplier in the electronic and specialty chemical material supply chains".

In addition, in accordance with the Sustainable Development Best Practice Principles, the Company enforces clear requirements for information transparency, safety, quality, customer rights, and privacy protection regarding its products and services, while emphasizing that products and services must not involve deception, misleading practices, fraud, or any other act that compromises consumer rights. In other words, the Company's management focus for products and services extends beyond shipments and revenue; it further regards quality, information disclosure, regulatory compliance, and customer trust as integral components of product responsibility.

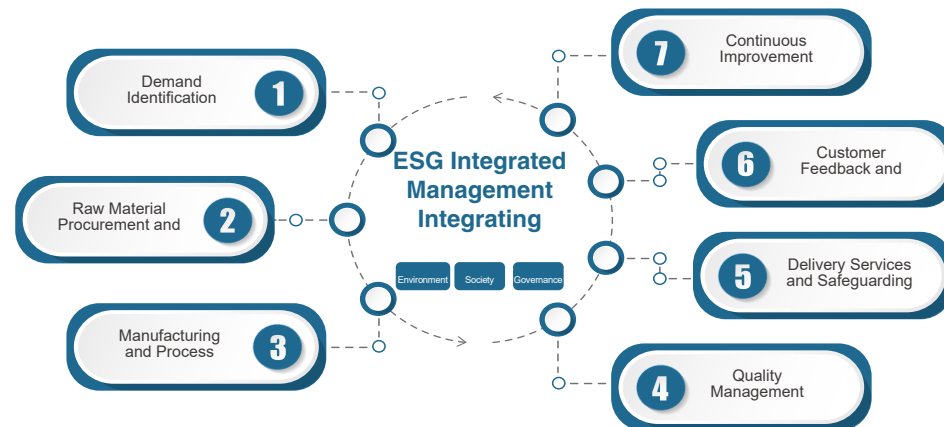


3.1.2 Life Cycle Management

The Company incorporates the concept of life cycle management into its product and service management processes. Beginning with front-end demand identification and product planning, this extends through raw material procurement, manufacturing, quality management, delivery services, customer feedback, and continuous improvement. ESG risks are integrated into the decision-making process at every stage to mitigate operational impacts and enhance the overall sustainability performance of the value chain.

Demand Identification and Product Planning

Integrating environmental, social, and management requirements throughout the entire product and service life cycle



Demand Identification and Product Planning

During the product and service planning stage, the Company considers key stakeholder concerns, regulatory requirements, product safety, quality stability, and environmental impacts as essential benchmarks for product development, process optimization, and service design, ensuring that the direction of life cycle management remains aligned with the Company's sustainable development policies.

Raw Material Procurement and Supplier Management

In the upstream procurement phase, the Company evaluates the environmental and social impacts of its purchasing activities. Through supplier management mechanisms, suppliers are required to comply with relevant regulations regarding environmental protection, occupational health and safety, and labor rights, thereby strengthening supply chain risk control and responsible procurement management.

Manufacturing and Process Management

In the manufacturing stage, based on product characteristics and process requirements, the Company continuously promotes efficient resource utilization, energy efficiency improvements, pollution prevention, proper waste management, and environmental impact reduction. Through institutionalized management measures, principles such as reducing resource consumption, lowering pollution emissions, enhancing recyclability and reusability, extending product durability, and improving product performance are implemented in daily operations.

Quality Management and Risk Control

In compliance with government regulations and relevant industry standards, the Company ensures product and service quality while placing high emphasis on product information transparency, safety, and risk management. Across all operational activities, risks that could potentially cause business disruption are continuously evaluated to minimize impacts on customers and society, thus maintaining supply stability and market trust.

Delivery Services and Safeguarding Customer Rights

In the product delivery and service stage, the Company attaches importance to customer health and safety, customer privacy, and marketing and labeling management and requires relevant operations to comply with regulations and international standards, without misleading, fraudulent, or consumer rights-damaging circumstances, while continuously elevating the transparency of product and service information disclosures.

Customer Feedback and Grievance Handling

The Company has established transparent and effective consumer grievance handling procedures and takes a fair and prompt response mechanism toward customer feedback and complaints, while strictly adhering to personal data protection regulations to safeguard customer information. Through customer feedback collection, anomaly reviews, and improvement tracking, the Company gathers insights that serve as an important foundation for subsequent product refinement and service optimization.

Continuous Improvement and Governance Oversight

The Company's life cycle management is planned and supervised by the Sustainable Development Committee and the Sustainable Development Execution Team, which regularly review the execution status and effectiveness of sustainable development plans and feed review results back into product and service process optimization to form a closed-loop management system, thus continuously enhancing operational resilience, product responsibility, and sustainable competitiveness.

3.2 Product Health and Safety

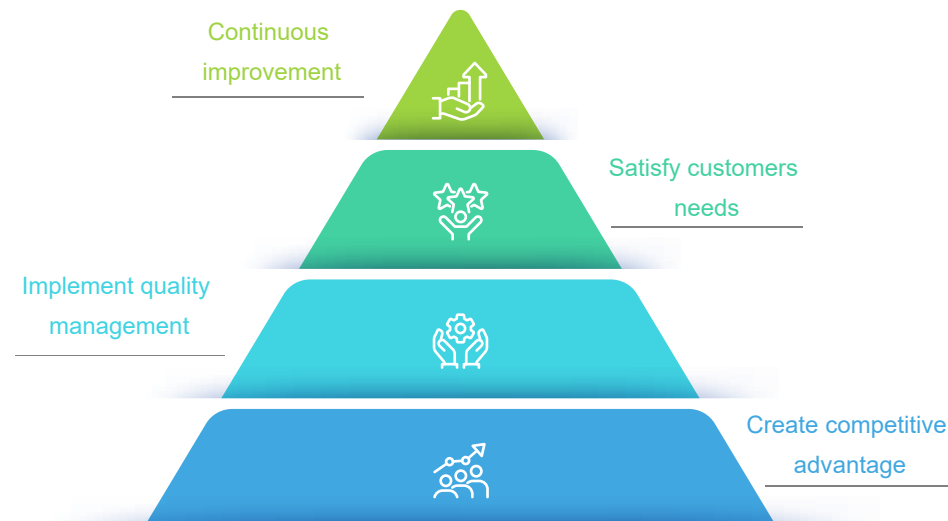
3.2.1 Product Quality Management

3.2.1.1 Product Quality and Reliability

Customers are an important stakeholder of Chung Hwa. We value their needs and are committed to building good partnerships. Chung Hwa Chemical adheres to the ISO 9001 Quality Management System and insists on continuous improvement through customer-oriented management processes, from customer demand management, product design and development management, production and manufacturing management to after-sales service management (including customer service, customer satisfaction, customer complaint management and other measures), and uses a systematic management system to provide customers with high product quality and reliability, consolidating existing customers and attracting new customers to achieve sustainable operations.

As part of the semiconductor supply chain, Chung Hwa Chemical has voluntarily upgraded its existing management systems on the foundation of ISO 9001 to meet the relevant product quality and management standard requirements of semiconductor customers.

3.2.1.2 The Company's quality policy is as follows:



Based on the above policies, we are committed to:

Our quality policy is to continuously provide customers with excellent products and services to increase the Company's profits and market share. One of the best strategies to achieve this goal is to implement continuous product quality improvement (CIP). Through this activity, we aim to instill the belief of "persisting in continuous improvement, meeting customer needs, implementing quality management, and creating competitive advantages" into the daily work of every employee. This activity will further enhance the quality of our products and services, ultimately ensuring customer satisfaction. We hereby declare our full support for the participation and responsibility of our employees in the continuous product quality improvement activity (CIP).

3.2.1.3 Product Recall Management Mechanism

We have established a comprehensive product traceability mechanism. From raw material supply, production process, and product distribution to inventory management, a comprehensive production history is available for traceability throughout the entire process. When necessary, product recalls and cause analysis can be conducted through the product traceability mechanism. Recalled products will be subject to cross-departmental discussions based on the non-conforming product control process to determine the most appropriate disposal method, and will not be released to customers. Simultaneously, an improvement team will be established in accordance with the corrective and preventive control procedures to implement necessary corrective measures to prevent recurrence of the cause.



3.2.2 Product Risk Assessment

Chung Hwa Chemical takes seriously the potential impacts that products may have on health and safety throughout their entire life cycle, and incorporates product risk management into its quality management and operational management mechanisms. For major product and service categories, the Company assesses potential impacts on human health, safe operations, and usage risks across stages including raw material selection, manufacturing process control, packaging/storage/transportation, shipping management, and customer usage scenarios, while mitigating potential risks arising during production, transport, and usage through institutionalized management procedures to safeguard the safety of customers, operational personnel, and relevant stakeholders.

Chung Hwa Chemical's product risk assessment operations are conducted mainly according to the existing ISO 9001 Quality Management System, internal product inspection standards, manufacturing process control requirements, and anomaly handling and corrective/preventive action mechanisms, and we refer to customers' regulations, regulatory requirements, and product characteristics for risk identification and control when necessary. Evaluation priorities include product specification compliance, process stability, contamination and foreign matter risks, packaging container suitability, transportation and storage safety, as well as potential health and safety risks involved when products are used by customers. Through a management mode of front-end prevention, in-process monitoring, and post-event tracking, the Company continuously enhances product safety and reliability.

(1) Assessment of Health and Safety Impacts in Major Product and Service Categories

During the reporting period, the coverage percentage of health and safety impact assessments conducted by Chung Hwa Chemical for major product and service categories was 100%. Major product categories in the assessment include industrial-grade sulfuric acid, electronic-grade sulfuric acid, and liquid caustic soda. Relevant assessments mainly focus on the following dimensions:

1. Raw material and product characteristic risk assessment: Reviewing product chemical characteristics, purity requirements, and potential hazard properties to ensure that risks during production, storage, transport, and usage are effectively controlled.
2. Process and quality control assessment: Reducing product safety risks caused by process deviations through process parameter control, quality inspection, anomaly management, and traceability mechanisms.
3. Packaging, storage, and transport safety assessment: Reviewing packaging material suitability, storage conditions, handling methods, and logistics processes to prevent improper transport or storage from impacting product safety.

4. Customer usage risk assessment: Identifying product usage conditions, operating requirements, and key precautions at the customer side, while assisting customers in using products correctly through product documentation, specification data, and technical services.
5. Anomaly event and customer complaint feedback mechanism: Combining customer complaint handling, non-conforming product control, and corrective and preventive action procedures to feed market-end or usage-end information back into internal management mechanisms as a basis for continuous improvement.

Chung Hwa Chemical regards product health and safety risk assessment as a vital part of quality management, and continuously reviews the scope of assessment and management intensity through cross-departmental collaboration mechanisms to strengthen the safety management performance of products across their entire life cycle.

(2) Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services

During the reporting period, Chung Hwa Chemical continuously complied with regulatory requirements and internal management regulations related to product and service health and safety, and reduced non-compliance risks through quality management, regulatory compliance, anomaly notification, and internal audit mechanisms.

During the reporting period, Chung Hwa Chemical experienced no major incidents of non-compliance concerning product and service health and safety regulations, received no fines or warnings due to violations of relevant laws and regulations, and had no incidents of non-compliance with voluntary codes.

To strengthen risk prevention, Chung Hwa Chemical continuously conducts real-time identification and improvement of potential risks through product traceability, non-conforming product control, customer complaint management, corrective and preventive actions, and cross-departmental review mechanisms, ensuring that products comply with customer requirements and regulatory standards, while reducing the likelihood of health and safety incidents.

3.2.3 Customer Privacy Management

Chung Hwa Chemical values customer privacy rights and data security, and regards customer data protection as an important foundation for maintaining customer trust and corporate ethical management. In operational processes such as business transactions, customer service, quality management, and after-sales service, the Company collects, processes, and uses necessary customer data solely for specific business purposes, and implements data access control, usage authority management, and information protection measures in accordance with internal management regulations and relevant legal requirements to reduce the risks of unauthorized access, leakage, loss, or improper use of customer data.

Regarding customer privacy management mechanisms, Chung Hwa Chemical upholds the principles of legality, fairness, necessity, and transparency, and cautiously manages customer data collection, processing, storage, and usage procedures. All data usage is based on operational needs, and authorization and management are carried out by relevant responsible units according to job requirements to avoid unnecessary data collection and internal circulation. At the same time, through information system permission settings, document management, data storage controls, and internal communications, the Company continuously reinforces employees' awareness of customer privacy protection and information security, ensuring that customer data is properly protected within a reasonable scope of use.

In addition, Chung Hwa Chemical continuously reviews the effectiveness of customer data management processes and information protection measures; if an anomaly occurs, investigation, review, and improvement will be conducted according to internal reporting and handling mechanisms, and necessary remedial and preventive measures will be taken depending on the nature of the event to reduce the risk of similar incidents recurring.

Complaints of a Substantiated Breach of Customer Privacy or Loss of Customer Information

During the reporting period, Chung Hwa Chemical received no substantiated complaints concerning breaches of customer privacy, nor did it receive complaints from regulatory bodies regarding customer privacy issues, and no incidents of information leaks, theft, or loss of customer data occurred. No major customer privacy incidents occurred, nor were there a high volume of cases associated with past incidents.

Chung Hwa Chemical will continuously refine its customer data protection and information security management mechanisms, and strengthen its customer privacy protection management while balancing operational requirements, regulatory compliance, and customer rights, to maintain customer trust in the Company and reduce operational and compliance risks.



4

Sustainable Supply

4.1 Industry Supply Chain

4.2 Supply Chain Management



4.1 Industry Supply Chain

4.1.1 Main Products and Their Uses

Current product lines and new products planned for development

Products	Current products	New products planned and developed
Basic Chemicals	- Concentrated sulfuric acid, fuming sulfuric acid, various diluted acids - Chlorosulfonic acid - Aluminum sulfate, polyaluminum chloride - Manufacturing, trading, and sales of liquid alkali, hydrochloric acid and various inorganic chemicals	Water treatment product application
Specialty Chemicals	- OEM series 1. Dye pigment intermediates 2. Resin monomers used in the electronics industry - Self-developed projects 1. Functional fiber intermediates 2. Toluene Sulfonated Products 3. Special dye intermediates 4. Special modified plastic resin monomer - Trade and sales of phosphate products and surfactants	- Special functional resin/plastic raw materials 5G/6G/automotive related materials - Special functional resin/plastic raw materials

Products	Current products	New products planned and developed
Electronic Chemicals	- OEM series 1. Electronic grade solvent product packaging/mixing 2. Photoresist developer products 3. Photoresist stripping agent - Self-developed projects 1. High-purity semiconductor grade sulfuric acid 2. Yellow light process developer (agent) 3. Metal etching liquid (agent) 4. Solvent cleaning solution (agent) 5. Electronic-grade solvent products	- Wet electronic chemicals OEM/ODM services - Various solvents, mixture of acids and bases, contrast agent and special formula products for electronics industry

The three main product lines are described as follows

a. Basic chemicals

The Company is engaged in the business of basic chemicals. These basic chemical raw materials are widely used across various industries, including chemicals, light industry, textiles, metallurgy, petroleum, medicine, and other industries. The acid-base industry is the foundation of chemistry and is widely regarded as the mother of the broader chemical industry. Consequently, the manufacturing of most industrial products relies directly or indirectly on the application of acid or alkali chemicals. Given their widespread industrial use and the fact that domestic economic development is primarily industry-based, the product known as the mother of the chemical industry will have a stable demand in the overall economic market. Founded over half a century ago, Chung Hwa Chemical has participated in the challenging journey of domestic economic development and witnessed the dynamic growth of the domestic chemical industry. Rooted in the acid-base industry, the Company primarily supplies basic chemical materials and manufactured products to other industries. Therefore, this industry is characterized by being a major upstream industry. By leveraging the upstream to drive the downstream, the economic value chain extends and takes root downstream, ensuring an increasingly stable future for the entire basic chemical industry. This foundation allows the Company to extend product applications and drive the development of higher value-added products.

In recent years, environmental awareness has risen significantly. In response to future market trends in international chemical products, the global circular economy will present both significant opportunities and challenges for the entire industry. Chung Hwa Chemical is actively developing and expanding its presence within the circular economy field of basic wastewater treatment. By integrating market regulations and meeting customer needs, Chung Hwa Chemical aims to expand into new business areas and enhance the Company's sustainable operating capabilities.

b. Specialty chemicals

Specialty Chemicals are high-value products of the petrochemical industry. The definition and scope of Specialty Chemicals in Taiwan can be divided into eight categories according to the type of product, including eight major areas such as plastic additives, coatings, dyes and pigments, adhesives, surfactants and cleaning products, cosmetics, electronic chemicals and other Specialty Chemicals. Phosphate rock and sulfuric acid are necessary raw materials for the production of phosphates. Fluctuations in raw material prices pose a challenge to corporate profits, but the widening gap between supply and demand further affects the price trends of industrial phosphates. Many manufacturers in Europe and North America have even increased their production capacity through acquisitions and mergers to increase product mix and strengthen their business.

As technology continues to advance rapidly, materials science is also experiencing continuous breakthroughs. Therefore, the field of specialty chemistry plays a key role in technological innovation. Nanomaterials, optoelectronic materials, and semiconductor materials are all areas where specialty chemistry is used. The Company has been operating in the specialty chemicals field for over 20 years. Through continuous application and strengthening of core capabilities, along with continuous learning and hard work, our sales and profit ratio in specialty chemicals has increased year by year in recent years. In recent years, people's reliance on electronic consumer products has gradually increased. 5G/6G/automotive-related high-end electronic products are also becoming key areas of development for the future consumer electronics market. By integrating Chung Hwa Chemical's monomer synthesis technology and mass production experience in recent years, we are actively developing customized special resin monomers and services, focusing on the special resin market for plastics and coatings applications, enhancing product specialization and quality, increasing the gross profit of specialty chemical products, and optimizing the business structure of our products. By gradually deepening the development of novel product technologies and strengthening development efficiency, we will establish a strong reputation for the quality and responsiveness of our specialized departments in the market, and look forward to playing an important role as a supplier of special raw materials in the chemical fiber coatings/electronic materials and other markets.

c. Electronic chemicals

Electronic chemicals generally refer to the chemical products, raw materials, and related materials used in the production and assembly processes of the electronics information industry. Currently, the related industries with a wide range of applications include integrated circuits (IC), packaging

and testing (bumping), displays (LCD, Micro LED), printed circuit boards (PCB), and communications. Electronic chemicals have a wide range of products and technologies. The scope of products includes gases, high-purity chemicals, and various types of metals, plastics, resins, ceramics, and ordinary and high-purity organic or inorganic compounds and mixtures. In response to the future development trends of international chemical products and the increasing demand for advanced semiconductor wafer processes, Chung Hwa Chemical will continue to enhance product quality to meet the specialized formulation and new specification development needs of clients in the optoelectronics, packaging, and semiconductor markets. At the same time, the Company is accelerating its development of wet electronic chemicals and advanced chemicals, continuing its expansion into the semiconductor, memory, and packaging and testing (bumping) industries.

4.1.2 Industry Overview

1. Industry status and development

Chung Hwa Chemical operates in the chemical material manufacturing industry, mainly covering basic chemical materials, petrochemical raw materials, and specialty chemicals. It is positioned in the upstream to midstream segments of the petrochemical and chemical industry chains. The chemical industry uses organic or inorganic raw materials as its foundation to manufacture various intermediate materials and chemical products. It serves as an indispensable foundational industry for livelihood industries, manufacturing, and the technology sector, with a high degree of correlation with national economic development.

Distinguished by product nature, chemicals can be categorized into basic chemicals and specialty chemicals: Basic chemicals are mostly sold with single chemical compositions, characterized by high-volume production, standardized specifications, and relatively lower added value. Specialty chemicals are mostly complex formulations or functional materials with higher technical entry barriers and are developed according to specific functions, application environments, or customer demands with relatively higher added value.

2. Relationship between upstream, midstream, and downstream industries

The chlor-alkali and acid-base industries form the foundation of the chemical industry and serve as critical raw materials required for most industrial processes. Among them, basic chemicals such as sulfuric acid are widely applied in chemical engineering, dyeing and finishing, electronics, optoelectronics, synthetic fibers, printing inks, and related manufacturing industries and are important upstream raw materials and intermediate materials in the supply chain.

In addition to basic chemicals, the Company engages in the production and development of various chemical intermediates and specialty chemicals. Such products serve as vital foundations

for downstream manufacturing processes or functional materials, with application scopes spanning electronic materials, optoelectronic materials, passive components, and other high-value product fields. As the semiconductor, electronic information, optoelectronics, and polymer material industries continue to develop, the chemical industry is no longer merely a supply foundation for traditional manufacturing but has also gradually become a critical link supporting the growth of high-tech industries.

For Taiwan, electronic materials and electronic chemicals are key upstream materials for the information technology and electronics industry. Although they account for a limited proportion of final product costs, they have a decisive impact on product yield rates, quality, and process stability. Consequently, mastering high-quality chemical materials and key manufacturing technologies has become an important foundation for boosting industry competitiveness.

3. Product Development Trends and Competitive Landscape

The chemical industry has long served as an important supporting force for Taiwan's manufacturing sector. However, in recent years, influenced by factors such as global supply chain shifts, raw material price fluctuations, intensified peer competition, and increasingly stringent environmental protection and occupational safety regulations, the industry's operating environment faces heightened challenges. To strengthen operational resilience and market competitiveness, the Company continuously promotes product upgrades, process improvements, eco-friendly alternative product developments, and strategic positioning in high-value-added products.

In product management, matching the implementation of the United Nations Globally Harmonized System of Classification and Labeling of Chemicals (GHS), the Company has implemented chemical hazard classification, labeling, and safety management since 2016 to strengthen chemical management and worker safety protection in the workplace.

Based on the industry development trends, specialty chemicals are highly technology-intensive and customized, with vast potential for innovative applications. They support diverse industries such as electronics, machinery, aerospace, information, biotechnology, automotive, and environmental protection. However, the global specialty chemical market is still mainly dominated by large international chemical enterprises in terms of core technologies and sales channels. Taiwan's enterprises still need to continuously improve R&D capabilities, brand visibility, and international market reach. Therefore, the Company relies on its R&D capabilities, quality stability, customer collaboration, and regional supply chain advantages to gradually elevate product value and market positioning.

