

2025
TSRC Climate-Related
Financial Disclosures Report



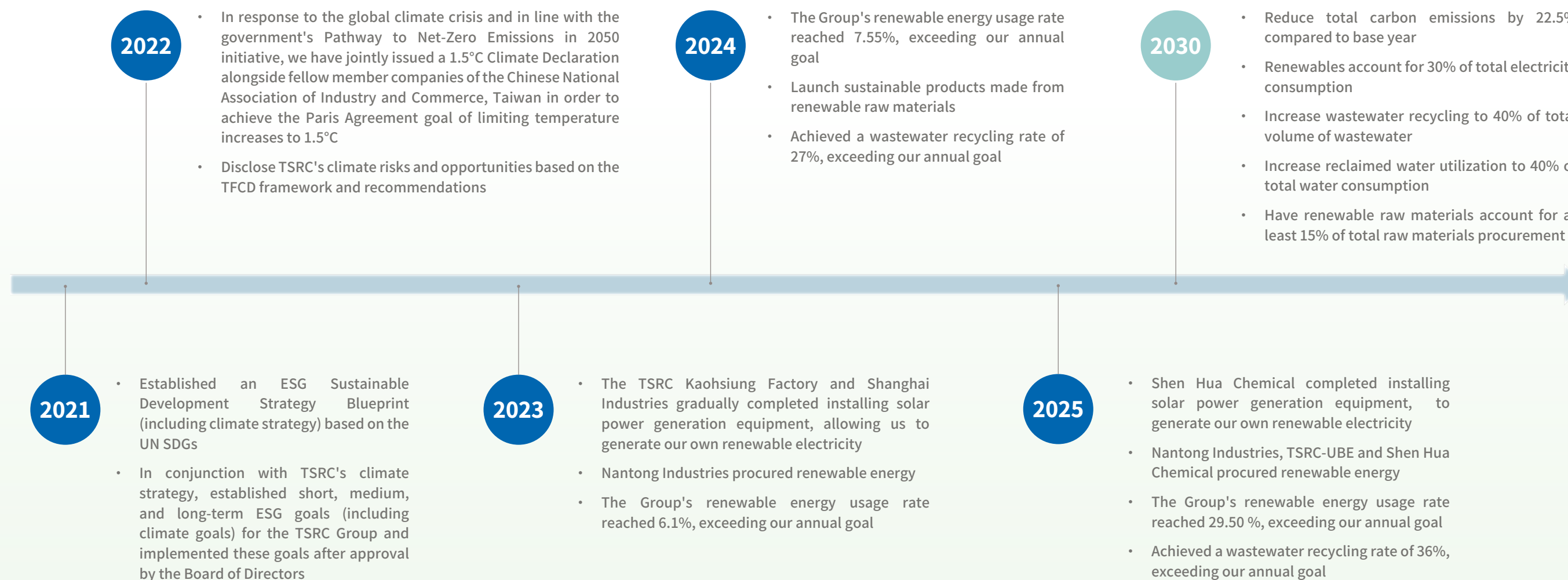
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Climate-Related Milestones

TSRC recognizes the impact of climate change on humans and the environment, as well as the importance and extent of climate-related issues on the Company's operations. Since 2021, TSRC has established a climate risk and opportunity management mechanism based on the TCFD framework. In 2025, TSRC gradually implemented IFRS S1 "General Requirements for Sustainability-Related Financial Disclosures" and IFRS S2 "Climate-related Disclosure" according to the timeline for the adoption of the IFRS Sustainability Disclosure Standards for listed companies as announced by the TWSE. This was done in accordance with the "Roadmap for Taiwan's Alignment with IFRS Sustainability Disclosure Standards" issued by the Financial Supervisory Commission, as well as the requirement for listed companies with a capitalization of NT\$5 billion to NT\$10 billion to adopt the IFRS Sustainability Disclosure Standards. According to the schedule, the Group's 2027 Sustainability Report will adopt the International Sustainability Reporting Guidelines to prepare a sustainability chapter. Prior to this, TSRC will focus on disclosing key information in accordance with the core requirements of IFRS S2 and integrate this with the company's risk management processes. Through the four major dimensions of "governance, strategy, risk management, metrics and targets," TSRC will examine the company's potential climate risks and opportunities. We will use climate strategies and implement risk management to mitigate the impact of risks, with the goal of creating new business opportunities by capitalizing on the opportunities presented by the climate transition.

TSRC has remained devoted to climate and carbon reduction efforts for many years, and has made significant progress. TSRC also cooperates with the government's climate policy and implementation schedule, and follows the established climate change transition plan and sustainable development direction to ensure that the external policy position is consistent with the company's goal of mitigating and adapting to climate risks. The company is taking a gradual approach to mitigate the impact of climate change and continues to strengthen the operational resilience of its production sites to ensure stable operations in the face of climate-related disasters.



Governance

TSRC Climate Governance and Management Framework

The Highest Governance Body for Climate-Related Management

Determines the Group's sustainability strategies (including climate-related strategies) and key objectives, and regularly reviews the Company's assessments of climate-related risks and opportunities, response strategies, targets, mitigation measures, and implementation progress.

The Climate Management Team

Verifies the Company's climate-related risks and opportunities, climate strategies, and action plans to mitigate climate impacts, and regularly reports implementation progress to the Board of Directors.

The Climate Risk Task Force

Promotes and implements various climate-related risk and opportunity initiatives, and regularly reports implementation progress to the Executive Leadership Team.



Key Governance Implementation Status

Board of Directors

- Through receiving quarterly operations reports from the Executive Leadership Team, the Board is kept up-to-date about the operations at each production location, as well as examine climate disasters caused by extreme weather events (such as typhoons and flooding) which affect business operations, production, or raw materials supply. The Board then provides recommendations to the Executive Leadership Team.
- Received climate-related reports from the Executive Leadership Team in May and November 2025, covering transition and physical risks, risk severity, response strategies, target setting, mitigation measures and plans, as well as the implementation status of transition risk actions and opportunities.
- To strengthen sustainable development and climate risk management, the directors strengthen their judgment and decision-making abilities through professional forums and lectures. The courses cover circular economy, nature and climate risks, climate-related financial disclosures, international sustainability disclosure standards, and AI transformation that supports sustainable governance, thereby continuously strengthening the Board's capabilities in sustainable governance, climate risk management, and long-term value creation.
- Performance evaluations are conducted on a regular basis every year. The evaluation indicators include the attendance rate at Board of Directors meetings and contribution to TSRC's key operational issues (such as business strategy, operational performance, risk management, climate-related risk monitoring, and ESG sustainable development goals).
- The Company makes major decisions, such as discussing the Group's budget in December 2025, taking into consideration energy conservation and carbon reduction, improving water resource utilization, air pollution management, and planning ESG-related capital expenditures.
- In November 2025, the Audit Committee received an audit report on climate and greenhouse gas-related information disclosure.
- In 2025, the Compensation Committee reviewed the achievement status of climate-related goals and approved the CEO's compensation.

