

Cathay Chemical, Inc

2024 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 Sustainability Report is the fourth released version from Cathay Chemical Work, inc. (*Hereinafter referred to as Cathay Chemical or the Company). The previous seven reports are CSR reports. The purpose of this report is to show the company's effort and business performance in economic performance, corporate governance, sustainable environment, employee care, social participation, and promote corporate social responsibility, etc. to the general public. In the future, apart from the self-business operation and providing the customer with high-quality products and services, the company will keep demonstrating good corporate citizenship to discharge social responsibility. When preparing this sustainability report in 2024, the Company partially re-edited the environmental performance data of previous years. The main reason is that the company sold idle assets such as the Xinwu warehouse and part of the land of the old site in Kaohsiung in 2024 to replenish working capital. The Company will continue to improve the consistency and comparability of data disclosure in accordance with the GRI standards to ensure the transparency and fairness of reported information.

Scope of the Report

The Sustainability Report content includes Cathay Chemical's promoting policies in four directions against the economy, governance, environment, and society along with its performance from Jan.1, 2024 to Dec.31, 2024. The scopes of the report involve the headquarters and the branch company in Pingnan; the information disclosure about environment issues mainly based on Pingnan's company.

All 2024 referring data in this report is presented under the structure of the global common standard. If there is any estimated situations on values, it will be note in relevant chapters. Also, part of statistical data has quoted from the opening information websites of government agencies (such as the Environmental Protection Agency and the Ministry of Labor of the Executive Yuan), and the data will be present by the usual numerical value form.

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 2024 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 proceeded to the chairperson for review and confirmation in accordance with the administrative process and published.

External 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 2024 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, 2024

The Latest Edition: August, 2025

Contact Information

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

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ESG Corporate Sustainability Zone	http://www.cwi.com.tw/social.htm 

Chairperson Statement

Since its establishment in 1962, Cathay Chemical, Inc has gone through more than 60 years of development and has become a well-known chemical manufacturer in Taiwan. Company professional produce sodium formaldehyde sulfoxylate, Zinc Oxide, Sodium Hydrosulfite, Sodium Metabisulfite, etc., and marketed globally with its own brand CATHAY. Products widely sold to Japan, the United States, South Korea, Southeast Asia, Australia and Europe, and are highly recognized and trusted by the international market.

In 2024, due to the economic downturn in China and the international turmoil, overall operations will be extremely difficult. However, Benefiting from the AI wave, there is a huge demand for heat dissipation copper, which in turn pushes up the price of international zinc price. The monthly average price was US\$2,521 per ton at the beginning of the year and gradually climbed to US\$3,043 at the end of the year, increase was as high as 20.71%. Putting pressure on the company's revenue and profits. Through the efforts of all our colleagues and the steady performance of our investment businesses, we have achieved encouraging results in operations. According to the financial report, the net profit after tax in 2024 will reach NT\$1.55598 billion. This represents an increase of 344.10% compared to the previous year, earnings per share reached 10.31 dollar, a record high since the company be listed.

In order to improve the efficiency of asset utilization, in June 2024, Company successfully sold prime land in Kaohsiung's Asia Bay District. The land was sold for NT\$1.041 billion, setting a new record for the highest price per unit of land sold in Asia Bay District in the past two years. ° This transaction not only optimizes the company's asset structure, but also provides sufficient funds for future investment and development.

In terms of sustainable development, Cathay Chemical has always regarded corporate social responsibility as an important mission. This year is the fourth year that we have issued a sustainability report. · The previous seven reports were corporate social responsibility reports. We have been practicing sustainable development for nearly ten years. We take "Implementing corporate governance", "sustainable development environment", "maintaining social welfare" and "strengthening corporate social responsibility information disclosure" as the CSR indicator, and continue to promote related work. 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 verification work is expect to be complete in 2027. We hope that while operating our business, we will not forget our environmental and social responsibilities and continue to move towards the goals of carbon reduction and social care.

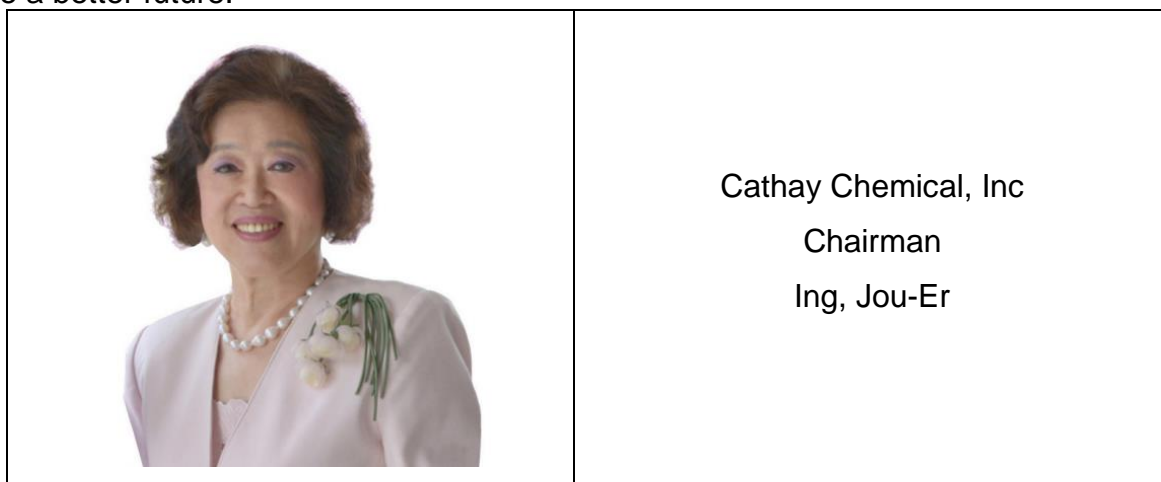
The prevention standard set by the Company, has in the lead of environmental laws and regulations, also Company prevents pollution and improves the environment from a sustainable perspective. Moreover, Cathay Chemical pay attention to the influence of greenhouse gasses to business activity, the Company regularly implements greenhouse gas inspect, strengthen the heat

recovery to palliate the impact to the environment. Company annually refer to the Task Force on Climate-Related Financial Disclosures (TCFD) from the Financial Stability Board (FSB), to establish a risk framework, thereby to understand the impact on climate change risk, and then propose the countermeasures.

In terms of Company's information transparency, all the disclosures are on the official website, for the investors and stakeholder to take as reference. Beside, the spokesperson establishes external communication channels and announcements with disclosure relevant information on the public information website. Each year, we also disclose information related to corporate social responsibility in our annual report and the Market Observation Post System to ensure transparency and information disclosure.

Looking ahead to 2025, the global economy still faces challenges such as inflationary pressure and geopolitical risks, but we are full of confidence in the future. Company will continue to deepen its core business and promote product innovation and technological upgrades, to meet the diversified needs of the market. At the same time, we will actively expand overseas markets and enhance brand influence. Seeking new growth momentum through reinvestment strategies. We will also continue to strengthen internal management and improve operational efficiency, and actively fulfill corporate social responsibility, pay attention to environmental protection and social welfare, committed to becoming a model of sustainable development.

Finally, on behalf of the company, I would like to express my sincerest gratitude to all our shareholders, customers, partners and employees who have supported us. In the future, we will continue to uphold the business philosophy of integrity, innovation and excellence, working together to create a better future.



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”.

To pursue the sustainable operation of the company, Cathay Chemical holds in high regard the voice of stakeholders. The Sustainability Team identified the main stakeholders based on 9 principles according to GRI Standards: shareholder/ investor/ bank, customer, supplier, employee, government agency, resident, business partner, public association and non-governmental organization. Then, through external experts to score, the item based on both actual/ potential negative and positive impact. While the score is above 10 will become an important stakeholder. ° The results of 2023 will be used to confirm the interests in 2024. Finally, the six main important stakeholders of the Company in 2024 are employee, shareholder/ investor/ bank, supplier, government agency, customer, resident, no difference from 2023.

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 limited by discrimination based on many factors, such as race, social class, nationality, religion, physical disability, gender, trade union membership, political affiliation, or age.

2. Forced or compulsory labor and child labor 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.	<ul style="list-style-type: none"> ■ The company website(irregularly) ■ Employee welfare committees(regularly) ■ New employee training(regularly) ■ Internal training or external training (regularly) 	<ul style="list-style-type: none"> ■ 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 distribute NT\$964,000 cash gift to current employees in 2024. ■ The total number of personnel education and training hours for Cathay Chemical head office and Pingnan plant in 2024 is 2,120 hours, the total number of trainees is 91, and the total training cost is NT\$142,325. ■ 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 2024, Company will 	<ul style="list-style-type: none"> ■ Labor-employer relationship ■ Labor-capital relationship ■ Occupational safety and health ■ Market status

			not employ workers over the age of 15 but under the age of 16	
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 disclosure to protect the interests of investors.	<ul style="list-style-type: none"> ■ 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 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) 	<ul style="list-style-type: none"> ■ Participated in 1 corporate briefing session in 2024 ■ 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 	<ul style="list-style-type: none"> ■ Economic Performance ■ Customer health and safety ■ Marketing and Labelin ■ Customer privacy ■ Social and economic regulations compliance
Suppliers	Suppliers are the source of stable supply of raw materials for the company.	<ul style="list-style-type: none"> ■ Suppliers' visiting (irregularly) ■ Suppliers'audit(irregularly) ■ Company's website release an ESG sustainability report every August. 	<ul style="list-style-type: none"> ■ 2 of the suppliers passed the Contractor rating form and Contractor HSPM rating form in 2024 ■ 100% of suppliers comply with HSF requirements in 2024 ■ 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. 	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ Official document(irregularly) ■ Meeting (irregularly) ■ Participated in relevant training (irregularly) 	<ul style="list-style-type: none"> ■ Company hold 2 fire drills and 2 poison disaster prevention drills in 2024 ■ In cooperation with the Pingtung County Government, 2024 Toxic Chemical Accident and 	<ul style="list-style-type: none"> ■ Energy ■ Water resources management ■ Waste management ■ Occupational

	to operate normally.	<ul style="list-style-type: none"> ■ CSR website and annual report 	Air Pollution Incident Emergency Response Drill was held at the Shin Foong Specialty & Applied Materials Co., Ltd. Pingnan Factory on November 5	<ul style="list-style-type: none"> ■ 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 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.	<ul style="list-style-type: none"> ■ Sales department visits customers (irregularly) ■ Email, telephone communication (frequently, irregularly) ■ Customers visit the factory directly (irregularly) ■ Customer Satisfaction Survey (annually) ■ CSR website and annual report 	<ul style="list-style-type: none"> ■ 26 satisfaction questionnaires were issued in 2024, with a satisfaction rate of 95.35%, maintaining good results over the years. ■ No customer complaints in 2024 	<ul style="list-style-type: none"> ■ Product and service labeling ■ Customer Health and Safety ■ Regulatory compliance ■ Economic performance
Community Residents	Continue to be good neighbors and maintain good relations with community residents.	<ul style="list-style-type: none"> ■ Company website, company email(irregularly) ■ Industrial Zone Manufacturers Association (irregularly) ■ Public welfare activities (irregularly) ■ CSR website and annual report 	<ul style="list-style-type: none"> ■ 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 2024, sponsorships include NT\$12,000 for 	<ul style="list-style-type: none"> ■ Waste ■ Customer health and safety ■ Local community ■ Compliance with laws and regulations regarding environmental protection ■ Supplier environmental

			the community folk temple festival, NT\$20,000 for Fangliao High School, NT\$20,000 for the Donghai Village local patrol team, NT\$ 3,000 for the Fangliao Fire Brigade and NT\$ 3,000 for the Jiadong Fire Brigade	assessment
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We expect to maintain stakeholders' rights through perfect communication channels and stay good cooperative relationships. Therefore, the company has set up a channel for the transmission and communication:

	Investors	Suppliers
Communication Channel	There is a complete spokesperson system and investor relations process to protect the interests of investors and strengthen the timeliness and transparency of information disclosure.	Company chose the suppliers carefully as its partnership. A long-term and stable partnership are the keys to making the sale and production process more smoothly
Spokeperson	C.C. Hung(Dirctor)	Terry Shih (Manager)
Deputy Spokesman	Mrs. Tsai (Audit Supervisor)	-
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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.
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The Analysis of Material Topics

To ensure that the information disclosed in the sustainability report fully responds to the needs of stakeholders, the company follows the following four steps to systematically identify and determine the major sustainability themes for 2024. The following is the evaluation process, which can be specifically divided into the following four stages:

<p style="text-align: center;">STEP 1 Understand Organizational context and background</p>	In 2024 Refer to GRI Standards, SASB Standards, compilation 38 sustainability issue
<p style="text-align: center;">STEP 2 Identify actual and potential impacts of Sustainability issues</p>	The Identification will be score by the external experts according to the actual/potential negative impact or positive influence of economy, environment, and society (human and human right). Then, add up and rank each category' s score. The material topic which over 30 point, or industry topic list by SASB, should be give priority to list as material topic.
<p style="text-align: center;">STEP 3 Assess the significance of the impacts</p>	External experts call a meeting to discuss with each Company' s department. By using the past operating experience, to explore the significance and likelihood of the issue affected. Finally, selected 18 topics as the Company' s material topic.
<p style="text-align: center;">STEP 4 Disclosure and reporting</p>	Conduct comprehensive assessment according to the nature of the topic; combine 18 topics into 9 material topics . Material topic will be allocate and disclosure one after another to each chapter of the report.

The Analyse Sequences of Material Topics

Material Topic	No.	Material Topic	No.	Material Topic	No.
Occupational Health and Safety	1	Supplier Social Assessment	14	Non-Discrimination	27
Waste	2	Water Resource Management	15	Customer Privacy	28
Emission	3	Customer Health and Safety	16	Material	29
Energy	4	Climate Change	17	Anti-Competitive Behaviour	30
Employee-Employer Relations	5	Marketing and Labeling	18	Tax	31
Labor Relation	6	Chemical Safety and Environmental Management	19	Biodiversity	32
Training and Education	7	Operational Security, Emergency Response Management	20	Child Labor	33
Economic Performance	8	Genetically Modified Organism	21	Freedom of Association And Collective Bargaining	34
Corporate Governance	9	Promoting Equal Employment Opportunity and Diversity	22	Market Presence	35
Local Community	10	Aboriginal Rights	23	Forced and Compulsory Labor	36
Environmental Compliance	11	Public Policy	24	Security Practices	37
Socioeconomic Compliance	12	Procurement Practice	25	Indirect Economic Shock	38

Notes:

1. Blue blocks are material topics this year. “Energy”, “Water Resources Management”, “Waste Management”, “Occupational Safety and Health”, “Supplier Social Assessment”, and “Local Community” are required to be disclosed by regulation.

The list of Material Topics

Material Topic	Meaning to Cathay Chemical	Actual/Potential; Positive/Negative	Main Affected Objects
Environmental protection	<ul style="list-style-type: none"> Uphold the guiding principle of “safety and environmental protection first, quality second, and output third” as spirit Effectively manage waste, climate change, water and environmental regulatory risks. 	<p>Actual/Potential Positive: Chemical industry companies that emphasize environmental protection can achieve more sustainable development and promote long-term and stable development of the company through effective management and reduction of negative impacts on the environment.</p> <p>Actual/Potential Negative: Failure to continuously manage and initiate greenhouse gas inventories may result in government sanctions, makes customers have a bad impression of the company, which in turn affects its reputation.</p>	<ul style="list-style-type: none"> Cathay Chemical Shareholder Investors Bank Government Agencies Public Associations and Non-governmental Organizations Employee Residents Business Partner
Labor Relation	<ul style="list-style-type: none"> Cathay Chemical focus on talent retention, improvement of employee salary structure, welfare care. Create a harmonious and stable working environment to improve work efficiency, reduce Comply with the relevant requirements of the Labor Standards Act. 	<p>Actual Positive: Improve productivity and avoid brain drain.</p> <p>Potential Positive: Stable labor relations are conducive to communication and cooperation within the company; promote joint problem solving and improvement suggestions, which benefit in innovation and improvement.</p> <p>Actual/Potential Negative: Unhealthy labor relations may lead to labor conflicts and labor strikes, which will seriously affect the production and operation of enterprises, and even affect the entire industrial chain.</p>	<ul style="list-style-type: none"> Cathay Chemical Government Agencies Employee
Occupational Health and Safety	<ul style="list-style-type: none"> Cathay Chemical knowing that employees are important assets of the company, therefore attaches great importance to the health of employees, and actively promotes the health check and care of employees, to ensure the employee health. Also the Company expect that the employees can reduce the occupational accidents through internal and external 	<p>Actual/Potential Positive: Effective occupational health and safety measures can reduce the incidence of work-related injuries and diseases, protect the physical health of employees, and improve workplace safety.</p>	<ul style="list-style-type: none"> Cathay Chemical Supplier Government Agencies Employee

	education training, to let employees enjoy working happily in the big family of Cathay Chemical and grow steadily with it.		
Local Community	<ul style="list-style-type: none"> ■ Uphold the guiding principle of “safety and environmental protection first, quality second, and output third” as spirit, create a zero disaster work environment let both employees and neighboring residents be at ease. ■ To improve the perception of work safety among all levels of employees, ensure the safety of production and various operations. 	<p>Actual/Potential Positive:</p> <ol style="list-style-type: none"> 1. Providing a large number of local employment opportunities, including factory workers, technicians, managers, etc., which is crucial to the economic development of local communities. 2. Investment and operation will bring economic benefits, including tax increases, infrastructure construction, etc., which will help improve the economic level and development of the community. <p>Potential Negative:</p> <p>The production process may cause air, water and soil pollution, affecting the quality of life and health of surrounding residents.</p>	<ul style="list-style-type: none"> ■ Cathay Chemical ■ Supplier ■ Government Agencies ■ Employee ■ Community residents
Corporate Governance	<ul style="list-style-type: none"> ■ Conduct business activities in a fair and transparent manner to establish a business culture and development of the company and its affiliated institutions operating with integrity. Establish a Regulation of Integrity Management as compliance rules 	<p>Actual/Potential Positive:</p> <p>Attracting more shareholders, investors and other stakeholders to have confidence to the company, which will promote operational success and sustainable development.</p>	<ul style="list-style-type: none"> ■ Cathay Chemical ■ Shareholder ■ Investors ■ Bank ■ Government Agencies ■ Employee ■ Business Partner
Economic Performance	<ul style="list-style-type: none"> ■ Actively develop high value-added existing products and their derivatives to expand business areas. 	<p>Actual Positive:</p> <p>Well economic performance can improve industrial competitiveness.</p> <p>Potential Positive:</p> <p>Helpful on attract investors inject capital.</p> <p>Actual/Potential Negative:</p> <p>In the pursuit of economic benefits, environmental protection may be ignored, leading to pollution problems and negative impacts on the local environment.</p>	<ul style="list-style-type: none"> ■ Cathay Chemical ■ Shareholder ■ Investors ■ Bank ■ Government Agencies ■ Employee
Regulation Compliance and Cooperation	<ul style="list-style-type: none"> ■ Follow the regulation by the government and review if the company meets the relevant regulation standard. 	<p>Actual/Potential Positive:</p> <p>Enforcing compliance with regulations can help chemical industry companies reduce their negative impact on the environment.</p>	<ul style="list-style-type: none"> ■ Cathay Chemical ■ Shareholder ■ Investors ■ Bank ■ Government Agencies ■ Supplier