Looking ahead, the global chemical industry is no longer influenced solely by economic cycles and product pricing, but is gradually converging with emerging trends such as electric vehicles, smart grids, semiconductors, green manufacturing, and the low-carbon economy. Facing market changes and sustainability transformation demands, the Company will continuously push forward digital management, process efficiency enhancements, environmental impact reductions, and high-value

product development to reinforce long-term corporate competitiveness and sustainable operation capabilities.

4.1.3 Supply Chain Structure

The Company has comprehensive supply capabilities spanning upstream raw materials, midstream functional chemicals, and downstream application services, providing one-stop chemical solutions for domestic and foreign customers.

Upstream products: We supply a variety of basic chemicals and water treatment raw materials, providing a stable and quality-controlled source of raw materials for midstream and downstream processes, including:

- Sulfuric acid, liquid alkali, hydrochloric acid and other inorganic acids and bases
- PAC (poly aluminium chloride), phosphates, and other commonly used water treatment agents
- The products are widely used in environmental protection projects, industrial water treatment, public sector tenders, and diversified manufacturing industries.

Midstream products: We are committed to the production and sales of various specialty chemicals and electronic chemicals, including:

- Semiconductor-grade wet chemicals (developer, etching solution, photoresist stripper, etc.)
- Special polymer monomers, engineering plastic additives, functional solvents and cleaning fluids
- Chemical materials for advanced packaging
- These products are mainly supplied to the semiconductor, optoelectronics, polymer processing, and new material R&D industries, and have high purity and high technical thresholds.

Downstream products: We provide OEM/ODM technical integration support to assist customers with formulation development, production transfer, and process application optimization.

- Domestic and foreign semiconductor and electronics manufacturers
- High-end engineering plastics and optoelectronic materials processing plant
- Water resource treatment units and government tender projects

Upstream suppliers in the value chain

The Company's suppliers provide equipment maintenance, technical services, distribution services, and products. In 2025, we had a total of 64 suppliers, and local suppliers accounted for 78.5% of the procurement budget in Taiwan, our important operating location.

Downstream customers in the value chain

The Company's service scope covers a wide range of downstream customer groups. According to customer type, manufacturers currently represent the largest proportion of our downstream customer base at 49%, followed by distributors at 47%, and government agencies at approximately 3%. We mainly provide a wide range of chemical sales services and customized product development, assisting customers in designing exclusive formulas based on their manufacturing process conditions and application needs to create long-term value for both parties. For public sector businesses, our focus is on participating in various public tenders, supplying basic chemicals and agents for water treatment, environmental protection, and general industrial purposes, actively responding to the government's needs for public services and sustainable development.

Looking forward, the Company will continue to deepen its focus in three core areas: semiconductor materials, specialty polymers, and water treatment chemicals. Leveraging its existing technological foundation and market trust, it will develop more product applications and market opportunities. In the semiconductor sector, the Company has benefited from steady growth in demand from downstream customers compared to last year. With the global semiconductor industry gaining momentum, we are also fully cooperating with the simultaneous upgrade of our semiconductor customers and supply chains, actively moving towards the application of high-end resin materials and the circular economy of chemical products. In the volatile market environment, the Company will continue to strengthen its cooperation with downstream customers, both in depth and breadth, grasp market and industry trends, and strive to provide high value-added solutions to expand the next wave of growth momentum.

4.2 Supply Chain Management

4.2.1 Supply Chain Management Policy

The Company is committed to promoting the sustainable development of its suppliers through an effective supplier management system. We conduct comprehensive management and monitoring of suppliers' labor, health & safety, environmental protection, ethical standards, and management systems. If other standards are adopted, audits and management will be conducted based on relevant aspects such as environmental, social, and governance (ESG). We require all new and existing suppliers to adhere to this policy as a guiding principle, working together towards goals of sustainable development and environmental protection.

The Company's supply chain management policy includes the following three main stages:

1. New supplier evaluation: Perform a comprehensive risk evaluation and compliance inspection for new suppliers to ensure they meet the Company's standards in labor, environmental responsibility, and ethics.
2. Risk management for existing suppliers: Existing suppliers are regularly assessed and undergo risk management to ensure continued compliance with our standards and ongoing improvement in their sustainable development performance.
3. Supplier improvement guidance: Provide necessary improvement guidance and support to suppliers with identified problems, to help them improve their management system and operational efficiency.

The scope of suppliers covers:

- Raw material suppliers
- Engineering contractors

Through these management measures, we will be able to ensure that our suppliers meet our expectations regarding social responsibility and environmental protection, and contribute to a sustainable future together.

4.2.2 Results of Supply Chain Audit

Through risk assessment and supplier review processes, we examine their social responsibility and environmental performance, and assist suppliers in fulfilling their corporate social responsibility and improving their environmental management capabilities. Regarding supplier management, all suppliers must pass an evaluation to be listed as qualified suppliers for our business dealings. Qualified suppliers undergo regular annual evaluations covering environmental (E), social (S), and governance (G) aspects, with on-site evaluations and audits scheduled based on the level of cooperation.

Item	Weight (%)	Description
Quality (G)	30%	Product quality, inspection pass rate, defective rate
Environmental, safety, and health management (E)	30%	Comply with environmental, safety, and health standards
Delivery period (G)	20%	On-time delivery rate, number of delayed days
Price (G)	10%	Cost-effective, price-competitive
Warranty and technical expertise (G)	5%	Warranty service, technical support capabilities
Service flexibility (S)	5%	Resilience, customized services

Supplier selection, audit projects	Detailed information
Written assessment	Preliminary screening based on written materials
Sample evaluation	Evaluate product quality through sample testing
Audit evaluation	On-site visits and audits to assess suppliers' production capabilities, quality control, etc.
Qualification certification	Qualified suppliers have passed qualification certification and are registered in the system
Registered as a qualified supplier after approval	After passing qualification certification, suppliers will be officially recognized and registered
Conduct annual periodic evaluations	Conduct regular supplier assessments annually
Performance grading	Grade A: 90- 100 points (prioritized for collaboration) Grade B: 70- 89 points (available for order) Grade C: 60- 69 points (request for improvement) Grade D: Below 59 points (no transactions allowed)
Formulate annual audit plans and conduct on-site evaluations	Periodically audit and conduct on-site evaluations to ensure suppliers' quality meets requirements
Irregular communication	Irregular communication and feedback with suppliers
Improve through supplier rating and selection	Propose improvement requirements for deficiencies based on the supplier selection results

Audit Status

In 2025, the Company had a total of 1,327 qualified suppliers, 73 of which were new suppliers in the current year. As of the end of this year, annual supplier audit operations had been completed for a total of 7 suppliers, and 5 suppliers had underwent environmental and social impact assessments.

5

Environmentally Friendly

5.1 Materials Management

5.2 Energy Governance

5.3 Emission Monitoring

5.4 Water Source Control

5.5 Waste Management



5.1 Materials Management

I. Material Usage Overview

The Company is mainly engaged in chemical manufacturing. Materials used in the production process include chemical raw materials, process auxiliary materials, and product packaging materials. Main chemical raw materials include sulfuric acid, hydrochloric acid, and other basic chemicals as core raw materials for product manufacturing; process auxiliary materials encompass catalysts, cleaning agents, and water treatment chemicals to ensure process stability and product quality; packaging materials mainly consist of tank trucks, ISO tanks, intermediate bulk containers (IBCs), and plastic containers, used for product storage and transportation.

To ensure production quality and process stability, the Company strictly controls raw material sources through raw material quality management and supply chain management systems, thus ensuring compliance with relevant quality regulations and safety standards while maintaining supply stability.

II. Material Management System

The Company has established a comprehensive material management mechanism for comprehensive controls across purchasing, acceptance, storage, and usage to elevate resource efficiency and reduce waste. Main measures are as follows:

1. Raw Material Quality Management

Establish raw material incoming inspection and acceptance systems; conduct quality testing and specification verification for critical raw materials to ensure compliance with product process requirements and avoid process fluctuations or resource waste caused by raw material quality anomalies.

2. Inventory and Procurement Management

Through an information-based inventory management system and procurement plan control mechanisms, reasonable procurement and safety stock levels are set based on production demands to prevent over-procurement and inventory backlogs, thus lowering the risk of material expiration or loss.

3. Process Material Control

Implement process parameter monitoring and standard operating procedures (SOPs); continuously optimize process conditions to elevate raw material conversion efficiency and reduce process losses.

III. Enhancing Resource Efficiency

The Company continuously pushes forward process improvements and equipment optimization to elevate resource efficiency and reduce environmental impacts. Measures taken include:

- Implement process optimization projects to raise raw material conversion rates
- Recycle and reuse by-products or reusable materials
- Reduce raw material fugitive emissions and losses during processes
- Strengthen equipment maintenance and operational management to reduce abnormal consumption

Through the aforementioned measures, the Company effectively reduces raw material usage per unit of product and decreases waste generation, achieving the dual objectives of resource conservation and environmental protection.

IV. Packaging Management and Resource Reduction

In terms of product packaging and transportation, the Company prioritizes the adoption of reusable packaging containers, such as ISO tanks and IBCs, and implements packaging material recovery and circular reuse mechanisms to lower single-use packaging material consumption.

Concurrently, by optimizing filling processes and elevating logistics efficiency, packaging material consumption and loss during transportation are reduced, further lowering environmental burdens.

5.1.1 Material Management Policy

To ensure product quality, process stability, and effective resource utilization, the Company formulates a comprehensive material management policy covering raw material selection, usage efficiency, inventory management, and waste reduction measures, and continuously refines management performance in combination with internal control systems.

Core principles of the Company's material management policy are as follows:

I. Quality and Safety First

Establish rigorous acceptance and inspection mechanisms for all incoming raw materials to ensure compliance with product specifications, regulatory requirements, and safety standards, thereby preventing non-conforming raw materials from entering production processes.

II. Elevate Resource Use Efficiency

Raise raw material conversion rates and lower material loss rates through process optimization and equipment improvement, thus reducing resource waste and environmental burden.

III. Inventory Rationalization Management

Implement information-based management systems to control procurement and inventory according to production plans; set safety stock levels to prevent over-procurement and raw material expiration risks.

IV. Waste Reduction

Promote process waste reduction and by-product recycling and reuse to lower waste generation and elevate resource recycling efficiency.

V. Continuous Improvement and Performance Tracking

Periodically review material usage efficiency and management performance; continuously refine material management systems through internal audits and management review mechanisms.

Through the aforementioned policies, the Company is committed to lowering resource consumption and reducing environmental impacts while ensuring product quality to realize the philosophy of sustainable operations.

5.1.2 Material Procurement

Based on production demands and quality requirements, the Company establishes comprehensive material procurement and supplier management systems to ensure stable raw material supply and consistent quality while taking environmental and social responsibilities into account.

I. Procurement Principles

The Company's material procurement is conducted based on the principles below:

- Quality first: Prioritize selecting suppliers that comply with specifications and maintain consistent quality.
- Stable Supply: Ensure raw material supply remains uninterrupted to lower operational risks.
- Reasonable costs: Maintain procurement cost competitiveness through price negotiation and long-term collaboration mechanisms.
- Regulatory compliance: Ensure that suppliers comply with relevant regulatory requirements (such as chemical management, environmental protection, and occupational safety specifications).
- Sustainable procurement: Gradually introduce environmental and social responsibility assessments to select suppliers who have sustainability concepts.

II. Supplier Selection and Management

The Company has established supplier selection and tiered management systems, with evaluation items including:

- Product quality and stability
- Delivery capabilities and cooperation degree
- Price reasonableness
- Environment, safety, and health management capabilities
- Regulatory compliance and corporate social responsibility performance

New suppliers must undergo evaluation and trial procedures and confirm compliance with the Company's requirements before being included on the qualified supplier list. Existing suppliers are regularly subject to performance evaluations, which serve as the basis for continued cooperation or improvement.

III. Procurement Risk Management

For critical raw materials, the Company adopts a multi-source supply strategy to reduce reliance risks on single suppliers, and establishes safety stock mechanisms to respond to market fluctuations or unexpected supply disruption situations.

Meanwhile, the Company continuously monitors raw material market price changes to mitigate the impact of cost volatility on operations through long-term contracts or strategic procurement.

IV. Sustainable Procurement Promotion

The Company is gradually incorporating ESG concepts into procurement processes, including:

- Encourage suppliers to comply with environmental protection and occupational safety and health regulations
- Prioritize evaluating suppliers with environmentally friendly manufacturing processes
- Promote suppliers signing codes of conduct or sustainability commitments
- Align with customer requirements to strengthen supply chain management (such as semiconductor industry-related regulations)

In the future, the Company will continuously strengthen supply chain sustainability management mechanisms to elevate the overall supply chain's environmental and social performance.

5.2 Energy Governance

5.2.1 Energy Management

As energy shortages, global warming, and climate change become increasingly severe, energy management and energy transition are key components of international energy policy. The selection and consumption of energy are closely related to company costs, environmental impact, safety and other considerations. Improving energy efficiency and reducing energy consumption will help save costs and mitigate the impact of climate change.

In order to effectively improve the Company's energy efficiency, we conduct an energy resource inventory according to the ISO 14064- 1:2018 greenhouse gas inventory standard, monitor and directly measure energy usage through on-site instrumentation, and estimate in-plant energy consumption through data collection and analysis. The Facilities Department is responsible for integrating energy usage across all operating locations, understanding the primary energy types used in each area, and developing energy-saving improvement plans and short, medium, and long-term targets. The Facilities Department regularly monitors the implementation of energy policy and adjusts energy plans as appropriate to ensure energy-saving targets are achieved. The Company also strengthens the promotion of its energy conservation policy and organizes related promotional activities and educational training courses to enhance employees' awareness of energy conservation and carbon reduction.

Chung Hwa has established an intelligent digital power monitoring platform to analyze energy consumption efficiency through systematic management, seek effective energy use, and lay the foundation for green factories. In addition, Chung Hwa continuously monitors the power system and adopts variable frequency and energy-saving equipment to reduce the electricity load.

Energy management policy

- Establish a dedicated unit for energy management, formulate energy management-related systems and energy-saving goals.
- A real-time monitoring platform for plant-wide energy consumption detects anomalies immediately.
- Strengthen the promotion of energy conservation concepts, such as energy conservation knowledge education and training, energy conservation case studies, and expert exchange and sharing.
- Track the effectiveness of energy conservation projects and include performance in rewards.
- Purchase equipment with energy-saving labels and introduce energy-saving design products and processes.
- Establish an appropriate energy strategy and engage all employees to promote sustainable business operations.

5.2.2 Energy Consumption

The total energy consumption of Chung Hwa Chemical in 2025 was 84,676 GJ, with an energy intensity of 42.998 (GJ / per NT\$ million in revenue) and 311.3 (GJ / per employee). The Company's energy consumption was primarily derived from purchased electricity, accounting for approximately 78.62% of total energy consumption.

In 2025, the Company's energy intensity decreased compared to 2023 due to the elimination of old motors and the adoption of energy-saving equipment. In the future, the Company will continue to monitor the energy management system and optimize energy consumption, develop green energy, use renewable energy, and install solar panels to help reduce energy consumption.

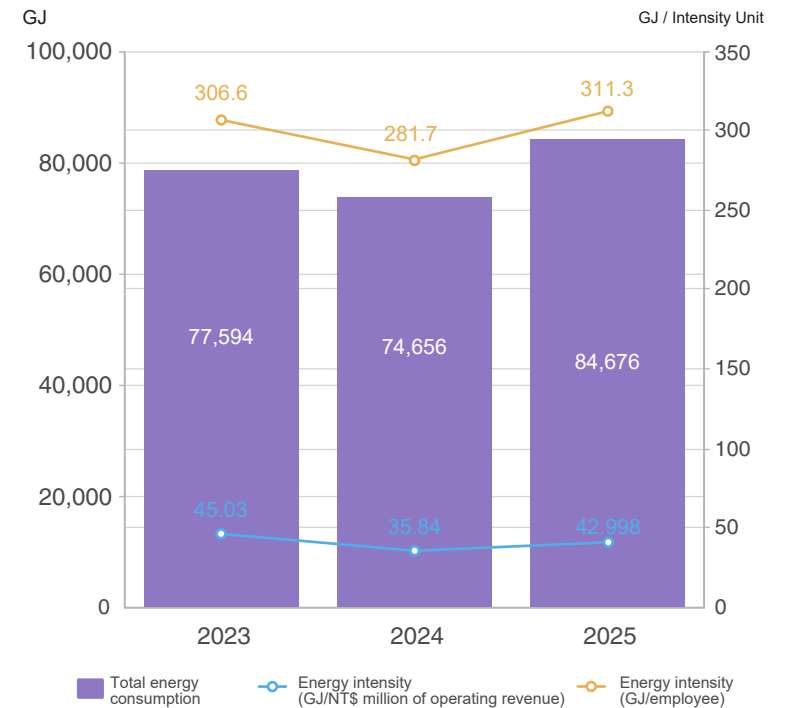
Energy consumption analysis table of Chung Hwa Chemical

Unit: Gigajoules GJ

Energy consumption item		Energy consumption ^{Note}			Percentage of energy consumption		
		2023	2024	2025	2023	2024	2025
Purchase of renewable energy	Purchased electricity	0	0	0.000	0	0	0
Purchase of non-renewable energy	Fossil fuels	10,143	13,878	13,316	13.07	18.59	15.73
	Purchased electricity	67,451	60,778	66,573	86.93	81.41	78.62
Total renewable energy consumption		0	0.000	0.000	0	0	0
Non-renewable energy self-generated for self-use		0	0	4787	0	0	5.65
Total consumption of non-renewable energy		77,594	74,656	84,676	100	100	100
Total energy consumption		77,594	74,656	84,676			
Energy intensity (GJ / per NT\$ million in revenue)		45.03	35.84	42.998			
Energy intensity (GJ / per employee)		306.6	281.7	311.3			

Note: Energy consumption is calculated (based on the latest Energy Product Unit Heating Value Table published by the Energy Administration, MOEA) by multiplying the energy usage by the unit calorific value and converting it into gigajoules (GJ).

Total energy consumption and intensity within the organization over three years



5.2.3 Energy Saving Measures

With 2021 as the baseline year, Chung Hwa Chemical will implement energy-saving planning and design through energy management policies, prioritize equipment efficiency in equipment updates and improvements, and set a goal to reduce energy consumption by 14% by 2026. In 2025, the Company reduced emissions by a total of 630.1388 tCO₂e through the following measures:

Contents of measures: An Organic Rankine Cycle (ORC) power generation system was built to recover energy from steam generated daily by the Company's product manufacturing process. In the past, the Company's daily steam output was primarily used for heating in other facilities. Excess steam was condensed and directly discharged into the atmosphere, resulting in energy waste. Through the installation of ORC equipment, excess steam originally discharged into the atmosphere is recovered and converted into electricity, which is then directly supplied to the factory's equipment to reduce the Company's overall electricity load.

Comparison of specifications and performance: Before the improvement, the Company's excess steam was directly discharged after condensation, resulting in no energy recovery benefits and increased greenhouse gas emissions. After the improvement, the excess steam was converted into usable electricity through the ORC equipment. The system's actual power generation was approximately 290-430 kWh. After deducting the power consumption of the 60HP cooling water pump and the equipment itself, the average net power generation was approximately 341 kWh.

This equipment not only effectively reduces energy waste but also lowers greenhouse gas emissions. Furthermore, it reduces dependence on external grids through waste heat recovery technology, thereby effectively lowering energy costs and enhancing the Company's overall profitability and market competitiveness. In addition, the ORC system promotes decentralized energy supply and energy reuse within the factory, aligning with the Company's long-term strategic goals of environmental protection and sustainable development.

Energy conservation analysis table of Chung Hwa Chemical

Energy-saving measures	Energy type	Calculation (identification) model	Energy savings (kWh)	Energy savings (GJ)	Energy savings (tCO ₂ e)
Waste heat recovery power generation	Other (non-renewable energy)	Based on power generation records	1329406.73	4,786.9543 GJ	630.1388 tCO ₂ e
Total				4,786.9543 GJ	630.1388 tCO ₂ e

5.2.4 Supply Chain Energy Consumption

To manage energy consumption across Chung Hwa Chemical's upstream and downstream value chain, starting in 2024, we identified major operational activities in five key dimensions: quantitative methodology, coefficient availability, activity data accessibility, degree of impact, and regulatory or specific sector requirements. Through this framework, we conducted an inventory of energy items and their usage patterns across upstream and downstream activities. In 2025, the Company calculated energy consumption totaling 17,515.0066 tCO₂e across categories including purchased goods and services, upstream transportation and distribution, waste generated in operations, employee commuting, and downstream transportation and distribution. Energy consumption across the aforementioned value chain is mainly dominated by purchased goods and services, accounting for approximately 90.59% of energy consumption.

Supply chain energy consumption analysis table of Chung Hwa Chemical

Unit: tCO₂e

Value chain	Category	Energy consumption (tCO ₂ e)	Percentage of energy consumption (%)
Upstream	Purchased Goods and Services	15,867.5544	90.59
	Upstream Transportation and Distribution	178.3364	1.02
	Waste Generated in Operations	139.9321	0.80
	Employee Commuting	177.1331	1.01
	Upstream Leased Assets	20.4743	0.12
Downstream	Downstream Transportation and Distribution	1,127.6821	6.44
	General Waste Transportation	3.8941	0.02
Total		17,515.0066	100%

5.3 Emission Monitoring

5.3.1 Greenhouse Gas Inventory

Chung Hwa Chemical has adopted the ISO 14064- 1:2018 standard as the basis for this greenhouse gas inventory. The organizational boundary is defined using the operational control approach in accordance with the requirements of the region's competent authorities. The operational control approach is prioritized, and direct emissions from fixed and mobile combustion within the boundaries are inventoried. We measure the significance of emission sources based on frequency of occurrence, degree of impact, quantification method, and risk level, using these factors as the criteria for inclusion of categories 3 to 6 in the inventory. We also outsource verification to an external third party. Starting from 2021, the Company has conducted annual greenhouse gas inventories and uses this as the base year to regularly assess and control the organization's greenhouse gas emissions.