Executive Leadership Team

- The ESG Work Team and other related functional departments were designated to conduct the annual climate risks and opportunities assessment, and ELT confirmed the response plans and planned measures proposed by the ESG Task Force for implementation.
- Regularly monitor Taiwan's carbon pricing regulations and the development of carbon pricing in various countries, and use applicable carbon fee rates and IEA reports to establish an internal carbon pricing framework in Taiwan. This will enable the assessment of the impact of carbon pricing on the Group's operations and finance, as well as the evaluation of the benefits to the company from capital expenditures on energy-saving equipment.
- Through quarterly ELT meetings, the ESG Work Team reports on the implementation of important climate goals.
- Important climate risk goals are linked to the Company's annual organizational goals and the Executive Leadership Team's individual performance goals, encouraging the organization and management to implement climate measures.
- In September 2025, the ESG Work Team reported the results of the 2025 Climate Risk and Opportunities Assessment to the Board of Directors, after the report results have been confirmed by the CEO.
- Launched the IFRS Sustainability Disclosure Guidelines implementation plan, established a cross-departmental task force, implemented the IFRS framework by the third quarter of 2025, and presented a summary of the gap analysis to the Board of Directors.

Board of Directors and Senior Management Compensation Policy

Board of Directors

- The compensation of the Company's Board of directors is determined in accordance with the "Articles of Incorporation" and the "Compensation Committee Charter," the Compensation Committee and the Board of Directors hold regular reviews, taking into account the director's participation in the company's operations, including meeting attendance, contributions to the performance of material topics (such as business strategy, operational performance, risk management, the promotion of ESG and sustainable development goals), and the Board of Director's performance evaluation result. The compensation also refers to the domestic and international director's compensation structure and trends. TSRC adopts fixed compensation and differentiates the compensation between independent directors and general directors.
- Director's compensation includes salaries, director's fees, and business execution expenses, but does not include signing bonuses or recruitment bonuses, and there is no clawback mechanism. The compensation for independent directors is based on their responsibilities and level of participation, their meeting attendance for the year, and any additional time they have invested. Reasonable compensation is provided based on TSRC's operating performance and the industry's standards. Pursuant to the "Articles of Incorporation", if the Company makes a profit that year, no less than 1% of the profit shall be allocated as employee bonuses and not more than 1% as directors compensation. TSRC does not have compensation consultants involved in determining compensation. The director's compensation for 2025 will be reported in the 2026 shareholders' meeting after approval by the Board of Directors.

Executive Leadership Team

- The Company's compensation policy for senior managers (including the CEO and the highest-ranking supervisor of a functional unit - vice president or assistant vice president rank) takes into consideration factors such as individual experience and abilities, the scope of a manager's responsibilities, their contribution towards meeting operating targets, salary standards for the industry, and internal fairness when providing compensation plans. Compensation is designed to take into account the Company's sustainable management and operational performance, and includes both fixed compensation and variable bonuses. Fixed compensation is provided as a monthly salary, while variable bonuses are awarded based on overall organizational performance and individual performance evaluation results for the year. Performance indicators include the annual operating performance of the Group, the performance results of each operational function, and the achievement rate of individual performance goals.

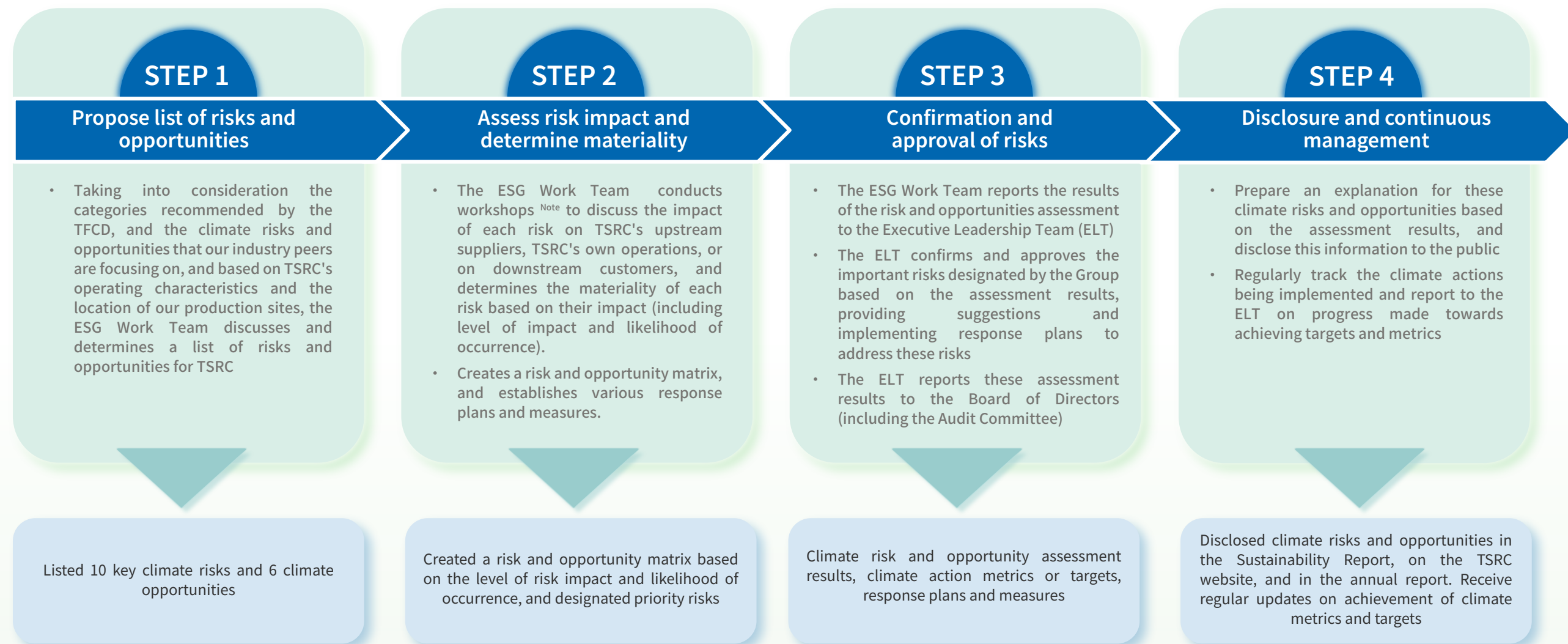
Senior managers	Performance Measurement Criteria		Weight	Performance Items Linked to ESG and Sustainability Goals	Sustainability Performance Weighting
CEO ^{Note1}	Individual Performance	Financial goals	60%	- Annual carbon reduction goal - Annual wastewater recycling goal - Total recordable injury rate goal - Progress of new business developments	10%
		Strategic goals	40%		
Highest-ranking supervisor of each functional unit (including the Business Division, Production and Manufacturing, R&D, Human Resources, Legal, Finance, and Corporate Development Departments)	Organizational Performance Balanced Score Card ^{Note2}	Financial goals	70%	- New product sales volume - New product profit contribution	Each area has different weight
		Strategic goals	30%	- Total recordable injury rate goal - New product development progress	
	Individual Performance	Set at least one sustainability goal as an individual goal based on function	Different weights apply based on function	- Annual carbon reduction goal - Annual wastewater recycling goal - New product sales results - New product development progress - Product process optimization (performance) - Improve corporate governance performance - Circular economy applications - Implement and strengthen ESG strategies, goals, and plans - Obtain sustainable product certification (ISCC PLUS) - Progress of sustainable product production capacity expansion projects - Talent cultivation program progress - Progress of new business developments	Individual performance is evaluated based on goal type. Give a final individual performance score out of 5

