Cathay Chemical, Inc

2025 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

This report is the fifth Sustainability Report issued by Cathay Chemical Work, inc. (hereinafter referred to as “Cathay Chemical Factory,” “the Company,” or “we”). The previous seven reports were published as Corporate Social Responsibility Reports. The purpose of this report is to provide the public with a comprehensive overview of the Company’s efforts and achievements in economic performance, corporate governance, environmental sustainability, employee care, social engagement, and the promotion of corporate social responsibility.

Looking ahead, in addition to focusing on our core business and providing customers with high-quality products and services, the Company will continue to uphold the spirit of corporate citizenship and fulfill its responsibilities as a responsible corporate citizen.

Where applicable, any restatement or recalculation of data for 2025 is explained in detail in the relevant sections of this report.

The Company will continue to enhance the consistency and comparability of its disclosures in accordance with the GRI Standards, ensuring the transparency and impartiality of the information presented in the Report.

Scope of the Report

This Report discloses the policies, initiatives, and performance results of Cathay Chemical Work, inc. in the four major areas of economy, governance, environment, and society from January 1, 2025 to December 31, 2025. The reporting scope primarily covers Cathay Chemical Work, inc. including its Taipei Headquarters and Pingnan Plant.

The relevant data for 2025 disclosed in this Report are presented using internationally recognized disclosure practices. Where estimates are used, this is clearly indicated in the relevant sections. Certain statistical data are sourced from publicly available information published on government agency websites, such as the Ministry of Environment and the Ministry of Labor, Executive Yuan, and are presented using generally accepted numerical conventions.

Principles of the Report

The content structure of report follows the guideline of “Universal Standards 2021” from the Global Reporting Initiative announce in 2021, “Measures for the Preparation and Application of Sustainability Reports by Listed Companies” from the Taiwan Stock Exchange. Also refer to the Guidelines and Structure form “Sustainability Accounting Standards Board, SASB”, and “Task Force on Climate-Related Financial Disclosures, TCFD” and “Financial Supervision Commission’s Supplementary Guidance for the Chemical Industry”. 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.

Editing, Review and Assurance of the Report

Internal Review and Assurance

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 2025 Sustainability Report editing, then submitted to the supervisors of each department for review and finalization. After the report reviewed by the trusted third-party unit. Finally, it will proceed to the chairperson for review and confirmation in accordance with the administrative process and published.

Enternal Review and Assurance

The report entrusted the independent and credible accounting firm, Ernst & Young Global Limited (EY), to conduct limited assurance for Cathay Chemical's 2025 Sustainability Report under the 1st assurance standards "Assurance of auditing or review non-historical financial information" by the Accounting Research and Development Foundation. The relevant results have full communication with governing body. Assurance scope and the results can be found in the appendix "independent assurance report" from this Sustainability Report.

Publication date

This Sustainability Report is the fourth released version of the Sustainability Report from Cathay Chemical. The previous seven reports are CSR reports. The Company will release the Sustainability Report annually, and at the same time, it will be released on the official website of Cathay Chemical.

First Edition: August, 2015

The Previous Edition: August, 2025

The Latest Edition: August, 2026

Contact Information

If you have questions, you are welcome to contact us with the below information:

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Contact person	Mrs. Tsai
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FAX	02-27520332
Email	cathay@cathaychem.com.tw
ESG Corporate Sustainability Zone	http://www.ccwi.com.tw/social.htm

Chairperson Statement

In the face of global climate change, ecological conservation, and the growing importance of resource circularity, sustainability is no longer merely a symbol of corporate social responsibility, but has become a critical foundation for corporate competitiveness and long-term resilience. Throughout Cathay Chemical 63-year history of stable operations, we have deeply recognized the critical role that the chemical industry plays across the supply chain and in relation to the environment and society. Accordingly, we have remained committed to integrating technological innovation, environmental management, and social responsibility, and to promoting the sustainable development of both the Company and society through concrete actions.

In response to global sustainability trends and the expectations of stakeholders at home and abroad regarding corporate responsibility, we will continue to integrate the three core sustainability principles of “Environmental Sustainability (E),” “Social Sustainability (S),” and “Corporate Sustainability (G)” into various aspects of our operations, including corporate governance, environmental protection, occupational safety, and social inclusion. Through institutionalized management processes, data-driven target tracking, and transparent information disclosure, we will progressively enhance our practices and performance across various ESG indicators.

We specialize in the production of sodium formaldehyde sulfoxylate, zinc oxide, sodium hydrosulfite, sodium metabisulfite, and other products, which are marketed globally under our proprietary CATHAY brand. Our products are widely sold in Japan, the United States, South Korea, Southeast Asia, Australia, Europe, and other markets, earning recognition and trust from customers worldwide.

In 2025, the global political and economic landscape remained highly dynamic and rapidly changing. In our operations, we will continue to uphold a spirit of vigilance, diligence, and dedication. As we stand at a critical juncture in the transition toward sustainability, we will continue to shape Cathay Chemical’s sustainable future by leveraging technological innovation as our driving force, environmental responsibility as our commitment, and shared prosperity with society as our goal.

Looking ahead to 2026, the global economy will continue to face volatility amid multiple challenges, including tariff adjustments and geopolitical risks. Nevertheless, the Company will continue to deepen its core businesses and actively expand overseas markets. Through product innovation and technological upgrades, we will develop high-value-added specialty products to meet diverse market needs. At the same time, we will enhance our brand image through a solid foundation and superior product quality, strengthen our competitive advantages, and promote pollution prevention and environmental improvement from a sustainability perspective. We will continue to fulfill our corporate social responsibility and strive to become a benchmark for sustainable development.

Finally, on behalf of the Company, I would like to express my sincere gratitude to all our shareholders, customers, business partners, and employees for their continued support. Looking ahead, we will continue to uphold our business philosophy of integrity, innovation, and excellence, working together to create a better future. We believe that only by deeply integrating sustainability strategies into our daily operations can we achieve the optimal balance among environmental protection, social well-being, and the creation of sustainable corporate value, while working hand in hand with all stakeholders toward a more resilient and competitive future.

	Cathay Chemical, Inc Chairman Ing, Jou-Er

Identification and Communication to Stakeholders

6 Types	Cathay Chemical has identified 6 types of stakeholders, including “employees”, “shareholders/banks/investors”, “suppliers”, “government agencies”, “customers”, and “community residents”.

Cathay Chemical Factory is committed to pursuing sustainable business operations and places great importance on the voices and concerns of its stakeholders. For 2025, the identification of stakeholders continued to follow the results of the 2023 assessment, with reference to the GRI Standards. Nine stakeholder groups were initially identified and prioritized: shareholders and other investors, customers, suppliers/contractors, employees and other workers, government authorities, community residents, business partners, industry associations/professional organizations, and non-governmental organizations (NGOs). Through discussions with department heads, external experts, and senior management, the Company assessed the actual negative impacts, potential negative impacts, actual positive impacts, and potential positive impacts that the Company may have on each stakeholder group. Based on the assessment results, six stakeholder groups were identified as the Company’s key stakeholders: customers, employees and other workers, government authorities, shareholders and other investors, suppliers/contractors, and community residents. These results are consistent with those of the stakeholder assessment conducted in 2024.

Stakeholders Concern 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 identify blind spots of risks and management that the company may encounter. Thus, the company can adjust and respond to 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 Concern:

  1. Recruitment and selection do not limit 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 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, through telling the foreman and supervisor. They will send the message to the factory manager’s office and give them immediate care and timely assistance. For customers, we gain an in-depth understanding of their concerns through multiple visits a year and satisfaction surveys. On the part of the suppliers, we would listen and understand their concerns during delivery. 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 both 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	Meaning to Cathay Chemical	Communication Channel	Communication Effectiveness	Issue of Concern
Employees	Employees are an important asset for the company's sustainable operations. Employees are regularly educated and trained to maintain the company's product quality and operating environment safety and health requirements, and company also take care of the needs of employees.	■ The company website(irregularly) ■ Employee welfare committees(regularly) ■ New employee training(regularly) ■ Internal training or external training (regularly)	■ If the employees have problems and need to coordinate, through telling the foreman and supervisor. They will send the message to the factory manager's office and give them immediate care and timely assistance. ■ Employee welfare committees has distributed NT$787,500 cash gift to current employees in 2025. ■ The total number of personnel education and training hours for Cathay Chemical head office and Pingnan plant in 2025 is 1,842 hours, the total number of trainees is 87, and the total training cost is NT$101,161. ■ In 2024, 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 2025, Company will not employ workers over the age of 15 but under the age of 16	■ Labor-employer relationship ■ Labor-capital relationship ■ Occupational safety and health ■ Market status
Shareholders/ Investers/ Banks	Company has always attached great importance to the relationship between shareholders and investors. In addition to having a complete spokesperson system and investor relations handling window, the company also strengthens the timeliness and transparency of information	■ The official website has set up an investor zone: shareholders can click on the operation, finance, loan and shareholder columns (Disclosure of dividends, stock prices, and stock affairs) (Irregular) ■ Set up a spokesperson contact window(irregularly) ■ Corresponding banks visit regularly and review credit information (irregularly) ■ Shareholders' meeting: prepare annual financial	■ Participated in 1 corporate briefing session in 2025 ■ Regularly disclose financial and business-related information on the official website and Market Observation Post System ■ Irregularly release important information on the Market Observation Post System	■ Economic Performance ■ Customer health and safety ■ Marketing and Labelin ■ Customer privacy ■ Social and economic regulations compliance

	disclosure to protect the interests of investors.	report in accordance with regulations(annual) ■ Corporate Social Responsibility website and report: published regularly once a year in August (annual) ■ Visits from legal persons, telephone interviews, and regular announcement of operational overview information (monthly)		
Suppliers	Suppliers are the source of stable supply of raw materials for the company.	■ Suppliers' visiting (irregularly) ■ Suppliers'audit(irregularly) ■ Company's website releases an ESG sustainability report every August.	■ 2 of the suppliers passed the Contractor rating form and Contractor HSPM rating form in 2024 ■ 100% of suppliers comply with HSF requirements in 2025 ■ 2 suppliers, which passed the Contractor rating form and Contractor HSPM rating form accounting for 10%, 16 suppliers, which passed Supplier Assessment Rating Form accounting for 80%. The evaluation results were all qualified.	■ Compliance with laws and regulations regarding environmental protection ■ Waste ■ Economic performance ■ Social and economic regulations compliance ■ Supplier Environmental Assessment
Government Agencies	Comply with the regulatory requirements of government authorities to enable Company to operate normally.	■ Official document(irregularly) ■ Meeting (irregularly) ■ Participated in relevant training (irregularly) ■ CSR website and annual report	■ Company hold 2 fire drills and 3 poison disaster prevention drills in 2025 ■ In cooperation with the Pingtung County Government, 2025 Toxic Chemical Accident and Air Pollution Incident Emergency Response Drill was held at the HERSHEY ENVIRONMENTAL TECHNOLOGY CO., LTD Pingnan Factory on November 5	■ Energy ■ Water resources management ■ Waste management ■ Occupational safety and health ■ Supplier environmental assessment ■ Supplier social assessment ■ Local community
Customers	In order to close the needs of customers and improve, Company regularly implements "customer satisfaction surveys" based on the principles	■ Sales department visits customers (irregularly) ■ Email, telephone communication (frequently, irregularly) ■ Customers visit the factory directly (irregularly ■ Customer Satisfaction	■ 25 satisfaction questionnaires were issued in 2025, with a satisfaction rate of 98.54%, maintaining good results over the years. ■ There was one customer complaint in 2025.	■ Product and service labeling ■ Customer Health and Safety ■ Regulatory compliance

	of customer satisfaction surveys of the ISO management system. Conducts analysis and review to facilitate subsequent disposal measures, tracking and confirmation, to implement customer satisfaction surveys. The purpose of satisfaction feedback is to gain a high degree of recognition and trust from customers.	Survey (annually) ■ CSR website and annual report		■ Economic performance
Community Residents	Continue to be good neighbors and maintain good relations with community residents.	■ Company website, company email(irregularly) ■ Industrial Zone Manufacturers Association (irregularly) ■ Public welfare activities (irregularly) ■ Our Company publishes an ESG Sustainability Report annually in August on its official website.	■ 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 both sides in communication. ■ In 2025, sponsorships include NT$10,000 for the community folk temple festival, NT$20,000 for Fangliao High School, NT$ 3,000 for the Fangliao Fire Brigade and NT$ 3,000 for the Jiadong Fire Brigade	■ Waste ■ Customer health and safety ■ Local community ■ Compliance with laws and regulations regarding environmental protection ■ Supplier environmental assessment

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	Company chose the suppliers carefully as its partnership. A long-term and stable partnership are the keys to

	timeliness and transparency of information disclosure.	making the sale and production process more smoothly
Spokeperson	C.C. Hung(Dirctor)	Terry Shih (Manager)
Deputy Spokesman	Mrs. Tsai (Audit Supervisor)	-
Tel	+886-2-27811161-9	Tel：+886-2-27811161-9 Fax：+886-2-27520332
Email	cathay@cathaychem.com.tw	terry@cathaychem.com.tw

Identification and Management of Material Topics

9 Material Topics	Cathay Chemical, Inc. is inducting major topic discussions for 2024 based on the 2023 identification results, and there are no changes.

The Analysis of Material Topics

Our Company's material topic identification process references the GRI Topic Standards and SASB industry standards. Building on the results of the 2023 materiality assessment, the Company engaged external experts, company representatives, and senior management in a systematic and objective discussion process to identify 18 material sustainability topics that are of high concern to stakeholders and have significant impacts on the Company's operations and sustainable development. Following further discussions with the highest governance body and employees, the 18 topics were ultimately consolidated into nine material topics for 2025, as detailed in the table below. These topics serve as the core focus of this year's Sustainability Report disclosures and management efforts, through which the Company communicates and responds to stakeholders.

Material Topic	
Corporate Governance and Integrity	1 Corporate Governance
Economic Performance	2 Economic Performance
Regulatory Compliance	3 Environmental Regulatory Compliance
	4 Socioeconomic Regulatory Compliance
Supply Chain Assessment	5 Supplier Environmental Assessment
	6 Supplier Social Assessment
Products and Services	7 Customer Health and Safety
	8 Marketing and Labeling
Environmental Protection	9 Energy
	10 Emissions (Air Quality)
	11 Water Resource Management
	12 Waste Management
	13 Climate Change
Labor-Management Relations	14 Labor/Management Relations
	15 Labor-Management Relations
Occupational Health and Safety	16 Occupational Safety and Health
	17 Training and Education
Local Communities	18 Local Communities

List of Material Topics

Aspect	Material Topics	Significant Impact		Impact Dimension			Value Chain Impact Scope						GRI Topic Standards or SASB Metrics Mapping	Disclosure Section Mapping
		Positive	Negative	Economic	Environmental	Social	Employees and Other Workers	Shareholders and Other Investors	Customers	Suppliers/ Contractors	Government Agencies	Community Residents		
Company	Corporate Governance and Integrity	●	-	●	-	▲	●	●	▲	▲	-	-	GRI 2 General disclosures	1.4 Corporate Governance and Integrity Management
	Economic Performance	●	●	●	▲	▲	●	●	▲	▲	■	-	GRI 201 Economic Performance	1.2 Financial and Operational Planning
	Regulatory Compliance	●	-	●	●	●	●	-	●	▲	●	●	GRI 2-27Compliance with Laws and Regulations SASBEnvironmental and Social Regulatory Management	1.7 Regulation Compliance and Cooperation
	Supply Chain Assessment	▲	▲	▲	▲	▲	▲	-	-	●	-	-	GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	2.3 Supply Chain Purchase
	Products and Services	●	▲	●	▲	■	●	-	▲	-	-	-	GRI 416 Customer Health and Safety GRI 417 Marketing and Labeling	Chapter 2. Quality Requirements
Environment	Environmental Protection	●	■	●	●	-	●	-	●	-	●	●	GRI 302 Energy GRI 305 Emissions SASB Energy Management in Manufacturing Processes SASB Greenhouse Gas	Chapter 3. Substance and Environmental Protection

													Emissions	
Social	Labor-Management Relations	●	●	●	-	●	●	-	■	■	●	-	GRI 401 Employment GRI 402 Labor/Management Relations	Chapter 4. Create Harmonic Workplace
	Occupational Health and Safety	●	●	●	-	●	●	■	■	▲	●	-	GRI 403 Occupational Health and Safety GRI 404 Training and Education SASB Workforce Health and Safety SASB Operational Safety and Emergency Preparedness FSC Chemical Industry Indicator 4	4.4 Employee Health Care and Concern
	Local Communities	●	-	▲	●	●	●	-	-	-	-	●	GRI 413Local Communities SASB Community Relations FSC Chemical Industry Indicator 5	4.4 Employee Health Care and Concern

Note:
●Directly generated impacts ▲Impacts generated through business relationships ■Other indirectly contributed impacts

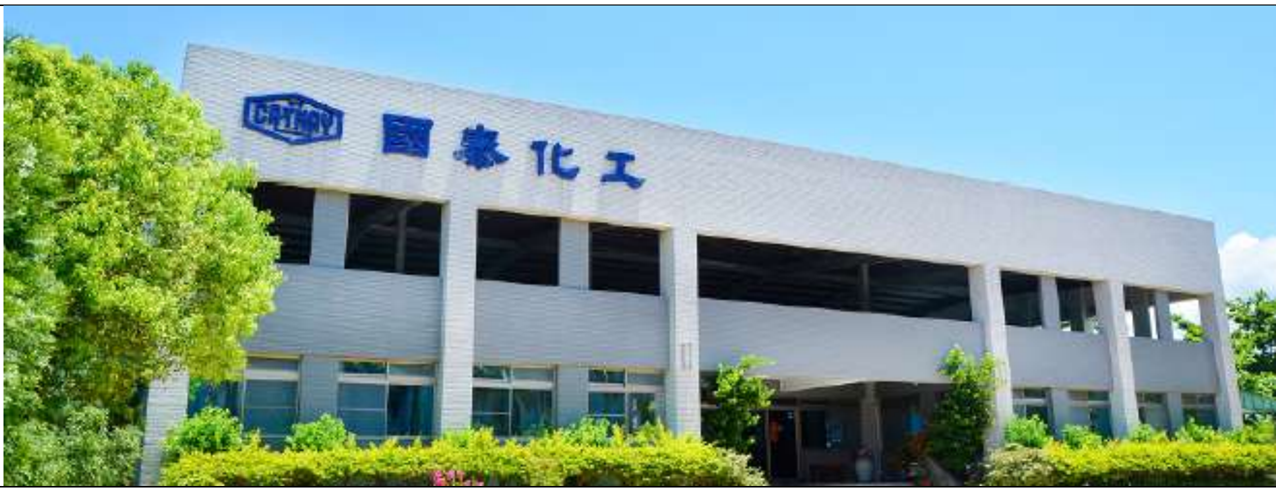
Chapter 1. Knowing Cathay Chemical

No Corruption	Based on the internal control system, Cathay Chemical conducts corruption risk audits and assessments every year. There is no corruption case in 2025.
No Major Violation	There is no major violation case in 2025.
3 Female Directors	In the new Board of Directors, three members are women, representing 60% of the Board, thereby achieving the target we had set.
In 2025 Overall Performance Results are Excellent	In 2025, the results of the Board of Directors' self-evaluation, individual director performance evaluations, and performance self-evaluations of functional committees were all rated as **Excellent**.
No major information security incidents occurred.	In 2025, there were no major information and communication technology (ICT) security incidents, and no related losses or impacts were incurred.
No information leakage incidents occurred.	In 2025, the Company had no incidents involving information leakage, theft, or loss of customer data.

1.1 Company Overview Profile

■ Company Profile

Cathay Chemical started the business on December 11, 1962. The main products include Sodium Dithionite, Sodium Formaldehyde Sulfoxylate, and Zinc Oxide. In these years, Company not only fully supply the domestic market, but also actively extended the oversea market to Southeast Asia, Japan, America, Korea, Southeast Asia, Australia, and Europe. 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 been recognized internationally, both quality and cost have international competitiveness.



Item	Company Information
Company Name	Cathay Chemical, Inc.
Company Type	Listed Company
Stock Symbol	1713
Industry	Chemical Industry
Company Address	Headquarter：12F, 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,11, 1962
Listing Date	Jan, 31, 1990
Paid-In Capital	1,509,517,000
Revenue In 2025	460,042,000
Number of Employees	84
Company Website	http://www.ccwi.com.tw/default.htm

Nature of ownership of Cathay Chemical, Inc.						
						Record Date：2026.4.26
Shareholder Structure / Amount	Government Agency	Financial Institutions	Other Legal Persons	Personal	Foreign Agency & Foreigner	Total
Number of People	-	4	226	26,833	49	27,112
Number of shares held (shares)	-	472,031	81,981,887	66,818,883	1,678,899	150,951,700
Shareholding ratio (%)	-	0.31	54.31	44.27	1.11	100

Cathay Chemical/ The Information of reinvestment		
		Until: 2025.12.31
Investee Name	Main Business	Shareholding Ratio (%)
Taiwan Puritic Corp.	Integrated circuit, electronics, computer equipment maintenance; manufacturing of chemicals, gas purification filter, and metal building structures and components; import and export trade of the former parts, raw materials, and products.	27.73

Sales Area

Cathay Chemical has always been very diligent in management. In addition to Taiwan, we also exported to the United States, Europe, New Zealand, Australia, South Africa, Northeast Asia, and Southeast Asia etc. The Company expects that through continuously improving product quality and 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, Company will expand its market share and increase Company profits depending on changes in market demand. In 2025, none of the company's products violated laws and regulations or voluntary regulations

Products and Service

Cathay Chemical 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 establish separately. The same site factory shall not engage in manufacturing, processing, and compounding non-food products. Therefore, Company has stopped selling food-grade Sodium Metabisulfite products since 2015, and then completely sells industrial-grade products.

Product Introduction and Application

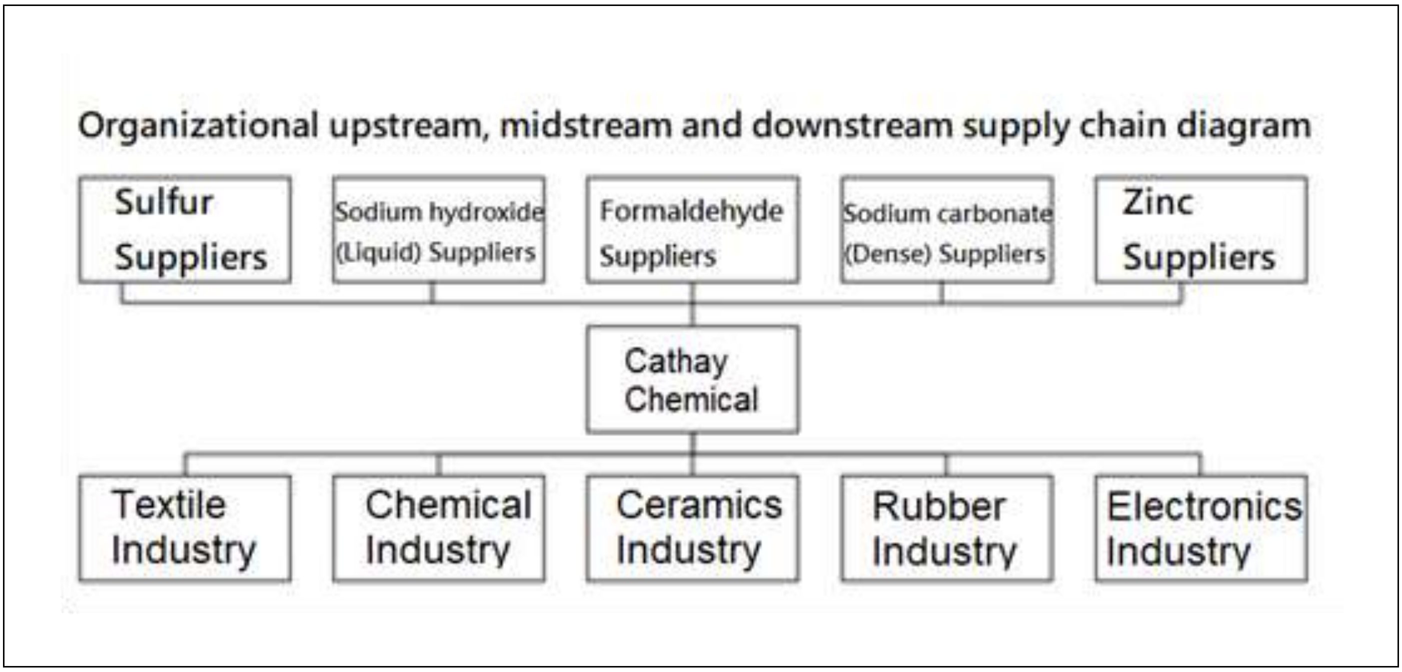
The main products from the company include Sodium Dithionite, Zinc Oxide, Sodium Formaldehyde Sulfite, and Sodium Metabisulfite. The main types of customers are the textile industry, chemical industry, ceramics industry, rubber industry, and electronics industry.

Product Item	Directions	2024 Net Operating Profit (Thousand NT$)	Ratio%	2025 Net Operating Profit (Thousand NT$)	Ratio%
Sodium Hydrosulfite	Sodium Hydrosulfite can be use as dyeing auxiliaries for textiles and bleaching agents for pulp.	45,302	8.58	42,815	9.31
Zinc Oxide	Zinc Oxide can be use as a toughening reagent for products such as rubber and ceramics, as well as flux of the electronics industry.	226,986	42.99	190,958	41.51
Sodium Formaldehyde Sulfite	Sodium Formaldehyde Sulfite can be use as a polymerization agent for synthetic rubber and ABS plastics, as well as a stable reducing agent for high temperature printing and dyeing.	151,279	28.65	132,835	28.87
Sodium Metabisulfite	Sodium Metabisulfite is only for industrial use. It is widely used as a deoxidizer in the textile industry. It can also be use as a chemical agent for industrial wastewater treatment or leather making.	100,789	19.09	90,561	19.69
Others	Other chemical raw materials can be use as a rust inhibitor, a chemical reducing agent for the paint industry; and a bleaching agent for wool, silk, vegetable fibers, artificial fibers, and polyamine fibers.	3.617	0.69	2.873	0.62




■ Product upstream, midstream and downstream supply chain

The main raw material used of Cathay Chemical is liquid Sulfur, liquid Sodium Hydroxide, Sodium Carbonat, Formaldehyde and Zinc Ingot. Since there are no Zinc metal ore sources in domestic, all Zinc Ingot are import from Australia and South Korea. All other raw materials are purchase domestically; the main supplies are large domestic enterprises such as Chinese Petroleum, China Steel Chemical, Formosa Plastics Group, Sesoda Corporation, and Chang Chun etc.