		<p>Actual/Potential Negative: Failure to comply with regulations may result in fines and penalties, which may affect the company's operations.</p>	<ul style="list-style-type: none"> ■ Employee ■ Business Partner
Supply Chain Assessment	<ul style="list-style-type: none"> ■ Select qualified vendors with the ability to manage HSF to meet the company's needs. ■ Implement supplier corporate social responsibility management and establish good relationships and trustworthy cooperation in the supply chain. ■ Ensure suppliers do not use hazardous substances (HSF). 	<p>Actual/Potential Positive: Through well supplier evaluation, avoid unnoticed issues that may affect the overall supply chain.</p> <p>Actual/Potential Negative: If there are instability factors in suppliers, such as the supplier's sudden bankruptcy or logistics problems, may have an adverse impact on the company's production and operations.</p>	<ul style="list-style-type: none"> ■ Cathay Chemical ■ Supplier ■ Employee ■ Business Partner
Product Service	<ul style="list-style-type: none"> ■ Continuous and stable product services can effectively improve the company's quality, attract customers' trust, and guarantee for the company's products. 	<p>Actual/Potential Positive: Effectively improve customer satisfaction with the company.</p>	<ul style="list-style-type: none"> ■ Cathay Chemical ■ Shareholder ■ Investors ■ Bank ■ Supplier ■ Government Agencies ■ Client ■ Employee

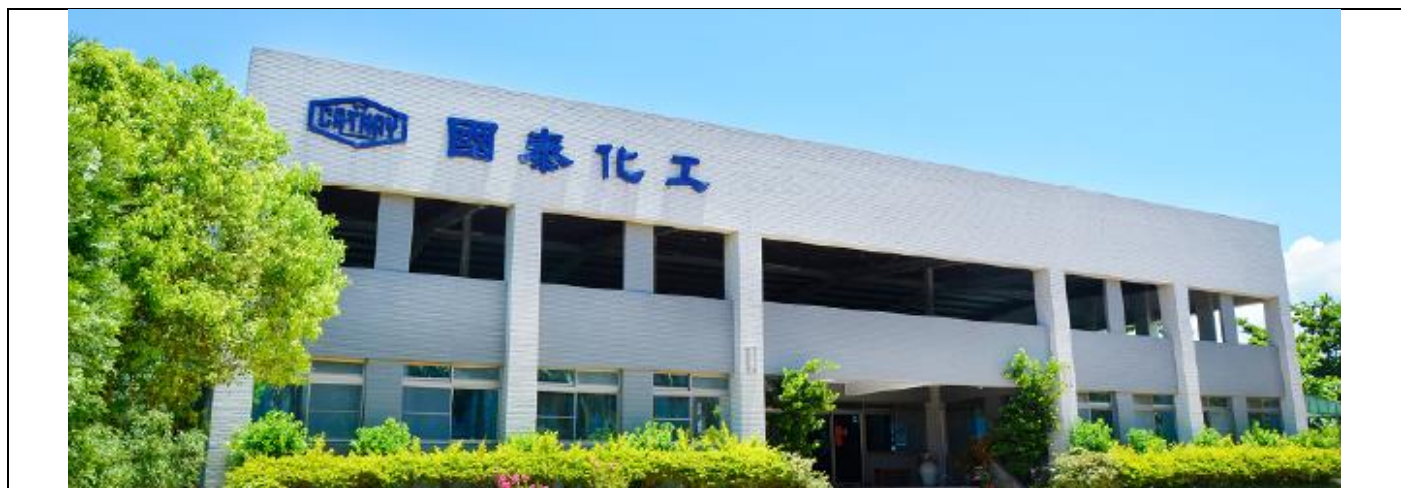
Chapter 1. Knowing Cathay Chemical


<p>No Corruption</p>	<p>Based on the internal control system, Cathay Chemical conducts corruption risk audits and assessments every year. There is no corruption case in 2024.</p>
<p>No Major Violation</p>	<p>There is no major violation case in 2024.</p>
<p>Net profit after tax is the highest since listing in 1990</p>	<p>Net profit after tax in 2024 will reach NT\$1.55598 billion. This represents an increase of 344.10% compared to the previous year, earnings per share reached 10.31 dollar, a record high since the company be listed in 1990.</p>
<p>3 Female Directors</p>	<p>In the new board of directors, there are 3 female members, accounting for 60%, which has achieved the goal we set.</p>
<p>In 2024 Overall Performance Results are Excellent</p>	<p>In 2024, the results of the board of directors' self-evaluation, individual director performance evaluation and functional committee performance self-evaluation were all excellent.</p>

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,12, 1962
Listing Date	Jan, 31, 1990
Paid-In Capital	1,509,517,000
Revenue In 2024	527,973,000
Number of Employees	88
Company Website	http://www.ccwi.com.tw/default.htm 

Nature of ownership of Cathay Chemical, Inc.						
Record Date : 2025.4.25						
Shareholder Structure	Government Agency	Financial Institutions	Other Legal Persons	Personal	Foreign Agency & Foreigner	Total
Amount						
Number of People	-	2	214	25,216	45	25,477
Number of shares held (shares)	-	182,432	81,514,238	677,420,586	1,834,44	150,951,700
Shareholding ratio (%)	-	0.12	54.00	44.66	1.22	100

Cathay Chemical/ The Information of reinvestment		
Until: 2024.12.31		
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 2024, 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 engaged 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.

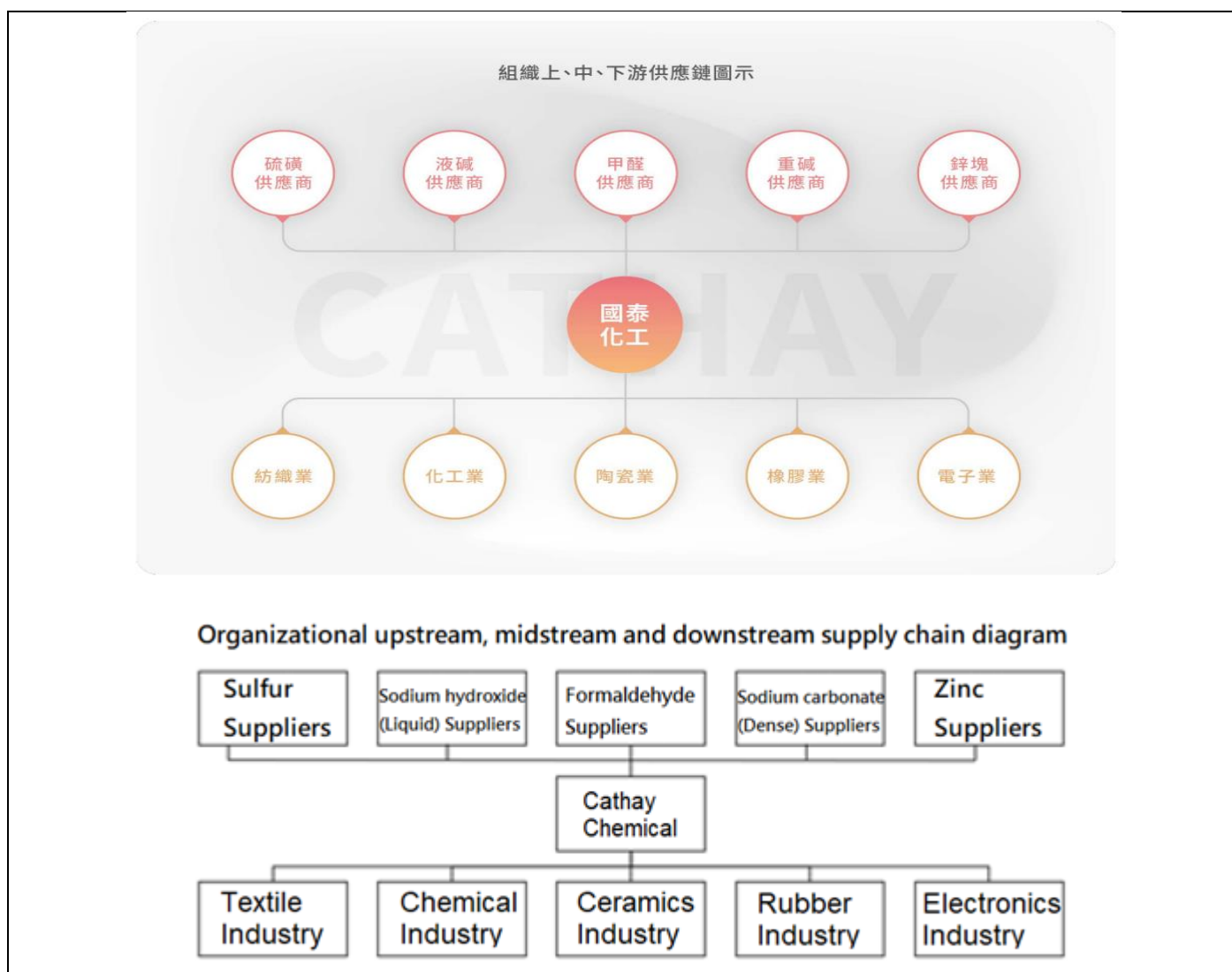
Product Item	Directions	2023 Net Operating Profit (Thousand NT\$)	Ratio%	2024 Net Operating Profit (Thousand NT\$)	Ratio%
Sodium Hydrosulfite	Sodium Hydrosulfite can be use as dyeing auxiliaries for textiles and bleaching agents for pulp.	41,475	8.71	45,302	8.58
Zinc Oxide	Zinc Oxide can be use as a toughening reagent for products such as rubber and ceramics, as well as flux of the electronics industry.	188,030	39.47	226,986	42.99
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.	148,907	31.26	151,279	28.65
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.	95,197	19.98	100,789	19.09
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.	2,782	0.58	3,617	0.69



■ 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 2024 had reach to 10,600 metric tons, a slight increase compared to 2023.

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	2022	2023	2024
Sodium Hydrosulfite	11,713	10,424	10,600
Zinc Oxide			
Sodium Formaldehyde Sulfite			
Sodium Metabisulfite			

1.2 Financial and Operational Planning

■ Management Policy - Economic performance

Economic Performance-Management Policy			
Sustainability Principles (Issue) Response	GRI 201 Economic Performance	Stakeholders affected by the impact	<ul style="list-style-type: none"> ■ Cathay Chemical ■ Shareholder ■ Investors ■ Bank ■ Government Agencies ■ Employee
Meaning to Cathay Chemical	Actively develop high value-added existing products and their derivatives to expand business areas.		
Influence and impact	<ul style="list-style-type: none"> ■ Economic aspect: Well economic performance management can help companies improve efficiency, reduce costs, increase profits, etc. Further influence the company's employees and shareholders, so that the company can better serve these stakeholders. ➢ Actual Positive: Well economic performance can improve industrial competitiveness. ➢ Potential Positive: Helps attract investors to invest ■ Environmental aspect: Stable performance growth allows companies to focus more on reducing damage to the ecological environment due to manufacturing processes ➢ Potential Negative (caused): In pursuit of economic benefits, environmental protection may be neglected, leading to pollution problems and negatively impacting the local environment. ■ Human rights aspect: Affects the company's employees, shareholders and other personnel, enabling the company to better serve these stakeholders 		
Policy	<ul style="list-style-type: none"> ■ 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 		
Strategy	<ul style="list-style-type: none"> ■ Through monthly business reports, track and discuss sales targets, understand the business environment promptly, and closely cooperate with production and sales to integrate operations. ■ Follow and implement ISO 9001 and QC 080000 systems. The outsiders will review and evaluate the company systems, and propose improvement plans. 		
Management Goals and Objectives	<ul style="list-style-type: none"> ■ 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 		

	<p>making it easier to promote sales of related products.</p> <ul style="list-style-type: none"> ■ Actively develop sales of products related to industrial needs in dyeing and finishing, electronics, steel, plastics, food, etc. ■ 2024 Management Review Targets: Accelerate the automation of mechanical equipment and reduce labor costs
Responsibilities 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	<ul style="list-style-type: none"> ■ ISO 9001 Quality Management System ■ QC 080000 Hazardous Substance Process Management System
Management and Performance Assessment	<ul style="list-style-type: none"> ■ Through monthly pre-sale sheet and sales report, review or self-criticism situations of goal achievement. ■ Cash dividends had distributed in the past ten years. ■ The net profit after tax in 2024 will reach NT\$1.55598 billion. This represents an increase of 344.10% compared to the previous year, earnings per share reached 10.31 dollar, a record high since the company be listed. ■ Employee salary and benefit expenses in 2024 are projected to be NT\$200,034,000, an increase of NT\$85,551,000, or 74.73%, compared to 2023. Benefit expenses have been increasing year by year.

■ Financial Performance

In 2024, Cathay Chemical's headquarter or Pingnan branch had not receive any financial grant from the government or give campaign contributions.

In 2024, due to the economic downturn in China and the international turmoil, overall operations will be extremely difficult. However, Benefiting from the AI wave, there is a huge demand for heat dissipation copper, which in turn pushes up the price of international zinc price. The monthly average price was US\$2,521 per ton at the beginning of the year and gradually climbed to US\$3,043 at the end of the year, increase was as high as 20.71%. The Company's profit increased due to the good timing of purchases, the sale of idle land assets and the investment in TAIWAN PURITIC CORP., Making after-tax profit exceeded the company's capital. The earnings per share reached 10.31 dollar, create a record high since the company be listed.

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	2022	2023	2024
Operating Revenue	571,458	476,391	527,973
Operating Gross Profit	63,217	38,069	63,982
Operation Profit and Loss	(6,932)	(36,994)	(99,158)
Non-Operating Revenue and Expenses	291,521	385,205	1,647,922
Profit Before Tax	284,589	348,211	1,548,764
Profit From Continuing Operations	285,908	350,365	1,555,981
Net profit or loss for the period	285,908	350,365	1,555,981
Other Comprehensive Income (Net Income After Tax)	2,535	62,682	65,094

Total Comprehensive Income	288,443	413,047	1,621,075
Earning Per Share	1.89	2.32	10.31
Welfare Expense	100,802	114,483	200,034
Shareholder Dividend	150,952	211,332	1,132,138
Government Taxes	770	5,146	7,735

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

■ Operational Plans

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

QUALITY MANAGEMENT SYSTEM - ISO 9001:2015

This is to certify that:

Caltay Chemical Works, Inc.	裕泰化學工業有限公司
12F,	4/F
No. 328	8/F
Section 4, Chung Hsiao C. Road	忠孝東路四段
Taipei	223
105	104
Taiwan	110

This Certificate No. **FM 37972** and operates a Quality Management System which complies with the requirements of ISO 9001:2015 for the following scope:

- The sale of chemical material including the sodium hydroxide, sodium metabisulfite, sodium formaldehyde sulfoxylate, zinc oxide (colloidal), zinc oxide (dry process) and zinc dust.
 - The manufacture of chemical material including the sodium hydroxide, sodium metabisulfite, sodium formaldehyde sulfoxylate, zinc oxide (colloidal), zinc oxide (dry process) and zinc dust.
1. 化學材料之銷售 (包括氫氧化鈉、亞硫酸氫鈉、亞硫酸氫鈉、氧化鋅(膠體)、氧化鋅(乾式過程)及氧化鋅粉)
2. 化學材料之製造 (包括氫氧化鈉、亞硫酸氫鈉、亞硫酸氫鈉、氧化鋅(膠體)、氧化鋅(乾式過程)及氧化鋅粉)

For and on behalf of BSI:

Michael Lam, Managing Director, APAC

Digital Registration Date: 1997-10-06
 Label Revision Date: 2024-09-10

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

Page: 1 of 2



...making excellence a habit.

For a BSI copy, visit our website and search for the number of this certificate on our website.
 For a copy of the certificate, visit our website and search for the number of this certificate on our website.
 For a copy of the certificate, visit our website and search for the number of this certificate on our website.

Certificate No: **FM 37972**

Location	Registered Activities
Caltay Chemical Works, Inc. 12F, No. 328 Section 4, Chung Hsiao E. Road Taipei 105 Taiwan 裕泰化學工業有限公司 12/F No. 328 Section 4, Chung Hsiao E. Road Taipei 105 Taiwan	The sale of chemical material including the sodium hydroxide, sodium metabisulfite, sodium formaldehyde sulfoxylate, zinc oxide (colloidal), zinc oxide (dry process) and zinc dust.
Caltay Chemical Works, Inc. No. 12, Fengtan Rd. Tainan Village Pingtung County 906 Taiwan 601號, 鳳潭里, 屏東市 屏東縣 906 屏東市 906	The manufacture of chemical material including the sodium hydroxide, sodium metabisulfite, sodium formaldehyde sulfoxylate, zinc oxide (colloidal), zinc oxide (dry process) and zinc dust.

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

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

Page: 2 of 2

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 For a copy of the certificate, visit our website and search for the number of this certificate on our website.
 For a copy of the certificate, visit our website and search for the number of this certificate on our website.

ISO 9001
 Valid date : 2027.11.4

1.4 Corporate Governance and Integrity Management

■ Management Policy - Corporate Governance

Corporate Governance-		Management Policy	
Sustainability Principles (Issue) Response	GRI 2 General Disclosure	Stakeholders affected by the impact	<ul style="list-style-type: none"> ■ Cathay Chemical ■ Shareholder ■ Investors ■ Bank ■ Government Agencies ■ Employee ■ Business Partner
Meaning to Cathay Chemical	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.		
Influence and impact	<ul style="list-style-type: none"> ■ Economic aspect: Corporate governance can improve the transparency and financial soundness of enterprises, enhance investor confidence in enterprises, and promote increases in stock prices and performance. ■ Actual/potential positive: Attracting more confidence from shareholders, investors and other stakeholders in the company will help promote 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. 		
Policy	<ul style="list-style-type: none"> ■ 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 		
Strategy	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.		
Management Goals and Objectives	<ul style="list-style-type: none"> ■ 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. 		

<p>Management Measures</p>	<p>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:</p> <ul style="list-style-type: none"> ■ 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
<p>Management and Performance Assessment</p>	<ul style="list-style-type: none"> ■ 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 2024, company managers will participate in relevant corporate governance training courses, with the general manager taking 15 hours, the audit supervisor taking 12 hours, and the accounting supervisor taking 12 hours to strengthen and enhance the functions of the management level.

■ 1.4.1 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 internalize 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.

