

Evaluation and Actions for Material Topics

TSRC follows the GRI Standards to analyze and identify material issues. Through the five steps of "identification, evaluation, analysis, examination, and approval," TSRC examined the substantive and potential impacts of daily operations on the economy, environment, and society/people, incorporating input from internal and external stakeholders to optimize TSRC ESG management strategies and track and manage impacts.

2023 Material Topics

In 2023, TSRC identified 11 material topics, which are as follows: Climate strategy and GHG emissions, Energy management, Water resource management, Waste and hazardous substance management, Occupational health and safety, Talent development, Business strategy and economic performance, Compliance, Sustainable innovation, Risk management, and Sustainable supply chain management. The following is a summary of each material topic and its strategies and actions. For detailed information, please refer to the [2023 TSRC Sustainability Report](#).

Material Topics	Positive/negative impacts on the Economy, Environment, and People (Including their human rights)	Policies or Commitment	Actions
Climate strategy and GHG emissions	<p>※ Positive - Reducing the carbon footprint of products 【Environmental】 TSRC is committed to reducing the carbon footprint of its products in order to reduce emissions and mitigate the negative impacts of climate change and the environment.</p> <p>【Society/People】 TSRC provides customers with low carbon footprint products to help them meet their carbon reduction goals.</p> <p>※ Negative - Greenhouse gas emissions 【Environmental】</p>	<ul style="list-style-type: none"> • TSRC ESG strategy & Targets • Environmental Policies 	<ul style="list-style-type: none"> • Promote energy-saving and low-carbon manufacturing process • Plan the use of renewable energy

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	<p>TSRC's operations and suppliers emit greenhouse gases that cause climate change and impact the environment, ecology and biodiversity</p> <p>【Society/People】 TSRC's operations and suppliers emit greenhouse gases that cause climate change and related disasters and damage the rights and interests of society and people.</p> <p>【Economy】 TSRC's operations and suppliers emit greenhouse gases that cause climate change and related climate disasters, resulting in overall economic losses.</p>		
<p>Energy management</p>	<p>※ Positive - Using renewable energy</p> <p>【Environmental】 If TSRC uses renewable energy to reduce its dependence on fossil fuels, it will help mitigate climate change and negative environmental impacts.</p> <p>【Economy】 If TSRC's demand for renewable energy increases, it will promote the development of renewable energy technologies and facilitate the development of the green chemical industry and the transformation of the low-carbon economy.</p>	<ul style="list-style-type: none"> • TSRC ESG strategy & Targets • Environmental Policies 	<ul style="list-style-type: none"> • Promote energy-saving and low-carbon manufacturing process • Plan the use of renewable energy

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	<p>※ Negative - Use of fossil fuels 【Environmental】 TSRC and its suppliers use fossil fuels in their operations, resulting in the continued extraction of fossil fuels. The extraction process can pose a threat to water and the ecosystem.</p> <p>※ Negative - High energy consumption 【Environmental】 If TSRC consumes a significant amount of energy, it may have a crowding-out effect on energy resources in the area of operation, resulting in the competent authorities to expand the construction of power plants or related facilities to meet the energy needs of industries and communities. It may have adverse effects on the environment, ecosystem and wildlife habitats.</p> <p>【Society/People】 If TSRC consumes a substantial amount of energy, it may cause crowding-out effects on the allocation of energy resources, which may harm the rights and interests of local communities in the use of energy.</p>		
Water resource management	<p>※ Positive - Water recycling and reuse 【Environmental】</p>	<ul style="list-style-type: none"> • TSRC ESG strategy & Targets • Environmental Policies 	<ul style="list-style-type: none"> • Promote wastewater reuse

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	<p>Increasing the wastewater recycling rate and the use of reclaimed water will reduce TSRC's tap water consumption, its dependence on water resources, and its impact on the ecological environment.</p> <p>【Economy】 TSRC's expansion of reclaimed and recycled water promotes the development of reclaimed water technology and the transition to a green economy.</p> <p>※ Negative - High water consumption</p> <p>【Environmental】 If TSRC has a high consumption on tap water, it may lead to crowding-out effects on water resource in the area of operation, resulting the competent authorities expanding the construction of reservoirs or the water storage facilities to meet the water consumption of industries and local communities. The construction may cause adverse impact on the environment, ecosystem, and wildlife habitats</p> <p>【Society/People】 If TSRC has a high consumption on tap water, it may lead to crowding-out effects on the distribution of water resources, which may harm the rights and</p>		<ul style="list-style-type: none"> • Increase recycled water usage percentage • Optimize wastewater treatment facilities

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	<p>interests of local communities in the use of water.</p> <p>※ Negative - Improper treatment of wastewater</p> <p>【Environmental】 If the wastewater generated by TSRC is directly discharged without proper treatment, it may lead to environmental and water pollution and affect the balance of the ecosystem.</p> <p>【Society/People】 If the wastewater generated by TSRC is directly discharged without proper treatment, it may affect the health of employees and local communities.</p>		
<p>Waste and hazardous substance management</p>	<p>※ Positive - Waste reduction, reuse and recycling</p> <p>【Environmental】 TSRC promotes the recycling and reuse of waste to avoid the extraction of raw materials and to reduce the impact on the environment. By reducing waste generation, TSRC avoids the use of energy resources and potential ecological impacts of waste disposal.</p> <p>※ Negative - Toxic chemical spills</p> <p>【Environmental】 If TSRC produces harmful chemicals and discharges them into water or soil, it may cause the</p>	<ul style="list-style-type: none"> • TSRC ESG strategy & Targets • Environmental Policies 	<ul style="list-style-type: none"> • Optimize the manufacturing process to reduce waste • Reuse and recycle waste