Starting in 2024, Chung Hwa Chemical has completed external verification according to ISO 14064-3:2019 and complied with the requirements of ISO 14064-1:2018. The certificate is attached.

The organizational boundaries for this year include Taoyuan Plant No. 1, Taoyuan Plant No. 2, and Changhua Plant, which are consistent with the scope of Chung Hwa Chemical's financial statements. The reporting boundary includes Category 1 (stationary emission sources, mobile emission sources, fugitive emission sources, process emission sources, etc.), Category 2 (external purchased electricity), Category 3 (upstream and downstream transportation and distribution, employee commuting, waste transportation, etc.), and Category 4 (lease and use of upstream assets, waste disposal, etc.). This report identifies the main sources of greenhouse gas emissions within the reporting boundary. The types of greenhouse gases inventoried comprise a total of four: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs), a total of four.

We use the emission factor method to calculate annual CO₂e by multiplying activity data by the emission factor and global warming potential (GWP). The unit of calculation is metric tons of carbon dioxide equivalent (tCO₂e). The source of the emission factor is the "Greenhouse Gas Emission Factors Table" published by the Ministry of Environment, Executive Yuan, and the GWP value is based on the value published by the IPCC (IPCC Fifth Assessment Report). Activity data sources include continuous emissions monitoring systems (CEMS), engineering calculations, mass balances, and other supporting documents.

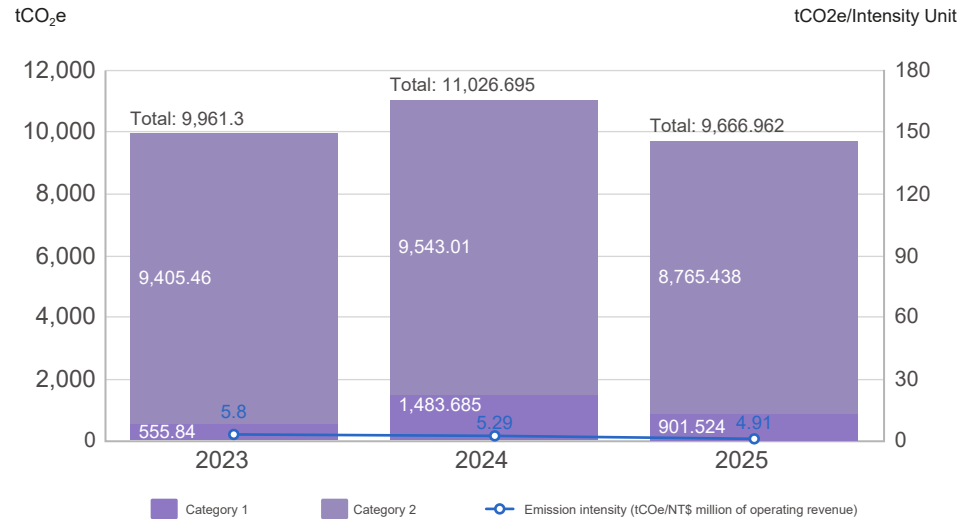
The emissions of Category 1 greenhouse gases in 2025 were 901.524 tCO₂e, Category 2 emissions were 8,765.438 tCO₂e, and Category 3 to 6 emissions were 17,515.0066 tCO₂e. Total emissions within the reporting boundary were 27,181.969 tCO₂e. Using total revenue (NT\$ million), number of employees, and tons of waste as intensity conversion units, the emission intensity was 13.8 tCO₂e per NT\$ million of operating revenue, 99.9 tCO₂e per employee, and 37.5 tCO₂e per metric ton of waste.

Greenhouse Gas Emissions Analysis Table

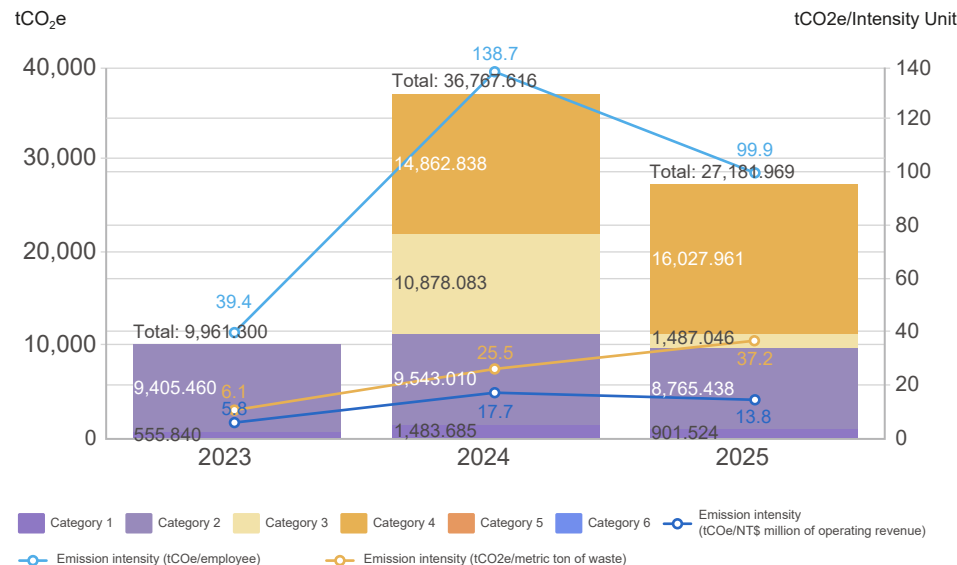
Unit: tCO₂e

Greenhouse gas emissions	2023	2024	2025
Category 1	555.840	1,483.685	901.524
Percentage (%)	5.6	4.0	3.3
Category 2	9,405.460	9,543.010	8,765.438
Percentage (%)	94.4	26.0	32.2
Category 3	0.000	10,878.083	1,487.046
Percentage (%)	0.0	29.6	5.5
Category 4	0.000	14,862.838	16,027.961
Percentage (%)	0.0	40.4	59.0
Category 5	0.000	0.000	0.000
Percentage (%)	0.0	0.0	0.0
Category 6	0.000	0.000	0.000
Percentage (%)	0.0	0.0	0.0
Total greenhouse gas emissions (Categories 1 to 2)	9,961.300	11,026.695	9,666.962
Total greenhouse gas emissions (Categories 1 to 6)	9,961.300	36,767.616	27,181.969
Emission Intensity (tCO ₂ e/ per NT\$ million of revenue) (Category 1 - Category 2)	5.8	5.29	4.91
Emission Intensity (tCO ₂ e/ per NT\$ million of revenue) (Category 1 - Category 6)	5.8	17.7	13.8
Emission intensity(tCO ₂ e/per employee)	39.4	138.7	99.9
Emission Intensity (tCO ₂ e / per ton of waste)	6.1	25.5	37.2

Category 1 and Category 2 greenhouse gas emissions and emission intensity



Category 1 to Category 6 greenhouse gas emissions and emission intensity



5.3.2 Greenhouse Gas Reduction

Chung Hwa Chemical began inventorying greenhouse gas emissions in 2021 and established 2021 as the baseline year, with total Category 1 and Category 2 emissions of 11,932 tCO₂e in 2021. We have set a short-term target to reduce Category 1 and Category 2 emissions by 18% by 2026 compared to the baseline year, and a long-term target to reduce Category 1 and Category 2 emissions by 33% by 2030 compared to the baseline year. Currently, the emissions covered by these reduction targets (Category 1 and Category 2) account for 30% of the Company's total reported emissions. We have invested NT\$24 million and implemented the following actions, while regularly tracking the results and performance:

1. Execution method of energy management system upgrade: Introduce an advanced energy management system to monitor and optimize energy consumption in real time; implementation obstacles include high initial investment costs and the need for employee training
2. Execution method of renewable energy promotion: The installation of solar panels on the rooftops of the Company's buildings will increase the proportion of renewable energy used. The main obstacle during implementation is that construction may affect daily operations

Among them, the upgrade of the energy management system and the promotion of renewable energy are formulated to comply with the requirements of the Climate Change Response Act; the upgrade of the energy management system and the promotion of renewable energy are being continuously implemented.

We have adopted the ISO 14064-1 methodology and greenhouse gas emission calculation tool. We estimated and modeled emissions for Category 1 and Category 2, and concluded that Chung Hwa Chemical's greenhouse gas emissions, due to emission reduction actions, would be reduced by 2,264.733 tCO₂e compared to the baseline year of 2021.

5.3.3 Inventory of Ozone-Depleting Substances

The Company's manufacturing process does not use any equipment that produces ozone-depleting substances (ODS), and all air conditioning equipment has been replaced with environmentally friendly refrigerants. Therefore, the Company has zero ODS emissions.

5.3.4 Other Air Pollutant Emissions

The air pollutants generated by Chung Hwa Chemical are primarily from process emissions, such as air pollutants generated during manufacturing and boiler combustion, including SO_x, NO_x, and VOCs. To track and control air pollutant emissions within the factory, in addition to installing relevant control equipment, the Company also conducts gas testing at emission outlets within the factory through third-party testing at the frequency specified in the permit to ensure that air pollutants generated meet or exceed government regulations.

Air pollution control equipment and treatment efficiency

Name of air pollutant	Preventive equipment	Treatment efficiency (%)
Nitrogen oxides (NOx)	Scrubber	About 10%
Sulfur oxides (SOx)	Scrubber	About 40%
Volatile organic compounds (VOC)	Activated carbon adsorption equipment, scrubber	About 80%
Particulate matter (PM)	Scrubber	About 55%

Air pollutant emission concentration detection

Major gas	Actual detected emission concentration (unit)	Emission standards (unit)
Nitrogen oxides (NOx)	No measured value, emission is calculated using the coefficient method	150ppm
Sulfur oxides (SOx)	11.7125	100ppm
Volatile organic compounds (VOC)	8	150ppm
Particulate matter (PM)	20	100mg/Nm ³

Note 1: The table's sulfur oxides and particulate pollutants are the average values of self-inspections conducted on the sulfuric acid process emission pipelines in 2025; the volatile organic pollutants are values measured from the organic process permit application in 2025.

Note 2: Emission standards comply with the air pollution operating permit

The Company's NOx emissions were 370 kg, SOx emissions were 1,583 kg VOC emissions were 3,720 kg, and PM emissions were 2,634 kg in 2025.

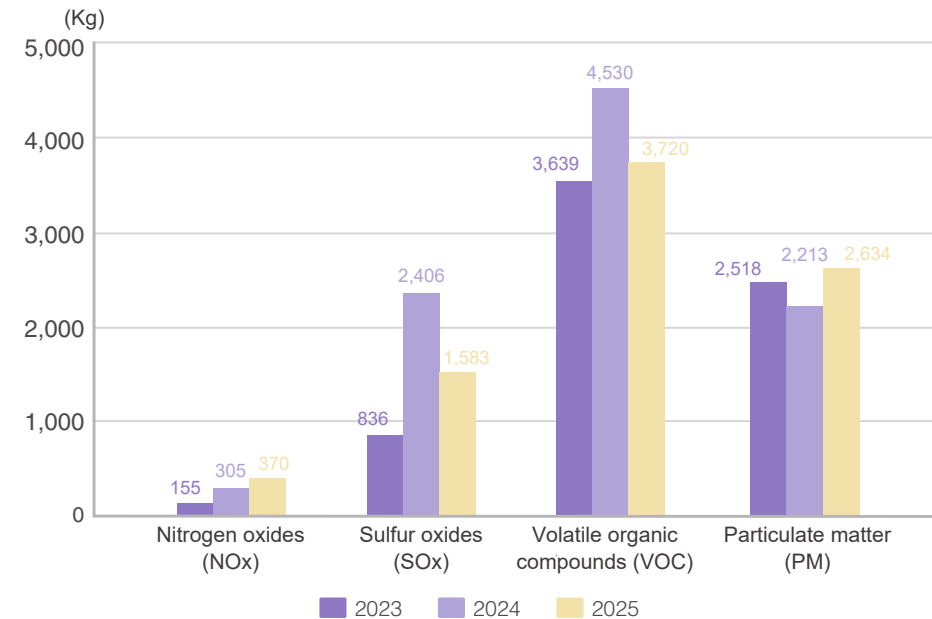
Air pollutant emissions over the years

Unit: Kg			
Item	2023	2024	2025
Nitrogen oxides (NOx)	155	305	370
Sulfur oxides (SOx)	836	2,406	1,583
Volatile organic compounds (VOC)	3,639	4,530	3,720
Particulate matter (PM)	2,518	2,213	2,634

Note 1: Measurement method: Calculated using the Ministry of Environment's Air Pollution Fee and Emissions Reporting Integrated Management System.

Note 2: Source of coefficient: Sulfur oxides are calculated based on the test values/coefficients announced by the Environmental Protection Administration; nitrogen oxides, particulate matter, and volatile organic compounds are calculated based on coefficients announced by the Ministry of Environment.

Air pollutant emissions



5.4 Water Source Control

5.4.1 Water Resource Impact Assessment

If an enterprise's wastewater is not properly treated, it may negatively impact the ecological environment or the health of local residents. Therefore, enterprises should establish a comprehensive water resource management system to identify the relevance of their operational water consumption and wastewater to the Company's internal and external environment and society, assess the various risks and impacts of water resources, and reduce the impact of their water consumption and discharge through effective water resource management models.

Chung Hwa Chemical regularly evaluates and reviews water resource impacts and drainage-related impacts to set water resource improvement targets. The assessment and review scope includes Taoyuan Plant No. 1, Taoyuan Plant No. 2, and Changhua Plant.

Water Resource Relationship Diagram

Locations	Water resource relationship diagram
Taoyuan Plant No. 1	Waterworks → Processing → In-plant wastewater treatment system → Guanyin Industrial Park sewage system operation center → River → Ocean Waterworks → Processing → (partial water use) In-plant recycled water system → Processing → In-plant wastewater treatment system → Guanyin Industrial Park sewage system operation center → River → Ocean (in-plant water resource circulation)
Taoyuan Plant No. 2	Waterworks → Water from office building → Guanyin Industrial Park sewage system operation center → River → Ocean
Changhua Plant	Waterworks → Water from office building → Chuansing Industrial Park sewage system operation center → River → Ocean

Water resource pressure and water resource risk values at various Chung Hwa Chemical's locations

Locations	Location	Water stress	Physical risk (water volume)	Physical risk (water quality)	Reputation and transition risks	Overall risk value
Taoyuan Plant No. 1	Guanyin District, Taoyuan City, Taiwan	Medium to low	Medium to high	Medium to high	Low	Medium to low
Taoyuan Plant No. 2	Guanyin District, Taoyuan City, Taiwan	Medium to low	Medium to high	Medium to high	Low	Medium to low
Changhua Plant	Hemei Township, Changhua County, Taiwan	Medium to low	Medium to high	Medium to high	Low	Medium to low

Notes:

1. Assessment using WRI's Water Risk Atlas tool: <https://reurl.cc/dXdrNM>
2. Query year and month: April 2025, query location: Taiwan

Water environment assessment of Chung Hwa Chemical

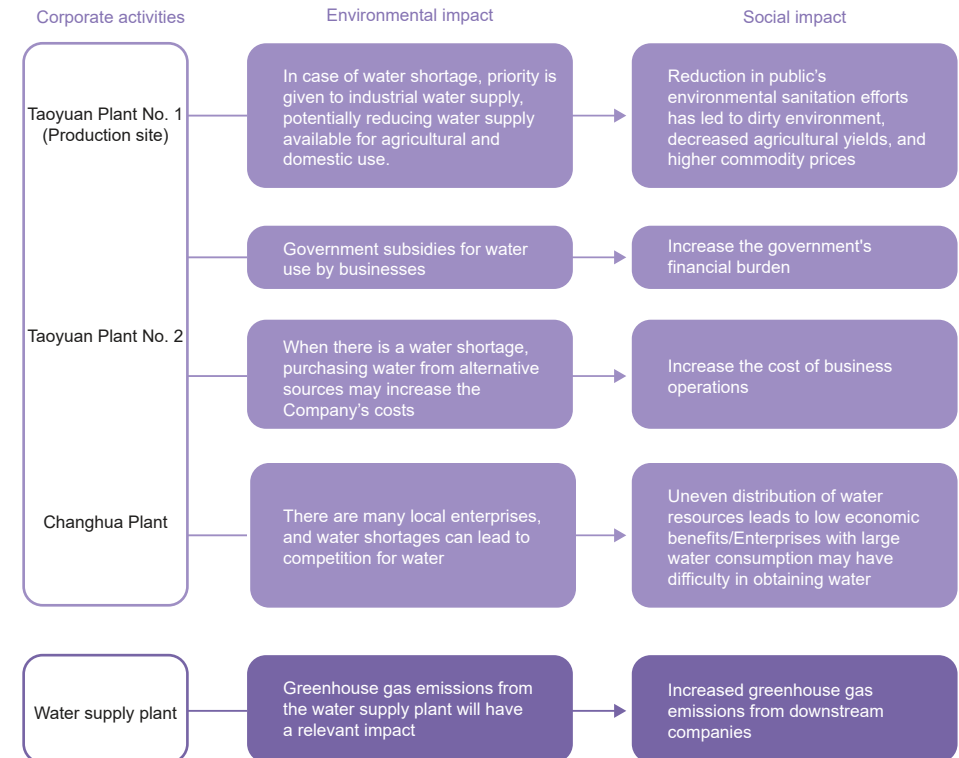
Locations		Taoyuan Plant No. 1	Taoyuan Plant No. 2	Changhua Plant
Water source		Taiwan Water Corporation	Taiwan Water Corporation	Taiwan Water Corporation
Evaluation factor				
Frequency of water shortage	Degree of impact	Low = 1-2 times a year	Low = 1-2 times a year	Low = 1-2 times a year
	Duration of impact	Short-term	Short-term	Short-term
Clean water shortage rate	Degree of impact	High = 1-2 water supply sources locally	High = 1-2 water supply sources locally	High = 1-2 water supply sources locally
	Duration of impact	Short-term	Short-term	Short-term
Groundwater usage rate	Degree of impact	Not used	Not used	Not used
	Duration of impact	-	-	-
Amount of water subsidy provided by the government	Degree of impact	No water subsidy	No water subsidy	No water subsidy
	Duration of impact	Short-term	Short-term	Short-term
Competition in water consumption among enterprises	Degree of impact	High = multiple local manufacturers	High = multiple local manufacturers	High = multiple local manufacturers
	Duration of impact	Short-term	Short-term	Short-term
Environmental impact of water supply plants	Degree of impact	Unable to evaluate	Unable to evaluate	Unable to evaluate
	Duration of impact	Short-term, medium-term, long-term	Short-term, medium-term, long-term	Short-term, medium-term, long-term

Note:

1. Definition of short, medium and long term: short term = 3- 6 months, medium term = 6- 12 months, long term = 1- 3 years

2. Definition of the degree of impact: low = 1-2 times a year; medium = 3-4 times a year; high = 5 or more times a year

Water consumption impact map of Chung Hwa Chemical

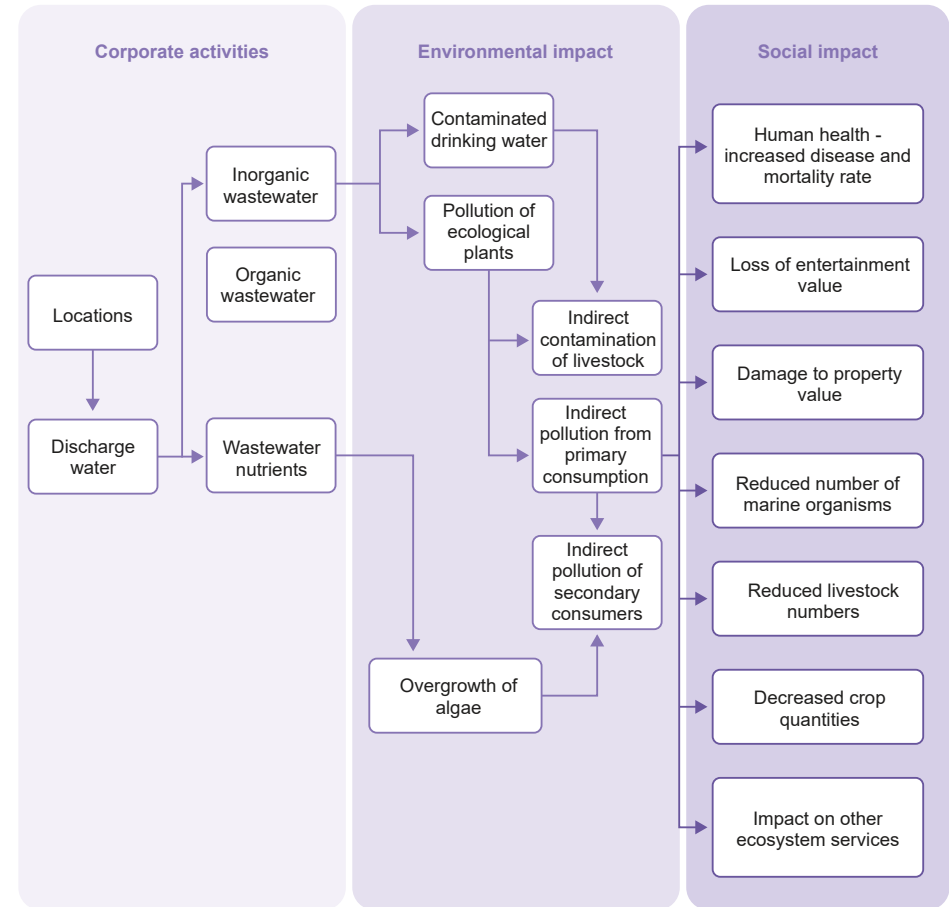


Environmental assessment of discharged water from Chung Hwa Chemical

Locations		Taoyuan Plant No. 1	Taoyuan Plant No. 2	Changhua Plant
Nature of wastewater		Inorganic wastewater; organic wastewater	Domestic sewage	Domestic sewage
Evaluation factor				
Potential for contamination of drinking water	Degree of impact	Low	Low	Low
	Duration of impact	Short-term	Short-term	Short-term
Degree of drinking water pollution	Degree of impact	Low	Low	Low
	Duration of impact	Short-term	Short-term	Short-term
Possibility of polluting ecological plants	Degree of impact	Low	Low	Low
	Duration of impact	Short-term	Short-term	Short-term
Degree of pollution of ecological plants	Degree of impact	Low	Low	Low
	Duration of impact	Short-term	Short-term	Short-term
Possibility of affecting algae growth	Degree of impact	Low	Low	Low
	Duration of impact	Short-term	Short-term	Short-term
The extent of impact on algae growth	Degree of impact	Low	Low	Low
	Duration of impact	Short-term	Short-term	Short-term

Note: Definition of short, medium and long term: short term = 3- 6 months, medium term = 6- 12 months, long term = 1- 3 years

Impact of Chung Hwa Chemical's discharge water



Quality standards of discharge water

The Company has set wastewater discharge standards based on the Industrial Park Discharge Limits Table for Wastewater Treatment Plants. Process water from Taoyuan Plant No. 1 is first treated at the internal wastewater treatment facility. Once it meets the on-site limits, it is then treated again at the industrial park's wastewater treatment plant to minimize its impact on the environment.