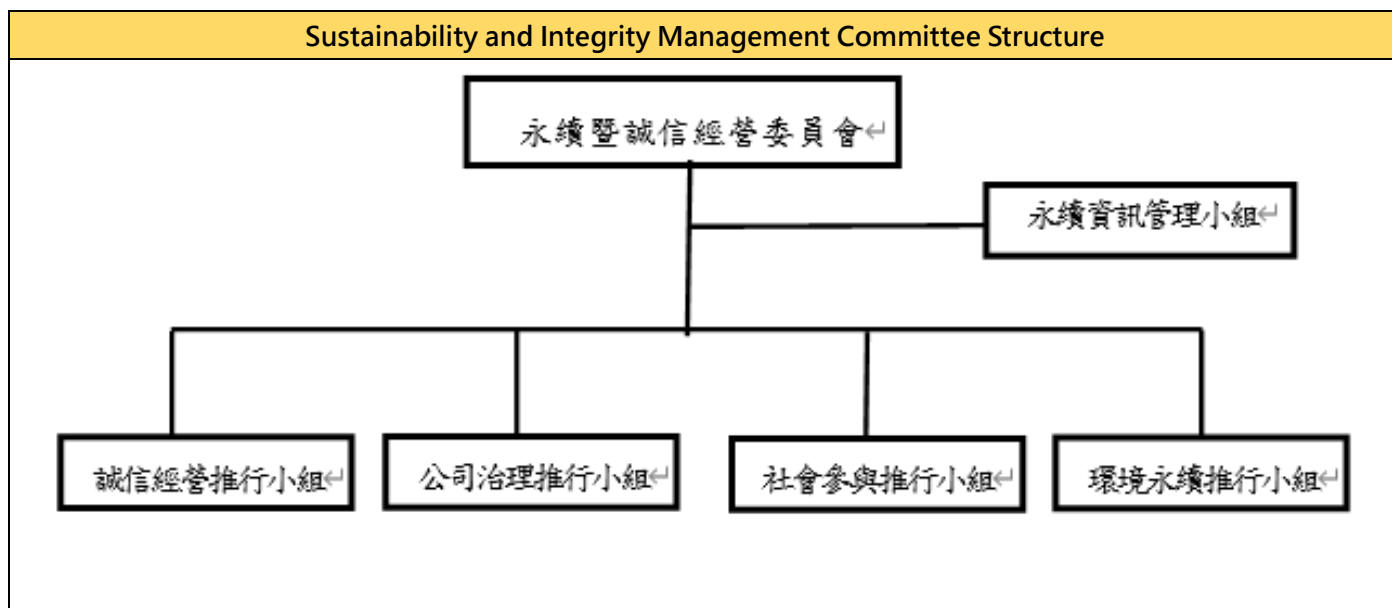
Our goal is to fulfill its corporate social responsibility and promote economic, environmental, and social progress to achieve sustainable development. Every year will write and publish a sustainability report. And according to the topics: implementation of corporate governance, compliance with integrity 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	3	2024/03/13	1. Sustainability report editing progress and planning	Approved by the Sustainable Integrity Management Committee and submitted to the Board of Directors for resolution
		2024/08/09	1. Greenhouse Gas Inventory and Verification Program Progress Report 2. Report on the implementation of the Sustainability and Integrity Management Committee.	
Economic aspect	2	2024/03/13	1. 2023 Directors' and Managers' Employees' Compensation Distribution Plan	Submit to the board of directors and be approved by all directors present
		2024/11/07	1. Salary Adjustment for Chairman and Managers	
Social aspect	2	2024/11/07	1. The formulation of standards and structures for various salary items for employees 2. 2024 Employee Year-End Bonus Payment Plan	Submit to the board of directors and be approved by all directors present

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:



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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 1. Integrate the company's internal environmental protection measures and regularly track the relevant implementation effectiveness. 2. Promote green manufacturing and adopt economic feasibility methods in selecting materials and equipment to reduce pollution, environmental damage, and risks of affecting human health.
Community Engagement Team	Led by the director of Pingnan Factory	<ol style="list-style-type: none"> 1. Provide a safe and harmonious working environment and protect the rights and interests of employees. Also, offer professional skills training and future career development plans to maintain a good relationship

		<p>between employee and employer, and enable employees to contribute to the company's sustainable operation.</p> <ol style="list-style-type: none"> 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. 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	<ol style="list-style-type: none"> Strengthen the sustainable development and the operation system Execute operation strategy, performance management, risk management, and cooperate governance Maintain a trusting relationship between the company and stakeholders. Achieve shareholders' and government's expectations of integrity management, sustainable profitability, and steady growth.
Integrity Management Team	Led by the Deputy General Manager of Pingnan Factory	<ol style="list-style-type: none"> 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. Evaluate the dishonest action risk in the operation scope, and formulate a plan against it. 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. Promote and coordinate the training of integrity policy. Plan a whistleblowing system and ensure its effectiveness. 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:

- 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.
- The committee's operations in recent years are as follows:.

Meeting Date	Meeting Content
2024.03.04	Approved the editing progress and planning of the company's 2023 Sustainability Report .
2024.07.11	Approved the editing progress and implementation status of the Company's 2023 Sustainability Report.

1.4.2 Governance Structure

■ 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	<ul style="list-style-type: none"> ■ Strengthen the Functions of the Board of Directors ■ Play a Role in the Audit Committee ■ Protect the Rights and Interests of Shareholders ■ Improve Information Transparency ■ Respect the Rights and Interests of Stakeholders
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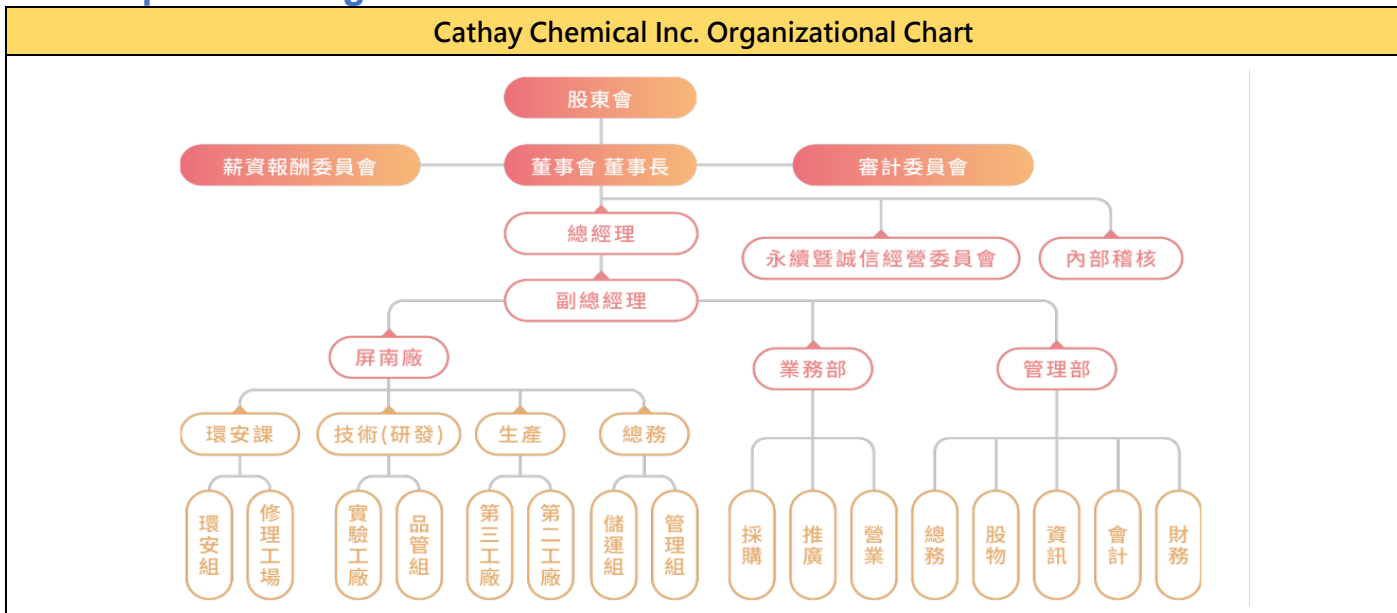
Operating Strategy

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	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ 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



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 five meetings in fiscal year 2024. 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 Corporation	-	100
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 2024 Director Interest Recusal			
Meeting name	Date	Motion content	Recusation of interest and voting
25 th session 10 th Board of Directors	2024.11.07	Discuss the company's 2025 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.)	2024/07/03	Taiwan Stock Exchange	2024 Cathay sustainable finance and climate chance summit	6
Director	C.C. Hung Representative, Litai Investment Corp.	2024/07/05	Accounting research and development foundation	Risk Management Promotes Sustainable Development Professional Training	15
		2024/08/21	Accounting research and development foundation	Common deficiencies in financial report review and important internal control regulations and practices	
		2024/09/06	Securities and Futures Institute	2024 Information session of legal compliance on insider equity transactions	
Independent Director	Chi-Ying Tsen	2024/09/06	Securities and Futures Institute	2024 Information session of legal compliance on insider equity transactions	6
		2024/10/08	Taiwan Stock Exchange	2024WIW Forum Lecture on Digital Finance and Sustainable Finance under the AI Boom	
Independent Director	Lien-Chu Yeh	2024/09/06	Securities and Futures Institute	2024 Information session of legal compliance on insider equity transactions	6
		2024/10/08	Taiwan Stock Exchange	2024WIW Forum Lecture on Digital Finance and Sustainable Finance under the AI Boom	
Independent Director	Wen-Kuei Chi	2024/09/06	Securities and Futures Institute	2024 Information session of legal compliance on insider equity transactions	6
		2024/10/08	Taiwan Stock Exchange	2024WIW Forum Lecture on Digital Finance and Sustainable Finance under the AI Boom	

■ 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 followed. The evaluated item with lower scores or suggestions will be submitted to the board of directors for reference to adjust or improve the procedures and operations of the board meeting in the future.

In 2024, 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	<ol style="list-style-type: none"> 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.
2024 annual evaluation results: Excellent	
Individual director members self-evaluation	<ol style="list-style-type: none"> 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.
2024 annual evaluation results: Excellent	
Functional committees self-evaluation	<ol style="list-style-type: none"> 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.
2024 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 2024, with 100% attendance by all members.

The 2024 board meeting will discuss the formulation and structure of various employee compensation items for 2023, 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	
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The following table shows the attendance status of the Compensation Committee in 2024:

Job Title	Name	Gender	Actual attendance	2024 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 2024 Remuneration Committee's proposals are as follows:

Meeting Date	Motion content	Resolution result
March 13, 2024 2 nd time of the 5 th Session	<ol style="list-style-type: none"> Company's 2023 director's remuneration and manager employee remuneration distribution plan. Company's 2023 director's remuneration and manager employee remuneration distribution method plan. 	<ol style="list-style-type: none"> The proposal was passed after consultation with the chairperson and all the members present had no objection. <ul style="list-style-type: none"> After deliberation, their salaries are within the range of the company's [Salary Management Rules] and are reasonable. All present members unanimously approved the proposal without objection. Submit to the board of directors and be approved by all directors present.
November 7, 2024 3 rd time of the 5 th Session	<ol style="list-style-type: none"> Review the standards and structure of various compensation items for the company's employees. The company's 2024 employee year-end bonus payment plan Salary Adjustment Proposal for the Chairman and Managers of the Company 	<ol style="list-style-type: none"> The proposal was passed after consultation with the chairperson and no objections were raised by the members present. The proposal was passed after consultation with the chairperson and no objections were raised by the members present. After review, the salary is within the range of the company's [Salary Management Rules] and is reasonable. All the present committee members

		<p>unanimously passed the proposal without objection.</p> <ul style="list-style-type: none"> ■ Submit to the board of directors and be approved by all directors present
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■ 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	Salary, Retirement pension, Employee Compensation of Bonuses and Profit
Administrative Managers	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 held 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.

<p>Cathay Chemical</p> <p>2024 Audit Committee Communication</p>	
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The following table shows the attendance status of the Audit Committee in 2024:

Job Title	Name	Gender	Actual attendance	2024 Attendance rate (%)
Independent Director (Convener)	Chi Ying, Tseng	Female	5	100
Independent Director	Lien Chu, Yeh	Female	5	100
Independent Director	Wen Kuei, Chi	Male	5	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	
2024.03.13	<ol style="list-style-type: none"> Change of the company's financial statement certifying auditor and the 2024 accounting firm's independent competency assessment. The Company's 2023 Annual Business Report and Financial Statements The company's 2023 profit distribution plan. The Company's 2023 Internal Control System Effectiveness Assessment Amend some provisions of the Company's "Board of Directors Meeting Procedures" Due to the need for working capital turnover, the company intends to apply for a short-term financing line from Mega International Commercial Bank 	None	
	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		
2024.05.09	1. Company's 2024 Q1 operating report and financial statements	None	
	2. Draft not only by the open tendering method to sell the Land located at old Kaohsiung Factory site, and transact in accordance with the procedures for acquiring or disposing assets by the Company.		
	Audit Committee Resolution: All audit committee members present agreed to pass		

	Company's handling of the audit committee's opinion: All directors present agreed to approve	
2024.06.28	1. Draw up to sale the land located at Land No.4 First Subsection, Jingmao Section, Qianzhen District, Kaohsiung City. The land are 3,513.05 square meters, equivalent to 1,062.70 ping	None
	Audit Committee Resolution: All audit committee members present agreed to pass	
	Company's handling of the audit committee's opinion: All directors present agreed to approve	
2024.08.09	Company's 2024 First Half Year Business Report and Financial Statements	None
	Audit Committee Resolution: All audit committee members present agreed to pass	
	Company's handling of the audit committee's opinion: All directors present agreed to approve	
2024.11.07	1. Company's operating report and financial statements for the first three quarters of 2024	None
	2. It is proposed to reconfirm the list of non-committed services that Ernst & Young and its affiliated companies expect to provide in 2025.	
	3. The company's 2025 annual audit plan.	
	4. Amendments to the Company's "Audit Committee Organizational Charter."	
	5. Additions to the Company's "Sustainability Information Management Operating Procedures."	
6. Amendments to the Company's "Sustainability and Integrity Management Committee Organizational Charter."		
7. Amendments to the Company's "Internal Control System."		
8. Due to the need for working capital turnover, our company applied for a short-term financing line from E.Sun Bank.		
9. Company's financing line renewal with The Shanghai Commercial & Savings Bank, Ltd. upon expiration		
Audit Committee Resolution: All audit committee members present agreed to pass		
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.

■ 1.4.3 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 responsible for corruption to prevent another occurrence. The company currently conducts an annual audit and assessment of corruption risks based on its internal control system, and there were no corruption incidents in 2024. 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	<ul style="list-style-type: none"> ■ The main objective is to manage operating activities to markets, credit, and liquidity risks. ■ The company has established appropriate policies, procedures, and internal controls. ■ Any significant financial activity must follow relevant regulations with appropriate policies, procedures, and internal controls and be reviewed by the board of directors.
Strategic Risk	<ul style="list-style-type: none"> ■ The internal control system has its inherent limitations. Even though the design is complete, an effective internal control system can only provide reasonable assurance for the above three objectives. ■ If environments or circumstances change, the internal control system may not be effective accordingly. Therefore, the company's internal control system accompanied by a self-supervision mechanism. Once identifying a defect, the company will take corrective action.

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 was approved by the company's board of directors on March 14, 2024.

■ 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.

In 2024, information security managers participate in the "Information Security Organization, Information Security Policy, and Risk Assessment Training-Taipei" physical course conducted by Digiwin Software Co., Ltd., totaling 6 hours. Also, sign up online information security related courses from time to time, which organized by Digiwin Software. The following describes the company's information security policy and investment resources:

Job title	Name	Course Title	Date	Organizer	Training hours
Information Security Manager	Pan, Tsai-Kuen	1. Information security incident description and preventive measures E-Course(2.5 hr)	2024/12/1 ~ 2025/2/28	Taiwan Academy of Banking and Finance	6 hours
Security personnel	Tsai, Hung-Jeng	2. Information security awareness, essential knowledge and responsibilities E-Course(2 hr)			6 hours
		3. Guidance on Information Security Management for Listed and OTC Companies E-Course(1.5 hr)			
Occasionally sign up for online information security-related courses held by Dingxin Computer.					

No internal phishing drills will be conducted in 2024; employee education and training or information security promotion will be conducted. After checking personal emails, there is no relevant record in 2024, 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 2024, we will continue to strengthen and improve the information security management guidelines of listed and OTC companies issued by the competent authorities.

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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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.

Company strives to protect customer personal information to ensure customer privacy, which is also a form of trust with customers. During the reporting period, the Company did not experience any information leakage, theft or loss of customer information.

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	<ul style="list-style-type: none"> ■ 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.

	風險與機會鑑別			
	Category	Risk and Opportunity Issues	Content	Financial impact and response measures
Climate Change Strategy	Transitional Risk	Policy/Regulatory Risks	<ul style="list-style-type: none"> Carbon tax systems in various countries In order to response policies and regulations, towards a low-carbon, energy-efficient economic model. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Increase the probability of drought events 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Temporary power outage 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Tackling climate change requires innovative technologies and solutions 	<ul style="list-style-type: none"> The introduction of new products and technologies will help the company move towards new growth and increase the company's revenue.

<p style="text-align: center;">Risk Management</p>	<ul style="list-style-type: none"> ■ 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.
<p style="text-align: center;">Metrics and Targets</p>	<ul style="list-style-type: none"> ■ Set an annual electricity saving target of 1%. ■ Lower greenhouse gas emissions intensity.
<p style="text-align: center;">Carbon Pricing Basics</p>	<p>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.</p>
<p style="text-align: center;">Greenhouse Gas Inventory Plan</p>	<p>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 2027.</p>

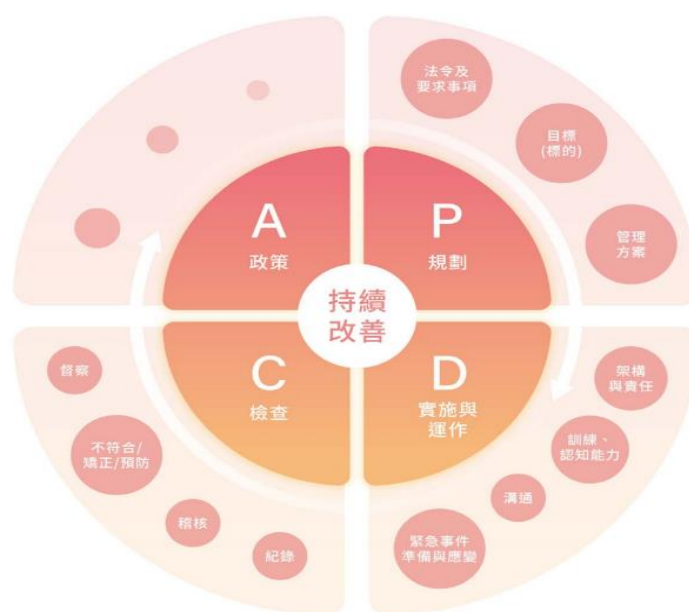
1.7 Regulation Compliance and Cooperation

■ Management Policy - Regulatory Compliance

Regulatory Compliance- Management Policy			
Sustainability Principles (Issue) Response	GRI 2-27 Regulatory Compliance SASB Environmental and Social Regulations Management	Stakeholders affected by the impact	<ul style="list-style-type: none"> ■ Cathay Chemical ■ Shareholder ■ Investors ■ Bank ■ Government Agencies ■ Supplier ■ Employee ■ Business Partner
Meaning to Cathay Chemical	Comply with government laws and regulations, and ensure that the company complies with relevant laws and regulations.		
Influence and Impact	<ul style="list-style-type: none"> ■ 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. 		
Management Goals and Objectives	<ul style="list-style-type: none"> ■ Follow the regulation by the government and review if the company meets the relevant regulation standard. 		
Policy	<ul style="list-style-type: none"> ■ 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. 		
Strategy	<ul style="list-style-type: none"> ■ 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. 		
Management Measures	Environmental aspect <ul style="list-style-type: none"> ■ External systems: (1). Occupational Safety and Health Act (2). Waste Disposal Art (3). Air Pollution Control Act (4). Water Pollution Control Act 	Social Aspect <ul style="list-style-type: none"> ■ External systems: (1). Company Law (2). Securities Exchange Act (3). Fair Trading Law (4). OTC Markets Listing Requirements (5). Regulations related to 	Product Aspect <ul style="list-style-type: none"> ■ External systems: EU RoHS and REACH standard ■ Internal system: (1). IECQ/QC 080000 Hazardous Substance Process Management

	<ul style="list-style-type: none"> Internal system: (1). ISO 9001 quality management system (2). IECQ/QC 080000 Hazardous Substance Process Management System 	business practice <ul style="list-style-type: none"> Internal system: (1). Integrity management code (2). Working Rules for Employees 	System <ul style="list-style-type: none"> (2). ISO 9001 quality management system
Management and Performance Assessment	<ul style="list-style-type: none"> According to the management systems of ISO 9001 and QC080000, the internal management unit will conduct PDCA for effectiveness evaluations every year and abide by various government regulations and internal regulations 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 2027. There is no violation of laws from the company in 2024 		

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 202, the company did not have any significant fines.