■ Annual Production Volume

The sodium hydroxide industry is subject to environmental and labor restrictions imposed by downstream manufacturers and the low-price dumping from China and Southeast Asian countries. Lead the sodium hydroxide industry moved abroad, causing the industry to stagnate. As a result, Company's production volume of Sodium Hydrosulfite, Zinc Oxide, Sodium Formaldehyde Sulfite and Sodium Metabisulfite in 2025 had reach to 9,052 metric tons, a slight decrease compared to 2024.

Company also continues to strengthen the research and development of production technology and upgrade technical standards to improve quality and production efficiency. It also continues to study the effectiveness of technology to truly achieve technological leadership and strengthen competitive advantages to meet more and greater challenges.

Product production volume in the past three years of Cathay Chemical			
			Unit: MT
Items	2023	2024	2025
Sodium Hydrosulfite Zinc Oxide Sodium Formaldehyde Sulfite Sodium Metabisulfite	10,424	10,600	9,052

1.2 Financial and Operational Planning

■ Management Policy - Economic performance

<table>
<tr><th colspan="4">Economic Performance – Management Approach</th></tr>
<tr><td>Sustainability Principles (Issue) Response</td><td>GRI 201
Economic Performance</td><td>Stakeholders affected by the impact</td><td>■ Cathay Chemical
■ Shareholder &Investors
■ Government Agencies
■ Employee</td></tr>
<tr><td>Meaning to Cathay Chemical</td><td colspan="3">Actively develop high value-added existing products and their derivatives to expand business areas.</td></tr>
<tr><td>Influence and impact</td><td colspan="3">Actually Positive：
■ Economic aspect:
1. Good economic performance management can help the Company improve efficiency, reduce costs, and increase profitability. This, in turn, benefits employees, shareholders, and other stakeholders, enabling the Company to better serve and create value for its stakeholders
2. Good economic performance can enhance the Company’s competitiveness within the industry and help attract investment from investors
■ Environmental Aspect:
Economic growth may entail substantial energy consumption, potentially resulting in issues such as pollution and resource depletion. Stable performance growth enables the Company to devote greater resources and efforts to reducing the adverse impacts of its manufacturing processes on the ecological environment

Potential Negative (Impacts):
■ Environmental Aspect：
In pursuit of economic benefits, environmental protection may be overlooked, potentially resulting in pollution and adversely affecting the local environment.
■ Human rights aspect
Workers in the chemical industry may face safety risks, such as exposure to hazardous chemicals and occupational health risks. Therefore, it is essential to protect workers’ rights, health, and safety.</td></tr>
<tr><td>Policy</td><td colspan="3">■ Actively develop high-value-added products to expand business areas
■ Take "Customer satisfaction is our responsibility "as the working principle of all employees
■ Let customers deeply identify with the concept of "quality first" and "service first" of our company's products</td></tr>
<tr><td>Strategy</td><td colspan="3">■ Through monthly business reports, track and discuss sales targets, understand the business environment promptly, and closely cooperate with production and sales to integrate operations.
■ Follow and implement ISO 9001 and QC 080000 systems. The outsiders will review and evaluate the company systems, and propose improvement plans.</td></tr>
<tr><td>Management Goals and Objectives</td><td colspan="3">■ Improve product quality and efficiency in order to reduce costs and allow customers to obtain cheap 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.
■ Steady performance growth and increased profits, creating the best interests for the company's shareholders and achieving sustainable management goals
■ Improve customer's after-sales service and establish a full sense of trust, thereby making it easier to promote sales of related products.
■ Actively develop sales of products related to industrial needs in dyeing and finishing,</td></tr>
</table>

	electronics, steel, plastics, food, etc. ■ 2025 Management Review Targets: Accelerate the automation of mechanical equipment and reduce labor costs
Resposibilities and Resources	The director of Pingnan branch had promoted to vice president; the general manager takes charge of the business policy of the headquarters.
Management Measures	■ ISO 9001 Quality Management System ■ QC 080000 Hazardous Substance Process Management System
Management and Performance Assessment	■ Through monthly pre-sale sheet and sales report, review or self-criticism situations of goal achievement. ■ Cash dividends had distributed in the past ten years. ■ 2025 net profit after tax was approximately NT$583.83 million, representing a decrease of 12.87% from the previous year. Earnings per share (EPS) were NT$3.87, a decrease from the previous year, primarily due to the impact of U.S. tariff measures. ■ In 2025, employee salaries and benefits totaled NT$144.209 million, a decrease of NT$55.825 million compared with 2024. This significant difference was primarily attributable to the Company's disposal of land in 2024, which resulted in a substantial difference in employee salary and benefit expenses between the two years.

■ Financial Performance

In 2025, Cathay Chemical's headquarter or Pingnan branch had not received any financial grant from the government or give campaign contributions.

In 2025, the global economic environment experienced significant volatility due to the "America First" policy and comprehensive reciprocal tariff measures promoted by newly elected U.S. President Donald Trump. Both international zinc prices and the USD/NTD exchange rate showed weakening trends. International zinc prices declined from USD 3,043 in December 2024 to USD 2,625 in April 2025, representing a decrease of 13.7%. During the same period, weak market demand and competition from lower-priced imported products further compressed the Company's profit margins in the second and third quarters. However, as tariff policies gradually became clearer from the third quarter onward, market confidence stabilized. International zinc prices rebounded from their April 2025 low, reaching USD 3,160 in December 2025, an increase of 20.4%, which contributed to improved profitability for the Company in the fourth quarter.

2025, the Company's annual revenue decreased by 12.87% compared with 2024. Operating gross profit decreased by 67.42%, primarily due to fluctuations in market conditions and exchange rates. However, benefiting from the significant growth in the profitability of the investee company, TAIWAN PURITIC CORP., the Company's net profit after tax for 2025 reached more than NT$583.83 million. Overall financial performance remained stable, with basic earnings per share (EPS) still reaching NT$3.87.

The following table shows the profit and loss statement of Cathay Chemical Inc. in the past three years:

Condensed Income Statement of Cathay Chemical in the past three years			
			Unit: NT$ Thousands
Item / Year	2023	2024	2025
Operating Revenue	476,391	527,973	460,042
Operating Gross Profit	38,069	63,982	20,848
Operation Profit and Loss	(36,994)	(99,158)	(79,244)
Non-Operating Revenue and Expenses	385,205	1,647,922	680,161
Profit Before Tax	348,211	1,548,764	600,917
Profit From Continuing Operations	350,365	1,555,981	583,839
Net profit or loss for the period	350,365	1,555,981	583,839
Other Comprehensive Income (Net Income After Tax)	62,682	65,094	7,308
Total Comprehensive Income	413,047	1,621,075	591,147
Earning Per Share	2.32	10.31	3.87
Welfare Expense	114,483	200,034	144,209
Shareholder Dividend	211,332	1,132,138	467,950
Government Taxes	5,146	7,735	16,541
Note: Above financial information is all audited by the accountants.			

Operational Plans

Short-Term	■ 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	■ 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. ■ Take "Customer satisfaction is our responsibility "as the working principle of all employees

Tax Policy

Cathay Chemical listed on the Taiwan Stock Exchange in 1990. Over the years, it has strictly complied with relevant tax regulations and entrusted Ernst & Young to conduct tax inspections. For detailed financial reports, please visit the investor area of Cathay Chemical official website to download each annual financial report on:

Cathay Chemical official website investor area http://www.ccwi.com.tw/invest.htm	

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.	Organization	Representative	Position
1	Taiwan Acid and Alkali Industries Association	Terry Shih (Special Assistant to the Chairman)	Executive Director
2	Kaohsiung Economic Growth Organization	-	Member

Obtaining Related Certifications

Cathay Chemical has obtained certification for the ISO 9001 Quality Management System and the IECQ QC 080000 Hazardous Substance Process Management System, and its product quality has earned international recognition. Currently, nine employees of the Company have completed the internal auditor training course for the ISO 9001 Quality Management System.Since 2014, the Company has published a Corporate Social Responsibility Report annually, with limited assurance provided each year by Ernst & Young, an independent and reputable accounting firm.The certificate for the IECQ QC 080000 Hazardous Substance Process Management System expired on December 22, 2025, and the Company will not renew the certification thereafter. The relevant certifications are as follows:


IECQ Certificate of Conformity
Hazardous Substance Process Management

IECQ/QC 080000

Valid date：2025.12.22

bsi.

Certificate of Registration

QUALITY MANAGEMENT SYSTEM - ISO 9001:2015

This is to certify that: Cathay Chemical Works, Inc.
12F,
No. 320
Section 4, Chung Hsiao E. Road
Taipei
106
Taiwan

Holds Certificate No: **FM 37972**

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

1. The sales of chemical material including the sodium hydrosulphite, sodium metabisulphite, sodium formaldehyde sulphoxylate, zinc oxide (calcined), zinc oxide (French process) and zinc dust.
2. The manufacture of chemical material including the sodium hydrosulphite, sodium metabisulphite, sodium formaldehyde sulphoxylate, zinc oxide (calcined), zinc oxide (French process) and zinc dust.

For and on behalf of BSI:

Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 1997-10-06
Latest Revision Date: 2024-09-10

Effective Date: 2024-11-05
Expiry Date: 2027-11-04

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...making excellence a habit.™

Certificate No: **FM 37972**

Location	Registered Activities
Cathay Chemical Works, Inc. 12F, No. 320 Section 4, Chung Hsiao E. Road Taipei 106 Taiwan	The sales of chemical material including the sodium hydrosulphite, sodium metabisulphite, sodium formaldehyde sulphoxylate, zinc oxide (calcined), zinc oxide (French process) and zinc dust.
Cathay Chemical Works, Inc. No. 10, Pingnan Rd. Tungkui Village Fangliao Hsiang Pingtung County 940 Taiwan	The manufacture of chemical material including the sodium hydrosulphite, sodium metabisulphite, sodium formaldehyde sulphoxylate, zinc oxide (calcined), zinc oxide (French process) and zinc dust.

Original Registration Date: 1997-10-06
Latest Revision Date: 2024-09-10

Effective Date: 2024-11-05
Expiry Date: 2027-11-04

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ISO 9001

Valid date：2027.11.4

1.4 Corporate Governance and Integrity Management

■ Management Policy - Corporate Governance

<table>
<tr><th colspan="4">Corporate Governance and Integrity - Management Policy</th></tr>
<tr><td>Sustainability Principles (Issue) Response</td><td>GRI 2 General Disclosure</td><td>Stakeholders affected by the impact</td><td>■ Cathay Chemical
■ Shareholder & Investors
■ Government Agencies
■ Employee
■ Business Partner</td></tr>
<tr><td>Meaning to Cathay Chemical</td><td colspan="3">Conduct business activities in a fair and transparent manner to establish a corporate culture and improve the integrity of the company and its related institutions development, and establish a code of integrity management as a standard to follow.</td></tr>
<tr><td>Influence and impact</td><td colspan="3">Actual Positive：
■ Economic aspect:
1. Corporate governance can improve the transparency and financial soundness of enterprises, enhance investor confidence in enterprises, and promote increases in stock prices and performance.
2. Attract greater confidence from shareholders, investors, and other stakeholders, thereby contributing to the Company's operational success and sustainable development.
■ Environmental aspect:
Corporate governance can promote enterprises to achieve green and environmentally friendly development, meet society's environmental expectations for enterprises, and improve corporate image and market competitiveness.
■ Human rights aspect:
Corporate governance can protect the rights and interests of employees, including wages, working hours, safety and benefits, improve employee satisfaction and loyalty, and reduce labor disputes and social risks.</td></tr>
<tr><td>Policy</td><td colspan="3">■ Based on the business philosophy of integrity, transparency and responsibility, we have formulated policies based on integrity, established corporate governance and risk control mechanisms, and created a sustainable operating environment.
■ Employees of our company comply with the law
■ In order to improve the management of integrity management, the management department and internal audit are responsible for formulating integrity management policies and prevention plans.
■ Internal audit is responsible for supervising the implementation results and reporting the project to the board of directors.
■ Strengthen the functions of the board of directors.
■ Utilize the function of the audit committee
■ Protect shareholders' rights and interests
■ Improve information transparency
■ Respect the rights and interests of stakeholders</td></tr>
<tr><td>Strategy</td><td colspan="3">Formulate specific reporting and systems, designate a dedicated person to be responsible for operation and management, keep the identity of the reporting person and the content of the reporting confidential, and provide appropriate rewards.</td></tr>
<tr><td>Management Goals and Objectives</td><td colspan="3">■ Company colleagues should pay attention to abide by the laws and regulations of the company's stock trading, avoid the suspicion of insider trading, help integrate integrity and moral values into the company's business strategy, and cooperate with relevant laws and regulations to ensure relevant anti-fraud measures to operate with integrity.</td></tr>
</table>

Management Measures	Company is committed to maintaining high standards of business ethics and promoting a culture of integrity in business operations. In order to ensure that all business activities are ethical, we have formulated a detailed code of integrity management, including the following: ■ Prohibition of giving and accepting bribes ■ Prohibition of Illegal political donations and donations to charitable organizations ■ Prohibition of unreasonable gifts and improper benefits ■ Prohibition of Infringement of intellectual property rights ■ Prohibition of engage in unfair competition and prevent products and services from harming related parties
Management and Performance Assessment	■ Company should always pay attention to the development of domestic and foreign regulations related to integrity management, and encourage directors, managers, and employees to make suggestions and review and improve accordingly. Relevant implementation results disclosed on the company's website, annual report and public prospectus. ■ The results of the self-evaluation of the board of directors, the performance evaluation of individual director members, and the self-evaluation of the performance of functional committees were excellent, and the overall results were good. ■ In the new board of directors, there are three female members, accounting for 60%, which has achieved the goal we set. ■ In 2025, the Company’s managers participated in relevant corporate governance training courses. The General Manager completed a total of 6 hours of training, while the Head of Internal Audit and the Head of Accounting each completed 12 hours of training, thereby strengthening and enhancing the competencies of the management team.

■ ESG Corporate 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. Because the Company realizes that the key to sustainable operation of an enterprise is to understand and observe social and industrial trends, using 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, using self-requirements with high standards of integrity and morality, through the recommendations of a complete mechanism, so that each employee has the correct cognition 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, 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 that our company keeps sharp-eyed and systematically to 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.

The reports/proposals submitted to the Board of Directors by relevant units in 2024 are summarized as follows:

Nature	Number of major events	Meeting date	Communication Proposal Overview	Communication results
Environmental aspect Economic aspect	3	2025/03/14	Approved the work plan for the preparation of the 2024 Sustainability Report.	Approved by the Sustainable Integrity Management Committee and submitted to the Board of Directors for resolution
		2025/08/13	Approved the 2024 Sustainability Report of the Company.	Submit to the board of directors and be approved by all directors' present
		2025/11/11	Approved the Company's "Sustainability Information Management Procedures."	
Environmental aspect	9	2025/03/14	1. Approval of the allocation of directors' remuneration and managers' employee compensation for 2024. 2. Approval of the 2024 Business Report, financial statements, and earnings distribution proposal. 3. Approval of the 2025 Business Plan 4. The application for short-term financing facilities with Mega International Commercial Bank to meet working capital requirements.	Submit to the board of directors and be approved by all directors' present
		2025/05/07	5. Approved the 2025 Q1 Business Report and Financial Statements.	
		2025/08/13	6. Approved the 2025 Semi-Annual Business Report and Financial Statements.	
		2025/11/11	7. Approved the 2025 Q1–Q3 Business Report and Financial Statements. 8. Proposal for salary adjustments for the Chairman and managers. 9. Approved the renewal of the Company's financing facility with Shanghai Commercial & Savings Bank upon expiration.	

Economic aspect	3	2025/11/11	1. Proposal regarding the standards and structure for determining various employee compensation items and the distribution of year-end bonuses for employees for 2025. 2. Approved the Company’s 2026 salary adjustments for the Chairman and managers. 3. Approved the scope of the Company’s entry-level employees.	Submit to the board of directors and be approved by all directors’ present
Governance	8	2025/03/14	1. Evaluation of the independence and suitability of the accounting firm for 2025 and 2024. 2. 2024 Internal Control System Statement. 3. Approved the proposal to amend certain provisions of the Company’s “Articles of Incorporation.”	Submit to the board of directors and be approved by all directors’ present
		2025/05/07	4. Approved the purchase of “Directors and Key Officers Liability Insurance.” 5. Approved the removal of the non-compete restriction applicable to the Company’s General Manager.	
		2025/11/11	6. Approved the confirmation of the list of non-assurance services expected to be provided by Ernst & Young and its affiliated entities in 2026. 7. Approved the Company’s 2026 Audit Plan and the proposal to amend certain provisions of the Company’s “Internal Control System” and “Internal Audit System and Implementation Rules.” 8. Approved the Company’s arrangements for entering into related-party agreements, including the “Plant Lease Agreement,” “Information Maintenance Agreement,” “Building Joint Management Agreement,” and “Property Lease Agreement.”	

The following diagram shows the structure of the Sustainability and Integrity Management Committee of Cathay Chemical Plant and the responsibilities of each group:

The Sustainability and Integrity Management Committee discloses its composition, responsibilities, and operations:

Sustainability and Integrity Management Committee Structure

Committee Responsibilities		
1. Formulate corporate sustainability policies 2. Planning, implementation and review of work related to sustainability, integrity management and social responsibility, and regular reporting to the board of directors 3. Review the goals, strategies and action plans of the corporate sustainability policy and track the progress of each plan 4. Discuss issues of concern to stakeholders, including shareholders, customers, suppliers, employees, government, non-profit organizations, communities, and the media, and oversee communication plans 5. Review the effectiveness of the preparation of the sustainability report		
Unit	**Responsible departments**	**Statement of Rights and Responsibilities**
Sustainability Information Management Team	Composed of personnel appointed by the General Manager	1. Assist with administrative matters of committee meetings, including meeting notices, attendance books and minutes, etc. 2. Supervise and integrate the work of each working group, and organize and execute the collection, recording, processing, compilation, approval and disclosure of sustainability information, Confirm whether the information is handled in accordance with the company's "Sustainable Information Management Operating Procedures" 。 3. Strengthen the implementation of sustainability reporting, information disclosure, and promotion to stakeholders. 4. Promote and advocate the spirit of sustainability, integrity management and social responsibility into the company's business strategy and culture.
Environmental Sustainability Team	Led by the deputy director of Pingnan Factory	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	Led by the director of Pingnan Factory	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. Use the company's influence to make the industry heed supply chain problems. 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	Led by the Management Manager	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 Managment Team	Led by the Deputy General Manager of Pingnan Factory	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

2024 operation of the Sustainability and Integrity Management Committee:

(1) The Company's Sustainability and Integrity Management Committee consists of 5 members, appointed by the Board of Directors. The term of office is the same as that of the appointed board of directors, which includes five working groups: Environmental Sustainability (E), Social Participation (S), Corporate Governance (G), and Integrity Management. To strengthen the company's management system, commit to environmental protection and fulfill social responsibilities, and comply with applicable laws and regulations, we will submit ESG-related implementation performance reports to the board of directors at least once a year.

(2) The committee's operations in recent years are as follows:

Meeting Date	Meeting Content
2025.03.03	Approved the progress and work plan for the preparation of the Company’ s 2024 Sustainability Report.
2025.06.30	Approved the progress and implementation status of the Company’ s 2024 Sustainability Report.

■ Governance and business strategy

Cathay Chemical hopes that by establishing a good corporate governance system and formulating a corporate governance code of practice, the company's employees can truly comply with relevant laws and regulations in accordance with the corporate governance code and complete governance policies. Effectively enhance Company's competitiveness and risk management capabilities, and improve the company's operations.

Cathay Chemical Governance Policy	■ 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 snd Interests of Stakeholders

Operating Strategy

1. Actively expand the new domestic and oversea marketing to increase capacity utilization
2. Develop new products to open a new business field
3. Fulfill corporate social responsibilities and actively participate in public welfare activities.
4. Continue to focus on the research and development of specialty chemicals and explore new industrial fields
5. Actively dispose of idle assets to enrich working capital and diversify operations to improve operating efficiency

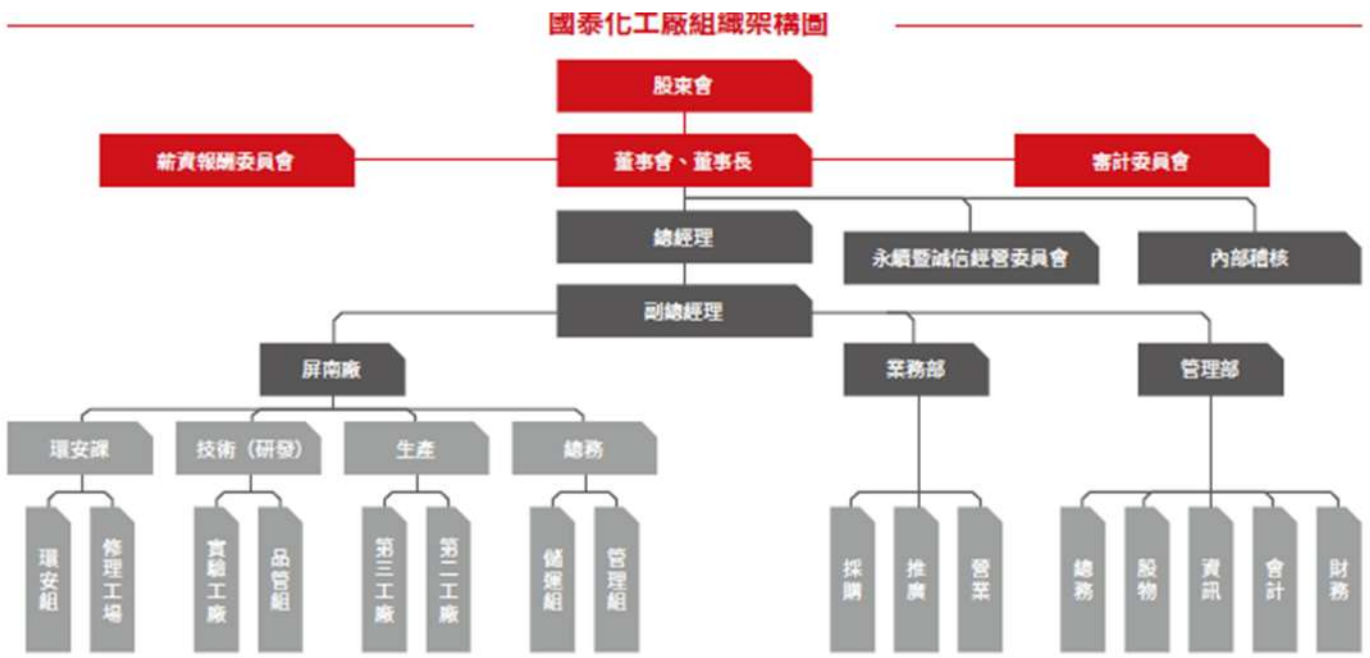
Production and marketing policy

Sales Strategy	■ Continue to research and develop and innovate to reduce the cost of existing products, obtain greater profits, and develop new products. To develop new business areas ■ Actively explore new markets with "high-quality reviews" to increase revenue
Production Strategy	■ Continue to promote the "material saving bonus system" to keep all employees united, working together to reduce costs

	■ Promote "energy conservation and waste reduction" to achieve cost reduction and clean production ■ Actively research and develop high value-added derivatives of existing products to expand business areas

■ Cooperation Organization Structure

Cathay Chemical Inc. Organizational Chart



■ Organization of Board of Directors

Cathay Chemical conducted a comprehensive re-election of the board of directors on June 21, 2023, with a term of 3 years. Among the current 5 members of the board of directors, 3 are new independent directors, accounting for 60%In addition, we attach great importance to gender equality in the composition of our board of directors, and our long-term goal is to have more than one-third of our directors be female. In the new board of directors, there are three female members, accounting for 60%, which has achieved the goal we set.

The Company's Board of Directors held 4 meetings in fiscal year 2025. The following table shows the attendance of Directors and Board of Directors:

Position	Name	Gender	Age	Main career (academic) achievements	Concurrent duties in the Company and other companies	2024 Board Attendance Rate (%)
Chairwoman	Jou-Er, Ing Representative, Hengchang Investment Corp.	Female	80-90	Master, University of California	Chairwoman of Taiwan Puritic Corp & Reward Wool Industry Corporation	100
Directors	C.C. Hung Representative, Litai Investment Corp.	Male	60-70	Fu Jen Catholic University. Advanced examination qualified, CPA	Chicheng Industrial Co., Ltd. Responsible person and President of Cathay Chemical	100
Independent Director	Chi-Ying Tsen	Female	50-60	Master of Laws, University of Iowa. Advanced examination qualified, attorney at law	Attorney-at-law, Sun Law Law Firm	100
Independent Director	Lien-Chu Yeh	Female	70-80	Zhong Li Commercial Senior School. Accountant in charge, Deputy Manager of Management Department, Internal Audit Manager of Reward Wool Industry	-	100

				Corporation		
Independent Director	Wen-Kuei Chi	Male	70-80	National Taiwan University of Science and Technology. Deputy Manager of R&D Department of Reward Wool Industry Corporation	-	100
Note: June 21, 2023 to June 20, 2026.						

Avoidance of benefits

The board of directors' meeting procedures of Cathay Chemical clearly stipulate the provisions for directors to avoid conflicts of interest. According to these regulations, if a director has a conflict of interest with himself or the legal person he represents in relation to the meeting matters, director cannot participate in the discussion and voting at the meeting and must recuse himself from the meeting, also cannot exercise voting rights on behalf of other directors. There is no spouse or second-degree relative relationship among the five members of the current board of directors.