Note 1: The CEO's compensation plan, which includes salary, performance targets, and performance bonuses, follows the Company's business authority guidelines. This plan is reviewed by the Compensation Committee and implemented after approval by the Board of Directors.

Note 2: The organizational performance score for the top supervisor of a functional unit is linked to key ESG goals or action plans. The scorecard is used to track the achievement rate of these goals.

Risk Management

Climate-Related Risks and Opportunities Identification and Management Process



Note: In May 2025, a transition risk workshop and a physical risk workshop were held. Each workshop provided new climate risk-related knowledge and training. During the discussion process, the Company combined the actual operating conditions to assess and confirm the level of risk and impact.

TSRC identifies climate-related risks and opportunities once every three years, and re-assesses whether adjustments need to be made to the potential impact and likelihood of occurrence for the risks and opportunities identified in other years of the cycle, confirming if the existing risk mitigation or adaptation measures are effective. At the same time, the climate assessment results are appropriately integrated with the Company's current risk management process to promote low-carbon transformation and strengthen the Company's operational resilience.

An integrated process has been established for the identification, assessment, prioritization, and monitoring of climate-related risks (including physical risks and transition risks). When collecting risk data, sources include but are not limited to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), National Science and Technology Center for Disaster Reduction, International Energy Agency (IEA) Climate and Energy Transformation Report, National Climate Assessment Report and Regional Weather Forecast, company's internal operational data and historical weather impact records, all of which are used to assess both transition risks and physical risks.

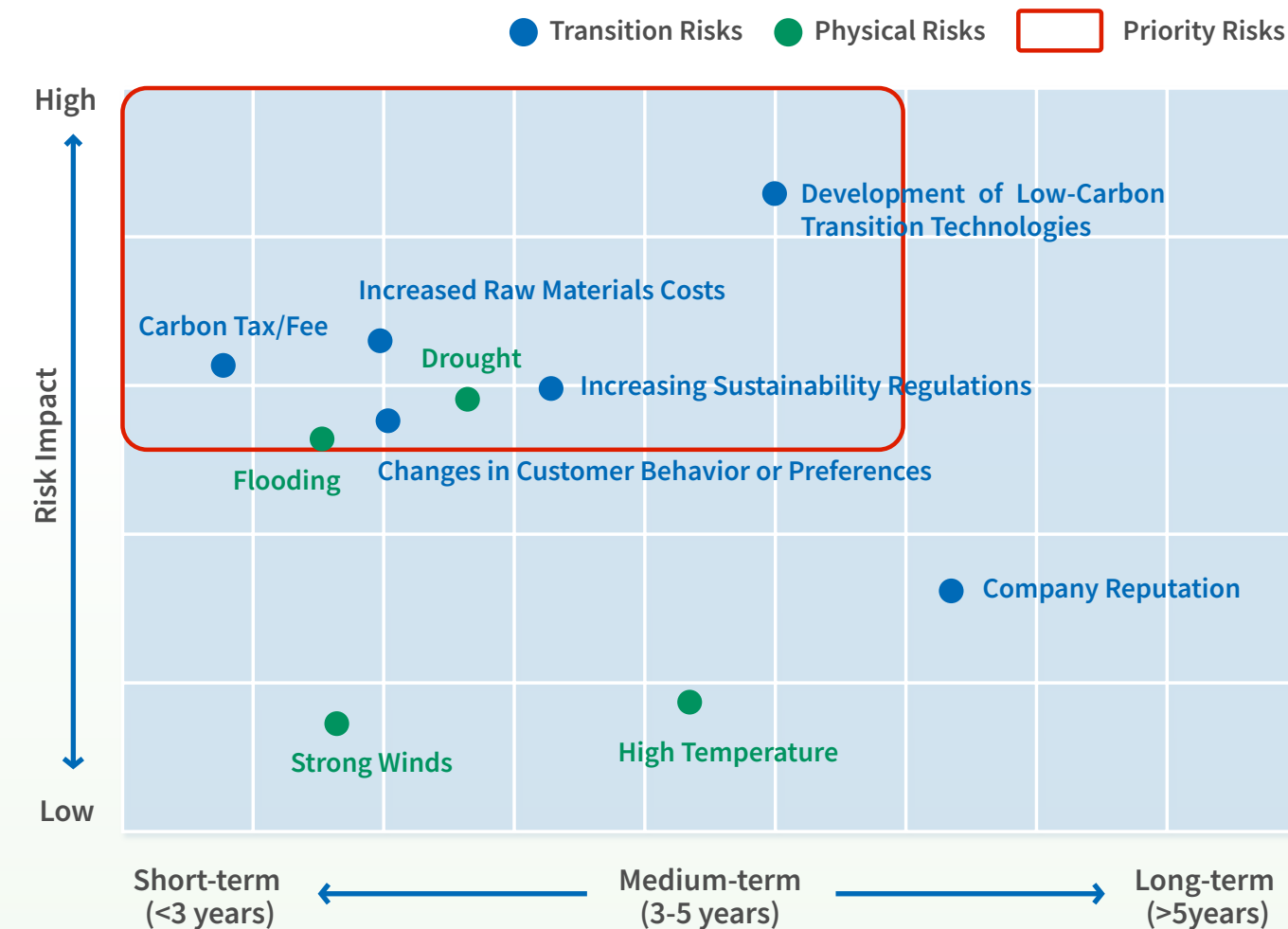
Regular climate risk assessments are conducted for all operating locations. Transition risk assessments include factors such as carbon emissions, energy efficiency, regulatory changes, carbon pricing, and changes in market demand. In particular, carbon fees are analyzed in accordance with national policies and regulations. For physical risks, we use the Shared Socioeconomic Pathways (SSP) as defined in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC).