Locations	Region	Water quality indicators	Minimum regulatory standards	Water quality test results
Taoyuan Plant No. 1	Guanyin District, Taoyuan City	Chemical oxygen demand (COD)	560mg/l	244.244mg/l
		Suspended solids (SS)	480mg/l	12.325mg/l
		pH value	5-9	Compliance
Taoyuan Plant No. 2	Guanyin District, Taoyuan City	Chemical oxygen demand (COD)	560mg/l	66.417mg/l
		Suspended solids (SS)	480mg/l	3.017mg/l
		pH value	5-9	Compliance
Changhua Plant	Hemei Township, Changhua County	Chemical oxygen demand (COD)	560mg/l	
		Suspended solids (SS)	480mg/l	
		pH value	5-9	

Water resource management measures

Based on the results of water resource risk and impact pathway assessments, we formulate corresponding management policies and objectives to reduce water resource risks and the impact on the environment and society at each site. In addition, based on operational evaluation, the management strategies implemented will not result in additional greenhouse gas emissions or energy consumption.

Operating activities	Management policy	Starting year of the strategy	Base year of target	Target				KPI Achieved in 2025	Future improvement measures
				Type	Short-term	Medium term	Long-term		
Water recycling rate for the entire factory	The water recycling rate for the entire factory must be maintained at 80% or higher	2024	2024	Intensity target	80%	85%	85%	100.74%	We inventory the water sources that can be recycled in the process and gradually improve the recycling pipelines

Note: Short, medium and long term are defined as: short-term 2027, medium-term 2030, long-term 2035

5.4.2 Water Withdrawal and Drainage

Since 2014, Chung Hwa Chemical has been reducing its use of groundwater. By 2020, groundwater use had been completely stopped, and all of Chung Hwa Chemical's water supply now comes from surface water (tap water).

The calculation scope of the total water withdrawal in 2025 included Taoyuan Plant No. 1, Taoyuan Plant No. 2, and Changhua Plant. The total water withdrawal was 378.181 thousand cubic meters (million liters), with a total freshwater withdrawal of 378.181 thousand cubic meters. The total wastewater discharge from Taoyuan Plant No. 1 and Taoyuan Plant No. 2 was 153.466 thousand cubic meters, and total water consumption was 224.715 thousand cubic meters.



Water withdrawal

Unit: Thousand cubic meters (million liters)

Water withdrawal source category	Water withdrawal		
	2023	2024	2025
	All regions	All regions	All regions
Surface water	373.353	350.825	378.181
Groundwater	0	0	0
Total water withdrawal	373.353	350.825	378.181
Recycled water volume	964.68	1431.056	1472.008
Recycling percentage (%)	52.12%	80.97%	80.59%

Note: Recovery rate = (Total recycled water + Total circulating water - Cooling water tower circulation volume) ÷ (Total water consumption + Total recycled water + Total circulating water - Cooling water tower circulation volume)

Note: Water consumption includes water used in the production processes of the acid-alkali department, specialty chemicals department, electronic chemicals department, and other production process-related departments. It also covers water consumption for non-production uses such as production control department, quality assurance department, R&D department, cafeteria, and employee dormitories.

Water consumption

Unit: Thousand cubic meters (million liters)

Item	2023	2024	2025
	Taoyuan Plant No. 1 and Taoyuan Plant No. 2	Taoyuan Plant No. 1 and Taoyuan Plant No. 2	Taoyuan Plant No. 1 and Taoyuan Plant No. 2
Total water withdrawal	373.332	350.796	378.018
Total water discharge	159.824	146.881	153.466
Total water consumption	213.508	203.915	224.552
Percentage of water consumption in water stress regions (%)	0	0.0	0.0

Note: Changhua Plant is an office location and not a production plant; as drainage volume statistical data is unavailable, water consumption disclosures exclude Changhua Plant.

5.5 Waste Management

5.5.1 Waste Impact Assessment

The Company refers to domestic and international environmental impact reports, and considers each stage of the life cycle (raw material extraction, production and manufacturing, sales and distribution, product use and waste disposal). It identifies the waste generated by operational activities within the organization and upstream and downstream of the value chain, and assesses the potential impact of waste on the environment and society. This information is then used to create a value chain and waste impact map for the Company.

The wastes generated by the Company include hazardous and non-hazardous industrial wastes, primarily D-0902 and C-0301. We have established corresponding management measures to address the potential impact of these wastes, and the waste management unit regularly monitors and evaluates the effectiveness of these measures to mitigate or avoid negative impacts on the organization's internal and external environments.

Flowchart of Chung Hwa Chemical's value chain and potential impacts

Locations	Stages of the value chain	Activities	Type of waste	Waste category	Disposal method	Disposal unit	Potential impact
Taoyuan Plant No. 1	Own operating activities	Product's manufacturing process	C-0301	Industrial waste	Incineration	External third party	None
	Own operating activities	Product's manufacturing process	D-0902	Industrial waste	Physical treatment	External third party	None
	Own operating activities	Wastewater treatment	D-0901, D-0902	Industrial waste	Heat treatment (except incineration)	External third party	None
Taoyuan Plant No. 1 and Taoyuan Plant No. 2	Own operating activities	Office daily waste	Household waste	General waste	Incineration	External third party: None	None
Changhua Plant	Own operating activities	Office daily waste	Household waste	General waste	Incineration	External third party: None	None

5.5.2 Waste Management Policy

The Company has established units responsible for management, disposal, and reporting of industrial waste generated by our operations, and for preparing and submitting an industrial waste disposal plan in accordance with local regulations. All waste disposal methods are implemented in accordance with local regulations.

Units responsible for waste management of Chung Hwa Chemical:

- Waste classification: Production unit
- Waste storage: Production unit
- Waste data collection: Occupational Safety and Health Office, General Affairs Division
- Waste declaration: Occupational Safety and Health Office
- Waste disposal-self-treatment: Process unit
- Waste disposal-outsourcing: Occupational Safety and Health Office, General Affairs Division, Procurement Department, Legal Affairs

The Company estimates the amount of waste generated in the following year based on records of waste types and quantities documented in the EP-ES-07 Waste Disposal Control Procedures of the ISO 14001 Management System. All waste is collected and disposed of by qualified external waste disposal contractors. After obtaining the three-part collection and removal form issued by the external contractors, the collection and removal weight is confirmed on the scale at Taoyuan No. 1 Plant or the treatment plant. The waste is audited according to the waste code specified by the law. After the treatment is completed at the treatment plant, proper disposal documents are obtained to ensure that the contractor disposes of the industrial waste in accordance with the Company's requirements.

Waste management strategy and goals of Chung Hwa Chemical

Management strategy	Starting year of the strategy	Base year of target	Management objectives			Achievement rate in 2025	Improvement measures
			Short-term	Medium-term	Long-term		
The off-site waste recycling rate remained above 80%	2024	2024	80%	85%	85%	100.77%	Entrust a third-party disposal company to handle the waste, and prioritize those that have a recycling treatment plant

Note: Short, medium and long term are defined as: Short-term: Before 2027; Medium-term: Before 2030; Long-term: 2035

5.5.3 Waste Collection and Disposal

The total amount of waste generated by the Company in 2025 was 730.649 metric tons, of which 72.010 metric tons of hazardous industrial waste were cleared and transported, accounting for 9.9%; 658.639 metric tons were non-hazardous industrial waste, accounting for 90.1%.

In addition to striving to reduce waste volume from the source, and to enhance the resource value of existing waste, Chung Hwa Chemical uses recycling methods and current feasible technologies as much as possible under local regulations, enabling waste resources to achieve the most effective utilization. In 2025, 0% of the Company's hazardous industrial waste and 88.8% of non-hazardous industrial waste were processed using recycling methods, accounting for 80.6% of the annual total waste volume.



Table of Industrial Waste Generation, Off-site Transfer for Disposal, and Direct Disposal

Total of All Operating Sites, Unit: Metric Tons

Year	Item ^{Note}	Production quantity	Off-site transfer volume for disposal	Direct disposal volume	Storage volume
2025	Hazardous industrial waste	72.010	0	67.010	5.000
	Non-hazardous industrial waste	658.639	584.969	73.67	0.000
	Total volume	730.649	584.969	140.680	5.000
2024	Hazardous industrial waste	166.242	2.962	163.28	-
	Non-hazardous industrial waste	1,278.166	1,163.926	114.24	-
	Total volume	1,444.408	1,166.888	277.52	-
2023	Hazardous industrial waste	190.897	2.807	188.09	-
	Non-hazardous industrial waste	1,451.491	1,307.041	144.45	-
	Total volume	1,642.388	1,309.848	332.54	-

Note: The classification of hazardous and non-hazardous materials is determined by local regulations at each location.

Waste Generation Volume



6

Employee Care

6.1 Human Capital

6.2 Remuneration and Benefits

6.3 Diversified Development

6.4 Workplace Safety



6.1 Human Capital

6.1.1 Human Resources Management

Chung Hwa Chemical regards employees as the most important asset of the Company. Based on the labor laws and regulations of the location where the Company operates, it has formulated its Regulations Governing Human Resources Management, reward and remuneration mechanisms, and work rules. The Company also regularly reviews the latest laws and regulations to protect employees' basic labor rights and interests. The Company has clearly prohibited the employment of child labor, discrimination, workplace sexual harassment, forced labor, and other incidents, and has established an independent complaint channel to provide employees with a safe, equal, and free working environment. The Company prioritizes academic experience, professional skills, integrity, and enthusiasm in hiring individuals. We also employ individuals with disabilities in accordance with the law and protect their working rights. All employees are entitled to the same welfare measures, salary standards, and education and training systems, regardless of gender, age, nationality, etc. Performance evaluation is conducted every six months and serves as the basis for employee retention, promotion, salary adjustment, and bonus distribution.

6.1.2 Talent Recruitment

As of the end of 2025, Chung Hwa Chemical had a total of 272 employees, including 272 regular employees and 0 temporary employees; categorized by employment type, this included 272 full-time employees, 0 part-time employees, and 0 employees with no guaranteed hours. Except for foreign employees who are appointed on a fixed-term contract basis, the rest are regular employees. The Company does not employ any temporary or part-time staff.

Employee structure at the end of 2025

Unit: Person

Type of employment	Gender	Country	City		Total
		Taiwan	Taoyuan City	Changhua County	
All employees	Male	208	201	7	208
	Female	64	61	3	64
	Others	0	0	0	0
	Subtotal	272	262	10	272
Full-time employees	Male	208	201	7	208
	Female	64	61	3	64
	Others	0	0	0	0
	Subtotal	272	262	10	272
Temporary employees	Male	0	0	0	0
	Female	0	0	0	0
	Others	0	0	0	0
	Subtotal	0	0	0	0
Full-time	Male	208	201	7	208
	Female	64	61	3	64
	Others	0	0	0	0
	Subtotal	272	262	10	272
Part-time	Male	0	0	0	0
	Female	0	0	0	0
	Others	0	0	0	0
	Subtotal	0	0	0	0
No guaranteed hours	Male	0	0	0	0
	Female	0	0	0	0
	Others	0	0	0	0
	Subtotal	0	0	0	0

Definition:

Full-time employees: Those whose employment contracts are open-ended (indefinite contracts).

Temporary employees: The employment contract is for a fixed term (fixed-term contract).

Permanent employees: Employees whose weekly working hours meet the definition of full-time employees under local regulations.

Part-time employees: Employees whose weekly working hours do not meet the local legal definition of full-time employees' weekly working hours.

Employees with no guaranteed hours: Employees whose weekly working hours are not fixed, such as on-call employees.

Number of employees in the past three years

Unit: Person

Year	End of 2023	End of 2024	End of 2025
Number of male employees	193	197	208
Number of female employees	55	68	64
Number of other employees	0	0	0
Total number of employees	253	265	272

Diverse employee structure

The proportion of male and female employees was 76% and 24%, respectively, with the majority of employees aged 30- 50, accounting for 69% of the total number of employees. In addition, the Company has hired 3 persons with disabilities and 3 indigenous employees to further implement its principles of diversity and equality.

Percentage of employees by job level and diversity indicators at the end of 2025

Unit: %

Job title		Senior manager	Mid-level manager	Entry-level manager	Entry-level employee	Total
Gender	Male	100	79	88	74	76
	Female	0	21	12	26	24
	Others	0	0	0	0	0
Age	29 years old or below	0	0	0	22	18
	Aged 30-50	83	79	72	67	69
	51 years old or above	17	21	28	11	13
Indigenous status		0	0	0	1	1
Disability status		0	0	4	1	1
Education level	PhD	17	7	0	0	1
	Master's degree	33	71	8	11	14
	Higher education	50	14	48	48	46
	Secondary education	0	7	40	38	36
	Primary education	0	0	4	4	4
Nationality	Domestic nationality	100	100	100	77	81
	Foreign nationality	0	0	0	23	19

Note 1: Foreign national employees refer to employees who need to apply for a work visa in the country of employment.

Note 2: The percentages in this table are based on calculation within the same rank and personnel type. For example, the percentage of male entry-level personnel is calculated as: (Number of male entry-level personnel) ÷ (Total number of entry-level personnel).

Percentage of employees by functional category and diversity indicators at the end of 2025

Unit: %

Functional category		Administration and HR	Finance	Management	Production	Sales	R&D	Total
Gender	Male	33	40	50	87	51	67	76
	Female	67	60	50	13	49	33	24
	Others	0	0	0	0	0	0	0
Age	29 years old or below	33	60	35	14	11	42	18
	Aged 30-50	67	20	50	72	74	58	69
	51 years old or above	0	20	15	14	14	0	13
Indigenous status		0	0	4	1	0	0	1
Disability status		0	0	8	0	3	0	1
Education level	PhD	0	0	0	0	3	8	1
	Master's degree	33	20	27	12	0	58	14
	Higher education	67	80	65	40	63	25	46
	Secondary education	0	0	8	44	29	8	36
	Primary education	0	0	0	4	6	0	4
Nationality	Domestic nationality	100	100	96	74	100	92	81
	Foreign nationality	0	0	4	26	0	8	19

Note 1: Foreign national employees refer to employees who need to apply for a work visa in the country of employment.

Note 2: The percentages in this table are calculated based on personnel of the same function and same type. For example, the percentage of male R&D personnel is calculated as: (Number of male R&D personnel) ÷ (Total number of R&D personnel).

We have a comprehensive recruitment system and look forward to growing and developing with our employees, while also respecting their choices in career transitions. In 2025, the Company recruited a total of 66 new employees, including 42 men and 24 women, primarily between the ages of 30 and 50. Additionally, 59 employees resigned (including 1 retiree), including 31 men and 28 women. The reasons for leaving included family care, relocation of residence, and career changes. To protect employee rights and improve the recruitment system, the Company requires responsible department heads to interview all departing employees to understand the specific reasons for leaving, which will serve as a reference for subsequent improvements in human resources management.

Layoff notice period of Chung Hwa Chemical

In the event of a major operational change, such as adjustments to the organizational structure, changes in personnel needs, force majeure events, or a determination of employee incompetence, the Company must notify employees in advance and provide severance pay within the notice period stipulated in the Labor Standards Act.

- Employees who have worked for more than 3 months but less than 1 year: 10 days prior
- Employees who have worked for more than 1 year but less than 3 years: 20 days prior
- Worked for more than 3 years: 30 days prior

Total number and percentage of new employees in 2025

Gender	Age	Country	City		Total	Rate of new employees (%)
		Taiwan	Taoyuan City	Changhua County		
Male	29 years old or below	13	13	0	13	19%
	Aged 30-50	25	23	2	25	
	51 years old or above	4	3	1	4	
	Subtotal	42	39	3	42	
Female	29 years old or below	7	7	0	7	38%
	Aged 30-50	17	15	2	17	
	51 years old or above	0	0	0	0	
	Subtotal	24	22	2	24	
Others	29 years old or below	0	0	0	0	0%
	Aged 30-50	0	0	0	0	
	51 years old or above	0	0	0	0	
	Subtotal	0	0	0	0	
Total		66	61	5	66	24%

Total number and percentage of resigned employees in 2025

Gender	Age	Country	City		Total	Resignation rate (%)
		Taiwan	Taoyuan City	Changhua County		
Male	29 years old or below	2	2	0	2	14%
	Aged 30-50	20	18	2	20	
	51 years old or above	9	7	2	9	
	Subtotal	31	27	4	31	
Female	29 years old or below	9	9	0	9	44%
	Aged 30-50	19	18	1	19	
	51 years old or above	0	0	0	0	
	Subtotal	28	27	1	28	
Others	29 years old or below	0	0	0	0	0%
	Aged 30-50	0	0	0	0	
	51 years old or above	0	0	0	0	
	Subtotal	0	0	0	0	
Total		59	54	5	59	21%



6.1.3 Labor-Management Agreement

Chung Hwa Chemical is committed to creating a harmonious and equal communication platform between employees and the Company, and establishing diverse and smooth communication channels, including labor-management meetings, welfare committees, employee opinion mailboxes, and employee opinion surveys. to protect the rights and obligations of both labor and management, and to improve the working environment and labor-management regulations in a timely manner.

Types of employee communication channels

Communication channel	Description
Labor-management meeting	After each labor-management meeting, labor representatives are formally elected by all employees through voting, and they work together with representatives appointed by the management. A total of 4 labor-management meetings were held this year.
Welfare Committee Meetings	In accordance with relevant laws and regulations, the Company's employee welfare regulations and the Welfare Committee's organizational charter, regular meetings are held every three months to formulate or revise various employee welfare plans. A total of 4 Welfare Committee meetings were held this year.
Employee suggestion mailbox	The internal email is provided for employees so that they can reflect their opinions or provide suggestions in a timely manner.
Employee opinion survey	In order to understand employees' perceptions of the organization's work culture, core values, supervisors' leadership styles, and to gather suggestions, the Company regularly conducts employee opinion surveys.

Employee opinion and feedback statistics for 2025

Communication channel	Number of opinions	Main content of feedback	Number of cases processed	Number of cases in process
Labor-management meeting	6	1. Installation of a coffee machine at Plant No. 2. 2. Annual salary adjustments and salary structure adjustments. 3. The Company's calendar scheduling.	6	0
Welfare Committee Meetings	9	1. Form of the annual employee travel. 2. Year-end banquet. 3. Welfare Committee's benefit discussions and voting for the current year's benefits.	9	0
Employee suggestion mailbox	0	None	0	0
Employee opinion survey	1	1. Survey of willingness to change salary transfer banks.	1	0

6.2 Remuneration and Benefits

6.2.1 Equal and Competitive Remuneration

Chung Hwa Chemical attaches great importance to retaining and cultivating talents and is committed to providing competitive salary conditions and comprehensive employee benefits. The Company's salary standards are determined with reference to local regulations, industry trends, and local living standards. Employees' remuneration is not impacted by gender, race, language, religion, age, political affiliation, or marital status. In this equal and inclusive workplace, starting salaries for women and men are the same. However, final compensation (basic salary plus bonuses) varies based on years of service, experience, or position allowance. The salaries of the employees of the Company are composed of base salary, meal allowance, and various bonuses or allowances, etc. Annual salary adjustments are made based on operating performance, and bonuses are awarded according to employee performance to motivate employees and encourage talents to grow together with the Company.

In 2025, the ratio of the annual total remuneration of the highest-paid individual in the Company to the median annual total remuneration of the Company (excluding that highest-paid individual) was 2; the ratio of the percentage increase in annual total remuneration of the highest-paid individual to the median percentage increase in average total remuneration of the Company (excluding that highest-paid individual) was -2.22%.

Remuneration Ratio of Males to Females by Job Grade

Male : Female

Major operating sites	Senior manager	Mid-level manager	Entry-level manager	Entry-level employee
Taiwan	0	1.17	1.02	1.01

Note 1: Using male employees' basic salary plus remuneration as 1.

Note 2: Senior executives are defined as managers at Job Grade 6 and above; middle management is defined as managers at Job Grade 4 and above; first-line managers are defined as managers at Job Grade 3 and above; non-managerial staff members are defined as employees at Job Grades 1 to 3.

The Company strictly adheres to relevant requirements of local labor laws where it operates. In Taiwan, standard starting salaries exceed the basic wage stipulated by the "Labor Standards Act", and local regulations regarding minimum wages are also complied with in other operating regions. In 2025, the average monthly basic remuneration of entry-level personnel across major operating sites was higher than the statutory minimum wage.