Cathay Chemical Plant's 2025 Director Interest Recusal			
Meeting name	Date	Motion content	Recusation of interest and voting
25th session 14th Board of Directors	2025.11.11	Discuss the company's 2026 salary adjustment for the chairman and managers	Except for the related parties Chairman Jou-Er, Ing , General Manager C.C. Hung and the manager who abstained from the discussion and voting, the rest of the directors present passed the proposal without objection.

Training of Director

According to “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, the directors of the Company will be continuing training. Through exchange the experience to improve their professional knowledge and legal literacy. Also, by cultivate their great characteristics and decision-making ability, can actively and effectively implement the corporate governance system.

The number of hours and items of professional education training received by directors					
Job Title	Name	Date	Organizer	Course Title	Training hours
Chairman	Ing, Jou-Er (Representative, Heng Chung Investment Co., Ltd.)	2025/08/11	Chinese Association for Governance	Practical Insights into Board Practices of Listed and OTC Companies	3
		2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6
Director	C.C. Hung Representative, Litai Investment Corp.	2025/09/01	Institute of Internal Auditors–Chinese Taiwan	Key Considerations and Impacts of IFRS S1/S2 on Internal Controls and Internal Audit That Should Not Be Overlooked	6
		2025//08/11	Chinese Corporate Governance Association (CCGA)	Practical Insights into Board Practices of Listed and OTC Companies	3
		2025//07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Chi-Ying Tsen	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Lien-Chu Yeh	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6
		2025//05/16	Securities and Futures Institute	2025 Insider Trading Prevention Awareness Session	3
Independent Director	Wen-Kuei Chi	2025//07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6
		2025//05/16	Securities and Futures Institute	2025 Insider Trading Prevention Awareness Session	3

■ Performance Evaluation of Board of Directors

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

In 2025, the results of the self-evaluation of the board of directors, individual director members and the functional committees were all excellent. Company will also continue to work hard to maintain and improve the operational effectiveness of the Board of Directors and various committees.

The following table shows the content and results of director performance evaluation:

Content and results of director performance evaluation	
Board of Directors self-evaluation	1. Degree of participation in company operations. 2. Improve the decision-making quality of the board of directors.

	3. Board composition and structure. 4. Selection and continuing education of directors. 5. Internal controls.
2025 annual evaluation results: Excellent	
Individual director members self-evaluation	1. Understanding of the company and responsibilities 2. Awareness of directors' responsibilities. 3. Degree of participation in company operations. 4. Internal relationship management and communication. 5. Professional and continuing education of directors. 6. Internal controls.
2025 annual evaluation results: Excellent	
Functional committees self-evaluation	1. Degree of participation in company operations. 2. Awareness of the responsibilities of functional committees. 3. Improve the decision-making quality of functional committees. 4. Formation of functional committees and selection of members. 5. Internal controls.
2025 annual evaluation results: Excellent	

■ Remuneration committee

Cathay Chemical has established a remuneration committee; the main task is to improve and implement the spirit of corporate governance. According to the "Regulations on the Establishment and Exercise of Powers of Compensation Committees of Companies with Listed or Over-the-Counter Securities Trading Stocks" promulgated by the Financial Supervisory Commission of the Executive Yuan, Company has established a Remuneration Committee (hereinafter referred to as the Committee) under the Board of Directors and established the Company's Remuneration Committee's Rules of Conduct. Assist the board of directors in formulating policies and systems related to salary and remuneration, and review the performance evaluation of directors and managers, etc. Independent directors serve as conveners.

The procedures for determining directors' remuneration are all in accordance with the "Regulations of the Remuneration Committee". To evaluate operational performance, future industry operating risks, management performance, and sustainable business strategy goals. And refer to the individual's performance achievement rate and contribution to the company's performance to provide reasonable compensation. Relevant performance appraisals and remuneration rationality are reviewed by the Remuneration Committee and the Board of Directors; the remuneration system will be reviewed timely based on actual operating conditions and relevant laws and regulations to achieve a balance between the company's sustainable operation and risk control.

Cathay Chemical Salary and Remuneration Committee has 3 members. Before the full re-election at the shareholders' meeting on June 21, 2023, Hui Chu, Lin, Chen Yen, Lin and Tsung Ming, Chung served as members. After the re-election, Chi Ying, Tseng (convener), Lien Chu, Yeh and Wen Kuei, Chi became the new members. Two regular sessions were held in 2025, with 100% attendance by all members.

The 2025 board meeting will discuss the formulation and structure of various employee compensation items for 2024, the distribution of year-end bonuses for employees, and the salary adjustments for the chairman and managers. The internal audit work will be passed to review the plan, and the resolution will be recorded in the minutes and submitted to the board of directors after the meeting.

Cathay Chemical's 2024 Compensation Committee Communication	

The following table shows the attendance status of the Compensation Committee in 2024:

Job Title	Name	Gender	Actual attendance	2025 Attendance rate (%)
Independent Director (Convener)	Chi Ying, Tseng	Female	2	100
Independent Director	Lien Chu, Yeh	Female	2	100
Independent Director	Wen Kuei, Chi	Male	2	100

The results of the discussion of the 2025 Remuneration Committee's proposals are as follows:

Meeting Date	Motion content	Resolution result
March 14, 2025 4nd time of the 5th Session	1. Company's 2024 director's remuneration and manager employee remuneration distribution plan. 2. Company's 2024 director's remuneration and manager employee remuneration distribution method plan.	1. The proposal was approved without objection after the Chairperson consulted all attending committee members. It will be submitted to the Board of Directors for discussion in accordance with applicable laws and regulations. 2. After review, the salaries were considered reasonable and within the salary ranges stipulated in the Company's "Salary Management Regulations." The proposal was unanimously approved without objection by all attending committee members and will be submitted to the Board of Directors for discussion in accordance with applicable laws and regulations.
November 11, 2025 5rd time of the 5th Session	1. Review the standards and structure of various compensation items for the company's employees. 2. The company's 2025 employee year-end bonus payment plan	1. The proposal was approved without objection after the Chairperson consulted all attending committee members. It will be submitted to the Board of Directors for discussion in accordance with applicable laws and regulations.

	3. Salary Adjustment Proposal for the Chairman and Managers of the Company	2. The proposal was approved without objection after the Chairperson consulted all attending committee members. It will be submitted to the Board of Directors for discussion in accordance with applicable laws and regulations. 3. After review, the salaries were considered reasonable and within the salary ranges stipulated in the Company's "Salary Management Regulations." The proposal was unanimously approved without objection by all attending committee members and will be submitted to the Board of Directors for discussion in accordance with applicable laws and regulations.

■ Directors and managers' remuneration

The annual remuneration of board members includes directors' fees and related remuneration received by part-time employees. Directors' and employees' remuneration is distributed according to the company's articles of association after being submitted to the Remuneration Committee and approved by the Board of Directors.

The company's monthly salary standards, employee promotions and salary adjustments are handled in accordance with the "Salary Management Rules". There are three festivals and year-end bonuses. Under normal operating conditions, at the end of the year, regardless of profit or loss, regular employees will receive a bonus equivalent to two months' base salary. If the company still has a profit and no accumulated losses for the year, additional employee compensation may be allocated according to the company's charter.

Position	Annual remuneration project
Director	Remuneration, Remuneration for profit distribution
Adjunct Employee	Salary, Bonus, Retirement pension, Remuneration for profit distribution
Senior Managers Administrative Managers	Salary, Retirement pension, Employee Compensation of Bonuses and Profit Distribution

■ Audit Committee

The Audit Committee established by Cathay Chemical in accordance with the Company's "Audit Committee Organization Charter" is composed of all independent directors and holds regular meetings. The Audit Committee may invite relevant department managers, audit supervisors, accountants, or other personnel to attend and provide necessary information; the communication between the Audit Committee (independent directors) and the internal audit supervisor and accountants:

1. The Company's independent directors regularly hold meetings with the accountants and the corporate governance unit during the review of the annual report and the third quarter report.

Review and discuss the findings of the CPA audit and supervise the implementation of the following matters：

a. Appropriate presentation of company financial statements
b. Effective implementation of the company's internal control
c. The company complies with relevant laws and regulations
d. Control of existing or potential risks of the company

2. Communication between the company's independent directors and the head of internal audit:
   a. The company's internal audit submits audit reports (including audit findings and suggestions) to independent directors every month.
   b. Exchange opinions on the impact of changes in laws and regulations and key operational improvement issues during quarterly board meetings.
   c. Communicate and discuss with independent directors from time to time by phone, fax and email.

Cathay Chemical formed an Audit Committee in 2020, consisting of 3 independent directors, to audit the processes of accounting, auditing, and financial reporting and Integrity of financial controls. In June 2023, a comprehensive re-election was hold at the shareholders' regular meeting. The new members are Chi Ying Tseng (convener), Lien Chu Yeh and Wen Kuei Chi. A total of 5 regular meetings will be held in 2024, with an attendance rate of 100% for all members.

Cathay Chemical 2025 Audit Committee Communication	

The following table shows the attendance status of the Audit Committee in 2025:

Job Title	Name	Gender	Actual attendance	2025 Attendance rate (%)
Independent Director (Convener)	Chi Ying, Tseng	Female	4	100
Independent Director	Lien Chu, Yeh	Female	4	100
Independent Director	Wen Kuei, Chi	Male	4	100

The operation status of the committee meetings is as follows:

Convening Date	Audit Committee Proposal Content	Matters not approved by the Audit Committee but approved by more than 2/3 of all directors

<table>
<tr><td rowspan="3">2025.03.14</td><td>1. Matters related to the evaluation of the independence and suitability of the Company’s accountants and accounting firm for 2025 and 2024, including the accountants’ fees.
2. The Company’s 2024 Business Report and Financial Statements.
3. The Company’s 2024 earnings distribution proposal.
4. The Company’s 2024 “Effectiveness Evaluation of the Internal Control System.”
5. Proposal to amend certain provisions of the Company’s “Articles of Incorporation.”
6. Proposal to apply for a short-term financing facility with Mega International Commercial Bank to meet the Company’s working capital requirements.</td><td>None</td></tr>
<tr><td colspan="2">Audit Committee Resolution: All audit committee members present agreed to pass</td></tr>
<tr><td colspan="2">The company's handling of the audit committee's opinion: All directors present agreed to approve</td></tr>
<tr><td rowspan="3">2025.05.07</td><td>1. Company's 2025 Q1 operating report and financial statements</td><td>None</td></tr>
<tr><td colspan="2">Audit Committee Resolution: All audit committee members present agreed to pass</td></tr>
<tr><td colspan="2">The company's handling of the audit committee's opinion: All directors present agreed to approve</td></tr>
<tr><td rowspan="3">2025.08.13</td><td>1. The Company’s 2025 Semi-Annual Business Report and Financial Statements.
2. Proposal to apply for a short-term financing facility with E.SUN Bank to meet the Company’s working capital requirements.</td><td>None</td></tr>
<tr><td colspan="2">Audit Committee Resolution: All audit committee members present agreed to pass</td></tr>
<tr><td colspan="2">The company's handling of the audit committee's opinion: All directors present agreed to approve</td></tr>
<tr><td>2025.11.11</td><td>1. The Company’s 2025 Q1–Q3 Business Report and Financial Statements.
2. Proposal to confirm the list of non-assurance services expected to be provided by Ernst & Young and its affiliated entities in 2026.
3. The Company’s 2026 Audit Plan.
4. Proposal to amend certain provisions of the Company’s “Internal Control System” and “Internal Audit System and Implementation Rules.”
5. Matters relating to the Company’s execution of agreements with related parties, including the “Plant Lease Agreement,” “Information Maintenance Agreement,” “Building Joint</td><td>None</td></tr>
</table>

	Management Agreement," and "Property Lease Agreement." 6. Proposal to renew the Company's financing facility with Shanghai Commercial & Savings Bank upon expiration.	
	Audit Committee Resolution: All audit committee members present agreed to pass	
	The company's handling of the audit committee's opinion: All directors present agreed to approve	

All proposals were approved by all Audit Committee members and agreed upon by more than two-thirds of all directors.

The Company's internal audit director holds regular meetings with the Audit Committee every quarter to report on the implementation of internal audits and the operation of internal control systems, and to maintain two-way communication. In addition, the audit report will be sent to the Audit Committee for review every month. The company also appoints an accountant to audit the financial statements and issue an audit opinion for review by the audit committee. In addition to regularly attending the Audit Committee to report on the implementation of internal audits, the Internal Audit Director also communicates and discusses with independent directors at any time through interviews, telephone, fax or email as needed.

■ Implement Integrity Management

Cathay Chemical strictly prohibits any acts of corruption, bribery, or extortion. Irregularly publicize the 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 responsibe 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 2025. Internal employee communication channels are open. Regarding complaints and reports of violations of integrity management regulations, the receiving unit is obligated to maintain confidentiality of the whistleblower's information and must not disclose it. The company has implemented confidentiality and protection measures to protect whistleblowers from improper treatment as a result of their reports.

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:

Risk Projects	Directions
Financial Risk	■ 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.
Strategic Risk	■ 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.
Geopolitical Risks	■ Strengthen the strategic use of marketing, proactively adjust production and sales strategies in response to market conditions, and enhance product added value through product innovation and technological upgrades to meet diverse market needs.
Information and Communications Technology (ICT) Security Risks	■ Regularly monitor and continuously follow up on the implementation of internal information security measures and improvement effectiveness to reduce internal information security risks. ■ Install antivirus software on computer endpoints, and periodically review virus logs and take appropriate measures as necessary. ■ Perform operating system updates on an ad hoc basis to reduce system vulnerabilities and information security risks. ■ Establish appropriate backup mechanisms and procedures.

In accordance with the requirements of the "Principles for Establishing Internal Control Systems for Publicly Offered Companies", Company should evaluate the effectiveness of their internal control systems to ensure that their design and implementation are consistent with the key elements of the management control process. The key including control environment, risk assessment, control operations, information and communication. The internal control statement will become the main content of the company's annual report and public prospectus, and will be made public. Company's goal is to ensure the effectiveness and efficiency of business operations, and make sure that the report is reliable, timely, transparent, and complies with relevant laws and regulations. By examining the design and implementation of internal control systems, Company's board of directors and management are responsible for establishing, implementing and maintaining these systems. If there is any falsehood or concealment in the disclosed content, it may violate relevant provisions of the

Securities and Exchange Act and result in legal liability. The Internal Control System Statement was approved on March 12, 2026, with all five attending directors in agreement with the contents of the statement.

■ Information security

Company's information system is rented from the related party "REWARD WOOL INDUSTRY CORPORATION", The Company has a deputy information manager responsible for supervising the implementation of internal information security. If any deficiencies are found during the inspection, the inspected unit will be required to propose relevant improvement plans and specific actions, and the improvement results will be tracked regularly to reduce internal information security risks. If the company encounters relevant information security concerns or problems, we will immediately ask the assistant manager of REWARD WOOL Information to provide assistance to ensure the stable operation and security of the information system.

Cathay Chemical has established an "Information Security Risk Management Framework and Policy Management Plan" with reference to the information security management and control guidelines for listed companies issued by the Taiwan Stock Exchange. Relevant policy management is being developed and planned based on the current company size and actual needs, and will be continued and strengthened. In addition to establishing the plan, the company has also set an information security manager and an information security officer, a total of two people.

The training and continuing education activities participated in during 2025 are as follows:

<table>
<tr><th>Job title</th><th>Name</th><th>Course Title</th><th>Date</th><th>Organizer</th><th>Training hours</th></tr>
<tr><td>Information Security Personnel</td><td>Tsai, Hung-Cheng</td><td>1. Impact of AI on Information Security and Response Measures E-Course (2 hours)
2. Hacker Attack Techniques and Key Defense Measures E-Course (2 hours)
3. Information Security Attack and Defense Techniques, Post-Incident Handling, and Remedial Measures E-Course (2 hours)</td><td>2025/12/26 ~ 2026/05/31</td><td>Taiwan Academy of Banking and Finance (TABF)</td><td>6 hours</td></tr>
<tr><td colspan="6">The Company also registers for and participates in online information security-related courses organized by Data Systems Consulting Co., Ltd. (DSC) from time to time.</td></tr>
</table>

No internal phishing drills will be conducted in 2025; employee education and training or information security promotion will be conducted. After checking personal emails, there is no relevant record in 2025, therefore cannot be provided. (Countermeasures: In the future, a copy of all promotional emails from REWARD WOOL INDUSTRY CORPORATION (excluding the Chairman) will be provided to Cathay Chemical Works, Inc. for promotional purposes, for possible future verification.)

In 2025, the Company continued to strengthen and improve its information and communications technology (ICT) security measures in accordance with the competent authority's Guidelines for Information and Communications Security Management of Listed and OTC Companies. No major information security incidents occurred in 2025, and there were no related losses or impacts.

The following describes our company's information security policy and resources:

Information Security Policy	
1	Both the Taipei head office and Pingnan factory have set up proper firewalls to block attacks from external hackers, and review relevant log files regularly.
2	Install anti-virus software on computer client, regularly review virus records and related corresponding processing.
3	Perform operations related to operating system updates from time to time, reduce system vulnerabilities and reduce information security risks.
4	Establish proper backup mechanisms and methods.
Information security management plan and resources invested in information security management	
Network Security Management	Set up an enterprise-level multi-functional firewall for external connections to prevent illegal intrusions by hackers.
Server & Computer client protection management	1. Endpoint protection multi-function software is installed on servers and computer client devices (Anti-virus, anti-malware, anti-spyware...etc.), Virus signatures are automatically updated to ensure that all types of viruses or information security protection can be blocked and improved. 2. Emails are equipped with email anti-virus, spam filtering mechanisms and anti-ransomware email defense mechanisms, to prevent the above types of malicious emails from being received by computer users, causing unexpected losses or harm.
Application system user account permission management	1. Account management, System settings require users to change their passwords regularly. 2. Authority management, define the usable permissions of different users based on their job attributes.

Cathay Chemical has always attached great importance to professional ethics. Whether it is the Company's business secrets or customer information, employees are absolutely required not to disclose it to the outside world. New employees are also promoted and must sign a work confidentiality contract. Article 4 of the contract stipulates that business information such as the name, address, quantity, price, etc. of sales customers shall not be disclosed to others. In 2025, the Company did not experience any incidents involving information leakage, theft, or loss of customer data.

1.6 Financial risks related to climate change

The United Nations Intergovernmental Panel on Climate Change convened the world's top climate scientists. The latest 6th assessment synthesis report (AR6 Synthesis Report) released in March 2023, clearly analyze the current status of global climate change, warming, and extreme weather impacts. The global comprehensive level of shocks and risks has been assessed from "high" to "very high". Currently, the global average temperature rise has reached 1.1°C and is heading towards 3°C. With every 0.5 degrees of warming, the frequency and intensity of extreme weather events such as heat waves, droughts and heavy rains will increase, posing a serious threat to ecosystems, food security and human health. The report calls for an immediate and large-scale global reduction in greenhouse gas emissions, including a rapid shift to renewable energy, improved energy efficiency, protection and restoration of ecosystems, and changes in consumption and production patterns. The report calls for an immediate and large-scale global reduction in greenhouse gas emissions, including a rapid shift to renewable energy, improved energy efficiency, protection and restoration of ecosystems, and changes in consumption and production patterns.

In addition to identifying business risks, Company referred to the TCFD (Task Force on Climate-Related Financial Disclosures), issued by the International Financial Stability Board (FSB) in 2019. Cathay Chemical established a risk framework based on the four disclosure cores - Governance, Strategy, Risk Management, and Indicators &Targets. In this way, we can understand the impact of Cathay Chemical on climate change risks, and then propose countermeasures. Next, the relevant actions of Cathay Chemical on climate change will be explained.

Cathay Chemical responds to the TCFD climate-related financial information disclosure framework	
Climate Change Governance Unit	■ In order to respond to the high uncertainty of global climate & policy and rapid market changes, Cathay Chemical regularly convenes senior managers from various departments to identify major climate risks and opportunities, then promptly grasp and predict the possible impacts of climate change.Further evaluate the risks that related risks such as floods, droughts, typhoons, high temperatures and extreme weather may bring to each operating base, hoping to grasp the climate changes and market dynamics of the external environment, and then consider the company's overall operational strategic planning. ■ The company established the "Sustainability and Integrity Management Committee" under the board of directors in 2022, with a total of 5 members. Appointed by resolution of the Board of Directors for the same term as the appointed Board of Directors. The responsible departments include four working groups: Environmental Sustainability (E), Social Participation (S), Corporate Governance (G) and Integrity Management, in order to strengthen the company's operating system, commit to environmental protection and fulfill social responsibilities, and comply with the requirements regulations. Conduct ESG-related implementation performance reports to the board of directors at least once a year. ■ The Board of Directors is the company's highest governance unit, and the "Sustainability and Integrity Management Committee" regularly reports relevant risks and policies to the Board of Directors. Board of directors is responsible for making the final assessment and making recommendations.

	Risk and Opportunity Identification			
	Category	Risk and Opportunity Issues	Content	Financial impact and response measures
Climate Change Strategy	Transitional Risk	Policy/ Regulatory Risks	■ Carbon tax systems in various countries ■ In order to response policies and regulations, towards a low-carbon, energy-efficient economic model.	■ Company's current contracted power consumption is 1,200 kilowatts, which does not reach the 5,000 kilowatts stipulated in the "Renewable Energy Development Ordinance". It is not an enterprise regulated by regulations. ■ Regarding greenhouse gas inventory regulations, company has not yet been forced to disclose. After evaluation, the impact of relevant environmental policies and regulations on the company's overall operations and finances is relatively low.
	Physical Risk	Increase in extreme climate events	■ Increase the probability of drought events	■ If there is a short-term water restriction/outage in the factory, it will have a low impact on the company's overall operations and finances. And the company can adjust the annual rest period to cope with the impact on production capacity caused by water restrictions/cutoffs. If the water outage lasts for more than a month, there may be a reduction in operating income (reduced production capacity may lead to the inability to ship goods), production capacity interruption (work stoppage, shutdown). Lead a significant financial impact on the Company.
		Increased energy consumption	■ Temporary power outage	■ Company's current product inventory maintains approximately one month's supply. Power outages may have a negative impact on the stability of the company's production lines, resulting in reduced production and delayed supply.
	Opportunity	Product or Service	■ Tackling climate change requires innovative technologies and solutions	■ The introduction of new products and technologies will help the company move towards new growth and increase the company's revenue.

Risk Management	■ Company's overall operating conditions are included in the scope of risk management, and with the goal of maximizing the interests of investors, we try our best to prevent possible potential risks. Under the balance of risk control and target return, we pursue to enhance the overall value of the company. In terms of environment: continuous improvement and innovation in the process of production and sales activities. Set prevention and control standards, stay ahead of the requirements of environmental laws and regulations, and conduct pollution prevention and environmental improvement from a sustainable perspective. On the social side: Regulate the company's internal personnel through the "Integrity Business Regulation" and "Working Rules for Employees", strengthen publicity and standardize the compliance of all employees of the company with honest behavior. In terms of corporate governance, continue to implement the supervision and balances of the board of directors, strictly abide by laws and regulations, and then operate solidly to achieve the goal of sustainable development of the enterprise. Through the Sustainability and Integrity Management Committee, discussions are held in the "Climate Change Related Financial Disclosure Discussion Meeting". Through meeting convenes relevant group members to discuss and identify climate change risks and opportunities. In 2023, in order to cope with future policy and regulatory risks, the company plans to introduce ISO 14064-1 greenhouse gas management. Not only to comply with future regulations and policies, but also to understand the company's energy consumption and improve it through introduction.
Metrics and Targets	■ Set an annual electricity saving target of 1%. ■ Lower greenhouse gas emissions intensity.
Carbon Pricing Basics	Currently, the Company has not formulated an internal carbon pricing policy. We will continue to closely monitor the carbon fee standards established by relevant policies and regulations, and pay attention to trends in carbon emission control internationally, by governments, and in the market. To adjust our business strategy to cope with possible changes in the future.
Greenhouse Gas Inventory Plan	According to the "Sustainable Development Roadmap" planning content schedule, announced by the Financial Regulatory Commission. The Company needs to complete 2025 the greenhouse gas inventory in 2026 and verification of information disclosure in 2028. The time is to complete the interrogation and examination in 2026 and complete the verification in 2028.Company has planned to start collecting greenhouse gas inventory data for the entire year in 2024 to conduct greenhouse gas inventory operations in compliance with the ISO 14064-1 standard. The verification work is expected to be completed in 2028.

