



Cathay Chemical, Inc

2021 Sustainability Report

This report of English version is for reference only.

In case of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

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About this report

The Sustainability Report is the first released version from Cathay Chemical Work, inc. (*Hereinafter referred to as Cathay Chemical or the company). The previous seven reports are CSR reports. The purposes of this report are to show the general public the company's effort in many aspects (such as economic performance, corporate governance, sustainable environment, employee care, social participation, and promote corporate social responsibility, etc.) and operating performance.

In the future, apart from the self-business operation and providing the customer with high-quality products and services, the company will keep demonstrating good corporate citizenship to discharge social responsibility. Any revisions of parts of histories from the 2020 report would be explained in the content.

Principles and Scope of the Report

The Sustainability Report content includes Cathay Chemical's promoting policies in three directions against the economy, environment, and society and the operating results. The scopes involve headquarters and the branch company in Pingnan ; Opening information about environment issues mainly based on Pingnan's company.

All 2021 referring data in this report is presented under the structure of the global common standard. If there are some estimated situations on values, they are noted in relevant chapters. Also, the report quoted parts of statistical data by the opening information on the websites of government agencies (such as the Environmental Protection Agency of the Executive Yuan and the Ministry of Labor of the Executive Yuan), and we used the usual numerical value to express.

Our content structure follows the guideline of "GRI Standards rules" from the global reporting initiative, "Measures for the Preparation and Application of Sustainability Reports by Listed Companies" from the Taiwan Stock Exchange, and "Supplementary Guidelines for the Chemical Industry" from FSC to write this report. Also, it tracks the principle of "Core Option."

The presentation of the report's content is via the mode of systems analysis. After identifying the sustainability issues concerned by the stakeholders and determining the priority, it is considered a reference basis for disclosed information in the report.

Edit, Review, and Publish

The committee members of Cathay Chemical's Sustainability Team were appointed by the board. The Sustainability and Integrity Management Committee included the reference representatives of the company's and the factory's departments. They took charge of aggregate planning, cross-functional communication, data compilation, and the 2021 Sustainability Report editing. After they sent it to the supervisors of each department to finalize the version of the 2021 Sustainability Report, the trusted third-party unit reviewed the final content. Finally, it proceeded to the chairperson for review and confirmation in accordance with the administrative process and published.

We entrusted the independent and credible accounting firm, Ernst & Young Global Limited (EY), to conduct limited assurance for Cathay Chemical's Sustainability Report under the assurance standards by the Accounting Research and Development Foundation.

The relevant departments have received results. Details can be found in the appendix "independent assurance report" from this Sustainability Report for the assurance scope and the results.

Publication date

The 2021 Sustainability Report is the first released version of the Sustainability Report from Cathay Chemical. The previous seven reports are CSR reports. We will release a report annually, and at the same time, it will be also released on the official website of Cathay Chemical.

First Edition: August, 2015

The Previous Edition: August, 2021

The Latest Edition (this 2021 Sustainability Report): August, 2022

Contact Information

Your opinions and suggestions are valuable to us. If you have questions, you are welcome to contact us with the below information:

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Chairperson Statement

Cathay Chemical was established 60 years ago, and it is a famous chemical factory for the products, sodium formaldehyde sulfoxylate, Zinc Oxide, Sodium Hydrosulfite, Sodium Metabisulfite, etc. After building up our own brand CATHAY, it earned recognition and commendation around the world. Our market extends to Japan, America, Korea, Southeast Asia, Austria, and Europe. We have published CSR reports for eight years, and actively do our best to promote and implement "implementation of corporate governance," "sustainable development environment," "maintain social welfare," and "strengthen corporate social responsibility information disclosure."

In 2021, the company had also impacted by the multiple challenges from the severe pandemic, geopolitical tensions, and tight supply chain. In particular, the Zinc price has increased dramatically, which is the highest point since May 2007. Unfavorable factors (the increased cost of energy sources, shortages of electric power, and smelteries cutting down the production amount) caused crises in the supply chain. We made an all-out effort to overcome this disadvantage. Controlling the timing of procurement and inventory, actively improving production and sales performance, and streamlining expenses. Fortunately, the operating income in 2021 grew by 31.32%, and the operating profit increased by 49.76%.

With years of careful management, we continue to develop high-value-added products, continuously improve product quality and technology, and actively expand new domestic and foreign customers with the marketing strategy of "high quality with fair and reasonable price" to increase market share. Furthermore, to fulfill the goal of "Your satisfaction is our responsibility," we keep implementing strict control of product quality to improve efficiency and reduce waste, pollution, and labor. As well as to deepen ESG in operational development, we promote a material saving bonus system to let all employees put cost reduction, energy saving, and waste reduction into the effort. Work together to reduce costs and take into account environmental protection.

At the same time, we maintain good communication between manufacturers and customers. Regarding procurement, production, operation, and services, we provide transparent and effective procedures for customer complaints issues and are very careful about information confidentiality and privacy of customers. In addition, we are well aware that employees are the company's invaluable assets. All departments actively participate in external training to improve their professional field. Besides, the "Integrity Management Code" and "Work Rules," two guidelines for all employees, are requested rigorously.

The company has set prevention and control standards to reduce the impact on the environment, which are ahead of the environmental protection laws, and from a sustainable perspective to improve the utilization efficiency of various resources and achieve the goals of raw material reduction and waste reduction. In addition, the impact of climate can change on operating activities. Our factory regularly implements greenhouse gas inventory and strengthens heat recovery to reduce the impact of operations on the environment. And refer to TCFD (Task Force on Climate-Related Financial Disclosures) to establish a risk framework. To strengthen information disclosure, we also built a website to disclose relevant information for investors. Besides an external communication channel and statement on public information website, relevant CSR information and annual report are also disclosed on the company website.

Next year, the world might still be shrouded in many uncertainties. It is not only the COVID-19 epidemic but also many global issues (the trade war between the U.S. and China, supply chain disruption, the rising price of raw materials, the Russo-Ukrainian War, and inflation) that will all tremendously affect the global economy. No matter how many the threats are, our corporation will keep a highly circumspect and diligent spirit. Besides, focusing on our main industry, strengthening the management on reinvestment, and pursuing growth and profit, we are also concerned about environmental protection, energy-saving, and carbon reduction. Looking forward to creating a new win-win situation for shareholders, enterprises, and society. Becoming a green enterprise. Furthermore, we are also actively engaged in social welfare. Take the initiative to purchase various products that are safe and healthy in Taiwan and donate through the accumulation of consumption to help the disadvantaged in our society.



Cathay Chemical , Inc
Chairman
Ing, Jou-Er

Identification and Communication to Stakeholders

6 Types stakeholders	Cathay Chemical has identified 6 types of stakeholders, including: “employees”, “shareholders/banks/investors”, “suppliers”, “government agencies”, “customers”, and “community residents”.
18 Material Topics	18 Material Topics have been identified in 2021.

■ Identification

To pursue the sustainable operation of the company, Cathay Chemical holds in high regard the voice of stakeholders. The Sustainability Team identified the main stakeholders in 2017 based on five main principles from the AA1000 Stakeholder Engagement Standard and with dependencies, accountability, influence, diverse perspectives, and concerns. Six types of stakeholders include: “employees,” “shareholders/banks/investors,” “suppliers,” “government agencies,” “customers,” and “community residents.”

There is no significant operational change or supplier change during the reporting period. The Sustainability and Integrity Management Committee re-discussed based on the 2020 identification results and identified the main stakeholders in 2021 as “employees,” “shareholders/investors/banks,” “suppliers,” “government agencies,” “customers,” and “community residents,” a total of 6 types stakeholders.



■ The Topics and Communication Channels

Cathay Chemical maintains the relationship with the stakeholders to establish a transparent and effective multi-directional communication channel. With an open-minded attitude, we accept diverse opinions and obtain valuable suggestions through the identification and communication of stakeholders. Understanding the needs and expectations of stakeholders could solve unnecessary misunderstandings and disputes and also identify blind spots of risks and management that the company may encounter. Thus, the company can adjust and respond on business strategies at any time to achieve sustainable enterprise management and create a win-win situation with stakeholders.

Identifying and communicating with stakeholders is the foundation of CSR. To understand the stakeholders' expectations regarding the economic, environmental, and social aspects, we collect opinions from different internal and external channels through questionnaires, customer service by e-mails, shareholders' meetings, etc., as a reference for the proposed management policy in the future.

- The Implementation of Customer Policy:

Under the customer-first strategy, the company has passed ISO 9001 and QC 080000 management system certification to ensure that the manufacturing process and sales can reach the highest standards and fully meet customer requirements.

- Employee Rights and Employee Care:

1. Recruitment and selection are not limited by discrimination based on many factors, such as race, social class, nationality, religion, physical disability, gender, trade union membership, political affiliation, or age.
2. Forced or compulsory labor and child labor are prohibited.
3. Under the premise of relevant labor laws and regulations, the company formulates an overall pay policy to motivate, reward, and retain outstanding and talented employees.
4. Provide a smooth communication channel. Employees can offer constructive opinions to the company at any time; protect the rights and interests of employees. Take

appropriate preventive measures to prevent employees from breaking the rules, and implement education and punishment measures for those who violate the work rules.

If the employees have problems and need to coordinate, they can tell the foreman and supervisor. They will send the message to the factory manager's office and give them immediate care and timely assistance. Customers gain an in-depth understanding of their concerns through visits and annual satisfaction surveys. On the part of the suppliers, during delivery, we would listen to and understand their concerns. For community residents, if social residents have issues or concerns, the township mayor, representatives of the township council, and the village mayor will personally visit the factory to understand the situation and assist the two sides in communication. By communicating with each other, we absorb diverse opinions from all parties, understand the needs and expectations of stakeholders, and achieve the goal of ESG.

Stakeholder	Interest /Concerns	Communication Channel
Employees	<ul style="list-style-type: none"> -Labor Relations -Employee-Employer Relations -Waste Disposal -Occupational Safety and Health -Market Standing 	<ul style="list-style-type: none"> ● The company website(irregularly) ● Employee welfare committees(regularly) ● New employee training(regularly) ● Internal training or external training (regularly)
Shareholders/ Investors/Banks	<ul style="list-style-type: none"> -Economic Performance -Customers' Health and Safety -Marketing and Labeling -Customers' Privacy -Socioeconomic Compliance 	<ul style="list-style-type: none"> ● Investor page of company website(irregularly) : shareholders could click on operation, finance, loan, shareholder column (disclosures of dividends, stock price, stock affairs) ● Contact person and email for shareholders (irregularly) ● The spokesperson's contact information (irregularly) ● Visited the banks (regularly) and reviewed the credit file ● Annual shareholder's meeting : write the annual financial report based on the standard ● CSR website and annual report ● Legal person visits, telephone interviews, and regular announcement of business overview information (monthly)

Suppliers	-Environmental Compliance -Waste Disposal -Economic Performance -Socioeconomic Compliance -Supplier Environmental Assessment	<ul style="list-style-type: none"> ● Suppliers' visiting (irregularly) ● Suppliers' audit (irregularly) ● CSR website and annual report
Government Agencies	-Energy -Water Resource Management -Waste Management -Occupational Safety and Health -Supplier Environmental Assessment -Supplier Social Assessment -Local community	<ul style="list-style-type: none"> ● Official document (irregularly) ● Meeting (irregularly) ● participated in relevant training (irregularly) ● CSR website and annual report
Customers	-Product, Service, and Label -Customer Health and Safety -Regulatory Compliance -Economic Performance	<ul style="list-style-type: none"> ● Sales visit customers (irregularly) ● Email, telephone communication (frequently, irregularly) ● Customers visit the factory directly (irregularly) ● Customer Satisfaction Survey (annually) ● CSR website and annual report
Community Residents	-Waste Disposal -Customer Health and Safety -Local Community -Environmental Compliance -Supplier Environmental Assessment	<ul style="list-style-type: none"> ● Company website, company email (irregularly) ● Industrial Zone Manufacturers Association (irregularly) ● Public welfare activities (irregularly) ● CSR website and annual report

We expect to maintain stakeholders' rights through perfect communication channels and stay good cooperative relationships. Therefore, the company has set up a channel for the transmission and communication:

	Investors	Suppliers
Communication Channel	There is a complete spokesperson system and investor relations process to protect the interests of investors and strengthen the timeliness and transparency of information disclosure.	We chose the suppliers carefully as its partnership. A long-term and stable partnership are the keys to making the sale and production process more smoothly.
Spokeperson	C.C. Hung(Dirctor)	John Hou, Cherry Chang (Sales Department)
Deputy Spokesman	Mrs. Tsai (Audit Supervisor)	-
Tel	+886-2-27811161-9	tel : +886-2-7728213~4 fax : +886-2-27520332
Email	cathay@cathaychem.com.tw	info@cathaychem.com.tw

■ The Analysis of Material Topics

Cathay Chemical uses a systematic analysis model to identify sustainable issues that stakeholders are concerned about and uses it as a reference for disclosure information in the report to facilitate effective communication with stakeholders. Material topics were discussed and identified through meetings. It referred to the material topics in 2020 and analyzed the concerning issues of various stakeholders as a reference for communication, response, and interaction with stakeholders. The main procedures of the materiality analysis model of Cathay Chemical in 2021 are as follows:

No.	Item	Description	Result
1	Identify Stakeholders	Through internal discussions (between the Sustainability and Integrity Management Committee and the heads of various departments) and with reference to the stakeholder groups identified by the other industries, Cathay Chemical has identified 6 types of stakeholders, including employees, shareholders/banks/investors, suppliers, government agencies, customers and community residents.	6 Types Stakeholders

2	Collect Topics of Concern	The topics referenced GRI Standards published by the Global Reporting Initiative (GRI). Based on the 34 topics disclosed by GRI Standards and global issues, the stakeholder representative group selected a preliminary list of concerns. Sustainability topics included Corporate Governance, and Economic, Environmental, and Social issues.	35 Sustainable Topic
3	Analysis of Significant Topic	The internal unit discussed the collected and summarized sustainable issues, referenced the ranking results of material topics in 2020, and followed the relevant regulations of the Financial Regulatory Commission to identify the objects and boundaries of organizations from each topic. And it will be a reference cornerstone for future Sustainability Reports.	18 Material Topic
4	Decision and Response Mechanism	Incorporate the material issues of materiality analysis into the company's daily work and annual plan, as one of the keys to the communication between Cathay Chemical and its stakeholders and its sustainable development strategy.	8th Sustainability Report

Analysis Chart of the Material Topic of Concern to Stakeholders



The Analyse Sequences of Material Topics

Material Topic	No.	Material Topic	No.	Accessory Topic	No.
Waste Disposal	1	Employee-Employer Relations	13	Freedom of Association And Collective Bargaining	24
Labor Relation	2	Supplier Social Assessment	14	Material	25
Customer Health and Safety	3	Energy	15	Market Standing	26
Economic Performance	4	Corporate Governance	16	Indirect Economic Shock	27
Environmental Compliance	5	Climate Change	17	Non-Discrimination	28
Marketing and Labeling	6	Water Resource Management	18	Biodiversity	29
Socioeconomic Compliance	7	Accessory Topic	No.	Forced and Compulsory Labor	30
Occupational Safety and Health	8	Promoting Equal Employment Opportunity and Diversity	19	Child Labor	31
Emission	9	Anti-Corruption	20	Procurement Practice	32
Supplier Environmental Assessment	10	Customer Privacy	21	Human Rights Assessment	33
Local Community	11	Anti-Competitive Behaviour	22	Aboriginal Rights	34
Training and Education	12	Security Training	23	Public Policy	35

Notes:

1. Blue blocks are material topics this year. "Energy", "Water Resources Management", "Waste Disposal", "Occupational Safety and Health", "Supplier Social Assessment", and "Local Community" are required to be disclosed by regulation.
2. Compared with the year 2020, this year added: "Corporate Governance", "Climate change", and "Water resource management" into the material topics.

■ The Boundary for Significant Topics

◆ Represents that there is a significant relevance, and relevant information is disclosed in the sustainability report.

Administrative policy	Significant topic	Correspond to GRI Standards	The chapter of disclosed administrative policy	The Boundaries of Cathay Chemical's Value Chain boundary			
				Cathay Chemical	Suppliers	Customers	Community residents
Environment protection	Energy	GRI 302	Chapter 3. Substance and Environmental Protection	◆			
	Waste	GRI 306		◆			◆
	Emission	GRI 305		◆			◆
	Climate Changes	-		◆			◆
	Water Resources Management	GRI 303		◆			◆
Service	Customer Health And Safety	GRI 416	2.1 Product's Self-Requirement	◆	◆	◆	
	Marketing And Labeling	GRI 417		◆	◆	◆	
Labor relations	Labor Relation	GRI 402	Chapter 4. Create Harmonic Workplace	◆			
	Employee-Employer Relations	GRI 401		◆			
Local community	Training And Education	GRI 404	Replenish	◆	◆		◆
	Local Community	GRI 413	Emphasis of Chemical - Safety Management and Emergency Response Measures	◆	◆		◆
Occupational Safety and Health	Occupational Safety And Health	GRI 403	4.4 Employee Health Care and Concern	◆	◆		
Law compliance	Environmental Compliance	GRI 307	1.6 Regulation Compliance and Cooperation	◆	◆		
	Socioeconomic Compliance	GRI 419		◆	◆		
Economic performance	Economic Performance	GRI 201	1.2 Financial and Operational Planning	◆			
Supplier chain assessment	Supplier Environmental Assessment	GRI 308	2.3 Procurement Supply Chain	◆	◆		
	Supplier Social Assessment	GRI 414		◆	◆		
Corporate Governance	Corporate Governance	-	Chapter 1. Knowing Cathay Chemical	◆			

Chapter 1. Knowing Cathay Chemical

No Corruption	Based on the internal control system, Cathay Chemical conducts corruption risk audits and assessments every year. There is no corruption case in 2021
No Major Violation	There is no major violation case in 2021.

Corporate Governance- Management Policy

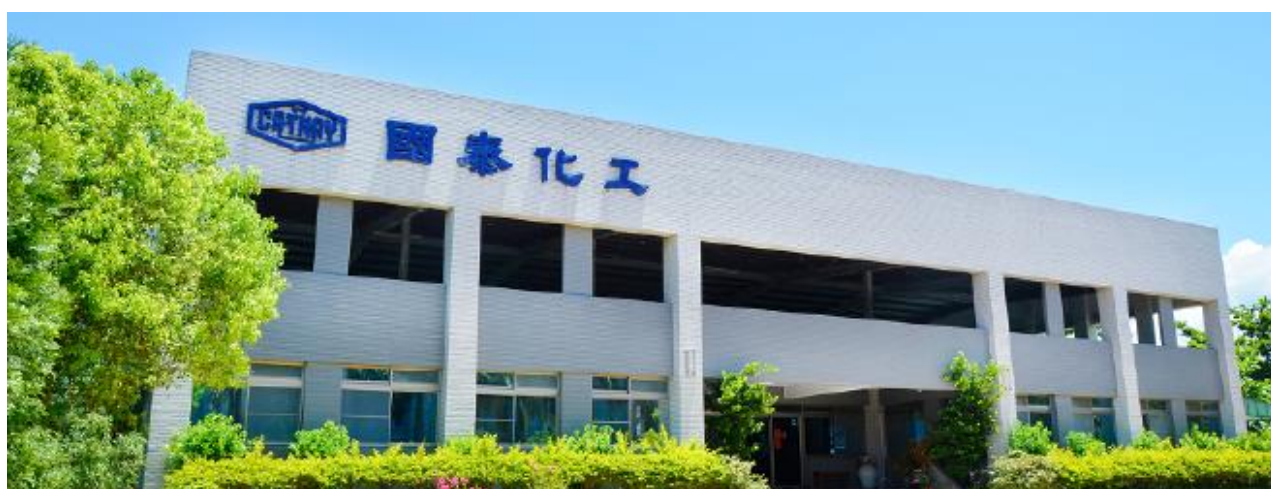
(Corporate Governance)

Significance	To conduct business activities fairly and transparently for a culture of integrity and sound development of the company, we formulated a code of integrity management as a policy to follow.
Boundaries and Disclosure Restrictions	Scope of impact : Cathay Chemical Disclosure Restrictions : This annual report will disclose the relevant content of corporate governance from the head office and Pingnan branch.
Management Purpose and Objectives	Put integrity and moral values into the company's business strategy, and cooperate with relevant laws and regulations to conduct relevant anti-corruption measures for integrity management.
Policy	Following the business philosophy of integrity, transparency, and responsibility, we have formulated policies based on integrity and established corporate governance and risk control mechanisms to create a sustainable business environment.
Responsibilities and Resources	<ul style="list-style-type: none"> ▪ To improve the management of integrity management, the management department and internal audit are responsible for the formulation of integrity management policies and prevention plans. ▪ Internal audit is responsible for supervising the implementation results and reporting to the board of directors on a case-by-case basis.
Management Measures	Established a Code of integrity management: <ul style="list-style-type: none"> ▪ Prohibition of giving and receiving bribes ▪ Prohibition of illegal political contributions and charitable donations ▪ Prohibition of receiving unreasonable gifts and doing improper benefits ▪ Prohibition of infringement of intellectual property rights ▪ Prohibit unfair competition and prevent products and services from harming those involved
Specific Action	<ul style="list-style-type: none"> ▪ Formulated specific whistleblowing systems. Designated special personnel to be responsible for operation and management, and keep conscientiously confidential the identity of whistleblowers & the content of reports, and give appropriate rewards to them.
Management and Performance Assessment	The company shall always pay attention to the development of domestic and foreign norms related to integrity management. Encouraged directors, managers, and employees to make suggestions, Reviewed and improved accordingly. Relevant implementation results are disclosed on the Company's website, annual report, and prospectus.

1.1 Company Profile

Cathay Chemical started the business on December 11th, 1962. Its main products include sodium formaldehyde sulfoxylate, Zinc Oxide, Sodium Hydrosulfite, Sodium Metabisulfite, etc. In these years, we actively extended the oversea market to Japan, America, Korea, Southeast Asia, Austria, and Europe.

The company's products have a long-standing reputation for high quality. It has a solid foundation and long-term users in Taiwan. As for export, the self-created brand CATHAY has been recognized internationally, and quality and cost have international competitiveness.

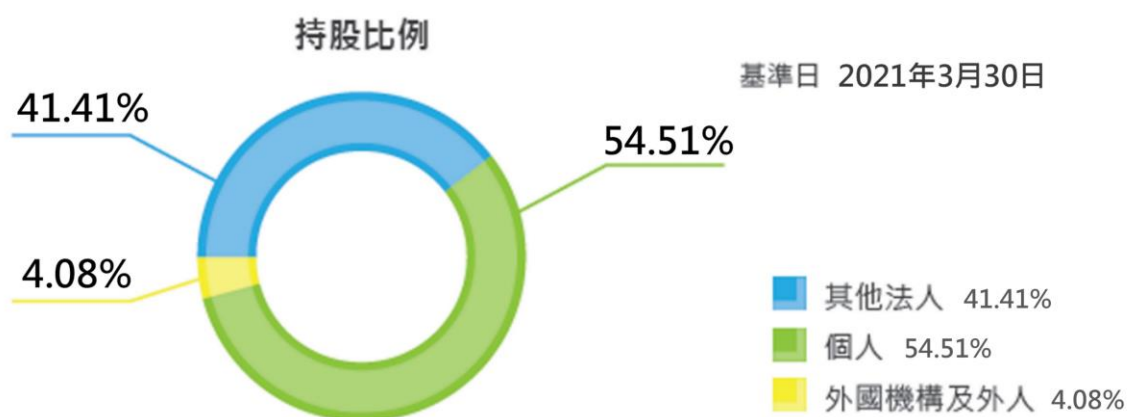


Company Information	
Company Name	Cathay Chemical, Inc.
Company Type	Listed Company
Stock Symbol	1713
Industry	Chemical Industry
Company Address	Headquarter : 12th Fl., No. 320 , Chung Hsiao E. Rd., Sec. 4, Taipei 10694 Taiwan Branch Company: No. 30, Pingnan Rd., Fangliao Township, Pingtung County
Chairman	Ing, Jou-Er
Products	Speciality Chemicals
Establish Date	DEC/12/1962
Listing Date	JAN/31/1990
Paid-In Capital	1,509,517,000
Revenue In 2021	624,599,000
Number of Employees	86 People
Company Website	http://www.cwi.com.tw/default.htm

Shareholding Structure

At March 30, 2021

Shareholder Structure No.	Government	Finance Institution	Other Judicial Person	Personal Investment	Foreign Institution or Others	Total
Number of people	-	-	78	17,431	38	17,547
Shares	-	-	62,513,174	82,278,166	6,160,360	150,951,700
Shareholding Ratio	-	-	41.41	54.51	4.08	100



Cathay Chemical/ The Information of Investment

Investee Name	Main Business	At 2021.12.31
		Shareholding Ratio
Taiwan Puritic Corp.	Integrated Circuit, Electronics, Computer Equipment Maintenance; Manufacturing of Chemicals, Gas Purification Filter, and Metal Building Structures and	29.55%

	Components; Import and Export Trade of The Former Parts, Raw Materials, and Products.	
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■ Products and Service

Cathay Chemical was established, while the economy of Taiwan was taking off and the textile industry was booming. However, during the dyeing and finishing process, textiles would have problems such as uneven color and fading after washing, which affected the development of export sales. The company timely developed a manufacturing process using zinc powder as a catalyst and developed an auxiliary agent, low sodium sulfite, for the textile dyeing industry to increase its sales. (Low sodium sulfite can make textile color fastness, color uniformity, and enhance sunlight.)