Ratio of Entry-level Personnel's Salary to Statutory Minimum Wage Across Major Operating Sites

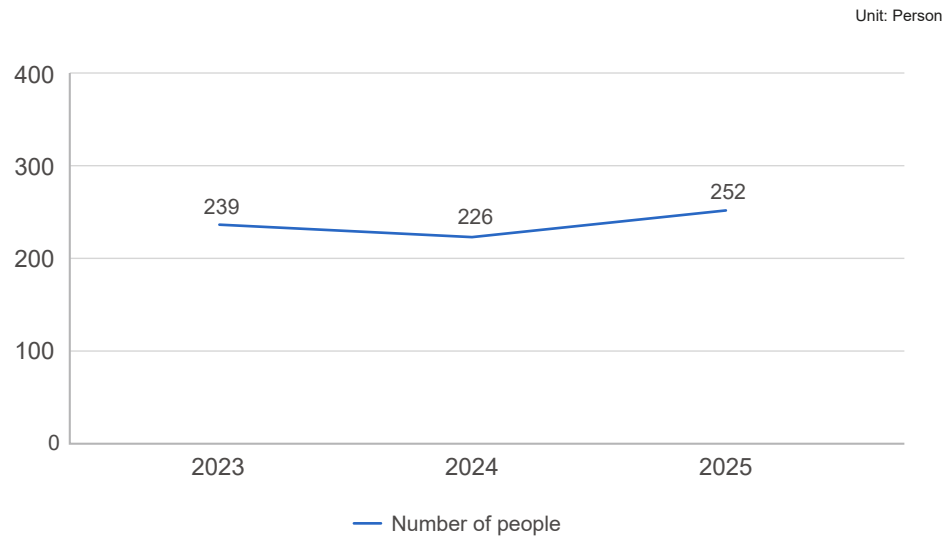
Major operating sites	Country	Male	Female	Others	Average
Taoyuan	Taiwan	1.39	1.40	N/A	1.39

Note: The local statutory monthly basic wage in Taiwan for 2025 was NT\$28,590.

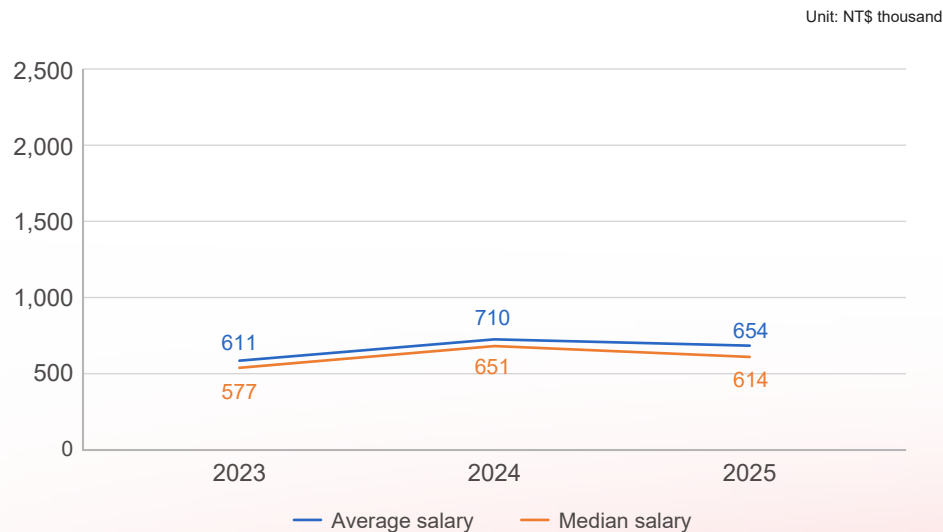
In response to regulatory requirements, the Company discloses salary information for "full-time employees not in managerial positions". In 2025, the number of full-time employees not in managerial positions was 252, with an "average salary" and "median salary" of NT\$654 thousand and NT\$614 thousand, respectively. Decreased compared to the previous year due to revenue decline in 2025.



Number of full-time employees in non-managerial positions



Salary mean and median



6.2.2 Comprehensive Welfare Measures

To enhance employee cohesion and improve market competitiveness, Chung Hwa Chemical has developed a number of welfare measures, including leave benefits, insurance, and wedding, funeral, and maternity benefits that exceed legal requirements. The Company also has an Employee Welfare Committee responsible for promoting and planning various employee welfare measures. All full-time employees enjoy these benefits. The Company makes monthly contributions to the employee welfare fund, and employees may also contribute to the Welfare Committee's account. These funds are used for various activities or subsidies. The Welfare Committee regularly tracks the use of welfare funds and gathers employee feedback to ensure proper usage of welfare funds.

Standard benefits of Chung Hwa Chemical

Item	Description
Insurance	- Labor insurance and national health insurance are purchased based on the statutory bracket table - Planning group comprehensive insurance - Employer's compensation liability insurance - Overseas travel insurance
Leave benefits that are superior to those stipulated by law	Workers who have worked for six months or more are entitled to one day of travel leave
Employee stock ownership	Employee Stock Ownership Trust
Wedding, funeral, birth and festival gift money	- Childbirth subsidy - Festival bonuses - Birthday cash gift - Wedding and funeral gift money

Other welfare measures of Chung Hwa Chemical

Item	Description
Subsidies or allowances	- Annual general labor health check-up - Education and training subsidies - Transportation allowance for senior executives - Travel allowance
Welfare activities	- Employee travel - Fellowship Activities - Year-end activities - Christmas event - Club activities
Others	- Flexible working hours - Employee dormitory

To protect the rights and interests of retired employees, the Company allocates pensions in accordance with the law. In Taiwan, employees enrolled in the old pension system may apply for pension payments from the "Labor Retirement Reserve Fund Account" upon meeting the retirement requirements. Those enrolled in the new pension system will receive payments from the "Labor Retirement Pension Individual Account".

Retirement system	Allocation status
Old system	In accordance with the Labor Standards Act, the Company contributes 6% of employees' monthly salary to the "Labor Retirement Reserve Fund Account" held at the Bank of Taiwan on a monthly basis. The balance of the "Labor Retirement Reserve Fund Account" after actuarial calculation is sufficient to pay the retirement pensions of employees under the old system; as a result, contributions have been suspended for one year with the approval of the Department of Labor, Taoyuan City Government.
New system	According to the "Labor Pension Act", the Company contributes 6% of employees' monthly salary to their "Labor Retirement Pension Individual Account" held under the Bureau of Labor Insurance.

6.2.3 Child-Friendly Workplace

We are committed to creating a friendly childcare environment. In addition to allowing statutory parental leave, we also offer childbirth subsidies, partner with businesses to provide childcare discounts, and offer flexible work schedules to support the hard work of parents. We also provide a cozy breastfeeding room in the office equipped with refrigerators and freezers to provide peace of mind for breastfeeding women.

In 2025, the Company's reinstatement rate for parental leave applications was 100%, and all employees returned to the Company after the parental leave ended. The retention rate for employees who are still employed one year after reinstatement was 100%.



6.3 Diversified Development

6.3.1 Education and Training

Chung Hwa Chemical attaches great importance to employees' professional development, and deeply believes that continuously updated education and training empower employees and the Company to grow together. We provide diverse learning channels and training courses that offer both depth and breadth to comprehensively enhance employees' skills and knowledge. For learning channels and training courses, please refer to the information below.

Learning channels	Training courses
On-the-job training	New employee orientation
In-person courses	Professional competency courses
Online courses	General education courses
Job rotation	Management and leadership courses
Others	Others

A total of 136 course sessions were offered in 2025, training 1,313 participants for a cumulative total of 2,570.5 training hours. Overall, the average training hours per person was 9.45 hours, showing an upward trend compared to 2024 (average of 6.4 hours per person/year). This reflects the Company's emphasis and investment in employee education and training.

2025 Education and Training Course Sessions, Trainee Attendances, and Person-Hours

Course category	Course sessions	Total attendances	Total person-hours
New employee orientation	6	36	73.00
Professional competency courses	105	589	1,548.00
General education courses	25	688	949.5
Foreign language enhancement courses	0	0	0.0
Management and leadership courses	0	0	0.0
Others	0	0	0.0
Total	136	1,313	2,570.5

Our employee education and training policy does not differ based on gender. In 2025, the average training hours for male employees was 8.25 hours, the average training hours for female employees was 13.37 hours, and the average training hours for other genders were 0 hours.

Average training hours by gender

Unit: Hours

Gender	2023	2024	2025
Male	9.22	6.04	8.25
Female	14.82	12.86	13.37
Others	0	0	0

Note: Average training hours = Total training hours per gender ÷ Number of employees per gender at the end of the year

The average training hours by job grade for the year are shown in the table below. The average training hours across all job grades have demonstrated steady growth compared to the previous two years. This reflects the Company's year-on-year increase in resources invested in employee education and training to support employees' career development and create a win-win situation for both the Company and its workforce.

Item	Total training hours (hours)		Number of people	Average training hours per person (hours/person)	
General employee	Male	1206	182	6.6	8.16
	Female	752.5	58	12.97	
Management level	Male	509	26	19.58	19.13
	Female	103	6	17.17	
Total	2570.5		272	9.45	

Employee Transition Assistance Policy

Retired employees may experience a sudden loss of purpose upon leaving the workforce. Factors such as loss of income, increased time spent with family members, and declining physical health can lead to psychological anxiety, family interaction challenges, and daily caregiving issues. Therefore, to assist employees in preparing for retirement early, we provide consultations on topics related to employee retirement or re-employment, helping them understand potential issues during retirement life and plan for it accordingly.

For employees dismissed due to internal corporate restructuring or force majeure events, the Company provides severance pay in accordance with statutory requirements to alleviate psychological and financial pressures during unemployment transitions. Additionally, job matching services and one-on-one counseling are provided to assist in transitioning to their next employment.

6.3.2 Performance Evaluation

The Company has established Employee Performance Appraisal Regulations to accurately reflect workplace performance through probation evaluations for new hires and annual performance reviews. These appraisals aim to provide constructive feedback and assist employees in setting goals for self-breakthrough in the coming year.

Additionally, the Company's personnel regulations include Employee Reward and Penalty Measures. If an employee's workplace performance or behavior meets or violates the Company's reward and disciplinary standards, department heads submit a proposal form to the General Manager for final determination and public announcement. Employee reward and penalty records, along with annual performance evaluation results, serve as the basis for promotions, salary adjustments, and bonus allocations.

In 2025, all newly hired employees completed new-hire probation evaluations. In the annual performance evaluation, all full-time employees completed their reviews, with the exception of those who joined during the current year or were on unpaid leave.

Percentage of Employees Receiving Annual Performance Appraisals by Gender

Gender	Number of appraised employees	Number of employees	Percentage
Male	152	208	73%
Female	63	64	98%
Others	0	0	-
Total	215	272	79%

Note: 1. Appraisal percentage per gender = (Number of appraised employees per gender ÷ Total number of employees per gender at year-end) × 100%.

2: Excludes foreign national employees and personnel hired after August 31 of the current year.

6.4 Workplace Safety

6.4.1 Occupational Safety and Health Management

Chung Hwa Chemical attaches great importance to the safety of its employees and creates a people-oriented safety culture. It has formulated an "Occupational Safety and Health Policy" as the highest guiding principle for occupational safety and health management. The following actions have been taken:

1. Enhance the overall safety and health management performance and make continuous improvements.
2. Comply with the provisions of the Occupational Safety and Health Act and other relevant legal requirements.
3. Provide safety and health knowledge, a work environment, and equipment.
4. Strengthen the safety and health organization structure and fully support risk control and full employee participation.
5. Promoting and implementing safety and health work is the responsibility of supervisors, managers, and all employees at all levels.
6. Management must recognize the Company's safety and health policy and continuously implement and improve it.
7. Regularly audit and review safety and health policies, management and performance to learn from experience.
8. Implement and promote various safety and health initiatives and education and training to enhance overall safety and health performance.
9. Provide safe and healthy working conditions to prevent work-related injury and illness.
10. Continuously eliminate hazards and reduce occupational safety and health risks.
11. Continue to support workers' consultation and participation in occupational safety and health issues.

Employees are key members of the Company's operations. Any safety or health risks in the workplace can have a significant impact on the Company's finances and the health and well-being of employees and external workers. Chung Hwa Chemical adheres to Occupational Safety and Health Regulations and the ISO 14001:2015 Environmental Management System standard and ISO 45001:2018 Occupational Safety and Health Management System standard. Using the PDCA cycle concept of Plan, Do, Check, Act as the foundation of its management framework, we have established an Environmental Protection and Occupational Safety and Health Committee to identify all potential risks in the workplace, establish management methods and control procedures, and conduct regular internal audits to effectively prevent accidents and safeguard the health and safety of workers.

Note: External workers refer to all workers other than employees who perform company-designated work projects inside or outside the Company's premises, such as raw material suppliers, equipment maintenance companies, external consultants, etc.

The following operating locations of the Company have established an occupational safety and health management system and have been verified by an external third party. The table below lists the management system standards adopted by each operating location and the number and ratio of workers covered. Some of the sites, such as Changhua Plant, have not established an occupational safety and health management system due to their nature as business offices.

Operating locations	Occupational safety and health management system certification standards	Applicable fields	Scope of workers covered ^{Note 1}				Excluded worker categories
			Employees (person)	Percentage ^{Note 2} (%)	External workers (person)	Percentage ^{Note 3} (%)	
Taoyuan Plant No. 1	ISO14001 ; ISO45001	All workplaces at this location	272	100%	0	0	-

Note 1: The Company uses employees from the Taoyuan Plant to calculate the number of people covered by the occupational safety and health management system, and this number has been internally audited and externally verified.

Note 2: Percentage of employees covered = ([Employees of Taoyuan Plant No. 1] / [Employees of Taoyuan Plant No. 1 + External workers]) * 100%

Note 3: Percentage of workers covered = ([External workers] / [Employees of Taoyuan Plant No. 1 + External workers]) * 100%

Occupational Safety and Health Committee

The Occupational Safety and Health Committee of Chung Hwa Chemical is jointly formed by representatives from both labor and management. The committee has 23 members, chaired by the General Manager, including 8 labor representatives, who comprise 34.78% of the total number of members. The Occupational Safety and Health Committee holds regular meetings quarterly to review the Company's occupational safety and health management measures, the effectiveness of various management procedures, occupational safety and health education and training programs, and occupational hazard investigation reports.

A management team has been established under the Occupational Safety and Health Committee to regularly implement risk assessment procedures and planning, promote occupational safety and health policies, and arrange annual education and training programs, occupational health services, and health promotion activities. The Company has announced its occupational safety and health management measures and promoted its occupational safety and health management policies on its website, while also providing public procedural documents in multiple languages for foreign employees to review. This ensures all employees clearly understand the Company's occupational safety and health policies.

Worker communication and reporting mechanism

The management team has established an independent reporting mechanism, allowing workers to anonymously provide feedback, communicate, and consult on occupational safety and health matters via a dedicated hotline and special mailbox [suggestion box]. When foreign employees have communication or consultation needs, employees with foreign language skills or designated translators will serve as intermediaries to facilitate effective two-way communication.

In addition, according to the Company's Occupational Safety and Health Management regulations, we encourage employees, suppliers, or contractors to proactively report any safety and health concerns in the workplace. If an imminent risk is present, workers may stop work and retreat to

a safe location without endangering the safety of others, and simultaneously report the situation to their department manager and the occupational safety office. After receiving a report, the Occupational Safety and Health Office must immediately conduct an investigation to assess the likelihood and severity of the hazard, formulate and implement appropriate measures, and report the investigation results and resolutions to the Occupational Safety and Health Committee for review. The investigation results and resolutions will then be announced to all employees of the Company. Employees or external workers who proactively report incidents can receive performance rewards to encourage reporting of potential occupational safety and health risks and to jointly monitor and reduce the occurrence of dangerous incidents.

Occupational safety and health risk assessment

SHP-ES-03 Hazard Identification and Risk Assessment Control Procedures were established by Chung Hwa Chemical in accordance with the local occupational safety and health regulations applicable to its operating sites. The purpose of this procedure is to provide a method for hazard identification and risk analysis, to identify and understand potential hazards and their environmental impacts within the working environment and operational activities of each unit in the factory. It also ensures that the risks to the environment and personnel from these hazards and impacts are assessed, addressed, and controlled to an acceptable level. To address high-risk operations, improvement and preventive measures will be identified. To achieve this goal, the Company has established a risk assessment management procedure to define how risk assessments will be implemented, including the rights, responsibilities, and obligations of relevant departments and personnel.

In addition to routine risk assessments, the Company will conduct additional risk assessments for non-routine events such as major changes to workplace equipment or operating procedures, or serious occupational accidents. These assessments will revise the originally determined risk levels and preventive measures to promptly address potential disaster events.

• Occupational safety and health education and training

In terms of education and training, in order to enhance all employees' awareness of the environmental safety and health system, various courses have been defined for general employees, professionals, and management. Appropriate environmental safety and health training courses are provided to suit the nature of the work they are responsible for and the characteristics of the workplace.

Emergency response drills are conducted annually in accordance with fire safety, toxic substance, and controlled chemical substance regulations, including training for emergency response teams, emergency evacuation procedures, fire drills, and toxic substance leakage drills, to build the emergency response capabilities of all personnel and minimize disaster-related losses. We believe that creating a safe and worry-free work environment is an important belief for corporate growth. In addition to complying with environmental protection and occupational safety and health regulations, we commit to eliminating or reducing the safety and health risks to employees, suppliers, contractors, and stakeholders caused by our processes, facilities, and activities.

We have established an environmental safety and health policy as criteria for the safety of working environment, personnel and social responsibility. The Occupational Safety Office and the Environmental, Industrial, and Safety Committee in the organizational structure are engaged in research, planning, and risk management related to environmental safety and health management, with an emphasis on the promotion and execution of employee safety initiatives. Through hazard identification and risk assessment, we analyze the direct and indirect causes of occupational hazards for high-risk operations and propose improvement plans to reduce operational risks, providing employees with a safe, healthy, and equal workplace environment. Our implementation and measures are as follows:

1. Implement ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Safety and Health Management System.
2. Establish a dedicated unit reporting to the employer, responsible for planning and promoting the Company's overall quality and environmental, safety, and health management.
3. Employees participate in relevant training to promote professional management of workplace safety and health.
4. Implementation of "Occupational Safety and Health Education and Training".
5. Establish a fire disaster prevention and rescue system, regularly inspect fire safety equipment, and conduct "fire safety drills" every six months.
6. Conduct "Annual Employee Health Checkup" every year.
7. Implementation of four major occupational safety plans: human hazard prevention plan, abnormal workload disease prevention plan, maternal health protection plan, and prevention plan for illegal infringements suffered while performing duties.

Occupational health services and health promotion activities

From the first day when employees report to the Company, they receive the Company's health care. Health examinations are arranged every year to ensure they remain healthy. Chung Hwa adopts annual health checkups, abnormal workload-induced disease prevention plan, biannual labor environment testing according to laws and regulations, and regular health guidance and consultation conducted by contracted medical institutions and designated medical personnel to assess whether there are potential occupational latent diseases and provide dietary, exercise, and medical advice.

In order to protect all employees and monitor their health status, we implement labor health examinations and establish health management procedures in accordance with Articles 20 and 21 of the Occupational Safety and Health Act and the Labor Health Protection Rules. We also provide employee tracking and treatment in a timely manner to prevent occupational diseases.

In terms of personal health promotion, Chung Hwa Chemical provides full-time employees with a general health check-up once a year and tracks and manages employees with serious health abnormalities. Taking employee age, health checkup results from the past three years, and common major diseases surveyed by the Department of Health into account, common personal health risks include obesity, the three highs, unhealthy diet, psychological stress, and other physical and psychological risk factors. Therefore, Chung Hwa Chemical arranges annual health lectures, health checkups, on-site physician and nurse services, and other services. It also promotes new knowledge on physical care and encourages employees to develop exercise habits to improve their physical, mental, and spiritual health.



6.4.2 Occupational Injuries and Diseases

Chung Hwa Chemical has established a standard reporting procedure for occupational safety and health incidents. In the event of an occupational safety and health incident, incidents involving contractors must be reported by the responsible unit. If an accident occurs within the factory, the injured party, the workplace supervisor, or another person present shall immediately handle and report the incident in accordance with the SHP-ES-07 Occupational Safety and Health Accident Investigation and Handling Control Procedure. If the accident constitutes a major occupational disaster as defined in Paragraph 2, Article 37 of the Occupational Safety and Health Act, the Occupational Safety Office shall notify the labor inspection authority within eight hours, providing details such as the nature of the incident, the identity of the injured personnel, the location of the incident, the cause of the incident, and the extent of injuries, etc.

In 2025, Chung Hwa Chemical's employees experienced a total of 3 occupational accidents and 2 traffic accidents, with zero severe incidents and zero fatalities. A comprehensive investigation has been conducted, and existing management measures have been improved. The effectiveness of implementation of the improvement measures is continuously monitored.

Through education, training, promotion, and safety control in recent years, the disabling injury frequency rate (FR) among employees of Chung Hwa Chemical this year decreased from 17.41 in 2022 to 5.56. Chung Hwa Chemical will continue to optimize management measures with the goal of reducing the disabling injury frequency rate (FR) to below 0.98 by 2027.

The disabling injury frequency rate (FR) for Chung Hwa Chemical this year was 5.56. The Company's Occupational Safety and Health Committee reviewed the causes and found that insufficient awareness and unsafe behaviors contributed to the accidents this year. Therefore, the committee will review management deficiencies and strengthen publicity and educational training to enhance workplace safety and safety awareness of employees.



Statistics of employee occupational injuries and diseases

Statistical item (unit)	2023	2024	2025
Total working hours (hours)	524,264	508,416	539,544
Number of deaths from occupational injuries (times)	0	0	0
Occupational injury fatality rate ^{Note 1}	0	0	0.0
Number of serious occupational injuries (times) ^{Note 2}	0	0	0
Severe occupational injury rate ^{Note 3}	0	0	0.0
Disabling injury frequency rate (FR) ^{Note 4}	15.26	15.73	5.56
Disabling injury severity rate (SR) ^{Note 5}	97	74	18
Number of occupational diseases (cases)	0	0	0
Total injury index (FSI) ^{Note 6}	1.22	1.07	0.31

Note 1: Occupational injury fatality rate = Number of occupational injury fatalities ÷ Total working hours × 1,000,000.