Strategy

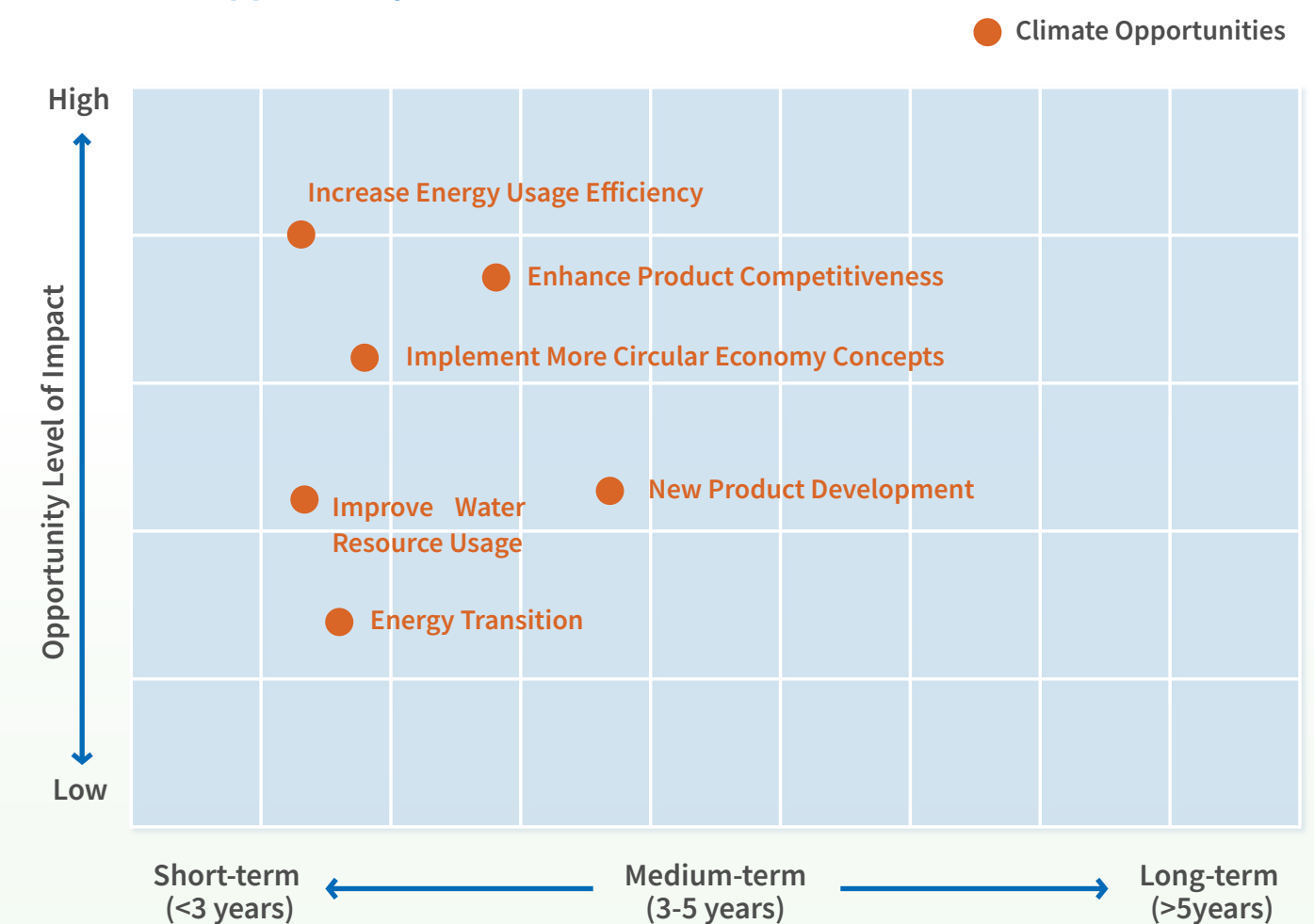
Climate-Related Risks and Opportunities

TSRC conducted a comprehensive review and assessment of climate-related risks and opportunities in 2024, and identified 10 climate risks and 6 derivative opportunities. In 2025, based on the identification results of the previous year, TSRC considered external environmental trends and the Company's operational strategy to assess the impact of various climate risks and opportunities and the possible time of occurrence. We also identified 7 priority climate risks based on the criteria for "Priority Risks" outlined in TSRC's "Risk Management Operating Procedures."

Climate Risk Matrix



Climate Opportunity Matrix



Link to Strategies or Important Decisions

Short-term

Plan short-term strategies and important decisions through annual budgets and review annually

Medium-term

Plan five-year strategies and important actions through a five-year plan, and make rolling adjustments

Long-term

Based on the Company's long-term development direction, and review the effectiveness of targets in each phase, and plan long-term climate-related goals in coordination with the national long-term policy development and industry trends

Impact of and Responses to Important Climate Risks and Opportunities

To prioritize climate risks and opportunities, the ESG Work Team has identified existing specific response strategies and adaptation measures. Based on the scope and duration of the risks' impact, they planned corresponding climate actions or measures, which will be implemented following approval by the Executive Leadership Team to mitigate the impact of risks and minimize the potential effects of climate-related disasters.