Due to the subsequent development of the petrochemical industry, the company has successively developed Sodium Hydroxymethanesulfinate (commonly known as Sodium Formaldehyde Sulfite), which is used in high-temperature textile dyeing, synthetic rubber production (ABS), and acrylic plastic; and developed Sodium Metabisulfite to be a dechlorinating agent (for the artificial fiber, tanning, and textile industries), and a reducing agent (such as food antioxidants) ; As well as heavy and light zinc oxide. Owing to these development products, Cathay Chemical became a brand leader in specialty chemicals for reducing agents. At the same time, it established its brand "CATHAY" to sell in domestic and oversea market.

In recent years, food safety management has become a hot issue and caught a lot of attention. On December 16, 2014, the government announced the new version of the Food Safety and Hygiene Management Law: Article 10 stipulated that food or food additives factories must be established separately. The same site factory shall not be engaged in manufacturing, processing, and compounding non-food products. Therefore, the company has stopped selling food-grade Sodium Metabisulfite products since 2015 and completely sells industrial-grade products.

■ Sales Area

Cathay Chemical has strengthened business management and maintained the road to sustainable development. In addition to Taiwan, we also exported to the United States, Europe, New Zealand, Australia, South Africa, Northeast Asia, Southeast Asia, and other

places. The company hopes continuous product quality improvement and research & development technology can increase market share with "high-quality and affordable products" and enhance its operating physique.

As the recession affected the industry, profits have declined continuously in recent years. In the future, the company will expand its market share and increase company profits depending on changes in market demand.

In 2021, none of the company's products violated laws and regulations or voluntary regulations.



■ Product Introduction and Application

The main products from the company include Sodium Dithionite, Zinc Oxide, Sodium Formaldehyde Sulfite, and Sodium Metabisulfite. The main types of customers are the textile industry, chemical industry, ceramics industry, rubber industry, and electronics industry.

Product	Use	2021 Net Operating Profit (Unit : Thousand Dollars)	Ratio
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Sodium Hydrosulfite	Sodium Hydrosulfite can be used as dyeing auxiliaries for textiles and bleaching agents for pulp.	112,895	18.07%
Zinc Oxide	Zinc Oxide can be used as a toughening reagent for products such as rubber and ceramics, as well as poles of the electronics industry.	243,288	38.95%
Sodium Formaldehyde Sulfite	Sodium Formaldehyde Sulfite can be used as a polymerization agent for synthetic rubber and ABS plastics, as well as a stable reducing agent for high temperature printing and dyeing.	180,823	28.95%
Sodium Metabisulfite	Sodium Metabisulfite is only for industrial use. It is widely used as a deoxidizer in the textile industry. It can also be used as a chemical agent for industrial wastewater treatment or leather making.	80,496	12.89%
Others	Other chemical raw materials can be used as a rust inhibitor, a chemical reducing agent for the paint industry; and a bleaching agent for wool, silk, vegetable fibers, man-made fibers, and polyamine fibers.	7,097	1.14%



■ Annual Production Volume

The Annual Production Volume Recent Years

Unit: MT

Items	Year 2019	Year 2020	Year 2021
Sodium Hydrosulfite	13,602	12,172	16,386
Zinc Oxide			
Sodium Formaldehyde Sulfite			

1.2 Financial and Operational Planning

Economic performance- Management Policy

(GRI 201 Economic Performance)

Significance	Economic performance is one of the most important factors for the sustainable operation of an enterprise. It maintains and strengthens business competitiveness. And it also brings a stable working environment to employees to create the best interests of the company.
Boundaries and Disclosure Restrictions	Scope of impact : in the financial statements Disclosure Restrictions : This annual report will disclose the relevant content of economic performance from the head office and Pingnan branch.
Management Goals and Objectives	Achieve stable growth and increase profits, create the best interests of the company's shareholders, and reach sustainable business goals.
Policy	Actively develop high-value-added products to expand business areas.
Responsibilities and Resources	<ul style="list-style-type: none"> The director of Pingnan branch is vice president ; The general manager takes charge of the business policy of the head office.
Management Measures	<ul style="list-style-type: none"> ISO 9001 Quality Management System QC 080000 Hazardous Substance Process Management System
Specific Action	<ul style="list-style-type: none"> Through monthly business reports, track and discuss sales targets, understand the business environment promptly, and closely cooperate with production and sales to integrate operations. Hold meetings with the boards regularly and report on operational performance. Follow and implement ISO 9001 and QC 080000 systems. The outsiders will review and evaluate the company systems, and propose improvement plans.
Management and Performance Assessment	<ul style="list-style-type: none"> Through monthly pre-sale sheet and sales report, review or self-criticism situations of goal achievement. Cash dividends have been distributed in the past ten years. In 2021, salaries and employee welfare expensed total NTD 87,109,000.

■ Financial Performance

In 2021, none of Cathay Chemical's headquarter or Pingnan branch receive any financial grant from the government or give campaign contributions. About the details of financial reports, welcome to click "investor relation" on our company website to download the annual financial report each year. Website:

<http://www.cwi.com.tw/invest.htm>



Condensed Income Statement

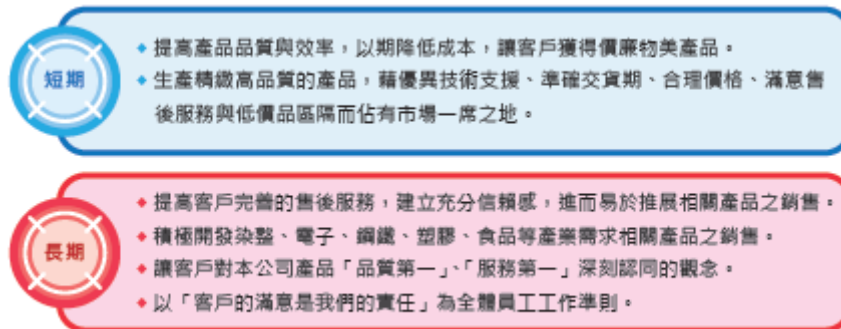
Unit: NT thousand dollars

Year Item	2019	2020	2021
Operating Revenue	593,203	475,644	624,599
Operating Gross Profit	67,035	66,277	87,209
Operation Profit And Loss	14,180	17,333	25,958
Non-Operating Revenue And Expenses	84,113	76,803	134,503
Profit Before Tax	84,113	94,136	160,461
Profit From Continuing Operations	96,464	91,433	157,487
Net Profit Or Loss For The Period	96,464	91,433	157,487
Other Comprehensive Income (Net Income After Tax)	(2,098)	33,309	28,010
Total Comprehensive Income	94,336	124,742	185,497
Earning Per Share	0.64	0.61	1.04
Welfare Expense	81,682	78,899	87,109
Shareholder Dividend	87,552	99,628	128,309
Tax	905	936	3,557

Note: Above financial information is all audited by the accountants.

Operational Plans

Short-Term	<ul style="list-style-type: none"> ● Improve product quality and efficiency to lower the cost, so that customers can obtain affordable and high-quality products. ● Produce exquisite and high-quality products, and take a good place in the market with excellent technical support, accurate delivery time to customers, reasonable price, satisfactory after-sales service, and low-priced products for market segmentation.
Long-Term	<ul style="list-style-type: none"> ● Provide customers with a perfect after-sale service, and build up a sense of trust to promote the business of related products. ● Actively develop the sales of related products in dyeing textile, electronics, steel, plastic, food, and other industries. ● Let customers deeply identify with our concept of "quality first" and "service first" for products. ● "Customer satisfaction is our duty" is the working principle of all employees.



1.3 Organizations and Related Certifications

Participating in Organizations

The company follows the international-related promotion of ESG, including GRI Standards. Through actively participating in many activities of Industrial Unions and Associations, strengthen communication and cooperation of each other.

The external organizations in which our company participates are as follows :

No.	Name	Representative	Position
1	Taiwan Acid and Alkali Industries Association	Ing, Jou-Er (Chairman of the Board)	Member
2	Kaohsiung Economic Growth Organization	Ing, Jou-Er (Chairman of the Board)	Deputy General Manager, JIN GENG SHENG, serve as vice president of the organization

■ Obtaining Related Certifications

Cathay Chemical has passed the certification of ISO 9001 and IECQ/QC 080000, and our product quality is renowned worldwide. The company began to publish Corporate Social Responsibility Reports in 2014 and entrusts an independent and credible accounting firm, Ernst & Young, for limited assurance every year. The relevant certifications are as follows:



IECQ/QC 080000

Expiry Date : December 22, 2022



ISO 9001

Expiry Date : November 04, 2022

1.4 Corporate Governance and Integrity Management

■ ESG & Enterprise Sustainability Management

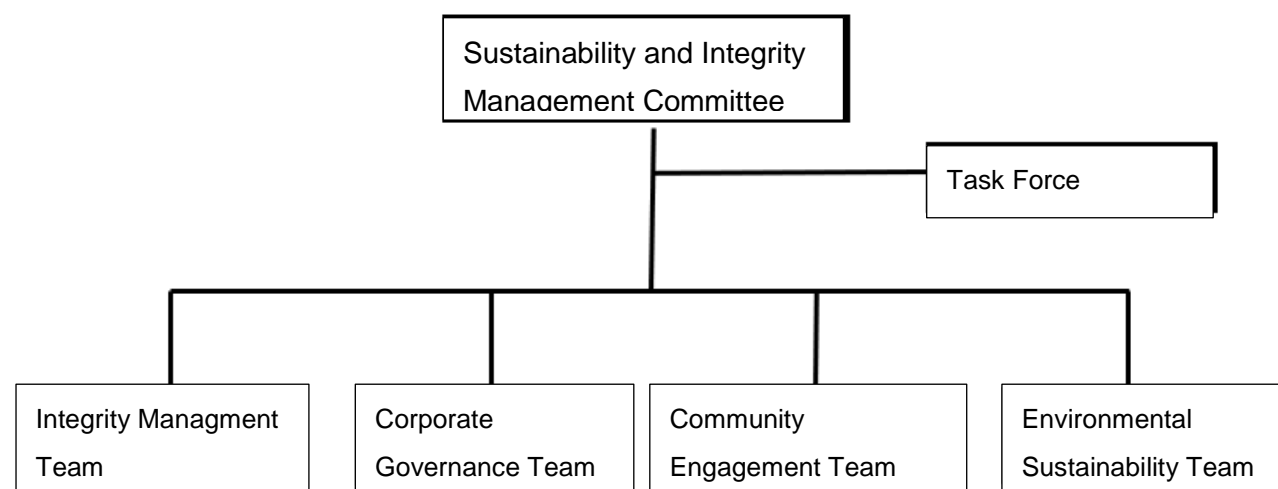
In order to promote the spirit of sustainable management and social responsibility, Cathay Chemical has established a Sustainability and Integrity Management Committee. Through a systematic and organized mechanism, it is a top-down approach to implementation, not just staying at the level of activities and slogans. We realize that the key to the sustainable operation of an enterprise is to understand and observe social and industrial trends, use core business expertise, and take more responsible and innovative actions to influence the stakeholders involved in the operation.

We are in line with international sustainability standards and norms, self-requirements with high standards of integrity and morality, and through the recommendations of a complete mechanism, so that each employee has the correct cogitation of corporate sustainability and implements and shows in daily operations. It is internalized into the bones of the company's culture and creates sustainable value for all stakeholders.

The committee is the decision-making and supervisory unit of the company's sustainable and integrity management and other related work, covering four major areas: Environmental Sustainability (E), Social Participation (S), Corporate Governance (G), and integrity management, to strengthen its management system, commit to environmental protection, and fulfill of social responsibilities. Also, enable the board of directors to accomplish the responsibility of protecting the rights and interests of the company, employees, shareholders, and stakeholders. We expect our company keeps sharp-eyed and systematically promote corporate social responsibility and sustainable development. In addition, take the pursuit of the company's economic benefits as our starting point and provide more environmentally friendly services to stakeholders. At the same time, as corporate citizens, we will make more contributions to sustainable development for the environment.

Our goal is to fulfill its corporate social responsibility and promote economic, environmental, and social progress to achieve sustainable development. Every year will write and publish a sustainability report. And according to the topics: implementation of corporate governance, compliance with integrity management, development of environmental sustainability, maintenance of social welfare, and strengthening of corporate sustainability information disclosure, etc, as projects to effectively achieve the enterprise of the basis for sustainable goals.

Sustainability and Integrity Management Committee Structure



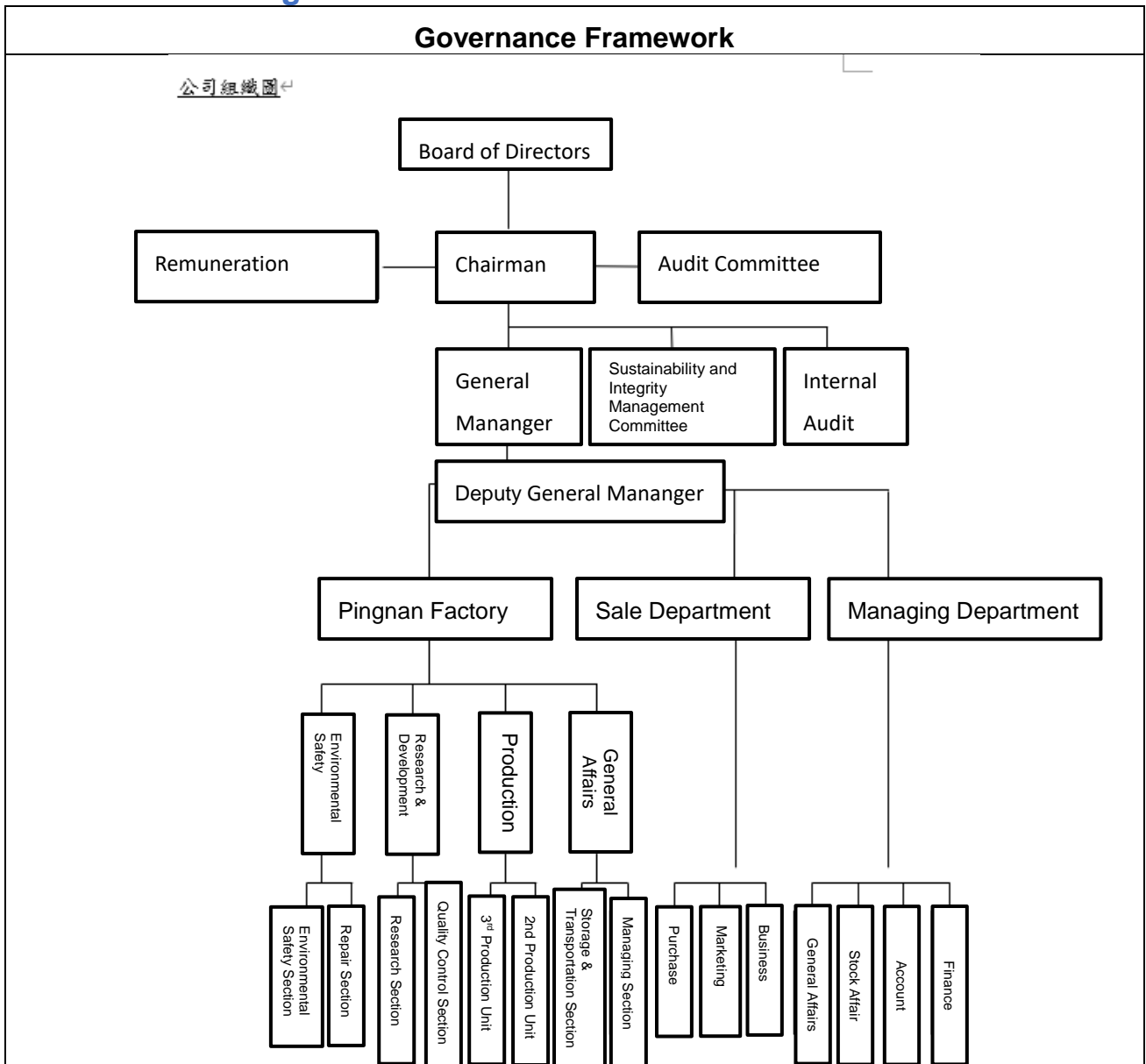
Responsibilities and Duties of Sustainability and Integrity Management Committee

1. Develop a corporate sustainability policy.
2. Plan, execute, and review the work of sustainability, integrity management, and social responsibility. And report to the board of directors regularly.
3. Review the goals, strategies, and action plans for corporate sustainability, and track each plan's progress.
4. Discuss issues of concern and supervise communication plans with each stakeholder, including shareholders, customers, suppliers, employees, governments, non-profit organizations, communities, and media.
5. Review the effectiveness of the Sustainability Report.

Unit	Leader	Responsibilities and Duties
Environmental Sustainability Team	Deputy General Manager (Pingnan Branch)	<ol style="list-style-type: none"> 1. Integrate the company's internal environmental protection measures and regularly track the relevant implementation effectiveness. 2. Promote green manufacturing and adopt economic feasibility methods in selecting materials and equipment to reduce pollution, environmental damage, and risks of affecting human health.
Community Engagement Team	Factory Manager (Pingnan Branch)	<ol style="list-style-type: none"> 1. Provide a safe and harmonious working environment and protect the rights and interests of employees. Also, offer professional skills training and future career development plans to maintain a good relationship between employee and employer, and enable employees to contribute to the company's sustainable operation. 2. Discuss relevant corporate sustainability issues arising from the cooperation of the customers, contractors, and suppliers, such as customer relations, labor safety, human rights protection, etc.

		<p>Use the company's influence to make the industry heed supply chain problems.</p> <ol style="list-style-type: none"> 3. Actively cooperate with relevant educational or social groups. Combine our professional knowledge and propose helpful practices for society to fulfill the company's responsibilities as a social citizen.
Corporate Governance Team	Manager (Managing Department)	<ol style="list-style-type: none"> 1. Strengthen the sustainable development and the operation system 2. Execute operation strategy, performance management, risk management, and cooperate governance 3. Maintain a trusting relationship between the company and stakeholders. 4. Achieve shareholders' and government's expectations of integrity management, sustainable profitability, and steady growth.
Integrity Management Team	Deputy General Manager (Pingnan Branch)	<ol style="list-style-type: none"> 1. Assist the value of integrity and ethic in the company's operation strategy and according to the laws to ensure the relevant anti-corruption measure. 2. Evaluate the dishonest action risk in the operation scope, and formulate a plan against it. 3. Plan and formulate job positions from the internal organization. Against operation activities with high dishonest action risk, place a balance mechanism to inspect each other. 4. Promote and coordinate the training of integrity policy. 5. Plan a whistleblowing system and ensure its effectiveness. 6. Assist the board and the supervisors in audit and evaluating whether the preventive measures established by the implementation of integrity management are operating effectively
Task Force	Assigned by the General Manager	<ol style="list-style-type: none"> 1. Assist the administrative affairs for committee meetings, including meeting notices, attendance books, and meeting minutes. 2. Supervise the above four teams and integrate their work. 3. Strengthen the implementation of the Sustainability Report, information disclosure, and promotion to stakeholders 4. Promote the spirit of sustainability, integrity management, and social responsibility in the company's business strategy and culture.

Cooperation Organization Structure



■ Governance Policy

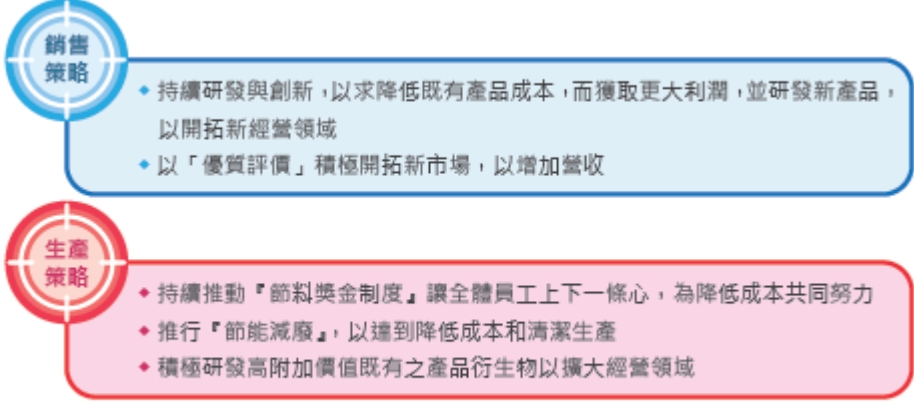
We expect that by establishing a complete corporate governance system and formulating a corporate governance code of practice, the company's employees can follow the relevant laws and regulations, thereby effectively enhancing the company's competitiveness and risk management capabilities, and improving the company's operations.

Cathay Chemical Governance Policy	<ul style="list-style-type: none"> ● Strengthen the Functions of the Board of Directors ● Play a Role in the Audit Committee ● Protect the Rights and Interests of Shareholders ● Improve Information Transparency ● Respect the Rights and Interests of Stakeholders
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● Production and Marketing Strategies

- Actively expand the new domestic and oversea marketing to increase capacity utilization.
- Develop new products to open a new business field.

■ Production and Marketing Policy

 <p>銷售策略</p> <ul style="list-style-type: none"> ◆ 持續研發與創新，以求降低既有產品成本，而獲取更大利潤，並研發新產品，以開拓新經營領域 ◆ 以「優質評價」積極開拓新市場，以增加營收 <p>生產策略</p> <ul style="list-style-type: none"> ◆ 持續推動「節料獎金制度」讓全體員工上下一條心，為降低成本共同努力 ◆ 推行「節能減廢」，以達到降低成本和清潔生產 ◆ 積極研發高附加價值既有之產品衍生物以擴大經營領域 	
Marketing Strategy	<ul style="list-style-type: none"> • Continuously develop and innovate to reduce the cost of products and obtain greater profits. Develop new products to open up a new business field. • Actively explore new markets with "high-quality evaluation certification" to increase revenue
Production Strategy	<ul style="list-style-type: none"> • Continue to promote the "Material Saving Bonus" to let all employees work together to reduce costs. • Put into effect "Energy Saving and Waste Reduction" to reduce costs and clean work. • Actively develop high-value-added products to expand business areas.

■ Organization of Board of Directors

The company's board of directors held six meetings in 2021. The attendances of directors are as follows:

Title	Name	Gender	Age	Experience	Currently Positions of Cathay Chemical or Other Company	The Attendance Rate at Board Meetings in 2021(%)
Chairman	Ing, Jou-Er (Representative, Heng Chung Investment Co., Ltd.)	Female	Over 70 years old	-University of California (Master's degree)	-Chairman, Taiwan Puritic Corp. -Chairman, Reward Wool Industry Corporation	100%
Member of the Board	C.C. Hung (Representative, Heng Chung Investment Co., Ltd.)	Male	Over 60 years old	-Fu Jen Catholic University - Accountant	- Responsible Person, Zhi Cheng Xing Ye, Ltd - General Manager, Cathay Chemical	100%
Independ ent Director	Lin, Hui Zhu	Female	Over 60 years old	-National Taiwan University - Accountant	-Director, Jin Ye United Accounting Firm -Representative, Ri Jin business management consultant, Ltd -Member of Cathay Chemical Remuneration Review Committee	100%
Independ ent Director	Lin, Chen Yan	Male	Over 70 years old	- Union University of California (Juris Doctor) -Lawyer	-Representative in Taiwan of between Taiwan And Mainland China Legal Services Company -Member of Cathay Chemical Remuneration Review Committee	100%
Independ ent Director	Zhong, Cong Ming	Male	Over 80 years old	-National Chung Hsing University -Audit supervisor of Cathay Chemical	-Member of Cathay Chemical Remuneration Review Committee	100%

■ Avoiding Conflict of Interest

According to the Director Conflicts of Interest Clause from the regulation of the Board Meetings Procedure, the directors with interests in themselves or the representing legal person with its profits for the meeting shall not participate in the discussion and vote. To avoid conflict, they shall not exercise their voting rights on behalf of other directors.