1.7 Regulation Compliance and Cooperation

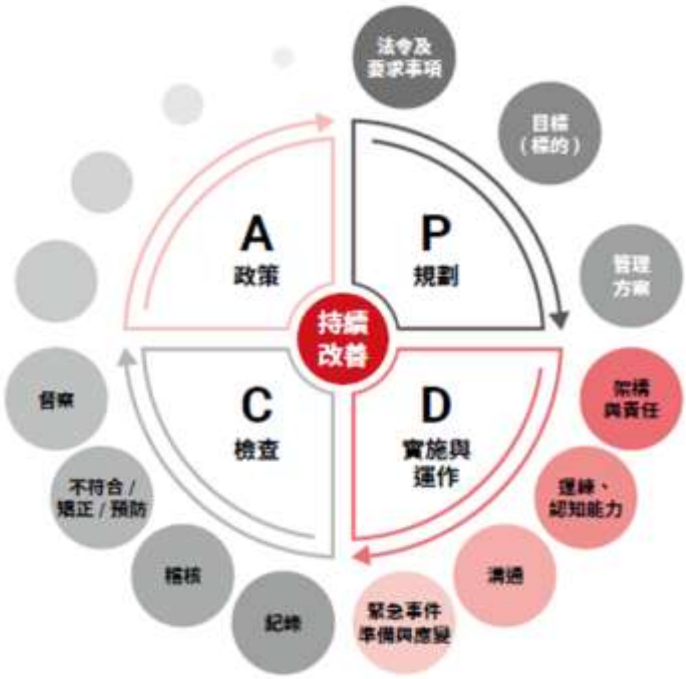
■ Management Policy - Regulatory Compliance

<table>
<tr><th colspan="4">Regulatory Compliance- Management Policy</th></tr>
<tr><td>Sustainability Principles (Issue) Response</td><td>GRI 2-27 Regulatory Compliance

SASB Environmental and Social Regulations Management</td><td>Stakeholders affected by the impact</td><td>Cathay Chemical
Shareholder & Investors
Government Agencies
Supplier
Employee
Business Partner</td></tr>
<tr><td>Meaning to Cathay Chemical</td><td colspan="3">Comply with government laws and regulations, and ensure that the company complies with relevant laws and regulations.</td></tr>
<tr><td>Influence and Impact</td><td colspan="3">Actual Positive:
■ Economic aspect:
Strict compliance with regulations can reduce the fines and litigation costs companies face for breaking the law, ensure the stability and sustainability of business operations.
■ Environmental aspect:
Company comply with relevant laws and regulations can reduce environmental pollution and damage, reduce production costs, and at the same time meet society's expectations for corporate social responsibility and enhance corporate image.
■ Human/human rights aspect:
Company comply with relevant laws and regulations can protect the rights and interests of employees, avoid exploitation and discrimination, and provide a safe, healthy and fair working environment to increase employee job satisfaction and the attractiveness of the company.</td></tr>
<tr><td>Management Goals and Objectives</td><td colspan="3">■ Follow the regulation by the government and review if the company meets the relevant regulation standard.</td></tr>
<tr><td>Policy</td><td colspan="3">■ Comply with government laws and regulations, and ensure that the company complies with relevant laws and regulations.
■ Company's compliance representatives are responsible for and implement the regulations of each unit, and the convener is the supervisor of each unit.
■ Strengthen the awareness and concept of law-abiding to supervisors and employees through education and training.</td></tr>
<tr><td>Strategy</td><td colspan="3">■ Continuously improve and innovate in manufacturing, product and service activities. We set prevention and control standards, stay ahead of environmental laws and regulations, and advance pollution prevention and environmental improvement from a sustainable perspective. We strengthen knowledge of workplace safety through employee training.
■ Through the "Integrity Management Code" and "Employee Work Rules" to regulate internal personnel, strengthen the promotion and standardization of all employees of the company to abide by the integrity of behavior
■ All products are independently developed, manufactured and marketed. We understand that coexistence with customers is the only way to achieve common prosperity, and we attach great importance to the confidentiality and privacy of customer information.</td></tr>
<tr><td>Management Measures</td><td>Environmental aspect
■ External systems:
(1). Occupational Safety and Health Act
(2). Waste Disposal Art</td><td>Social Aspect
■ External systems:
(1). Company Law
(2). Securities Exchange Act</td><td>Product Aspect
■ External systems:
EU RoHS and REACH standard</td></tr>
</table>

	(3). Air Pollution Control Act (4). Water Pollution Control Act ■ Internal system: (1). ISO 9001 quality management system (2). IECQ/QC 080000 Hazardous Substance Process Management System	(3). Fair Trading Law (4). OTC Markets Listing Requirements (5). Regulations related to business practice ■ Internal system: (1). Integrity management code (2). Working Rules for Employees	■ Internal system: (1). IECQ/QC 080000 Hazardous Substance Process Management System (2). ISO 9001 quality management system
Management and Performance Assessment	■ 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 ■ Company has planned to start collecting greenhouse gas inventory data for the entire year in 2025 to conduct greenhouse gas inventory operations in compliance with the ISO 14064-1 standard. The verification work is expected to be completed in 2028. ■ There is no violation of laws from the company in 2025		

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 2025, the company did not have any significant fines.

Chapter 2. Quality Requirements

100% Compliance with EU Regulations	Throughout 2025, the quality of all exported products complied with the EU RoHS and REACH regulations.
100% Compliance with HSF Requirements	In 2025, 100% of suppliers complied with HSF requirements.
Local purchase amount **24.99%**	The procurement amount for materials from local suppliers was NT$56,455,610.
Customer Satisfaction **98.54%**	The customer satisfaction rate was 98.54% in 2025.
No Violation of Any Regulation	In 2025, none of the Company's products violated any laws, regulations, or voluntary codes.

■ Management Policy-Product Service

Regulatory Compliance- Management Policy			
Sustainability Principles (Issue) Response	GRI 416 Customer health and Safety GRI 417 Marketing and Labeling	**Stakeholders affected by the impact**	Cathay Chemical Shareholder & Investors Supplier Government Agencies Client Employee
Meaning to Cathay Chemical	Continuous and stable product services can effectively improve the company's quality and attract customers' trust and guarantee for the company's products.		
Influence and Impact	**Actual Positive:** ■ Economic aspect: Product and service management can improve the quality of products and services and customer satisfaction, enhance customer loyalty and brand value, and promote corporate economic benefits and market competitiveness. ■ Environmental aspect: Implementing product service management can promote green design and green production of products, reduce environmental pollution and waste, and increase the green certification and market value of products, so as to avoid the negative impact on the environment caused by increased transportation costs after returns and exchanges due to customer complaints. ■ Human/human rights aspect: Product service management protects consumer rights and welfare, improves product safety and quality, reduces product quality issues and consumer complaints, and mitigates corporate reputational risk. Customer satisfaction is Cathay Chemicals' responsibility. Clear product labeling and hazard warnings ensure confidence in the use of our products.		
Policy	■ Under the policy of customer first, product has passed ISO 9001 and QC 080000 management system certification. To ensure that the product manufacturing process and sales can meet the highest standards and fully meet customer requirements ■ Conscientiously control product quality; Customer satisfaction is the duty of Cathay Chemical. ■ The management supervisor of Pingnan Factory is the deputy general manager, and the person in charge of production is the factory director; the operating policy of the head office is controlled by the general manager		
Strategy	■ 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.
Management Goals and Objectives	■ 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 shall be detected. ■ Continuously ensure quality without detecting harmful substances. ■ No violations of laws and regulations governing product and service safety information labeling and marketing.
Management Measures	■ External systems: RoHS、REACH standard ■ Internal system (1) IECQ/QC 080000 Hazardous Substance Process Management System (2) ISO 9001 quality management system (3) Material Inspection (4) Final Product Inspection
Management and Performance Assessment	■ In 2025, the Company's customer satisfaction rate was 98.54%, maintaining a high level of customer satisfaction over the years. ■ In 2025, none of the Company's products violated any laws, regulations, or voluntary codes. ■ One customer complaint was received in 2025. ■ The Company has established inspection standards for raw materials and finished products and implements strict quality control measures through incoming material inspection, in-process inspection, finished product warehousing inspection, and pre-shipment inspection to provide customers with high-quality and reliable products. ■ In September each year, BSI is engaged to conduct an external audit, and an annual internal audit is also conducted once a year. ■ In 2025, the Company was not subject to any penalties for violations of laws or regulations concerning product and service safety information labeling and marketing.

2.1 Product self-requirements

■ Service Quality Policy

Policy
- ◆ Customer satisfaction is our duty

Target
- ◆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

Cathay Chemical Works’ sole objective under its quality policy is “Your Satisfaction Is Our Responsibility,” reflecting its commitment to rigorous control of product quality. The Company’s main products include sodium formaldehyde sulfoxylate, sodium metabisulfite, sodium dithionite, zinc powder, and both heavy and light zinc oxide. All products have obtained certification under the ISO 9001 Quality Management System and the IECQ QC 080000 Hazardous Substance Process Management System.

■ Product Safety 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 customers' health and safety, also reduce the heavy metal content in the product, we use pure water in all production processes. 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 2023 are all comply with EU RoHS and REACH regulations.

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.

In order to ensure 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 2025 have no violated any regulations and voluntary regulations, nor have there been any legal proceedings arising from antitrust and monopoly behaviors.

2.2 Customer Feedback and Improvement

To better understand and respond to customer needs, the Company conducts a “Customer Satisfaction Survey” annually from April through March of the following year, in accordance with the customer satisfaction survey principles of the ISO management system. The survey covers seven aspects: product quality, hazardous substance-free (HSF) compliance, product packaging, delivery schedule, driver cooperation, after-sales service, and complaint handling. The Company analyzes and reviews the results of each aspect to formulate follow-up corrective actions and conduct tracking and verification, thereby ensuring effective implementation of customer satisfaction feedback. The Company’s ultimate goal is to earn a high level of recognition and trust from its customers.

In 2025, a total of 25 customer satisfaction questionnaires were distributed, achieving a satisfaction rate of 98.54%, the highest level in the past four years. During 2025, the Company received only one customer complaint among all shipments. The complaint arose when one 25-kilogram package of product was found during delivery to not meet the customer’s specific requirements. The customer therefore requested a replacement, and the Company immediately arranged for the return and replacement of the product, thereby maintaining a good customer relationship. Going forward, the factory will strengthen the identification of customer-specific quality requirements and pre-shipment verification to implement customized quality management more effectively.

Cathay Chemical overall customer satisfaction in recent years				
Year	2022	2023	2024	2025
Customer Satisfaction (%)	96.62	96.04	95.35	98.54
Customer Satisfaction Chart				


客戶滿意度調查
99.00%
98.00%
97.00%
96.00%
95.00%
94.00%
93.00%
92.00%
91.00%
95.72%
94.10%
95.63%
94.65%
96.62%
96.04%
95.35%
98.54%
2018年
2019年
2020年
2021年
2022年
2023年
2024年
2025年

2.3 Supply Chain Purchase

■ Management Policy-Supply Chain Evaliation

Supply Chain Evaliation - Management Policy			
Sustainability Principles (Issue) Response	GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	**Stakeholders affected by the impact**	Cathay Chemical (Cause) Supplier (Contribute to) Employee (Direct impact) Business Partner (Direct impact)
Meaning to Cathay Chemical	■ Supply chain management can help companies reduce costs, improve efficiency and enhance market competitiveness. ■ Implement supplier corporate social responsibility management and establish good relationships and trustworthy cooperation in the supply chain ■ Through good supplier management, production lines and output can be made more efficient.		
Influence and Impact	**Actually Positive:** ■ Economic aspect: 1. Help enterprises reduce costs, improve efficiency and enhance market competitiveness. 2. Through effective supplier evaluations, we seek to identify and address potential oversights, thereby minimizing their impact on the overall supply chain. ■ Environmental aspect: Promote suppliers to achieve green environmental protection, reduce environmental pollution and waste, and increase the green certification and market value of products. ■ Human/human rights aspect: Promote suppliers to comply with labor and human rights standards, protect the rights and welfare of supplier employees, and reduce social risks and reputational losses. Potential Negative (Impacts): If suppliers encounter instability, such as sudden business closures or logistics disruptions, this may adversely affect the Company's production and operations.		
Policy	■ Meet the requirements of Hazardous Substances Free (HSF)		
Strategy	■ For new domestic suppliers, the quality control and each production deportment 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, 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 Goals and Objectives	■ 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. ■ Achieve a 90% response rate for the Supply Chain Social and Environmental Responsibility Questionnaire.		
Management Measures	■ The company's supply chain management is responsible and implemented by the management team. ■ Supplier evaluation. ■ Company evaluates existing third parties based on the "Third Party Supplier Rating Scale", "Transportation Supplier Rating Scale", and "Third Party Supplier HSPM Rating Scale", and conducts subsequent management of suppliers based on the evaluation scores. ■ Hazardous substance management process		

	■ Supplier selection and management procedures ■ Trial management process ■ ISO 9001 quality management system ■ IECQ/QC 080000 Hazardous substance process management system
Management and Performance Assessment	■ At of the end of 2025, 2 third-party manufacturers, 2 third-party HSPM ratings and evaluations each accounted for 10%, and 16 suppliers accounted for 80% of the supplier assessment rating table, and the evaluation results were all qualified. ■ Following Hazardous Substance Process Management, 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 2025 ■ A total of 12 questionnaires were distributed for the supplier survey, and 12 valid questionnaires were collected, with a collection rate of 100%, strengthening suppliers' social and environmental responsibilities.

■ Raw Material Procurement

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, Company's zinc nuggets are imported from Australia or South Korea, and other raw materials are mainly 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 2025, Cathay Chemical imported raw materials from 3 foreign suppliers, accounting for 75.1% of the total purchase amount, and purchased raw materials from 5 major domestic suppliers, accounting for 26%. The following is the amount and proportion of domestic and foreign purchases in the past years:

Cathay Chemical domestic and foreign purchase amount and proportion in the past years									
Purchasing Area	2023			2024			2025		
	Suppliers	Amount (NT$)	%	Suppliers	Amount (NT$)	%	Suppliers	Amount (NT$)	%
Domestic	5	69,671,685	34.52	5	66,906,740	26%	**5**	55,542,737	24.90%
Foreign	3	132,174,759	65.48	2	190,462.591	74%	**3**	167,496,431	75.10%
Total	8	201,846,444	100	7	257,369,331	100%	**8**	223,039,168	100%

■ Supplier Evaluation

New Domestic Supplier Evaluation

The evaluation procedure is as follows:

Quality control and each production unit will evaluate whether a trial is required. If the trial is required, 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:

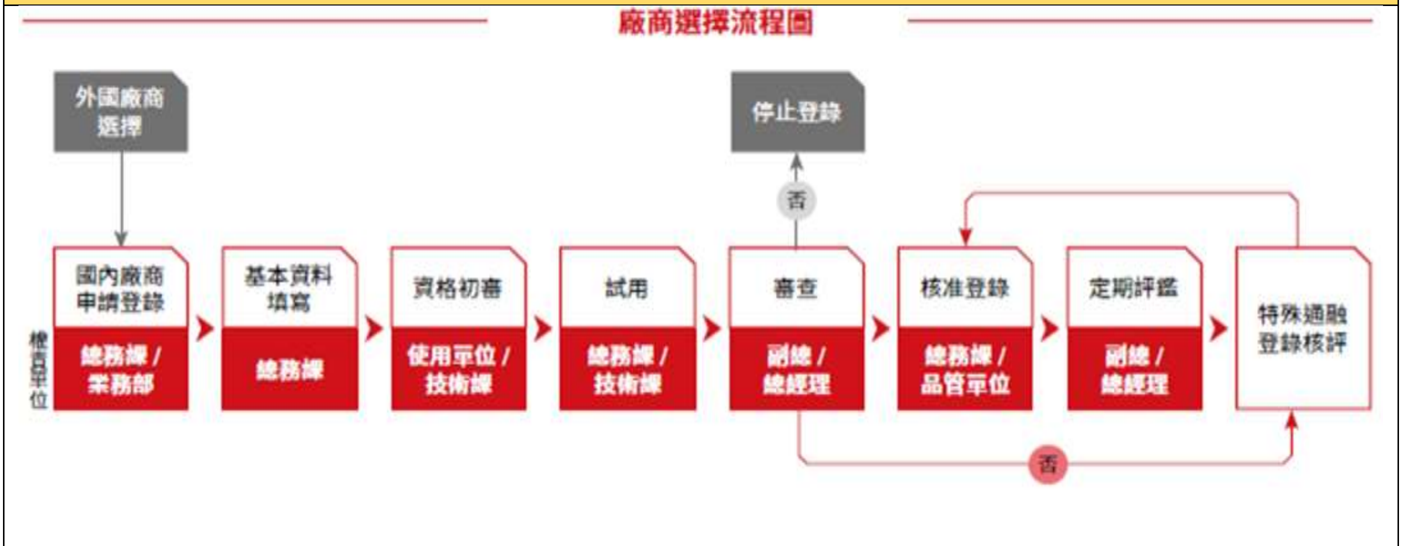
A： Trial, review past results and past performance.

B： Review the company background of the suppliers.

C： Determine whether the suppliers are qualified.

After completing the review procedure and being judge 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."

Supplier Selection Process Flowchart



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 list 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). Moreover, the general affairs department shall actively send the "Improvement Suggestion Form" to give the manufacturer and ask for a reply.

Grade	Score	Frequency
A	Above 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.		

Company's supplier assessment score sheet is prepared once every three months, and the supplier's quality, delivery time, and cooperation are reviewed to ensure that there are no violations. At of the end of 2025, 2 third-party HSPM ratings and evaluations each accounted for 10%, and 16 suppliers accounted for 80% on the supplier assessment score sheet, and the evaluation results were all qualified.

HSF Management of Factory

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). In addition, to stabilize the quality of incoming materials and ensure compliance with HSF requirements. From 2019, items such as employ child labor, public security incidents, fines due to environmental pollution, etc. will be add as a basis for the selection and management of new manufacturers. At of the end of 2024, there are no cases of forcing employees to work overtime or overtime.

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 recognization 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.

In 2024, the Company established a supplier questionnaire covering areas such as “human rights” and “environment.” The purpose of the questionnaire is to strengthen oversight of suppliers’ commitment to sustainable development. In 2025, a total of 12 questionnaires were distributed, and all 12 valid questionnaires were returned, representing a 100% response rate and further strengthening suppliers' social and environmental responsibility.

Chapter 3. Substance and Environmental Protection

Save 1.23% electricity	In 2025, the electricity conservation program saved a total of 50,355 kWh of electricity, reduced energy consumption by 181.28 GJ, and achieved an electricity savings rate of 1.23%.
Reduction in Greenhouse Gas Emissions 12.43%	In 2025, greenhouse gas emissions decreased by 12.43% compared with 2024, primarily due to a reduction in production volume.
No leak	In 2025, the Company had no significant waste leakage incidents.
Water Recycling and Reuse Rate: **7.71%**	In 2025, 4.63 million liters of water were recirculated and reused within the plant, resulting in a water recycling and reuse rate of 7.71%.
8,628.8 thousand dollars	In 2025, the Company's total expenditures related to environmental protection amounted to NT$8,198.2 thousand.

■ Management Policy - Environmental Protection

<table>
<tr><th colspan="5">Environmental Protection - Management Policy</th></tr>
<tr><td>Sustainability Principles (Issue) Response</td><td>GRI 302 Energy
GRI 303 Water and Effluents
GRI 305 Emission
GRI 306 Waste
SASB Emission of Greenhouse Gases
SASB Air Quality</td><td>SASB Energy Management
SASB Water Resources Management
SASB Hazardous waste management
SASB Environmental Management
SASB Environmental and Social Regulations Management
Financial Supervisory Commission Chemical Industry Indicator 1
Financial Supervisory Commission Chemical Industry Indicator 2</td><td>Stakeholders affected by the impact</td><td>Cathay Chemical
Shareholder & Investors
Government Agencies
Public associations and non-governmental organizations
Employee
Community residents
Business Partner</td></tr>
<tr><td>Meaning to Cathay Chemical</td><td colspan="4">■ 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.</td></tr>
<tr><td>Influence</td><td colspan="4">Actual Positive：
Chemical companies that prioritize environmental protection can achieve more sustainable</td></tr>
</table>

and Impact	development by effectively managing and reducing their negative environmental impacts, thereby promoting long-term stable growth ■ Economic aspect: Cathay Chemical values the importance of environmental protection. Ignoring environmental issues such as emissions, energy, transportation, and failing to comply with regulations, will impact production costs, employee health, and the quality of the work environment. It may also lead to penalties from relevant authorities, causing the company to suffer financial and reputational losses. ■ Environmental aspect: If wastewater and waste generated during the product manufacturing process are not properly managed, it will seriously affect the ecological environment around the company and the living environment of residents. Furthermore, chemical processes require large quantities of industrial water for cooling, washing, and other purposes. Therefore, if there is a shortage of water resources, chemical processes will face production cuts or even shutdowns, which will increase production costs. For the reason that, sufficient water resources must be ensured to ensure stable operation of chemical processes. Supervision and management must also be implemented to avoid impacting the surrounding ecological environment and the living environment of local residents. Potential Negative (Impact) : If the Company fails to continuously manage and conduct greenhouse gas inventories, it may face government penalties and create a negative perception among customers, thereby adversely affecting the Company's reputation. ■ Human/human rights aspect: Control emissions from pollution sources to reduce the impact on employees and community residents. We also abide by laws and regulations, attach importance to corporate social responsibility, and implement local environmental protection to achieve good neighborliness.
Policy	Environmental protection policy ■ Continuous improvement and innovation in processes, products and service activities. ■ Conduct pollution prevention and environmental improvement from a sustainable perspective. ■ Set prevention and control standards to stay ahead of the requirements of environmental protection laws and regulations. ■ Company's 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 does not need to disclose information on greenhouse gas inventory. ■ Implement energy saving plans ■ 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. ■ Company's environmental management representative is responsible for and implements the environmental safety section of Pingnan factory. The convener is the director of Pingnan factory.
Strategy	■ In order to effectively control greenhouse gas emissions, our company has formulated the following energy-saving plans: (1). Implement energy-saving plans (2). Improve air system equipment (3). Replace traditional motors with high-efficiency motors (4). Replace the old air conditioners with inverter air conditioners (5). Replace traditional pumps with high-efficiency pumps ■ 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 ■ Recovery of steam condensate and recycle the pump shaft seal cooling water, process washing water and add it back into the process to reduce water consumption and wastewater ■ The general business waste reported regularly according to regulations. Entrust a legal waste clearance company to transport it toKanding Waste Incineration Plant and Fangliao regional sanitary landfill. ■ Carry out greening work on planting flowers and trees in the factory area ■ Regularly clean the silt in ditches in the factory, making drainage system smooth

<table>
<tr><td>Management Goals and Objectives</td><td>■ Continue to monitor the potential issue of future water resource shortages and strive to reduce the Company's water consumption or improve water recycling efficiency.
■ Achieve the annual target of reducing electricity consumption by 1% and reduce greenhouse gas emission intensity.
■ In accordance with the implementation schedule set forth in the “Sustainable Development Roadmap for Listed and OTC Companies” announced by the Financial Supervisory Commission in March 2022, the Company is classified as a Phase 3 company and is required to complete the disclosure of greenhouse gas inventory and verification information. The Company was required to complete the inventory of 2025 greenhouse gas emissions by 2026 and the verification of 2027 greenhouse gas emissions by 2028. The Company completed its 2025 greenhouse gas inventory in 2025 and will continue to conduct greenhouse gas inventory activities in accordance with ISO 14064-1. Verification is expected to be completed in 2028.
■ Ensure that air pollutant emissions comply with the emission standards stipulated by the Ministry of Environment.
■ No significant waste leakage incidents.</td></tr>
<tr><td>Management Measures</td><td>■ External system:
1. Waste Disposal Act
2. Air Pollution Control Act
3. Water Pollution Control Act
4. Government related environmental laws and regulations
5. Regulatory Standards of industrial water Disposal
6. Renewable Energy Development Act
7. Greenhouse gas emission inventory
■ Internal system:
1. ISO 9001 quality management system
2. IECQ/QC 080000
1. The Sustainability and Integrity Management Committee held a meeting to discuss and manage</td></tr>
<tr><td>Management and Performance Assessment</td><td>■ In 2025, total expenditures related to environmental protection amounted to NT$8,198.2 thousand.
■ No significant leakage incidents occurred in 2025
■ In 2025, annual electricity savings totaled 503,550 kWh, representing an electricity savings rate of approximately 1.23%
■ The Company’s average daily water withdrawal was approximately 151.7 metric tons, while 7.6 metric tons of process water were recycled daily. In 2025, 4.63 million liters of water were recirculated and reused within the plant, resulting in a water recycling and reuse rate of 7.71%
■ In 2025, the Company's total greenhouse gas emissions from its greenhouse gas inventory amounted to 6,809.736 metric tons of CO_2e, with emissions by scope as follows:
<table><tr><td>Scope 1</td><td>Scope 2</td><td>Scopes 3–6</td></tr><tr><td>3,517.514</td><td>1,953.197</td><td>1,339.025</td></tr></table>■ In 2025, greenhouse gas emissions decreased by 11.74% compared with 2024, primarily due to a reduction in production volume.
■ In 2025, all air pollutant emissions complied with the emission standards stipulated by the Ministry of Environment.
■ No significant waste leakage incidents occurred in 2025.</td></tr>
</table>

3.1 Raw Material Management

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.

Main raw material usage of Cathay Chemical in 2025	
	Unit: metric tons
Raw Material	Usage Amount
Sulfar	1,789.9
45% Caustic Soda	1,867.6
Soda Ash	1,849.5
24% Formalin	1,230.8
Zinc Nuggets.	1,725.8

Note:

1. Material types include original natural resources, such as ores, iron, wood and plastic pellets; lubricants used in machines, semi-finished components or parts; packaging materials.
2. Non-renewable refers to resources that cannot be replenish in the short term, such as coal, natural gas, metals, minerals, and oil; renewable refers to resources that will grow back after being harvested.

3.2 Sustainable Energy Management=

■ Energy Usage Management

The Company's energy consumption primarily includes heavy fuel oil, natural gas, gasoline, and electricity. In 2025, the organization's total energy consumption was 49,940.68 GJ, representing an 18.75% decrease compared with 2024. This decrease was mainly attributable to the economic downturn in 2025, which resulted in a reduction in production volume and, consequently, lower energy consumption in manufacturing processes. As a result, total energy consumption decreased by 11,528.19 GJ, and greenhouse gas emission intensity also decreased compared with the previous year.

Energy resource consumption of Cathay Chemical in the past three years				
Quantitative indicators	Unit	2023	2024	2025
Heavy oil usage amount	L / year	555,743	566,489	514,085
	GJ	22,337.13	22,769.05	20,648.94
Natural gas usage amount	m^3	518,845	663,924	439,997
	GJ	17,378.40	22,237.74	14,727.58
Electricity usage amount	kilowatt / year	4,267,600	4,572,800	4,045,600
	GJ	15,363.36	16,462.08	14,564.16
Energy Consumption (GJ)		55,078.89	61,468.87	49,940.68
Organization specific metrics Operating income (thousand dollars)		476,391	527,973	460,042
Energy Intensity (GJ/thousand dollars operating revenue)		0.1156	0.1164	0.1086

Note:

1. The energy consumption data for the previous two years have been updated due to discrepancies in the GJ figures.

2. The energy consumption data are for the Pingnan Plant.
3. The conversion factor for electricity is **1 kWh = 0.0036 GJ**.
4. The 2025 conversion factors are based on the **2025 edition of the Greenhouse Gas Emissions Inventory Guidelines** issued by the Ministry of Environment. Fuel calorific values are calculated as follows: gasoline: **7,586 kcal/L**; diesel: **8,636 kcal/L**; natural gas: **8,067 kcal/m³**; **1 kcal = 4.1868 kJ**; fuel coal (bituminous coal): **5,896 kcal/kg**.
5. The 2024 conversion factors are based on the **2024 edition of the Greenhouse Gas Emissions Inventory Guidelines** issued by the Ministry of Environment. Fuel calorific values are calculated as follows: gasoline: **7,609 kcal/L**; diesel: **8,642 kcal/L**; natural gas: **8,000 kcal/m³**; **1 kcal = 4.1868 kJ**; fuel coal (bituminous coal): **6,080 kcal/kg**.

