

## Letter from the CEO

In 2023, the world grappled with economic, climate, and geopolitical changes, resulting that Inflationary pressures, price competition, and extreme weather events posed challenges to the chemical industry and companies' adaptability. As a global leader in specialty chemical materials, TSRC remains steadfast in its commitment to innovation and operational resilience. TSRC champions ESG action plans aimed at enhancing process energy efficiency, expanding the utilization of renewable energy, and reducing steam consumption and product carbon footprint to bolster core competitiveness and fulfill our pledge to safeguard the environment and human well-being.

TSRC's key environmental, social and governance initiatives and annual achievements in 2023 are as follows:



### Environment

In order to meet TSRC's objectives of carbon reduction and renewable energy, several strategic initiatives were undertaken in 2023. These included obtaining ISO 14064-1 third-party verification for the Group's GHG emissions inventory and ISO 14067 verification for the carbon footprint of 19 key products, augmenting the use of low-carbon fuels, installing solar power generation equipment, and procuring renewable energy. These measures aimed at reducing both direct and indirect carbon emissions, yielding results that surpassed the Group's initial target of a 5% reduction in GHG emissions compared to the base year. At the same time, by enhancing wastewater treatment facilities and increasing utilization of wastewater recycling, the Group achieved a wastewater recycling rate of 25% and a reclaimed water use rate of 22%.



### Social

TSRC places significant emphasis on talent development and the safety and well-being of its employees, aiming for enhancement of sustainable capabilities and a reduction in occupational accidents over the long term. In 2023, TSRC conducted ESG basic education and training sessions for our employees and tailored to individual functional roles to enhance talent development. To strengthen organizational cohesion, experienced managers and colleagues were invited to share their experiences and methodologies at the sharing events focused on TSRC's core values of Integrity, Innovation, Teamwork, Accountability, and Excellence. Meanwhile, we expanded initiatives encompassing environmental conservation, scientific education promotion, and community support to uphold social responsibility and contribute positively to local communities.



### Governance

To bolster product competitiveness, the TSRC Kaohsiung Dashe Factory has obtained ISCC Plus sustainable product certification, ensuring customers have access to products crafted from renewable materials. Proactively responding to evolving external conditions and extreme weather events, TSRC regularly assesses the impact of material climate risks, strengthens information security protection measures, and sustains operational resilience. By the end of 2023, over 95% of TSRC Group suppliers had signed the TSRC Group Supplier Code of Conduct and TSRC has enhanced sustainable supplier management.

As TSRC celebrates its 50<sup>th</sup> year milestone, it remains steadfast in its commitment to a "people-oriented" approach, recognizing employees as invaluable assets and the bedrock of the company's competitiveness. In 2023, a diverse array of activities encompassing environmental protection, recycling initiatives, humanistic engagement, scientific education, and artistic innovation were organized. All employees were invited to participate events including beach clean-ups, creative photos and essay contests, charitable chemistry camps, and family days. Through these endeavors, we reflected on TSRC's journey alongside our employees, collectively embraced environmental stewardship, and promoted the connection between chemistry and human life through charity activities.

Looking ahead, enhancing operational resilience and environmental preservation stands as paramount importance for the company. TSRC is committed to leveraging cutting-edge innovative technologies to develop new products and expand new businesses for bolstering operational growth. Additionally, TSRC aims to collaborate with business partners across the value chain to foster symbiotic relationships with the environment and society, continuing to strive for sustainable development

CEO of TSRC *Joseph Chai*