

## TSRC ESG strategy & Targets

### Environmental

Focus Area      Target      2023      →      2025      →      2030

Towards Carbon Neutrality Operation	Reduce total carbon emission (Scope1+2; Base year:2021)	Total carbon emissions reduction by <b>5%</b> versus base year	Total carbon emissions reduction by <b>10%</b> versus base year	Total carbon emissions reduction by <b>22.5%</b> versus base year
	Increase the use of renewable energy	Increase renewable energy to <b>5%</b> of total electricity consumption	Increase renewable energy to <b>10%</b> of total electricity consumption	Increase renewable energy to <b>30%</b> of total electricity consumption
Water Resource Optimization	Increase wastewater recycling	Increase wastewater recycling to <b>25%</b> of total volume of wastewater	Increase wastewater recycling to <b>36%</b> of total volume of wastewater	Increase wastewater recycling to <b>40%</b> of total volume of wastewater
	Increase recycled water utilization	Increase recycled water utilization to <b>15%</b> of total water consumption	Increase recycled water utilization to <b>34%</b> of total water consumption	Increase recycled water utilization to <b>40%</b> of total water consumption
Lower Products' Carbon Footprint	Develop eco-friendly products	Develop new-generation synthetic rubber for green and EV tires/shoe materials to reduce carbon emissions by around <b>150,000 mt</b> (based on sales projection)	Develop new-generation synthetic rubber for green and EV tires/shoe materials to reduce carbon emissions by around <b>300,000 mt</b> (based on sales projection)	Develop new-generation synthetic rubber for green and EV tires/shoe materials to reduce carbon emissions by around <b>1,500,000 mt</b> (based on sales projection)
		Develop eco-friendly foaming product	Develop eco-friendly foaming products with recyclability	Develop eco-friendly foaming products that use renewable materials and more recyclability
		Special styrene block copolymer (SBC) developed for medical equipment, shoe materials, plastic modification aim to increase recyclability and decrease medical waste	New type of special styrene block copolymer (SBC) developed for reducing energy consumption and organic solvents in customer production process	Medical TPE products developed for reducing medical waste by 10% compared with previous generation products by sales
	Product process optimization	Optimize production process of TPE products, reduce use of steam to achieve <b>1,800 mt</b> per year of carbon emissions reduction	Optimize production process of TPE products to reduce electricity and energy consumption	Optimize production process of TPE products, reduce electricity and energy consumption to achieve <b>9,000 mt</b> per year of carbon emissions reduction
	Use of renewable materials*	Develop renewable raw material suppliers	Renewable raw materials account for 5% of total raw material purchase	Renewable raw materials account for 15% of total raw material purchase
	Increase Sustainable products**	Sustainable Products account for 3% of total sales	Sustainable Products account for <b>20%</b> of total sales	Sustainable Products account for <b>40%</b> of total sales

\*Renewable Materials :(1) Agriculture based (2) Bio-based (3) Waste of other products

\*\* TSRC sustainable product:(1) **Reduction**: reduce product carbon emission intensity /product for reducing environmental impact/products for reducing customer's energy consumption of process (2) **Recycle**: product with recyclability (3) **Renewable**: products using renewable materials (4) **Replace**: Products that can safely replace other product

## Social

Focus Area	Target	2023	→ 2025	→ 2030
Strengthen organization's Sustainability Capability	Enhance organizational ESG development and employee competency	30% of employees (cumulative) undergone multiple competency training Build organizational ESG mindset through completion of ESG training program globally	60% of employees (cumulative) undergone multiple competency training Strengthen organizational ESG capacity via development and integration of ESG information & management systems	80% of employees (cumulative) undergone multiple competency training Enhance ESG performance analysis
	Sustainable Cooperative Program with business partners or outside institutions	Achieve > 300 participants (cumulative) for academic or technology exchange with business partners or outside institutions	Achieve > 1,000 participants (cumulative) for academic or technology exchange with business partners or outside institutions	Achieve > 5,000 participants (cumulative) for academic or technology exchange with business partners or outside institutions
Improve Health, Safety & Wellbeing of Employees	Enhance global workplace safety	TRIR ≤ 0.36	TRIR < 0.3	TRIR < 0.3 and achieve one or more years of zero recordable injuries
	Strengthen employee engagement	70% engagement score via employee engagement survey	72% engagement score via employee engagement survey	75% engagement score via employee engagement survey
	Enhance employee's physical and mental care	> 500 employees (cumulative) participated in physical and mental health activities or lectures	More than half of global sites provide physical and mental consulting services	All global sites provide physical and mental consulting services
Enhance social engagement	Support environmental protection and social care programs	> 300 volunteers (cumulative) for social care or environmental protection activities	> 600 volunteers (cumulative) for social care or environmental protection activities	> 1,000 volunteers (cumulative) for social care or environmental protection activities
	Promote science education programs	> 150 participants (cumulative) for science education activities	> 300 participants (cumulative) for science education activities	> 1,000 participants (cumulative) for science education activities

## Governance

Focus Area	Target	2023	→ 2025	→ 2030
<b>Strengthen Corporate Governance</b>	<b>Enhance risk &amp; crisis management</b>	Refine climate risk management mechanism, protection measures, and timely disclosure	Strengthen risk monitoring and improve operation management via digital management system	Continuous improvement on global risk management and crisis response mechanisms
<b>Integrate Sustainability and Business Strategies</b>	<b>Build new sustainable business</b>	Evaluation of new business	New business contributes <b>&gt; 5%</b> of total consolidated revenue	New business contributes <b>&gt;10%</b> of total consolidated revenue
	<b>Strengthen innovation momentum</b>	Increase new products development activities	New products contribute <b>&gt; 15%</b> of consolidated revenue	Increase new product revenue contribution
	<b>Uplift customized - service value*</b>	Increase the sales of easy-to-process synthetic rubber by <b>&gt; 8%</b> versus 2021, and evaluate other solutions for customized services	Increase The sales of easy-to-process synthetic rubber by <b>20%</b> versus 2021, and pilot other new customized products or services	Increase the sales of easy-to-process synthetic rubber by <b>&gt; 50%</b> versus 2021 and commercialize other new customized products or services
<b>Build Resilient Operation</b>	<b>Accelerate reduction of supplier's GHG emission</b>	Require top 20 suppliers (by purchase spent) to implement GHG emission reduction target and actions	Require top 50 key suppliers by purchase spent) implement GHG emission reduction target and actions	Require all suppliers implement GHG emission reduction target and actions
	<b>Strengthen supply chain integrity</b>	<b>&gt;70%</b> (total purchase spent) of raw materials from local sourcing and develop local suppliers of renewable raw materials	<b>&gt;75%</b> (total purchase spent) of raw materials from local sourcing and develop local suppliers of renewable raw materials	<b>&gt;80%</b> (total purchase spent) of raw materials from local sourcing and develop local suppliers of renewable raw materials

\*TSRC customized service: (1) **Easy Processibility**: Assist customers to reduce production process to save energy or resource consumption (2) **eco-friendly packaging**: Assist customers to reduce carbon emissions in transportation and logistics process (3) **High-value application**: cooperate with value chain partners, provide solutions, and assist customers enter green industry chain (4) **Others**