The case of avoidance of conflict of interest in 2021

Meeting Name	Date	Proposal	Avoidance of Conflict of Interest / the Voting Result
The 24 th Board meeting (the 5 th meeting in 2021)	2021.03.05	Discussed the remuneration (for director and supervisor, chairman, and general manager) and distribution of dividends (of managers) in 2020.	Except for the stakeholder, Chairman Ing, Jou-ER and General Manager C.C Hung, who avoided the discussion and voting, the other attending directors agreed on the decision without objection.

■ The Remuneration of Board of Directors and Managers

The annual remuneration of board members includes pay for directors and employees. The remuneration shall be submitted to the Remuneration Review Committee and approved by the board of directors under the company's articles of association.

Title	Items of Annual Remuneration
Board of directors	Remuneration, Distributions of Earning
Employees	Salary, Bonus, Retirement Pension, Distributions of Earning
Managers	Salary, Bonus, Retirement Pension, Distributions of Earning
Administrative supervisor	

■ Performance Evaluation of Boards and Directors

In November 2019, the Board of Directors passed the regulation, Board's Performance Evaluation Measures, to clearly define the evaluation period, scope, and other matters to be followed. The evaluated item with lower scores or suggestions will be submitted to the board of directors for reference to adjust or improve the procedures and operations of the board meeting in the future.

■ Remuneration Review Committee

The Remuneration Review Committee of Cathay Chemical has three members, including Lin, Hui Zhu, Lin, Chen Yan, and Zhong, Cong Ming. In 2021, it called for a total of two meetings, and the attendance rate of all members reached 100%.

Title	Name	Gender	The attendance rate in 2021(%)
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Independent Director (Convener)	Lin, Hui Zhu	Female	100%
Independent Director	Lin, Chen Yan	Male	100%
Independent Director	Zhong, Cong Ming	Male	100%

In the board meeting held in 2021, the committee proposed the discussions (the standard & structure to measure the remuneration of board members and managers, the method to distribute earnings for the directors of board and managers, and the year-end bonus for the directors of board and managers.) The proposals passed through the internal audit operation.

After the meeting, the resolution was made into minutes and submitted to the board of directors.

■ Audit Committee

Cathay Chemical formed an Audit Committee in 2020, consisting of 3 independent directors, to audit the processes (of accounting, auditing, and financial reporting) and financial control.

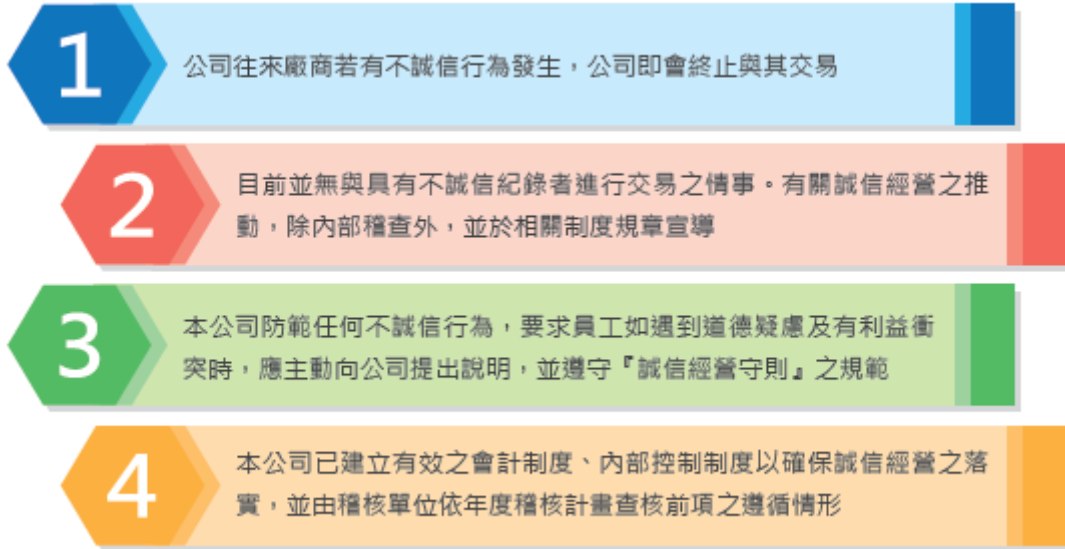
In 2021, it called for a total of four meetings, and the attendance rate of all members reached 100%.

Title	Name	Gender	The attendance rate in 2021 (%)
Independent Director	Lin, Hui Zhu	Female	100%
Independent Director	Lin, Chen Yan	Male	100%
Independent Director	Zhong, Cong Ming	Male	100%

■ Implement Integrity Management

Cathay Chemical strictly prohibits any acts of corruption, bribery, or extortion. We publicize our work rules at monthly meetings that employees shall be alert to their words and deeds, be honest in their conduct, and not take advantage of their positions to engage in fraud or accept gifts from others.

Those who are verified shall hold legally responsible for corruption to prevent another occurrence. The company currently conducts an annual audit and assessment of corruption risks based on its internal control system, and there were no corruption incidents in 2021.



1. If there is a dishonest incident from suppliers, the company will stop the transaction immediately.
2. So far, Company has no transaction with the supplier which has dishonest record. Regarding the promotion of integrity management, in addition to internal audits, it is also publicized in relevant rules and regulations.
3. The company is against any dishonest behavior. We require employees to abide by the "Integrity Management Code" and to take the initiative to explain to the company when encountering the issue of moral doubts or conflicts of interest.
4. Our company has established an efficient accounting and internal control system to ensure the implementation of integrity management. The audit unit will review every year according to the annual audit plans.

Regarding integrity management, the company has established the Integrity Management Code, which is committed to developing a corporate culture of integrity management and building a good business operation model.

The scope of application extends to the branch company and includes directors, managers, employees, or those with substantial control of the company. It also requires it shall not directly or indirectly offer, promise, demand, accept any improper advantages, or other acts that violate the Integrity Management Code while engaging in business activities.

To make the employees understand that the company's sustainable development is closely related to themselves, the company has formulated Work Rules. We train and regulate the employees not to accept any improper benefits and not concurrently hold any

jobs that interfere with the company's business. Shall not engage in business related to the company and shall be responsible for managing business and technical confidentiality.

1.5 Risk Management

Cathay Chemical incorporates the company's overall operating conditions into the scope of risk management and aims to maximize the interests of investors, try our best to prevent potential risks, and seek to enhance the company's overall value under the balance of risk control and target remuneration.

<p>Financial Risk</p>	<ul style="list-style-type: none"> ● The main objective is to manage operating activities to markets, credit, and liquidity risks. ● The company has established appropriate policies, procedures, and internal controls. ● Any significant financial activity must follow relevant regulations with appropriate policies, procedures, and internal controls and be reviewed by the board of directors.
<p>Strategic Risk</p>	<ul style="list-style-type: none"> ● The internal control system has its inherent limitations. Even though the design is complete, an effective internal control system can only provide reasonable assurance for the above three objectives. ● If environments or circumstances change, the internal control system may not be effective accordingly. Therefore, the company's internal control system accompanied by a self-supervision mechanism. Once identifying a defect, the company will take corrective action.
<p>Employee Management System</p>	<ul style="list-style-type: none"> ● Under Regulations Governing Establishment of Internal Control Systems by Public Companies, judge whether the design and implementation of the internal control system are available. ● Divided the internal control system into five components: <ol style="list-style-type: none"> 1. Environment control 2. Risk assessment 3. Work control 4. Information and Communication 5. Supervision
<p>Review and Execution</p>	<ul style="list-style-type: none"> ● The company has adopted the above-mentioned internal control system to judge and check the effectiveness of the design and implementation of the internal control system.
<p>Operational Objectives</p>	<ul style="list-style-type: none"> ● It is the responsibility of the company's board of directors and managers to establish, implement and maintain the internal control system. (Cathay Chemical has built this system.) ● The purpose is to provide reasonable assurance for the objectives such as operational effectiveness and efficiency (including profitability, performance, and asset security protection), reporting reliability, timeliness, transparency, and compliance with relevant

	norms and laws, and regulations.
Behave with Integrity	<ul style="list-style-type: none"> The internal control statement will become the main content of the company's annual report and prospectus and be open information. If the above-mentioned disclosed contents are false, concealment, or other illegal activities, it will involve legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
Directors' Resolutions	<ul style="list-style-type: none"> The board of directors approved the internal control statement on March 10, 2022, and all directors agreed to the statement's content.

■ Climate Change Risk Management and Response

In recent years, extreme weather events have become more and more frequent. In addition to identifying business risks, the company referred to the TCFD (Task Force on Climate-Related Financial Disclosures), issued by the International Financial Stability Board (FSB) in 2021. We established a risk framework based on the four disclosure cores - Governance, Strategy, Risk Management, and Indicators and Targets to understand the impact of Cathay Chemical on climate change risks and propose countermeasures.

Core Elements of Recommended Climate-Related Financial Disclosures	
<div style="text-align: center;">  </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Governance The organization's governance around climate-related risks and opportunities</p> <p>Strategy The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning</p> <p>Risk Management The processes used by the organization to identify, assess, and manage climate-related risks</p> <p>Metrics and Targets The metrics and targets used to assess and manage relevant climate-related risks and opportunities</p> </div> <div style="width: 45%; padding-left: 20px;"> <p>Governance The organization's governance around climate-related risks and opportunities</p> <p>Strategy The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning</p> <p>Risk Management The processes used by the organization to identify, assess, and manage climate-related risks</p> <p>Metrics and Targets The metrics and targets used to assess and manage relevant climate-related risks and opportunities</p> </div> </div>	
1. Governance	The company has not established a unit for risk management. Regarding any climate change issue, the Sustainability and Integrity Management Committee discuss and manage through the meeting.

<p>2. Strategy</p>	<p>■ Policy and Legal Risk :</p> <p>The company's contracted electricity consumption is 1,200 kilowatts, less than 5,000 kilowatts as stipulated by the "Renewable Energy Development Act."</p> <p>The company is not under the art control ; it doesn't need to disclose information on greenhouse gas inventory.</p> <p>After the assessment, the impact of relevant environmental policies and regulations on the overall operation and finance of the company is relatively low.</p> <p>■ Chronic Risk :</p> <p>The increase in extreme weather events has led to a higher probability of drought events, which may result in water restrictions or stops in the factory and affect the stability of the production line. The company's current product inventory maintains a fixed number (about one month). If there is a short-term water restriction in the area, the impact on the company's overall operations and finances will be relatively low. In addition, the company can adjust the annual survey to reduce problems caused by water outages.</p> <p>Unless a water outage is over one month, it can cause bigger effect on the company's financial problems due to the reduction of the operating income. (the production capacity will reduce or stop)</p>
<p>3.Risk Management</p>	<p>The Sustainability and Integrity Management Committee calls a meeting on "Climate change and discloses relevant financial data" to discuss and identify the climate change risk.</p>
<p>4.Metrics and Targets</p>	<ul style="list-style-type: none"> ▪ Set an annual electricity saving target of 1%. ▪ Lower greenhouse gas emissions intensity.

1.6 Regulation Compliance and Cooperation

Regulation Compliance - Management Policy

(GRI 307 environmental compliance, GRI 419 socieconmic compliance)

<p>Significance</p>	<p>After analyzing stakeholders' concerns and the scope of impact, this subject is relatively important to the company. If we ignore regulatory management, the company may face</p>
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	penalties or punishments in the future. (Which will increase the company's cost risk and reduce the competitiveness of its products on sustainability issues.)		
Boundaries and Disclosure Restrictions	Scope of impact : Cathay Chemical Disclosure Restrictions : This annual report will disclose the relevant content of regulation compliance from the head office and Pingnan branch.		
Management Purpose and Objectives	Follow the good faith principle and the regulation by the government.		
Policy	Follow the regulation by the government and review if the company meets the relevant regulation standard.		
Responsibilities and Resources	<ul style="list-style-type: none"> ▪ The company's compliance representative is responsible for and enforced by each Unit. Conveners are the supervisors from each Unit. ▪ Strengthen the awareness and concept of law-abiding to supervisors and employees through education and training. 		
Management Measures	<p>Environmental aspect</p> <ul style="list-style-type: none"> ▪ <u>External systems:</u> <ol style="list-style-type: none"> 1. Occupational Safety and Health Act 2. Waste Disposal Art 3. Air Pollution Control Act 4. Water Pollution Control Act ▪ <u>Internal system:</u> <ol style="list-style-type: none"> 1. ISO 9001 quality management system 2. QC 080000 Hazardous Substance Process Management System 	<p>Social Aspect</p> <ul style="list-style-type: none"> ▪ <u>External systems:</u> <ol style="list-style-type: none"> 1. Company Law 2. Securities Exchange Act 3. Fair Trading Law 4. OTC Markets Listing Requirements 5. Regulations related to business practice ▪ <u>Internal system:</u> <ol style="list-style-type: none"> 1. Integrity management code 2. Work rules 	<p>Product Aspect</p> <ul style="list-style-type: none"> ▪ <u>External systems:</u> <ol style="list-style-type: none"> 1. EU RoHS and REACH standard ▪ <u>Internal system:</u> <ol style="list-style-type: none"> 1. IECQ/QC 080000 Hazardous Substance Process Management System 2. ISO 9001 quality management system
Specific Action	<ul style="list-style-type: none"> ▪ Continuous improvement and innovation in processes of manufacture, product, and service. Set prevention and control standards and advance pollution prevention and environmental improvement from a sustainable perspective. Enhance knowledge of workplace safety through staff training. ▪ Regulate the employees through the "Integrity Management Code" and "Working Rules." Strengthen the publicity and standardize all employees with integrity. ▪ All products are developed, manufactured, and marketed by ourselves. We understand that coexistence with customers can lead to mutual prosperity, and we deem important to the confidentiality and privacy of customer information. 		
Performance Assessment	<ul style="list-style-type: none"> ▪ According to the management systems of ISO 9001 and QC080000, the internal management unit will conduct PDCA for effectiveness evaluations every year and abide by various government regulations and internal regulations ▪ There is no violation of laws from the company in 2021. 		

The company has implemented management systems, ISO 9001 and QC 080000, and internal regulatory inspection procedures. We adhere to the principle of integrity and pragmatism, implement PDCA procedures for continuous improvement, and abide by

government laws and regulations.



To implement integrity management and comply with laws and regulations, Cathay Chemical continuously concerns domestic and foreign policies or acts that may affect the company's business and finances. The definition for significant fines to company operations is the cumulative fines for a single event that exceeds NT\$1 million, based on "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities."

In 2021, the company did not have any significant fines. There was only one violation, with a total fine of NTD 60,000. The relevant units have immediately improved the facilities and management methods to meet the requirements of the regulations.

Explanation of Relevant Penalty Cases of Cathay Chemical in 2021	
Item	Occupational Safety and Health Art
Unit	Occupational Safety and Health Administration (MOL)
Description	In March 2021, the factory set up equipment (deaerator), a type of pressure vessel. After investigation, the investigators found that the operator operate without legal qualifications. It violated the provisions of Article 43, paragraph 2 from the Occupational Safety and Health Art, and the factory had a punishment of a fine of NTD 60,000.
Improvement Measures	Strengthen internal staff management. Operators who operate this equipment must have legal qualifications. The factory has assigned some staff to acquire the operation license to meet the Art requested.

Chapter 2. Quality Requirements

100% in Line with EU Norm	All exported products comply with the regulations of EU RoHS and EU reach.
Local Purchasing 100%	Local purchasing for material is 100%
Customer Satisfaction 94.65%	Customer Satisfaction in 2021 is 94.65%.
No Violation of Any Regulation	No violation of any regulation or voluntary regulation in 2021.
No Customer Complaint	No customer complaint in 2021.

2.1 Product's Self-Requirement

Product and Service -- Management Policy (GRI 417marketing and labeling · GRI 416customer health and safety)	
Significance	Cathay Chemical puts a high value on each customer. Therefore, we must provide products of good quality and safety. Once there is any incident that violates the product and service information labeling and voluntary regulations, it will affect the stability of future cooperation with customers and customer satisfaction. To avoid creating financial risks, we evaluate the impact on customer health and safety.
Boundaries and Disclosure Restrictions	Scope of impact : Cathay Chemical and suppliers Disclosure Restrictions : This annual report will disclose the relevant content of product and service from the head office and Pingnan branch.
Management Purpose And Objectives	Conscientiously control product quality; Customer satisfaction is the duty of Cathay Chemical.
Policy	<ul style="list-style-type: none"> ▪ The manufacturing defect rate shall not exceed 1%. The defective products should be returned to the process for remanufacturing. After passing inspections, they can turn to the warehouse. ▪ No harmful substances in products
Responsibilities and Resources	<ul style="list-style-type: none"> ▪ The management supervisor of the Pingnan branch is the vice general manager, and the factory manager takes charge of production. The operational policy of the head office is under the control of the company's general manager. <ul style="list-style-type: none"> ▪ Establish a product quality inspection system.

<p>Management Measures</p>	<ul style="list-style-type: none"> ▪ External system: EU RoHS 、 REACH standard ▪ Internal system: <ol style="list-style-type: none"> 1.IECQ/QC 080000 Hazardous Substance Process Management System 2.ISO 9001 quality management system 3.Material Inspection 4.Final Product Inspection
<p>Specific Action</p>	<ul style="list-style-type: none"> ▪ Prevent unethical companies from using our industry-grade products for food additives. We attach labels on each product packaging to inform users of the product name, hazard symbol, hazard warning messages, precautionary statements, and food prohibited signals. ▪ New employees are educated and must sign a non-disclosure agreement. Article 4 of the clause stipulates that customer information, e.g., the name, address, quantity, price, and other business information, shall not be disclosed to others. ▪ The sales department registers unsatisfied quality incidents to complaint cases and submits them to the production department. The production department will present the causes of why the incidents happen and how to improve. After, the sales department will provide the result to the customers. Once they approve, end the cases. ▪ For more effective management and conversation, the company's general manager will be a chairperson to hold a management review meeting half yearly.
<p>Management and Performance Assessment</p>	<ul style="list-style-type: none"> ▪ The company has established inspection specifications for raw materials and final products. Conscientiously control from Incoming Quality Control, Process Quality Control, Final Quality Control, and Out-going Quality Control to other mechanisms. Provide customers with perfect and reassuring products. ▪ BSI performs the external audit in September every year, and the internal audit is in June and December. ▪ Customer satisfaction in 2021 is 94.65%, maintaining high satisfaction every year. ▪ No violation of any regulation or voluntary regulation in 2021. ▪ No customer complaints in 2021.

■ Quality Policy

Policy

- ◆Customer satisfaction is our duty.

Objectives

- ◆The manufacturing defect rate shall not exceed 1%.
- ◆No harmful substances in products.



Measures

- ◆Obtaining the certificates of IECQ/QC 080000 Hazardous Substance Process Management System and ISO 9001 quality management system



"Your satisfaction is our responsibility" is the single goal of Cathay Chemical in terms of the quality policy, and it conscientiously controls product quality.

The company's main products are Sodium formaldehyde sulfoxylate, Sodium Metabisulfite, Sodium Hydrosulfite, Zinc Dust, and light /heavy Zinc Oxide.

All products have obtained ISO 9001 quality management system and IECQ/QC 080000 Hazardous Substance Process Management System certification. The company has attached weight to professional ethics. Whether the company's business secrets or customer information, it strongly requires employees not to disclose it to any third parties. New

employees are educated and must sign a non-disclosure agreement. Article 4 of the clause stipulates that customer information, e.g., the name, address, quantity, price, and other business information, shall not be disclosed to others.

We believe that protecting customers' personal information is the most basic respect for customers' privacy and also a trust issue with customers.

2.2 Feedback and Improvement

Product Safety and Warning Labels

The company's product manufacturing process, from the incoming raw materials to the final product in the warehouse, adopts a 100% batch-by-batch inspection of each production batch number. After passing the check, operators will deliver it to the warehouse. At the same time, the production batch number is marked on the packaging bag for future follow-up tracking and checking; once the batch products do not meet the specifications after inspection, the inspector will send them back to the remake process. All raw materials and products are strictly controlled according to the national CNS inspection standards.

To ensure customer health and safety, we use pure water in all production processes by reducing the trace content of heavy metals from each product. In addition, the product "Cathaylite-C (Sodium formaldehyde sulfoxylate)," which has been in the EU market for many years, is also below the company's insistence on quality refinement and product safety. It must pass 100% quality inspection before leaving the factory. The quality of all exported products in 2021 met the standard of REACH specification.

The products are special chemicals for industrial use. Prevent unethical companies from using our industry-grade products for food additives. We attach labels on each product packaging to inform users of the product name, hazard symbol, hazard warning messages, precautionary statements, and food prohibited signals.

產品名稱 保險粉 Sodium dithionite (Sodium hydrosulfite)	
危害成分 保險粉 Sodium dithionite (Sodium hydrosulfite)	危險 禁止用於食品 特級品
	危害警告訊息 1. 暴露在高氣中會自燃。 2. 吞食可能有害。 3. 造成皮膚刺激。 4. 造成眼睛刺激。
製造商、輸入商或供應商： 國泰化工股份有限公司 地址：廣東新豐縣厚街西路 20 號 電話：08-88711388 傳真：08-88823225	危害預防措施 1. 在陽光直接照射下存放。 2. 遠離引燃品。嚴禁煙火、 汽油和燃燒油類。如被污染， 要用大量水沖洗後諮詢醫療。 4. 穿全套防護服，保持乾燥。
批 號	淨 重 50KG
欲更詳細的資料，請參考安全資料表	

產品名稱 吊白塊 Sodium Formaldehyde sulfoxylate	
危害成分 > 98% 吊白塊 (第四類急性化學物質)	警告 禁止用於食品
	危害警告訊息 1. 皮膚接觸後有刺激性。 2. 眼睛接觸後有刺激性。 3. 吞食有害。 4. 造成皮膚刺激。 5. 造成眼睛刺激。
製造商、輸入商或供應商： 國泰化工股份有限公司 地址：廣東新豐縣厚街西路 20 號 電話：08-88711388 傳真：08-88823225	危害預防措施 1. 不要碰，直到所有安全材料與環境已 消除。 2. 遠離引燃品。 3. 遠離火、熱源、 油類、 4. 不要吸入粉塵。 5. 不要吸入煙霧、蒸氣、 噴霧、 6. 不要與水接觸。 7. 不要與酸類接觸。 8. 不要與鹼類接觸。 9. 不要與氧化劑接觸。 10. 不要與強氧化劑接觸。 11. 不要與強還原劑接觸。 12. 不要與強酸接觸。 13. 不要與強鹼接觸。 14. 不要與強酸接觸。 15. 不要與強鹼接觸。 16. 不要與強酸接觸。 17. 不要與強鹼接觸。 18. 不要與強酸接觸。 19. 不要與強鹼接觸。 20. 不要與強酸接觸。 21. 不要與強鹼接觸。 22. 不要與強酸接觸。 23. 不要與強鹼接觸。 24. 不要與強酸接觸。 25. 不要與強鹼接觸。
批 號	淨 重 50KG
欲更詳細的資料，請參考安全資料表	

產品名稱 氧化鋅 Zinc oxide	
危害成分 氧化鋅 Zinc oxide	警告 禁止用於食品
	危害警告訊息 1. 造成環境嚴重污染。 2. 造成眼睛刺激。 3. 對水生生物具有非常大 的毒性。 4. 可能導致呼吸系統刺激。
製造商、輸入商或供應商： 國泰化工股份有限公司 地址：廣東新豐縣厚街西路 20 號 電話：08-88711388 傳真：08-88823225	危害預防措施 1. 在取用時，立即配 分。 2. 避免接觸皮膚。 3. 避免接觸眼睛。 4. 避免接觸水生環境。 5. 避免接觸土壤。
批 號	淨 重 50KG
欲更詳細的資料，請參考安全資料表	

產品名稱	重亞硫酸鈉 Sodium Metabisulfite		
危害成分	重亞硫酸鈉 Sodium Metabisulfite	警告 禁止用於食品	
 製造商、輸入者或供應商： 國泰化工股份有限公司 地址：苗栗縣竹塹鄉南台路30號 電話：03-2671300 傳真：36-2662825		危害警告訊息	危害防範措施
		1. 含有有害。 2. 造成皮膚刺激。 3. 造成嚴重眼睛損害。 4. 可吸入或可吸噴刺激。	1. 若接觸眼睛：立即以大量清水洗淨後送醫。 2. 戴眼鏡/護面罩。 3. 若吞食，立即送醫。 並出示此危險資訊卡。
批 號		淨 重	25KG
* 更詳細的資料，請參考安全資料表			

產品名稱	鋅 粉 Zinc Powder		
危害成分	鋅 粉 Zinc Powder	危險 禁止用於食品	
 製造商：國泰化工股份有限公司 地址：苗栗縣竹塹鄉南台路30號 電話：03-2671300 傳真：36-2662825		危害警告訊息	危害防範措施
		1. 暴露於空氣中會自燃。 2. 遇水或在濕潤環境。 3. 造成眼睛皮膚刺激。 4. 對水生生物毒性極大。 具有腐蝕性。	1. 遠離明火。 2. 勿吸入粉塵。 3. 勿把水加入此產品。 4. 只能使用於通風良好且乾燥。 5. 避免釋放至環境中。
批 號		淨 重	
* 更詳細的資料，請參考安全資料表			

We look up to the safety of customers. Our basic responsibility is to strengthen employee education and training and let employees understand the importance of manufacturing safe products. The company introduced IECQ/QC 080000 Hazardous Substances Process Management System (HSPM) in January 2010. It was officially introduced in May of the same year and passed the BSI certification in September. Up to now, the follow-up review has been led by BSI every year. We set the management target of hazardous substances every year.