Note 2: Serious occupational injuries refer to occupational injuries that make it impossible or difficult for employees to recover to their pre-injury health within 6 months, but excludes fatalities.

Note 3: Severe occupational injury rate = Number of serious occupational injuries ÷ Total working hours × 1,000,000.

Note 4: Disabling injury frequency rate (FR) = Total number of disabling injuries ÷ Total working hours × 1,000,000.

Note 5: Disabling injury severity rate (SR) = Total number of lost work days ÷ Total working hours × 1,000,000.

Note 6: Total injury index (FSI) = ((Disabling injury frequency FR × Disabling injury severity rate SR ÷ 1,000) ^ 0.5).

7

Social Prosperity

7.1 Social Investment

7.2 Indirect Impacts



7.1 Social Investment

7.1.1 Social Investment Strategy

Chung Hwa Chemical is committed to engaging with stakeholders, investing corporate resources into social participation, and taking the United Nations Sustainable Development Goals (SDGs) as the Company's guiding framework for social engagement. Based on our operational capabilities, we connect with and respond to key goals—such as SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), and SDG 11 (Sustainable Cities and Communities)—through concrete actions.

We follow the four-step management process of “evaluation, planning, execution, and feedback” to effectively promote social engagement activities:

- **Assessment:** Assess the Company's negative and positive impacts on SDGs.
- **Planning:** Propose plans and strategies to mitigate negative impacts and enhance positive impacts.
- **Execution:** Execute our activities and programs according to plans to reduce negative impacts and elevate positive impacts.
- **Feedback:** Evaluate the performance of plans, activities, and programs to confirm whether goals are met as a basis for future plan, activity, and program adjustments.

Through this systematic management process, Chung Hwa Chemical hopes to leverage its core capabilities to enhance the well-being of stakeholders, create positive social value, and proactively mitigate potential negative impacts on human rights, thereby continuously expanding its positive social influence. In addition, to accurately assess the social benefits created by social engagement projects, we have introduced social impact assessment methods to quantify the specific outputs and impacts generated by resource inputs. This allows us to effectively track activity outcomes and provide a reference for optimizing solutions and making decisions. In the future, Chung Hwa Chemical will continue to utilize this approach, regularly evaluating and continuously improving it to achieve the most efficient allocation of resources and deepen corporate social engagement.

Introducing social impact assessment methodologies helps us effectively track program and activity outcomes while serving as a reference for optimizing the enterprise's activity schemes and decision-making. In the future, we will also follow this model and continuously invest and regularly track improvements to ensure that resources achieve optimal allocation efficiency and deepen social engagement.

1. **Charitable donations:** Provide one-time or intermittent support to charitable organizations, non-profit organizations, community units, and other institutions.
2. **Community engagement:** Develop long-term collaborative programs with communities or external organizations to help improve or resolve social issues.
3. **Commercial initiatives:** Align core business operations with public welfare activities.

Type of social engagement	Amount (Unit: NT\$)	Ratio (Unit: Percentage)
Charitable donations	176,250	96.71%
Community engagement	6,000	3.29%
Business activities	0	0.00%
Total	182,250	100%

Resource investment methods	Amount (Unit: NT\$)	Ratio (Unit: Percentage)
Cash donation	54,000	29.63%
In-kind donation	0	0.00%
Time cost	0	0.00%
Management expenses	128,250	70.37%
Total	182,250	100%

7.1.2 Social Engagement Results

Chung Hwa Chemical has invested corporate resources and invited employees to collaborate in initiatives such as child sponsorship programs, purchasing mooncakes for charitable purposes during the Mid-Autumn Festival, and sponsoring community Mid-Autumn Festival energy-saving and carbon-reduction raffle activities. Through these diverse projects, in cooperation with long-term partner organizations and venues, the Company seeks to enhance its positive influence on stakeholders.

Social Engagement Projects and Resource Investment Status in 2025

Social engagement and development	Name of the project	Resources invested (Unit: NT\$)				Corresponding SDGs
		Cash donation	In-kind donation	Time cost	Management expenses	
Community building	Local residents celebrated Mid-Autumn Festival and organized a lucky draw for energy conservation and carbon reduction	6,000	0	0	0	SDG11 Sustainable Cities and Communities
Support for disadvantaged people	Child Sponsorship Program	48,000	0	0	0	SDG 1 No Poverty
	Purchased autumn mooncakes from social welfare organizations and distributed them to employees	0	0	0	128,250	SDG 8 Decent Work and Economic Growth

Achievements of Social Engagement Projects in 2025

1. Supporting World Vision Taiwan "Child Sponsorship Program"

Upholding corporate social responsibility, the Company actively engages in vulnerable care actions. By supporting World Vision Taiwan's "Child Sponsorship Program", the Company currently sponsors 2 economically disadvantaged children, with total annual sponsorship reaching NT\$48,000. Through stable financial support, we assist children in acquiring educational resources, nutritional subsidies, and daily living assistance, thus alleviating their family financial difficulties and promoting their sound physical and mental development.

Aligning with the core spirit of SDG 1: No Poverty, this initiative is dedicated to reducing poverty and inequality and strengthening basic living security for vulnerable groups. Through long-term companionship and resource support, it enhances children's future self-reliance and creates a positive cycle of social impact, thus fulfilling our corporate commitment to sustainable development.



2. Social welfare support and employee care go hand in hand

During the Mid-Autumn Festival, Chung Hwa Chemical purchased 285 boxes of mooncakes worth a total of NT\$128,250 from the private Guanyin Charity Home in Taoyuan City (a welfare institution for people with disabilities) and presented them to all employees to express festive greetings and care. This act not only supports product sales for disadvantaged groups and strengthens the sustainable operation of social enterprises, but also promotes a positive corporate culture and sense of belonging among employees. It also echoes the sustainable development principles of SDG 8 "Decent Work and Economic Growth".



3. Support community sustainability initiatives

Chung Hwa Chemical has long attached great importance to managing local relationships. During the Mid-Autumn Festival in 2025, the Company sponsored the "Energy Conservation and Carbon Reduction Mid-Autumn Lucky Draw Event" organized by the Shulinli Community Development Association, and donated NT\$6,000 in cash to support the event and the preparation of promotional materials. This activity focuses on energy conservation and carbon reduction, encouraging community residents to practice energy-saving and carbon-reducing behaviors in their daily lives and further promote the concept of sustainable living. By collaborating with the community to jointly shape a green community culture, businesses can demonstrate their active role in caring for the local community and advocating for sustainability, which also echoes the sustainable development principles of SDG11 "Sustainable Cities and Communities".

Name of the project	Introduction to the project	Stakeholders	Project output
Child Sponsorship Program	Improving Children's Living and Educational Environments	World Vision Taiwan	0
Purchased autumn mooncakes from social welfare organizations and distributed them to employees	Assisted children with baking training	Taoyuan City Private Guanyin Charity Home	285 boxes of mooncakes
Local residents celebrated Mid-Autumn Festival and organized a lucky draw for energy conservation and carbon reduction	Celebrate Mid-Autumn festival and lucky draw for energy conservation and carbon reduction	Shulinli Community Development Association	0

7.2 Indirect Impacts

7.2.1 Indirect Economic Impacts

I. Management Policy

Deeply rooted in the chemical manufacturing industry, Chung Hwa Chemical is committed to pursuing business growth while systematically managing its positive and negative impact on the local economy and society. The Company continuously creates long-term and stable economic value through operational activities, supply chain collaboration, and social engagement.

The Company's management practices regarding indirect economic impacts are as follows:

1. Impact Identification Mechanism

Regularly identify the impacts of corporate operations on local economies, job opportunities, and industrial development through stakeholder communications (including government agencies, suppliers, local communities, and employees).

2. Local Economic Support

Prioritize procurement from local suppliers and service providers to promote local supply chain development and enhance regional economic vitality.

3. Community Need Assessment

Understand infrastructure and public service needs through communication with local governments and community representatives as the basis for corporate resource investment.

4. Risk and Negative Impact Management

Establish internal control systems and improvement mechanisms targeting potential environmental and social impacts (such as pollution or industrial structure shifts) to mitigate negative impacts on communities.

II. 203-1 Development and impact of infrastructure investment and support services

(1) Infrastructure and service investments

The Company continuously invests in the following infrastructure and support services:

- Plant environment and safety improvements (e.g., wastewater treatment and air pollution control equipment upgrades)
- Construction of employee dormitories and welfare facilities
- Community environmental maintenance and public welfare activities (e.g., cleaning and greening)
- Sponsorships for education and care for vulnerable groups (e.g., schoolchild sponsorship programs)

The aforementioned investments encompass operational needs (commercial initiatives) and public welfare expenditures (social investments).

(2) Impacts on Local Economy and Community

Positive Impacts:

- Create stable employment opportunities and elevate local residents' income
- Facilitate the development of supply chains and peripheral industries
- Improve environmental quality and public facilities
- Enhance accessibility to education and social welfare resources

Potential Negative Impacts:

- Production activities may cause environmental burdens (such as exhaust gas and wastewater).
- Regional industrial concentration may affect industrial diversity.

The Company continuously mitigates negative impacts through environmental protection investments and management systems.

(3) Description of Investment Nature

Type	Description
Business activities	Plant equipment investment and manufacturing process optimization
In-kind contributions	Environmental protection equipment and public facility improvements
Public welfare activities	Educational sponsorships and community care

III. 203-2 Significant indirect economic impacts

(1) Identified significant indirect economic impacts

Based on the Company's operational characteristics, major indirect economic impacts are as follows:

Positive Impacts:

1. Employment and Income Elevation

Provide stable job opportunities and support family financial sources

2. Industrial Technology Upgrading

Facilitate the development of chemical-related technologies and the cultivation of professional talent

3. Supply Chain Development

Increase demand for related industries such as raw materials, logistics, and maintenance

4. Social Investment Benefits

Enhance the quality of life for vulnerable groups through educational sponsorships and public welfare investments

(e.g., sponsoring children's education to reduce the cycle of poverty, responding to SDG 1)

Potential Negative Impacts:

1. Environmental pollution may create economic burdens on the community
2. Industrial structure concentration may affect the competitiveness of small and medium enterprises

The Company continuously mitigates the aforementioned risks through environmental management systems and sustainability strategies.

(2) Linkages with External Standards and Policies

The Company's indirect economic impact management aligns with the following international and policy frameworks:

- GRI Standards (GRI 203)
- United Nations SDGs
 - SDG 1 No Poverty
 - SDG 8 Decent Work and Economic Growth
 - SDG 9 Industry, Innovation and Infrastructure
- Domestic environmental protection and industrial policy regulations

IV. Conclusion

Through operational activities, infrastructure investments, and social engagement, the Company generates multi-faceted impacts on local economic and social development. The Company will continuously strengthen the identification and management of indirect economic impacts, thus creating long-term shared value through sustainability strategies.

7.2.2 Community Impacts

I. Management Policy

The Company attaches great importance to community development in its operational sites. Upholding the concept of "co-prosperity with local communities", the Company is committed to mitigating negative operational impacts on communities while actively creating positive social value.

The Company's local community management mechanisms are as follows:

1. Stakeholder communication

Regularly communicate with local governments, neighboring community residents, and relevant organizations to gather feedback and needs regarding the Company's operations.

2. Community Impact Assessment

Assess impacts on the local environment, traffic, and quality of life for new construction, expansions, or major operational changes.

3. Community Engagement and Investment

Promote public welfare activities such as educational support, care for vulnerable groups, and environmental protection to give back to local society.

4. Grievance and Response Mechanism

Establish communication contacts and grievance channels to address community concerns in real time.

5. Risk Management Mechanism

Establish preventive and emergency response measures for major risks that may affect the community (such as environmental pollution and industrial safety accidents).

II. 413-1 Operational activities through local community engagement, impact assessments, and development plans

(1) Community engagement and communication mechanisms

The Company has established community communication and engagement mechanisms at all major operating sites, including:

- Periodically visiting local village/neighborhood and community representatives
- Participating in local briefing sessions in coordination with government entities
- Setting up dedicated contact points to respond to community feedback
- Establishing feedback and tracking mechanisms

(2) Community impact assessment and management

Regarding potential impacts caused by operational activities, the Company executes the following assessment and management measures:

- Environmental dimension: Air pollution, water resource usage, waste disposal
- Social dimension: Traffic impacts, noise, residents' quality of life
- Safety dimension: Chemical management and accident risks

And adopts improvement and continuous monitoring measures based on evaluation results.

(3) Community development and public welfare investment

The Company implements multiple community development programs, including:

- Educational support: Sponsoring vulnerable schoolchildren (such as student financial aid programs)
- Social care: Participating in charitable donations and social welfare activities
- Environmental protection: Community cleaning, tree planting, and environmental maintenance activities

Through the aforementioned measures, overall community well-being and quality of life are elevated.

(4) Description of implementation

All major operating sites of the Company have adopted community engagement and impact assessment mechanisms, with a coverage rate of 100%, while continuously ensuring good interaction and relationships with local communities through institutionalized management.

III. 413-2 Operating activities with significant actual or potential negative impact on the local community

(1) Identification of potential significant negative impacts

As the Company operates in the chemical manufacturing industry, its operations may pose the following potential impacts on local communities:

- Air pollution emissions
- Wastewater discharge and water resource usage
- Chemical transportation and storage risks
- Noise generated by equipment operation
- Peripheral impacts caused by increased transportation traffic

(2) Impact management and mitigation measures

In response to the aforementioned potential risks, the Company has implemented the following management measures:

- **Environmental Management:**
Establish air pollution control equipment and wastewater treatment systems, and periodically monitor emission data
- **Safety Management:**
Establish chemical management systems and emergency response plans to reduce accident risks
- **Traffic Management:**
Plan transportation routes and schedules to lower impacts on community traffic
- **Communication Mechanism:**
Provide immediate notification during anomalies and maintain information transparency with the community

(3) Description of Management Effectiveness

The Company continuously strengthens environmental and safety management systems. In recent years, no major environmental or industrial safety incidents impacting the community have occurred. Through continuous improvement measures, the potential impacts of operations on local communities are continuously mitigated.

IV. Conclusion

Through sound community management systems and active social participation, the Company is committed to lowering operational risks and increasing local value. The Company will continuously deepen cooperative relationships with local communities, and move toward the sustainable goal of coexistence and co-prosperity between enterprise and society.



Appendix

GRI Standards Index

SASB Standards Index

Enhanced Disclosure of Sustainability Indicators

Climate-Related Information

Third-Party Assurance Report

Greenhouse Gas Verification Statement

Various ISO Certificates



GRI Standards Index

Declaration of use: The Company has filed a report on the ESG information for the period from January 1 to December 31, 2025, in accordance with the GRI Standards.

Applicable GRI 1: Foundation 2021

General disclosures

GRI standards	Disclosure items	Chapter of the report	Page number	Note
GRI 2: General Disclosures 2021	2-1 Detailed information of the organization	2.1.1 Basic Information	17	
	2-2 Entities included in the organization's sustainability reports	1.1.3 Scope of the boundary	5	
	2-3 Reporting period, frequency and contact persons	1.1.1 Reporting period	5	
		1.1.7 Contact information	6	
	2-4 Restatement of information	1.1.4 Restatement of information	6	
	2-5 External guarantee/assurance	1.1.6 External Guarantee/ Assurance	6	
	2-6 Activities, value chain and other business relationships	4.1.2 Supply Chain Structure	52-53	
	2-7 Employees	2.1.1 Basic Information	17	
		6.1.2 Talent Recruitment	72-75	
	2-8 Workers who are not employees	6.1.2 Talent Recruitment	72	
	2-9 Governance structure and composition	2.2.1 Governance Structure	18-21	
		2.2.2 Functional Committees	24-25	
	2-10 Nomination and selection of the highest governance body	2.2.1 Governance Structure	19	
	2-11 Chairperson of the highest governance body	2.2.1 Governance Structure	19-20	

GRI standards	Disclosure items	Chapter of the report	Page number	Note
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	1.4.1 Process for Evaluating Material Issues	11	
		1.4.2 Impact Management of Material Issues	12	
	2-13 Person in charge of impact management	1.4.1 Process for Evaluating Material Issues	11	
		1.4.2 Impact Management of Material Issues	12	
	2-14 Role of the highest governance body in sustainability reporting	1.4.1 Process for Evaluating Material Issues	11	
	2-15 Conflicts of interest	2.2.1 Governance Structure	23	
	2-16 Communication of major significant events	2.2.2 Functional Committees	24	
	2-17 Collective knowledge of the highest governance body	2.2.1 Governance Structure	21	
	2-18 Performance evaluation of the highest governance body	2.2.1 Governance Structure	22-23	
	2-19 Remuneration policy	2.2.1 Governance Structure	22; 25	
	2-20 Remuneration determination process	2.2.1 Governance Structure	22; 25	
	2-21 Annual total compensation ratio	6.2.1 Equal and competitive remuneration	76	
	2-22 Statement on sustainable development strategy	1.2.1 Message from the Management	7	
	2-23 Policy commitments	2.4.1 Ethical Corporate Management	28-29	
		2.4.2 Human Rights Policy	30	
	2-24 Incorporation of policy commitments	2.4.1 Ethical Corporate Management	28-29	
		2.4.2 Human Rights Policy	30	
	2-25 Procedures for remediating negative impacts	1.4.2 Impact Management of Material Issues	12	
	2-26 Mechanism for seeking advice and raising concerns	2.4.1 Ethical Corporate Management	28-29	
		2.4.2 Human Rights Policy	30	
	2-27 Legal compliance	2.4.3 Legal Compliance	30	

GRI standards	Disclosure items	Chapter of the report	Page number	Note
GRI 2: General Disclosures 2021	2-28 Membership of public associations	2.1.1 Basic Information	17	
	2-29 Stakeholder engagement policy	1.3.1 Identification of Stakeholders	9	
		1.3.2 Stakeholder Communication	10	
	2-30 Group agreement	6.1.3 Labor-management Agreement	75	
GRI 3: Material Topics 2021	3-1 Process for determining major topics	1.4.1 Process for Evaluating Material Issues	11	
	3-2 List of major topics	1.4.2 Impact Management of Material Issues	12-15	

Disclosure of material issues

GRI standards	Disclosure items	Chapter of the report	Page number	Note
Ethical corporate management				
3-3 Management of major topics				
GRI 205: Anti-corruption 2016	205-1 Operational locations that have undergone corruption risk assessments	2.4.1 Ethical Corporate Management	28-29	
	205-2 Communication and training on anti-corruption policies and procedures	2.4.1 Ethical Corporate Management	28-29	
	205-3 Confirmed incidents of corruption and actions taken	2.4.1 Ethical Corporate Management	29	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly behavior	2.4.1 Ethical Corporate Management	28-29	
Energy				
3-3 Management of major topics				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	5.2.2 Energy Consumption	59	
	302-2 Energy consumption outside the organization	5.2.4 Supply Chain Energy Consumption	60	

GRI standards	Disclosure items	Chapter of the report	Page number	Note
GRI 302: Energy 2016	302-3 Energy intensity	5.2.2 Energy Consumption	59	
		5.2.4 Supply Chain Energy Consumption	60	
GRI 302: Energy 2016	302-4 Reduction of energy consumption	5.2.3 Energy Saving Measures	60	
	302-5 Reduced energy demand for products and services	3.1.2 Life Cycle Management	45	
Economic performance				
3-3 Management of major topics				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed by the organization	2.3.1 Economic value	26	
	201-4 Financial assistance from the government	2.3.1 Economic value	26	
Information security				
3-3 Management of major topics				
GRI 418: Customer Privacy 2016	418-1 Complaints of substantiated breach of customer privacy or loss of customer information	2.7.1 Information Security Management Policy	41-42	
		3.2.3 Customer Privacy Management	48	
Occupational safety and health				
3-3 Management of major topics				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational safety and health management system	6.4.1 Occupational Safety and Health Management	80-81	
	403-2 Hazard identification, risk assessment and incident investigation	6.4.1 Occupational Safety and Health Management	81	
	403-3 Occupational health services	6.4.1 Occupational Safety and Health Management	82	
	403-4 Worker participation, consultation, and communication on occupational health and safety	6.4.1 Occupational Safety and Health Management	81	
	403-5 Worker training on occupational safety and health	6.4.1 Occupational Safety and Health Management	82	
	403-6 Worker health promotion	6.4.1 Occupational Safety and Health Management	82	
	403-7 Prevention and mitigation of occupational safety and health impacts directly related to business relationships	6.4.1 Occupational Safety and Health Management	80-82	

GRI standards	Disclosure items	Chapter of the report	Page number	Note
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by the Occupational Health and Safety Management System	6.4.1 Occupational Safety and Health Management	81	
	403-9 Occupational injuries	6.4.2 Occupational Injuries and Diseases	83	
	403-10 Occupational disease	6.4.2 Occupational Injuries and Diseases	83	
Employee benefits and compensation				
3-3 Management of major topics				
GRI 201: Economic Performance 2016	201-3 Defined benefit obligations and other retirement plans	6.2.2 Comprehensive Welfare Measures	78	
GRI 202: Market Position 2016	202-1 The ratio of the standard salary to local minimum wage for entry-level personnel of different genders	6.2.1 Equal and competitive remuneration	73	
GRI 401: Labor-employer Relations 2016	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	6.2.2 Comprehensive Welfare Measures	77-78	
	401-3 Parental leave	6.2.3 Child-friendly Workplace	78	
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	6.2.1 Equal and competitive remuneration	76	
Product quality & safety				
3-3 Management of major topics				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.2.2 Product Risk Assessment	47	
	416-2 Violations of health and safety regulations for products and services	3.2.2 Product Risk Assessment	47	
Climate change				
3-3 Management of major topics				
GRI 201: Economic Performance 2016	201-2 Financial impacts and other risks and opportunities arising from climate change	2.6.3 Impact Assessment of Climate Risks and Opportunities	36-38	