In line with the electricity conservation policy promoted by the Energy Administration of the Ministry of Economic Affairs, Kuo Tai Chemical Factory implemented an electricity conservation program in 2025, replacing the original 1,000 RT cooling tower with a 700 RT cooling tower and reducing the motor power from 75 HP to 30 HP. The program resulted in annual electricity savings of approximately 50,355 kWh, a reduction in energy consumption of 181.28 GJ, an electricity savings rate of 1.23%, and a reduction in greenhouse gas emissions of 23.47 tCO_2e. The Plant will continue striving toward this goal and doing its part to protect the Earth's environment.

Cathay Chemical Energy Saving Measure and Estimation in 2025				
Energy Saving Measure	Specific Actions	Estimated Power Savings Consumption (kWh/year)	Carbon Reduction (ton CO2e/year)	Energy-Reducing Consumption (GJ)
Replacement of 1,000 RT Cooling Tower Replaced with a 700 RT Cooling Tower	Electricity Savings from Replacing the 75 HP Fan Motor with a 30 HP Motor: (75 − 30) × 0.746 × 1,500 hours = 50,355 kWh	50,355	23.47	181.28
Total		50,355	23.47	181.28

Note:
1. Carbon reduction (KgCO2e/year) = Savings amount (KWH/year) * 0.466 KgCO2e
2. Electricity heating value conversion: 1kWh=0.0036GJ
3. Quoting the electricity emission coefficient announced by the the Bureau of Energy, Ministry of Economic Affairs, 0.466 kg CO2e/ kWh in 2025

■ Greenhouse Gas Management

To comprehensively account for greenhouse gas emissions, the Company began collecting greenhouse gas inventory data for the entire year in 2025 to comply with the requirements of ISO 14064-1, with verification expected to be completed in 2028.

The Company's greenhouse gas emissions primarily arise from direct emissions generated by the combustion of heavy fuel oil (Scope 1) and purchased electricity (Scope 2). In 2025, Scope 1 emissions were 3,517.514 tCO_2e, Scope 2 emissions were 1,920.231 tCO_2e, and Scope 3 emissions were 1,339.025 tCO_2e, resulting in total greenhouse gas emissions of 6,776.770 tCO_2e. Due to the economic downturn and the resulting reduction in production volume, energy consumption in manufacturing processes decreased, leading to a 12.17% decrease in greenhouse gas emissions compared with the previous year. Greenhouse gas emission intensity remained relatively unchanged compared with the previous year.

The following table shows the company's greenhouse gas emissions over the past three years:

Greenhouse gas emissions from Cathay Chemical in the past three years			
Item	**2023**	**2024**	**2025**
Direct Greenhouse Gas Emission from Scope 1 (ton CO_2e)	2,710.3103	3,854.94	3,517.514 註 6
Indirect Greenhouse Gas Emission from Scope 2 (ton CO_2e)	2,108.1944	2,322.18	1,920.231 註 6
Total Emission (ton CO_2e)	-	1,538.70	1,339.025 註 6
Organization specific metrics Operating income (thousand dollars)	4,818.5047	7,715.82	6,776.770 註 6
Greenhouse gas emission intensity (GJ/thousand dollars operating revenue)	476,391	527,973	460,042
Direct Greenhouse Gas Emission from Scope 1 (ton CO_2e)	0.0101	0.0146	0.0147 註 6

Notes:

1. The greenhouse gas emissions inventory uses the Greenhouse Gas Emission Factors announced by the Ministry of Environment on February 5, 2024. The Global Warming Potential (GWP) values are based on the latest 2021 IPCC Sixth Assessment Report (AR6).
2. Scope 1 covers direct emissions from emission sources owned or controlled by the Company, including stationary combustion sources, process emissions, and mobile combustion sources. Scope 2 refers to indirect emissions from purchased energy, such as purchased electricity. Scope 3 includes employee commuting, disposal of solid and liquid waste, and fuel- and energy-related activities (excluding Categories 1 and 2).
3. For purchased electricity, the electricity emission factors announced by the Energy Administration of the Ministry of Economic Affairs are used: 0.494 $kgCO_2e/kWh$ for 2023, 0.474 $kgCO_2e/kWh$ for 2024, and 0.466 $kgCO_2e/kWh$ for 2025.
4. The greenhouse gas emissions inventory data disclosed in this report have not yet been verified by a third-party organization.
5. Types of greenhouse gas emissions: Carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O).
6. The greenhouse gas emissions data disclosed for 2023 and 2024 cover only the Pingnan Plant, while from 2025 onward, the disclosure scope includes both the Taipei Headquarters and the Pingnan Plant.

3.3 Cherish Water Resources

Cathay Chemical's production plant is located in the Pingnan Industrial Park. All water used by the Plant is supplied through the industrial park's municipal water supply system, which has a maximum daily supply capacity of 3,000 metric tons. The primary source of the water supply is the Mudan Reservoir. As a chemical industry company, the Company operates continuously 24 hours a day, and its chemical processes require substantial amounts of industrial water for cooling, washing, and other purposes. In 2025, the Company's average daily water withdrawal was approximately 151.7 metric tons, of which 7.6 metric tons of process water were recovered and reused daily, while evaporation and splash losses were approximately 50.13 metric tons, representing a 22.45% decrease compared with 2024. The actual total water consumption was 55.37 million liters, while 4.63 million liters of water were recirculated within the Plant, resulting in a water recycling and reuse rate of 7.72%.

Cathay Chemical's water consumption in 2025 increased by 8.09% compared with 2024, while its water-use intensity remained unchanged from 2024. Currently, the Company has not yet implemented water footprint assessment or the Alliance for Water Stewardship (AWS) Standard.

The following table shows the water resource consumption in the past three years:

Cathay Chemical water usage in the past three years			
Year	2023	2024	2025
Water Withdrawal (million liters)	66.51	63.12	55.37
Water Discharge (million liters)	38.35	37.05	27.19
Water Consumption (million liters)	28.16	26.07	28.18
Organization specific metrics Operating income (thousand dollars)	476,391	527,973	460,042
Water intensity (million liters / thousand dollars operating revenue)	0.000014	0.00012	0.00012

Note:
1. Water Consumption = Water Withdrawal - Water Discharge
2. Water intensity is calculated: Water Withdrawal (million liters)/Organization specific metrics

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 have not been any major leak accidents in 2025.

■ Water Pollution Prevention

In 2025, the Company's daily wastewater discharge was approximately 74.48 metric tons. Wastewater generated within the Plant undergoes preliminary treatment, including pH adjustment, sedimentation, and filtration, before being discharged to the Pingnan Industrial Park Wastewater Treatment Plant for final treatment. In 2025, the total volume of wastewater discharged to the wastewater treatment plant was 27,186 metric tons. The discharged wastewater had a chemical oxygen demand (COD) of 86.28 mg/L and suspended solids (SS) of 3.46 mg/L, both of which were well below the regulatory standards of the industrial park wastewater treatment plant.

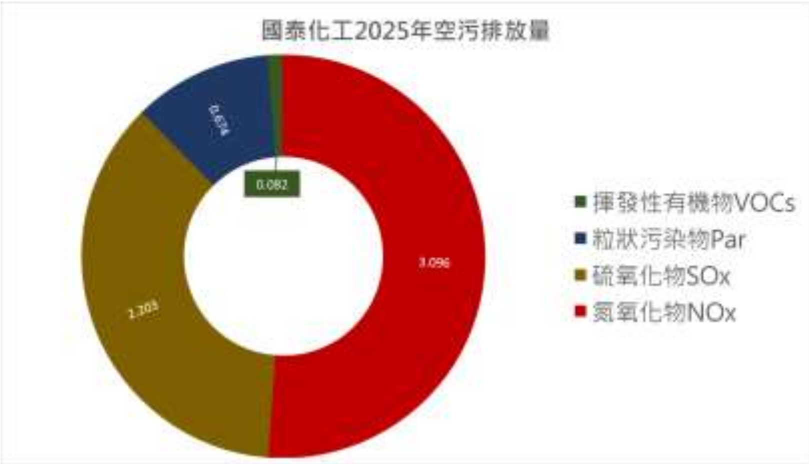
Sewage Emissions Amount and Test Items of Cathay Chemical in the Past Three Years						
Sewage's Test Items	2023		2024		2025	
	Mean	Limit	Mean	Limit	Mean	Limit
COD（mg/L）	64.85	640	96.61	640	3.46	640
SS（mg/L）	12.32	480	3.41	480	86.28	480
Note: Discharge rate= Water Discharge/ Water Consumption						

■ Air Pollution Prevention

In 2025, the Company's air pollutant emissions were 2.203 metric tons of sulfur oxides (SOx), 3.096 metric tons of nitrogen oxides (NOx), 0.674 metric tons of particulate matter (PM), and 0.082 metric tons of volatile organic compounds (VOCs). All emissions complied with the emission standards stipulated by the Environmental Protection Administration (EPA).

Air Pollutants Emissions by Cathay Chemical in the Past Three Years			
Air Pollution Inspection Item	2023	2024	2025
	Emissions (T)	Emissions (T)	Emissions (T)
Volatile Organic Compounds (VOCs)	0.092	0.116	0.082
Particulate (Par)	0.901	0.806	0.674
Sulfur Oxide (SOx)	2.319	2.692	2.203
Nitrogen Oxide (NOx)	4.046	4.232	3.096

Note: Our factory does not have CEMS (Continuous Emission Monitoring Systems) continuous automatic monitoring facilities, so there is no monitoring value.



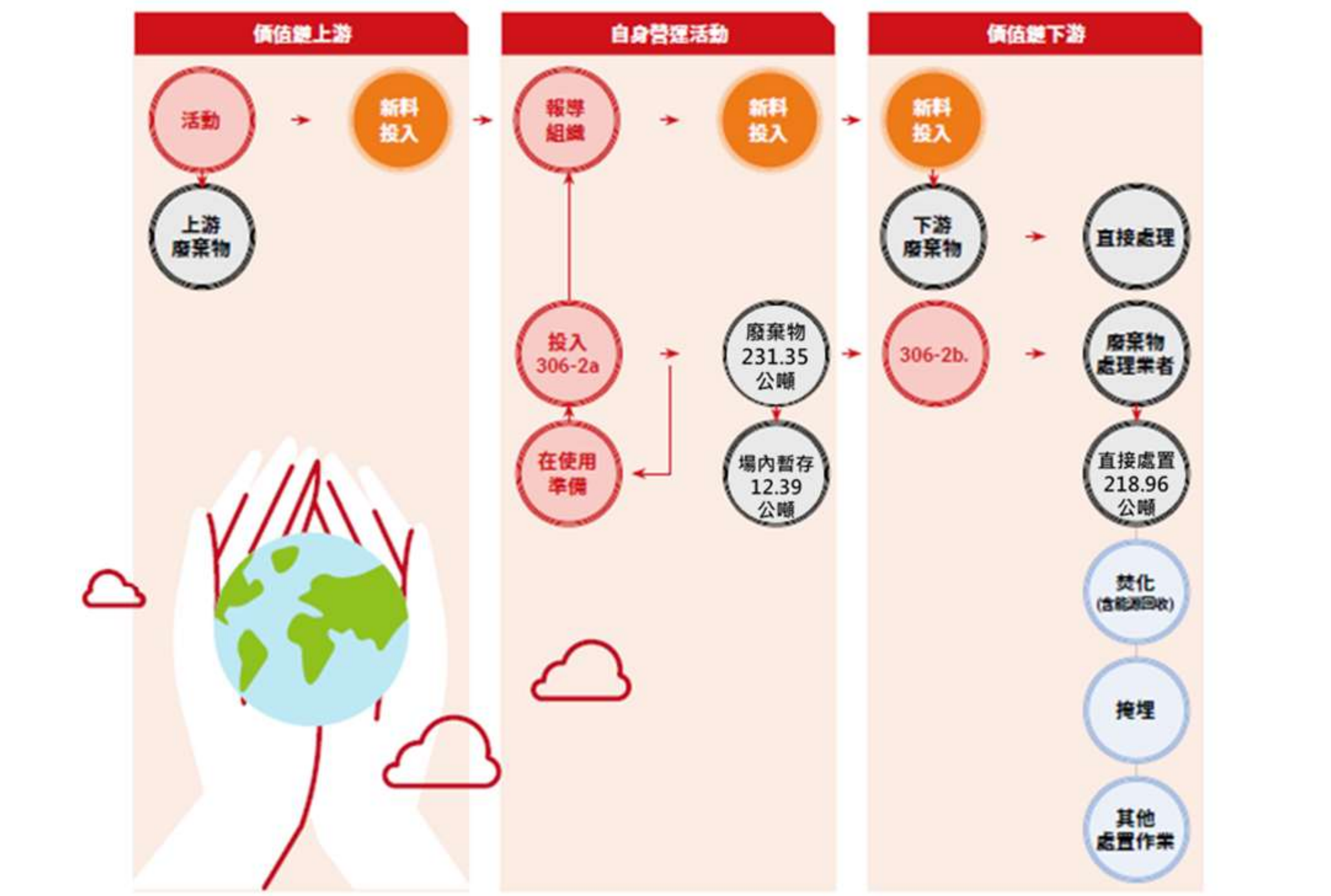
■ Waste Disposal Management

Waste produced by Cathay Chemical in 2025 can be divide into waste produced by non-manufacturing processes and waste produced by manufacturing processes. The waste from the non-manufacturing process such as domestic waste and waste paper must be transport to a waste incineration plant for incineration treatment. The waste from the manufacturing process can separate into heat treatment and physical treatment. After being process by the plant, waste can be reuse as CLSM (Controlled-Low-Strength-Materials). 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 shipped abroad.

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, 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 mpany shall control:

1. The waste must be confirme within 84 hours after leaving the factory.
2. Confirm that the clearing and transporting vehicles have already been deliver 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)

Cathay Chemical Plant Waste Input and Output Flowchart



In 2025, the largest quantity of waste generated by the Company was D-0902 inorganic sludge, totaling 49.11 metric tons, followed by D-1801 general household waste, totaling 49.00 metric tons. The Company did not generate any hazardous waste in 2025.

Non-Hazardous Waste				
Waste composition	On Site		Off-Site	
Waste Category	Waste generation (tons)	Processing method	Waste generation (tons)	Processing method
D-0299 Scrapped Plastic Mixture	2.0	Temporary storage in the factory	16.99	Incineration (including energy recovery)
D-0699 Scrapped Paper Mixture	0.3	Temporary storage in the factory	3.73	Incineration (including energy recovery)
D-0899 Scrapped Fiber or other Cotton Mixture	0.02	Temporary storage in the factory	0.06	Incineration (including energy recovery)
R-0701 R-0701 Scrapped Wood	4.07	Temporary storage in the factory	24.26	**Reuse**
D-1801 Domestic Refuse	0.00	Temporary storage in the factory	49.00	Incineration (including energy recovery)

H-1001 Waste such as water, fertilizer, feces, urine, etc.	0.00	-	18.16	Bury
D-0501 Scrapped Refractory	3.0	Temporary storage in the factory	35.81	Physical handling
D-0902 Inorganic sludge	3.0	Temporary storage in the factory	49.11	Physical handling
D-1201 Slag	0.00	-	0.00	Bury
D-1202 Sulphur slag	0	Temporary storage in the factory	21.84	Physical handling

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 heating 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

Environmental Protection Expenditure

The pollution prevention and control equipment of Cathay Chemical has maintained every year, and test regularly. In order to fulfill its social responsibility to the environment, the company invests in relevant environmental protection work.

Cathay Chemical environmental protection expenditures in the past three years

Unit: thousand dollars

Item		2023	2024	2025
Pollution prevention equipment operation and maintenance costs	Air pollution prevention	3,766.2	4,345.2	4,642.6
	Water pollution prevention	551.8	604.9	744.8
	Waste disposal (general waste)	0	0	0
Pollution prevention equipment depreciation expenses	Air pollution prevention	4,345.2	0	0
	Water pollution prevention	41.9	41.9	20
	Waste disposal (general waste)	0	0	0
Outsourcing and co-processing costs	Air pollution prevention	364.8	371.6	321.1
	Water pollution prevention	1,211.8	974.1	813.1
	Waste disposal (general waste)	1,295.1	1,859	1,656.6
Total		7,231.6	8,196.7	8,198.2

Chapter 4. Create Harmonic Workplace

None Occupational Illness	None of the employees will suffer from occupational disease in the Company in 2025.
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 2025 showed that none of the data exceeded the standard.
100% Local Executive	100% of the Executives in the Company are local formal employees.
2 Members of Minority	In 2025, the Company employed one employee with a disability and one Indigenous employee, both of whom were able to perform their duties effectively.
87 people undergoing health examination	In 2025, the Company had a total of 87 healthy employees at the Taipei Headquarters and Pingnan Plant.
No social incidents such as discrimination or sexual harassment	In 2025, there were no incidents of discrimination, sexual harassment, violations of Indigenous peoples' human rights, or social impacts. In addition, no incidents of forced or compulsory labor occurred.

■ Management Policy - Labor Relation

Labor Relation - Management Policy			
Sustainability Principles (Issue) Response	GRI 401 Employee-Employer Relations GRI 402 Labor Relation	**Stakeholders affected by the impact**	Cathay Chemical Government Agencies Employee
Meaning to Cathay Chemical	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.		
Influence and Impact	Actual Positive: ■ Economic aspect: 1. Effective labor-capital relations management can ensure harmonious interactions with employees and protect their rights and benefits, thereby improving production efficiency and quality, and creating greater value for the company and employees. 2. In order to reduce employee turnover and reduce the impact on the company's productivity 3. Review salary adjustments and bonuses every year based on the company's profitability 4. Improve production efficiency and prevent talent attrition. ■ Environmental aspect: Stable labor-capital relations help companies better fulfill their social responsibilities, including reducing emissions and pollution, promoting green production and recycling, and protecting environmental resources, reduce the impact of unstable production quality and reduce environmental damage caused by unstable processes ■ Human/human rights aspect: Good labor-capital relations help protect workers' basic rights, such as wages, working hours, vacations, benefits, etc., and ensure that workers' legitimate rights and interests are respected and protected. Potential Negative (Impact): Poor labor-management relations may lead to labor disputes and strikes, causing significant disruptions to a company's production and operations and potentially affecting the entire industry supply chain.		

Policy	Focus on labor-management harmony and improve employee benefits.
Strategy	■ 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 the price index and the company's profitability every year. ■ Regularly hold Employee Welfare Committee to be responsible for promoting the employee welfare of Cathay Chemical. ■ 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 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
Management Goals and Objectives	■ 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. ■ Implement "Work Code and General Industrial Safety and Hygiene Training" for new employees every year, ■ Content includes working hours, basic salary, overtime, welfare, bonuses, dividend, special leave and gender equality work laws, etc., also promote the company's integrity management cod. Recruiting disabled and minority employees, prohibiting child labor is our company's human rights policy ■ Management review goal in 2025: continue to cultivate talents and implement the job agency system. ■ Continuously cultivate employees' professional skills and improve work efficiency. Educate employees on integrity principles and ethics.
Management Measures	■ **External System:** (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
Management and Performance Assessment	■ By improving work efficiency then 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 2025, 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 2025, the Company will not employ workers over the age of 15 but under the age of 16 ■ Company's human resources management representative is responsible for and implements matters related to employee recruitment, welfare, and labor-management communication for the management department.

4.1 Cathay Chemical, Happy Enterprise

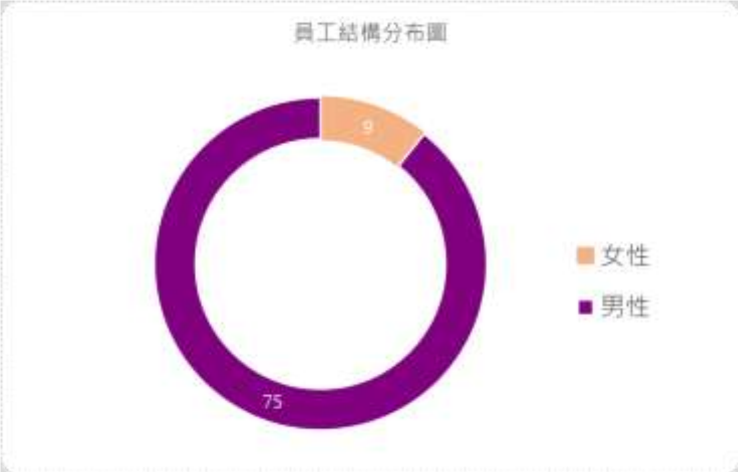
Knowing that one of the company's most important assets is its employees, Cathay Chemical attaches importance to human rights and equality. Never allow any violation of human rights or acts that demean dignity due to gender, race, nationality, age, zodiac sign, blood type, disability, religion, ethnicity, 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. Company hire employees with professional ability, experience, and committed to creat a fair employment environment. Until 2025, there are 84 staff in the company. Among them, there are 9 females and 75 males (including 11 foreign workers), and 3 of the executives are female, which accounts for 20% of the supervisors. The ratio of the company's employees to local formal employees is 86.9%, and for foreign workers is 13.1%. There was no change compared with 2024.

2025 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	10	31	23	1	3	5
	Formal Employees	2	9	0	0	0	0
	Total	12	40	23	1	3	5
Note:							

1. All employees employed by the Company in 2025 are full-time employees, and no temporary or part-time workers employed.
2. In 2025 there are 4 of non-employee workers in the factory, mainly responsible for cleaning (1) and security guard (3), the operating activities in the factory are still mainly based on the employees of the company.
3. The above information is the actual statistic; based on current employees as of December 31, 2025 none of the data is hypothetical.



The senior managers of Cathay Chemical include team leaders, unit supervisors, supervisor, factory directors, section managers, managers, vice general manager etc. In 2025, there are 15 senior managers and 69 non-executive employees, 100% local residents of Taiwan. The following table shows the distribution of senior executives and non-executive personnel of the Company in the past three years:

Staff composition in the past three years					
Year			2023	2024	2025
Category / Gender		Age	Number of Employees	Number of Employees	Number of Employees
Senior Manager	Male	Below 30	0	0	0
		30~50	1	1	1
		Above 51	11	11	11
	Female	Below 30	0	0	0
		30~50	1	1	1
		Above 51	2	2	2
Total Senior Manager			15	15	15
Non-Executive Employee	Male	Below 30	18	13	12
		30~50	42	42	40
		Above 51	7	11	11
	Female	Below 30	1	1	1
		30~50	2	2	1
		Above 51	3	3	4
Total non-executive employee			73	72	69
Total Full-Time Employees			88	87	84

Note: Company's supervisor refers to the team leader unit supervisors, supervisor, factory directors, section managers, managers, vice general manager etc.

Appointment of Urban and Rural Minorities

Company give equal employment opportunities for disadvantaged and related groups. There are 2 employees with disabilities, accounting for 2.38% of all the employees, which is above the regulations. Our factory is located in Fangliao Township Pingtung County with 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 2025, 1 employee with disabilities and 1 aboriginal are on the job and competent in their position. According to the 2025 Indigenous Peoples Council's announcement, Indigenous employees are given 3 days off for the annual Harvest Festival.

4.2 Talent Recruitment and Cultivation

Personnel Recruitment

Our Company has established a Remuneration Committee in accordance with the Securities and Exchange Act and the Regulations Governing the Establishment and Exercise of Powers of the Remuneration Committee of Companies with Listed or OTC-Traded Stocks. The Committee objectively evaluates and recommends the remuneration of directors, supervisors, and managers in accordance with the Company's policies and regulations.

The Company also establishes its employee compensation system with reference to industry compensation levels, labor market demand, and the Company's actual production conditions. Employee compensation and benefits are reviewed annually based on the consumer price index and the Company's profitability. Employees' basic salaries are not differentiated based on gender, blood type, zodiac sign, race, religion, political affiliation, marital status, union or association membership, or other factors, and are maintained at 1.01 times the statutory minimum wage (the 2025 statutory minimum monthly wage was NT$28,590).

In 2025, the average monthly salary of female local employees was NT$53,099, while that of male local employees was NT$77,843, with the ratio of female to male average monthly salary being 1:1.147.

List of employee salary information disclosures				
				Unit: NT$Thousand dollars
Category	2023	2024	2025	Difference from the previous year (Percentage)
Number of full-time employees who are not in supervisory positions (Number of employee)	81	84	83	(1)%

Annual salary of full-time employees who are not in supervisory positions (NT$ Thousand)	67,868	74,887	123,347	65%
Mean of gross salary of full-time employees who are not in supervisory positions (NT$ Thousand)	838	892	1,486	67%
Median of gross salary of full-time employees who are not in supervisory positions (NT$ Thousand)	793	855	1,299	52%

Note：

1. Formula for "Difference from the previous year [percentage]"：
   2025-2024【(2025-2024)/2024】
   2024-2023【(2024-2023)/2023】
   2023-2022【(2023-2022)/2022】
2. Can also refer to the public information disclosure information of the Public Information Observation Station

List of employee salary statistics				
Salary ratio by job category	**Number of employees**		**Salary Ratio**	
	Female	Male	Female	Male
Management position	3	12	1	1.49
Non-Managemen position	6	63	1	0.76
Direct Member	0	58	1	0.00
Indirect Member	9	17	1	0.73

Note: Female to male salary remuneration ratio (annual salary ratio): "the average annual salary of men in this category/the average annual salary of women in this category"

Total compensation ratio for 2025		
Country / Region	The ratio of the Company's highest paid individual's total annual salary to the median annual total salary of employees (excluding the highest paid individual)	The increase ratio of the company's highest paid individual's annual total salary to the employee's (excluding the highest paid individual) annual total salary
Taiwan	760.52%	240.66%

Note:
1. The chairman is not the highest paid individual, unless he is also the general manager/ CEO
2. The formula for calculating the ratio of the annual median salary: the annual salary of the individual with the highest annual salary in the year/the annual salary of the individual whose annual salary is in the median for the year
3. The formula for calculating the annual salary increase rate: the annual salary increases percentage of the individual with the highest annual salary in the year/the annual salary increases percentage of the individual with the median annual salary in the year

■ Talent Recruitment

To retain competitive talent, Kuo Tai Chemical Factory is committed to establishing a friendly working environment, promoting work-life balance, and providing employees with training and development opportunities. These initiatives encourage employees to continuously enhance their professional capabilities and achieve their individual career development goals.