Any hazardous substance shall not be detected. It is required to test the incoming raw materials and the final products in the warehouse to confirm whether inspections meet the target requirements "Material Inspection" and "Final Product Inspection." The company's products in 2021 have not violated any regulations and voluntary regulations, nor have there been any legal proceedings arising from antitrust and monopoly behaviors.

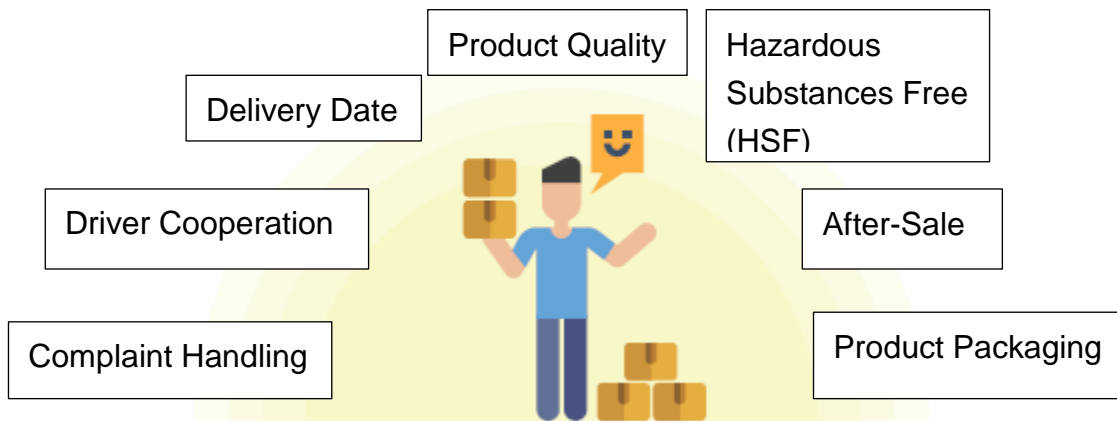
■ Customer Satisfaction

Based on the principles of the ISO management system for customer satisfaction surveys, the company conducts a "customer satisfaction survey" from April to next year March.

The content covers "Product Quality", "Hazardous Substances Free (HSF)", "Product Packaging", "Delivery Date", "Driver Cooperation", "After-Sale Service", "Complaint Handling", etc. These seven items will be analyzed and reviewed for Follow-up improvement and tracking confirmation to achieve the purpose of implementing customer satisfaction feedback.

The company's ultimate goal is to obtain customers' recognition and trust. There were 20 satisfaction questionnaires in 2021, and the satisfaction rate was 94.65%. We have maintained good results these years, and no oral or written complaints in 2021.

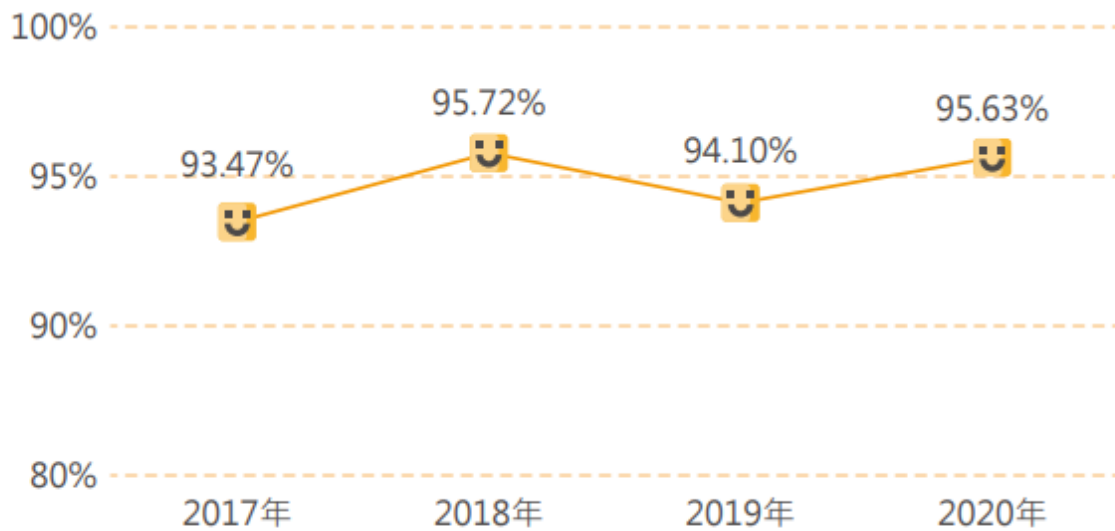
Customer Satisfaction



Customer Satisfaction in the Near Years

Year	2019	2020	2021
Customer satisfaction	94.10%	95.63%	94.65%

Customer Satisfaction Chart in Recent Years



2.3 Supply Chain

Supply Chain Evaluation -- Management Policy (GRI 308 Supplier Environmental Assessment \ GRI 414 supplier social assessment)	
Significance	Stakeholders concern more with the environmental and social assessment of suppliers. According to the regulations of the Financial Supervisory Commission for the disclosure of material topics and additional requirements of the chemical industry, the management policy for the suppliers' environment and social impact assessment should be disclosed. It is one of the significant issues of the company's sustainable operation to implement sustainable supply chain management and prevent environmental and social impacts caused by the supply chain in the operation process.
Boundaries and Disclosure Restrictions	Scope of impact : Cathay Chemical, suppliers, and contractors. Disclosure Restrictions : This annual report will disclose the relevant content of supply chain evaluation from the head office and Pingnan branch.
Management Purpose And Objectives	<ul style="list-style-type: none"> ▪ Choose qualified suppliers with the ability to manage HSF and meet the company's needs. ▪ Implement supplier corporate social responsibility management. Establish good supply chain relationships and cooperation with trust. ▪ Ensure that suppliers do not use Hazardous Substances (HSF).
Policy	<ul style="list-style-type: none"> ▪ Meet the requirements of Hazardous Substances Free (HSF).
Responsibilities and Resources	<ul style="list-style-type: none"> ▪ The company's supply chain management is responsible and implemented by the management team.
Management Measures	<ul style="list-style-type: none"> ▪ Hazardous Substance Process Management ▪ Supplier evaluation ▪ Supplier selection and management procedures ▪ Trial management process ▪ ISO 9001 quality management system ▪ IECQ/QC 080000 Hazardous Substance Process Management System
Specific Action	<ul style="list-style-type: none"> ▪ For new domestic suppliers, the quality control and each production department will evaluate whether they need to conduct trial production. The trial production unit will submit a "trial application form", and the relevant trial production procedures will be handled under the "trial production management procedures". ▪ For new raw materials, the company shall submit HSF-related certification documents according to the requirements of "Hazardous Substances Management Procedures" and conduct a review on HSF compliance. ▪ Conduct supplier evaluation and assessment of third-party manufacturers and contractors every year.
Management and Performance Assessment	<ul style="list-style-type: none"> ▪ The company based on three evaluation forms, "Subcontractor Evaluation Form," "Carrier Company Evaluation Form," and HSPM Evaluation Form of Subcontractors," to conduct evaluations on subcontractors, and follow-up management of suppliers based on evaluation scores. ▪ Following Hazardous Substance Process Management, suppliers are requested to submit the relevant certification of HSF for new raw materials. ▪ If suppliers cannot comply with hazardous substance management requirements, we will remove them from the "List of Third-Party Suppliers" and no longer purchase from them. ▪ The suppliers of the company meet 100% HSF requirements in 2021.

The main raw materials used in the Cathay Chemical factory are liquid sulfur, caustic soda, soda ash, formalin, and zinc nuggets. Since there is no zinc metal source in Taiwan, the company's zinc nuggets are imported from Australia or South Korea, and other raw materials are purchased domestically. Our major suppliers include some large domestic enterprises such as CPC Corporation, China Steel Chemical, Formosa Plastics, Sesoda, Chang Chun Group, etc.

Our raw material and material suppliers are long-term partners. We work closely with them and grow together. If there are no domestic producers, we choose foreign purchases, but the cooperation and trust with domestic suppliers will not be affected. In 2021, the total amount of imported raw materials accounted for 77.9%, and domestically purchased raw materials accounted for 22.1%. The amount of domestic and foreign purchases in the past three years are as the following table:

The Amount and Proportion of Domestic and Foreign Purchases in the Past Three Years

Year	2019	Percentage	2020	Percentage	2021	Percentage
Domestic	73,132,275	33.8%	57,470,846	26.2%	77,568,424	22.1%
Foreign	143,190,138	66.2%	161,539,939	73.8%	273,109,665	77.9%
Total	216,322,413	100%	219,010,785	100%	350,678,089	100%

The company's materials are purchased from Taiwan's local suppliers (the percentage is up to 100%) In addition to considering its convenience and shipping costs, we also support the development of Taiwan's industries.

■ Supplier Evaluation

The company has a long-term cooperative relationship with suppliers. To assess the quality, delivery, cooperation, and other capabilities of third-party suppliers and contractors, we send them "supplier self-assessment questionnaires" based on the revised "Supplier Selection and Management Procedures" of the year 2019. The content is in various aspects such as the environment, labor rights, human rights, society, and product responsibility. At the same time, the result will be the basis for the selection and management of new manufacturers. Through the revision of management procedures, pay attention to the actions and performance of suppliers, and effectively manage the sustainable operation of the supply chain.

■ New Domestic Supplier Evaluation

The evaluation procedure is as follows:

Quality control and each production unit will evaluate whether a trial is required. If yes, the trial unit will submit a "trial production application form" (the relevant trial procedures will proceed in accordance with the "trial management procedures.")

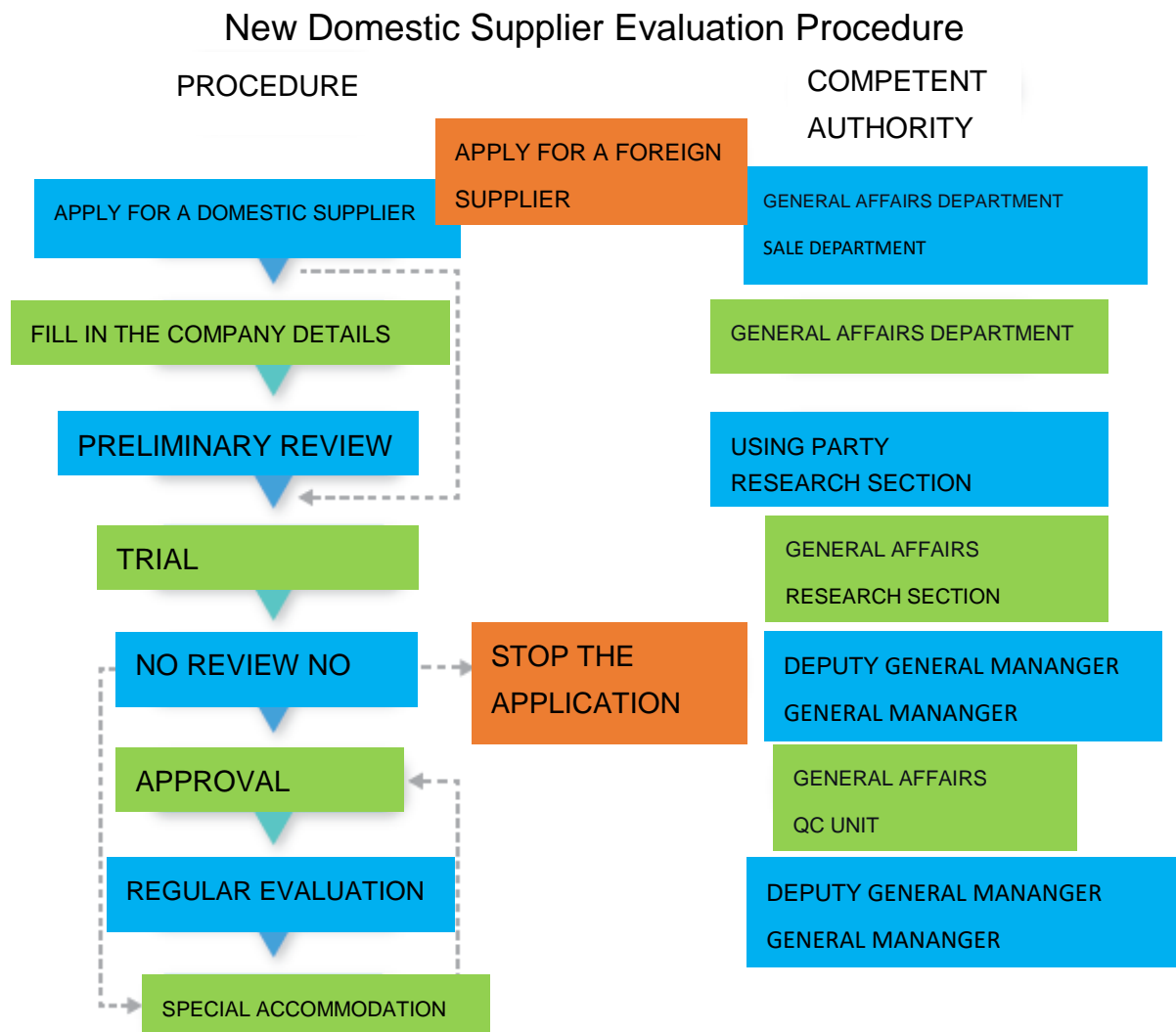
The General Affairs Department convenes relevant units to conduct a registration review meeting for qualified suppliers. The review procedures are as follows:

A : Trial, review past results and past performance.

B : Review the company background of the suppliers.

C : Determine whether the suppliers are qualified.

- After completing the review procedure and being judged as qualified, it will be submitted to the factory manager or vice president for approval. Soon after permission, the general affairs department will register the manufacturer in the "List of Third-Party Suppliers."



■ Existing Domestic Supplier Evaluation

The company evaluates the existing third-party suppliers based on the "Third-Party Manufacturer Score Sheet," "Carrier Score Sheet," and "Third-Party suppliers HSPM Score Sheet." The evaluation grading of domestic suppliers and methods are as follows:

Grade A: grade A is above 85 points, and the purchasing unit should list it as a manufacturer that prioritizes purchasing or increases its purchasing ratio.

Grade B: 70 points to 84 points are B grades. After it is listed as consecutive B grades three times, the purchasing unit should actively reduce the use or purchase volume and seek alternative manufacturers.

Grade C: Those who do not reach 70 points or those whose quality or HSPM is abnormal and have no response shall stop the purchasing behavior of the manufacturer (except for exclusive manufacturers). And the general affairs department shall actively send the "Improvement Suggestion Form" to give the manufacturer and ask for a reply.

Grade	Score	Error Rate
A	85 points	Below HSF standard
B	70 to 84 points	Once /At least once every 3 years

Note: the factory manager has approved not conducting an on-site inspection of foreign suppliers.

■ HSF Management of Factory

The company has established a "Supplier Selection and Management Process" to ensure that the cooperative supplier partners meet the requirements of relevant laws and regulations. The purpose is to select qualified manufacturers with the HSF managing ability (including raw materials suppliers, auxiliary materials suppliers, and transportation companies that carries the company's finished products). And to stabilize the quality of incoming materials and ensure compliance with HSF requirements.

For new raw materials, HSF-related certification documents must be submitted according to the requirements of "Hazardous Substance Process Management" for HSF compliance review. After confirming the raw materials and using them in the production line, the quality control team will record the relevant HSF information in the "HSF Information Management List." For raw materials containing Hazardous Substances (HS), the Quality Control Team shall fill in the "Hazardous Substances List" and discuss with relevant units to propose a hazardous substance reduction plan.

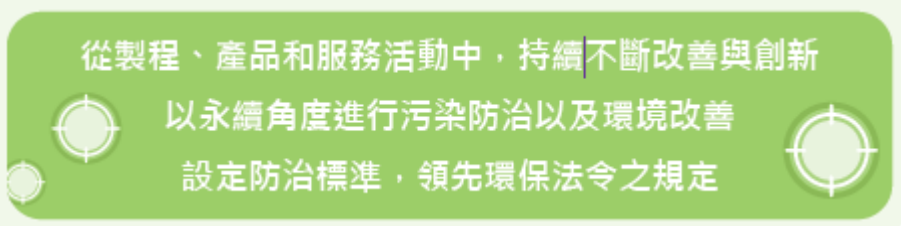
After the company conducts mass production, if the suppliers have to change the production conditions, they should inform us and shall receive approval from the company's quality control team. Once the products are changed compositions of raw materials, the suppliers shall resubmit HSF-related certification documents and obtain recognition from the company. If they cannot comply with its hazardous substance management requirements, we will remove them from the "List of Third-Party Suppliers" and no longer purchase from them.

Chapter 3 Substance and Environmental Protection

Power Saving 1.22%	Saved 56,055 kW.h in 2021 (1.22%)
No leak	No leak incident in 2021.
6,703.9 thousand dollars	Environmental protection expenditure in 2021 is 6,703.9 thousand dollars.

Environmental Protection-- Management Policy

(GRI 302Energy, GRI 305Emissions, GRI 306 Waste, climate change, water resource management)

Significance	Cathay Chemical attaches great importance to "environmental protection." Ignoring environmental issues (such as emissions, energy, and transportation and the failure to comply with laws and regulations) will directly affect production costs, employee health, and the quality of the working environment. The company should properly manage the wastewater and waste in the product manufacturing process. Or these issues will seriously affect the ecological environment near the factory and the living environment of the residents. Additionally, the chemical process requires a large amount of industrial water for cooling, washing, and other purposes. In terms of water resources, if water resources are insufficient, the chemical process will face production reduction or even stop production, which will increase production costs. Therefore, we must ensure we have sufficient water resources for the stable operation of the chemical process.
Boundaries and Disclosure Restrictions	Scope of impact : Cathay Chemical Disclosure Restrictions : This annual report will be disclosed the relevant content of environmental protection from the head office and Pingnan branch.
Management Purpose and Objectives	<ul style="list-style-type: none"> Follow the guiding principle of "safety and environmental protection first, quality second, output third." Effectively manage waste, climate change, water resources, and environmental regulation risks. Achieve the annual electricity saving target of 1%, reduce the intensity of greenhouse gas emissions, and achieve a zero-disaster working environment.
Policy	<p>Environment Protection Policy</p>  <ul style="list-style-type: none"> At present, the contracted electricity consumption is 1,200 kilowatts, less than 5,000 kilowatts as stipulated by the "Renewable Energy Development Act." The company is not under the art control ; It doesn't need to disclose information on greenhouse gas inventory. After the assessment, the impact of relevant environmental policies and regulations on the overall operation and finance of the company is relatively low. Implement energy-saving plans. Continue to focus on future water scarcity issues and work to reduce the company's water consumption or improve water recycling efficiency.

Responsibilities and Resources	<ol style="list-style-type: none"> 1. The environmental management representative of the company is the Environmental Safety Section from the Pingnan branch. The convener is the factory manager. 2. The total environmental protection expenditure in 2021 is 6,703.9 thousand dollars. 3. The Sustainability and Integrity Management Committee discuss relevant issues in meetings.
Management Measures	<ul style="list-style-type: none"> ▪ External system: <ol style="list-style-type: none"> 1. Occupational Safety and Health Act 2. Waste Disposal Act 3. Air Pollution Control Act 4. Water Pollution Control Act 5. Relevant environmental regulation 6. National wastewater discharge standards for sewage treatment plants 7. Renewable Energy Development Act 8. Greenhouse gas emission inventory ▪ Internal system: <ol style="list-style-type: none"> 1. ISO 9001 quality management system 2. The Sustainability and Integrity Management Committee discuss relevant issues in meetings.
Specific Action	<ul style="list-style-type: none"> ▪ Implement energy-saving plans. ▪ Improve air system equipment. ▪ Strengthen the management of vehicles entering the factory, check vehicle hardware, and require compliance with operating regulations. ▪ Inspect air pollution and wastewater, and discharge under the discharge standards. ▪ The general business waste is reported regularly according to regulations. Entrust a legal waste clearance company to transport it to the Ping-tung resource recovery plant or sanitary landfill. ▪ Environmental greening. Planting flowers and trees. ▪ Regularly clean up and dredge the sediment in the trenches to smooth the drainage system. ▪ Collect steam and condensate. Use the pump shaft to cool water for recycling. Reuse the water to reduce wastewater. ▪ Replace traditional motors with high-efficiency motors. ▪ Replace the old air conditioners with inverter air conditioners.
Management and Performance Assessment	<ul style="list-style-type: none"> ▪ No leak incident in 2021. ▪ Saved 56,055 kW.h in 2021 (the electricity saving rate will reach about 1.22%) ▪ In 2021, the company's daily water intake will be approximately 232 metric tons on average. Recycled water is 5 metric tons daily.

3.1 Raw Material Management

The company's main products include Sodium Hydrosulfite, Sodium formaldehyde sulfoxylate, Zinc Dust, Zinc Oxide, and Sodium Metabisulfite; the main raw materials include liquid sulfur, 45% caustic soda, soda ash, 24% formalin, and zinc nuggets. Due to the nature of the industry, 100% of the raw materials used by the company are non-renewable raw materials.

Usage quantity of raw materials in 2021

Item	Quantity
sulfur	2,647.4
45% caustic soda	3,245.0
soda ash	2,506.0
24% formalin	2,358.8
Zinc nuggets.	2,541.7

Unit: MT

3.2 Sustainable Energy Management

■ Energy Management

For energy use, the company uses heavy oil and electricity. Due to the revision of the "Boiler Air Pollutant Emissions Standards" in July 2020, after finishing the boiler fuel conversion in September 2021, the company changed to using natural gas burning to reduce the use of heavy oil. The energy consumption was 80,595.97 GJ for the internal organization, and the energy intensity was 0.13 GJ/thousand of revenue. It decreases by 13% because of a 31.3% increase in 2021 revenue, but overall energy consumption increases by 11%.

Energy Consumption these Three Years.

	Year 2019	Year 2020	Year 2021
Heavy Oil (liter)	1,322,362	1,339,123	1,262,356
Natural Gas (degree)	-	-	278,738
Electric Power Consumption (kWh)	5,397,600	5,197,200	5,711,600
Energy Consumption(GJ)	72,545.88	72,497.67	80,595.97
Operating Revenue (thousand dollars)	593,203	475,644	624,599
Energy Intensity(GJ/thousand dollars operating revenue)	0.12	0.15	0.13

To cooperate with the electronic saving policy from the Ministry of Economic Affairs, we improved chiller machines, changed to high-efficiency bumps, and replaced energy-intensive bumps.

The annual power saving is about 56,055 kWh, and the power saving rate is 1.22%. Our factory strives to achieve this goal and makes efforts to protect the global environment.

Energy Saving Measure and Estimation

Measures	Specific Action	Estimated Power Savings Consumption	Carbon Reduction (KgCO ₂ e/year)	Energy-Reducing Consumption (GJ)
replaced energy-intensive bumps	changed to high-efficiency bumps	57,600kWh/year	29,318.4	207.36
replaced energy-intensive motors	changed to high-efficiency motors	1,343kWh/year	683.59	4.83
Total		58,943kWh/year	30,002	212.2

Note: Carbon Reduction (KgCO₂e/year)= energy savings consumption (kWh/year)*0.509 KgCO₂e °

■ Greenhouse Gas Management

The Greenhouse Gas emission of the Company is mainly from direct emission of burning bunker oil (Scope 1), and outsourced electricity (Scope 2). The total Greenhouse Gas emission in 2021 is 7,371,490.94 KgCO₂e.