Punishment Type	Type	Punishment content	Explanation of violation of regulations	Improvement measures
Fine Incident	Occupational Safety and Health Law	<ol style="list-style-type: none"> Article 21 of the Occupational Safety and Health Facilities Rules and Article 006, Paragraph 1 of the Occupational Safety and Health Act. Article 294 of the Occupational Safety and Health Facilities Rules and Article 6, Paragraph 1 of the Occupational Safety and Health Act. 	<ol style="list-style-type: none"> Employers shall maintain aisles, floors, stairs, ramps, work platforms, or other areas where workers step on the workplace in a safe condition that will not cause workers to fall, slip, be stepped on, or roll over, or shall take necessary preventive measures. Before having workers use hazardous substances in their work, employers should confirm the hazardous nature of the substances used and take necessary measures to prevent the hazards. 	<ol style="list-style-type: none"> Set up a mesh pedal Wear chemical-resistant shoes, chemical-resistant gloves, and a gas mask when working
Total	Number of incidents: 1; Total fine amount: NT\$110,000.			

Chapter 2. Quality Requirements

100% in Line with EU Norm	All exported products comply with the regulations of EU RoHS and EU REACH in 2024.
Local purchase amount 26%	Purchase amount of materials (logistics) from local suppliers is NT\$66,906,740
Customer Satisfaction 95.35%	Customer Satisfaction in 2024 is 95.35%
No Violation of Any Regulation	The products in 2024 did not violate any regulations and voluntary regulations.

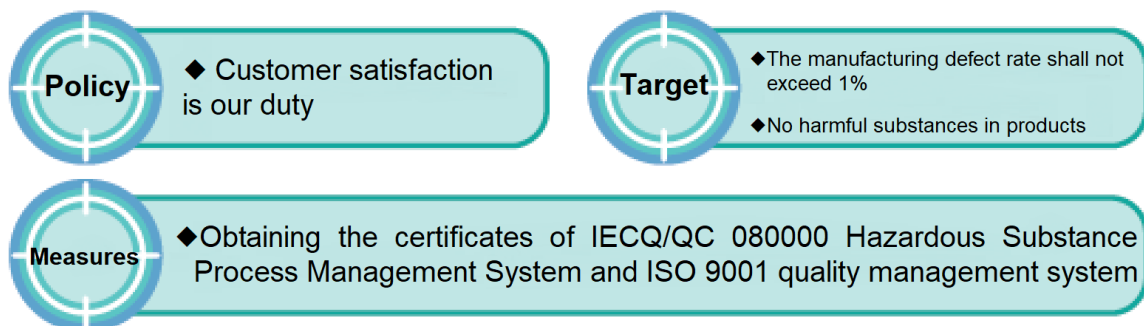
■ Management Policy-Product Service

Regulatory Compliance- Management Policy			
Sustainability Principles (Issue) Response	GRI 416 Customer health and Safety GRI 417 Marketing and Labeling	Stakeholders affected by the impact	<ul style="list-style-type: none"> ■ Cathay Chemical ■ Shareholder ■ Investors ■ Bank ■ 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	<ul style="list-style-type: none"> ■ 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. ■ Actual/potential positive: Effectively improve customer satisfaction with the company 		
Policy	<ul style="list-style-type: none"> ■ 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 		

<p>Strategy</p>	<ul style="list-style-type: none"> ■ Prevent unethical companies from using our industry-grade products for food additives. We attach labels on each product packaging to inform users of the product name, hazard symbol, hazard warning messages, precautionary statements, and food prohibited signals. ■ New employees are educated and must sign a non-disclosure agreement. Article 4 of the clause stipulates that customer information, e.g., the name, address, quantity, price, and other business information, shall not be disclosed to others. ■ The sales department registers unsatisfied quality incidents to complaint cases and submits them to the production department. The production department will present the causes of why the incidents happen and how to improve. After, the sales department will provide the result to the customers. Once they approve, end the cases. ■ For more effective management and conversation, the company's general manager will be a chairperson to hold a management review meeting half yearly.
<p>Management Goals and Objectives</p>	<ul style="list-style-type: none"> ■ The manufacturing defect rate shall not exceed 1%. The defective products should be returned to the process for remanufacturing. After passing inspections, they can turn to the warehouse. ■ No harmful substances shall be detected. ■ Continuously ensure quality without detecting harmful substances.
<p>Management Measures</p>	<ul style="list-style-type: none"> ■ External systems: RoHS 、 REACH standard ■ Internal system <ul style="list-style-type: none"> (1) IECQ/QC 080000 Hazardous Substance Process Management System (2) ISO 9001 quality management system (3) Material Inspection (1). Final Product Inspection
<p>Management and Performance Assessment</p>	<ul style="list-style-type: none"> ■ Customer satisfaction in 2024 is 95.35%, maintaining high satisfaction every year. ■ The product does not violate any laws and regulations or voluntary protocols in 2024 ° ■ No customer complaints in 2024 ■ The company has established inspection specifications for raw materials and final products. Conscientiously control from Incoming Quality Control, Process Quality Control, Final Quality Control, and Out-going Quality Control to other mechanisms. Provide customers with perfect and reassuring products. ■ BSI performs the external audit in September every year, and the internal audit is in June and December.

2.1 roduct self-requirements

■ Service Quality Policy



"Your satisfaction is our responsibility" is the only goal of Cathay Chemical in terms of the quality policy, and it conscientiously controls product quality. Company's main products are Sodium formaldehyde sulfoxylate, Sodium Metabisulfite, Sodium Hydrosulfite, Zinc Dust, and light /heavy Zinc Oxide.

■ 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.

產品名稱 保險粉 Sodium dithionite (Sodium Hydrosulfite)	
危險 禁止用於食品 特級品	
危險警告訊息 1. 自然物質，可能帶自燃。 2. 含有可能有害。 3. 造成視網膜刺激。	危險防範措施 1. 避免釋放粉塵。 2. 保持乾燥，避免與強鹼接觸。 3. 穿戴防護手套、護目鏡及面罩。 4. 用大量水及肥皂水清洗皮膚。 5. 著火時請使用大量水灌救。 6. 在與強鹼接觸的情況下，將大量的水在清洗，並立即就醫。 7. 遠離兒童物存放。
製造者、輸入者或供應商：↓ 國泰化工股份有限公司 地址：屏東縣枋寮鄉屏南路30號 電話：08-8671390 傳真：08-8662825	
批 號	淨 重 50KG
※更詳細的資料，請參考安全資料表。	

產品名稱 重亞硫酸鈉 Sodium Metabisulfite	
警告 禁止用於食品	
危險警告訊息 1. 含有有害。 2. 造成嚴重眼睛傷害。 3. 與強鹼接觸放出有毒氣體。	危險防範措施 1. 戴眼罩、護目鏡。 2. 避免釋放粉塵。 3. 使用此產品時勿飲食或吸菸。 4. 用大量水及肥皂水清洗皮膚。 5. 立即叫叫解毒中心或醫生。 6. 如果進入眼睛，請用水仔細沖洗數分鐘。 7. 將內容物/容器處置到特殊廢棄物收集點。
製造者、輸入者或供應商：↓ 國泰化工股份有限公司 地址：屏東縣枋寮鄉屏南路30號 電話：08-8671390 傳真：08-8662825	
批 號	淨 重 25KG
※更詳細的資料，請參考安全資料表。	

產品名稱 鋅 粉 Zinc Dust	
警告 禁止用於食品	
危險警告訊息 1. 對水生生物毒性非常有害且具長期持續影響。	危險防範措施 1. 避免釋放至環境中。 2. 收集洗滌物。 3. 內容物及裝容器應依照地/區或/國家/國際法規處置。
製造者、輸入者或供應商：↓ 國泰化工股份有限公司 地址：屏東縣枋寮鄉屏南路30號 電話：08-8671390 傳真：08-8662825	
批 號	淨 重 25KG
※更詳細的資料，請參考安全資料表。	

產品名稱 吊白塊 Sodium Formaldehyde Sulfoxylate	
> 9.8%吊白塊 (第四類毒性化學物質)	警告 禁止用於食品
149-44-0	
危險警告訊息 1. 環境會造成遺傳缺陷。 2. 環境會損害生殖能力或胎兒。 3. 含有有害。 4. 與強鹼接觸放出有毒性氣體。	危險防範措施 1. 不處理，直到所有安全防範措施已讀懂並理解。 2. 使用所需的個人防護設備。 3. 使用前請仔細閱讀說明。 4. 如果暴露或相關的：立即就醫。 5. 存放處須加鎖。 6. 標識：未處理容器/容器(需要說明是根據地方/區或/國家/國際的具體法規)。
製造者、輸入者或供應商：↓ 國泰化工股份有限公司 地址：屏東縣枋寮鄉屏南路30號 電話：08-8671390 傳真：08-8662825	
批 號	淨 重 50KG
※更詳細的資料，請參考安全資料表。	

產品名稱 氧化鋅 Zinc oxide	
警告 禁止用於食品	
危險警告訊息 1. 對水生生物毒性非常大。 2. 對水生生物毒性非常大且具有長期持續影響。 3. 長期或重複暴露可能對器官造成傷害。	危險防範措施 1. 穿著防護衣和合適的手套。 2. 避免釋放至環境中。
製造者、輸入者或供應商：↓ 國泰化工股份有限公司 地址：屏東縣枋寮鄉屏南路30號 電話：08-8671390 傳真：08-8662825	
批 號	淨 重 25KG
※更詳細的資料，請參考安全資料表。	

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 2024 have not 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

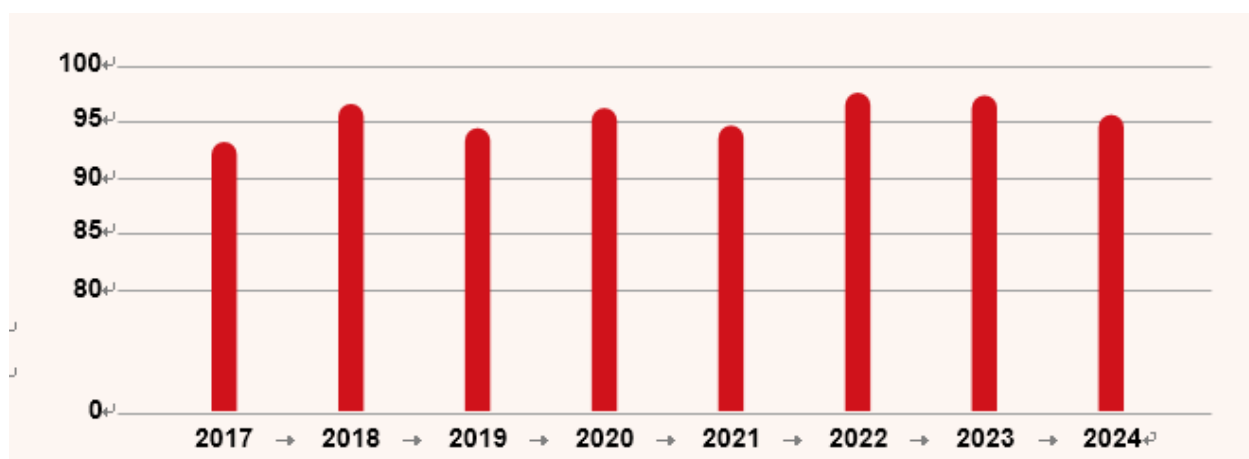
In order to be close to customers' needs and improve them, Company implements "Customer Satisfaction Survey" from April to March of the following year based on the principles of customer satisfaction survey of ISO management system. The content covers " Product Quality ", " Hazardous Substances Free (HSF)", "Product Packaging", "Delivery Date", "Driver Cooperation", "After-Sale Service", "Complaint Handling", etc. These seven items will be analyzed and reviewed for Follow-up improvement and tracking confirmation to achieve the purpose of implementing customer satisfaction feedback. There were 26 satisfaction questionnaires in 2025, and the satisfaction rate was 95.35%. We have maintained good results these years. In 2024, Company had receive 0 customer complaints.



Cathay Chemical overall customer satisfaction in recent years

Year	2021	2022	2023	2024
Customer Satisfaction (%)	94.65	96.62	96.04	95.35%

Customer Satisfaction Chart



2.3 Supply Chain Purchase

■ Management Policy-Supply Chain Evaluation

Supply Chain Assessment-Management Policy			
Sustainability Principles (Issue) Response	GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	Stakeholders affected by the impact	<ul style="list-style-type: none"> ■ Cathay Chemical (Cause) ■ Supplier (Contribute to) ■ Employee (Direct impact) ■ Business Partner (Direct impact)
Meaning to Cathay Chemical	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ Economic aspect: Help enterprises reduce costs, improve efficiency and enhance market competitiveness. ■ Actual/potential positive: Through good supplier assessment, we can avoid unnoticed issues that may affect the entire supply chain. ■ Actual/potential negatives: If there are unstable factors in the supplier, such as the sudden bankruptcy of the supplier or logistics problems, this may have an adverse impact on the company's production and operations. ■ 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. 		
Policy	<ul style="list-style-type: none"> ■ Meet the requirements of Hazardous Substances Free (HSF). 		
Strategy	<ul style="list-style-type: none"> ■ For new domestic suppliers, the quality control and each production department will evaluate whether they need to conduct trial production. The trial production unit will submit a "trial application form", and the relevant trial production procedures will be handled under the "trial production management procedures" ■ For new raw materials, 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	<ul style="list-style-type: none"> ■ Choose qualified suppliers with the ability to manage HSF and meet the company's needs. ■ Implement supplier corporate social responsibility management. Establish good supply chain relationships and cooperation with trust. ■ Ensure that suppliers do not use Hazardous Substances (HSF). 		
Management Measures	<ul style="list-style-type: none"> ■ 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 		

	<p>evaluation scores.</p> <ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ At the end of 2024, 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 2024. ■ A total of 16 questionnaires were distributed for the supplier survey, and 16 valid questionnaires were collected, with a collection rate of 100%, strengthening suppliers' social and environmental responsibilities.

■ 2.3.1 Raw Material Purchase

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 2024, Cathay Chemical imported raw materials from 2 foreign suppliers, accounting for 74% 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	2021			2022			2023			2024		
	Suppliers	Amount (NT\$)	%	Suppliers	Amount (NT\$)	%	Suppliers	Amount (NT\$)	%	Suppliers	Amount (NT\$)	%
Domestic	4	77,568,424	22.1	4	93,829,254	30.82	5	69,671,685	34.52	5	66,906,740	26%
Foreign	2	273,109,665	77.9	3	210,633,792	69.18	3	132,174,759	65.48	2	190,462,591	74%
Total	6	350,678,089	100	7	304,463,046	100	8	201,846,444	100	7	257,369,331	100%

2.3.2 Supplier Evaluation

New Domestic Supplier Evaluation

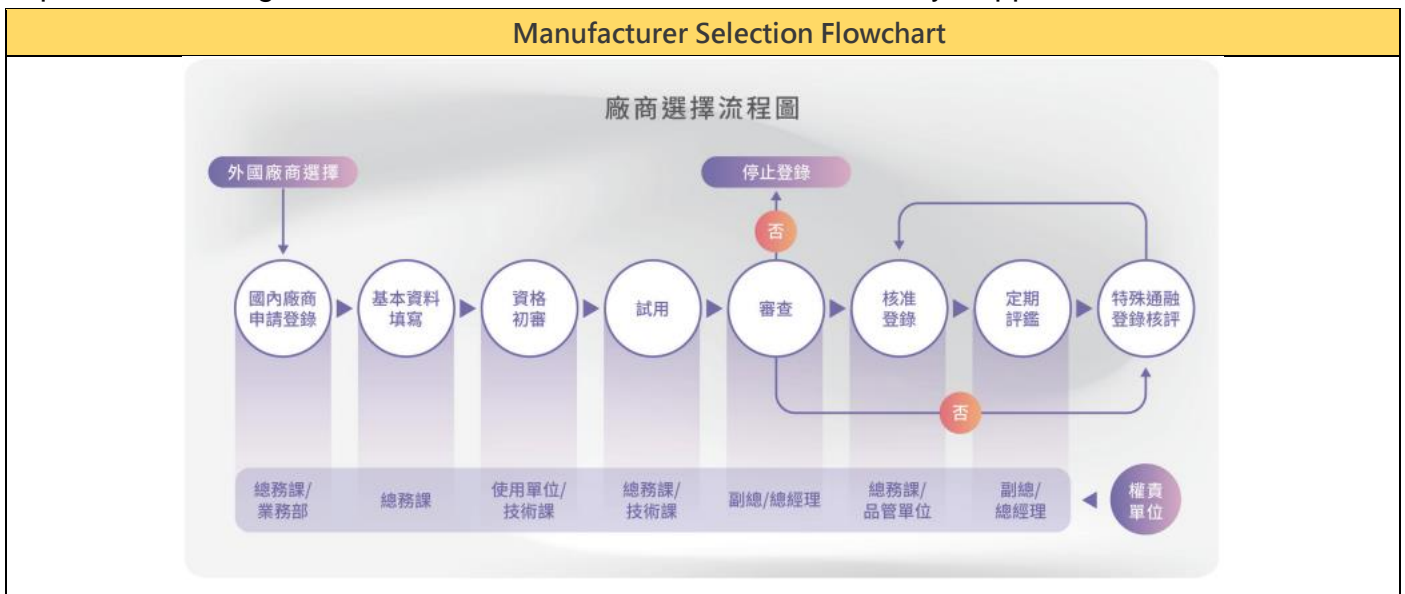
The evaluation procedure is as follows:

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 submit to the factory manager or vice president for approval. Soon after permission, the general affairs department will register the manufacturer in the "List of Third-Party Suppliers."



Existing Domestic Supplier Evaluation

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

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

Grade B: 70 points to 84 points are B grades. After it is 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 2024, 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 submit according to the requirements of "Hazardous Substance Process Management" for HSF compliance review. After confirming the raw materials and using them in the production line, the quality control team will record the relevant HSF information in the "HSF Information Management List." For raw materials containing Hazardous Substances (HS), the Quality Control Team shall fill in the "Hazardous Substances List" and discuss with relevant units to propose a hazardous substance reduction plan.

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

The Company established a supplier questionnaire survey in 2024, covering topics such as "human rights" and "environment." A total of 16 questionnaires were distributed, and 16 valid questionnaires were collected, with a 100% collection rate, to strengthen suppliers' social and environmental responsibility.

Chapter 3. Substance and Environmental Protection

Save 0.96% electricity	Saved 44,480 kW.h in 2024 (0.96%)
No leak	No leak incident in 2024
8,196.7 thousand dollars	Environmental protection expenditure in 2024 is 8,196.7 thousand dollars.