	Climate Risks	Potential Impact	Climate Opportunities	Potential Influence	Responses, Strategic Targets, and Key Actions
Transition Risks	Carbon fee/tax	In response to the government's implementation of climate change policies, carbon fees and taxes will increase the Company's operating costs.	• Increase energy usage efficiency • Energy transition • Implement more circular economy concepts	Continue to implement carbon reduction plans to reduce carbon fees and electricity fees in Taiwan.	【Targets】 • Reduce the Group's greenhouse gas emissions (Scope 1 + Scope 2) by 10% in 2025 compared to the base year (2021), reduce by 22.5% by 2030. • The Group's renewable energy share reached 10% in 2025 and is targeted to reach 30% by 2030. • The share of renewable raw materials in total raw material procurement is targeted to reach 5% by 2025 and 15% by 2030. 【2025 Strategy, Action, Resilience】 • Continued purchasing energy-saving equipment to replace more energy-consuming equipment for our factories in Taiwan and Nantong China, improving energy efficiency. • Installed solar power generation facilities at our Kaohsiung Factory, and used cogeneration equipment to significantly reduce the amount of power purchased from external sources, reducing carbon emissions. • Optimized the TPE production process, reducing steam consumption per unit product and indirectly reducing carbon emissions from energy consumption.
	Increase in sustainability regulations - Renewable energy usage	Due to regulatory demands or requirements from local government policies, our company in Taiwan and subsidiaries in Nantong region increase their usage of renewable energy resources, leading to higher energy procurement costs and higher maintenance costs for renewable energy generation equipment.	• Energy transition • Enhance product competitiveness	Use renewable energy and reduce product carbon footprints to meet customer requirements for low carbon products	【Targets】 • The Group's renewable energy share reached 10% in 2025 and is targeted to reach 30% by 2030. 【2025 Strategy, Action, Resilience】 • Kaohsiung Factory, Shanghai Industries, and Shen Hua Chemical installed solar power generation systems to supply electricity for their facilities. • Nantong Industries, TSRC-UBE, and Shen Hua Chemical purchased renewable energy.
	Changes in customer behavior or preferences	Raw material procurement costs increase due to providing low carbon products, products with smaller carbon footprints, or using renewable raw materials, in order to meet customer requirements.	• New product development • Enhance product competitiveness	Sales of new products or low-carbon products can increase the Group's revenues and market competitiveness.	【Targets】 • The share of revenue from new products is targeted to reach 15% by 2025. • The share of sustainable-featured products in total sales is targeted to reach 20% by 2025 and 40% by 2030. • The share of renewable raw materials in total raw material procurement is targeted to reach 5% by 2025 and 15% by 2030. 【2025 Strategy, Action, Resilience】 • Kaohsiung Factory, Nantong Industries, TSRC Specialty Materials, TSRC (Lux.) obtained ISCC Plus certification and began selling products using renewable raw materials. • Nantong Industries optimized processes to reduce steam consumption per unit product and reduce the product carbon footprint • Received the Ecovadis Silver medal, enhancing customer trust

	Climate Risks	Potential Impact	Climate Opportunities	Potential Influence	Responses, Strategic Targets, and Key Actions
Transition Risks	Increased raw materials costs	Suppliers have to pay Taiwan carbon fees, leading to higher raw material procurement costs Procure renewable raw materials	- New product development - Enhance product competitiveness	Increased revenue and market competitiveness from sales of new products	【Targets】 - Same as goals stated for "Changes in customer behavior or preferences" 【2025 Strategy, Action, Resilience】 - Focused on developing market for sustainable products, establishing product pricing strategies, and enhancing product competitiveness.
	Development of low-carbon transition technologies	Continue developing carbon reduction process technologies or energy-saving equipment alongside expanding production capacity Continue to enhance measures for developing and attracting talent in order to support the low-carbon transition	- Implement more circular economy concepts - New product development - Enhance product competitiveness	Reduce carbon emissions through recycling wastewater from the production process, deriving increased benefits from implementing a circular economy and increasing product value	【Targets】 - Same as goals stated for the "Carbon fee/tax " section 【2025 Strategy, Action, Resilience】 - Optimized the product manufacturing processes used by Shen Hua Chemical and Nantong Industries to reduce steam consumption per unit product
Physical Risks	Drought	Backup water sources are established for our factories in order to avoid having water shortages interrupt production and business operations, leading to higher annual maintenance costs for water pipes. Water outage policies for Kaohsiung results in operational conditions for the production line needing to be adjusted, leading to financial losses.	- Implement more circular economy concepts - Improve water resource usage	Use water resources more efficiently and reduce demand for fresh water through wastewater recycling Improve the wastewater circulation system to reduce amount of wastewater discharged.	【Targets】 - Increase proportion of wastewater recycled to 36% by 2025, and 40% by 2030. - Increase reclaimed water utilization to 34% of total water consumption by 2025, and 40% by 2030. 【2025 Strategy, Action, Resilience】 - Continued improving wastewater recycling system equipment installed at the Kaohsiung Factory, Nantong Industries, and TSRC-UBE
	Flooding	Flooding damages factory equipment and product inventory, which may lead to business interruptions and financial losses. Insurance premiums increase, or insurance payout conditions become stricter. Flood prevention and drainage pipelines need to be maintained each year, increasing annual maintenance costs.	Mainly related to mitigating impact from risks and strengthening operations	Strengthen operational resilience	【Targets】 - Establish emergency response plans for unexpected emergencies in order to protect employee safety and mitigate potential losses 【2025 Strategy, Action, Resilience】 - Establish flood mitigation plans or equipment, and continue implementing disaster prevention and response measures

Climate Risk Scenario Analysis

Considering that each different climate scenario would impact TSRC differently in the future, we have sought to understand and manage future climate risks through assessing each of the transition and physical risks posed by different climate scenarios. At the same time, we have established different climate response measures and actions based on these assessment results, reducing operational risks.