In 2025, the Company hired 2 male employees and 5 male employees left the Company. The new-hire rate in 2025 was 2.38%, lower than that in 2024, primarily because only two job vacancies were available in 2025, resulting in a lower hiring rate. The turnover rate was 5.95%, showing no significant difference compared with 2024.

Statistical table of employee new entry rate in the past three years												
Year	2023				2024				2025			
Gender	Male		Female		Male		Female		Male		Female	
Age\Item	Number	New entry rate (%)	Number	New entry rate (%)	Number	New entry rate (%)	Number	New entry rate (%)	Number	New entry rate (%)	Number	New entry rate (%)
Below 30	6	6.82	0	0.00	1	1.15	0	0.00	1	1.19	0	0.00
30~50	1	1.14	0	0.00	0	0.00	0	0.00	1	1.19	0	0.00
Above 51	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total Entrant	7				1				2			
Total number of employees	88				87				84			
Total new entry rate (%)	7.95				1.15				2.38			

Note:
1. The number of new employees does not deduct those who leave midway
2. The age group of male(female) employee's entry rate = The age group of male(female) employee's entry rate in current year / The total number of male(female) employees in the end of the current year

Total entry employee hiring rate = Number of entry employees in current year / Total number of employee operation points in the end of the current year

Statistical table of employee turnover rate in the past three years												
Year	2023				2024				2025			
Gender	Male		Female		Male		Female		Male		Female	
Age\Item	Number	New turnover rate (%)	Number	New turnover rate (%)	Number	New turnover rate (%)	Number	New turnover rate (%)	Number	New turnover rate (%)	Number	New turnover rate (%)
Below 30	0	0.00	0	0.00	1	1.15	0	0	1	1.19	0	0
30~50	1	1.14	0	0.00	1	1.15	0	0	3	3.57	0	0
Above 51	1	1.14	0	0.00	0	0	0	0	1	1.19	0	0
Total Entrant	2				2				5			
Total number of employees	88				87				84			
Total new turnover rate (%)	2.27				2.3				5.95			

Note:
1. Define the categories of employees who have resigned from the company, such as: resignation, dismissal, retirement or death cause of job, etc.
2. The age group of male(female) employee's entry rate = The age group of male(female) employee's turnover rate in current year / The total number of male(female) employees in the end of the current year
3. Total turnover employee hiring rate = Number of turnover employees in current year / Total number of employee operation points in the end of the current year

■ 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.

The total number of employee education and training hours for Cathay Chemical head office and Pingnan factory in 2025 is 1,842 hours, the total number of trainees is 87, and the total training cost is NT$101,161

Education and training statistics of Pingnan factory in the past three years			
Item	2023	2024	2025
Total Employee	77	79	76
Total Training cost (NT$)	151,284	101,163	67,161
Training Fee per Capita	1,965	1,281	884
Total Training Hours (hr)	1,524	2,044	1,788
Training Hours per Capita (hr)	19.8	25.9	23.5

Education and training statistics of head office in the past three years			
Total Employee	2023	2024	2025
Total Training cost (NT$)	9	12	11
Training Fee per Capita	57,847	41,162	34,000
Total Training Hours (hr)	6,427	3,430	3,091
Training Hours per Capita (hr)	114	76	54
Total Employee	12.7	6.3	4.9

2025 Education and training statistics of head office & Pingnan factory						
Statistics / Category	Male		Female		Training Hours (hr)	Training Hours per Capital (hr)
	Training Hours (hr)	Number	Training Hours (hr)	Number		
Management Position	302	13	24	3	326	20.38
Grass-Root	1,456	64	60	7	1,516	21.35
Total	1,758	77	84	10	1,842	21.17

Note:

1. Supervisors in our company refer to team leaders, unit supervisors, directors, factory managers, section chiefs, managers, deputy general managers, etc.
2. The training situation at the Pingtung plant is described as follows:
   11 male management employees received training, totaling 296 hours.
   62 male grassroots employees received training, totaling 1,456 hours.
   3 female grassroots employees received training for 36 hours
3. The training situation of the head office is as follows:
   2 male management employees received training, totaling 6 hours.
   2 male grassroots employee received training for 0 hours.
   3 female management employees received training, totaling 24 hours.
   4 female grassroots employees received training, with a total training time of 24 hours.

Occupational safety and health training project statistics		
Name of training	**Number of trainees**	**Total training cost (NT$)**
Firefighting, notification, evacuation guidance and other training carried out during fire drills.	15	101,161
Poison Disaster Response Dril (Formaldehyde Leakage)	8	

Employee education and training	87	

Note

1. Includes both employees and non-employees whose work and/or workplace is controlled by the organization

2. Workers who are not employees but whose work /or workplace are controlled by the organization, such as security guards, cleaning staff, construction workers, etc. contractors and outsourcers.

3. The occupational safety and health-related education and training here include general training or training focused on specific occupational hazards and dangerous situations.

4. Foreign employees have cooperated with the above training programs in carrying out education, training and drills.

Occupational Safety and Health Lecture

Employee performance appraisal results

Cathay Chemical's performance evaluation criteria do not differ based on gender, nationality, or race. Instead, employees are assessed based on objective indicators such as individual performance and teamwork. Employees are provided with appropriate training and development opportunities to foster continuous growth. The 2025 performance evaluation results for all employees, except the Chairman and foreign nationals, are shown below.

Proportion of Cathay Chemical employees who accepted assessments				
Item	Management position	Non-Management position	Direct personnel	Indirect personnel
Proportion of male employees who received assessments	100%	60.66%	61.33%	100%
Proportion of female employees who received assessments	100%	100%	0	100%
Note: Foreign male employees are not required to undergo assessment.				

Employee professional certification

NO	Professional license	Number of people who obtained certificates
1	Forklift trucks over one ton	4
2	Class B Boiler Operator	1

Equal Management of Human Rights

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 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 2025, there are 1 new employee, and the training ratio is 100%, there will be no discrimination-related incidents in the company in 2025.

Working Rules

■ Security Training

At present, the guard of the Pingnan Branch 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 two-hour pre-employment education on sexual harassment prevention measures, complaints, and disciplinary measures.

2025 Pioneer Security Company Security Personnel Training	
	
	

4.3 Employee Rights and Benefits

At present, the company has not signed a group agreement with employees, Company conduct regular communication between labor and management through labor-management coordination meetings to ensure the balance of interests and the achievement of consensus between both parties.

Employee engagement and sense of belonging within the Company are strengthened by continuously paying attention to employees’ opinions, listening to their needs, and creating a more attractive and supportive work environment through regular employee satisfaction surveys and ongoing improvements. According to the results of the Company’s employee satisfaction survey, “Relationships with Colleagues and Work Support” received the highest satisfaction score at 79.25%, followed by “Work Environment” at 71.7% and “Employee Benefits” at 66%. The lowest satisfaction score was “Compensation” at 28.3%.

To promote work safety, prevent accidents, improve the working environment and maintain employee health. Respect employees’ freedom of assembly and association rights granted by law; strive to provide smooth communication channels between labor and management, regularly held labor-management meetings. During the reporting period, 4 labor-management meetings were held. Labor representatives and management representatives each accounted for 50%, which complied with relevant laws and regulations.

Employees of Cathay Chemical did not initiate the formation of trade unions, but Company uphold the belief in maintaining the 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 4 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; and a certain percentage allocated as an employee bonus according to the surplus status. Three-holiday welfare payments and scholarships for children of employees issue ach 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 issue 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 2025, there will be a regularly two-month year-end bonus annually
2. Irregular salary adjustment, 3% salary increase in 2025
3. Welfare funds are distributed every year for the Spring Festival, Dragon Boat Festival and Moon Festival.
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:
(1) More than six months but less than one year, 3 days
(2) More than one year but less than two years,7 days
(3) More than two years but less than three years, 10 days
(4) More than three years but less than five years, 14 days
(5) More than five years but less than ten years, 15 days
(6) 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 provide monthly for employees according to Labor Standards Act and Labor Pension Act.

Parental Leave Allowance

Until December 31, 2025, the Company has 2 male employees who are eligible to apply for parental leave, one of whom applied for parental leave, and the other two did not.

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

Company 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 notify days ago.
2. Working more than 1 year and less than 3 years shall be notifiy 20 days ago.
3. Working more than 3 years shall be notifiy 30 days ago.

4.4 Employee Health Care and Concern

■ Management Policy - Occupational Health and Safety

<table>
<tr><th colspan="4">Management Policy - Occupational Health and Safety</th></tr>
<tr><td>Sustainability Principles (Issue) Response</td><td>GRI 403 Occupational Health and Safety

GRI 404 Training and Education

SASBLabor health and safety

SASB Operational Safety and Emergency Response

Financial Supervisory Commission Chemical Industry Indicator 4</td><td>Stakeholders affected by the impact</td><td>■ Cathay Chemical
■ Supplier
■ Government Agencies
Employee</td></tr>
<tr><td>Meaning to Cathay Chemical</td><td colspan="3">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.</td></tr>
<tr><td>Influence and Impact</td><td colspan="3">Actual Positive:
■ Economic aspect:
Improve employee efficiency and productivity, reduce accidents and illnesses at work, thereby reducing company downtime and production costs
■ Human/human rights aspect:
1. Excellent occupational safety and health measures can also help improve corporate image and market competitiveness, and better protect the human rights and welfare of employees.
2. Effective occupational health and safety measures can reduce the incidence of work-related injuries and occupational diseases, protect employees’ physical health, and enhance workplace safety.

Potential Negative (Impacts):
The manufacturing processes at Cathay Chemical involve high-risk substances and high-energy operations. Potential negative occupational health and safety impacts include chemical exposure, fires and explosions, equipment-related hazards, and human operational errors, which may result in acute or chronic health hazards, major occupational safety incidents, and business interruptions.</td></tr>
<tr><td>Policy</td><td colspan="3">Safety and Health Policy
■ 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</td></tr>
<tr><td>Strategy</td><td colspan="3">■ Entrust the aggregate corporation – ISHA executes factory environment monitoring each year. In 2025, the monitoring operations were completed in May and November, the monitoring results show that the allowable concentration standard is</td></tr>
</table>

	not exceeded ■ Enhance environmental safety knowledge through staff training ■ Provide annual employee health checks. 87 of the employees participated in the employee health check in 2025 ■ 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 Goals and Objectives	Effectively manage a zero-hazard working environment.
Management Measures	■ **External institution:** Occupational Safety and Health Act ■ **Internal institution:** (1). Work Management Rules (2). ISO 9001 Quality Management System (3). QC 080000 Hazardous Substance Management System
Management and Performance Assessment	■ None of the employees in Head Office or Pingnan Branch had suffer from occupational disease in the Company in 2025 ■ Company's environmental management representative is responsible for and implements the environmental safety section of Pingnan factory. The convener is the director of Pingnan factory ■ In 2025, the total cost of employee health examinations is NT$220,000. ■ In 2025, a total of NT$54,400 has invested in operating environment monitoring

■ Management Policy - Local Community

Local Communities – Management Approach			
Sustainability Principles (Issue) Response	GRI 413 Local Community SASB Community Relation Financial Supervisory Commission Chemical Industry Indicator 5	**Stakeholders affected by the impact**	Cathay Chemical Supplier Government Agencie Employee Community residents
Meaning to Cathay Chemical	■ Uphold the spirit of "safety and environmental protection first, quality second, output third" as guidelines create a disaster-free work environment ■ In order to enhance the awareness of work safety among personnel at all levels and ensure the safety of production and various operations.		
Influence and Impact	Actual/Potential Positive: ■ Economic aspect: 1. Providing a large number of employment opportunities locally, including factory workers, technicians, managers, etc., is vital to the economic development of the local community. 2. Investment and operation will bring economic benefits, including increased tax revenue, infrastructure construction, etc., which will help improve the economic level and development of the community. ■ Environmental aspect: If pollutants are not properly controlled during operation, it will cause panic among nearby residents and even lead to factory protests, which will be a huge loss to factory operations. Therefore, we strictly abide by environmental protection laws and regulations to reduce the impact of industrial accidents on the environment. ■ Human/human rights aspect: Operations will have an impact on local communities, so communication and participation with local communities should be strengthened and the opinions and		

	interests of local residents should be respectedMaintain close contact and care with the local community to enhance the local community's trust in Cathay Chemical Plant, recruit local personnel, provide employment opportunities for the community, and strengthen the community's competitiveness in terms of sustainability.Potential negative (cause): 1. The production process may cause air, water and soil pollution, affecting the quality of life and health of surrounding residents 2. Safety in the chemical industry is one of the issues of greatest concern to the public. In the unfortunate event of an occupational safety incident at the plant, the impact could be significant, potentially resulting not only in casualties but also in plant shutdowns and production disruptions. Effective safety management can help reduce potential future operating costs and risks.
Policy	■ Implement environmental protection and create a safe working environment, and move towards the goal of sustainable development ■ Cathay Chemical attaches great importance to factory safety. All employees regularly arrange environmental safety and fire emergency response course training every year. Let employees establish a good awareness of industrial safety and environmental protection, and at the same time pay attention to the needs of employees' personal career development, conduct various education and training so that every employee can grow together with the company.
Strategy	■ On February 3, 2025, the Company conducted occupational safety and fire safety training. The training covered emergency response procedures and SOPs for earthquakes, chemical leaks, explosions, air pollution incidents, typhoons, and fires; occupational safety, including precautions for the receipt and storage of chemicals, chemical management, and waste disposal; CPR training; and comprehensive drills for the self-defense firefighting team. ■ The Company continues to provide annual scholarships to the local community high school, Fangliao Senior High School, and financial support to the local community patrol team. ■ The Company conducts annual emergency response drills for the toxic chemical substance it uses, formaldehyde. In the event of a toxic chemical leak, the Company can rapidly mobilize personnel for rescue operations, resource deployment, and emergency evacuation to reduce casualties and property losses in the local community. ■ On February 3, 2025, the Company conducted the “Formaldehyde Comprehensive Emergency Response Drill.” ■ On March 24, 2025, the Company conducted the “Formaldehyde Unannounced Emergency Response Drill.” ■ On October 16, 2025, the Company conducted the “Formaldehyde Unannounced Emergency Response Drill.”
Management Goals and Objectives	■ Uphold the guiding principle of “safety and environmental protection first, quality second, and output third” as spirit, create a zero-disaster work ■ In order to enhance the awareness of work safety among personnel at all levels and ensure the safety of production and various operations
Management Measures	■ **External institution:** 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 ■ **Internal institution:** 1. Employee Safety and Health Management Annual Plan 2. Plan of Emergency Procedure 3. Material and the product delivery have 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”
Recourse Mechanism	The Company's emergency response notification system is as follows: (1). The Southern Center for Emergency Response of Toxic Substance: 0800-660-001 (2). Center for Environmental Complaints: 0800-066-666(24hr) (3). Pingtung County Environmental Protection Bureau: 08-7351928(24hr) (4). Fangliao Hospital: 0800-8789991 (5). Fangliao Fire Agency: 08-8782304

	(6). Fooyin Hospital: 08-8233146 (7). Ministry of Health and Welfare Pingtung Hospital: 08-7363011 (8). Support Company - ETERNAL MATERIALS CO., LTD. PING-NAN BRANCH: 08-8669009
Management and Performance Assessment	■ The Company complies with the provisions of "Operation Measures for Hazard Prevention and Contingency Planning of Toxic and Concerned Chemical Substances", while carrying toxic and hazardous chemicals of concern requires disaster prevention training, drills and education. Among them, there should be test without warning at least twice a year and overall drills at least once a year. ■ The company has an "emergency response command system" in which the Pingnan Factory Director serves as the overall commander and factory spokesperson, and the deputy factory director serves as the on-site command. Responsible for emergency response related matters through task groups and external support units. ■ There are no related accidents inside or outside the factory and during transportation also a negative impact on the environment in 2025 ■ In 2025, the total cost of Education and training expenses is NT$101,161. ■ In 2025, the total number of training hours is 1,842

■ Occupational Safety

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 above the prescribed amount by the central competent authority.

Implementation of the antecedent safety and health management should be record and preserve for 3 years. Because the number of employees in the Company did not reach 200, therefore, the occupational safety management system has not been establishe. However, 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.

Working Environment Monitoring

In May and November 2025, the Plant commissioned the Industrial Safety and Health Association of the Republic of China to conduct workplace environmental monitoring at the plant. The purpose was to assess workers' exposure conditions during production operations in various plant areas and storage tank areas. All inspection results complied with the permissible exposure limits for workers' workplaces. In addition to providing personal protective equipment (PPE) to on-site operators as an engineering control measure, the Company is committed to providing a safe and reassuring working environment for employees and fulfilling its responsibility to protect their health.

Laboratory Methods in Workplace Monitoring Report May, 2025	Laboratory Methods in Workplace Monitoring Report November, 2025	Occupational Hygiene Laboratory Certification
		
Occupational Health Laboratory Monitoring Result Report Form (May)		

■ Chemical Industry Supplementary Key Points-Safety Management and Emergency Response Measures

Safety Management – On-Site 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 also 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 January, 2025. Including common sense of fire prevention, emergency escape essentials, chemical plant risk safety management and disaster response, Self-defense firefighting mission statement, etc.

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. Then improve it to create a good working environment and let employees work with peace of mind.

Labor safety and health training	
	

Management of Tank Car Transportation

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.

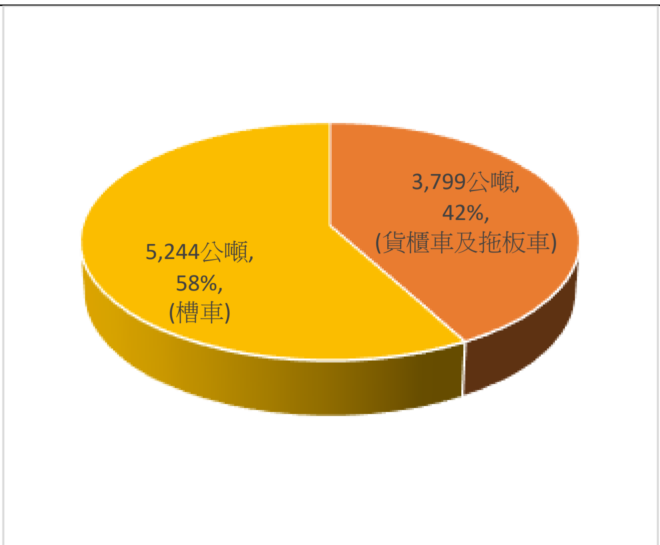
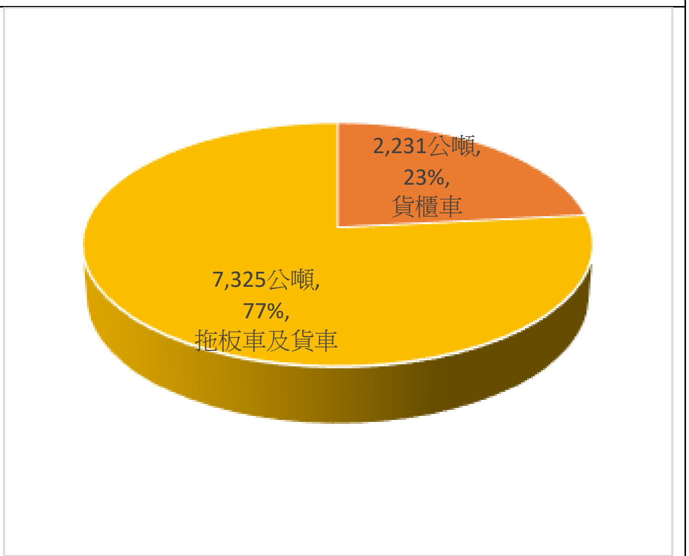
The material and product delivery has followed the “Import/Export management procedure” of the ISO 9001 Management System. While the material or product tank car enters the factory for transportation and loading/ unloading operations, it must follow the factory operating procedures “Carry, package and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

NO	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 confirm 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 park, brake, and turn off. In addition, 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.

The competent authority must inspect all vehicles entering the factory before it released. Drivers must have full emergency response capabilities, follow relevant laws and regulations, and comply with road traffic safety rules while driving. The tank car of the Company’s material supplier and customer, which used to transport the finished product, are all manage 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 2025, there are no transportation-related incidents in transportation, and no negative impact on the environment.

Tank car Unloading Operations	
	

For material suppliers and customers, the qualification requirements of tank cars, which 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 2025 is as follows:

Material Transportation Method in 2025	Product Transportation Method in 2025
	

Emergency Response Measures

External Management:

The Company is located in the Pingnan Industrial Park, where the Industrial Park Management Center conducts irregular regional mutual-aid training sessions and joint emergency response drills every year. These activities are intended to strengthen the disaster prevention and emergency response capabilities of companies within the industrial park. In the event of an emergency, the mutual-aid mechanism can be activated to facilitate rapid notification before firefighters arrive at the scene, as well as to assist the affected plant with emergency response and disaster relief. This enables the incident to be brought under control quickly and prevents it from affecting neighboring plants and nearby residents.

On November 4, 2025, the Environmental Protection Bureau of Pingtung County Government conducted the “2025 Pingtung County Emergency Response Drill for Toxic Chemical Incidents and Air Pollution Events” at the Pingnan Industrial Park facility of Hosun Environmental Technology Co., Ltd.

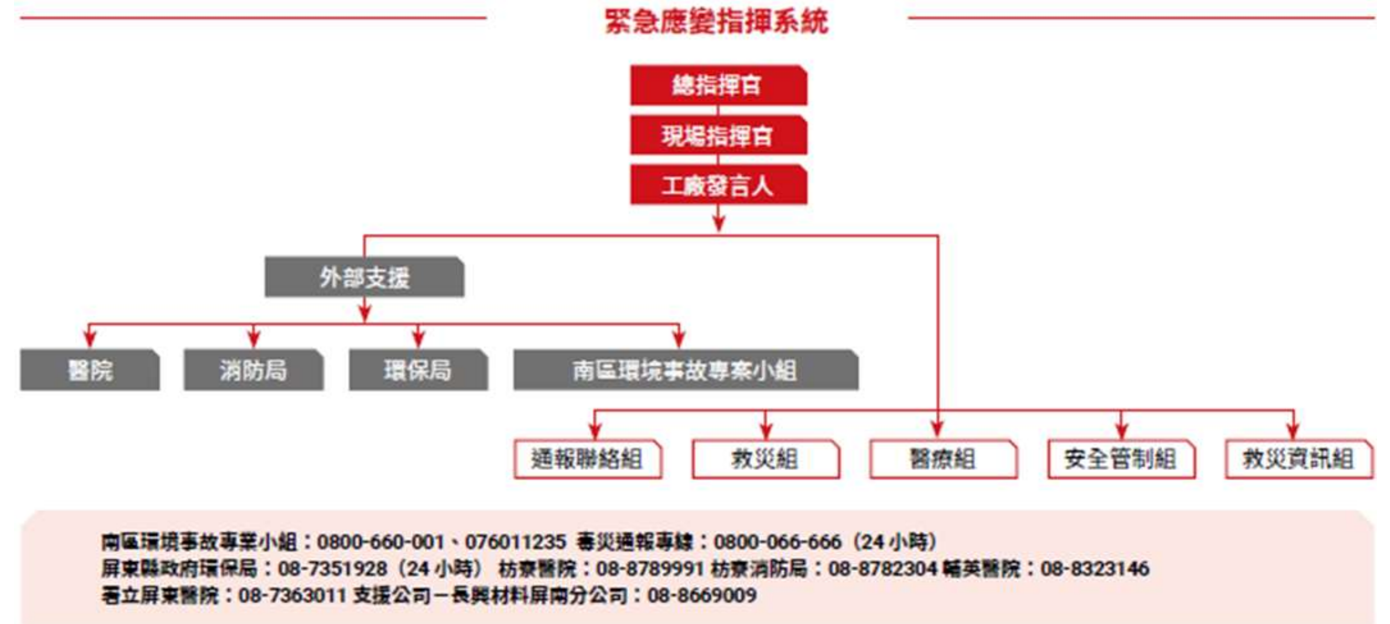
The drill proceeded as follows:

Response drills for toxic chemical accidents and air pollution incidents	
	
	

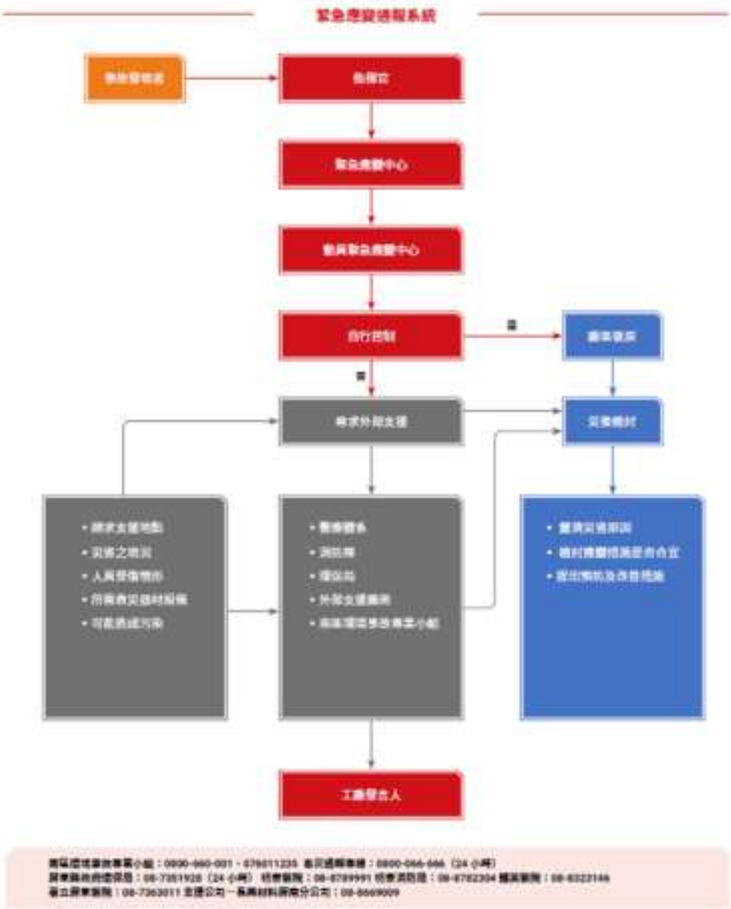
Internal Management:

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 2 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.