Greenhouse Gas Emissions by

Cathay Chemical in the Past Three Years

Item	2019	2020	2021
Direct Greenhouse Gas Emission from Scope 1 (KgCO₂e)	4,127,304.62	4,179,618.39	4,464,286.54
Indirect Greenhouse Gas Emission from Scope 2 (KgCO₂e)	2,747,378.40	2,645,374.80	2,907,204.40
Total Emission (KgCO₂e)	6,874,638.02	6,824,993.19	7,371,490.94
Revenue (in thousand)	593,203	475,644	624,599
Greenhouse Gas Emission Intensity (KgCO₂e/ Revenue(K))	11.59	14.35	11.8

Note:

1. The outsourced electricity has been calculated by the electricity discharge coefficient announcement by the Bureau of Energy, due to the fact that the electricity discharge coefficient in 2021 has not been announced, in 2021, the number was calculated by the previous year's coefficient (0.502 KgCO₂e/kWh) ° 2021 ∙ 2020 electricity discharge coefficient = 0.502 KgCO₂e/kWh ; 2019 electricity discharge coefficient = 0.509 KgCO₂e/kWh.

2. The calculation of the Greenhouse Gas emission of the Company, quoting the EPA Greenhouse Gas Emission Factor Management Table 6.0.4 ver. (IPCC AR5) to calculate the Greenhouse Gas emission.

3.3 Cherish Water Resources

The production factory of Cathay Chemical is located in Pingnan Industrial Zone. Industrial water is completely taken from the tap water supply system in the industrial area (Maximum daily water supply 3,000 tons), mainly from Mu-Tan reservoir. The Company belongs to the chemical industry and must work for 24 hours. The chemical process needs plenty of industrial water for cooling, washing, and other purposes. In 2021, the average water withdrawal was approximately 232 tons, daily process water recycling was 6.93 tons, evaporative and splash loss was about 75.57 tons, and use of water was 84,821 tons. Currently, the Company has not yet imported a water footprint and AWS water management standards.

**Water Resource Used by
Cathay Chemical in the Past Three Years**

Year	2019	2020	2021
Water Withdrawal (million liters)	103.21	93.32	79.74
Water Discharge (million liters)	69.00	70.80	47.94
Water Consumption(million liters)	34.21	22.52	31.80

3.4 Pollution Prevention Management

The factory is located in Pingtung County, Fangliao Township, Pingnan Industrial Zone. All the produce activity in the factory follows the government-related environmental protection laws and regulations. In addition, the factory area has done the greening work of planting flowers and trees, also regularly cleaning up and dredging the sediment in the trenches to smooth the drainage system. All of these related actions are to maintain the environment, will not affect the nearby residents outside the industrial area due to the production activities in the factory in order to achieve the purpose of friendship and good neighborliness. There haven't been any major leak accidents.

■ Water Pollution Prevention

The Company's daily wastewater discharge in 2021 is about 131.33 tons. Wastewater in the factory had preliminary treatment and adjustment of the pH, after precipitation and filtration, will discharge to the Pingnan Industrial Zone sewage treatment plant for final treatment. The total amount of wastewater

discharged to sewage treatment plants is 47.939 tons. Chemical oxygen demand for discharge water is 146.79mg/L, suspended solids 3.81mg/L, far superior to the control standards of sewage treatment plants in industrial areas.

Sewage Emissions Amount and Test Items of Cathay Chemical in the Past Three Years

Sewage's Test Items	2019		2020		2021	
	Mean	Limit	Mean	Limit	Mean	Limit
COD (mg/L)	272.76	640	275.39	640	146.77	640
SS (mg/L)	7.68	480	3.66	480	3.82	480

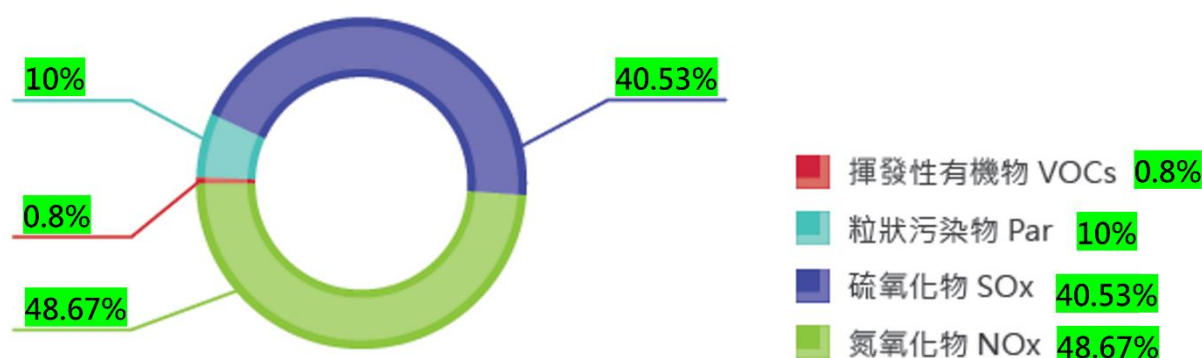
Note: Discharge rate= Water Discharge/ Water Consumption

■ Air Pollution Prevention

Air pollutants emissions of 2021, Sulfur Oxide (SOx) 6.966 tons, Nitrogen Oxide (NOx) 8.366 tons, particulate 1.720 tons, and Volatile Organic Compounds 0.136 tons. The emission concentration is in line with the emission standards stipulated by the Environmental Protection Administration.

Percentage of Air Pollutant Emissions from Cathay Chemical in 2021

單位：公噸



Air Pollutants Emissions by Cathay Chemical in the Past Three Years

Air Pollution Inspection Item	2019	2020	2021
	Emissions (T)	Emissions (T)	Emissions (T)
Volatile Organic Compounds (VOCs)	0.113	0.110	0.136
Particulate (Par)	1.088	1.718	1.720
Sulfur Oxide (SOx)	7.585	7.517	6.966
Nitrogen Oxide (NOx)	8.315	8.324	8.366

■ Waste Disposal Management

Waste disposal emissions by Cathay Chemical in 2021, only as general waste disposal, aren't hazardous wastes.

It is divided into two parts, waste from non-manufacturing processes and waste from manufacturing processes. The waste from the non-manufacturing process (such as domestic waste and waste paper) must be transported to a waste incineration plant for incineration treatment. At the present stage, the waste from the manufacturing process can separate into heat treatment and physical treatment. After being processed by the plant, waste can be reused as CLSM (Controlled-Low-Strength-Materials). Our waste disposal management follows government-related laws and regulations and entrusts a legal removal company to clear, transport, and deal with the treatment plant. None of the waste is shipped abroad.

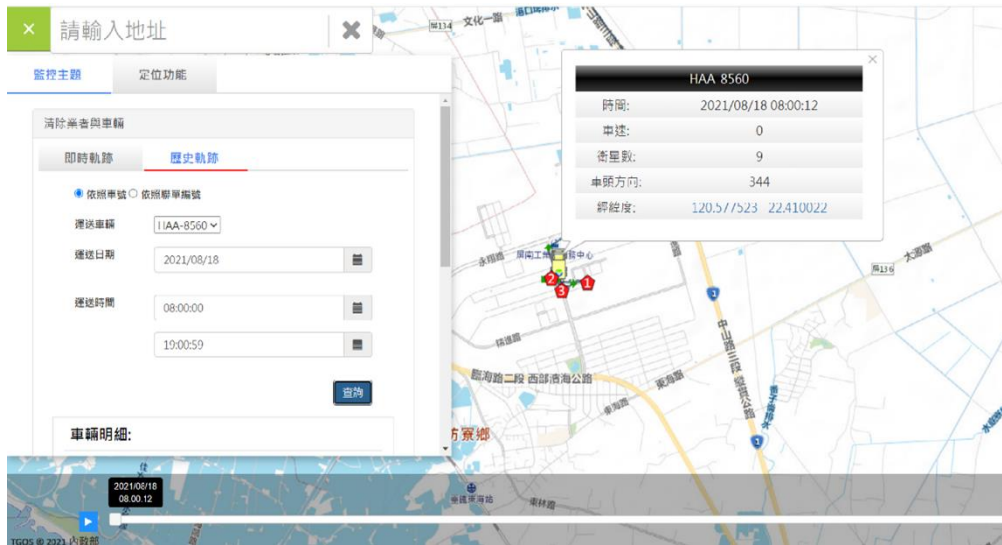
**Waste Disposal Category of
Cathay Chemical in the Past Three Years**

Waste Category		2019	2020	2021
Incineration Plant Treatment	D-0299 Scrapped Plastic Mixture	24.44	20.47	17.35
	D-0699 Scrapped Paper Mixture	5.54	1.7	2.82
	D-0899 Scrapped Fiber or other Cotton Mixture	0.57	0.11	0.07
	D-1801 Domestic Refuse	49	50	49
	D-0701 Scrapped Wooden Pallet	11.04	0	8.11
Landfill Treatment	H-0104 Night Soil or Dung Waste	16.73	12.56	14.51
	D-0501 Scrapped Refractories	31.6	0	0
	D-0902 Inorganic sludge	30.87	0	0
	D-1201 Slag	12	0	0
	D-1202 Non-Adverse Effect Furnace stones	0	0	0
Total		181.79	109.02	154.23

Cathay Chemical entrusted a legal removal company and a processing company to be responsible for the removal and treatment of the general waste. Before removing waste, the factory informs the removal company, and makes an appointment to clear and transport it from the designated location of our factory, and declares Commercial Waste Reporting and Management Information System at the Executive Yuan Environmental Protection Agency. Then entrust the joint treatment of industrial waste to control and deliver the triple sheet to the driver of the removal and transportation company to complete the removal disposal from the factory and transport it to the treatment plant. The Company shall control:

1. The waste must be confirmed within 84 hours after leaving the factory.
2. Confirm the Clearing and transporting vehicles have already been delivered to the treatment plant. (GPS route map and photos of the vehicle to the treatment plant)
3. Tracing operators must complete the proper disposal of waste within 30 days. (Issue the proper removal documents)

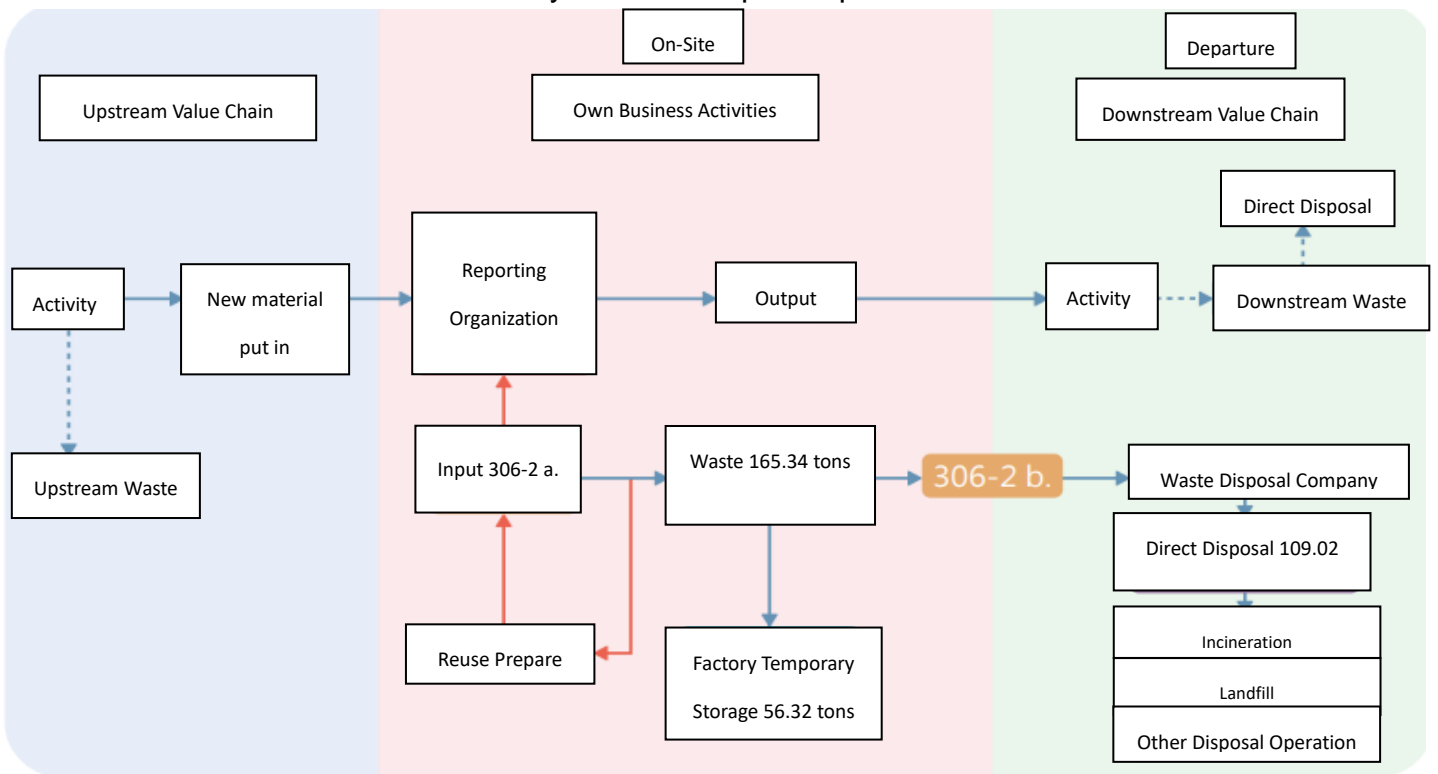
GPS route map and Car trace of the Waste Transportation



Photos of the Vehicle Transport Waste to the plant



Waste of Cathay Chemical input/output Process Chart



Non-Adverse Waste				
Waste Composition	On-Site		Departure	
	Waste Produce (tons)	Disposal	Waste Produce(tons)	Disposal
D-0299 Scrapped Plastic Mixture 2	0.00		17.35	Incineration (Include Energy Recovery)
D-0699 Scrapped Paper Mixture 2	0.00		2.82	Incineration (Include Energy Recovery)
D-0899 Scrapped Fiber or other Cotton Mixture 2	0.00		0.07	Incineration (Include Energy Recovery)

D-0701 Scrapped Wooden Pallet 2	6.56	Factory Temporary Storage	8.11	
D-1801 Domestic Refuse 2	0.00		49	Incineration (Include Energy Recovery)
H-0104 Night Soil or Dung Waste 2	0.00		14.51	Landfill
D-0501 Scrapped Refractories 2	3	Factory Temporary Storage	25.05	Other Disposal Operation
D-0902 Inorganic Sludge 2	24.42	Factory Temporary Storage	37.32	Other Disposal Operation
D-1201 Slag 2	10.00	Factory Temporary Storage	0.00	
D-2403 Scrapped Active Charcoal2	0.3	Factory Temporary Storage	0.00	

Notes :

Note 1 : Waste Composition can refer to the "Waste Removal Proposal" and fill in the classification (A/B/C/D/E/R...) °

Note 2 : The unit of the waste weight are in metric tons.

Note 3 : Category of Recycling Operation: Such as reuse prepare, recycling and other recycling operation.

Note 4 : Illustrate the Category of Recycling: Such as down cycling, upcycling, compost and anaerobic digestion.

Note 5 : Other Recycling operation: Such as changing the purpose of use or refurbishment.

Note 6 : Category of Disposal Operation: Such as Incineration (Include Energy Recovery) \ Incineration (Exclude Energy Recovery) landfill and Other Disposal Operation

Note 7 : Illustrate Other Disposal Operation: Such as dump, open burning or deep-well injection. The disposal of D-0501 is physical treatment, D-0902 is heat treatment.

Note 8 : "On-Site" means reporting the physical boundaries or administrative control of the organization; "Departure" means reporting outside of the physical boundaries or administrative control of the organization.

Waste Composition	Adverse Waste		Non-Adverse Waste		Total
Disposal Method	On-Site	Departure	On-Site	Departure	
Transfer	0.00	0.00	0.00	0.00	0.00
	0.00		0.00		
Direct Disposal	0.00	0.00	0.00	154.23	154.23
	0.00		154.23		
Total	0.00		154.23		154.23
				Total waste	198.51
Factory Temporary Storage	44.28				

■ Environmental Protection Expenditure

The pollution prevention equipment of Cathay Chemical has care and maintenance every year and regularly review to fulfill the social responsibility for the environment. The company has invested funds to handle related environmental protection work.

Environmental Protection Expenditure of Cathay Chemical in the Past Three Years

Unit: Thousand\$

Item		2019	2020	2021
Pollution Prevention Equipment operate and maintenance fee	Air Pollution Prevention	4,006.9	3,662.6	3,345.7
	Water Pollution Prevention	285.4	253.2	166.4
	Waste Disposal (generally)	0	0	0
Pollution Prevention Equipment deprecation fee	Air Pollution Prevention	330	302	0
	Water Pollution Prevention	139	136	103
	Waste Disposal (generally)	0	0	0
Entrust and co-processing fees	Air Pollution Prevention	228.9	380.4	614.2
	Water Pollution Prevention	2,363.6	2,239.5	1,517.6
	Waste Disposal (generally)	785	576.3	956.9
Total		8,138.8	7,550	6,703.9

Chapter 4 Create Harmonic Workplace

None Occupational Illness	None of the employees will suffer from occupational disease in the Company in 2021.
Environmental Inspection Qualified	Entrust the Industrial Safety And Health Association Of The ROC to execute the monitoring of the working environment in the factory area every year. Results in 2021 showed that none of the data exceeded the standard.
NT\$120,026	Cumulative consumption amount has reach NT\$120,026 since join the Taiwandomi Hope Alliance in 2016, the amount will donate to disadvantaged groups in need assisted by the alliance.
100% Local Executive	100% of the Executives in the Company are local formal employees.
4 Members of Minority	2 employees with disabilities and 2 aboriginal are on the job and competent in 2021.
None Social Events such as Discrimination or Sexual Harassment	No incidents of discrimination, sexual harassment, violations of indigenous human rights, or social shocks have occurred. There's no incidents of forced or compulsory labor.

Labor Relation - Management Policy

(GRI 401 Employers-employee Relations / GRI 402 Labor Relation)

Significance	Good labor relation is one of the important factors for the stability of enterprise operation. The level of employee turnover will affect the quality and quantity of the product, which in turn affects the uncertainty of the supply of customers' products and raw materials, impact on business operations.
Boundaries and Disclosure Restrictions	Impact Scope: Cathay Chemical Disclosure Restrictions: The annual report will disclosure the related information of employers-employee and labor relation in head Office and Pingnan Branch
Management Purpose And Objectives	<ul style="list-style-type: none"> ▪ Cathay Chemical values the retention of talents, improvement of employee salary structure, and welfare care. To create a harmonious and stable working environment, improve work efficiency and reduce the turnover of employees. ▪ Comply with the relevant requirements of the Labor Standards Act.
Responsibilities and Resources	The management department is the representative of the human resources management in the Company. Responsible for and implement employee employment, welfare, and labor-management communication related matters.
Management Measures	<ul style="list-style-type: none"> • External System: <ol style="list-style-type: none"> 1. Securities and Exchange Act 2. Stock listing or trading at the places of business of securities firms, setting Compensation committee and method of its exercise authority 3. Sexual Harassment Prevention • Internal System: Organization: Employee Welfare Committee, Remuneration Review Committee
Specific Action	<ul style="list-style-type: none"> ▪ Regularly hold Remuneration Review Committee, evaluate and advise on the remuneration of directors, supervisors, and managers related to company regulations objectively, and review employee treatment and benefits according to

	<p>the price index and the company's profitability every year.</p> <ul style="list-style-type: none"> ▪ Regularly hold Employee Welfare Committee to be responsible for promoting the employee welfare of Cathay Chemical. ▪ The company stipulates "Sexual Harassment Prevention Complaint and Punishment Measures", and has set up a complaint phone. ▪ In accordance with the Labor Standards Act and Act of Gender Equality, giving employees annual leave, allocated of pension and retirement system. ▪ Besides a two-month year-end bonus annually, a certain percentage is allocated as an employee bonus according to the surplus status. ▪ Three-holiday welfare payments and scholarships for children of employees are issued each year and adjust wages from time to time according to surplus and price conditions.
<p>Management and Performance Assessment</p>	<ul style="list-style-type: none"> ▪ By improving work efficiency and employee salary structure, the Company reduces the turnover of employees, then increases productivity. ▪ The Company's appointment of disadvantaged groups and persons with disabilities. ▪ In 2021, no incidents of discrimination, sexual harassment, violations of indigenous human rights, or social shocks have occurred. There are no incidents of forced or compulsory labor. ▪ In 2021, the company will not employ workers over the age of 15 but under the age of 16.

4.1 Cathay Chemical, Happy Enterprise

Knowing that one of the company's most important assets is its employees, Cathay Chemical attaches importance to human rights and equality. Never allow any violation of human rights or acts that demean dignity due to gender, race, nationality, age, zodiac sign, blood type, disability, religion, ethnicity, or any object protected by relevant laws, establishing a workplace environment that values human rights. Based on related laws and regulations, the Company set sexual harassment prevention, complaint, and disciplinary measures. If a complaint case is established, it will be investigated and dealt with in accordance with the law.



■ Employee Overview

Cathay Chemical completely follows the Labor Standards Act, based on human rights of equal employment opportunity for nationals. The company employs employees with professional ability and experience and committed to creating a fair employment environment. Until 2021, there are 86 staff in the company. Among them, there are 11 females and 75 males (including 11 foreign workers), and 6 of the executives are female, which accounts for 35.29% of the supervisors. The ratio of the company's employees to local formal employees is 87.21%, and for foreign workers is 12.79%, also 100% of the executives in the company are local formal employees.

Employee Structure Distribution							
Item		Male			Female		
Region	Contract Type	Full-Time Job			Full-Time Job		
Taiwan	Age	Below 30	30~50	Above 51	Below 30	30~50	Above 51
	Local Employees	9	35	20	1	4	6
	Formal Employees	4	7	0	0	0	0
	Total	13	42	20	1	4	6

Note:

1. All employees employed by the Company in 2021 are full-time employees, and no temporary or part-time workers are employed.
2. In 2021, there are 5 of non-employee workers in the factory, mainly responsible for cleaning (2 people) and security guard (3 people), the operating activities in the factory are still mainly based on the employees of the company.
3. The above information is the actual statistics, based on current employees as of December 31, 2021, none of the data is hypothetical.

Number of Employees and Ratio of Male to Female			
Gender	Male	Female	Total
Number of Employees	75	11	88
Percentage	87.2%	12.8%	100%

Note: The number of employees includes foreign employees

The Number and Ratio of Gender above the Executive Level			
Gender	Male	Female	Total
Number of Employees	11	6	17
Percentage	64.7%	35.3%	100%

Note: The executive of the company refers to the team leader, department head, supervisor, factory manager, section manager, manager, vice general manager etc.

■ **Appointment of Urban and Rural Minorities**

We give equal employment opportunities for disadvantaged and related groups. There are two employees with disabilities, accounting for 2.30% of all the employees, which is above the regulations.

Our factory is located in Fangliao Township Pingtung County and three villages nearby. Whenever there is a shortage of staffs in the factory, the factory will prioritize appointing a local resident to increase local employment opportunities. In 2021, two employees with disabilities and two aboriginals are on the job and competent in their position.

4.2 Talent Cultivation

■ **Personnel Recruitment**

The company follows “The Securities and Exchange Act” and “Stock listing or trading at the places of business of securities firms, setting Compensation committee and method of its exercise authority” setting Remuneration Review Committee, evaluating and advising on the remuneration of directors, supervisors and managers related to company regulations objectively. The company also refers to the treatment of the same industry, the demand of the labor market, and the company's actual production status sets a salary system to pay to employees, also reviews employees' treatment and benefits according to the price index and the company's profitability every year. The basic salary of employees doesn't vary due to different gender, blood type, zodiac sign, race, religion, political stance, marital status, and unions, and 1.04 times better than the statutory minimum wage (NT\$24000 in 2021). In 2021, the average salary for females is NT\$62,052, and NT\$44565 for males, the ratio of the average monthly salary of female to male is 1.4: 1.