Risk Scenario Analysis

Risk Category	Source	Risk Definition	Risk Analysis
Transition risks	Base year - Scope 1 and Scope 2 emissions for the Group in 2021 Climate scenarios - The estimated future carbon fee rates publicly announced by the Taiwan Ministry of Environment - International Energy Agency (IEA) report	Carbon fee/tax - Considers the development, implementation schedule, and implementation method of carbon fees in other countries confirmed to be implementing carbon fees in the future and which have an impact on the TSRC Group's operations - Currently, only Taiwan has announced concrete and specific carbon fee policies.	Operating location: Kaohsiung Factory - Climate scenarios: 2 scenarios (NZE and STEPS) - Time of occurrence: 2025-2030 (Short-, medium-, and long-term)
Physical risks	Base period - Historical climate simulation data from the Central Weather Agency and CMIP-6 Climate scenarios - Observed data - Central Weather Agency (Taiwan), CMIP6 Historical run (areas outside Taiwan) - Estimated data - TCCIP (AR6) (Taiwan), IPCC-AR6 (areas outside Taiwan)	Flooding, drought, strong winds, high temperature - Considers information released by foreign and domestic government institutions and related literature, and TSRC's past experience with disasters - Flooding: Flood alert threshold values set by the Taiwan Water Resources Agency, flood potential - Drought: SPI-3 precipitation index - High temperature: 36 degrees Celsius - Strong winds: Grade 8 wind speeds	Operating location: All factories - Climate scenarios: 2 scenarios (SSP2-4.5, SSP5-8.5) - Time of occurrence: Short-term(<3 years), medium-term(3-5 years), long-term (>5 years)

Transition Risk

The main assessment item for the transition risks section is the risk posed by carbon fee/carbon tax, as it is the risk with the most significant impact on TSRC. We have taken into consideration the direction of greenhouse gas controls, and used the Stated Policies Scenario (STEPS) and the Net Zero Emissions scenario (NZE) defined by the International Energy Agency (IEA), and the future carbon fee rates announced by the Taiwan Ministry of Environment to assess the potential impact on our business operations.

Transition Risk — Carbon fee/tax

Given that the impact of carbon pricing systems on enterprises varies, TSRC, in addition to continuously monitoring policy developments in various countries, has chosen to assess the potential financial impact of carbon prices under two climate scenarios: NZE and STEPS, based on existing regulations or well-defined carbon pricing mechanisms in the localities where TSRC operates. This assessment considers two paths: TSRC without any carbon reduction actions and TSRC based on the group's carbon reduction targets.

Unit: Financial impact measured as a percentage of revenue (%)

Climate Scenarios

International Energy Agency (IEA)

- Net Zero Emissions by 2050 Scenario (NZE)
- Stated Policies Scenario (STEPS)

Analysis Method

No carbon reduction actions VS. Continue implementing the Group's carbon reduction

Analysis Result

The results of the analysis indicate that the financial impact on TSRC under the NZE scenario will be greater than that under the STEPS scenario. Using carbon prices under the NZE scenario as an example, if TSRC implements greenhouse gas reduction actions—including adopting low-carbon fuels in manufacturing operations, using renewable energy, and improving energy efficiency—it can reduce the financial impact from carbon costs compared to a scenario where no further carbon reduction measures are taken. By 2030, carbon costs could decrease from 1.2% of revenue to less than 1%.

	2026		2031	
Scenarios Method	STEPS Scenario	NZE Scenario	STEPS Scenario	NZE Scenario
No carbon reduction actions	0.1%	_Note2	0.4%	1.1%
Continue implementing the Group's carbon reduction	≤0.1%	_Note2	≤0.4%	≤1%

Note1 : As of now, considering that only Taiwan has announced a relatively clear carbon policy out of all the regions where TSRC has established operating locations, TSRC has mainly focused on assessing the financial impact of Taiwan's carbon fees, and we have assumed preferential rates for scenario. As the carbon pricing policies and implementation for other production locations (such as those in China and the United States) still remain unclear. We shall continue monitoring these developments and incorporate updates accordingly.

Note2 : Carbon fee rates for Taiwan are based on the NT\$300 rate announced by the Ministry of Environment in 2024, and this rate has been incorporated into our analysis for the Taiwan STEPS scenario. Because TSRC has obtained the preferential rate of option B for the independent reduction plan, this fee shall begin to be collected from 2025 onwards, and the rate will be fixed for five years. This fee is expected to increase to NT\$1,800 by 2030. Under the NZE scenario, there is no need to establish a separate NZE scenario for 2025 since we are already in the STEPS scenario for that year and carbon fee rates are fixed for 5 years. Based on the implementation details, and taking the IEA WEO 2024 report into consideration, we have estimated carbon fees to be NT\$4,410 (approximately US\$140) for 2031 based on estimates for fees in developed economies, and used this rate for our scenario analysis.

Note3 : Currently, TSRC's products are not subject to the EU's Carbon Border Adjustment Mechanism (CBAM) in its first phase, meaning that the mechanism will have no effect on TSRC products in the short term. We will update our assessment of the financial impact on TSRC product exports to Europe after the EU has announced a timeline for implementing additional product restrictions.

Note4 : The Group's carbon reduction actions include utilizing low-carbon fuels for production, cogeneration equipment, and solar power generation installations to increase the use of renewable energy. TSRC will also continue expanding the use of energy saving equipment in order to improve energy efficiency.

Physical Risk

In light of the increasing impact of climate-related disasters on TSRC's operations, and in line with its commitment to resilient and responsible management, TSRC has identified four key physical risks: drought, flooding, high temperature, and strong winds. Through scientific analysis, the company has assessed how these risks may affect its facilities under different climate scenarios. This enables TSRC to develop corresponding risk management actions and adaptation measures to enhance operational resilience.

Considering that TSRC's manufacturing sites are located across eight locations in Taiwan, Mainland China, Vietnam, and the United States, the company collaborated with professional teams to conduct a scientific and comprehensive assessment of physical climate risks at each site. This assessment utilized historical meteorological data and climate projection data from official domestic and international sources, and referenced definitions of disaster risk to analyze how these risks may evolve under future climate scenarios. For sites in Taiwan, TSRC used downscaled climate projection data from TCCIP. For sites outside Taiwan, climate simulation data from the IPCC AR6 CMIP6 models were applied. In selecting climate scenarios, TSRC referred to the IPCC AR6 Climate Change Assessment Report and adopted two representative scenarios: SSP2-4.5, which reflects a moderate emissions close to current trends, and SSP5-8.5, representing a high-emissions scenario. These were used as the basis for analyzing physical risks.

