

TSRC Corporation

Key Highlights of 2022 1st Virtual Investor Conference Presentation

TSRC Corporation is a leading company in synthetic rubber and elastomers with the objective to become a global specialty chemical enterprise. In its 1st Investor Conference this year, TSRC reviewed the business and financial performance of 2021 and 1Q2022, and elaborated its ESG strategy, goals, and action plans.

In 2021, TSRC achieved record revenue & profit in the past decade by leveraging favorable market dynamics and adapting to the rapid changes with effective measures. Its 2021 consolidated operating profit was NTD 3,928 million, an increase of 378% from 2020, and net income was NTD 3,931 million with an EPS of NTD 4.76. In 1Q2022, synthetic rubber industry continued the uptrend, and TSRC's consolidated operating profit was NTD 1,003 million, and net income was NTD 652 million with an EPS of NTD 0.79. Looking forward into 2022, geopolitical risk escalates the global inflation and dampens the already moderate growth projection. The COVID-19 resurgence and lockdown measures in Mainland China has further strained the global supply chain. TSRC plans to maintain close customer collaboration and leverages on operational resilience to counter the market turbulences.

TSRC upholds its enterprise mission in sustainability and adopts the Environmental, Social, and Governance (ESG's) framework of "advance environmental protection", "advocate social positivity" and "assure governance for sustainability". TSRC ESG strategy focuses on nine categories with key targets and action plans. In Environmental aspect, TSRC takes actions such as gradually retiring coal-burning boiler, installing solar panels, and expanding wastewater recycling facility to reduce the impacts to environment, with the 2030 targets of 22.5% carbon emission reduction (scope1+2) versus the base year of 2021, 30% renewable energy and 40% recycled water. In Social aspect, TSRC aims to strengthen the organizational capability in sustainability with all employees undertake ESG training and TSRC establishes a comprehensive ESG management system, improves health, safety & wellbeing of employees with targeted Total Recordable Incident Rate (TRIR) consistently below 0.3 by 2030. In Governance, TSRC plans to strengthen corporate governance through global implementation of risk/crisis management, build resilient operation with all key suppliers implementing carbon emission reduction plan by 2025 and 80% local sourcing, and business sustainability goal of 15% new product revenue by 2025 and 10% new business revenue by 2030.

TSRC adopted the TCFD framework and SASB standards in 2021 for more comprehensive disclosure and will release its first Sustainability Report in June 2022. Its ESG implementation in 2021 has delivered good results including a 4.7% year-over-year (YoY) reduction in carbon emission intensity, 9.4% YoY decrease in unit product waste and 6% YoY increase in R&D spending. Please refer to the company website for more details on ESG targets, action plans and progress for better stakeholder engagement and sustainable enterprise value creation.