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	<p>death of animals and plants, resulting in an ecological disaster</p> <p>【Society/People】</p> <p>If TSRC discharges harmful chemicals into water or soil, the local community or end-users are directly exposed to the toxic substances, resulting in physiological disorders or chronic poisoning through biomagnification and long-term accumulation in the human body.</p>		
Occupational health and safety	<p>※ Positive - Promoting health and safety in the workplace</p> <p>【Society/People】</p> <p>TSRC continues to optimize the workplace environment and health to provide employees with a positive and safe work environment</p> <p>【Society/People】</p> <p>TSRC advocates workplace health promotion measures to improve the health of employees and the overall productivity of the economies in which it operates.</p> <p>※ Negative - Occupational injuries</p> <p>【Society/People】</p> <p>If TSRC's occupational health and safety activities are not properly managed, it may result in occupational injuries and illnesses, affecting the labor rights and health of employees.</p>	<ul style="list-style-type: none"> • TSRC ESG strategy & Targets • HSE incident reporting and investigation procedures • Contractor management procedure • TSRC Group Supplier Code of Conduct 	<ul style="list-style-type: none"> • Establish the TSRC HSE incident management mechanism • Set up the TSRC global HSE awards

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Talent development	<p>※ Positive - Improving talent cultivation</p> <p>【Society/People】 TSRC provides on-the-job training and job coaching to assist employees with future career planning and development.</p> <p>【Economy】 TSRC provides comprehensive professional training courses and learning resources to cultivate talents in the chemical industry and promote the improvement of the overall competitiveness of the industry.</p>	<ul style="list-style-type: none"> • TSRC ESG strategy & Targets • Talent development policy 	<ul style="list-style-type: none"> • Promote four cultivation programs including the TSRC Management Leadership Model • Conduct e-learning courses
Business strategies and performance	<p>※ Positive -Good operational strategies and performance</p> <p>【Society/People】 TSRC continues to make profits, creating higher economic value and benefits for shareholders and employees.</p> <p>【Economy】 TSRC's good operating strategies and continued profitability revitalize the local economy and create momentum in the area where the plant is located</p>	<ul style="list-style-type: none"> • 2023 Investors Conference Presentation 	<ul style="list-style-type: none"> • Adopt a proactive pricing strategy • Utilize product portfolio advantage
Risk Management	<p>※ Negative - Mismanagement of risk</p> <p>【Society/People】 If TSRC's mismanagement of risks results in major violations or operating losses, it will damage the rights and interests of</p>	<ul style="list-style-type: none"> • TSRC Enterprise Risk Management Policy 	<ul style="list-style-type: none"> • Develop and implement risk management actions • Monitor risk responses quarterly

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	<p>employees, shareholders, and customers.</p> <p>【Economy】 If TSRC doesn't properly manage its finances, strategies, operations, industrial risks and climate risks, the company will incur losses and affect the tax revenue and overall economic development of the region in which it operates.</p>		
<p>Compliance</p>	<p>※ Negative - Violation of laws and regulations</p> <p>【Environmental】 If TSRC violates environmental laws and regulations, causing environmental laws and regulations, causing pollution or other negative effects and disrupts the ecological balance, TSRC will be subject to penalties imposed by the relevant authorities.</p> <p>【Society/People】 If TSRC violates labor, human rights or product labeling laws and regulations, it will be fined by the relevant authorities and the rights of employees, customers and suppliers will be harmed..</p> <p>【Economy】 If TSRC violates laws and regulations related to corporate governance, and ethical integrity and other governance-related failures that result in the company</p>	<ul style="list-style-type: none"> • Corporate Governance Guidelines • Code of Ethics • Code of Business Conduct • Management Procedure for Insider Trading • Management Procedure for Antitrust Compliance 	<ul style="list-style-type: none"> • Track laws and regulatory updates • Develop and host educational training and dissemination

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	<p>being fined by the relevant authorities, the overall economic development and efficiency will be reduced.</p>		
<p>Sustainable innovation</p>	<p>※ Positive - Sustainable innovation</p> <p>【Environmental】 TSRC provides innovative, sustainable products to reduce energy and resource consumption and ecological impact</p> <p>【Economy】 TSRC has innovative and sustainable technology that encourages the rubber industry to promote low-carbon, waste-reducing and energy-saving production technologies, and stimulates the sustainable transformation of the entire industry and economy</p>	<ul style="list-style-type: none"> • TSRC ESG strategy & Targets • "Overview of Development Management" • "R&D Management Measures" • "R&D Management Measures" • "New Product Development Management Measures" 	<ul style="list-style-type: none"> • Promote energy-saving and carbon-reduction manufacturing process • Optimize manufacturing process and technology • Increase Innovative and sustainable products
<p>Sustainable supply chain management</p>	<p>※ Negative - Inadequate supply chain management</p> <p>【Environmental】 Due to inadequate supply chain management, TSRC's suppliers have caused environmental pollution, destroying ecological balance and environmental quality.</p> <p>【Society/People】 Due to inadequate supply chain management, TSRC's suppliers have violated workers' rights and interests, resulting in harm to workers' rights and interests.</p>	<ul style="list-style-type: none"> • TSRC ESG strategy & Targets • TSRC Group Supplier Code of Conduct 	<ul style="list-style-type: none"> • Annually screen suppliers for desk-based or on-sites assessments • Track top 20 suppliers' GHG reduction plan implementation status

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	<p>【Economy】 Due to inadequate supply chain management, TSRC's suppliers have been dishonest, corrupt, or fraudulent, affecting the development of the rubber industry and the overall economic efficiency.</p>		