	2019	2020	2021
Number of full-time employees who are not in supervisory positions (Number of staff)	83	80	75
Gross salary of full-time employees who are not in supervisory positions (NT\$ Thousand)	56,730	54,089	55,743

Mean of gross salary of full-time employees who are not in supervisory positions (NT\$ Thousand)	683	676	743
Median of gross salary of full-time employees who are not in supervisory positions (NT\$ Thousand)	625	595	706

Notes:

1. "Full-Time Job Employee" refers to those whose working hours reach the normal working hours or legal working hours stipulated by the company. If the normal working hours are not stipulated, those who work more than 35 hours per week on average are classified as full-time employees; otherwise, they are part-time employees (may be part-time, hourly wage employees, construction-education cooperative work-study students, etc.).
2. "Gross salary" refers to an employee's salary income attributable to the current year, adopting the concept of rights and liabilities of accrual basis of accounting, including regular earnings (base pay and monthly fixed allowances and bonuses), overtime and irregular earnings (bonuses which do not pay monthly, dividend). In addition, employees' remuneration (cash or stock) distributed according to the company's articles of association also should be added to the gross salary, and the rest of the evaluation amount which pays on a share basis (Ex: employee stock options, treasury stock sold to employees, etc.) will not be calculated into.
3. Employees "who are not in supervisory position": means General staff excluding managers, the application scope of the "managers" are as follows: (1) General Manager and other equivalent members; (2) Vice General Manager, Manager, and other equivalent members; (3) Assistant President and other equivalent members (4) Finance Department Supervisory (9) Accounting Department Supervisor; (6) Others who have the right to manage affairs and sign for the company.
4. The above table is calculated based on the salaries of the employees of the operating bases in 2021.

■ Talent Recruitment

To retain competitive talent, Cathay Chemical strives to build a friendly work environment, value work-life balance, provide staff training and development opportunities, etc. Leading employees to continuously improve themselves, and to achieve personal career development of employees. In 2021, there are 4

males and 1 female entrant to the Company, but also 6 of the males and 1 of the females where resign. The new entry and turnover rates were 5.8% and 8.12%, respectively.

Classify	Entry Rate				Turnover Rate			
	Male		Female		Male		Female	
Item/Age	Staff	Entry (%)	Staff	Entry (%)	Staff	Turnover (%)	Staff	Turnover (%)
Below 30	1	1.16%	1	1.16%	2	2.32%	1	1.16%
30~50	3	3.48%	0	0	2	2.32%	0	0
Above 51	0	0%	0	0	2	2.32%	0	0
Total	4.64%		1.16%		6.96%		1.16%	
Total %	5.8%				8.12%			

Note:

1. New employees are deducted from those who resign, and foreign employees are not included °
2. The age group of male(female) employee's entry(turnover) rate = The age group of male(female) employee's entry(turnover) rate in 2021 / The total number of male(female) employees in the end of the year 2021 (foreign employees are not included)
3. Total entry(turnover) employee hiring rate = Number of entry(turnover) employees in 2021 / Total number of employee operation points in the end of the year (foreign employees are not included)
4. In 2021, the number of resignations is all voluntary resignation employees.

■ Employee Education Training

Employees in the company all have unique professions. To enhance the perception of work safety among staff at all levels, in addition to internal training of professional technology, also irregularly dispatched to receive various statutory license training courses in accordance with regulations and operational requirements to ensure the safety of production and various operations.

In 2021, the Company conducts firefighting, reporting, and evacuation guidance every six months. The poison disaster response drill will also be conducted every six months (Formaldehyde Leakage Response). Carry out employee education and training on the opening day of each year, so that employees can establish a good awareness of workplace safety and environmental protection, and meet the company's policy "safety and environmental protection first, quality second, output third" create a disaster-free work environment.

Education Training Statistics of Pingnan Branch in the Past Three Years

Item	2019	2020	2021
Total Staff	74	76	73
Total Training cost(NT\$)	162,383	89,791	134,135
Training Fee per Capita	2,194	1,181	1,837
Total Training Hours (hr)	2,460	1,724	1,872
Training Hours per Capita (hr)	33.2	22.7	25.6

Education Training Statistics of Headquarters in the Past Three Years

Item	2019	2020	2021
Total Staff	12	12	14
Total Training cost(NT\$)	29,400	33,700	27,500
Training Fee per Capita	2,450	2,808	1,964
Total Training Hours (hr)	48	69	48
Training Hours per Capita (hr)	4	5.8	3.4

Education Training Hours and Staff Category of Headquarters and Pingnan Branch

Statistics Category	Male		Female		Training Hours (hr)	Training Hours per Capital (hr)
	Training Hours (hr)	Staff	Training Hours (hr)	Staff		
Managerial Level	0	15	24	4	24	1.26
Basic Level	1,872	59	24	9	1,896	27.88
Total	1,872	74	48	13	1,920	22.07

Note: The executive of the company refers to the team leader, department head, supervisor, factory manager, section manager, manager, vice president etc.

Occupational Safety and Health Lecture



■ Equal Management of Human Rights

The Company has set and stipulates the Gender Equality Act in article 53 of the company's work management rules. The Gender Equality Act prohibited gender discrimination, and severe punishment of sexual harassment, and "Regulations for Establishing Measures of Prevention, Correction, Complaint, and Punishment" was also announced and implementation in 2008. The Company focuses on gender equality, every new employee is required to attend a 4-hour newcomer training course, and one of the hours of pre-employment education is about the Gender Equality Act and Human Rights under the Labor Standards Act. In 2021, there are 5 new employees, and the training ratio is 100%, there will be no discrimination-related incidents in the company in 2021.

Working Rules

1.3

<p>國泰化工股份有限公司 工作場所性騷擾防治、申訴及處理辦法</p> <p>中華民國108年11月22日</p> <p>第1條 目的 為防治本公司工作場所性騷擾及申訴處理，特訂定本辦法。本辦法自公布之日施行。</p> <p>第2條 性騷擾 指下列行為： (一) 以性為條件，要求他人為或不為某種行為，或作出不利或不利益之決定。 (二) 以性為條件，要求他人為或不為某種行為，或作出不利或不利益之決定，且對他人造成性騷擾之影響。 (三) 以性為條件，要求他人為或不為某種行為，或作出不利或不利益之決定，且對他人造成性騷擾之影響，且對他人造成性騷擾之影響。</p> <p>第3條 申訴 指下列行為： (一) 向主管或監督人員、同事、親屬、朋友、鄰居、或社會大眾，揭露或洩漏性騷擾行為。 (二) 向主管或監督人員、同事、親屬、朋友、鄰居、或社會大眾，揭露或洩漏性騷擾行為，且對他人造成性騷擾之影響。 (三) 向主管或監督人員、同事、親屬、朋友、鄰居、或社會大眾，揭露或洩漏性騷擾行為，且對他人造成性騷擾之影響，且對他人造成性騷擾之影響。</p>	<p>國泰化工股份有限公司 工作場所性騷擾防治、申訴及處理辦法</p> <p>中華民國108年11月22日</p> <p>第4條 申訴程序 一、性騷擾行為發生後，受害人應儘速向主管或監督人員提出申訴。 二、主管或監督人員應於接獲申訴後，立即展開調查。 三、調查期間，應採取必要措施，防止騷擾行為再次發生。 四、調查結果，應作成調查報告，並通知申訴人及加害人。 五、加害人應受適當之處分。 六、申訴人應受必要之保護。 七、申訴人得請求損害賠償。 八、申訴人得請求精神慰撫金。 九、申訴人得請求其他合理之費用。 十、申訴人得請求其他合理之費用。</p> <p>第5條 申訴人保護 一、申訴人應受必要之保護。 二、申訴人得請求損害賠償。 三、申訴人得請求精神慰撫金。 四、申訴人得請求其他合理之費用。 五、申訴人得請求其他合理之費用。</p> <p>第6條 加害人處分 一、加害人應受適當之處分。 二、加害人應受適當之處分。 三、加害人應受適當之處分。 四、加害人應受適當之處分。 五、加害人應受適當之處分。 六、加害人應受適當之處分。 七、加害人應受適當之處分。 八、加害人應受適當之處分。 九、加害人應受適當之處分。 十、加害人應受適當之處分。</p>	<p>第7條 申訴人保護 一、申訴人應受必要之保護。 二、申訴人得請求損害賠償。 三、申訴人得請求精神慰撫金。 四、申訴人得請求其他合理之費用。 五、申訴人得請求其他合理之費用。</p> <p>第8條 加害人處分 一、加害人應受適當之處分。 二、加害人應受適當之處分。 三、加害人應受適當之處分。 四、加害人應受適當之處分。 五、加害人應受適當之處分。 六、加害人應受適當之處分。 七、加害人應受適當之處分。 八、加害人應受適當之處分。 九、加害人應受適當之處分。 十、加害人應受適當之處分。</p> <p>第9條 申訴人保護 一、申訴人應受必要之保護。 二、申訴人得請求損害賠償。 三、申訴人得請求精神慰撫金。 四、申訴人得請求其他合理之費用。 五、申訴人得請求其他合理之費用。</p> <p>第10條 加害人處分 一、加害人應受適當之處分。 二、加害人應受適當之處分。 三、加害人應受適當之處分。 四、加害人應受適當之處分。 五、加害人應受適當之處分。 六、加害人應受適當之處分。 七、加害人應受適當之處分。 八、加害人應受適當之處分。 九、加害人應受適當之處分。 十、加害人應受適當之處分。</p>
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■ Security Training

At present, the guard of the Pingnan Branch is stationed by Pioneer Security Company. In addition to the annual professional training of security in accordance with the Ministry of the Interior's "Security Personnel Training Program". There's also a 1~4 hours Gender Equality Law education, including sexual harassment prevention action, complaint, and punishment measures, which purpose is to prevent sexual harassment, gender discrimination, and human rights violations that occur by security personnel while performing their duties. For recruits, there is also a one-hour pre-employment education on sexual harassment prevention measures, complaints, and disciplinary measures.

110年度先鋒保全股份有限公司屏東辦事處 在職教育訓練課程表	
月份	課程
1	基1:保全業經營, 管理及未來展望 專14:服勤紀律及應對技巧
2	基2:保全業經營, 管理及未來展望 專33:服勤紀律及應對技巧
3	基3: 犯罪預防與民力運用 專20: 異常及特殊狀況處理
4	基4: 犯罪偵查 專6: 勤務交接及日誌紀錄
5	基5:保全業經營, 管理及未來展望 專11:服勤紀律及應對技巧
6	基6:保全業理論 專25:門禁管理 專49: 兩性平等及性騷擾防治措施
7	基7:救災防護訓練 專21:災害預防
8	基08:保全業法及其施行細則 專25:門禁管理
9	基9:保全業經營, 管理及未來展望 專36:服勤紀律及應對技巧
10	基10:保全執勤之原則與注意事項 專1:服勤紀律及應對技巧
11	基11:交通指揮, 疏導及交通事故協助處理 專19:服勤紀律及應對技巧 專11: 公司簡介及一般守則、服裝儀容
12	基12:保全業經營, 管理及未來展望 專52:服勤紀律及應對技巧 專49: 兩性平等及性騷擾防治措施

The Guard of Pingnan Branch 2021 Education Training



4.3 Employee Rights and Benefits

Employees of Cathay Chemical didn't initiate the formation of trade unions, but we uphold the belief in maintaining the Company's important assets. In addition, the Company provides a sound personnel system, also perseveres giving employees diversified, comprehensive benefits and leisure and relaxation facilities, allowing employees to relax moderately after work, soothing their bodies and minds. Also, increasing the frequency of interaction and friendship among colleagues through various activities, and creating a delightful and harmonious workplace. Therefore, establish an Employee Welfare Committee to be responsible for promoting employee benefits at Cathay Chemical. There are 6 members in the committee, and re-election is held every four years, also meetings of the Welfare Committee are held regularly.

■ Employee Welfare Measures

Knowing that one of the company's most important assets is its employees, therefore, the company attaches great importance to employee benefits. In addition to monthly salary, the Company regularly issues a two-month year-end bonus annually, also a certain percentage is allocated as an employee bonus according to the surplus status. Three-holiday welfare payments and scholarships for children of employees are issued each year and adjust wages from time to time according to surplus and price conditions. Furthermore, three-holiday welfare payments and scholarships for the children of employees are issued each year, and adjust wages from time to time according to surplus and price conditions. In accordance with the Labor Standards Act and Act of Gender Equality, giving employees annual leave, allocated pension, and retirement system.

1. As of the end of 2021, there will be a regularly two-month year-end bonus annually
2. Irregular salary adjustment (No salary adjustment in 2021)
3. Allocated holiday welfare payments for the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival every year
4. Employees are required to participate in national health insurance according to regulations
5. Comply with the annual leave system stipulated by the Labor Standards Law:
 - a. More than six months but less than one year, 3days
 - b. More than one year but less than two years,
 - c. More than two years but less than three years,
 - d. More than three years but less than five years,
 - e. More than five years but less than ten years,
 - f. More than ten years, 1day added each year, until 30 days
6. Scholarships for children of employees are issued each semester
7. Consolation payment for employees injured and hospitalized, wedding cash gift, and mourning rituals for or the death of a direct relative
8. Employee education grants, birthday cash gift
9. Allocated a certain percentage as an employee bonus according to the surplus status annually.
10. A pension system of 6% is provided monthly for employees according to Labor Standards Act and Labor Pension Act.

■ **Parental Leave Allowance**

No male or female employees in the Company are eligible for parental leave until December 31, 2021. Therefore, the number of applicants is 0.

■ **Complete Retirement System**

In order to protect the retirement life of employees and activate the organization by promoting the metabolism of personnel, the Company stipulates employee welfare measures with a better standard than Labor Standards Laws.

If an employee has any of the following situations, he/she must retire:

1. Working for more than 10 years and have reached 60 years old.
2. Working more than 15 years and have reached 55 years old.
3. Working more than 25 years

The Company stipulates employee welfare measures according to the Labor Standards Act and allocates the retirement reserves in Pension special account

in a Taiwan bank or a Pension account in the Bureau of Labor Insurance according to the old/new system of labor retirement. The Company also set up the “Committee of Business Entities’ Labor Retirement Reserve” to protect the rights and interests of employees.

■ **Minimum Announcement Period for Operational Changes**

The company is based on the provisions of the notice of the period for termination of labor contracts in accordance with Article 16 of the Labor Standards Act:

1. Working more than 3 months and less than 1 year shall be notified 10 days ago.
2. Working more than 1 year and less than 3 years shall be notified 20 days ago.
3. Working more than 3 months shall be notified 10 days ago.

4.4 Employee Health Care and Concern

Under the provisions of Article 12-2 of the Occupational Safety and Health Management Measures, the following business units, the employer should be in the light of the national standard or higher standard CNS 45001, establish an occupational safety and health management system suitable for the business unit, and execute accordingly.

1. The number of workers in the first category of enterprises is above 200.
2. The number of workers in the second category of enterprises is above 500.
3. Work in the petrochemical industry and engaged in oil cracking.
4. Engage in the manufacture, disposal, or use of hazardous chemicals, and the number of chemicals has reached or is above the prescribed amount by the central competent authority.

Implementation of the antecedent safety and health management should be recorded and preserved for 3 years. Because the number of employees in the Company didn’t reach 200, therefore, the occupational safety management system hasn’t been established. But the Company has to match the provisions of Article 23-2 of the Occupational Safety and Health Act, workplaces regulated by Article 15-1 of the Occupational Safety Act, must establish an occupational safety and health management plan according to regulations.

The Company's hazard identification, risk assessment, and other processing procedures had stipulated occupational safety and health management plans. In the investigation of the accident in the work-related injuries case, the work-related injury report form will be filled out by the section supervisor, investigate the

circumstances of the injury and the accident process, and then discuss the improvement and prevention methods with the Environmental Safety Section.

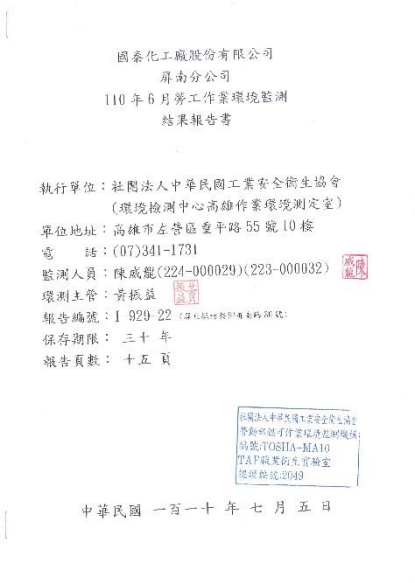
Occupational Health and Safety - Management Policy

(GRI 403 Occupational Health and Safety)

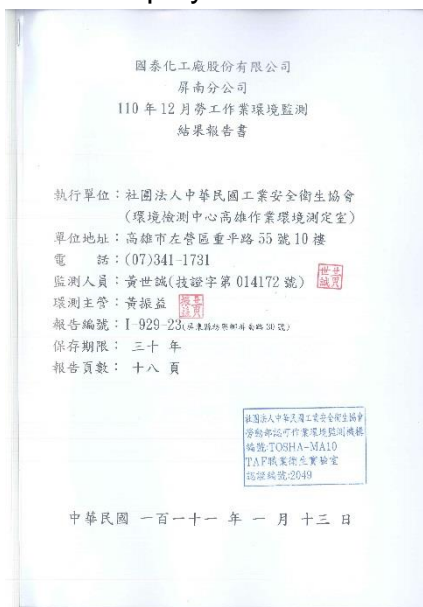
Significance	Knowing that one of the Company's most important assets is its employees. Therefore, Cathay Chemical value the health of employees, and self-promoting health checks and care to ensure the health of employees. Also expected that the employees can reduce the occurrence of occupational accidents through internal and external training courses, let the employees enjoy working and growing steadily with the Company in the big family of Cathay Chemical.
Boundaries and Disclosure Restrictions	Impact Scope: Cathay Chemical , Supplier, Contractor Disclosure Restrictions: The annual report will disclose the relevant content of education and training of the head office and Pingnan branch.
Management Purpose and Objectives	Effectively manage a zero-hazard working environment.
Policy	<p>Safety and Health Policy</p> <ul style="list-style-type: none"> ▪ Safety Discipline - Comply with Safety and Health Regulations also Company Regulation ▪ Industrial Safety Training - Continuous training propaganda and communication, deeply rooted in safety awareness ▪ Industrial Safety Culture - Promoting correct safety behaviors and attitudes to form safety habits ▪ Continuous Improvement - Continuously improve safety and health, and move towards sustainable development
Responsibilities and Resources	<ul style="list-style-type: none"> ▪ The environmental management representative of the company is responsible for and implements the environmental safety section of the Pingnan branch ▪ he total cost of a health examination is about NT\$173,000 in 2021 ▪ The total cost in invest in operating environment monitoring is about NT\$55000
Management Measures	<ul style="list-style-type: none"> • External institution : Occupational Safety and Health Act • Internal institution : <ol style="list-style-type: none"> 1. Work Management Rules 2.ISO 9001 Quality Management System 3.QC 080000 Hazardous Substance Management System
Specific Action	<ul style="list-style-type: none"> ▪ Entrust the aggregate corporation – ISHA executes factory environment monitoring each year. In 2021, the monitoring operations were completed in June and December, the monitoring results show that the allowable concentration standard is not exceeded ▪ Enhance environmental safety knowledge through staff training ▪ Provide annual employee health checks. 81 of the employees participated in the employee health check in 2021 ▪ Regularly organize training for all employees to participate in environmental safety and fire emergency response courses, expect to create a zero-hazard working environment ▪ Irregularly through expatriation to receive various statutory license training courses according to regulations and operational requirements, to ensure the safety of production and various operations
Management and	<ul style="list-style-type: none"> ▪ None of the employees in Head Office or Pingnan Branch will suffer from occupational disease in the Company in 2021.

■ Working Environment Monitoring

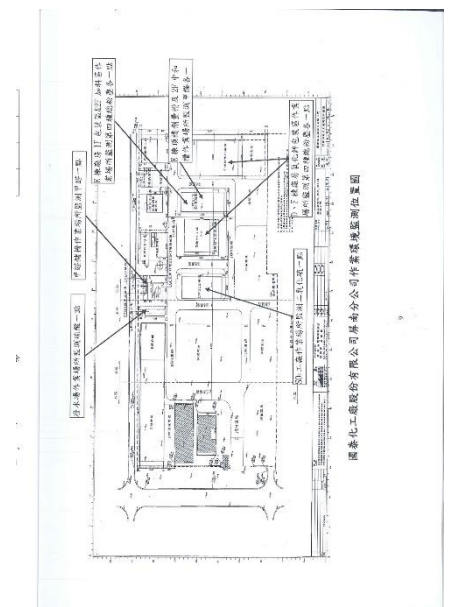
The factory had entrusted the aggregate corporation – ISHA to execute factory environment monitoring in May and November 2021. The purpose is to evaluate the exposure status of the labor working environment during the production operation of each hop and storage tank area. According to the allowable exposure standards of labor workplaces, in the engineering control system, the on-site operators are given personal protective equipment, and also provide a working area that reassures employees, to fulfill the company's responsibility of taking care of employees' health.



Laboratory Methods in Workplace Monitoring Report June, 2021



Laboratory Methods in Workplace Monitoring Report December, 2021



Working Environment Monitoring Location Map

社團法人中華民國工業安全衛生協會
職業衛生實驗室監測結果報告表

委託編號: 11021-23
委託單位: 社團法人中華民國工業安全衛生協會
委託地點: 社團法人中華民國工業安全衛生協會
委託日期: 110213
委託時間: 110213
委託地點: 社團法人中華民國工業安全衛生協會
委託人員: 蔡明誠
委託日期: 110213
委託時間: 110213
委託地點: 社團法人中華民國工業安全衛生協會
委託人員: 蔡明誠

檢測方法: 0.0013mg/Sample
0.0013mg/Sample

監測項目	監測標準	監測結果	標準值	標準單位	標準值	標準單位
矽塵(總塵)	0.10 mg/m ³	0.0013	0.10	mg/m ³	0.0013	mg/m ³
鉛塵(總塵)	0.05 mg/m ³	0.0013	0.05	mg/m ³	0.0013	mg/m ³
錫塵(總塵)	0.05 mg/m ³	0.0013	0.05	mg/m ³	0.0013	mg/m ³
錳塵(總塵)	0.05 mg/m ³	0.0013	0.05	mg/m ³	0.0013	mg/m ³
鎳塵(總塵)	0.05 mg/m ³	0.0013	0.05	mg/m ³	0.0013	mg/m ³
鉻塵(總塵)	0.05 mg/m ³	0.0013	0.05	mg/m ³	0.0013	mg/m ³
銅塵(總塵)	0.05 mg/m ³	0.0013	0.05	mg/m ³	0.0013	mg/m ³
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鋁塵(總塵)	0.05 mg/m ³	0.0013	0.05	mg/m ³	0.0013	mg/m ³
鐵塵(總塵)	0.05 mg/m ³	0.0013	0.05	mg/m ³	0.0013	mg/m ³

備註: (1) 本報告係由本會委託外部實驗室進行檢測。
(2) 本報告之數據僅供參考之用。
(3) 本報告之數據僅供參考之用。
(4) 本報告之數據僅供參考之用。
(5) 本報告之數據僅供參考之用。
(6) 本報告之數據僅供參考之用。

社團法人中華民國工業安全衛生協會
化學性採樣分析監測結果

委託編號: 11021-23
委託單位: 社團法人中華民國工業安全衛生協會
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委託人員: 蔡明誠

檢測方法: 0.00034mg/Sample
0.00034mg/Sample

監測項目	監測標準	監測結果	標準值	標準單位	標準值	標準單位
鉛	0.05 mg/m ³	0.00034	0.05	mg/m ³	0.00034	mg/m ³
錫	0.05 mg/m ³	0.00034	0.05	mg/m ³	0.00034	mg/m ³
錳	0.05 mg/m ³	0.00034	0.05	mg/m ³	0.00034	mg/m ³
鎳	0.05 mg/m ³	0.00034	0.05	mg/m ³	0.00034	mg/m ³
鉻	0.05 mg/m ³	0.00034	0.05	mg/m ³	0.00034	mg/m ³
銅	0.05 mg/m ³	0.00034	0.05	mg/m ³	0.00034	mg/m ³
鋁	0.05 mg/m ³	0.00034	0.05	mg/m ³	0.00034	mg/m ³
鐵	0.05 mg/m ³	0.00034	0.05	mg/m ³	0.00034	mg/m ³

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社團法人中華民國工業安全衛生協會
職業衛生實驗室監測結果報告表

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鉻塵(總塵)	0.05 mg/m ³	0.0013	0.05	mg/m ³	0.0013	mg/m ³
銅塵(總塵)	0.05 mg/m ³	0.0013	0.05	mg/m ³	0.0013	mg/m ³
鋁塵(總塵)	0.05 mg/m ³	0.0013	0.05	mg/m ³	0.0013	mg/m ³
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(6) 本報告之數據僅供參考之用。

Occupational Health Laboratory Monitoring Result Report Form

Employee Care

Cathay Chemical isn't regulated by the labor safety and health organization management, thus there is no need to set up a labor health and safety committee. But, because the Company cherishes the health of its employees, the Company voluntarily promotes the health check and care of its employees.