■ Management Policy - Environmental Protection

Environmental Protection - Management Policy			
Sustainability Principles (Issue) Response	SASB Energy Management SASB Water Resources Management GRI 302 Energy GRI 303 Water and Effluents GRI 305 Emission GRI 306 Waste SASB Emission of Greenhouse Gases SASB Air Quality	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	Stakeholders affected by the impact <ul style="list-style-type: none"> ■ Cathay Chemical ■ Shareholder ■ Investors ■ Bank ■ Government Agencies ■ Public associations and non-governmental organizations ■ Employee ■ Community residents ■ Business Partner
Meaning to Cathay Chemical	<ul style="list-style-type: none"> ■ Follow the guiding principle of "safety and environmental protection first, quality second, output third." ■ Effectively manage waste, climate change, water resources, and environmental regulation risks. 		
Influence and Impact	<ul style="list-style-type: none"> ■ 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 		

	<p>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.</p> <ul style="list-style-type: none"> ■ Actual/potential positive: Chemical industry enterprises that emphasize environmental protection can achieve more sustainable development and promote long-term and stable development of enterprises through effective management and reduction of negative impacts on the environment. ■ Potential negative (cause): Failure to continuously manage and conduct greenhouse gas inventory may result in government penalties, negative customer perception of the company, and damage to 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	<p>Environmental protection policy</p> <ul style="list-style-type: none"> ■ 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. <hr/> <ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ In order to effectively control greenhouse gas emissions, our company has formulated the following energy-saving plans: <ol style="list-style-type: none"> (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 to Kanding 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
Management Goals and Objectives	<ul style="list-style-type: none"> ■ Company continue to pay attention to future water shortages and strive to reduce the company's water consumption or improve water-recycling efficiency. ■ Achieve the annual electricity saving target of 1%, reduce the intensity of greenhouse gas emissions ■ According to the "Sustainable Development Roadmap" planning content schedule, announced by the Financial Regulatory Commission in March 2022. The Company belongs to the third stage and needs to complete the greenhouse gas inventory and verification of information disclosure. The time is 2026 to complete the 2025 inventory information, and 2028 to complete the 2027 verification. The company plans to start collecting annual greenhouse gas inventory data in 2024, complete the inventory in 2025, and complete the verification in

	2027.
Management Measures	<ul style="list-style-type: none"> ■ External system: <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> 1. ISO 9001 quality management system 2. IECQ/QC 080000 3. The Sustainability and Integrity Management Committee held a meeting to discuss and manage
Management and Performance Assessment	<ul style="list-style-type: none"> ■ Environmental protection expenditure in 2024 is 8,196.7 thousand dollars. ■ No leak incident in 2024 ■ Saved 44,480 kW.h in 2024. Electricity saving rate will reach about 0.96%. ■ In 2024, the Company's daily water intake averaged approximately 172.92 metric tons, and 9.93 metric tons of process water were recycled daily.

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 2024	
Unit: metric tons	
Raw Material	Usage Amount
Sulfar	2,321.9
45% Caustic Soda	2,612.2
Soda Ash	2,313.5
24% Formalin	1,786.6
Zinc Nuggets.	1,967.5

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

302-1	Energy consumption within the organization
302-3	Energy intensity
302-4	Reduce energy consumption
305-1	Direct (Scope 1) greenhouse gas emissions
305-2	Energy indirect (Scope 2) greenhouse gas emissions
305-4	Greenhouse gas emission intensity
305-5	Reduction of greenhouse gas emissions

■ Energy Usage Management

The energy used by the Pingnan factory mainly includes heavy oil, natural gas and electricity. In 2024, the internal energy consumption of the organization is 61,468.87 GJ, increase of 11.6% compared to 2023. This is mainly due to the increase in production and process energy consumption in 2024, which resulted in an increase of 6,389.98 GJ in total energy consumption.

Energy resource consumption of Cathay Chemical in the past three years				
Quantitative indicators	Unit	2022	2023	2024
Heavy oil usage amount	L / year	588,637	555,743	566,489
	GJ	23,659.25	22,337.13	22,769.05
Natural gas usage amount	m ³	738,279	518,845	663,924
	GJ	24,728.21	17,378.40	22,237.74
Electricity usage amount	kilowatt / year	5,079,200	4,267,600	4,572,800
	GJ	18,285.12	15,363.36	16,462.08
Energy Consumption(GJ)		66,672.58	55,078.89	61,468.87
Organization specific metrics Operating income (thousand dollars)		571,458	476,391	527,973
Energy Intensity(GJ/thousand dollars operating revenue)		0.1167	0.1156	0.1164
Note:				
1. The energy consumption data has been updated due to errors in the GJ value data of the previous two years				
2. Energy consumption data is for Pingnan Factory				
3. Electricity heating value conversion: 1kWh=0.0036GJ				
4. The conversion factor is based on the latest calorific value published in the 2024 edition of the Greenhouse Gas Emissions Inventory Guidelines issued by the Environmental Protection Agency's. Gasoline 7,609 kcal/L; diesel 8,642 kcal/L; natural gas 8,000 kcal/m ³ ; liquefied petroleum gas 6,635 kcal/L; 1 kcal=4.1868 KJ.				

Cathay Chemical cooperates with the energy saving policy of the Bureau of Energy, in 2024 power saving plan. The traditional motor was replaced with an IE3 motor, and the traditional pump was replaced with a high-efficiency pump, saving approximately 44,480 kWh of electricity throughout the year, with an energy saving rate of 0.96%. Although the energy saving rate in 2024 has not reached 1%, the average annual energy saving rate of our factory from 2015 to 2024 has reached 1.31%, which is in line with the energy conservation policy of the Energy Administration. Our factory strives to achieve this goal and do our part to protect the global environment.

Cathay Chemical Energy Saving Measure and Estimation in 2024

Energy Saving Measure	Specific Actions	Estimated Power Savings Consumption (kWh/year)	Carbon Reduction (ton CO ₂ e/year)	Energy-Reducing Consumption (GJ)
Traditional motor replaced by IE3 motor	AY mill 75HP motor replaced with IE3 motor saves power: $75 \times 0.746 \times 0.05 \times 1900\text{HR}=5315$	5,315	21.08	160.13
SFS pumps replaced with high-performance pumps	The chilled water pump used in the bleaching process was changed from 40HP to 30HP to save electricity: $(40-30) \times 0.746 \times 3500\text{HR}=26110$	26,110		
Replace the chilled water circulation pump with a high-efficiency pump	The circulating pumps of chiller A and B groups were changed from 30HP to 25HP, saving electricity for two units: $(30-25) \times 2 \times 0.746 \times 1750\text{HR}=13055$	13,055		
Total		44,480	21.08	160.13

Note:

- Carbon reduction (KgCO₂e/year)= Savings amount(KWH/year)*0.474 KgCO₂e
- Electricity heating value conversion: 1kWh=0.0036GJ
- Quoting the electricity emission coefficient announced by the the Bureau of Energy, Ministry of Economic Affairs, 0.474 kg CO₂e/ kWh in 2024

■ Greenhouse Gas Management

To more comprehensively calculate greenhouse gas emissions, the Company will begin collecting annual greenhouse gas inventory data starting in 2024 to comply with the requirements of the ISO 14064-1 standard, and expects to complete the verification work in 2027.

The Greenhouse Gas emission of the Company is mainly from direct emission of burning heavy oil (Scope 1), and outsourced electricity (Scope 2). Scope 1 greenhouse gas emissions in 2024 is 3,854.94 ton CO₂e, and scope 2 greenhouse gas emissions is 2,322.18 ton CO₂e. The total amount of greenhouse gas emissions in Scope 1 and Scope 2 was 4,818.5047 ton CO₂e, a 28.3% increase compare with the previous year. The increase is due to the fact that in addition to a more comprehensive greenhouse gas inventory and fund collection in 2024, increased production is also a reason for the increase in greenhouse gas emissions.

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	2022	2023	2024
Direct Greenhouse Gas Emission from Scope 1 (ton CO ₂ e)	3,225.6994	2,710.3103	3,854.94
Indirect Greenhouse Gas Emission from Scope 2 (ton CO ₂ e)	2,514.2040	2,108.1944	2,322.18
Total Emission (ton CO ₂ e)	-	-	1,538.70
Organization specific metrics			
Operating income (thousand dollars)	5,739.9034	4,818.5047	7,715.82
Greenhouse gas emission intensity (GJ/thousand dollars operating revenue)	571,458	476,391	527,973
Direct Greenhouse Gas Emission from Scope 1 (ton CO ₂ e)	0.0100	0.0101	0.0146

Note:

- Greenhouse gas emissions data disclosure scope Pingnan factory °
- .Scope 1 is for emissions directly from sources owned or controlled by the company, including stationary combustion sources and process emissions. The emission coefficient calculated based on the latest announcement data version 6.0.4 (IPCC Sixth Assessment Report) from the Energy Bureau of the Ministry of Economic Affairs.

3. Scope 2 refers to emissions between energy sources, such as purchased electricity
4. The purchased electricity refers to the electricity emission coefficient announced by the Energy Bureau of the Ministry of Economic Affairs. In 2022, it is 0.495kg CO₂e/kWh; in 2023, it is 0.494 kg CO₂e/kWh; in 2023, it is 0.474kg CO₂e/kWh.
5. The greenhouse gas emissions inventory data in this report has not yet been verified by a third-party agency
6. Types of greenhouse gas emissions: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O)

3.3 Cherish Water Resources

The production factory of Cathay Chemical is located in Pingnan Industrial Zone. Industrial water is completely taken from the tap water supply system in the industrial area (Maximum daily water supply 3,000 tons), mainly from Mu-Tan reservoir. The Company belongs to the chemical industry and must work for 24 hours, the chemical process needs plenty of industrial water for cooling, washing, and other purposes. In 2024, the average water withdrawal was approximately 172.92 tons, daily process water recycling was 9.93 tons, evaporative and splash loss was about 64.64 tons, increase of 31.63% compared with 2023. The actual total water consumption was 63.11 million liters and the recycled water in the factory was 6.04 million liters. The water recycling and reuse rate was 8.73%.

Due to reduced production in 2024, Cathay Chemical water consumption will decrease by 2.09% compared to 2023. Currently, the company has not yet implemented water footprint or AWS water management standards.

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

Cathay Chemical water usage in the past three years			
Year	2022	2023	2024
Water Withdrawal (million liters)	72.87	66.51	63.12
Water Discharge (million liters)	39.87	38.35	37.05
Water Consumption(million liters)	33.00	28.16	26.07
Organization specific metrics Operating income (thousand dollars)	571,458	476,391	527,973
Water intensity (million liters / thousand dollars operating revenue)	0.000013	0.000014	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 2023.

■ Water Pollution Prevention

The Company's daily wastewater discharge in 2024 is about 101.50 tons. Wastewater in the factory had preliminary treatment and adjustment of the pH, after precipitation and filtration, will discharge to the Pingnan Industrial Zone sewage treatment plant for final treatment. In 2024, the total amount of wastewater discharged to sewage treatment plants is 37,047 tons. Chemical oxygen demand for discharge water is 83.70mg/L, suspended solids 3.23mg/L, far superior to the control standards of sewage treatment plants in industrial areas.

Sewage Emissions Amount and Test Items of Cathay Chemical in the Past Three Years						
Sewage's Test Items	2022		2023		2024	
	Mean	Limit	Mean	Limit	Mean	Limit
COD (mg/L)	64.85	640	96.61	640	83.70	640
SS (mg/L)	12.32	480	3.41	480	3.23	480

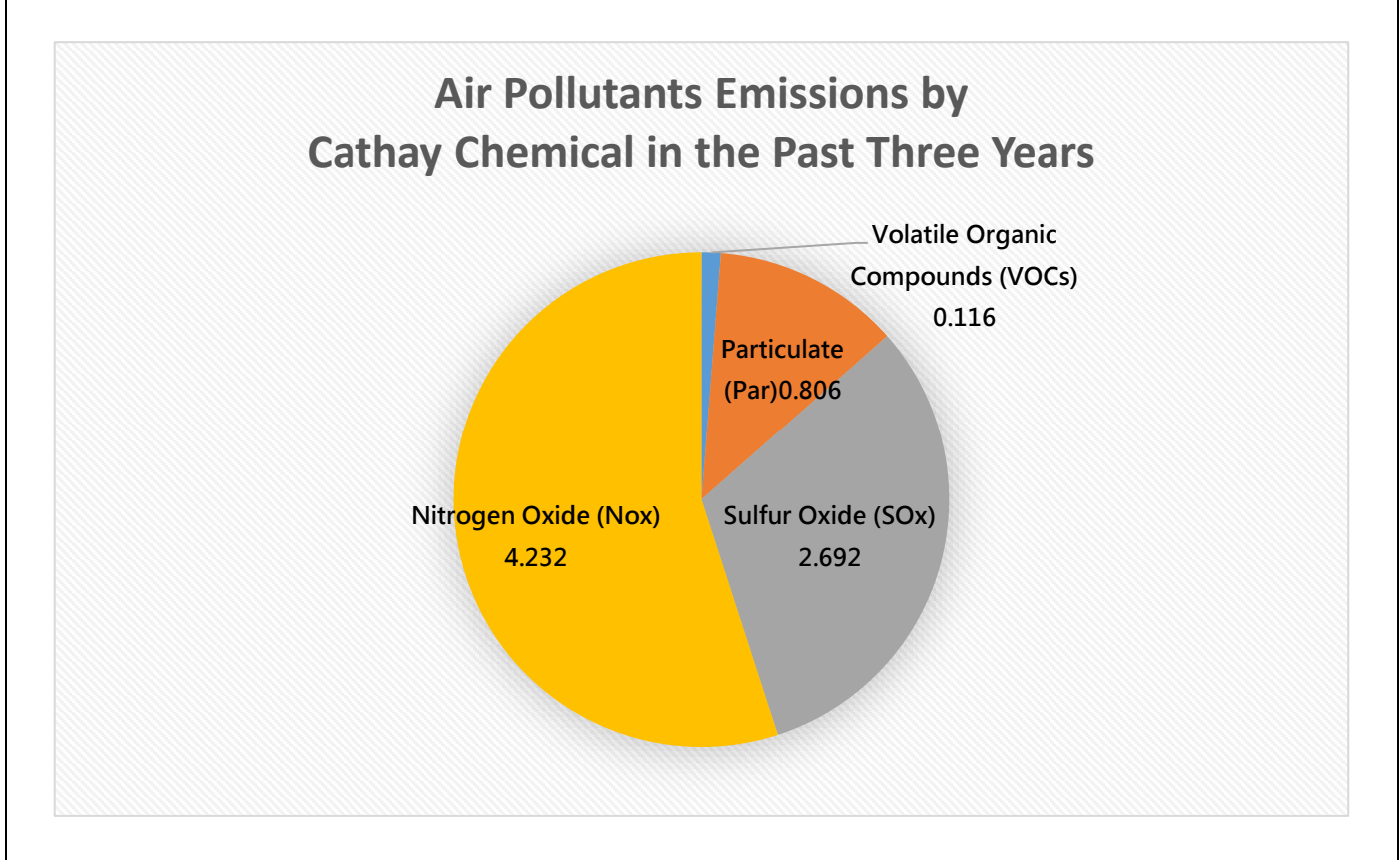
Note: Discharge rate= Water Discharge/ Water Consumption

■ **Air Pollution Prevention**

Air pollutants emissions of 2024: Sulfur Oxide (SOx) 2.692 tons, Nitrogen Oxide (NOx) 4.232tons, particulate 0.806 tons, and Volatile Organic Compounds 0.116 tons. The emission concentration is in line with the emission standards stipulated by the Environmental Protection Administration.

Air Pollutants Emissions by Cathay Chemical in the Past Three Years				
Air Pollution Inspection Item	2021	2022	2023	2024
	Emissions (T)	Emissions (T)	Emissions (T)	Emissions (T)
Volatile Organic Compounds (VOCs)	0.136	0.114	0.092	0.116
Particulate (Par)	1.720	1.103	0.901	0.806
Sulfur Oxide (SOx)	6.966	3.145	2.319	2.692
Nitrogen Oxide (NOx)	8.366	5.611	4.046	4.232

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 2024 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

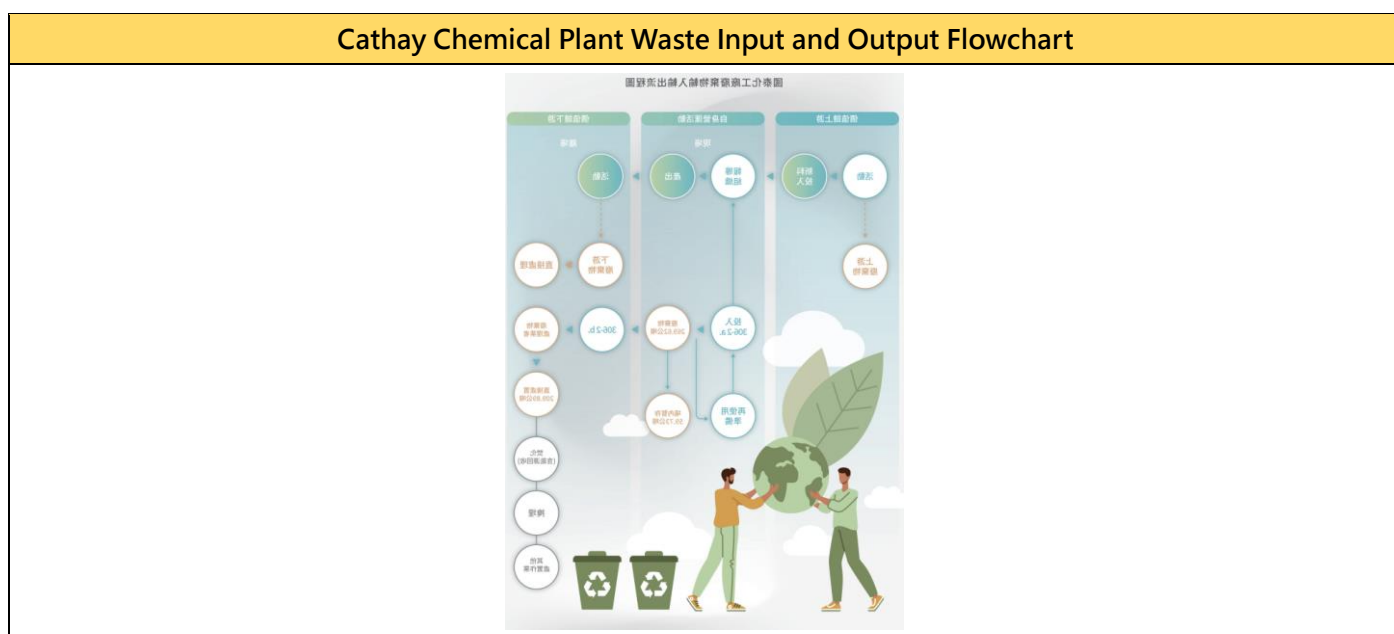
reuse as CLSM (Controlled-Low-Strength-Materials). Waste disposal management follows government-related laws and regulations and entrusts a legal removal company to clear, transport, and deal with the treatment plant. None of the waste shipped abroad.

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 Company shall control:

The waste must be confirmed within 84 hours after leaving the factory.

Confirm that the clearing and transporting vehicles have already been delivered to the treatment plant. (GPS route map and photos of the vehicle to the treatment plant)

Tracing operators must complete the proper disposal of waste within 30 days. (Issue the proper removal documents)



The most waste produced by Company in 2024 is D-1202 waste sulfur residue, totaling 67.43 metric tons. Secondly is domestic waste, a total of 47.5 metric tons. Company had not produce hazardous waste in 2024

Hazardous Waste				
Waste composition	On Site		Off-Site	
Waste Category	Waste generation (tons)	Processing method	Waste generation (tons)	Processing method
C-0119 Other mixed wastes containing toxic heavy metals that exceed the dissolution standards	0.00	-	0.00	-

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	0.98	Temporary storage in the factory	20.33	Incineration (including energy recovery)
D-0699 Scrapped Paper Mixture	0.5	Temporary storage in the factory	3.32	Incineration (including energy recovery)
D-0899 Scrapped Fiber or other Cotton Mixture	0.00	Temporary storage in the factory	0.41	Incineration (including energy recovery)
D-0701 Scrapped Wooden Pallet	0	Temporary storage in the factory	0	Incineration (including energy recovery)
R-0701 R-0701 Scrapped Wood	8.27	Temporary storage in the factory	30.54	Reuse
D-1801 Domestic Refuse	0.00	Temporary storage in the factory	47.5	Incineration (including energy recovery)
H-1001 Waste such as water, fertilizer, feces, urine, etc.	0.00	-	15.49	bury
D-0501 Scrapped Refractory	9.21	Temporary storage in the factory	15.43	Other disposal operations
D-0902 Inorganic sludge	13.27	Temporary storage in the factory	67.97	Other disposal operations
D-1201 Slag	0.00	-	0.00	bury
D-1202 Sulphur slag	0	Temporary storage in the factory	22.44	bury
D-1202 Sulphur slag	0	Temporary storage in the factory	44.99	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 heat treatment.