GRI standards	Disclosure items	Chapter of the report	Page number	Note
Indirect economic impacts				
3-3 Management of major topics				
GRI 203: Indirect Economic Impacts 2016	203-1 Development and impact of infrastructure investment and support services	7.2.1 Indirect Economic Impacts	88	
	203-2 Significant indirect economic impacts	7.2.1 Indirect Economic Impacts	89	
Air quality				
3-3 Management of major topics				
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	5.3.3 Inventory of Ozone-Depleting Substances	62	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.3.4 Other Air Pollutant Emissions	62-63	
Greenhouse gas emissions				
3-3 Management of major topics				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	5.3.1 Greenhouse Gas Inventory	61	
	305-2 Energy indirect (Scope 2) greenhouse gas emissions	5.3.1 Greenhouse Gas Inventory	61	
	305-3 Other indirect (Scope 3) greenhouse gas emissions	5.3.1 Greenhouse Gas Inventory	61	
	305-4 Greenhouse gas emission intensity	5.3.1 Greenhouse Gas Inventory	61	
	305-5 Greenhouse gas emission reduction	5.3.2 Greenhouse Gas Reduction	62	
Employee hiring and retention				
3-3 Management of major topics				
GRI 202: Market Position 2016	202-2 Proportion of senior management hired from the local community	6.1.2 Talent Recruitment	72-75	
GRI 401: Labor-employer Relations 2016	401-1 New employee hires and employee turnover	6.1.2 Talent Recruitment	74-75	

GRI standards	Disclosure items	Chapter of the report	Page number	Note
Innovation & R&D				
3-3 Management of major topics				
GRI 302: Energy 2016	302-5 Reduced energy demand for products and services	3.1.2 Life Cycle Management	45	
Labor-management communication				
3-3 Management of major topics				
GRI 402: Labor Relations 2016	402-1 Minimum notice period for operational changes	6.1.2 Talent Recruitment	74	
Supply chain management				
3-3 Management of major topics				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	4.2.1 Supply Chain Management Policy	53	
	308-2 Negative environmental impacts in the supply chain and actions taken	4.2.2 Results of Supply Chain Audit	54	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	4.2.1 Supply Chain Management Policy	53	
	414-2 Negative social impacts in the supply chain and actions taken	4.2.2 Results of Supply Chain Audit	54	

Specific topic disclosure items

GRI standards	Disclosure items	Chapter of the report	Page number	Note
GRI 204: Procurement Practice 2016	204-1 Proportion of procurement expenditure from local suppliers	4.1.2 Supply Chain Structure	53	
GRI 207: Taxation 2019	207-1 Tax policy	2.3.2 Tax Policy	27-28	
	207-2 Tax governance, control and risk management	2.3.2 Tax Policy	27-28	
	207-3 Stakeholder engagement and management on tax-related issues	2.3.2 Tax Policy	28	
	207-4 Country-by-country report	2.3.2 Tax Policy	27-28	No overseas operating sites or branch offices
GRI 301: Materials 2016	301-1 Weight or volume of materials used	5.1.2 Material Procurement	57-58	
	301-2 Recycled input materials used	5.1.2 Material Procurement	57-58	
GRI 303: Water and Effluents 2018	303-1 Interactions of shared water resources	5.4.1 Water Resource Impact Assessment	64-67	
	303-2 Management of water discharge-related impacts	5.4.1 Water Resource Impact Assessment	64-67	
	303-3 Water withdrawal	5.4.2 Water Withdrawal and Drainage	67-68	
	303-4 Water discharge	5.4.2 Water Withdrawal and Drainage	67-68	
	303-5 Water consumption	5.4.2 Water Withdrawal and Drainage	67-68	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	5.5.1 Waste Impact Assessment	69	
	306-2 Management of waste-related significant impacts	5.5.1 Waste Impact Assessment	69	
		5.5.2 Waste Management Policy	69	
	306-3 Waste generated	5.5.3 Waste Collection and Disposal	70	
	306-4 Disposal and transfer of waste	5.5.3 Waste Collection and Disposal	70	
	306-5 Direct disposal of waste	5.5.3 Waste Collection and Disposal	70	

GRI standards	Disclosure items	Chapter of the report	Page number	Note
GRI 404: Training and Education 2016	404-1 Average training hours per employee per year	6.3.1 Education and Training	79	
	404-2 Programs for upgrading employee competency and transition assistance	6.3.1 Education and Training	79-80	
	404-3 Percentage of employees receiving regular performance and career development reviews	6.3.2 Performance Evaluation	80	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance units and employees	2.2.1 Governance Structure	20	
		6.1.2 Talent Recruitment	73-74	
GRI 406: Non-discrimination 2016	406-1 Discrimination incidents and improvement actions taken by the organization	2.4.2 Human Rights Policy	30	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operational sites or suppliers at risk of freedom of association and group bargaining	2.4.2 Human Rights Policy	30	
GRI 408: Child Labor 2016	408-1 Operational sites and suppliers with significant risks of child labor	2.4.2 Human Rights Policy	30	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operational sites and suppliers with significant risks of forced and compulsory labor	2.4.2 Human Rights Policy	30	
GRI 410: Security Practice 2016	410-1 Security personnel trained in human rights policies or procedures	2.4.2 Human Rights Policy	30	
GRI 411: Rights of Indigenous People 2016	411-1 Incidents involving infringements on the rights of indigenous peoples	2.4.2 Human Rights Policy	30	
GRI 413: Local Communities 2016	413-1 Operational activities through local community engagement, impact assessments, and development plans	7.2.2 Community Impacts	90-91	
	413-2 Operating activities with significant actual or potential negative impact on the local community	7.2.2 Community Impacts	91	
GRI 415: Public Policy 2016	415-1 Political contributions	2.3.1 Economic value	26	Political contributions in 2025: NT\$0

SASB Standards Index

Declaration of use: The Company has filed a report on the SASB information for the period from January 1 to December 31, 2025, in accordance with the GRI Standards.

SASB Industry Sector: RT-CH

Metric type	SASB metric code	Disclosure topics	Disclosure items	Nature	Annual disclosure status	Unit	Chapter of the report	Page number	Note
Indicator	RT-CH-110a.1	Greenhouse gas emissions	Total global Scope 1 emissions	Quantification	901.524	Metric tons (t) of carbon dioxide equivalent	5.3.1 Greenhouse Gas Inventory	61	
			Total global Scope 1 emissions, including the percentage covered by emission limits		0	Percentage (%)	5.3.1 Greenhouse Gas Inventory	61	
Indicator	RT-CH-110a.2	Greenhouse gas emissions	Discussion of the long-term and short-term strategies or plans for managing Scope 1 emissions, emissions reduction targets, and performance analysis for achieving those targets	Discussion and analysis	Disclosed	-	5.3.2 Greenhouse Gas Reduction	62	
Indicator	RT-CH-120a.1	Air quality	Emissions of the following air pollutants: (1) Nitrogen oxides (NOX) (excluding nitrous oxide (N2O))	Quantification	0.370	Metric tons (t)	5.3.4 Other Air Pollutant Emissions	62-63	
			Emissions of the following air pollutants: (2) Sulfur oxides (SOX)		1.583	Metric tons (t)	5.3.4 Other Air Pollutant Emissions	62-63	
			Emissions of the following air pollutants: (3) Volatile organic compounds (VOCs)		3.720	Metric tons (t)	5.3.4 Other Air Pollutant Emissions	62-63	
			Emissions of the following air pollutants: (4) Hazardous air pollutants (HAPs)		Not applicable	Metric tons (t)	5.3.4 Other Air Pollutant Emissions	62-63	

Metric type	SASB metric code	Disclosure topics	Disclosure items	Nature	Annual disclosure status	Unit	Chapter of the report	Page number	Note
Indicator	RT-CH-130a.1	Energy management	(1) Total energy consumption	Quantification	84676	Gigajoules (GJ)	5.2.2 Energy Consumption	59	
			(2) Percentage of grid electricity		78.62	Percentage (%)	5.2.2 Energy Consumption	59	
			(3) Percentage of renewable energy		0	Percentage (%)	5.2.2 Energy Consumption	59	
			(4) Total self-produced energy		4787	Gigajoules (GJ)	5.2.2 Energy Consumption	59	
Indicator	RT-CH-140a.1	Water management	(1) Total water withdrawal	Quantification	378.181	Thousand cubic meters (m ³)	5.4.2 Water Withdrawal and Drainage	67-68	
			(1) Percentage of water withdrawal from areas with high or very high baseline water stress as a percentage of total water withdrawal		0	Percentage (%)	5.4.1 Water Resource Impact Assessment	64	
			(2) Total water consumption		224.715	Thousand cubic meters (m ³)	5.4.2 Water Withdrawal and Drainage	67-68	
			(2) Percentage of water consumption in areas with high or very high baseline water stress as a percentage of total water consumption		0	Percentage (%)	5.4.1 Water Resource Impact Assessment	64	
Indicator	RT-CH-140a.2	Water management	Number of non-compliance incidents related to water quality permits, standards, and regulations	Quantification	1	Quantity	2.4.3 Legal Compliance	31	
Indicator	RT-CH-140a.3	Water management	Description of the risks of water management, and a discussion of strategies and practices to mitigate those risks	Discussion and analysis	Disclosed	-	5.4.1 Water Resource Impact Assessment	64-68	
Indicator	RT-CH-150a.1	Hazardous waste management	(1) Weight of hazardous waste generated	Quantification	72.010	Metric tons (t)	5.5.3 Waste Collection and Disposal	70	
			(2) Percentage of hazardous waste recycled		0	Percentage (%)	5.5.3 Waste Collection and Disposal	70	
Indicator	RT-CH-210a.1	Community relations	Discussion of the engagement process for managing risks and opportunities related to community interests	Discussion and analysis	Disclosed		7.1 Social Investment; 7.2.2 Community Impacts	85-91	

Metric type	SASB metric code	Disclosure topics	Disclosure items	Nature	Annual disclosure status	Unit	Chapter of the report	Page number	Note
Indicator	RT-CH-320a.1	Labor health and safety	(a) Total recordable incident rate (TRIR) for direct employees (1)	Quantification	1.11	Ratio	6.4.2 Occupational Injuries and Diseases	83	
			(a) Mortality rate of direct employees (2)		0	Ratio	6.4.2 Occupational Injuries and Diseases	83	
			(b) Total recordable incident rate (TRIR) for contract employees (1)		Not applicable	Ratio	6.4.2 Occupational Injuries and Diseases	83	The Company has no contract employees.
			(b) Mortality rate of contract employees (2)		Not applicable	Ratio	6.4.2 Occupational Injuries and Diseases	83	The Company has no contract employees.
Indicator	RT-CH-320a.2	Labor health and safety	Description of efforts to assess, monitor, and reduce exposure of employees and contract employees to long-term (chronic) health risks	Discussion and analysis	Disclosed		6.4.1 Occupational Safety and Health Management	82	
Indicator	RT-CH-410a.1	Product design for use-phase efficiency	Revenue from products designed for resource efficiency during use phase	Quantification	Not applicable	Presentation currency	3.1.2 Life Cycle Management	45	Not statistically categorized under this metric; most of the Company's products are chemical raw materials.
Indicator	RT-CH-410b.1	Chemical safety and environmental management	(1) Percentage of products containing Category 1 and Category 2 health and environmental hazards under the Globally Harmonized System of Classification and Labelling of Chemicals (GHS)	Quantification	Not Disclosed	Percentage by revenue (%)	3.2.2 Product Risk Assessment; 4.1.2 Industry Overview	47; 52	
			(2) Percentage of products containing Category 1 and Category 2 health and environmental hazards under the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) that have undergone hazard assessment		100	Percentage (%)	3.2.2 Product Risk Assessment; 4.1.2 Industry Overview	47; 52	

Metric type	SASB metric code	Disclosure topics	Disclosure items	Nature	Annual disclosure status	Unit	Chapter of the report	Page number	Note
Indicator	RT-CH-410b.2	Chemical safety and environmental management	(1) Management of chemicals of concern	Discussion and analysis	Disclosed	-	3.2.2 Product Risk Assessment; 4.1.2 Industry Overview	47; 52	
			(2) Discussion of strategies to develop alternatives to reduce impacts on humans or the environment		Disclosed	-		47; 52	
Indicator	RT-CH-410c.1	Genetically modified organisms	Percentage of revenue from products containing genetically modified organisms (GMOs)	Quantification	0	Percentage by revenue (%)	3.1.1 Introduction to Products and Services	44	Product portfolio consists of basic chemicals, specialty chemicals, and electronic chemicals, involving no GMO products
Indicator	RT-CH-530a.1	Management of the legal and regulatory environment	Discussion of corporate positions regarding government regulations or policy proposals affecting environmental and social factors in the industry	Discussion and analysis	Disclosed	-	2.4.3 Legal Compliance 2.5 Risk Management	30-39	
Indicator	RT-CH-540a.1	Operational safety, emergency preparedness and response	Number of process safety incidents (PSIC)	Quantification	Not Disclosed	Quantity	6.4.2 Occupational Injuries and Diseases	83	No major accidents in 2025; PSIC/PSTIR/PSISR have not yet been disclosed using the SASB framework
			Process safety incident rate (PSTIR)			Ratio			
			Severity rate of process safety incidents (PSISR)			Ratio			
Indicator	RT-CH-540a.2	Operational safety, emergency preparedness and response	Number of transportation accidents	Quantification	0	Quantity	6.4.2 Occupational Injuries and Diseases	83	Not disclosed using the SASB transport incident framework; 2 traffic accidents during employee commuting in 2025
Activity Metrics	RT-CH-000.A		Production volume of the reporting department	Quantification	Basic chemicals: 97,928 metric tons; Specialty chemicals: 6,418 metric tons; electronic chemicals: 41,580 metric tons; Total: 145,926 metric tons		1.2.2 Sustainability Performance	8	

Enhanced Disclosure of Sustainability Indicators

Schedule 1-2 Sustainability Disclosure Metrics - Chemical Industry

Code	Indicator	Type of indicator	Annual disclosure status	Unit	Page number	Note
I	Total energy consumption, percentage of purchased electricity, renewable energy utilization rate, and total self-generated and self-used energy (Note 1: Total self-generated and self-used energy is defined in accordance with the "Renewable Energy Development Act", "Implementation Regulations Governing Renewable Energy Certificates" or related sub-laws)	Quantification	Disclosed	Gigajoules (GJ), percentage (%)	59	
II	Total water intake, total water consumption, and wastewater (sewage) discharge volume as required by law or disclosed voluntarily	Quantification	Disclosed	Thousand cubic meters (1,000m³)	67-68	
III	Total amount of hazardous waste generated and recycling percentage from the production process as required by laws and regulations or voluntarily disclosed	Quantification	Disclosed	Metric tons (t), percentage (%)	70	
IV	Description of the number and percentage of occupational accidents	Quantification	Disclosed	Quantity, percentage (%)	83	
V	Operations that have significant actual or potential negative impacts on local communities	Qualitative description	Disclosed	Not applicable	90-91	
VI	Specific and effective mechanisms and actions taken by the Company and its suppliers to reduce negative impacts on the environment or society	Qualitative description	Disclosed	Not applicable	53-54	
VII	Product volume by product category	Quantification	Disclosed	Varies by product type	8	

Climate-Related Information

Climate-Related Information for TWSE/TPEX Listed Companies

Risks and opportunities of climate change for the Company and the relevant response measures taken

Item	Implementation status	Page number
1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	Disclosed	33-34
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finances (short-term, medium-term, and long-term).	Disclosed	35-37
3. Describe the financial impact of extreme climate events and transition actions.	Disclosed	36-38
4. Describe how the climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Disclosed	34-35
5. If scenario analysis is used to assess resilience climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be described.	Not used	Not applicable
6. If there is a transition plan to manage climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical and transition risks.	Disclosed	36-39;62
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Not used	Not applicable
8. If climate-related targets are set, the covered activities, scope of greenhouse gas emissions, planning period, and annual progress should be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction credits or the number of RECs used should be explained.	Disclosed	39; 62
9. Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and specific action plans. (To be filled out separately in 9-1 and 9-2).	Disclosed	61-62

9-1 Greenhouse Gas Inventory and Assurance Status in the Most Recent Two Years

9-1-1 Greenhouse Gas Inventory Information

State the greenhouse gas emissions (metric tons of CO₂e), intensity (metric tons of CO₂e/NT\$ million), and data coverage for the past two fiscal years.

The Company conducted greenhouse gas inventory in accordance with ISO 14064-1:2018 standards and applied the operational control approach to set organizational boundaries. Data coverage scope includes Taoyuan Plant No. 1, Taoyuan Plant No. 2, and Changhua Plant, consistent with the scope of the Company's financial statements; report boundaries include Category 1 direct emissions, Category 2 indirect emissions from purchased electricity, Category 3 other indirect emissions, and Category 4 other indirect emissions; Category 5 and Category 6 have no disclosed emissions for this year. Inventoried greenhouse gas types include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs). The Company's total greenhouse gas emissions in 2025 were 27,181.969 metric tons CO₂e, a decrease compared to 36,767.616 metric tons CO₂e in 2024; emission intensity decreased from 17.7 metric tons CO₂e / NT\$ million revenue in 2024 to 13.8 metric tons CO₂e / NT\$ million revenue in 2025.

9-1-2 Greenhouse Gas Assurance Information

Describe the assurance status for the most recent two fiscal years, including the assurance scope, assurance institution, assurance standards, and assurance opinion.

The Company's greenhouse gas emissions information for the most recent two years has been verified by external third parties. For both 2024 and 2025, Ares International Certification Co., Ltd. was entrusted to conduct verification in accordance with ISO 14064-3:2019, and it has confirmed that the inventory results comply with ISO 14064-1:2018 requirements. Verification scope covers Taoyuan Plant No. 1, Taoyuan Plant No. 2, and Changhua Plant, with verification periods from January 1 to December 31, 2024, and January 1 to December 31, 2025, respectively.

According to the verification opinions, greenhouse gas statements for the most recent two years comply with regulations, without violating the 5% materiality threshold. Among them, Category 1 and Category 2 achieved a reasonable assurance level, while Category 3 through Category 6 achieved a limited assurance level.

9-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

State the greenhouse gas reduction baseline year and its data, reduction targets, strategies, specific action plans, and the target achievement status.

The Company sets 2021 as the greenhouse gas reduction baseline year, with total Category 1 and Category 2 greenhouse gas emissions in the baseline year being 11,932 metric tons CO₂e. The emission reduction targets primarily cover Category 1 and Category 2 emissions. The short-term target is an 18% reduction by 2026 compared to the baseline year, while the long-term target is a 33% reduction by 2030 compared to the baseline year. To achieve reduction targets, the Company adopts enhancing energy efficiency, strengthening energy management, and introducing renewable energy as main strategies; specific actions include upgrading energy management systems, real-time monitoring and optimizing energy use, and planning rooftop solar panel installation on the Company's buildings to increase the renewable energy usage proportion; as of now, approximately NT\$ 24 million has been invested to implement related measures. In 2025, the Company's Category 1 and Category 2 emissions were 9,666.962 metric tons CO₂e, a decrease of 2,264.733 metric tons CO₂e compared to the 2021 baseline year (a reduction of approximately 19%), thus achieving the short-term target of an 18% reduction by 2026 ahead of schedule. Subsequently, the Company will continue to advance toward the long-term target of a 33% reduction by 2030 through energy management, energy-saving improvements, equipment efficiency upgrades, and renewable energy introduction.

CPA's Limited Assurance Report

大中國際聯合會計師事務所
PKF Taiwan Certified Public Accountants & Advisers



CPA's Limited Assurance Report

To Chung Hwa Chemical Industrial Works, Ltd.

We have been appointed by Chung Hwa Chemical Industrial Works, Ltd. (hereinafter referred to as "Chung Hwa Chemical") to perform assurance procedures and issue a limited assurance report on the specific performance indicators disclosed in Chung Hwa Chemical's 2025 Sustainability Report (hereinafter referred to as the "Subject Matter Information").

Subject matter information and applicable standards

In accordance with Article 4 of the Taiwan Stock Exchange's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", Chung Hwa Chemical discloses the sustainability indicator information and applicable standards required for the chemical industry as detailed in Attachment 1.

Responsibilities of management

The responsibility of Chung Hwa Chemical's management is to prepare the sustainability report in compliance with the Taiwan Stock Exchange's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" as well as with the General Standards, Sector Standards, and Topic Standards issued by the Global Reporting Initiative (GRI). Management is also responsible for establishing and maintaining internal controls related to the preparation of the sustainability report to ensure that the disclosed information does not contain material misstatements resulting from fraud or error.

Responsibilities of the CPAs

We have conducted limited assurance engagement in accordance with the requirements of Assurance Standard No. 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China. The procedures were planned and performed to obtain limited assurance as to whether the subject matter information described in Paragraph 2 contains material misstatements, and a limited assurance report has been issued. In addition, when performing the limited assurance assessment, we obtained the necessary understanding of relevant internal control mechanisms in order to design limited assurance procedures that

大中國際聯合會計師事務所
PKF Taiwan Certified Public Accountants & Advisers



were appropriate under the circumstances. However, this was not intended to provide any assurance on the effectiveness of the design or implementation of the internal controls related to Chung Hwa Chemical's 2025 Sustainability Report.

Independence and quality management regulations

We and the affiliated accounting firm have complied with the independence requirements and all other ethical requirements of the Code of Professional Ethics for Certified Public Accountants, the fundamental principles of which include integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, the accounting firm has complied with Quality Management Standard No. 1 "Quality Management for Accounting Firms". This standard requires the firm to design, implement, and operate a system of quality management, including documented policies and procedures relating to compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Summary of the procedures performed

We have performed limited assurance work for the subject matter information described in the second paragraph. The main assurance procedures performed include:

1. Obtained and analyzed the 2025 Sustainability Report of Chung Hwa Chemical.
2. Interviewed Chung Hwa Chemical's management and relevant employees to understand the relevant operational processes and information systems used to collect and generate subject matter information;
3. Based on the understanding gained in relation to the above matters, perform analytical procedures on the specific information disclosed in the report, and review and verify relevant documents as necessary to obtain sufficient and appropriate limited assurance evidence.