Based on the concept of taking care of employee's health, the implementation of health check items is better than the general health check. For example, our company has specially added Arteriosclerosis Examination Instruction, Electrocardiogram Examination, Ultrasound Examination, Pulmonary Function Examination, etc. The purpose is to protect employees and let employees know their physical status at any time. The company can also make management-appropriate assignments or adjustments at work according to the health of employees.

The company provides employee health checks every year, and the employees of the Pingnan branch entrust the Catholic Shenggong Hospital to conduct the health examination of the whole factory employees. In 2021, 67 employees in the Pingnan branch participated in the employee health check, including general and special health

checks. Also in 2021, 14 employees in the Taipei Company participated in the employee health check, neither the Pingnan branch nor the Taipei Company will have any employees suffering from occupational diseases. Special health inspection objects are those that are engaged in dust work, formaldehyde work, etc. After examination and judgment by a physician, if a case is found that needs to be tracked and managed, develop a protection plan to carefully track and provide employees with adequate medical information. In 2021 continuous carried out an “Ergonomic Hazard,” “Abnormal Workload-triggered Disorders,” and “Body and Mental Health Unlawful Infringement Prevention” etc. plan.

Pingnan Branch’s Employee Health Check

	2019	2020	2021
Number of Employee Health Checks	64	63	67
Costs of Employee Health Checks	132,950	130,800	124,000

Taipei Company’s Employee Health Check

	2019	2020	2021
Number of Employee Health Checks	12	11	14
Costs of Employee Health Checks	42,000	42,000	49,000

Number of Employee and Health Check Item

Health Check Item	2019	2020	2021
Special Health Check (Dust Work)	30	29	29
Special Health Check (Formaldehyde Work)	8	3	11
Special Health Check (Noise Work)	0	0	40
General Health Check (Including Taipei Company)	76	74	81

Employee Health Check



Occupational Safety Performance

Pingnan Branch has no major occupational accidents or work-related death cases in 2021. The company will continue to imply safety operations in the factory area and also enhance patrols in hazardous areas. Propaganda safety publicity to the employees to prevent occupational accidents happened.

Item		2021
Total Working Hours	Female Total Working Hours	32,552
	Male Total Working Hours	182,288
	Total Working Hours	214,840
Total Working Days	Female Total Working Days	4,069
	Male Total Working Days	22,786
	Total Working Days	26,855
Lost Day Rate (LDR)	Female LDR	0
	Male LDR	2.19

	Total LDR	1.86
Absence Rate (AR)%	Female AR	0
	Male AR	0.57
	Total AR	0.48
Occupational Disease Rate(ODR)%	Female ODR	0
	Male ODR	0
Occupational Injury Fatality Rate %	Female Occupational Injury Fatality Rate	0
	Male Occupational Injury Fatality Rate	0
	Total Occupational Injury Fatality Rate	0
Serious Occupational Injury Rate % (Excluding Fatalities)	Female Serious Occupational Injury Rate	0
	Male Serious Occupational Injury Rate	0
	Total Serious Occupational Injury Rate	0
Recordable Occupational Injury Rate % (Including Fatalities and Serious Occupational Injuries)	Recordable Female Occupational Injury Rate	0
	Recordable Male Occupational Injury Rate	0
	Total Recordable Occupational Injury Rate	0

Notes :

1. The data in this table is the occupational safety statistics of the Pingnan Branch, occupational injury in 2021 all belongs to male employees.
2. 7 non-employee workers in 2021, 6 males and a female, aged about 50-60 years old, with total working hours for the year 19,240 hours, total working days of 2,365, and no occupational accident happened.
3. Lost Day Rate = (Total lost work days / Total work days) * 1,000,000.
4. Absence Rate = (Absence days / Total number of working days of all employees in the year) * 100%, including public injury leave, sick leave, personal leave, and absenteeism.
5. Occupational Injury Fatality Rate = Fatalities due to Occupational Injuries / Working hours * 1,000,000.
6. Serious Occupational Injury Rate = Serious Occupational Injuries (excluding Fatalities) / Working hours * 1,000,000. Serious occupational injury means that an injury results in disability due to occupational injury or inability to return to pre-injury health within six months .
7. Recordable Occupational Injury Rate = Recordable Occupational Injury / Working hours * 1,000,000.

4.5 Feedback, Contribute, and Share about Love

■ Contribute to the Society

Folklore Temple Fair is a Taiwanese custom with deep local characteristics, which is derived from people's living habits, emotions, and beliefs passed down from generation to generation through the influence of regional or environmental changes. From north to south, temple fairs all over Taiwan continue all year round, playing an important role in the inheritance of historical culture and people's spiritual life. What is worth talking about is that these diverse temple fairs not only have the functions of knowledge, art, and entertainment, but also have the characteristics of educating the public, increasing cohesion, and protecting the hometown. It also promotes the vigorous development of Folklore Temple Fairs towards folk drama and traditional art performances. Thus, Temple Fair culture seems to be the epitome of Taiwanese folk culture, can clearly see the diversity of beliefs, arts,

and humanities of the Taiwanese people in the fair, and also truly convey the values of Taiwanese folk beliefs. Cathay Chemical is located in Fangliao Township, Pingtung, and gives gifts or financial support when receiving invitations from the village during festivals and temple fairs. Besides, the Company continues to subsidize Fangliao High School with a scholarship of NT\$10,000, encourage the student to study hard, and also donate NT\$6,000 to the local patrol team each year.

■ Love Alliance

Since 2016, Cathay Chemical has joined the Taiwandomi Hope Alliance, with the concept of Taiwan's beauty, through the direct purchase of safe and secure Taiwanese local agricultural products. Not only reduce the intermediate costs and improve the quality of life of farmers but also help the disadvantaged in society through consumption accumulation. Let those who need help get help, and benefit employees from the reassuring products we buy.



All of the accumulated donations from loving group buying initiated by the Welfare Committee of the Company will donate to disadvantaged groups with Taiwandomi's help. Because knowing that the Tainan Baby Home mainly

arranges for 0-2-year-old infants and young children who need to be raised all over Taiwan, also most of the original families are socially disadvantaged groups from Taiwandomi's sharing stories. Thus, through its help, the Company continually donates the accumulated consumption to Tainan Baby Home which was established by Good Shepherd Social Welfare Foundation. Hoping our little power can become a little nourishment for children to grow up, let them have a warm home and opportunity to grow up healthily.

Accumulated Consumption Amount from Taiwandomi Hope Alliance

Year	Amount of Consumption
2016	NT\$ 51,786
2017	NT\$ 26,900
2018	NT\$ 16,500
2019	NT\$ 12,960
2020	NT\$ 11,880
Accumulated Consumption Amount	NT\$ 120,026



▲ 2016

▲ 2017

Kindness don't lag behind ~ Corporate Donations - Shepherd Infant Project

Replenish Emphasis of Chemical - Safety Management and Emergency Response Measures

Local Community - Management Policy

(GRI 413 Local Community · GRI 404 Training and Education)

Significance	<p>The security problem of the chemical industry is one of the issues that the public is most concerned about. If a factory, unfortunately, occurs an industrial safety accident, the impact will be huge. Not only employee casualties but also will lead the factory to shut down and be unable to produce. The incidents might cause the neighboring residents to panic to protest and besiege the factory. It will become a great loss to the factory operation. Cathay Chemical cares factory safety regularly arranges for all employees to participate in the environmental safety and fire emergency response training courses every year, allowing the employees to establish a good awareness of workplace safety and environmental protection. At the same time, focus on the needs of employees' personal career development and carry out various education and training, expecting the employees grow up together with the Company.</p>
Boundaries and Disclosure Restrictions	<p>Impact Scope: Cathay Chemical , Supplier, Contractor</p> <p>Disclosure Restrictions: The annual report will disclose the relevant content of Local community, environmental safety, fire drills and education training of Pingnan branch</p>
Management Purpose and Objectives	<ul style="list-style-type: none"> ▪ Uphold the guiding principle of “safety and environmental protection first, quality second, and output third” as spirit, create a disaster-free work environment let both employees and neighboring residents be at ease. ▪ To improve the perception of work safety among all levels of employees, and ensure the safety of production and various operations.
Responsibilities and Resources	<p>The Company has set “Emergency Response Command System” , which appoints the factory manager of the Pingnan branch factory and serves as the chief commander and spokesman ; The vice factory manager serves as on-scene commander. Through mission marshaling and external support units, to be responsible for an emergency response to accidents.</p> <ul style="list-style-type: none"> ▪ In 2021, total education training cost NT\$161,635 ▪ In 2021, total training hours were 1,920 (staff-hour)
Management Measures	<p>•External institution:</p> <ol style="list-style-type: none"> 1. Labor Safety and Health Act; Occupational Safety and Health Act 2. Technical Directions of Emergency Procedure 3. Toxic and Concerned Chemical Substances Control Act 4. Fire Services Act

	<p>•Internal institution:</p> <ol style="list-style-type: none"> 1. Employee Safety and Health Management Annual Plan 2. Plan of Emergency Procedure 3. Material and the product delivery has followed the “Import/Export management procedure” of ISO 9001 Management System 4. Stipulate the Directions of “Carry, package and filling management procedure” and “Precautions of tank car unloading operations”
<p>Recourse Mechanism</p>	<p>The Company's emergency response notification system is as follows:</p> <ul style="list-style-type: none"> ▪ The Southern Center for Emergency Response of Toxic Substance: 0800-660-001 ▪ Center for Environmental Complaints: 0800-066-666(24hr) ▪ Pingtung County Environmental Protection Bureau: 08-7351928(24hr) ▪ Fangliao Hospital: 0800-8789991 ▪ Fangliao Fire Agency: 08-8782304 ▪ Fooyin Hospital: 08-8233146 ▪ Ministry of Health and Welfare Pingtung Hospital: 08-7363011 ▪ Support Company - ETERNAL MATERIALS CO., LTD. PING-NAN BRANCH: 08-8669009
<p>Specific Action</p>	<ul style="list-style-type: none"> • Hold Occupational Safety and Health Lecture on Feb. 17, 2021, including emergency crisis response, chemical factory security risk management and crisis response, chemical storage and crisis response, employees' safety and disaster prevention course, etc. • Hold “Emergency response training of Formaldehyde pipeline leaking” on Feb. 17, 2021 • Hold “Unexpectedly drill of Toxic Chemicals Emergency Response ”on Mar. 5, 2021 • Hold two fire drills in the first and second half of the year
<p>Management and Performance Assessment</p>	<ul style="list-style-type: none"> ▪ The Company holds fire drills three times a year according to “The toxic and Concerned Chemical Substances Control Act.” ▪ There are no related accidents inside or outside the factory and during transportation also a negative impact on the environment in 2021

Safety Management --- In-Plan Management



The Safety of Cathay Chemical is based on the spirit of management and following Occupational Safety and Health Act and ISO 9001 system to formulate the in-plant industrial safety management procedures and employee workplace health and safety rules. The main purpose is to ensure that employees work in a safe environment and achieve the goal of zero disasters.

If the factory, unfortunately, has an accident, it will cause a huge impact. Not only member casualties, but it will also lead to the shutdown of the factory. The incidents might cause the neighboring residents to panic to protest and besiege the factory. Thus, for the above reasons, the company expressly declares that upholding the spirit of “safety and environmental protection first, quality second, output third” as guidelines create a disaster-free work environment, which reassures employees and neighboring residents

To increase workers' safety awareness, the company held an occupational safety and health Lecture in Feb 2021. Including disaster prevention and response plan, electricity security, labor safety occupational disaster prevention.

According to the annual plans of Occupational Safety and Health Management, the company strengthens equipment inspection and maintenance. Observes the working environment of the factory or the situation of employees. We expect to identify unsafe behaviors and conditions. And then improve it to create a good working environment and let employees work with peace of mind.

Occupational Safety and Health Lecture



Management of Tank car

The factory is located in the Pingnan Industrial Zone, where is affiliated with the Industrial Bureau of the Ministry of Economic Affairs. Based on Zone defense and the concept of helping each other, each manufacturer has set a working platform for accident reporting. The purpose is to help manufacturers in the industrial zone to rescue each other and support disaster relief and disaster prevention work, to minimize accident hazards.

The material and product delivery has followed the “Import/Export management procedure” of the ISO 9001 Management System. While the material or product tank car enters the factory for transportation and loading/unloading operations, it must follow the factory operating procedures “Carry, package and filing management procedure” and the regulation of “Precautions of tank car unloading operations”. The purpose is to ensure safety during loading and unloading operations.

Precautions of Tank car Unloading Operations	
1	While vehicles and drivers enter and leave the factory, they should accept the safety management of the factory to ensure the safety of the factory, vehicles, and drivers.
2	When unloading, the name and quantity of the contents of the storage tank should be confirmed in detail, whether it matches the name of the unloaded product.
3	At least set up two roundabouts (non-slip board, wheel stop, scotch block, non-slip wooden wedge or wedge block) to prevent accidents caused by vehicle movement.
4	While opening various valves, shall operate slowly and inspect if there is any leaking, to close the valves immediately when leakage happens.
5	While unloading, the vehicle should be parked, braked, and turned off. Also, the person shall not remain in the cab.
6	While unloading and inspecting various valves, operators (drivers) should wear personal protective equipment such as gloves, goggles, and protective clothing.

7	In case the line ruptures or leaks while unloading, operators (drivers) should close the discharge pump and emergency intercepting valve of a tank car. Then report to managers.
8	Operators should be present to monitor and guard while unloading operations and not leave the job site to handle abnormal matters at any time.

All vehicles entering the factory must be inspected by the competent authority before it is released. Drivers must have full emergency response capabilities, follow relevant laws and regulations, and also comply with road traffic safety rules while driving. The tank car of the Company's material supplier and customer which is being used to transport the finished product, are all managed by themselves and must comply with relevant laws and regulations. To strengthen the management of the vehicles entering the factory, not only follow the operating regulations but also inspect the hardware on vehicles. For example, banning the use of recycled tires in tankers, and vehicles must be equipped with dash cams, etc., to ensure driving safety, and avoid traffic accidents in transportation, resulting in an impact on the environment and affecting the company's reputation. In 2021, there are no transportation-related incidents in transportation, and also no negative impact on the environment.

Tank car Unloading Operations

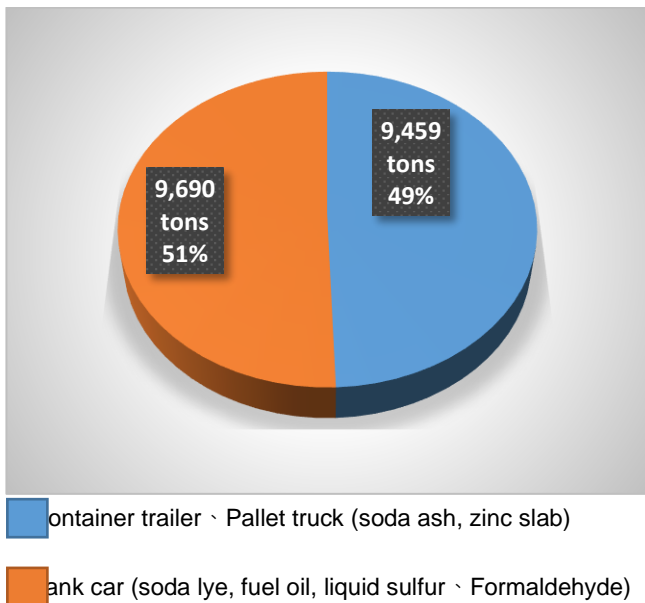


Precautions of tank car unloading operations

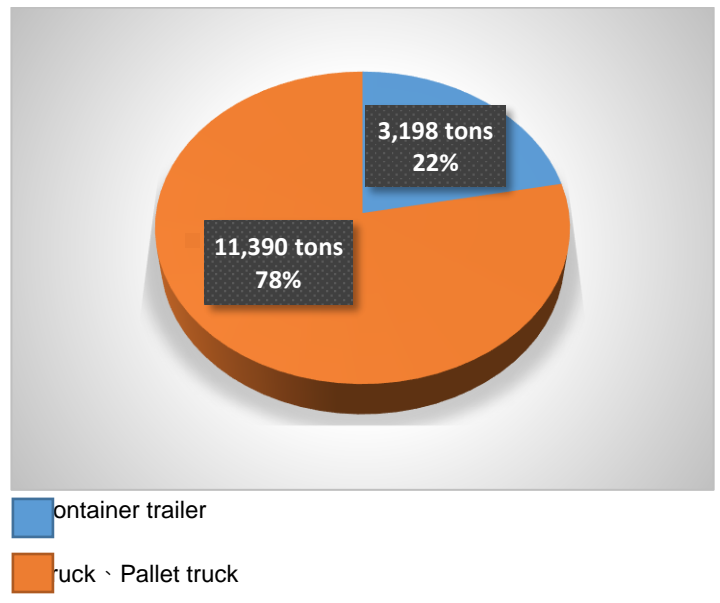


For material suppliers and customers, the qualification requirements of tank cars which are used to transport finished products and the driver, are all managed by themselves and must comply with relevant laws and regulations. On the part of suppliers and customers for transportation company management, there are internal evaluation and audit systems and operating regulations that must follow. The distribution of raw materials and vehicles for products in 2021 is as follows:

Material Transportation Method in 2021



Product4 Transportation Method in 2021



Emergency Response Measures

External Management:

The factory is located in Pingnan Industrial Zone, the center of the Industrial Zone Management irregular holds regional joint defense seminars and joint exercises every year, to strengthen the disaster prevention and response capabilities of manufacturers in the industrial zone. Once an emergency happens in the industrial area, can quickly report the firefighters by activating the joint defense mechanism before they arrive, and also assist in accident factories and disaster relief. Let the disaster quickly be controlled so as not to affect nearby factories and residents. On Aug. 19, 2021, Pingtung County Government Environmental Protection Bureau held the “2021 Pingtung County Toxic Chemical Substances Regional Joint Prevention Organization Training Meeting “in Pingtung Agricultural Biotechnology for Park Council of Agricultural Executive Yuan. The training situation is as follows:

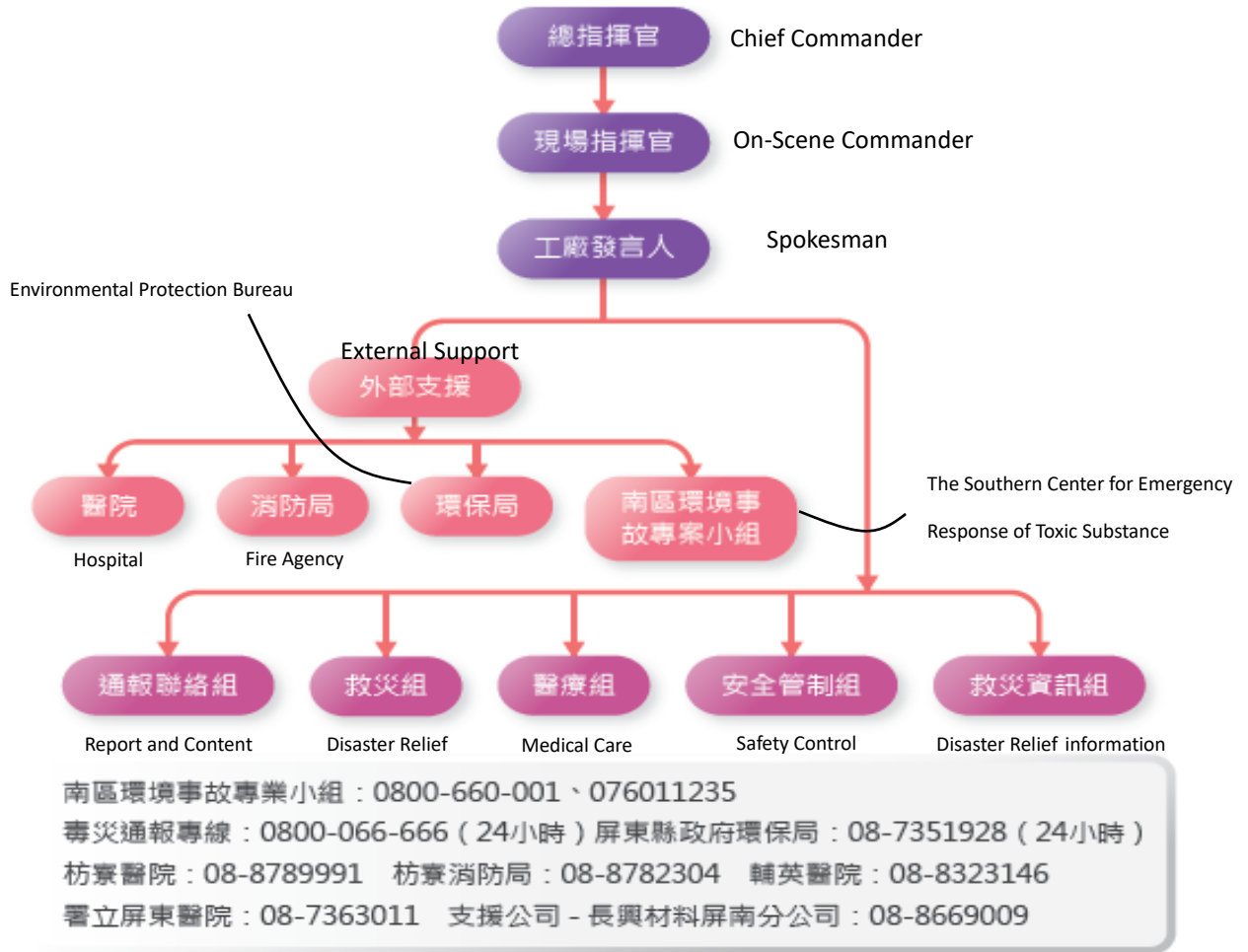
Mutual Aid Unannounced Tests Drill



Internal Management:

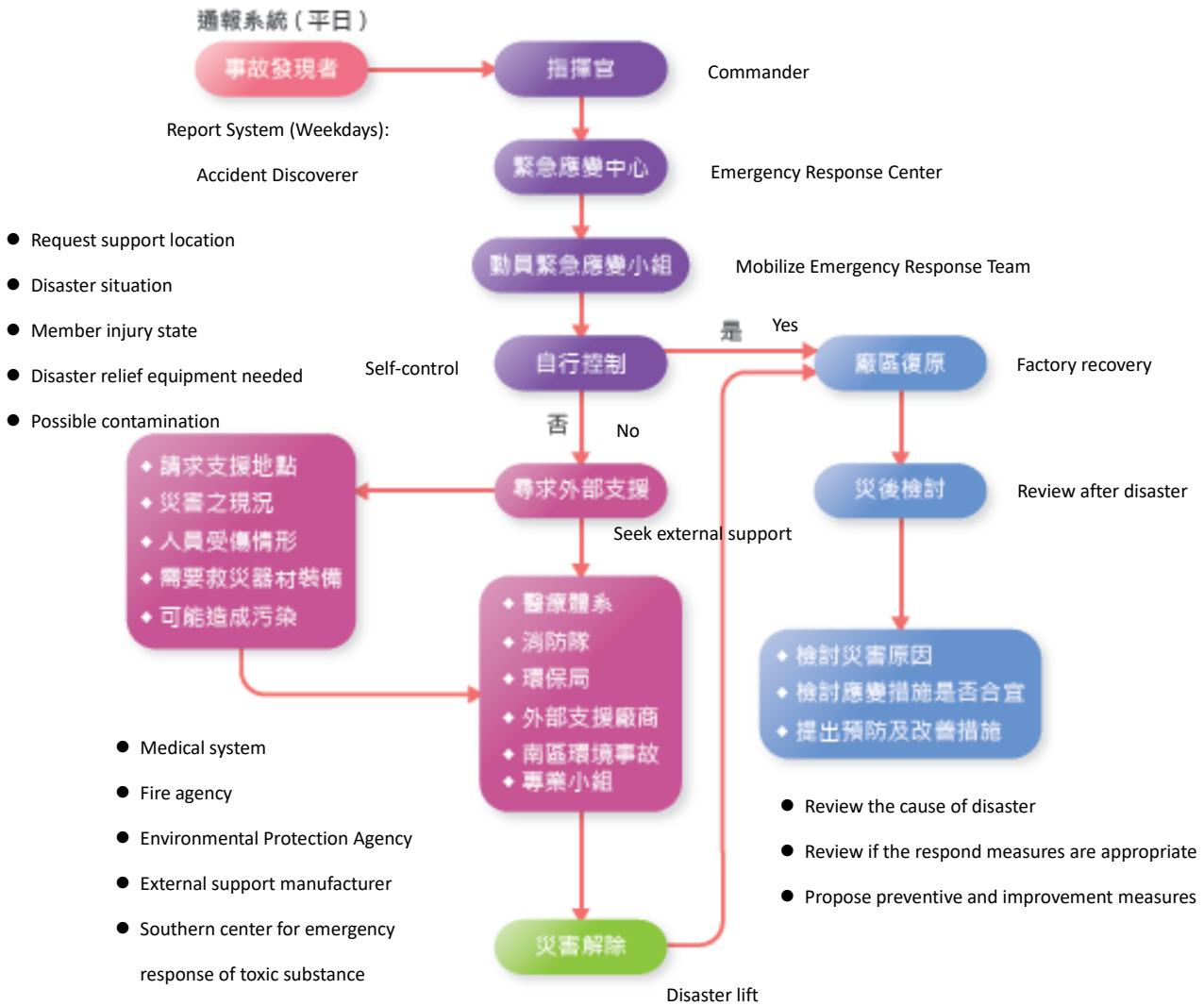
The Company has set an “Emergency Procedure”, the main purpose is to enhance the factory staff’s ability to respond to emergencies and determine the correct processing procedure. Each year has held two fire drills in the first half year (after the Spring Festival) and the second half year (around October), also using the annual survey period after the Spring Festival to hold fire training and emergency response training. Trainer and teaching aids are all guides and support from the Pingtung County Fire Department, at the same time letting employees be proficient in the use of safety protection equipment. Ensure the safety of personnel and the normal operation of the factory, expecting to minimize the loss of disasters caused by accidents.