According to the Taiwan Climate Change Projection and Information Platform (TCCIP), Taiwan is expected to see higher annual rainfall under future warming scenarios, alongside longer dry spells—indicating more polarized precipitation patterns. During droughts, insufficient backup water may lead to additional costs for water truck procurement, and government-imposed water restrictions could disrupt operations. Heavy rainfall may cause flooding, damaging equipment, halting production, or affecting employee commutes. Rising temperatures and more frequent extreme heat events also elevate safety risks for on-site personnel, prompting TSRC to strengthen its focus on occupational health and safety. Additionally, strong winds from severe weather may damage facilities and increase maintenance costs.

Physical Risk	Risk Category	Potential impacts on plant operations
Drought	Chronic	Water shortages may disrupt operations and increase procurement costs
Flooding	Acute	Operational and production disruptions, increased repair costs
High Temperature	Chronic	Increased health and safety risks for outdoor workers
Strong winds	Acute	Damage to facility structures or equipment, increased repair costs

Note : TCCIP, Chen et al. 《[Taiwan Climate Change Analysis Series Report 2023: Record-breaking Drought 2020-2021 and Future Projection of Drought Events in Taiwan](#)》 p24

Physical Risk — Drought

Climate Scenarios

United Nations Intergovernmental Panel on Climate Change (IPCC)

- AR6 SSP2 - 4.5 Medium Greenhouse Gas Emissions Scenario
- AR6 SSP5 - 8.5 High Greenhouse Gas Emissions Scenario

Analysis Method

SPI-3 Precipitation index (The rainfall for three consecutive months compared to the average for the same period)

Note : Negative values indicate below-average rainfall and higher drought risk; positive values indicate above-average rainfall and lower risk. The analysis considers only climate and precipitation factors; actual drought occurrence also depends on local reservoir levels and water management policies.

Analysis Result

Under climate change scenarios, droughts are expected to become more frequent.

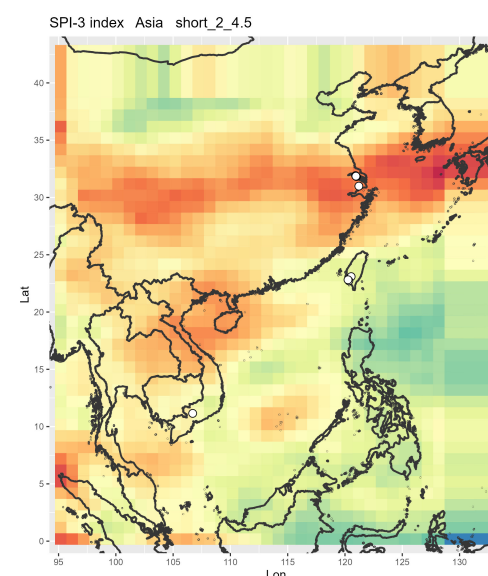
Under the SSP2-4.5 scenario, short-term drought risk increases in Jiangsu Province, affecting the Shenhua, Nantong Industrial, and TSRC UBE. In the long term, the Kaohsiung and Gangshan plants in Taiwan face higher risks.

Under the SSP5-8.5 scenario, the Kaohsiung, Gangshan, and Vietnam sites face severe mid- to long-term drought risks. Additionally, key reservoirs supplying southern Taiwan show a significant drying trend, highlighting Kaohsiung and Gangshan as priority sites for future drought adaptation.

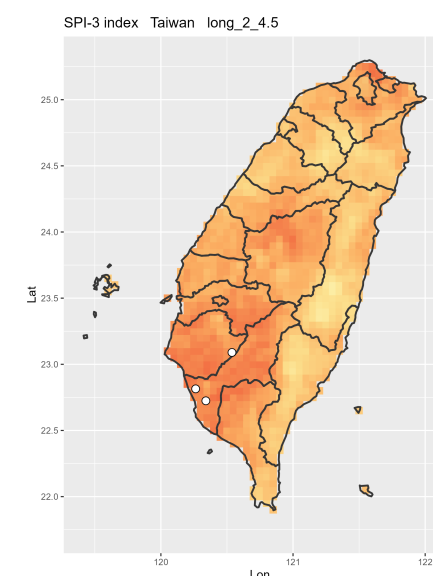
Countermeasures

- To reduce drought-related operational risks, TSRC continues to optimize water use by increasing wastewater recycling and reclaimed water usage. TSRC also complies with Jiangsu's environmental regulations, including reclaimed water use in new plants.
- In response to water risks in Kaohsiung, the Kaohsiung plant collaborates with the Dashe Industrial Park on water sharing and works with key suppliers (e.g., CPC Corporation) to secure water through pipeline connections during water shortages.

SSP2- 4.5 Scenarios

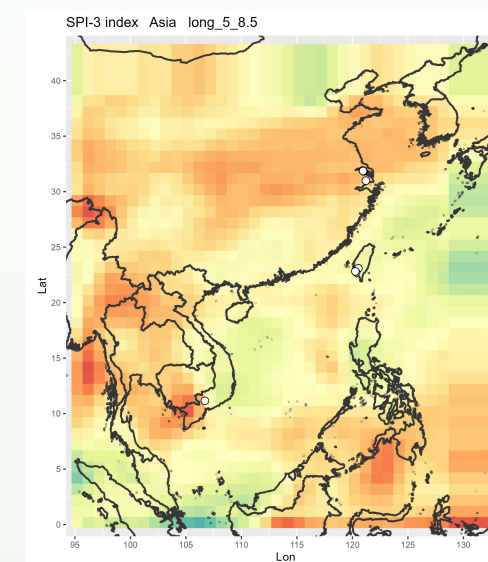


SPI-3 Short-term : < 3 years
The likelihood of drought occurring in Jiangsu, Shanghai, and Vietnam has shown a slight upward trend

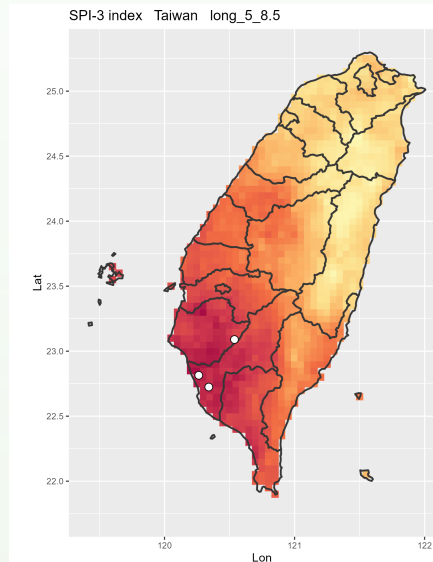


SPI-3 Long-term : > 5 years
Southern Taiwan faces a long-term risk of drought, with continued potential for drought conditions in the Kaohsiung and Gangshan Plants