The above assurance procedures are based on our professional judgment, including identifying the scope of possible material errors or misrepresentations in the subject matter information and assessing the potential risks, designing sufficient and appropriate assurance procedures, and evaluating the presentation of the subject matter information. We believe that this assurance work provides a reasonable basis for the conclusion of this assurance report. However, our understanding and consideration of the risks in the limited assurance engagement are lower than those in a reasonable assurance engagement. The nature and timing

CPA's Limited Assurance Report

大中國際聯合會計師事務所
PKF Taiwan Certified Public Accountants & Advisors



of the procedures performed are different from those applicable to a reasonable assurance engagement, and their scope is also smaller. Therefore, the level of confidence obtained in the limited assurance engagement is significantly lower than that obtained in a reasonable assurance engagement.

Innate limitations

The 2025 Sustainability Report of Chung Hwa Chemical included non-financial information. The disclosure of such information may involve significant judgments, assumptions, and interpretations by Chung Hwa Chemical's management. Therefore, different stakeholders may have different interpretations of such information.

Conclusion

Based on the procedures performed and evidence obtained, we have not identified any issues that require material revision of the subject matter information described in Paragraph 2 that are not compiled in accordance with the applicable standards.

Other matters

Maintenance of Chung Hwa Chemical's website is the responsibility of Chung Hwa Chemical's management. We assume no responsibility for re-performing the assurance work on any subject matter information or applicable standards that change after the disclosure of this assurance report on Chung Hwa Chemical's website.

PKF International Limited
CPA: Kuo-Cheng Kao

May 13, 2026

Attachment 1. Sustainability Disclosure Indicators - Chemical Industry and Assurance Items Summary
Table in accordance with Appendix 1-2 of the Taiwan Stock Exchange's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies"

Number	Subject matter information	Applicable standards	Page number	Operating procedures
1	The sources of Chung Hwa Chemical's energy consumption in 2025 were electricity, natural gas, and gasoline and diesel. In 2025, the total energy consumption of Taoyuan Plant No. 1, Taoyuan Plant No. 2, and Changhua Plant was 84,676 GJ. The energy consumption is as follows: Purchased electricity: 66,573 GJ; Purchased natural gas: 4,910 GJ; Purchased fuel consumption: 8,406 GJ; Self-generated and self-consumed electricity: 4,787 GJ. Percentage of purchased electricity in total energy consumption: 78.82%. Renewable energy utilization rate: 0%. Total self-generated and self-consumed energy consumption: 4,787 GJ.	The purchased electricity consumption is calculated based on payment receipts from external suppliers; For purchased natural gas, the total gas supply volume is calculated based on billing details of external suppliers; Part of the fuel consumption is based on statistical reports from the oil product customer inquiry system of external suppliers, while another portion is estimated using the mileage subsidy kilometers provided by Chung Hwa Chemical, divided by the average value derived from "2024 Vehicle Fuel Consumption Guide" issued by the Bureau of Energy, Ministry of Economic Affairs, and calculated based on the test values of domestically produced automobiles and motorcycles. Self-generated and self-consumed electricity is calculated based on power generation records of the ORC system.	59	Number 1
2	The total water intake of Chung Hwa Chemical's Taoyuan Plant No. 1, Taoyuan Plant No. 2 and Changhua Plant in 2025 was 378,181 thousand cubic meters.	Practical water usage of the current period as shown on the electronic water bill notice (payment receipt) of Taiwan Water Corporation is converted into thousands of cubic meters.	68	Number 2
3	The total water consumption of Chung Hwa Chemical's Taoyuan Plant No. 1 and Taoyuan Plant No. 2 in 2025 was 224,552 thousand cubic meters. There is no statistical data on the water discharge of Changhua Plant, so the water consumption of Changhua Plant is excluded.	According to GRI 303-5 guidelines, if the reporting organization cannot directly measure water consumption, it can use the following formula to calculate: Water consumption = Total water withdrawal - Total water discharge.	68	Number 2
4	The wastewater discharge volume of Chung Hwa Chemical's Taoyuan Plant No. 1 and Taoyuan Plant No. 2 in 2025 was 153,466 thousand cubic meters. Since Changhua Plant is primarily an office space, its wastewater discharge is not significant compared to that of Taoyuan Plant No. 1 and Taoyuan Plant No. 2. Therefore, the discharge volume of Changhua Plant is not disclosed.	Based on the water volume and water quality (in tons) indicated in the wastewater treatment fee payment notice issued by Forest Water Environmental Engineering Co., Ltd., the figures are converted into thousand cubic meters.	68	Number 2
5	In 2025, the total amount of hazardous waste generated by Taoyuan Plant No. 1 and Taoyuan Plant No. 2 of Chung Hwa Chemical was 72,010 metric tons (including 67,010 metric tons cleared and transported, and 5 metric tons temporarily stored in the plant awaiting clearance and transport); the hazardous waste recycling percentage was 0.	The amount of hazardous waste disposed of by the Environmental Safety and Health Office in 2025 in accordance with the Ministry of Environment's "Waste Disposal Act" and Chung Hwa Chemical's "Waste Disposal Control Procedures".	70	Number 3

CPA's Limited Assurance Report

Number	Subject matter information	Applicable standards	Page number	Operating procedures
	Since Changhua Plant is primarily an office space, the hazardous waste generated is not as significant as that of Taoyuan Plant No. 1 and Taoyuan Plant No. 2. Therefore, the waste quantity of Changhua Plant is not disclosed.			
6	The total working hours of personnel of Chung Hwa Chemical in 2025 were 539,544 hours.	In accordance with Article 38 of the "Occupational Safety and Health Act", the Company consolidates monthly occupational injury statistics, including the total working hours, which are reported to and reviewed by the Occupational Safety and Health Administration, Ministry of Labor.	83	Number 4
7	Chung Hwa Chemical's occupational injury fatalities in 2025 were 0 persons; Occupational injury fatality rate was 0%; Number of severe occupational injury cases was 0; Severe occupational injury fatality rate was 0%; Number of occupational disease cases was 0.	Based on the internal "Occupational Safety and Health Accident Investigation and Handling Control Procedures", the statistics of occupational injury fatalities and fatality rates, as well as the number and rates of serious occupational injuries for 2025 were reported. Serious occupational injuries refer to those that make it impossible or difficult for an employee to recover to their pre-injury health within six months, but exclude fatalities. The occupational injury fatality rate is calculated as (The number of occupational injury fatalities x 10 ⁶) / Total working hours. The serious occupational injury rate is calculated as (The number of serious occupational injury x 10 ⁶) / Total working hours. The number of occupational diseases is calculated based on the summary of health examination results provided by health examination hospitals that cooperate with Chung Hwa Chemical.	83	Number 4
8	In 2025, the frequency rate of disabling injuries of Chung Hwa Chemical was 5.56; The disabling injury severity rate was 18; The frequency-severity indicator (FSI) was 0.31.	The disabling frequency rate is calculated as (Total number of injury losses x 10 ⁶) ÷ Total working hours. The disabling injury severity rate is calculated as (Total number of days lost due to work-related injuries x 10 ⁶) / Total working hours. The FSI is calculated based on the formula $\sqrt{\frac{\text{失能傷害頻率} \times \text{失能傷害嚴重率}}{1,000}} \text{ 計算}$	83	Number 4
9	There were no major accidents at Chung Hwa Chemical in 2025. There were 3 general occupational hazards and 2 commuting traffic accidents.	Major occupational accidents are required to be reported to the Occupational Safety and Health Administration of the Ministry of Labor within 8 hours in accordance with "Article 37, Paragraph 2 of the Occupational Safety and Health Act". The numbers of general occupational hazards and traffic accidents are	83	Number 4

Number	Subject matter information	Applicable standards	Page number	Operating procedures
		based on the internal statistics of "Occupational Safety and Health Accident Investigation and Handling Control Procedures" of Chung Hwa Chemical.		
10	As the Company operates in the chemical manufacturing industry, its operations may pose potential impacts such as the following on local communities: • Air pollution emissions • Wastewater discharge and water resource usage • Chemical transportation and storage risks • Noise generated by equipment operation • Peripheral impacts caused by increased transportation traffic	Chung Hwa Chemical's Stakeholder Communication Summary Table	91	Number 5
11	The air pollutants generated by Chung Hwa Chemical are primarily from process emissions. To track and control air pollutant emissions within the factory, in addition to installing relevant control equipment, the Company also conducts gas testing at emission outlets within the factory through third-party testing at the frequency specified in the permit to ensure that air pollutants generated meet or exceed government regulations.	Air pollutant emissions are managed according to the management process specified in the air pollution control procedure established by Chung Hwa Chemical.	62	Number 6
12	The Company has set wastewater discharge standards based on the Industrial Park Discharge Limits Table for Wastewater Treatment Plants. Process water from Taoyuan Plant No. 1 is first treated at the internal wastewater treatment facility. Once it meets the on-site limits, it is then treated again at the industrial park's wastewater treatment plant to minimize its impact on the environment.	According to the management process specified in the air pollution control procedure established by Chung Hwa Chemical.	67	Number 6
13	All waste is collected and disposed of by qualified external waste disposal contractors. After obtaining the three-part collection and removal form issued by the external contractors, the collection and removal weight is confirmed on the scale at Taoyuan Plant No. 1 or the treatment plant. The waste is audited according to the waste code specified by the law. After the treatment is completed at the treatment plant, proper disposal documents are obtained to ensure that the contractor disposes of the industrial waste in accordance with the Company's requirements.	According to the management process specified in the waste disposal control procedures established by Chung Hwa Chemical.	69	Number 7
14	Through risk assessment and supplier review management operations, we examine their social responsibility and environmental performance, and assist suppliers in fulfilling their corporate social responsibility and improving their environmental management capabilities. Regarding supplier management, all	According to the supplier control procedures and annual supplier and contractor evaluation procedures established by Chung Hwa Chemical.	54	Number 6

CPA's Limited Assurance Report

Number	Subject matter information	Applicable standards	Page number	Operating procedures
	suppliers must pass an evaluation to be listed as qualified suppliers for our business dealings. Qualified suppliers undergo regular annual evaluations covering environmental (E), social (S), and governance (G) aspects, with on-site evaluations and audits scheduled based on the level of cooperation. In 2025, Chung Hwa Chemical had a total of 1,327 qualified suppliers, 73 of which were new suppliers added during the year. As of the end of the year, a total of 7 suppliers had completed annual supplier audit procedures, and 5 suppliers had undergone environmental and social impact assessments.			
15	Production volume by product category of Chung Hwa Chemical in 2025: Basic chemicals: 97,928 metric tons; Specialty chemicals: 6,418 metric tons; Electronic chemicals: 41,580 metric tons.	The production data of products is based on the records and inventory statistics recorded in the ERP system in 2025 by Chung Hwa Chemical.	8	Number 7

Greenhouse Gas Verification Statement

OPINION STATEMENT



溫室氣體查證意見聲明書

2024年溫室氣體排放資訊

臺灣中華化學工業股份有限公司

桃園市觀音區經建五路30號

經本公司依據 ISO 14064-3:2019 完成查證並符合下列標準要求
ISO 14064-1 : 2018

直接溫室氣體排放量

1,483.6849公噸二氧化碳當量

間接溫室氣體排放量

35,283.9309公噸二氧化碳當量

直接與間接溫室氣體排放量

36,767.616公噸二氧化碳當量

Opinion No.: ARES/TW/I2504014G

Date: 2025-04-08

Version: 01

意見中須含完整的查證範圍、目標、標準和調查結果，否則意見無效。



批准:



ARES International Certification Co., Ltd.
No.12-2, Ln. 187, Wenping Rd., Anping Dist., Tainan City 708, Taiwan
TEL / 06-295 9696 (Rep. Line) FAX / 06-295 9667
www.ares-registration.com

ISO 27001 Certificate

bsi.

Certificate of Registration

INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2022

This is to certify that: Chung Hwa Chemical Industrial Works, Ltd.
No. 15, Gongye 5th Rd.
Guanyin Dist.
Taoyuan City
328454
Taiwan

Holds Certificate No: **IS 837589**
and operates an Information Security Management System which complies with the requirements of ISO/IEC 27001:2022 for the following scope:

The provision of management of network, server room and related information supporting activities within Information Department.
This is in accordance with the Statement of Applicability, ISP-IT-01, version A dated 24 October 2025.

For and on behalf of BSI: 
Michael Lam, Senior Vice President, APAC Assurance

Original Registration Date: 2026-03-03
Latest Revision Date: 2026-03-03

Effective Date: 2026-03-03
Expiry Date: 2029-03-02

Page: 1 of 2

...making excellence a habit.™

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated [online](#).
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +886 (02)2656-0333.
Taiwan Headquarters: 2nd Floor, No.37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

Certificate No: **IS 837589**

Location	Registered Activities
Chung Hwa Chemical Industrial Works, Ltd. No. 15, Gongye 5th Rd. Guanyin Dist. Taoyuan City 328454 Taiwan	The provision of management of network, server room and related information supporting activities within Information Department.

Original Registration Date: 2026-03-03
Latest Revision Date: 2026-03-03

Effective Date: 2026-03-03
Expiry Date: 2029-03-02

Page: 2 of 2

This certificate relates to the information security management system, and not to the products or services of the certified organisation. The certificate reference number, the mark of the certification body and/or the accreditation mark may not be shown on products or stated in documents regarding products or services. Promotion material, advertisements or other documents showing or referring to this certificate, the trademark of the certification body, or the accreditation mark, must comply with the intention of the certificate. The certificate does not of itself confer immunity on the certified organisation from legal obligations.

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated [online](#).
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +886 (02)2656-0333.
Taiwan Headquarters: 2nd Floor, No.37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

ISO 9001 Certificate

bsi.

Certificate of Registration

QUALITY MANAGEMENT SYSTEM - ISO 9001:2015

This is to certify that: Chung Hwa Chemical Industrial Works, Ltd.
No. 30, Ching Chien 5th Rd.
Guanyin Industrial Park
Guanyin District
Taoyuan City
32853
Taiwan

臺灣中華化學工業股份有限公司
臺灣
桃園市
觀音區
觀音工業區
經建五路30號
32853

Holds Certificate No: **FM 680635**

and operates a Quality Management System which complies with the requirements of ISO 9001:2015 for the following scope:

The design, manufacture and sales of industrial and electronic sulfuric acid, sulfurochloric acid, liquid aluminum sulfate, photoresist and developer, diversifical ploy- aluminum chloride, functional fiber intermediates, toluenesulfonic acid series products, reactive ultraviolet absorber, dyestuff, pigment intermediates, fuel oil and solvent.
工業級硫酸、電子級硫酸、氯磺酸、液體硫酸鋁、光阻、顯影液、多元聚氯化鋁、機能性纖維中間體、甲苯磺酸化學品、反應型紫外線吸收劑、染料中間體、燃料油與溶劑之研發、製造及銷售

For and on behalf of BSI: 
Michael Lam, Senior Vice President, APAC Assurance

Original Registration Date: 2014-10-15
Latest Revision Date: 2024-12-09

Effective Date: 2023-10-16
Expiry Date: 2026-10-15

Page: 1 of 2

...making excellence a habit.™

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated [online](https://www.bsi-global.com/ClientDirectory).
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +886 (02)2656-0333.

Taiwan Headquarters: 2nd Floor, No.37, 3-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

Certificate No: **FM 680635**

Location: Chung Hwa Chemical Industrial Works, Ltd.
No. 30, Ching Chien 5th Rd.
Guanyin Industrial Park
Guanyin District
Taoyuan City
32853
Taiwan
臺灣中華化學工業股份有限公司
臺灣
桃園市
觀音區
經建五路30號
32853

Registered Activities: The design, manufacture and sales of industrial and electronic sulfuric acid, sulfurochloric acid, liquid aluminum sulfate, photoresist and developer, diversifical ploy- aluminum chloride, functional fiber intermediates, toluenesulfonic acid series products, reactive ultraviolet absorber, dyestuff, pigment intermediates, fuel oil and solvent.

Original Registration Date: 2014-10-15
Latest Revision Date: 2024-12-09

Effective Date: 2023-10-16
Expiry Date: 2026-10-15

Page: 2 of 2

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated [online](https://www.bsi-global.com/ClientDirectory).
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +886 (02)2656-0333.

Taiwan Headquarters: 2nd Floor, No.37, 3-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

ISO 14001 Certificate

bsi.

Certificate of Registration

ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001:2015

This is to certify that: Chung Hwa Chemical Industrial Works, Ltd.
No. 30, Ching Chien 5th Rd.
Guanyin Industrial Park
Guanyin District
Taoyuan City
32853
Taiwan

臺灣中華化學工業股份有限公司
臺灣
桃園市
觀音區
觀音工業區
經建五路30號
32853

Holds Certificate No: **EMS 645201**

and operates an Environmental Management System which complies with the requirements of ISO 14001:2015 for the following scope:

The design, manufacture and sales of industrial and electronic sulfuric acid, sulfurochloridic acid, liquid aluminum sulfate, photoresist and developer, diversifical ploy- aluminum chloride, functional fiber intermediates, toluenesulfonic acid series products, reactive ultraviolet absorber, dyestuff, pigment intermediates, fuel oil and solvent.
工業級硫酸、電子級硫酸、氯磺酸、液體硫酸鋁、光阻、顯影液、多元聚氯化鋁、機能性纖維中間體、甲苯磺酸系列產品、反應型紫外線吸收劑、染料中間體、燃料油與溶劑之研發、製造及銷售

For and on behalf of BSI: 
Michael Lam, Senior Vice President, APAC Assurance

Original Registration Date: 2016-01-07
Latest Revision Date: 2024-12-09

Effective Date: 2023-11-01
Expiry Date: 2026-10-31

Page: 1 of 2

...making excellence a habit.™

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated [online](https://www.bsi-global.com/ClientDirectory).
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +886 (02)2656-0333.

Taiwan Headquarters: 2nd Floor, No.37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

Certificate No: **EMS 645201**

Location	Registered Activities
Chung Hwa Chemical Industrial Works, Ltd. No. 30, Ching Chien 5th Rd. Guanyin Industrial Park Guanyin District Taoyuan City 32853 Taiwan 臺灣中華化學工業股份有限公司 臺灣 桃園市 觀音區 觀音工業區 經建五路30號 32853	The design, manufacture and sales of industrial and electronic sulfuric acid, sulfurochloridic acid, liquid aluminum sulfate, photoresist and developer, diversifical ploy- aluminum chloride, functional fiber intermediates, toluenesulfonic acid series products, reactive ultraviolet absorber, dyestuff, pigment intermediates, fuel oil and solvent.

Original Registration Date: 2016-01-07
Latest Revision Date: 2024-12-09

Effective Date: 2023-11-01
Expiry Date: 2026-10-31

Page: 2 of 2

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated [online](https://www.bsi-global.com/ClientDirectory).
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +886 (02)2656-0333.

Taiwan Headquarters: 2nd Floor, No.37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

ISO 45001 Certificate

bsi.

Certificate of Registration

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM - ISO 45001:2018

This is to certify that: Chung Hwa Chemical Industrial Works, Ltd.
No. 30, Ching Chien 5th Rd.
Guanyin Industrial Park
Guanyin District
Taoyuan City
32853
Taiwan

臺灣中華化學工業股份有限公司
臺灣
桃園市
觀音區
觀音工業區
經建五路30號
32853

Holds Certificate No: **OHS 645196**

and operates an Occupational Health and Safety Management System which complies with the requirements of ISO 45001:2018 for the following scope:

The design, manufacture and sales of industrial and electronic sulfuric acid, sulfurochloridic acid, liquid aluminum sulfate, photoresist and developer, diversifical ploy- aluminum chloride, functional fiber intermediates, toluenesulfonic acid series products, reactive ultraviolet absorber, dyestuff, pigment intermediates, fuel oil and solvent.

[Previously certified to BS OHSAS 18001:2007 since 2016-03-31]
工業級硫酸、電子級硫酸、氯磺酸、液體硫酸鋁、光阻、顯影液、多元聚氯化鋁、機能性纖維中間體、甲苯磺酸氫化系列產品、反應型紫外線吸收劑、染料中間體、燃料油與溶劑之研發、製造及銷售

For and on behalf of BSI:

Michael Lam, Senior Vice President, APAC Assurance

Original Registration Date: 2019-01-02
Latest Revision Date: 2024-12-09

Effective Date: 2023-11-01
Expiry Date: 2026-10-31

Page: 1 of 2

...making excellence a habit.™

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated [online](#).
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +886 (02)2656-0333.

Taiwan Headquarters: 2nd Floor, No.37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

Certificate No: **OHS 645196**

Location: Chung Hwa Chemical Industrial Works, Ltd.
No. 30, Ching Chien 5th Rd.
Guanyin Industrial Park
Guanyin District
Taoyuan City
32853
Taiwan
臺灣中華化學工業股份有限公司
臺灣
桃園市
觀音區
觀音工業區
經建五路30號
32853

Registered Activities: The design, manufacture and sales of industrial and electronic sulfuric acid, sulfurochloridic acid, liquid aluminum sulfate, photoresist and developer, diversifical ploy- aluminum chloride, functional fiber intermediates, toluenesulfonic acid series products, reactive ultraviolet absorber, dyestuff, pigment intermediates, fuel oil and solvent.

Original Registration Date: 2019-01-02
Latest Revision Date: 2024-12-09

Effective Date: 2023-11-01
Expiry Date: 2026-10-31

Page: 2 of 2

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated [online](#).
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +886 (02)2656-0333.

Taiwan Headquarters: 2nd Floor, No.37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.



臺灣中華化學

CHUNG HWA CHEMICAL



臺灣中華化學

CHUNG HWA CHEMICAL

No. 15, Gongye 5th Road, Guanyin District,
Taoyuan City (Guanyin Industrial Park) 328454,
Taiwan (R.O.C.)



+886-3-4761266



+886-3-4761336



www.chciw.com.tw



Moving forward together with sustainable innovation

Take action today for a sustainable future