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

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		2022	2023	2024
Pollution prevention equipment operation and maintenance costs	Air pollution prevention	2,910.3	3,766.2	4,345.2
	Water pollution prevention	276.3	551.8	604.9
	Waste disposal (general waste)	0	0	0
Pollution prevention equipment depreciation expenses	Air pollution prevention	0	0	0
	Water pollution prevention	41.9	41.9	41.9
	Waste disposal (general waste)	0	0	0
Outsourcing and co-processing costs	Air pollution prevention	239.5	364.8	371.6
	Water pollution prevention	1,094.4	1,211.8	974.1
	Waste disposal (general waste)	2,301.4	1,295.1	1,859
合計		6,863.8	7,231.6	8,196.7

Chapter 4. Create Harmonic Workplace

None Occupational Illness	None of the employees will suffer from occupational disease in the Company in 2024.
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 2024 showed that none of the data exceeded the standard.
100% Local Executive	100% of the Executives in the Company are local formal employees.
3 Members of Minority	2 employees with disabilities and 1 aboriginal are on the job and competent in 2024. All capable of doing the job.
91 people undergoing health examination	In 2024, the number of healthy employees at the head office and Pingnan factory will be 91.
No social incidents such as discrimination or sexual harassment	In 2024, there have been no incidents of discrimination, sexual harassment, violations of the human rights of indigenous people, or incidents of social impact, and there have been no incidents of forced or compulsory labor.

■ 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	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ Economic aspect: 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. (1) In order to reduce employee turnover and reduce the impact on the company's productivity (2) Review salary adjustments and bonuses every year based on the company's profitability ■ Actual positive: Improve productivity and avoid talent loss ■ 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 positive : Stable labor-management relations are conducive to communication and cooperation within the company, promote joint problem solving and improvement suggestions, and help promote innovation and improvement. ■ Potential negative (cause) : Poor labor relations may lead to labor conflicts and labor strikes, which will have a serious impact on the production and operation of enterprises and even affect the 		

	entire industrial chain.
Policy	Focus on labor-management harmony and improve employee benefits.
Strategy	<ul style="list-style-type: none"> ■ Regularly hold Remuneration Review Committee, evaluate and advise on the remuneration of directors, supervisors, and managers related to company regulations objectively, and review employee treatment and benefits according to 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	<ul style="list-style-type: none"> ■ Cathay Chemical values the retention of talents, improvement of employee salary structure, and welfare care. To create a harmonious and stable working environment, improve work efficiency and reduce the turnover of employees. ■ Comply with the relevant requirements of the Labor Standards Act. ■ 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 2024: 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	<ul style="list-style-type: none"> ■ External System: <ol style="list-style-type: none"> (1). Securities and Exchange Act (2). Stock listing or trading at the places of business of securities firms, setting Compensation committee and method of its exercise authority (3). Sexual Harassment Prevention ■ Internal System: Organization: Employee Welfare Committee, Remuneration Review Committee
Management and Performance Assessment	<ul style="list-style-type: none"> ■ 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 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 2024, 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 investigate and dealt with in accordance with the law.



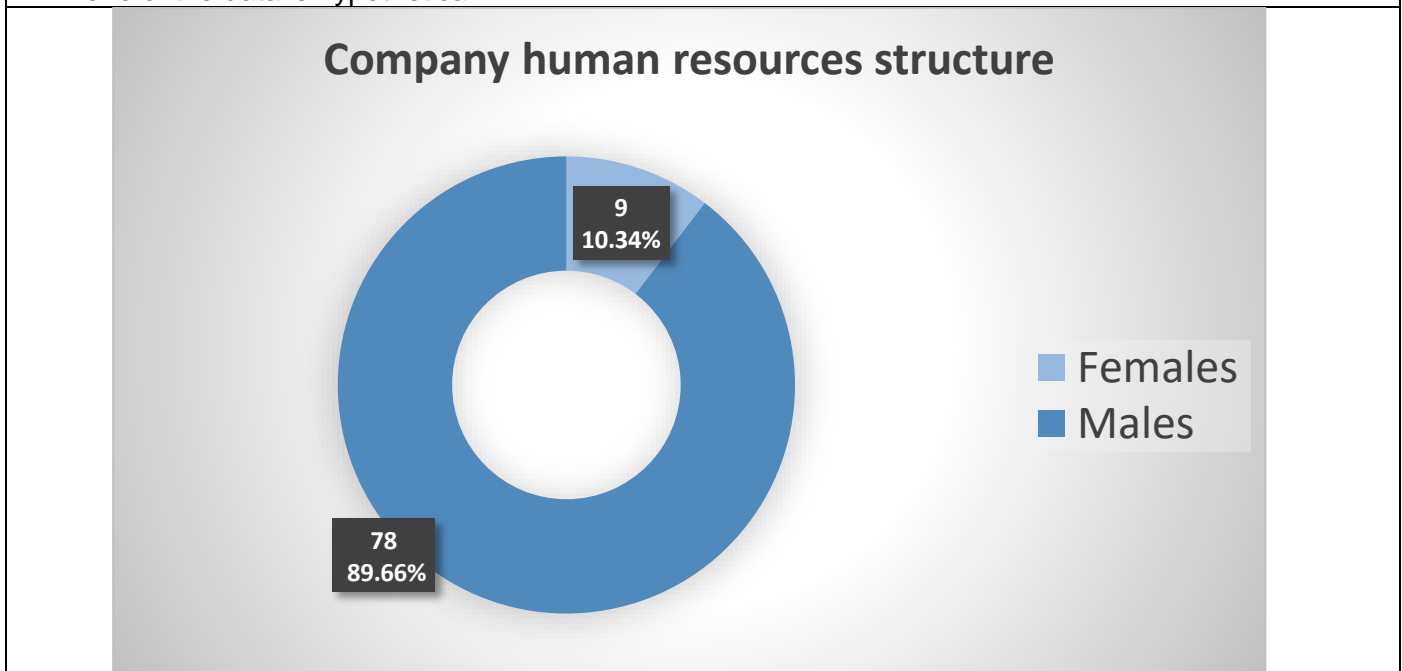
■ Employee Overview

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 2024, there are 87 staff in the company. Among them, there are 9 females and 78 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 87.36%, and for foreign workers is 12.64%, also 100% of the executives in the company are local formal employees.

2024 Employee Structure Distribution							
Item		Male			Female		
Region	Contract Type	Full-Time Job			Full-Time Job		
		Age	Below 30	30~50	Above 51	Below 30	30~50
Taiwan	Local Employees	11	34	22	1	3	5
	Formal Employees	2	9	0	0	0	0
	Total	13	43	22	1	3	5

Note:

1. All employees employed by the Company in 2024 are full-time employees, and no temporary or part-time workers employed.
2. In 2024 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, 2024 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 2024, there are 15 senior managers and 72 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			2022	2023	2024
Category / Gender		Age	Number of Employees	Number of people	Number of people
Senior Manager	Male	Below 30	0	0	0
		30~50	2	1	1
		Above 51	10	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 員	Male	Below 30	13	18	13
		30~50	40	42	42
		Above 51	8	7	11
	Female	Below 30	1	1	1
		30~50	3	2	2
		Above 51	3	3	3
Total non-executive employee			68	73	72
正職人員總計			83	88	87

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 3 employees with disabilities, accounting for 3.41% 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 2023, 2 employees with disabilities and 1 aboriginal are on the job and competent in their position. According to the 2017 Indigenous Peoples Council's announcement, Indigenous employees are given a day off for the annual Harvest Festival.

4.2 Talent Recruitment and Cultivation

■ Personnel Recruitment

Company follows “The Securities and Exchange Act” and “Stock listing or trading at the places of business of securities firms, setting Compensation committee and method of its exercise authority” setting Remuneration Review Committee, evaluating and advising on the remuneration of directors, supervisors and managers related to company regulations objectively. The company also refers to the treatment of the same industry, the demand of the labor market, and the company's actual

production status sets a salary system to pay to employees, also reviews employees' treatment and benefits according to the price index and the company's profitability every year. The basic salary of employees doesn't vary due to different gender, blood type, zodiac sign, race, religion, political stance, marital status, and unions, and 1.02 times better than the statutory minimum wage (NT\$27,400 in 2024). In 2024, the average salary for females is NT\$48,816, and NT\$56,252 for males, the ratio of the average monthly salary of female to male is 1:1.15.

List of employee salary information disclosures				
Unit: NT\$Thousand dollars				
Category	2022	2023	2024	Difference from the previous year (Percentage)
Number of full-time employees who are not in supervisory positions (Number of employee)	76	81	84	3(3.7%)
Annual salary of full-time employees who are not in supervisory positions (NT\$ Thousand)	60,318	67,868	74,887	7,019(10.34%)
Mean of gross salary of full-time employees who are not in supervisory positions (NT\$ Thousand)	794	838	892	54(6.44%)
Median of gross salary of full-time employees who are not in supervisory positions (NT\$ Thousand)	753	793	855	62(7.82%)

備註：

- Formula for "Difference from the previous year [percentage]" :
 2024-2023 【(2024-2023)/2023】
 2023-2022 【(2023-2022)/2022】
- 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 employee		Salary Ratio	
	Female	Male	Female	Male
Management position	3	12	1	1.56
Non-Management position	6	66	1	0.86
Direct Member	0	59	1	0.00
Indirect Member	9	19	1	0.69

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 2024		
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	511.32%	144.37%

Note:

- The chairman is not the highest paid individual, unless he is also the general manager/ CEO
- 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
- The formula for calculating the annual salary increase rate: the annual salary increase percentage of the individual with the highest annual salary in the year/the annual salary increase percentage of the individual with the median annual salary in the year

■ Talent Recruitment

To retain competitive talent, Cathay Chemical strives to build a friendly work environment, value the balance between work and life, provide employee training and development opportunities, etc. Leading employees to continuously improve themselves, and to achieve personal career development of employees. The new entry rate in 2024 is 1.15%, which is lower than that in 2023. This is because there are only two job vacancies in 2024, so the new entry rate is lower. The turnover rate is 2.30%, which is not much different from that in 2023.

Statistical table of employee new entry rate in the past three years												
Year	2022				2023				2024			
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	2	2.41	0	0.00	6	6.82	0	0.00	1	1.15	0	0.00
30~50	1	1.20	0	0.00	1	1.14	0	0.00	0	0.00	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	3				7				1			
Total number of employees	83				88				87			
Total new entry rate (%)	3.61				7.95				1.15			

Note:

- The number of new employees does not deduct those who leave midway
- 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	2022				2023				2024			
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	0	0.00	0	0.00	1	1.15	0	0
30~50	1	1.20	0	0.00	1	1.14	0	0.00	1	1.15	0	0
Above 51	2	2.41	2	2.41	1	1.14	0	0.00	0	0	0	0
Total Entrant	5				2				2			
Total number of employees	83				88				87			
Total new turnover rate (%)	3.61				2.27				2.3			

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 2024 is 2,120 hours, the total number of trainees is 91, and the total training cost is NT\$142,325

Education and training statistics of Pingnan factory in the past three years			
Item	2022	2023	2024
Total Employee	73	77	79
Total Training cost(NT\$)	109,805	151,284	101,163
Training Fee per Capita	1,504	1,965	1,281
Total Training Hours (hr)	1,880	1,524	2,044
Training Hours per Capita (hr)	25.8	19.8	25.9

Education and training statistics of head office in the past three years			
Total Employee	2022	2023	2024
Total Training cost(NT\$)	11	9	12
Training Fee per Capita	34,400	57,847	41,162
Total Training Hours (hr)	3,127	6,427	3,430
Training Hours per Capita (hr)	72	114	76
Total Employee	6.5	12.7	6.3

2024 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	250	14	30	5	280	14.74
Grass-Root	1,780	66	60	6	1,840	25.56
Total	2,030	80	90	11	2,120	23.30

- Note:
- Supervisors in our company refer to team leaders, unit supervisors, directors, factory managers, section chiefs, managers, deputy general managers, etc.
 - The training situation at the Pingtung plant is described as follows:
11 male management employees received training, totaling 244 hours.
65 male grassroots employees received training, totaling 1,764 hours.
3 female grassroots employees received training for 36 hours
 - The training situation of the head office is as follows:
Three male management employees received training, totaling six hours.
One male grassroots employee received training for 16 hours.
Five female management employees received training, totaling 30 hours.
Three 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	101,163
Poison Disaster Response Drill (Formaldehyde Leakage)	9	
Employee education and training	79	

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 2024 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%	69.23%	61.54%	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	Hypoxia Operations Supervisor	1
3	Hypoxia Operations Supervisor	1
4	未 Operators of fixed cranes with a capacity of 3 tonnes or more	2

■ 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 2024, there are 1 new employees, and the training ratio is 100%, there will be no discrimination-related incidents in the company in 2024.

■ 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.

2024 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.

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 each year and adjust wages from time to time according to surplus and price conditions. Furthermore, three-holiday welfare payments and scholarships for the children of employees 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 2024, there will be a regularly two-month year-end bonus annually
2. Irregular salary adjustment, 4% salary increase in 2024
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, 3days
 - (2) More than one year but less than two years,

- (3) More than two years but less than three years,
 - (4) More than three years but less than five years,
 - (5) More than five years but less than ten years,
 - (6) More than ten years, 1 day 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, 2024, the Company has three 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 notify 20 days ago.
3. Working more than 3 years shall be notify 30 days ago.

4.4 Employee Health Care and Concern

■ **Management Policy - Occupational Health and Safety**

Management Policy - Occupational Health and Safety			
Sustainability Principles (Issue) Response	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	Stakeholders affected by the impact	<ul style="list-style-type: none"> ■ Cathay Chemical ■ Supplier (Contribute to) ■ Government Agencies (Contribute to) ■ Employee (Direct impact)
Meaning to Cathay Chemical	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.		

<p>Influence and Impact</p>	<ul style="list-style-type: none"> ■ Economic aspect: Improve employee efficiency and productivity, reduce accidents and illnesses at work, thereby reducing company downtime and production costs ■ Actual/potential positive: Effective occupational health and safety measures can reduce the incidence of work-related injuries and occupational diseases, protect the health of employees, and improve workplace safety. ■ Environmental aspect: Reduce production costs and reduce damage to the ecological environment caused by production costs. ■ Human/human rights aspect: 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.
<p>Policy</p>	<p>Safety and Health Policy</p> <ul style="list-style-type: none"> ■ Safety Discipline - Comply with Safety and Health Regulations also Company Regulation ■ Industrial Safety Training - Continuous training propaganda and communication, deeply rooted in safety awareness ■ Industrial Safety Culture - Promoting correct safety behaviors and attitudes to form safety habits ■ Continuous Improvement - Continuously improve safety and health, and move towards sustainable development
<p>Strategy</p>	<ul style="list-style-type: none"> ■ Entrust the aggregate corporation – ISHA executes factory environment monitoring each year. In 2024, the monitoring operations were completed in June and December, the monitoring results show that the allowable concentration standard is not exceeded ■ Enhance environmental safety knowledge through staff training ■ Provide annual employee health checks. 91 of the employees participated in the employee health check in 2024 ■ 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
<p>Management Goals and Objectives</p>	<p>Effectively manage a zero-hazard working environment.</p>
<p>Management Measures</p>	<ul style="list-style-type: none"> ■ External institution: Occupational Safety and Health Act ■ Internal institution: <ol style="list-style-type: none"> (1) Work Management Rules (2) ISO 9001 Quality Management System (3) QC 080000 Hazardous Substance Management System
<p>Management and Performance Assessment</p>	<ul style="list-style-type: none"> ■ None of the employees in Head Office or Pingnan Branch had suffer from occupational disease in the Company in 2024 ■ 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 2024, the total cost of employee health examinations is NT\$227,000. ■ In 2024, a total of NT\$57,100 has invested in operating environment monitoring

Management Policy - Local Community

當地社區-管理方針			
Sustainability Principles (Issue) Response	GRI 413 Local Community SASB Community Relation Financial Supervisory Commission Chemical Industry Indicator 5	Stakeholders affected by the impact	<ul style="list-style-type: none"> ■ CathayChemical ■ Supplier ■ Government Agencie ■ Employee ■ Community residents
Meaning to Cathay Chemical	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ Economic aspect: Safety issues in the chemical industry are one of the most pressing concerns for the public. If a factory accident occurs, the impact will be significant. In addition to casualties, it will also cause the factory to stop production.v Reduce possible future operating costs and risks. ■ Actual/potential positive: <ol style="list-style-type: none"> 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. Potential negative (cause) : The production process may cause air, water and soil pollution, affecting the quality of life and health of surrounding residents ■ 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 respected. Maintain 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. 		
Policy	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ Labor safety and fire protection education and training will be held on February 15, 2024, including emergency response procedures SOP (earthquakes, chemical leaks, explosions, air pollution, typhoons and fires), occupational safety (chemical purchase, storage precautions, management and waste disposal), CPR training courses, self-defense firefighting group comprehensive drills and other courses. ■ Company continues to subsidize scholarships for the local community high school (Fangliao High School) and donate some funds to the local community patrol team every year. ■ Company conducts emergency response drills annually for the toxic chemical (formaldehyde) we use. If a toxic chemical leak occurs, we can quickly mobilize and implement rescue, dispatch, and emergency evacuation, thereby reducing local casualties and property losses caused by the disaster. On February 15, 2024, the 		

	<p>"Formaldehyde Unpredictable Test Emergency Response Training" was conducted.</p> <ul style="list-style-type: none"> ■ On June 26, 2024, the "Formaldehyde Unpredictable Test Emergency Response Training" was conducted. ■ On November 12, 2024, a "Formaldehyde Emergency Response Drill" was conducted.
Management Goals and Objectives	<ul style="list-style-type: none"> ■ Uphold the guiding principle of "safety and environmental protection first, quality second, and output third" as spirit, create a 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	<ul style="list-style-type: none"> ■ External institution: <ol style="list-style-type: none"> 1. Labor Safety and Health Act; Occupational Safety and Health Act 2. Technical Directions of Emergency Procedure 3. Toxic and Concerned Chemical Substances Control Act ° 4. Fire Services Act ■ Internal institution: <ol style="list-style-type: none"> 1. Employee Safety and Health Management Annual Plan 2. Plan of Emergency Procedure 3. Material and the product delivery has followed the "Import/Export management procedure" of ISO 9001 Management System 4. Stipulate the Directions of "Carry, package and filling management procedure" and "Precautions of tank car unloading operations"
Recourse Mechanism	<p>The Company's emergency response notification system is as follows:</p> <ol style="list-style-type: none"> (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	<ul style="list-style-type: none"> ■ 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 2024 ■ In 2024, the total cost of Education and training expenses is NT\$142,325. ■ In 2024, the total number of training hours is 2,120

4.4.1 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.


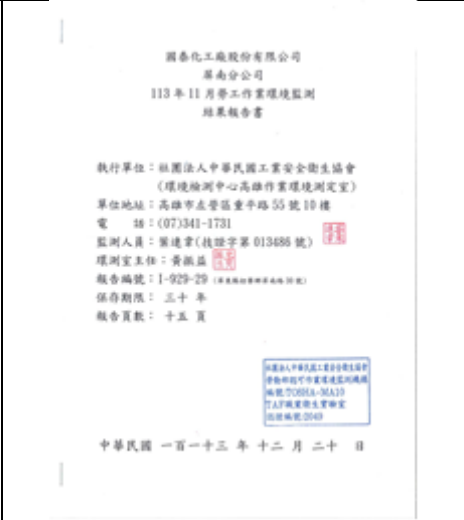

1. The number of workers in the first category of enterprises is above 200.
2. The number of workers in the second category of enterprises is above 500.
3. Work in the petrochemical industry and engaged in oil cracking.
4. Engage in the manufacture, disposal, or use of hazardous chemicals, and the number 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 established. 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

The factory had entrusted the aggregate corporation – ISHA to execute factory environment monitoring in May and December 2024. The purpose is to evaluate the exposure status of the labor-working environment during the production operation of each hop and storage tank area. According to the allowable exposure standards of labor workplaces, in the engineering control system, the on-site operators given personal protective equipment, and provide a working area that reassures employees, to fulfill the company's responsibility of taking care of employees' health.