Emergency Response Command System



Emergency Response Notification System



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 aim 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. Each work unit, supported by the Environmental Safety Division, arranges the courses

2. New employee Training: New employees will arrange 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 Factory	2025/02/03	Formaldehyde Emergency Response Drill	The exercise area is the metering tank of the 24% formaldehyde toxic chemical substance. Because of Flanges came loose, allowing a small leak of toxic chemicals at the seam. Exercise focus: (1). Emergency notification and evacuation guidance in the factory (2). Contain and stop leaks control formaldehyde toxic chemical substances on site. Avoid spreading to the adjacent factory area and prevent the spread of strain (3). Emergency evacuation of people and vehicles (4). Carry out decontamination operations after disasters to prevent spillage of pollutants

Emergency drills

■ Employee Care

The labor safety and health organization management do not regulate Cathay Chemical, thus there is no need to set up a labor health and safety committee. However, 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.

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 2025, 76 employees in the Pingnan branch participated in the employee health check, including general and special health checks (contain dust operations, formaldehyde operations, and noise operations). Also in 2025, 11 employees in the Taipei Company participated in the employee health check, the total inspection cost of Pingnan Factory and Taipei Company is NT$220,000, 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 found that needs to be track and managed, develop a protection plan to carefully track and provide employees with adequate medical information. In 2025 continuous carried out an "Ergonomic Hazard," "Abnormal Workload-triggered Disorders," and "Body and Mental Health Unlawful Infringement Prevention" etc. plan.

In addition, according to the Labor Health Protection Rules, public institutions with a total number of 50-99 employees should apply for on-site health services starting from January 1, 2022. Therefore, our company has on-site service nurses and doctors come to the factory to perform labor health related work in accordance with the law. The frequency of visits is once a month for contractual nurses and once every four months for on-site service doctor. In 2025, both contracted nurses and on-site doctor will conduct appropriate health interview assessments.

Pingnan Branch's Employee Health Check				
	2022	2023	2024	2025
Number of Employee Health Checks	69	70	79	76
Costs of Employee Health Checks	147,200	76,000	185,100	181,000

Taipei Company's Employee Health Check				
	2022	2023	2024	2025
Number of Employee Health Checks	12	12	12	11
Costs of Employee Health Checks	42,000	42,000	42,000	38,500

Number of Employee and Health Check Item				
Health Check Item	2022	2023	2024	2025
Special Health Check (Dust Work)	39	56	59	55
Special Health Check (Formaldehyde Work)	10	34	37	36
Special Health Check (Noise Work)	42	56	58	55
General Health Check (Including Taipei Company)	81	82	91	87

Employee Health Check

■ 2025 Occupational Safety Performance

The Company continues to implement occupational safety measures at its facilities, strengthen inspections of hazardous areas, and provide safety awareness training to employees to prevent occupational accidents. In 2025, female employees worked a total of 22,421.82 hours, while male employees worked a total of 176,034.18 hours. There were eight non-employee workers, comprising seven males and one female, aged approximately 40 to 60 years. Their total working hours for the year were 1,352 hours, with a total of 169 working days. In 2025, no occupational accidents occurred among either employees or non-employee workers.

The following table shows the total working hours experienced by the company's employees in 2025:

Item		2024	2025
Total Working Hours	Female Total Working Hours	24,560	22,421
	Male Total Working Hours	195,384	176,034.18
	Total Working Hours	219,944	198,456
Occupational Injury Fatality Rate %	Female Occupational Injury Fatality Rate	0	0
	Male Occupational Injury Fatality Rate	0	0
	Total Occupational Injury Fatality Rate	0	0
Serious Occupational Injury Rate % (Excluding Fatalities)	Female Serious Occupational Injury Rate	0	0
	Male Serious Occupational Injury Rate	0	0
	Total Serious Occupational Injury Rate	0	0
Recordable Occupational Injury Rate % (Including Fatalities and Serious Occupational Injuries)	Recordable Female Occupational Injury Rate	0	0
	Recordable Male Occupational Injury Rate	1	0
	Total Recordable Occupational Injury Rate	1	0
Death rate due to occupational injuries (%)		0	0
Serious Occupational Injury Rate (%)		0	0
Recordable Occupational Injury rate (%)		0.45	0

Notes:

1. In 2024, all occupational injuries involved male employees, with one employee affected.
2. **Lost-Time Injury Frequency Rate (LTIFR)** = (Total number of days lost / Total hours worked) × 1,000,000.
3. **Absentee Rate** = (Number of days absent / Total working days of all employees during the year) × 100%, including occupational injury leave, sick leave, personal leave, and unauthorized absence.
4. **Rate of Fatalities from Occupational Injuries** = Number of fatalities resulting from occupational injuries / Hours worked × 1,000,000.
5. **Rate of High-Consequence Occupational Injuries** = Number of high-consequence occupational injuries (excluding fatalities) / Hours worked × 1,000,000. High-consequence occupational injuries refer to injuries resulting in disability or injuries from which the worker is unable to recover to their pre-injury state of health within six months.
6. **Recordable Occupational Injury Rate** = Number of recordable occupational injuries / Hours worked × 1,000,000.

4.5 Feedback, Contribute, and Share about Love

■ Contribute to the Society

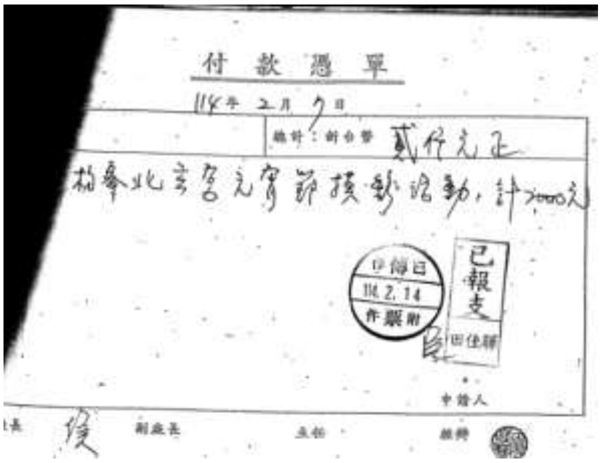
Traditional folk temple festivals have been passed down from generation to generation through people’s customs, emotions, and beliefs. Influenced by changes in local communities and environments, these traditions have evolved into the distinctive local customs of Taiwan today. From north to south, temple festivals are held throughout Taiwan year-round, playing an important role in the preservation of historical and cultural heritage as well as in people’s spiritual lives.

These diverse temple festival activities serve not only educational, artistic, and entertainment purposes, but also help educate the public, foster community cohesion, and protect local communities. They have also contributed to the vibrant development of folk theater and traditional performing arts. Therefore, temple festival culture can be regarded as a microcosm of Taiwan’s folk culture. Through these activities, the diverse aspects of Taiwanese people’s beliefs, arts, and cultural heritage can be clearly observed, while the values of Taiwan’s folk religious traditions are authentically conveyed.

Cathay Chemical Plant is located in Fangliao Township, Pingtung County. During festivals and temple fairs, whenever invitations are received from local villages, the Company provides gifts or financial support, totaling NT$10,000. In addition, the Company continues to provide an annual NT$20,000 scholarship to Fangliao Senior High School to encourage students to study diligently. The Company also provides NT$6,000 in support to the Jiadong Volunteer Fire Brigade and the Fangliao Fire Department.

List of public welfare activities	
Charity activity name	**Amount (NT$)**
Fangliao High School Scholarship	20,000
Beixuangong Temple Lantern Festival Lucky Draw Event	2,000
Beixuangong Temple Facility Repairs	2,000
Donation to Cilangong Temple	2,000
Taiyuan Village Temple Festival	4,000
Fangliao Volunteer Fire Brigade	3,000
Sponsorship of the Jiadong Volunteer Firefighters’ Fellowship Dinner	3,000
Total	36,000
2025 Public Welfare Donation Receipt Details	

▲ Donation to Cilangong Temple, Fangliao Township, Pingtung County



付款憑單
114年2月7日
總計：新台幣 貳仟元正
枋寮北玄宮元宵節摸彩活動，計2000元
已報支
申請人

▲ Pingtung County Fangliao Township Beixuangong Temple Lantern Festival Lucky Draw Event

屏東縣枋寮鄉北玄宮 收據
統一編號：14911177
款、修繕、設備
新台幣 拾 萬 仟 佰 拾 元整
已報支

▲ Facility Repairs for Beixuangong Temple, Fangliao Township, Pingtung County

東縣立枋寮高級中學
收款收據 01627
國泰化工廠股份有限公司
捐
$20000
新台幣（大寫）拾 貳 萬 仟 佰 拾 元正
已報支

▲ Scholarship for Fangliao Senior High School, Pingtung County

東縣枋寮鄉太源愛村協會 收據
日期：114年5月6日
茲收到 國泰化工廠股份有限公司
新台幣：一佰一拾一萬貳仟零佰零拾零元整
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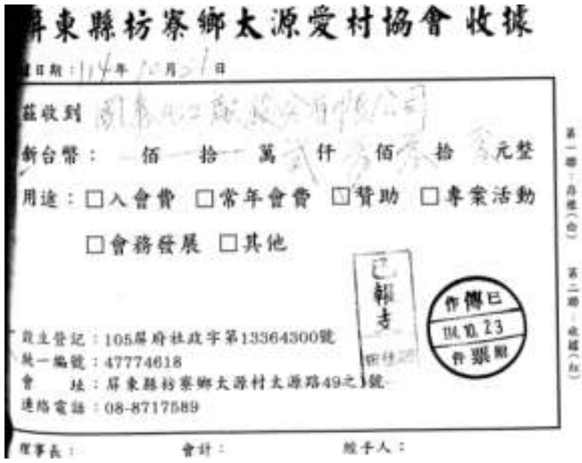
□會務發展 □其他
立案登記：105屏府社政字第13364300號
統一編號：47774618
會址：屏東縣枋寮鄉太源村太源路49之1號
連絡電話：08-8717589
理事長 會計 經手人



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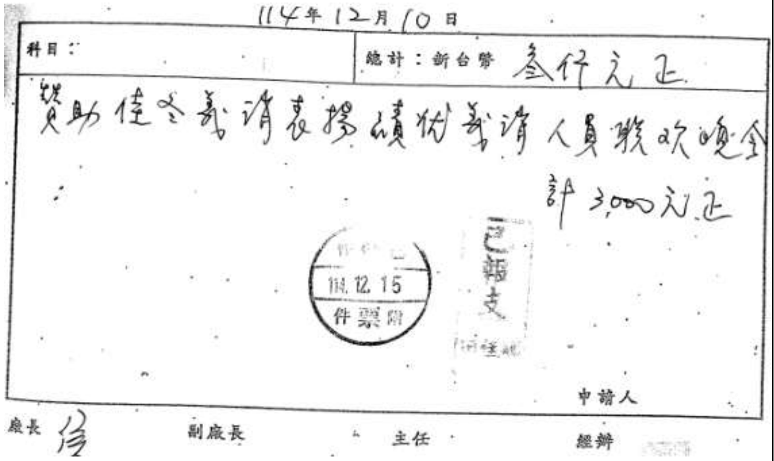
連絡電話：08-8717589
理事長： 會計： 經手人：

▲ Taiyuan Village Temple Festival

	
▲ Fangliao Volunteer Fire Brigade	▲ Sponsorship of the Jiadong Volunteer Firefighters' Fellowship Dinner

Appendix

Appendix 1：Sustainability Reporting Guidelines (GRI Guidelines) Comparison Table

Allegation of use	Cathay Chemical Works, Inc. has referred to the information quoted in the GRI content index table during the period from 2023/01/01 to 2023/12/31 with reference to the GRI Guidelines.
GRI 1 use	GRI 1: 2021 Basis
GRI industry guidelines apply	N/A

GRI Standards	Serial Number	GRI Standards Content Disclosures	Corresponding Chapter	Page	Omit/Note
1. Organization and Reporting Practices					
GRI 2 General Disclosures 2021	2-1	Organization details	1.1 Company Overview	14	
	2-2	Entities included in the organization's sustainability reporting	About this report	2	
	2-3	Reporting period, frequency and contact point	About this report	2	
	2-4	Restatements of information	About this report	2	
	2-5	External assurance	About this report	2	
2. Activities and workers					
GRI 2 General Disclosures 2021	2-6	Activities, value chain and other business relationships	1.1 Company Overview	14	
	2-7	Employees	4.1 Cathay Chemical Happy Enterprise	75	
	2-8	Workers who are not employees	4.1 Cathay Chemical Happy Enterprise	75	
3. Governance					
GRI 2 General Disclosures 2021	2-9	Governance structure and composition	1.4.2 Governance Structure	26	
	2-10	Nomination and selection of the highest governance body	1.4.2 Governance Structure	26	
	2-11	Chair of the highest governance body	1.4.2 Governance Structure	26	
	2-12	Role of the highest governance body in overseeing the management of impacts	1.4.1 ESGcorporate sustainability management	26	
	2-13	Delegation of responsibility for managing impacts	1.4.1 ESGcorporate sustainability management	26	
	2-14	Role of the highest governance body in sustainability reporting	About this report	2	
	2-15	Conflicts of interest	1.4.2 Governance Structure	26	
	2-16	Communication of critical concerns	1.4.1 ESG corporate sustainability management	26	
	2-17	Collective knowledge of the highest governance body	1.4.2 Governance Structure	26	
	2-18	Evaluation of the performance of the highest governance body	1.4.2 Governance Structure	26	
	2-19	Remuneration policies	1.4.2 Governance Structure	26	
	2-20	Process to determine remuneration	1.4.2 Governance Structure	26	
	2-21	Annual total compensation ratio	4.2 Talent Cultivation	77	
4. Strategy, policies and practices					
GRI 2 General Disclosures 2021	2-22	Statement on sustainable development strategy	Chairperson Statement	4	
	2-23	Policy commitments	4.2 Talent Cultivation	77	
	2-24	Embedding policy commitments	4.2 Talent Cultivation	77	
	2-25	Processes to remediate negative impacts	1.4.3 Implement Integrity Management	26	
	2-26	Mechanisms for seeking advice and raising concerns	Identification and Communication to Stockholders	5	
	2-28	Membership associations	1.3 Organizations and Related Certifications	24	

GRI Standards	Serial Number	GRI Standards Content Disclosures	Corresponding Chapter	Page	Omit/Note
5. Stakeholder engagement					
GRI 2 General Disclosures 2021	2-29	Approach to stakeholder engagement	Identification and Communication to Stakeholders	5	
	2-30	Collective bargaining agreements	4.3 Employee Rights and Benefits	85	
Topic-specific standards: GRI 200 (Economics topic)					
Climate Change					
GRI 201 Economic Performance Topic Disclosures 2016	201-2	Financial implications and other risks and opportunities due to climate change	1.6 Financial risks related to climate change	46	
Market Presence					
GRI 202 Market Presence Topic Disclosures 2016	201-3	Defined benefit plan obligations and other retirement plans	4.3 Employee Rights and Benefits	85	
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.2 Talent Cultivation	77	
	202-2	Proportion of senior management hired from the local community	4.1 Cathay Chemical Happy Enterprise	75	
Indirect economic impact					
GRI 203 Indirect Economic Impacts Topic Disclosures 2016	203-1	Development and impact of Infrastructure investments and services supported	4.5 Feedback, Contribute, and Share about Love	104	
	203-2	Significant indirect economic impact	4.5 Feedback, Contribute, and Share about Love	104	
Procurement Practices					
GRI 204 Procurement Practices Topic Disclosures 2016	204-1	Proportion of spending on local suppliers	2.3.1 Raw Material Purchase	57	
Anti-corruption					
GRI 205 Anti-corruption Topic Disclosures 2016	205-1	Operations assessed for risks related to corruption	1.4.3 Implement Integrity Management	26	
	205-2	Communication and training about anti-corruption policies and procedures	1.4.3 Implement Integrity Management	26	
	205-3	Confirmed incidents of corruption and actions taken	1.4.3 Implement Integrity Management	26	
Anti-competitive Behavior					
GRI 206 Anti-competitive Behavior Topic Disclosures 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.1 Product self-requirements	53	
Tax					
GRI 207 Tax Topic Disclosures 2019	207-1	Approach to tax	1.2 Financial and Operational Planning	20	
	207-2	Tax governance, control, and risk management	1.2 Financial and Operational Planning	20	
	207-3	Stakeholder engagement and management of concerns related to tax	1.2 Financial and Operational Planning	20	
GRI 207 Tax Topic Disclosures 2019	207-4	Country-by-country reporting	-	-	Not applicable, Company has no relevant matters.
Topic-specific standards: GRI 300 (Environment topic)					
Material					
GRI 301 Material Topic Disclosures 2016	301-1	Materials used by weight or volume	3.1 Raw Material Management	64	
	301-2	Recycled input materials used	-	-	Not applicable, Company has no relevant matters.
	301-3	Reclaimed products and their packaging materials	-	-	
Biodiversity					
GRI 304 Biodiversity Topic Disclosures 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	-	None of Company's operating sites is located in national protected areas or biological habitats.
	304-2	Significant impacts of activities, products and services on biodiversity	-	-	
	304-3	Habitats protected or restored	-	-	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	-	
Topic-specific standards: GRI 400 (Society topic)					

GRI Standards	Serial Number	GRI Standards Content Disclosures	Corresponding Chapter	Page	Omit/Note
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	75	
	405-2	Ratio of basic salary and remuneration of women to men	4.2 Talent Cultivation	77	
Non-discrimination					
GRI 406 Non-discrimination Topic Disclosures 2016	406-1	Incidents of discrimination and corrective actions taken	4.2 Talent Cultivation	77	
Freedom of Association and Collective Bargaining					
GRI 407 Freedom of Association and Collective Bargaining Topic Disclosures 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.3 Employee Rights and Benefits	85	
Child Labor					
GRI 408 Child Labor Topic Disclosures 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	2.3.2 Supplier Evaluation	57	
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	2.3.2 Supplier Evaluation	57	
Security Practices					
GRI 410 Security Practices Topic Disclosures 2016	410-1	Security personnel trained in human rights policies or procedures	4.2 Talent Cultivation	77	
Rights of Indigenous Peoples					
GRI 411 Rights of Indigenous Peoples Topic Disclosures 2016	411-1	Incidents of violations involving rights of indigenous peoples	Chapter4 Create Harmonic Workplace	73	
Local Communities					
GRI 413 Local Communities Topic Disclosures 2016	413-1	Operations with local community engagement, impact assessments, and development programs	4.5 Feedback, Contribute, and Share about Love	104	
	413-2	Operations with significant actual and potential negative impacts on local communities	4.5 Feedback, Contribute, and Share about Love	104	
Public Policy					
GRI 415 Public Policy Topic Disclosures 2016	415-1	Political contributions	-	-	-
Customer Privacy					
GRI 418 Customer Privacy Topic Disclosures 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.5 Risk Management	43	

Indicators Corresponding to Major Topic

GRI Standards	Issue	Sector Standard Ref. No.	Serial Number	GRI Standards Content Disclosures	Corresponding Chapter	Page	Omit/Note
GRI 3: Material Topic 2021	Management Policy	-	3-1	Process for Determining Material Topic	Identification and Management of Material Topics	11	
GRI 3: Material Topic 2021	Management Policy		3-2	List of Material Topics	Identification and Management of Material Topics	11	
Material Topic: Regulatory Compliance							
GRI 3 Material Topic Disclosures 2021	Management Policy		3-3	Material Topics Management	1.7 Regulatory compliance and cooperate	49	
GRI2	General disclosures 2021		2-27	Regulatory compliance	1.7 Regulatory compliance and cooperate	49	

Major Theme: Supply Chain Assessment							
GRI 3: Material Topic 2021	Management Policy		3-3	Material Topics Management	2.3 Supply Chain Purchase	57	
GRI 308	Supplier Environment Assessment Topic Disclosures 2016		308-1	New suppliers that were screened using environmental criteria	2.3 Supply Chain Purchase	57	
			308-2	Negative environmental impacts in the Supply Chain and actions taken	2.3 Supply Chain Purchase	57	
GRI 414	Supplier Social Assessment Topic Disclosures 2016		414-1	New suppliers that were screened using social criteria	2.3 Supply Chain Purchase	57	
			414-2	Negative social impacts in the supply chain and actions taken	2.3 Supply Chain Purchase	57	
Material Topic: Economic performance							
GRI 3: Material Topic 2021	Management Policy	-	3-3	Material Topics Management	1.2 Financial and Operational Planning	20	
GRI 201	Economic Performance Topic Disclosures 2016	-	201-1	Direct economic value generated and distributed	1.2 Financial and Operational Planning	20	
		-	201-4	Financial assistance received from government	1.2 Financial and Operational Planning	20	
Material Topic: Environmental protection							
GRI 3: Material Topic 2021	Management Policy	-	3-3	Material Topics Management	Chapter 3 Substance and Environment	62	
GRI 302	Energy Topic Disclosures 2016	-	302-1	Energy consumption within the organization	3.2 Sustainable Energy Management	65	
		-	302-3	Energy intensity	3.2 Sustainable Energy Management	65	
		-	302-4	Reduction of energy consumption	3.2 Sustainable Energy Management	65	
GRI 303	Water and Effluents Topic Management Disclosures 2018	-	303-1	Interactions with water as a shared resource	3.3 Cherish Water Resources	68	
		-	303-2	Management of water discharge-related impacts	3.3 Cherish Water Resources 3.4 Management of waste pollution prevention measures	68 69	
GRI 303	Water and Effluents Topic Disclosures 2018	-	303-3	Water withdrawal	3.3 Cherish Water Resources	68	
		-	303-4	Water discharge	3.3 Cherish Water Resources	68	
		-	303-5	Water consumption	3.3 Cherish Water Resources	68	
GRI 305	Emissions Topic Disclosures 2016	-	305-1	Direct (Scope 1) GHG emissions	3.2 Sustainable Energy Management	65	
		-	305-2	Energy indirect (Scope 2) GHG emissions	3.2 Sustainable Energy Management	65	
		-	305-3	Other indirect (Scope 3) GHG emissions	3.2 Sustainable Energy Management	65	
		-	305-4	GHG emissions intensity	3.2 Sustainable Energy Management	65	
		-	305-5	Reduction of GHG emissions	3.2 Sustainable Energy Management	65	
		-	305-6	Emissions of ozone-depleting substances (ODS)	3.2 Sustainable Energy Management	65	
		-	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.4 Pollution Prevention Management	69	
GRI 306	Waste Topic Disclosures 2020	-	306-1	Waste generation and significant waste-related impacts	3.4 Pollution Prevention Management	69	
		-	306-2	Management of significant waste-related impacts	3.4 Pollution Prevention Management	69	
GRI 306	Waste Topic Disclosures 2020	-	306-3	Waste generated	3.4 Pollution Prevention Management	69	
		-	306-4	Waste diverted from disposal	3.4 Pollution Prevention Management	69	
		-	306-5	Waste directed to disposal	3.4 Pollution Prevention Management	69	
GRI 306	Waste Topic Disclosures 2016	-	306-3：2016	Serious leak	3.4 Pollution Prevention Management	69	
Material Topic: Labor/ Management Relations							
GRI 3: Material Topic 2021	Management Policy	-	3-3	Material Topics Management	Chapter 4: Create Harmonic Workplace	73	
GRI 401	Employment	-	401-1	New employee hires and employee turnover	4.2 Employee Rights and Benefits	77	

	Topic Disclosures 2016	-	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3 Employee Rights and Benefits	85	
		-	401-3	Parental leave	4.3 Employee Rights and Benefits	85	
GRI 402	Labor/ Management Relations Topic Disclosures 2016	-	402-1	Minimum notice periods regarding operational changes	4.3 Employee Rights and Benefits	85	
Material Topic: Occupational Health and Safety							
GRI 3: Material Topic 2021	Management Policy	-	3-3	Material Topics Management	4.4 Employee Health Care and Concern	88	
GRI 403	Occupational Health and Safety Topic Disclosures 2018	-	403-1	Occupational health and safety management system	4.4.1 Occupational Safety	88	
		-	403-2	Hazard identification, risk assessment, and incident investigation	4.4.1 Occupational Safety	88	
		-	403-3	Occupational health services	4.4.3 Employee Care	88	
		-	403-4	Worker participation, consultation, and communication on occupational health and safety	4.4.1 Occupational Safety	88	
		-	403-5	Worker training on occupational health and safety	4.2 Talent Cultivation	77	
		-	403-6	Promotion of worker health	4.4.3 Employee Care	88	
		-	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.2 Chemical Industry Supplementary Key Points-Safety Management and Emergency Response Measures	88	
GRI 403	Occupational Health and Safety Topic Disclosures 2018	-	403-8	Workers covered by an occupational health and safety management system	4.4.1 Occupational Safety	88	
		-	403-9	Work-related injuries	4.4.3 Employee Care	88	
		-	403-10	Work-related ill health	4.4.3 Employee Care	88	
GRI 404	Training and Education Topic Disclosures 2016	-	404-1	Average hours of training per year per employee	4.2 Talent Cultivation	77	
		-	404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Talent Cultivation	77	
		-	404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Talent Cultivation	77	
Material Topic : Local Communities							
GRI 3: Material Topic 2021	Management Policy		3-3	Material Topics Management	4.4 Employee Health Care and Concern	88	
GRI 413	Local Communities Topic Disclosures 2016	-	413-2	Operations with significant actual and potential negative impacts on local communities	4.4.2 Chemical Industry Supplementary Key Points-Safety Management and Emergency Response Measures	88	
Material Topic : Product service							
GRI 3: Material Topic 2021	Management Policy		3-3	Material Topics Management	Chapter 2 Quality Requirements	51	
GRI 416	Customer Health and Safety Topic Disclosures 2016	-	416-1	Assessment of the health and safety impacts of product	1.3 Organizations and Related Certificant	24	
		-	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.1 Product's Self-Requirement	53	
GRI 417	Marketing and Labeling Topic Disclosures 2016	-	417-1	Requirements for product and service information and labeling	2.1 Product's Self-Requirement	53	
		-	417-2	Incidents of non-compliance concerning product and service information and labeling	2.1 Product's Self-Requirement	53	
		-	417-3	Incidents of non-compliance concerning marketing communications	2.1 Product's Self-Requirement	53	
Major Topic: Corporate Governance							
GRI 3: Material Topic 2021	Management Policy	-	3-3	Material Topics Management	1.4 Corporate Governance and Integrity Management	26	