Incident Command System



The Southern Center for Emergency Response of Toxic Substance: 0800-660-001
 Center for Environmental Complaints: 0800-066-666(24hr)
 Pingtung County Environmental Protection Bureau: 08-7351928(24hr)
 Fangliao Hospital: 0800-8789991
 Fangliao Fire Agency: 08-8782304
 Fooyin Hospital: 08-8233146
 Ministry of Health and Welfare Pingtung Hospital: 08-7363011
 Support Company - ETERNAL MATERIALS CO., LTD. PING-NAN BRANCH: 08-8669009

Incident Report System



南區環境事故專業小組：0800-660-001、076011235

毒災通報專線：0800-066-666 (24小時) 屏東縣政府環保局：08-7351928 (24小時)

枋寮醫院：08-8789991 枋寮消防局：08-8782304 麟英醫院：08-8323146

署立屏東醫院：08-7363011 支援公司 - 長興材料屏南分公司：08-8669009

Southern Center for Emergency Response of Toxic Substance

The Southern Center for Emergency Response of Toxic Substance: 0800-660-001

Center for Environmental Complaints: 0800-066-666(24hr)

Pingtung County Environmental Protection Bureau: 08-7351928(24hr)

Fangliao Hospital: 0800-8789991

Fangliao Fire Agency: 08-8782304

Fooyin Hospital: 08-8233146

Ministry of Health and Welfare Pingtung Hospital: 08-7363011

Support Company - ETERNAL MATERIALS CO., LTD. PING-NAN BRANCH: 08-8669009

The Company regularly holds 4 hours Occupational Safety and Health Lecture in the morning during the survey period after the Spring Festival, and 4 hours fire emergency response training in the afternoon. Let employees improve their ability to respond to disasters, to ensure the safety and reliability of factory operations. Training programs for safety maintenance including:

1. Fire-fighting and Self-Defense Trainer: The trainees are aimed at employees of various units, and the training focuses on fire prevention theory, fire-fighting marshalling, and fire and explosion prevention, emergency measures dealing with spills of specific chemical substances, emergency treatment for poisoning and emergency response training. The courses are arranged by each work unit, supported by the Environmental Safety Division
2. New employee Training: New employees will be arranged to receive general safety and hygiene training and emergency protection training within one week of their arrival. The training will be arranged by each work unit, and supported by the Environmental Safety Division
3. Emergency Procedure Training: Holds an annual repair period after the Spring Festival at the beginning of each year. During Fire-fighting and Self-Defense Training, arrange emergency procedure drills to allow employees in the factory to actually operate various fire-fighting equipment, and strengthen employee education and training for deficiencies.
4. Expatriate training: Selected special needed relevant personnel to participate in expatriate training or hops.

Plant	Drill Time	Drill Item of Emergency	Assumed Item/Content of Drill
Pingnan Branch Factory	2021/02/17	Unexpectedly Drill of Formaldehyde Emergency Response Training	<p>After hazard analysis, the drill area is the storage tank area of formaldehyde toxic chemicals. Due to the damage of the flange gasket of the formaldehyde transmission pipeline, a small amount of toxic chemical substances leaked at the joints of the pipeline. The drill focus on:</p> <ul style="list-style-type: none"> ■ In-plant emergency notification and guided evacuation ■ Block up the on-site area where toxic formaldehyde chemical substances leaking. Avoid it spreading to the near factory area and prevent the spread of strain ■ Emergency evacuation of personnel and vehicles ■ Carry out decontamination operations after the disaster to prevent the spillage of pollutants

Emergency Drill



Appendix 1 : GRI Index Table

GRI Standards	Serial Number	GRI Standards Content Disclosures	External Assurance	Corresponding Chapter	Page	Omit/Note
1. Organizational profile						
GRI102 General Disclosures 2016: Core	102-1	Name of the organization		1.1 Company Overview		
	102-2	Activities, brands, products, and services		1.1 Company Overview		
	102-3	Location of headquarters		1.1 Company Overview		
	102-4	Location of operations		1.1 Company Overview		
	102-5	Ownership and legal form		1.1 Company Overview		
	102-6	Markets served		1.1 Company Overview		
	102-7	Scale of the organization		1.1 Company Overview		
	102-8	Information on employees and other workers		4.1 Cathay Chemical Happy Enterprise		
	102-9	Supply Chain		2.3 Procurement Supply Chain		
	102-10	Significant changes to the organization and its Supply Chain				None Significant Change
	102-11	Precautionary Principle or approach		1.5 Risk Management		
	102-12	External initiatives		1.3 Participating organizations and relevant certification		
	102-13	Membership of associations		1.3 Participating organizations and relevant certification		
2. Strategy						
GRI102 General Disclosures 2016: Core	102-14	Statement from senior decision-maker		Message from the President & CEO		
GRI102 General Disclosures 2016:Comprehensive	102-15	Key impacts, risks, and opportunities		1.5 Risk Management		
3. Ethics and integrity						
GRI102 General Disclosures 2016: Core	102-16	Values, Principles, standards, and norms of behavior		1.4. Improve governance and sincerity operation		
4. Governance						
GRI102 General Disclosures 2016: Core	102-18	Governance structure		1.4. Improve governance and sincerity operation		
GRI102 General Disclosures 2016:Comprehensive	102-22	Composition of the highest governance body and its committees		1.4. Improve governance and sincerity operation		
	102-23	Chair of the highest governance body		1.4. Improve governance and sincerity operation		
	102-24	Nominating and selecting the highest governance body		1.4. Improve governance and sincerity operation		
	102-25	Conflicts of interest		1.4. Improve governance and sincerity operation		
	102-28	Evaluating the highest governance body's performance		1.4. Improve governance and sincerity operation		
	102-35	Remuneration policies		1.4. Improve governance and sincerity operation		
5. Stakeholder engagement						
GRI102 General Disclosures 2016: Core	102-40	List of stakeholder groups		Stakeholder Identification		
	102-41	Collective bargaining agreements		A. Employee Rights and Benefits B. Employee Health Care and Concern		No trade union compose or sign collective bargaining agreement

GRI Standards	Serial Number	GRI Standards Content Disclosures	External Assurance	Corresponding Chapter	Page	Omit/Note
	102-42	The basis for identifying and selecting stakeholders with whom to engage		Stakeholder Identification		
	102-43	Approach to stakeholder engagement		Topics stakeholder focus and communication channel		
	102-44	Key topics and concerns raised		Topics stakeholder focus and communication channel 2.2 Customer feedback and improvement		
6. Reporting practice						
GRI102 General Disclosures 2016: Core	102-45	Entities included in the consolidated financial statements		1.1 Company Overview		
	102-46	Defining report content and topic Boundaries		Major topic analysis of the report		
	102-47	List of material topics		Major topic analysis		
	102-48	Restatements of information		About the report		
	102-49	Changes in reporting		About the report		
	102-50	Reporting Period		Contact method		
	102-51	Date of most recent report		Contact method		
	102-52	Reporting cycle		Public time of the report		
	102-53	Contact point for questions regarding the report		Contact method		
	102-54	Claims of reporting in accordance with the GRI Standards		Major topic analysis of the report		
	102-55	GRI content index		Major topic analysis of the report		
102-56	External assurance		Editing, reviewing and publishing the report			
Topic-Specific Standards: GRI 200 Economic Series						
* Economic						
GRI 103 Economic Performance Management Approach 2016	103-1	Explanation of the material topic and its Boundary		1.2 Economic Performance and operation plan		
	103-2	The management approach and its components		1.2 Economic Performance and operation plan		
	103-3	Evaluation of the management approach		1.2 Economic Performance and operation plan		
GRI 201 Economic Performance Topic Disclosures 2016	201-1	Direct economic value generated and distributed		1.2 Economic Performance and operation plan		
	201-2	Financial implications and other risks and opportunities due to climate change		1.5 Risk Management		
	201-3	Defined benefit plan obligations and other retirement plans		4.3 Employee Rights and Benefits		
Market Presence						
GRI 202 Market Presence Topic Disclosures 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage		4.2 Talent Cultivation		
	202-2	Proportion of senior management hired from the local community		4.1 Cathay Chemical Happy Enterprise		
Indirect Economic Impacts						
GRI 203 Indirect Economic Impacts Topic Disclosures 2016	203-1	Development and impact of Infrastructure investments and services supported		4.5 Feedback, Contribute and Transfer Love		
Procurement Practices						
GRI 204 Procurement Practices Topic Disclosures 2016	204-1	Proportion of spending on local suppliers		2.3 Procurement Supply Chain		
Anti-corruption						
GRI 205 Anti-corruption Topic Disclosures 2016	205-1	Operations assessed for risks related to corruption		1.4. Improve governance and sincerity operation		

GRI Standards	Serial Number	GRI Standards Content Disclosures	External Assurance	Corresponding Chapter	Page	Omit/Note
	205-2	Communication and training about anti-corruption policies and procedures		1.4 Improve governance and sincerity operation		
	205-3	Confirmed incidents of corruption and actions taken		1.4 Improve governance and sincerity operation		
Anti-competitive Behavior						
GRI 206 Anti-competitive Behavior Topic Disclosures 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		2.2 Customer feedback and improvement		No related incident happened
Topic-Specific Standards: GRI 300 Environmental Series						
Materials						
GRI 301 Material Topic Disclosures 2016	301-1	Materials used by weight or volume		3.1 Material usage Management		
Energy						
GRI 302 Energy Topic Disclosures 2016	302-1	Energy consumption within the organization		3.2 Sustainable Energy Management		
	302-3	Energy intensity		3.2 Sustainable Energy Management		
	302-4	Reduction of energy consumption		3.2 Sustainable Energy Management		
* Water and Effluents						
GRI 103 Water and Effluents Management Approach 2018	103-1	Explanation of the material topic and its Boundary		3.3 Cherish Water Resources		
	103-2	The management approach and its components		3.3 Cherish Water Resources		
	103-3	Evaluation of the management approach		3.3 Cherish Water Resources		
GRI 303 Water and Effluents Topic Disclosures 2018	303-1	Interactions with water as a shared resource		3.3 Cherish Water Resources		
	303-2	Management of water discharge-related impacts		3.3 Cherish Water Resources		
	303-3	Water withdrawal		3.3 Cherish Water Resources		
	303-4	Water discharge		3.3 Cherish Water Resources		
	303-5	Water consumption		3.3 Cherish Water Resources		
* Emissions						
GRI 103 Emissions Management Approach 2016	103-1	Explanation of the material topic and its Boundary		Chapter 3 : Environmental Sustainability and protection		
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 305 Emissions Topic Disclosures 2016	305-1	Direct (Scope 1) GHG emissions		3.2 Sustainable Energy Management		
	305-2	Energy indirect (Scope 2) GHG emissions		3.2 Sustainable Energy Management		
	305-4	GHG emissions intensity		3.2 Sustainable Energy Management		
	305-5	Reduction of GHG emissions		3.2 Sustainable Energy Management		
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		3.4 Pollution Prevention Management		
* Waste						
GRI 103 Waste Management	103-1	Explanation of the material topic and its Boundary		Chapter 3 : Environmental Sustainability and protection		

GRI Standards	Serial Number	GRI Standards Content Disclosures	External Assurance	Corresponding Chapter	Page	Omit/Note
Approach 2016	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 306 Waste Topic Disclosures 2020	306-1	Waste generation and significant waste-related impacts		3.4 Pollution Prevention Management		
	306-2	Management of significant waste-related impacts		3.4 Pollution Prevention Management		
	306-3	Waste generated		1.6 Regulatory compliance and cooperate 3.4 Pollution Prevention Management		
	306-4	Waste diverted from disposal		3.4 Pollution Prevention Management		
	306-5	Waste directed to disposal		3.4 Pollution Prevention Management		
* Environmental Compliance						
GRI 103 Environmental Compliance Management Approach 2016	103-1	Explanation of the material topic and its Boundary		1.6 Regulatory compliance and cooperate		
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 307 Environmental Compliance Topic Disclosures 2016	307-1	Non-compliance with environmental laws and regulations		1.6 Regulatory compliance and cooperate 3.4 Pollution Prevention Management		
* Supplier Environmental Assessment						
GRI 103 Supplier Environmental Assessment Management Approach 2016	103-1	Explanation of the material topic and its Boundary		2.3 Procurement Supply Chain		
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 308 Supplier Environmental Assessment Topic Disclosures 2016	308-1	New suppliers that were screened using environmental criteria		2.3 Procurement Supply Chain		
	308-2	Negative environmental impacts in the Supply Chain and actions taken		2.3 Procurement Supply Chain		
Topic-Specific Standards: GRI 400 Social Series						
* Employers/Employee Relations						
GRI 103 Employers/Employee Relations Management Approach 2016	103-1	Explanation of the material topic and its Boundary		Chapter 4 : Create Harmonic Workplace		
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 401 Employers/Employee Relations Topic Disclosures 2016	401-1	New employee hires and employee turnover		4.2 Talent Cultivation		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		4.3 Employee Rights and Benefits		
	401-3	Parental leave		4.3 Employee Rights and Benefits		
* Labor/Management Relations						
GRI 103 Labor/Management Relations Management Approach 2016	103-1	Explanation of the material topic and its Boundary		Chapter 4 : Create Harmonic Workplace		
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 402 Labor/Management Relations Topic Disclosures 2016	402-1	Minimum notice periods regarding operational changes		4.3 Employee Rights and Benefits		
* Occupational Health and Safety						
GRI 103 Occupational Health and Safety Management Approach 2018	103-1	Explanation of the material topic and its Boundary		4.4 Employee Health Care and Concern		
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	403-1	Occupational health and safety management system		4.4 Employee Health Care and Concern		

GRI Standards	Serial Number	GRI Standards Content Disclosures	External Assurance	Corresponding Chapter	Page	Omit/Note
GRI 403 Occupational Health and Safety Topic Disclosures 2018	403-2	Hazard identification, risk assessment, and incident investigation		4.4 Employee Health Care and Concern		
	403-3	Occupational health services		4.4 Employee Health Care and Concern		
	403-4	Worker participation, consultation, and communication on occupational health and safety		4.4 Employee Health Care and Concern		
	403-5	Worker training on occupational health and safety		4.4 Employee Health Care and Concern		
	403-6	Promotion of worker health		4.4 Employee Health Care and Concern		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		4.4 Employee Health Care and Concern		
	403-8	Workers covered by an occupational health and safety management system		4.4 Employee Health Care and Concern		
	403-9	Work-related injuries		4.4 Employee Health Care and Concern		
	403-10	Work-related ill health		4.4 Employee Health Care and Concern		
* Training and Education						
GRI 103 Training and Education Management Approach 2016	103-1	Explanation of the material topic and its Boundary		Replenish Emphasis of Chemical - Safety Management and Emergency Response Measures		
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 404 Training and Education Topic Disclosures 2016	404-1	Average hours of training per year per employee		4.2 Employee Education Training		
Diversity and Equal Opportunity						
GRI 405 Diversity and Equal Opportunity Topic Disclosures 2016	405-1	Diversity of governance bodies and employees		4.1 Cathay Chemical Happy Enterprise		
	405-2	Ratio of basic salary and remuneration of women to men		4.2 Talent Cultivation		
Non-discrimination						
GRI 406 Non-discrimination Topic Disclosures	406-1	Incidents of discrimination and corrective actions taken		1.6 Regulatory compliance and cooperate 4.2 Employee Education Training		
Child Labor						
GRI 408 Child Labor Topic Disclosures 2016	408-1	Operations and suppliers at significant risk for incidents of child labor		1.6 Regulatory compliance and cooperate		
Forced or Compulsory Labor						
GRI 409 Forced or Compulsory Labor Topic Disclosures 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		1.6 Regulatory compliance and cooperate		
Security Practices						
GRI 410 Security Practices Topic Disclosures 2016	410-1	Security personnel trained in human rights policies or procedures		4.2 Employee Education Training		
Human Rights Assessment						
GRI 412 Human Rights	412-2	Employee training on human rights policies or procedures		4.2 Employee Education Training		

GRI Standards	Serial Number	GRI Standards Content Disclosures	External Assurance	Corresponding Chapter	Page	Omit/Note
Assessment 2016						
* Local Communities						
GRI 103 Local Communities Management Approach 2016	103-1	Explanation of the material topic and its Boundary		Chemical supply mental focus- Safety Management and Emergency Response Measures		
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 413 Local Communities Topic Disclosures 2016	413-2	Operations with significant actual and potential negative impacts on local communities		Chemical supply mental focus- Safety Management and Emergency Response Measures		
* Supplier Social Assessment						
GRI 103 Supplier Social Assessment Management Approach 2016	103-1	Explanation of the material topic and its Boundary		2.3 Procurement Supply Chain		
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 414 Supplier Social Assessment Topic Disclosures 2016	414-1	New suppliers that were screened using social criteria		2.3 Procurement Supply Chain		
	414-2	Negative social impacts in the supply chain and actions taken		2.3 Procurement Supply Chain		
* Customer Health and Safety						
GRI 103 Customer Health and Safety Management Approach 2016	103-1	Explanation of the material topic and its Boundary		2.1 Product's Self-Requirement		
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 416 Customer Health and Safety Topic Disclosures 2016	416-1	Assessment of the health and safety impacts of product and service categories		2.2 Customer feedback and improvement		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		1.6 Regulatory compliance and cooperate 2.2 Customer feedback and improvement		No related incident happened
* Marketing and Labeling						
GRI 103 Marketing and Labeling Management Approach 2016	103-1	Explanation of the material topic and its Boundary		2.1 Product's Self-Requirement		
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 417 Marketing and Labeling Topic Disclosures 2016	417-1	Requirements for product and service information and labeling		2.2 Customer feedback and improvement		
	417-2	Incidents of non-compliance concerning product and service information and labeling		1.6 Regulatory compliance and cooperate		No related incident happened
	417-3	Incidents of non-compliance concerning marketing communications		1.6 Regulatory compliance and cooperate		No related incident happened
Customer Privacy						
GRI 418 Customer Privacy Topic Disclosures 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		2.1 Product's Self-Requirement		
* Socioeconomic Compliance						
GRI 103 Socioeconomic Compliance Management Approach 2016	103-1	Explanation of the material topic and its Boundary		1.6 Regulatory compliance and cooperate		
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 419 Socioeconomic Compliance Topic Disclosures 2016	419-1	Non-compliance with laws and regulations in the social and economic area		1.6 Regulatory compliance and cooperate		
Customize Topic						
GRI 103 Climate Change Management Approach	103-1	Explanation of the material topic and its Boundary		Chapter 3 : Environmental Sustainability and protection		
	103-2	The management approach and its components		Chapter 3 : Environmental		

GRI Standards	Serial Number	GRI Standards Content Disclosures	External Assurance	Corresponding Chapter	Page	Omit/Note
				Sustainability and protection		
	103-3	Evaluation of the management approach		Chapter 3 : Environmental Sustainability and protection		
GRI 103 Corporate Governance Management Approach	103-1	Explanation of the material topic and its Boundary		Chapter 1 : Recognize Cathay Chemical		
	103-2	The management approach and its components		Chapter 1 : Recognize Cathay Chemical		
	103-3	Evaluation of the management approach		Chapter 1 : Recognize Cathay Chemical		
FSC Replenish Guides for Chemical Industry						
Replenish Emphasis of Chemical (1)		Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.		4.4 Employee Health Care and Concern		
Replenish Emphasis of Chemical (2)		Operations with significant actual and potential negative impacts on local communities.		Chemical supply mental focus- Safety Management and Emergency Response Measures		
Replenish Emphasis of Chemical (3)		Specific and effective mechanisms and actions taken by the company and its suppliers to mitigate its or their negative environmental or social impacts.		2.3 Supply chain procurement		
Replenish Emphasis of Chemical (4)		Total energy consumption		3.2 Sustainable Energy Management		
Replenish Emphasis of Chemical (5)		Total quantity of water intake; total quantity of wastewater (or sewage water) discharge as disclosed in accordance with the requirements of laws and regulations or voluntarily disclosed		3.3 Cherish Water Resources		
4th Act of FSC		Mean of gross salary of full-time employees who are not in supervisory positions		4.2 Talent Cultivation		

Appendix 2 : External Assurance Report

Appendix 3 : SASB (Sustainability Accounting Standards Board) Contrast Chart

Disclosures Topic	Indicator Number	Disclosures Indicator	Property	Compare of Report Content Sections
Greenhouse Gases	RT-CH-110a.1	Gross global Scope 1 emissions (tons CO ₂ e); percentage covered under emissions-limiting regulations (%)	Quantity	3.2 Sustainable Energy Management
	RT-CH-110a.2	Discussion of long term and short term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets		
Air Quality	RT-CH-120a.1	(1) Nitrogen Oxides (2) Sulfur Oxides (3) Volatile Organic Compounds (4) Hazardous Air Pollutants	Quantity	3.4 Pollution Prevention Management
Energy Management	RT-CH-130a.1	(1) Total energy consumed (2) percentage grid electricity, (3) percentage renewable (4) total self-generated energy	Quantity	3.2 Sustainable Energy Management
Water Management	RT-CH-140a.1	(1) Total Water Withdrawal (2) Total Water Consumption (3) Percentage of each in regions with High or Extremely High Baseline Water Stress	Quantity	3.3 Cherish Water Resources
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantity	1.6 Regulatory compliance and cooperate
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Quantity	N/A
Hazardous Waste Management	RT-CH-150a.1	Total hazardous waste produce by Company and recycle percentage	Quantity	3.4 Pollution Prevention Management
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	-	N/A
Occupational Health and Safety	RT-CH-320a.1	(1) Total Recordable Incident Rate Formula: (Accident events x 200,000) / total hours worked (2) Mortality Rate a. Full-time employees b. Contractor employees	Quantity	4.4 Employee Health Care and Concern

	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Quantity	4.4 Employee Health Care and Concern
Product Designed use to improve the Use Stage Efficiency	RT-CH-410a.1	Revenue from products designed for use phase resource efficiency	-	N/A
Chemical Safety and Environmental Management	RT-CH-410b.1	Percentage of products that contain Globally Harmonized System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances (2) Percentage of such products that have undergone a hazard assessment (%)	-	N/A
	RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact		
Genetically Modified Organisms	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms	-	N/A
Management of the Legal and Regulatory Environment	RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Illustrate	1.6 Regulatory compliance and cooperate
Operational Safety, Emergency Preparedness and Response	RT-CH-540a.1	(1) Process Safety Incidents Count (PSIC) (2) Process (3) Safety Total Incident Rate (PSTIR) (=Process safety Accident statistics x 200,000 / Total hours worked) (4) Process Safety Incident Severity Rate (PSISR) (=Process safety accident severe total Score x 200,000 / Total hours worked)	Quantity	N/A
	RT-CH-540a.2	Production by reportable segment		