Laboratory Methods in Workplace Monitoring Report May, 2024	Laboratory Methods in Workplace Monitoring Report December, 2024	Occupational Hygiene Laboratory Certification
 <p>國泰化工股份有限公司 臺南分公司 113年05月勞工作業環境監測 結果報告書</p> <p>執行單位：社團法人中華民國工業安全衛生協會 (環境檢測中心高雄作業環境研究室) 單位地址：高雄中區營區堂平路55號10樓 電話：(07)341-1731 監測人員：葉建章(技師字第013486號) 理測室主任：黃銀益 報告編號：I-929-25 保存期限：三十年 報告頁數：十五頁</p> <p>中華民國一百一十三年六月二十五日</p>	 <p>國泰化工股份有限公司 臺南分公司 113年11月勞工作業環境監測 結果報告書</p> <p>執行單位：社團法人中華民國工業安全衛生協會 (環境檢測中心高雄作業環境研究室) 單位地址：高雄中區營區堂平路55號10樓 電話：(07)341-1731 監測人員：葉建章(技師字第013486號) 理測室主任：黃銀益 報告編號：I-929-25 保存期限：三十年 報告頁數：十五頁</p> <p>中華民國一百一十三年十二月二十日</p>	 <p>社團法人全國環境衛生職業衛生實驗室認證協會 TAF 認證證書 證書號碼：I-929-25(2024)</p> <p>受證者 社團法人中華民國工業安全衛生協會 職業衛生實驗室 地址：高雄中區營區堂平路55號10樓</p> <p>高基會認證職業衛生實驗室</p> <p>中華民國一百一十三年六月二十五日</p> <p>證書有效期間：自2024年06月25日至2026年06月25日 證書有效期間：自2024年06月25日至2026年06月25日 證書有效期間：自2024年06月25日至2026年06月25日 證書有效期間：自2024年06月25日至2026年06月25日</p> <p>證書編號：I-929-25 證書頁數：十五頁</p> <p>中華民國一百一十三年六月二十五日</p>
Occupational Health Laboratory Monitoring Result Report Form (May)		

- 4.4.2 Chemical Industry Supplementary Key Points-Safety Management and Emergency Response Measures
- Safety Management—In-Factory 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 February 2024. 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.

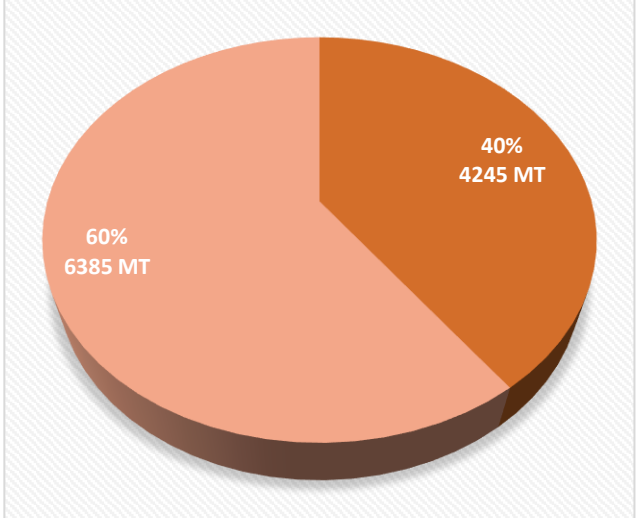
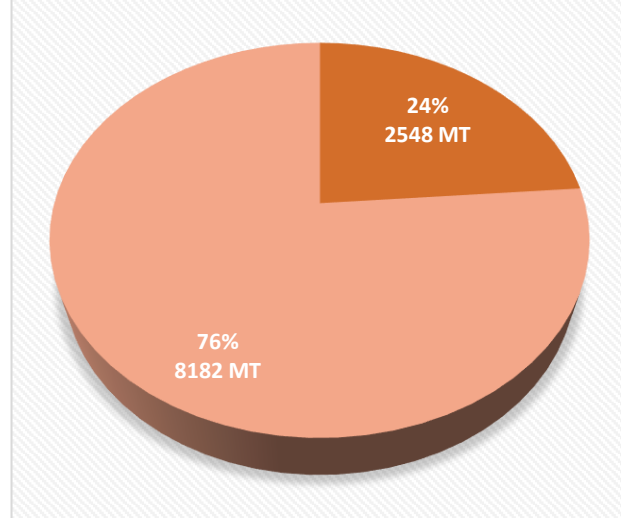
The competent authority must inspect all vehicles entering the factory before it released. Drivers must have full emergency response capabilities, follow relevant laws and regulations, and comply with road traffic safety rules while driving. The tank car of the Company’s material supplier and customer, 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 2024, 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 2024 is as follows:

Material Transportation Method in 2024	Product Transportation Method in 2024
	
<ul style="list-style-type: none"> Container trailer \ Pallet truck (soda ash, zinc Ingot) Tank car (soda lye, fuel oil, liquid sulfur, Formaldehyde) 	<ul style="list-style-type: none"> Container trailer Truck, Pallet truck

■ Emergency Response Measures

■ External Management:

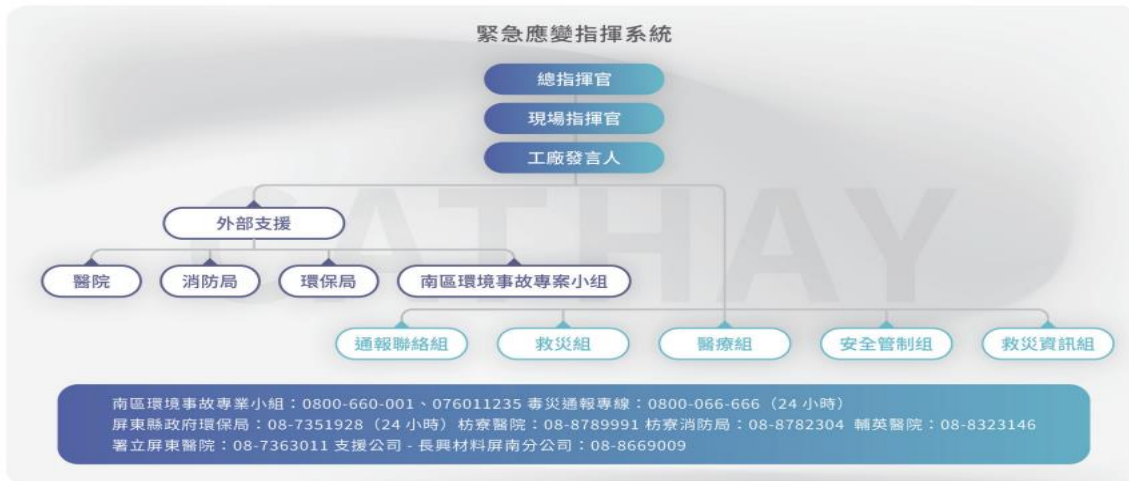
The factory is located in Pingnan Industrial Zone; the center of the Industrial Zone Management irregular holds regional joint defense seminars and joint exercises every year, to strengthen the disaster prevention and response capabilities of manufacturers in the industrial zone. Once an emergency happens in the industrial area, can quickly report the firefighters by activating the joint defense mechanism before they arrive, and assist in accident factories and disaster relief. Quickly control let the disaster so as not to affect nearby factories and residents. On November 5, 2024, Pingtung County Government Environmental Protection Bureau held the “Response drills for toxic chemical accidents and air pollution incidents” in SHIN FOONG TRADING SDN. BHD. Pingtung Factory. The training situation is as follows:

Response drills for toxic chemical accidents and air pollution incidents

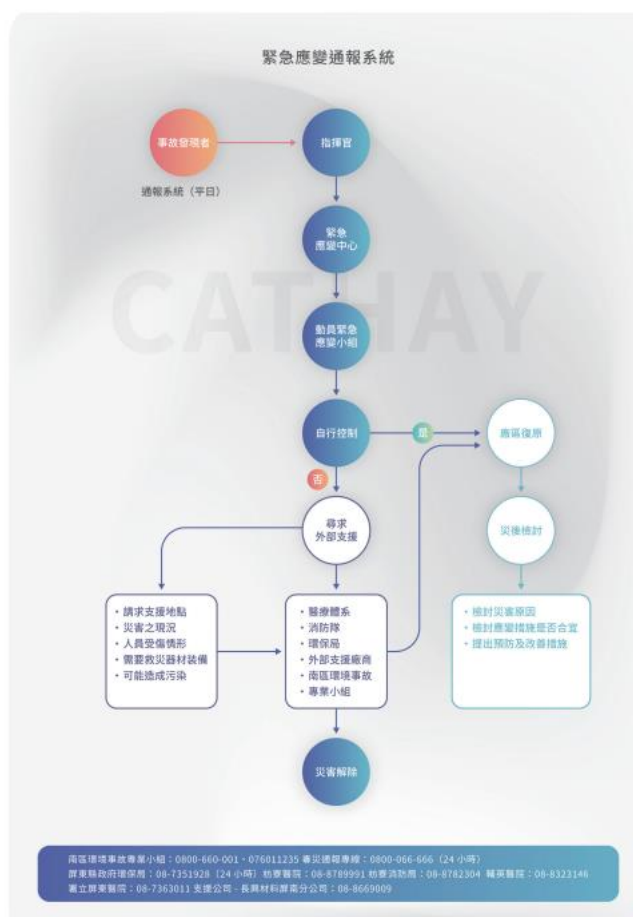


Company has set an “Emergency Procedure”, the main purpose is to enhance the factory staff’s ability to respond to emergencies and determine the correct processing procedure. Each year has held 2 fire drills in the first half-year (after the Spring Festival) and the second half-year (around October), 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 Report System



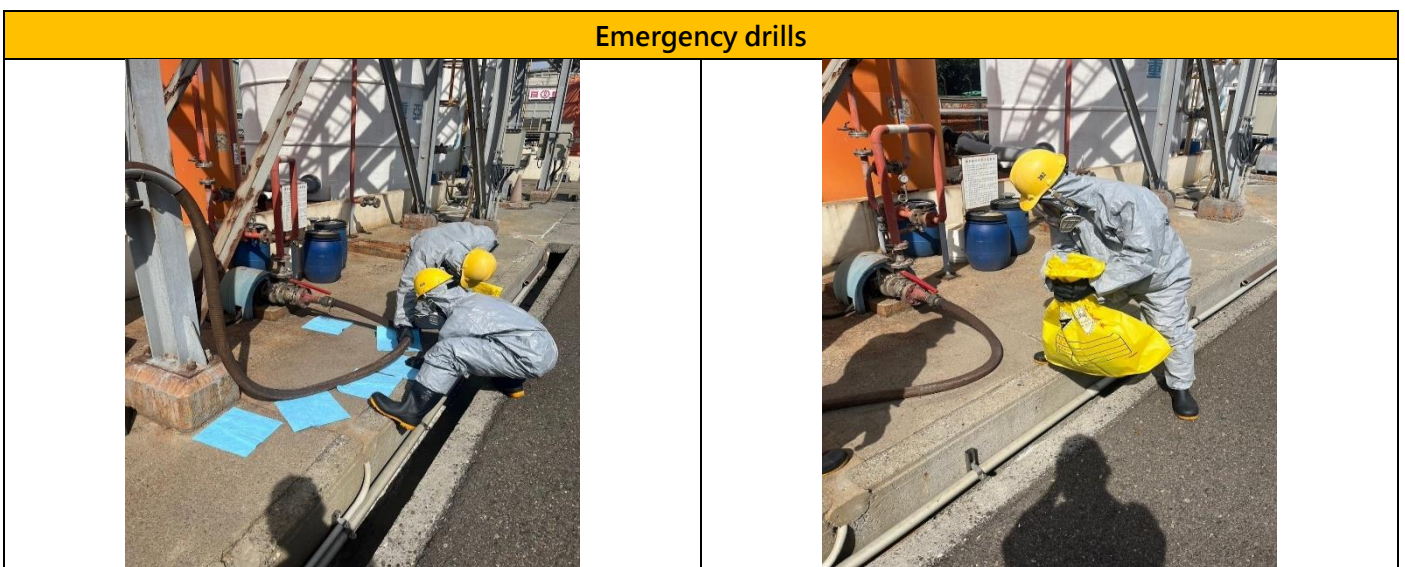
The Company regularly holds 4 hours Occupational Safety and Health Lecture in the morning during the survey period after the Spring Festival, and 4 hours fire emergency response training in the afternoon. Let employees improve their ability to respond to disasters, to ensure the safety and reliability 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 be arranged to receive general safety and hygiene training and emergency protection training within one week of their arrival. The training will be arranged by each work unit, and supported by the Environmental Safety Division
3. Emergency Procedure Training: Holds an annual repair period after the Spring Festival at the beginning of each year. During Fire-fighting and Self-Defense Training, arrange emergency procedure drills to allow employees in the factory to actually operate various fire-fighting equipment, and strengthen employee education and training for deficiencies.
4. Expatriate training: Selected special needed relevant personnel to participate in expatriate training or hops

Plant	Drill Time	Drill Item of Emergency	Assumed Item/Content of Drill
Pingnan Factory	2024/02/15	Unexpectedly Formaldehyde Response Training Drill of Emergency	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





■ 4.4.3 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 2024, 79 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 2024, 12 employees in the Taipei Company participated in the employee health check, the total inspection cost of Pingnan Factory and Taipei Company is NT\$227,000, 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 2024 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 2024, both contracted nurses and on-site doctor will conduct appropriate health interview assessments.

Pingnan Branch's Employee Health Check				
	2021	2022	2023	2024
Number of Employee Health Checks	67	69	70	79
Costs of Employee Health Checks	124,000	147,200	76,000	185,100

Taipei Company's Employee Health Check				
	2021	2022	2023	2024
Number of Employee Health Checks	14	12	12	12
Costs of Employee Health Checks	49,000	42,000	42,000	42,000

Number of Employee and Health Check Item				
Health Check Item	2021	2022	2023	2024
Special Health Check (Dust Work)	29	39	56	59
Special Health Check (Formaldehyde Work)	11	10	34	37
Special Health Check (Noise Work)	40	42	56	58
General Health Check (Including Taipei Company)	81	81	82	91

Employee Health Check



■ 2024 Occupational Safety Performance

Company continues to implement factory operation safety, strengthens inspections of dangerous areas, and conducts safety promotions for employees to prevent occupational disasters. In 2024, female employees will work 24,560 hours; male employees will work 195,384 hours. In 2024, an occupational injury incident involving chemical burns occurred. The employee suffered burns due to contact of the chemical with his feet. Subsequently, the standard operating procedures were revised and on-site protection was increased. There are five non-employee workers, 5 men and 1 woman, aged about 50-60 years old, with a total working hour of 14,888 hours and 1,861 working days throughout the year. No occupational accidents occurred.

The following table shows the total working hours experienced by the company's employees in 2024:

項目		2023	2024
Total Working Hours	Female Total Working Hours	24,382.24	24,560
	Male Total Working Hours	187,361.76	195,384
	Total Working Hours	211,744.00	219,944
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	5	1
	Total Recordable Occupational Injury Rate	5	1
Death rate due to occupational injuries (%)		0	0
Serious Occupational Injury Rate (%)		0	0
Recordable Occupational Injury rate (%)		2.74	0.45

備註：

- The data in this table is the occupational safety statistics of Pingnan Factory. The number of work-related injuries in 2024 is all male employees, 1 employees.
- 6 non-employee workers in 2024, 5 males and 1 female, aged about 50-60 years old, with total working hours for the year 14,888 hours, total working days of 1,861, and no occupational accident happened
- Lost Day Rate = (Total lost workdays / Total workdays) * 1,000,000
- Absence Rate = (Absence days / Total number of working days of all employees in the year) * 100%, including public injury leave, sick leave, personal leave, and absenteeism
- Occupational Injury Fatality Rate = Fatalities due to Occupational Injuries / Working hours * 1,000,000
- Serious Occupational Injury Rate = Serious Occupational Injuries (excluding Fatalities) / Working hours * 1,000,000. Serious occupational injury means that an injury results in disability due to occupational injury or inability to return to pre-injury health within six months.
- Recordable Occupational Injury Rate = Recordable Occupational Injury / Working hours * 1,000,000.

In 2024, the number of occupational accidents at the Pingnan Factory was one, male, the occupational injury rate was 0.45%, and there were no work-related deaths. Injury situations and improvement measures are describe below:

Injury matters	Improvement measures
Chemical Burns	Set up grid pedals, wear chemical and paint resistant gloves and gas masks

4.5 Feedback, Contribute, and Share about Love

■ Contribute to the Society

Folklore Temple Fair is a Taiwanese custom with deep local characteristics, which is derived from people's living habits, emotions, and beliefs passed down from generation to generation through the influence of regional or environmental changes. From north to south, temple fairs all over Taiwan continue all year round, playing an important role in the inheritance of historical culture and people's spiritual life. What is worth talking about is that these diverse temple fairs not only have the functions of knowledge, art, and entertainment, but also have the characteristics of educating the public, increasing cohesion, and protecting the hometown. It also promotes the vigorous development of Folklore Temple Fairs towards folk drama and traditional art performances. Thus, Temple Fair culture seems to be the epitome of Taiwanese folk culture, can clearly see the diversity of beliefs, arts, and humanities of the Taiwanese people in the fair, and truly convey the values of Taiwanese folk beliefs Cathay Chemical is located in Fangliao Township, Pingtung, and gives gifts or financial support a total of NT\$12,000 when receiving invitations from the village during festivals and temple fairs. Cathay Chemical is located in Fangliao Township, Pingtung, and gives gifts or financial support a total of NT\$10,000 when receiving invitations from the village during festivals and temple fairs. Besides, the Company continues to subsidize Fangliao High School and Donghai Elementary School with a scholarship each NT\$20,000, encourage the student to study hard, and donate NT\$6,000 to the Jiadong and Fangliao fire brigade each year.



List of public welfare activities	
Charity activity name	Amount (NT\$)
Fangliao High School Scholarship	20,000
Donghai Elementary School	20,000
Fangliao Township Fire Brigade	3,000
Donghai Village temple fair	4,000
Taiyuan Village temple fair	2,000
Taiyuan Village Mother's Day	2,000
Taiyuan Village Double Ninth Festival	2,000
Taiyuan Village temple fair	2,000
Jiadong Township fire brigade	3,000
Total	107,000

Love Alliance

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



All of the accumulated donations from loving group buying initiated by the Welfare Committee of the Company will donate to disadvantaged groups with Taiwandomi's help. Because knowing that the Tainan Baby Home mainly arranges for 0-2-year-old infants and young children who need to be raised all over Taiwan most of the original families are socially disadvantaged groups from Taiwandomi's sharing stories. Thus, through its help, the Company continually donates the accumulated consumption to Tainan Baby Home, which established by Good Shepherd Social Welfare Foundation. Hoping our little power can become a little nourishment for children to grow up, let them have a warm home and opportunity to grow up healthily. The total consumption is NT\$120,026.