Appendix 2：SASB (Sustainability Accounting Standards Board) Contrast

Chart - Resource transformation_ Chemical

Topic	Serial number	Accounting indicator	Unit of Measure	Compare of Report Content 2025	Compare of Chapter	Page
Greenhouse Gases Emission	RT-CH-110a.1	Scope1 greenhouse gases emission; Scope1 greenhouse gases emission percentage covered under emissions-limiting regulations (%)	t CO_2-e (%)	■ Scope1: 3,517.514-ton CO2e ■ Percentage covered under emissions-limiting regulations: 0% (In 2025, the Pingnan factory will not be listed as a factory subject to emission restrictions controlled by the Environmental Protection Agency)	3.2 Sustainable Energy Management	65
	RT-CH-110a.2	Scope 1: Long-term and short-term strategies or management plans for greenhouse gas emissions, reduction targets, and analysis of achievement of targets	None	■ Company plans to start collecting annual greenhouse gas inventory data in 2025 to facilitate ISO 14064-1 greenhouse gas inventory operations, and plans to complete the verification in 2028.	3.2 Sustainable Energy Management	65
Air Quality	RT-CH-120a.1	Emissions of the following air pollutants: (1) Nitrogen Oxides (2) Sulfur Oxides (3) Volatile Organic Compounds (4) Hazardous Air Pollutants	MT	■ Air pollutant emissions in 2025, Sulfur Oxides (SOx): 2.203 MT Nitrogen Oxides (NOx):3.096 MT Particulate matters (Par): 0.674 MT Volatile Organic Compounds (VOCS): 0.082 MT. All comply with the emission standards stipulated by the Environmental Protection Agency.	3.4 Pollution Prevention Management	69
Energy Management	RT-CH-130a.1	(1) Total energy consumed (2) Usage electricity from the grid% (3) Renewable energy usage as a proportion of total energy usage (4) Self-production energy usage	Billion Joule (GJ) Percentage (%)	■ Total energy consumption: 49,940.68 GJ ■ Usage electricity from the grid: 70.83% ■ Renewable energy usage as a proportion of total energy usage: 0% ■ Self-production energy usage: 0%	3.2 Sustainable Energy Management	65
Water Management	RT-CH-140a.1	(1) Total Water Withdrawal (2) Total Water Consumption (3) Percentage of water withdrawals located in areas of high or extremely high-water stress (4) Percentage of water Consumption located in areas of high or extremely high-water stress	m³, Percentage (%)	■ Total Water Withdrawal: 55.37 m³ ■ Total Water Consumption: 28.18m³ ■ Percentage of water withdrawals located in areas of high or extremely high-water stress: 0% ■ Percentage of water Consumption located in areas of high or extremely high-water stress: 0% ■ Company's water	3.3 Cherish Water Resources	68

				intake area is a medium-low risk area, so there is no water intake from high-risk areas		
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantify	■ Cathay Chemical has no violations of water quality licensing standards and regulations in 2025	1.7 Regular compliance and cooperate	49
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	None	■ Continue to pay attention to the issue of water shortages and strive to reduce the company's water consumption or improve water recycling efficiency	3.3 Cherish Water Resources	68
Hazardous Waste Management	RT-CH-150a.1	Total hazardous waste produce by Company and recycle percentage	m³, Percentage (%)	■ Total hazardous waste: 0 ■ Hazardous waste recycling and reuse ratio: Our company has no hazardous waste, so it is 0	3.4 Pollution Prevention Management	69
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	無	■ Through questionnaire surveys, customer service online mailboxes, shareholder meetings, etc., opinions from different internal and external channels are collect to serve as a reference for the company to develop management policies in the future. For details, see the chapter Identification and Communication to Stakeholders	Identification and communication to stakeholders	5
Occupational Health and Safety	RT-CH-320a.1	(1) Employee and contractor total recordable incident rate (TRIR) (2) Employee and contractor fatality rate	Ratio	■ In 2025, the number of occupational accidents at the Pingnan Factory was 0, all male, the occupational injury rate was 0%, and there were no work-related deaths	4.4 Employee Health Care and Concern	88
	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	None	■ Conduct factory operating environment monitoring every year, to understand the labor working environment during production operations in each factory area and storage tank area ■ According to the allowable exposure standards for labor workplaces, provide personal protective equipment to on-site operators during	4.4 Employee Health Care and Concern	88

				engineering controls		
Resource-efficient product design	RT-CH-410a.1	Revenue from products designed to improve resource efficiency in the use phase	Amount	■ Cathay Chemical has no products designed to improve resource efficiency in the use phase	N/A	
Chemical Safety and Environmental Management	RT-CH-410b.1	(1) Percentage of products revenue that contain Globally Harmonized System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances (2) Percentage of products revenue that contain Globally Harmonized System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, that have undergone hazard analysis	Percentage of revenue, Percentage (%)	■ Sodium Metabisulfite (SMB) belongs Category 1 and 2, revenue proportion 19.69% ■ Sodium Hydrosulfite (SHS) belong ■ Category 1 and 2, revenue proportion 9.31%		
	RT-CH-410b.2	Strategies for managing hazardous chemicals and developing alternatives to reduce impacts on humans and the environment	None	■ Company's hazard identification, risk assessment and other processing procedures are formulated in the "Identification, Assessment and Control of Work Environment or Occupational Hazards" in the Occupational Safety and Health Management Plan. Accident investigation: In the event of a work-related injury, the unit supervisor fills in a work-related injury report form, investigates the injury and the incident, and discusses improvements and prevention methods with the environmental safety department.	4.4 Employee Health Care and Concern	88
Genetically Modified Organisms	RT-CH-410c.1	Genetically modified biological products as a percentage of revenue	Percentage of revenue	■ Company has no genetically modified biological products	N/A	
Management of the Legal and Regulatory Environment	RT-CH-530a.1	Explain Company's position and response to environmental and social-related regulations/policies that will affect its industry	None	■ Set prevention and control standards, stay ahead of the requirements of environmental laws and regulations, and advance pollution prevention and environmental improvement from a sustainable perspective. ■ Enhance knowledge	1.5 Risk Management 1.6 Financial risks related to climate change 1.7 Regulation Compliance and Coorperation	43 46 49

				on workplace safety through employee training ■ Standardize Company's internal personnel through the "Integrity Business Code" and "Working Rules for Employees", strengthen publicity and standardize the compliance of all employees of the company with honest behavior. ■ All products developed, manufactured and marketed by ourselves. Understanding that only by coexisting with customers can prosper together. Attach great importance to the confidentiality and privacy of customer information.		
Operational Safety, Emergency Preparedness and Response	RT-CH-540a.1	Process Safety Incidents Count (PSIC), Safety Total Incident Rate (PSTIR), Process Safety Incident Severity Rate (PSISR)	Quantify, Ratio	■ The company had one occupational injury incident in 2024, which was a chemical burn, and improvements have been made.	4.4.3 Employee Care	88
	RT-CH-540a.2	Number of transportation incidents	Quantify	■ In 2025, there has no transportation-related accidents in transportation in 2025	4.4.3 Employee Care	88

Activity Indicators	**Serial number**	**Unit of Measure**	**Compare of Report Content 2025**	**Compare of Chapter**	**Page**
Disclose product volume by business segment	RT-CH-000.A	m^3/MT	In 2025, the Company produced a total of 9,052 metric tons of products, including insurance powder, zinc oxide, sodium hydrosulfite, and sodium metabisulfite. For details, please refer to the 2025 Annual Report of Cathay Chemical Plant Co., Ltd.	1.1 Company Overview Profile	14

Appendix 3 Sustainable Disclosure Indicators - Chemical Industry

Serial number	**Accounting indicator**	**Unit of Measure**	**2025 Disclosure**	**Chapter**	**Page**
1	Total energy consumed, Percentage of purchased	Billion Joule (GJ)	■ Total energy consumption: 49,940.68 GJ	3.2 Sustainable Energy	65

	electricity, Renewable energy usage rate and Self-production energy usage (Note 1)	Percentage (%)	■ Usage electricity from the grid: 70.83% ■ Renewable energy usage as a proportion of total energy usage: 0% ■ Self-production energy usage: 0%	Management	
2	Total Water Withdrawal ,Total Water Consumption, Waste (sewage) discharge volume disclosed in accordance with legal requirements or voluntarily	m³, Percentage (%)	■ Total Water Withdrawal: 55.37 m³ ■ Water Discharge: 27.19 m³ ■ Total Water Consumption: 28.18 m³	3.3 Cherish Water Resources	68
3	The total amount of hazardous waste produced during the product production process and the recycling percentage disclosed in accordance with legal requirements or voluntarily.	m³, Percentage (%)	■ Total hazardous waste: 0 ■ Hazardous waste recycling and reuse ratio: Our company has no hazardous waste, so it is 0	3.4 Pollution Prevention Management	69
4	Explain the number and rate of occupational accidents	Percentage (%), Quantify	■ In 2025, the number of occupational accidents at the Pingnan Factory was 0, all male, the occupational injury rate was 0%, and there were no work-related deaths	4.4.3 Employee Care	88
5	Operational activities that have significant actual or potential negative impacts on local communities	N/A	■ Cathay Chemical has taken the following measures to reduce the negative impact of the company on the community: (1). Factory regularly holds toxic disaster prevention drills, fire drills and related emergency response drills every year. (2). Maintain a high degree of contact and care with the local community to enhance the local community's trust in Cathay Chemical.	4.4.2 Chemical Industry Supplementary Key Points-Safety Management and Emergency Response Measures	88
6	The specific, effective mechanisms and actions taken by the enterprise itself and its suppliers to reduce the negative impact on the environment or society.	N/A	■ In order to reduce the negative impact of the company and its suppliers on the environment and society, Cathay Chemical.The impact has been assessing on the following topics and relevant management mechanisms been formulated to facilitate subsequent management. ■ Supplier: Choose qualified suppliers with the ability to manage HSF and meet the company's need, and suppliers' social and environmental responsibilities.	2.3 Supply Chain	57
7	Product output by product category	Varies by product type	■ Company's production volume of Sodium Hydrosulfite, Zinc Oxide, Sodium Formaldehyde Sulfite and Sodium Metabisulfite etc. in 2025 is 9,052 MT. For details, please refer to Cathay Chemical 2025 Annual Shareholders' Meeting Report.	1.1 Company Overview Profile	14

Note: The total amount of self-consumption energy is defined in the "Renewable Energy Development Regulations", "Renewable Energy Certificate Implementation Measures" or relevant sub-laws.

Appendix 4 Climate-related information for listed companies

Item	Chapter	Page
1. Describe board and management oversight and governance of climate-related risks and opportunities.	1.6 Financial risks related to climate change	46
2. Describe how the identified climate risks and opportunities affect the company's business, strategy and finances (short term, medium term, long term).	1.6 Financial risks related to climate change	46
3. Describing the financial impact of extreme climate events and transition actions.	1.6 Financial risks related to climate change	46
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	1.6 Financial risks related to climate change	46
5. If scenario analysis used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explain.	-	-
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, also indicators and targets for identifying and managing physical and transition risks.	-	-
7. If internal carbon pricing used as a planning tool, the basis for setting the price should be state.	-	-
8. If climate-related goals are set, information such as the activities covered, the scope of greenhouse gas emissions, the planning period, and annual achievement progress should be explaine. If carbon offsets or renewable energy certificates (RECs) used to achieve relevant goals, the source and quantity of the offset carbon reduction credits or the number of renewable energy certificates (RECs) should be state.	-	-
9. Greenhouse gas inventory and confirmation, reduction targets, strategies and specific action plans (fill in 1-1 and 1-2 separately).	1.6 Financial Risks Related to Climate Change Appendix 4-1 and 4-2	46

1-1 Company greenhouse gas inventory and confirmation status in the last two years

1-1-1 Greenhouse gas inventory information

Describe greenhouse gas emissions in the past two years (t CO_2e)、density (t CO_2e/ million dollar) and data coverage.

According to the provisions of the sustainable development road map of listed companies, at least
Parent company entities should start checking information for 2025 starting in 2026.
Greenhouse gas emissions in the past two years
Company has planned to start collecting greenhouse gas inventory data for the entire year in 2024 to conduct greenhouse gas inventory work in compliance with the ISO 14064-1 standard. The table below shows the greenhouse gas independent inventory data in the past two years. The current data has not been verifying by a third-party inspection agency. The company will continue to prepare for the introduction of ISO 14064-1 greenhouse gas inventory in 2025. The greenhouse gas emissions of Pingnan Factory are explained as follows:

Total greenhouse gas emissions in 2024 (Reporting period: 2024.01.01~2024.12.31)	**Scope 1**	**Total emissions (t CO_2e)**	**Operating income (Million dollar)**	**Density (t CO_2e/ Million dollar)**
	Pingnan Factory	3,854.94	528	7.30
	Scope 2	**Total emissions (t CO_2e)**	**Operating income (Million dollar)**	**Density (t CO_2e/ Million dollar)**

	Pingnan Factory	2,322.18	528	4.40
	Scope 3	**Total emissions (t CO_2e)**	**Operating income (Million dollar)**	**Density (t CO_2e/ Million dollar)**
	Pingnan Factory	1,538.70	528	2.91
Total greenhouse gas emissions in 2025 (Reporting period: 2025.01.01~2025.12.31)	**Scope 1**	**Total emissions (t CO_2e)**	**Operating income (Million dollar)**	**Density (t CO_2e/ Million dollar)**
	Cathay Chemical	3,517.514	460.042	7.65
	Scope 2	**Total emissions (t CO_2e)**	**Operating income (Million dollar)**	**Density (t CO_2e/ Million dollar)**
	Cathay Chemical	1,920.231	460.042	4.17
	Scope 3	**Total emissions (t CO_2e)**	**Operating income (Million dollar)**	**Density (t CO_2e/ Million dollar)**
	Cathay Chemical	1,339.025	460.042	2.91

1. Direct emissions (Scope 1, That is, directly from emission sources owned or controlled by the company). Energy indirect emissions (Scope 2, That is, indirect greenhouse gas emissions from the input of electricity, heat or steam). Other indirect emissions (Scope 3, Emissions generated by company activities are not indirect emissions from energy, but come from emission sources owned or controlled by other companies)
2. Data coverage of direct emissions and energy indirect emissions, should be followed Taiwan Stock Exchange's "Operation Rules for Preparing and Submitting Sustainability Reports for Listed Companies" (Hereinafter referred to as this work method Other indirect emission information may be disclosed voluntarily in accordance with the timetable specified in Article 4-1, Paragraph 2.
3. Greenhouse gas inventory standards: Greenhouse Gas Protocol, GHG Protocol or ISO 14064-1 issue from International Organization for Standardization, ISO

1-1-2 Greenhouse Gas Confirmation Information

Describe the belief situation in the last two years, including the scope of the belief, the agency of the belief, the standards of the belief and the opinion of the belief.

According to the provisions of the sustainable development road map of listed companies, at least the coverage areas that are believed to be implemented should be:
The parent company entity should start to implement the certification in 2028 and disclose individual inspection situation in 2027.
Company and some of its subsidiaries in the consolidated financial report (including Subsidiary A and Subsidiary B) have confirmed the implementation of greenhouse gas inventories in the last two years as follows:
Cathay Chemical Plant, in accordance with the Financial Supervisory Commission' s "Sustainable Development Roadmap for TWSE- and TPEx-Listed Companies," is required to complete the greenhouse gas inventory for 2025 in 2026 and obtain assurance by 2028. In 2024, the Company collected greenhouse gas inventory data for the entire year and conducted the greenhouse gas inventory in accordance with the ISO 14064-1 standard. The Company is expected to complete the verification process by 2028.
Note 1: It should be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of this Code. If the company does not obtain a complete greenhouse gas convinced opinion by the publication date of the annual report, it should indicate, "The complete confidence information will be disclosed in the sustainability report." If the company does not prepare a sustainability report, it should indicate, "Complete and convinced information will be disclosed in the public information observatory" and disclose complete and confident information in the next annual report. Note 2: Be convinced that the institution should comply with the Taiwan Stock Exchange Corporation and Relevant requirements for sustainability reporting institutions stipulated by the Securities Over-the-Counter Trading Center of Taiwan. Note 3: For disclosure content, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

1-2 Greenhouse gas reduction goals, strategies and specific action plans

Greenhouse gas reduction strategies and goals
■ Short term goals (2~3 years): (1). Continue to pay attention to future water shortages and strive to reduce the company's water consumption or improve water recycling efficiency (2). Achieve the annual electricity saving target of 1% and reduce greenhouse gas emission intensity ■ Medium- & long-term goals (3~5 years): According to the implementation schedule set forth in the "Sustainable Development Roadmap for TWSE- and TPEx-Listed Companies" announced by the Financial Supervisory Commission (FSC) in March 2022, the Company falls under Phase 3, which requires the completion and disclosure of greenhouse gas inventory and verification information. The Company is required to complete the greenhouse gas inventory for 2025 by 2026 and complete the verification of greenhouse gas inventory data for 2027 by 2028. The Company completed the collection and compilation of its 2025 greenhouse gas inventory data and continues to conduct greenhouse gas inventory activities in accordance with the ISO 14064-1 standard. The Company is expected to complete the verification process by 2028.

<table>
<tr><th colspan="2">Achievement of volume reduction in 2025</th></tr>
<tr><td>Energy and greenhouse gas emissions reduction</td><td>■ Cathay Chemical Plant supports the Ministry of Economic Affairs’ Energy Administration energy-saving policy. As part of the Company’s 2025 electricity conservation plan, the 1,000 RT cooling tower was replaced with a 700 RT cooling tower, and the 75 HP fan motor was replaced with a 30 HP motor. These improvements resulted in annual electricity savings of approximately 50,355 kWh, representing an electricity-saving rate of 1.23%.
■ The independent inventory data of Pingnan Factory in 2024 are as follows:
Scope 1: 3,517.514 tCO2e
Scope 2: 1,920.231 tCO2e
Scope 3: 1,339.025 tCO2e
Total emissions = Scope 1+ Scope 2+ Scope 3: 6,776.770 tCO2e</td></tr>
</table>

1 It shall be handled in accordance with the timetable specified in Article 4-1, Item 4 of these operating regulations.

2 The base year should be the year in which the review completed base on the boundaries of the consolidated financial report. For example, according to Article 4-1, Item 2 of these operating rules, companies with a capital of more than 10 billion yuan should complete the review of the 2024 consolidated financial report in 2025. Therefore, the base year is 2024，If the company has completed the review of the consolidated financial report in advance, the earlier year can be used as the base year, and the data in the base year can be calculated as the average of a single year or several years.

3 For disclosure content, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

Appendix 5: External Assurance Report

附錄五：外部確信報告

安永聯合會計師事務所

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會計師獨立確信報告

國泰化工廠股份有限公司　公鑒

一、確信範圍

本事務所接受國泰化工廠股份有限公司(以下簡稱國化公司)之委任，對 2025 年度永續報告書中所選定之永續績效資訊進行有限確信並出具報告。

有關國化公司所選定之標的資訊及其適用基準，詳附件一。

管理階層責任
國化公司管理階層應依據適當之基準編製2025年度永續報告書，參照全球永續性報告協會(Global Reporting Initiative)於2021年公佈之通用準則2021(Universal Standards 2021)、「上市公司編製與申報永續報告書作業辦法」(臺灣證券交易所)編制、同時參考SASB永續會計準則(Sustainability Accounting Standards Board, SASB)、氣候相關財務揭露框架(TCFD)以所列之指導方針及架構做撰寫並應設計、執行及維護與報告編製相關之內部控制，以蒐集並揭露報告書內容。

本事務所責任
本事務所係依照財團法人中華民國會計研究發展基金會所發布之確信準則公報第一號「非屬歷史性財務資訊查核或核閱之確信案件」之要求規劃並執行有限確信工作。

二、確信工作

有限確信案件中執行程序之性質及時間與適用於合理確信案件不同，其範圍亦較小，所取得之確信程度明顯低於合理確信案件。為取得有限確信，本事務所於決定確信程序之性質及範圍時曾考量國化公司內部控制之有效性，但目的並非對國化公司內部控制之有效性表示意見。

為作成有限確信之結論，本事務所已執行下列工作：

- 與國化公司之管理階層及員工進行訪談，以瞭解國化公司履行企業社會責任之整體情況，以及報導流程；
- 透過訪談、檢查相關文件，以瞭解國化公司之主要利害關係人及利害關係人之期望與需求、雙方具體之溝通管道，以及國化公司如何回應該等期望與需求；

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- 針對報告中所選定之永續績效資訊進行分析性程序；蒐集並評估其他支持證據資料及所取得之管理階層聲明；如必要時，則抽選樣本進行測試；
- 閱讀國化公司之永續報告書，確認其與本事務所取得關於企業社會責任整體履行情況之瞭解一致。

三、 先天限制

國企業社會責任報告中所包含之非財務資訊受到衡量不確定性之影響，選擇不同的衡量方式，可能導致績效衡量上之重大差異，且由於確信工作係採抽樣方式進行，且任何內部控制均受有先天限制，故未必能查出所有業已存在之重大不實表達，無論是導因於舞弊或錯誤。

四、 品質管制與獨立性

本事務所遵循審計準則公報第四十六號會計師事務所之品質管制之規範，建立並維護完備之品質管制制度，包含遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。本所亦遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密及專業態度。

五、 結論

依據本事務所執行之程序及所獲取之證據，未發現國化公司所選定之永續績效資訊有未依照適用基準編製而須作重大修正之情事。且本事務所未發現國化公司2025 年度永續報告書有未依據 GRI 準則核心選項編製而須作重大修正之情事。

安永聯合會計師事務所

會計師：陳智忠 陳智忠

民國一一五年七月二十四日

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附件一：

編號	頁次	內文標題	標的資訊	適用基準
1		符合性確信	國化公司揭露2025年度永續報告書係依據全球永續性標準理事會發布之GRI準則(GRI Standards)之核心選項編製。	GRI準則(GRI Standards)核心指標
2	15	依產品類別之產品產量	2025年度揭露情形： 本公司2025年保險粉、氧化鋅、吊白塊及重亞硫酸鈉等產品生產量為9,052公噸，詳見國泰化工廠2025年度股東會年報。	公司統計資料
3	17	財務績效	近三年簡明損益表之2025年度財務資訊。	2025年度財務報表
4	37-38	法規遵循與配合	2025年無違反法規而遭罰款事件。	公司統計資料
5	41-42	產品安全標示	公司主要產品有吊白塊、重亞硫酸鈉、保險粉、鋅粉、重質及輕質氧化鋅等，皆取得ISO 9001品質管理系統及IECQ/QC 080000有害物質管理系統之認證。	公司統計資料
6	43	顧客意見回饋與改善	2025年各項評鑑之客戶滿意度。	公司統計資料
7	45	原物料採購	2025年國內外採購金額及比例。	公司統計資料
8	47	企業本身及其供應商為降低對環境或社會之負面衝擊所採取之具體、有效機制及作為。	2025年度揭露情形： 國泰化工廠為降低企業本身與供應商對環境及社會之負面衝擊，已針對下列議題評估衝擊，並擬定相關管理機制，以利後續管理。 供應商： 選擇具有管理HSF能力的合格廠商，以符合本公司需求，供應商對社會與環境之責任。	公司統計資料
9	51	能源使用管理	2025年度揭露情形： 總能源消耗量：49,940.68GJ。 來自電網的用電量比：70.83%。 再生能源使用量占總能源使用佔比：0%。 自發能源使用量：0%。	公司統計資料

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編號	頁次	內文標題	標的資訊	適用基準
10	52	溫室氣體管理	2025 年對應內容： 總能源消耗量：49,940.68GJ。 來自電網的用電量比：70.83%。 再生能源使用量占總能源使用佔比：0%。自發能源使用量：0%。	公司統計資料
11	53	珍惜水資源	2025 年對應內容： 總取水量：55.37 千立方公尺。 總耗水量：28.18 千立方公尺。 高或極高用水壓力區域之取水量所占百分比：0%。 本公司取水地區為中低風險區，故無從高風險區取水之情事。	公司統計資料
12	55	廢棄物管理	2025 年度揭露情形： 有害廢棄物總量：0。 有害廢棄物回收再利用比例：本公司無有害廢棄物，故為 0。	公司統計資料
13	56-57	環境保護支出	2025 年度污染防治費用彙總表。 (污染防治設備操作與維護費用、污染防治設備折舊費用及委外及共同處理費用)	公司統計資料
14	62	員工薪酬資訊揭露	2025 年度非擔任主管職務之全時員工薪資平均數。	2025 年非擔任主管職務之全時員工薪資申報資訊
15	64-66	員工教育訓練	2025 年度教育訓練總時數與總費用及人均時數與人均費用資料。	公司統計資料
16	80-81	說明職業災害人數及比率	2025 年度揭露情形： 2025 年屏南廠職業災害人數為 0 人，職業傷害比率為 0%，並無因工死亡案例。	公司統計資料
17	74-79	對當地社區具有顯著實際或潛在負面衝擊之營運活動。	2025 年度揭露情形： 國泰化工廠採取下以下措施，以減少企業對社區造成之負面衝擊： (1).廠區每年度定期舉辦毒化物防災演練、消防演練及相關緊急應變演練。 (2).與當地社區保持高度聯繫與關懷，以利提升當地社區對於國泰化工的信任度。	公司政策