Corporate Donations	
 <p>財團法人天主教善教社 中華民國一〇五年六月 特頒此狀，敬表謝忱。</p> <p>熱心公益、付出愛心， 關懷社會弱勢婦幼，協 助善教服務工作，為共 創美好祥和社會而努 力。</p> <p>感謝 國泰化工廠股份有限公司</p> <p>——個人的價值高於全世界——</p>	 <p>財團法人天主教善教社 中華民國一〇六年十一月 特頒此狀，敬表謝忱。</p> <p>熱心公益、付出愛心， 關懷社福團體，以實際 行動支持本會服務，為 共創美好的祥和社會而 努力。</p> <p>感謝 國泰化工廠股份有限公司</p> <p>——個人的價值高於全世界——</p>
▲2016	▲2017

Appendix

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

Allegation of use	Cathay Chemical Works, Inc. has refer 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	16	
	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	16	
	2-7	Employees	4.1 Cathay Chemical Happy Enterprise	73	
	2-8	Workers who are not employees	4.1 Cathay Chemical Happy Enterprise	73	
3. Governance					
GRI 2 General Disclosures 2021	2-9	Governance structure and composition	1.4.2 Governance Structure	27	
	2-10	Nomination and selection of the highest governance body	1.4.2 Governance Structure	27	
	2-11	Chair of the highest governance body	1.4.2 Governance Structure	27	
	2-12	Role of the highest governance body in overseeing the management of impacts	1.4.1 ESGcorporate sustainability management	27	
	2-13	Delegation of responsibility for managing impacts	1.4.1 ESGcorporate sustainability management	27	
	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	27	
	2-16	Communication of critical concerns	1.4.1 ESG corporate sustainability management	27	
	2-17	Collective knowledge of the highest governance body	1.4.2 Governance Structure	27	
	2-18	Evaluation of the performance of the highest governance body	1.4.2 Governance Structure	27	
	2-19	Remuneration policies	1.4.2 Governance Structure	27	
	2-20	Process to determine remuneration	1.4.2 Governance Structure	27	
2-21	Annual total compensation ratio	4.2 Talent Cultivation	75		
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	75	
	2-24	Embedding policy commitments	4.2 Talent Cultivation	75	
	2-25	Processes to remediate negative impacts	1.4.3 Implement Integrity Management	27	
	2-26	Mechanisms for seeking advice and raising concerns	Identification and Communication to Stockholders	6	
	2-28	Membership associations	1.3 Organizations and Related Certifications	25	

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	6	
	2-30	Collective bargaining agreements	4.3 Employee Rights and Benefits	84	
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	45	
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	84	
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.2 Talent Cultivation	75	
	202-2	Proportion of senior management hired from the local community	4.1 Cathay Chemical Happy Enterprise	73	
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	101	
	203-2	Significant indirect economic impact	4.5 Feedback, Contribute, and Share about Love	101	
Procurement Practices					
GRI 204 Procurement Practices Topic Disclosures 2016	204-1	Proportion of spending on local suppliers	2.3.1 Raw Material Purchase	56	
Anti-corruption					
GRI 205 Anti-corruption Topic Disclosures 2016	205-1	Operations assessed for risks related to corruption	1.4.3 Implement Integrity Management	27	
	205-2	Communication and training about anti-corruption policies and procedures	1.4.3 Implement Integrity Management	27	
	205-3	Confirmed incidents of corruption and actions taken	1.4.3 Implement Integrity Management	27	
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	22	
	207-2	Tax governance, control, and risk management	1.2 Financial and Operational Planning	22	
	207-3	Stakeholder engagement and management of concerns related to tax	1.2 Financial and Operational Planning	22	
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	62	
	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	73	
	405-2	Ratio of basic salary and remuneration of women to men	4.2 Talent Cultivation	75	
Non-discrimination					
GRI 406 Non-discrimination Topic Disclosures 2016	406-1	Incidents of discrimination and corrective actions taken	4.2 Talent Cultivation	75	
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	84	
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	56	
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	56	
Security Practices					
GRI 410 Security Practices Topic Disclosures 2016	410-1	Security personnel trained in human rights policies or procedures	4.2 Talent Cultivation	75	
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	71	
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	101	
	413-2	Operations with significant actual and potential negative impacts on local communities	4.5 Feedback, Contribute, and Share about Love	101	
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	42	

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	48	
GR12	General disclosures 2021		2-27	Regulatory compliance	1.7 Regulatory compliance and cooperate	48	
Major Theme: Supply Chain Assessment							

GRI 3: Material Topic 2021	Management Policy		3-3	Material Topics Management	2.3 Supply Chain Purchase	56	
GRI 308	Supplier Environment Assessment Topic Disclosures 2016		308-1	New suppliers that were screened using environmental criteria	2.3 Supply Chain Purchase	56	
			308-2	Negative environmental impacts in the Supply Chain and actions taken	2.3 Supply Chain Purchase	56	
GRI 414	Supplier Social Assessment Topic Disclosures 2016		414-1	New suppliers that were screened using social criteria	2.3 Supply Chain Purchase	56	
			414-2	Negative social impacts in the supply chain and actions taken	2.3 Supply Chain Purchase	56	
Material Topic: Economic performance							
GRI 3: Material Topic 2021	Management Policy	-	3-3	Material Topics Management	1.2 Financial and Operational Planning	22	
GRI 201	Economic Performance Topic Disclosures 2016	-	201-1	Direct economic value generated and distributed	1.2 Financial and Operational Planning	22	
		-	201-4	Financial assistance received from government	1.2 Financial and Operational Planning	22	
Material Topic: Environmental protection							
GRI 3: Material Topic 2021	Management Policy	-	3-3	Material Topics Management	Chapter 3 Substance and Environment	60	
GRI 302	Energy Topic Disclosures 2016	-	302-1	Energy consumption within the organization	3.2 Sustainable Energy Management	63	
		-	302-3	Energy intensity	3.2 Sustainable Energy Management	63	
		-	302-4	Reduction of energy consumption	3.2 Sustainable Energy Management	63	
GRI 303	Water and Effluents Topic Management Disclosures 2018	-	303-1	Interactions with water as a shared resource	3.3 Cherish Water Resources	65	
		-	303-2	Management of water discharge-related impacts	3.3 Cherish Water Resources 3.4 Management of waste pollution prevention measures	65 66	
GRI 303	Water and Effluents Topic Disclosures 2018	-	303-3	Water withdrawal	3.3 Cherish Water Resources	65	
		-	303-4	Water discharge	3.3 Cherish Water Resources	65	
		-	303-5	Water consumption	3.3 Cherish Water Resources	65	
GRI 305	Emissions Topic Disclosures 2016	-	305-1	Direct (Scope 1) GHG emissions	3.2 Sustainable Energy Management	63	
		-	305-2	Energy indirect (Scope 2) GHG emissions	3.2 Sustainable Energy Management	63	
		-	305-3	Other indirect (Scope 3) GHG emissions	3.2 Sustainable Energy Management	63	
		-	305-4	GHG emissions intensity	3.2 Sustainable Energy Management	63	
		-	305-5	Reduction of GHG emissions	3.2 Sustainable Energy Management	63	
		-	305-6	Emissions of ozone-depleting substances (ODS)	3.2 Sustainable Energy Management	63	
GRI 306	Waste Topic Disclosures 2020	-	306-1	Waste generation and significant waste-related impacts	3.4 Pollution Prevention Management	66	
		-	306-2	Management of significant waste-related impacts	3.4 Pollution Prevention Management	66	
GRI 306	Waste Topic Disclosures 2020	-	306-3	Waste generated	3.4 Pollution Prevention Management	66	
		-	306-4	Waste diverted from disposal	3.4 Pollution Prevention Management	66	
		-	306-5	Waste directed to disposal	3.4 Pollution Prevention Management	66	
GRI 306	Waste Topic Disclosures 2016	-	306-3 : 2016	Serious leak	3.4 Pollution Prevention Management	66	
Material Topic: Labor/ Management Relations							
GRI 3: Material Topic 2021	Management Policy	-	3-3	Material Topics Management	Chapter 4: Create Harmonic Workplace	71	
GRI 401	Employment Topic Disclosures	-	401-1	New employee hires and employee turnover	4.2 Employee Rights and Benefits	73	
		-	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time	4.3 Employee Rights and Benefits	84	

	2016			employees			
		-	401-3	Parental leave	4.3 Employee Rights and Benefits	84	
GRI 402	Labor/ Management Relations Topic Disclosures 2016	-	402-1	Minimum notice periods regarding operational changes	4.3 Employee Rights and Benefits	84	
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	86	
GRI 403	Occupational Health and Safety Topic Disclosures 2018	-	403-1	Occupational health and safety management system	4.4.1 Occupational Safety	86	
		-	403-2	Hazard identification, risk assessment, and incident investigation	4.4.1 Occupational Safety	86	
		-	403-3	Occupational health services	4.4.3 Employee Care	86	
		-	403-4	Worker participation, consultation, and communication on occupational health and safety	4.4.1 Occupational Safety	86	
		-	403-5	Worker training on occupational health and safety	4.2 Talent Cultivation	75	
		-	403-6	Promotion of worker health	4.4.3 Employee Care	86	
		-	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	86	
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	86	
		-	403-9	Work-related injuries	4.4.3 Employee Care	86	
		-	403-10	Work-related ill health	4.4.3 Employee Care	86	
GRI 404	Training and Education Topic Disclosures 2016	-	404-1	Average hours of training per year per employee	4.2 Talent Cultivation	75	
		-	404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Talent Cultivation	75	
		-	404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Talent Cultivation	75	
Material Topic : Local Communities							
GRI 3: Material Topic 2021	Management Policy		3-3	Material Topics Management	4.4 Employee Health Care and Concern	86	
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	86	
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 Certificat	25	
		-	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	27	

Appendix 2 : SASB (Sustainability Accounting Standards Board) Contrast Chart - Resource transformation_ Chemical

Topic	Serial number	Accounting indicator	Unit of Measure	Compare of Report Content 2023	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 (%)	<ul style="list-style-type: none"> Scope1: 3,854.94 ton CO₂e Percentage covered under emissions-limiting regulations: 0% (In 2024, 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	63
	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	<ul style="list-style-type: none"> Company plans to start collecting annual greenhouse gas inventory data in 2024 to facilitate ISO 14064-1 greenhouse gas inventory operations, and plans to complete the verification in 2027. 	3.2 Sustainable Energy Management	63
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	<ul style="list-style-type: none"> Air pollutant emissions in 2024, Sulfur Oxides (SO_x): 2.692 MT Nitrogen Oxides (NO_x):4.232 MT Particulate matters (Par): 0.806 MT Volatile Organic Compounds (VOCS): 0.116 MT. All comply with the emission standards stipulated by the Environmental Protection Agency. 	3.4 Pollution Prevention Management	66
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 (%)	<ul style="list-style-type: none"> Total energy consumption: 61,468.87 GJ Usage electricity from the grid :26.79% Renewable energy usage as a proportion of total energy usage: 0% Self-production energy usage: 0% 	3.2 Sustainable Energy Management	63
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	m ³ , Percentage (%)	<ul style="list-style-type: none"> Total Water Withdrawal: 63.12 m³ Total Water Consumption: 26.07m³ 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% 	3.3 Cherish Water Resources	65

				<ul style="list-style-type: none"> Company's water 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	<ul style="list-style-type: none"> Cathay Chemical has no violations of water quality licensing standards and regulations in 2024 	1.7 Regular compliance and cooperate	48
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	None	<ul style="list-style-type: 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	65
Hazardous Waste Management	RT-CH-150a.1	Total hazardous waste produce by Company and recycle percentage	m ³ , Percentage (%)	<ul style="list-style-type: none"> 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	66
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	無	<ul style="list-style-type: none"> 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	6
Occupational Health and Safety	RT-CH-320a.1	(1) Employee and contractor total recordable incident rate (TRIR) (2) Employee and contractor fatality rate	Ratio	<ul style="list-style-type: none"> In 2024, the number of occupational accidents at the Pingnan Factory was 1, all male, the occupational injury rate was 0.45%, and there were no work-related deaths 	4.4 Employee Health Care and Concern	86
	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	<ul style="list-style-type: 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 	4.4 Employee Health Care and Concern	86

				operators during engineering controls		
Resource-efficient product design	RT-CH-410a.1	Revenue from products designed to improve resource efficiency in the use phase	Amount	<ul style="list-style-type: none"> ■ 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 (%)	<ul style="list-style-type: none"> ■ Sodium Metabisulfite (SMB) belong Category 1 and 2, revenue proportion 19.09% ■ Sodium Hydrosulfite (SHS) belong Category 1 and 2, revenue proportion 8.58% 		
	RT-CH-410b.2	Strategies for managing hazardous chemicals and developing alternatives to reduce impacts on humans and the environment	None	<ul style="list-style-type: 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	86
Genetically Modified Organisms	RT-CH-410c.1	Genetically modified biological products as a percentage of revenue	Percentage of revenue	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: 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 Cooperation	42 45 48

				<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The company had one occupational injury incident in 2024, which was a chemical burn, and improvements have been made. 	4.4.3 Employee Care	86
	RT-CH-540a.2	Number of transportation incidents	Quantify	<ul style="list-style-type: none"> In 2024, there has no transportation-related accidents in transportation in 2024 	4.4.3 Employee Care	86

Activity Indicators	Serial number	Unit of Measure	Compare of Report Content 2023	Compare of Chapter	Page
Disclose product volume by business segment	RT-CH-000.A	m ³ /MT	Company's production volume of Sodium Hydrosulfite, Zinc Oxide, Sodium Formaldehyde Sulfite and Sodium Metabisulfite etc. in 2023 is 10,600 MT. For details, please refer to Cathay Chemical 2024 Annual Shareholders' Meeting Report.	1.1 Company Overview Profile	16

Appendix 3 Sustainable Disclosure Indicators - Chemical Industry

Serial number	Accounting indicator	Unit of Measure	2024 Disclosure	Chapter	Page
1	Total energy consumed, Percentage of purchased electricity, Renewable energy usage rate and Self-production energy usage (Note 1)	Billion Joule (GJ) Percentage (%)	<ul style="list-style-type: none"> ■ Total energy consumption: 61,468.87 GJ ■ Usage electricity from the grid :26.79% ■ Renewable energy usage as a proportion of total energy usage: 0% ■ Self-production energy usage: 0% 	3.2 Sustainable Energy Management	63
2	Total Water Withdrawal ,Total Water Consumption, Waste (sewage) discharge volume disclosed in accordance with legal requirements or voluntarily	m ³ , Percentage (%)	<ul style="list-style-type: none"> ■ Total Water Withdrawal: 63.12 m³ ■ Water Discharge: 37.05 m³ ■ Total Water Consumption: 26.07 m³ 	3.3 Cherish Water Resources	65
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.	m ³ , Percentage (%)	<ul style="list-style-type: none"> ■ 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	66
4	Explain the number and rate of occupational accidents	Percentage (%),Quantify	<ul style="list-style-type: none"> ■ In 2024, the number of occupational accidents at the Pingnan Factory was 1, all male, the occupational injury rate was 0.45%, and there were no work-related deaths 	4.4.3 Employee Care	86
5	Operational activities that have significant actual or potential negative impacts on local communities	N/A	<ul style="list-style-type: none"> ■ Cathay Chemical has taken the following measures to reduce the negative impact of the company on the community: <ol style="list-style-type: none"> (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	86
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	<ul style="list-style-type: none"> ■ In order to reduce the negative impact of the company and its suppliers on the environment and society, Cathay Chemical.The impact has been assess 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 	2.3 Supply Chain	56

			environmental responsibilities.		
7	Product output by product category	Varies by product type	<ul style="list-style-type: none"> Company's production volume of Sodium Hydrosulfite, Zinc Oxide, Sodium Formaldehyde Sulfite and Sodium Metabisulfite etc. in 2024 is 10,600 MT. For details, please refer to Cathay Chemical 2024 Annual Shareholders' Meeting Report. 	1.1 Company Overview Profile	16

Note: The total amount of self-consumption energy is define 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	45
2. Describe how the identified climate risks and opportunities affects the company's business, strategy and finances (short term, medium term, long term).	1.6 Financial risks related to climate change	45
3. Describing the financial impact of extreme climate events and transition actions.	1.6 Financial risks related to climate change	45
4. Describe how climate risk identification, assessment and management processes are integrate into the overall risk management system.	1.6 Financial risks related to climate change	45
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 explain. 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	45

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 verify by a third-party inspection agency. The company will continue to prepare for the introduction of ISO 14064-1 greenhouse gas inventory in 2024. The greenhouse gas emissions of Pingnan Factory are explained as follows:				
Total greenhouse gas emissions in 2022 (Reporting period : 2022.01.01~2022.12.31)	Scope 1	Total emissions (t CO _{2e})	Operating income (Million dollar)	Density (t CO _{2e} / Million dollar)
	Pingnan Factory	3,225.6994	571	5.65

	Scope 2	Total emissions (t CO₂e)	Operating income (Million dollar)	Density (t CO₂e/ Million dollar)
	Pingnan Factory	2,514.2040	571	4.40
Total greenhouse gas emissions in 2023 (Reporting period : 2023.01.01~2023.12.31)	Scope 1	Total emissions (t CO₂e)	Operating income (Million dollar)	Density (t CO₂e/ Million dollar)
	Pingnan Factory	2,710.3103	476	5.69
	Scope 2	Total emissions (t CO₂e)	Operating income (Million dollar)	Density (t CO₂e/ Million dollar)
	Pingnan Factory	2,108.1944	476	4.43
Total greenhouse gas emissions in 2024 (Reporting period : 2024.01.01~2022.12.31)	Scope 1	Total emissions (t CO₂e)	Operating income (Million dollar)	Density (t CO₂e/ Million dollar)
	Pingnan Factory	3,854.94	528	7.30
	Scope 2	Total emissions (t CO₂e)	Operating income (Million dollar)	Density (t CO₂e/ Million dollar)
	Pingnan Factory	2,322.18	528	4.40
	Scope 3	Total emissions (t CO₂e)	Operating income (Million dollar)	Density (t CO₂e/ Million dollar)
	Pingnan Factory	1,538.70	528	2.91
<ol style="list-style-type: none"> 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:

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 expect to be complete in 2027.

Note 1: It should be handle 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	
<p>(1). Short term goals (2~3 years):</p> <p>(2). Continue to pay attention to future water shortages and strive to reduce the company's water consumption or improve water recycling efficiency</p> <p>(3). Achieve the annual electricity saving target of 1% and reduce greenhouse gas emission intensity</p> <p>(4). Medium & long term goals (3~5 years):</p> <p>According to the "Sustainable Development Roadmap" planning content schedule, announced by the Financial Regulatory Commission in March 2022. The Company belongs to the third stage and needs to complete the greenhouse gas inventory and verification of information disclosure. The time is 2026 to complete the 2025 inventory information, and 2028 to complete the 2027 verification. The company plans to start collecting annual greenhouse gas inventory data in 2024, complete the inventory in 2025, and complete the verification in 2027.</p>	
Achievement of volume reduction in 2024	
Energy and greenhouse gas emissions reduction	<ul style="list-style-type: none"> ■ Cathay Chemical cooperates with the energy saving policy of the Bureau of Energy, in 2024 power saving plan. The traditional motor was replaced with an IE3 motor, and the traditional pump was replaced with a high-efficiency pump, saving approximately 44,480 kWh of electricity throughout the year, with an energy saving rate of 0.96%. ■ The independent inventory data of Pingnan Factory in 2024 are as follows: Scope 1: 3,854.94 tCO₂e Scope 2: 2,322.18 tCO₂e Scope 3: 1,538.7 tCO₂e Total emissions = Scope 1+ Scope 2+ Scope 3: 7,715.82 tCO₂e
1	It shall be handle 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.