SSP5- 8.5 Scenarios



SPI-3 Long-term : > 5 years
The likelihood of drought occurring in long-term in Jiangsu, Shanghai, and Vietnam has shown a slight upward trend



SPI-3 Long-term : > 5 years
Southern Taiwan faces a long-term risk of drought, with the Kaohsiung and Gangshan Plants remaining susceptible to potential drought conditions

Physical Risk — Flooding

Climate Scenarios

United Nations Intergovernmental Panel on Climate Change (IPCC)

- AR6 SSP2 - 4.5 Medium Greenhouse Gas Emissions Scenario
- AR6 SSP5 - 8.5 High Greenhouse Gas Emissions Scenario

Analysis Method

Taiwan Factories : Flood alert threshold values defined by the Taiwan Water Resources Agency

Overseas Factories : Flood alert triggered if daily rainfall reaches 99th percentile rainfall volume

Analysis Result

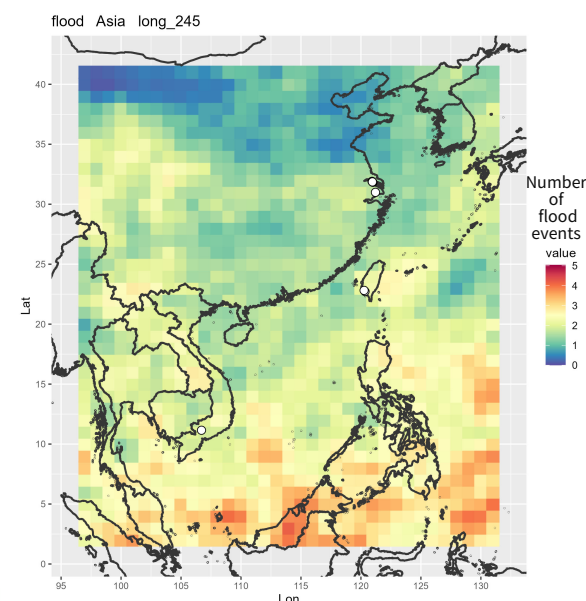
Under the SSP2-4.5 scenario, factories in Jiangsu Province experience trends towards rising flood risk over the medium to long-term, while factories in other regions are unaffected. Under long-term conditions, the number of severe flooding (depth ≥ 0.5 m) has increased slightly in the Kaohsiung and Gangshan plant in Taiwan.

Under the SSP5-8.5 scenario, factories in the United States and Vietnam experience a trend of a rise in torrential rain frequency. Under long-term conditions, the number of severe flooding has also increased slightly in the Kaohsiung and Gangshan plant in Taiwan.

Countermeasures

- Actively enhance the flood prevention drainage systems and response measures for production locations facing increased flooding risks, and establish systems for allocating manpower during disasters in order to reduce the impact on business operations from extreme weather events in the future.

SSP2- 4.5 Scenarios

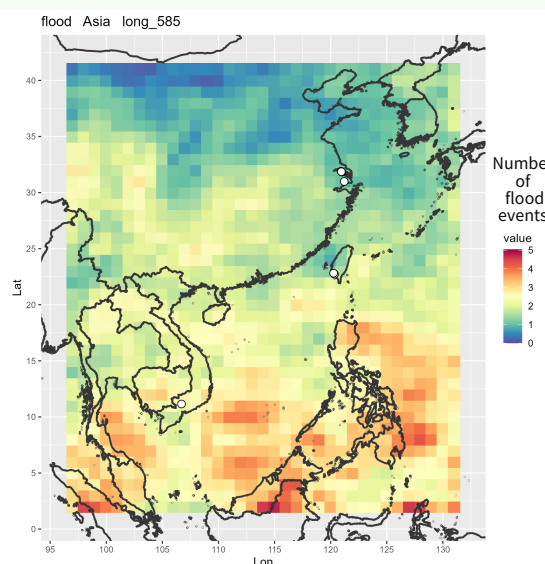


Long-term : > 5 years

Plants in the Nantong area in China have shown a slight upward trend in the long-term likelihood of flooding

Flood risk remains low across other plant areas, with no significant changes observed.

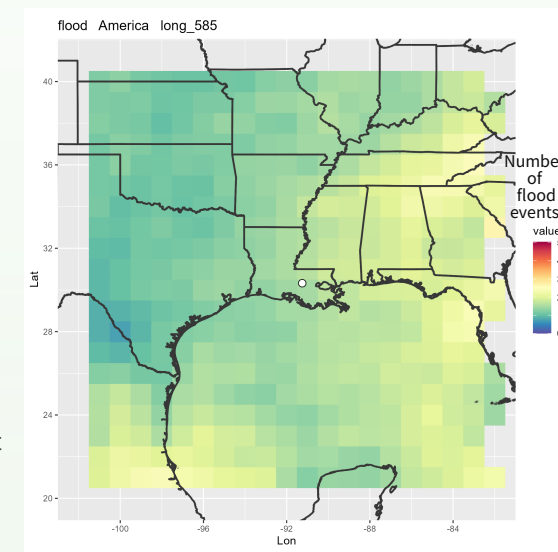
SSP5- 8.5 Scenarios



Long-term : > 5 years

Plant in Vietnam has shown a slight upward trend in the long-term likelihood of flooding

No significant changes in flood risk have been observed in China and Taiwan; however, the frequency of flood occurrences has shown a slight increase



Long-term : > 5 years

Plant in USA has shown a slight upward trend in the long-term likelihood of flooding

Physical Risk — High Temperature

Climate Scenarios

United Nations Intergovernmental Panel on Climate Change (IPCC)

- AR6 SSP2 - 4.5 Medium Greenhouse Gas Emissions Scenario
- AR6 SSP5 - 8.5 High Greenhouse Gas Emissions Scenario

Analysis Method

An ambient temperature of 36 °C is defined as extreme high temperature

Note : refer to Taiwan Central Weather Bureau's definition of temperatures that have a significant impact on the health and safety of workers. High temperatures not only increase the safety risk.

Analysis Result

Under the SSP2-4.5 scenario, the Louisiana plant in the USA shows a significant increase in the frequency of high temperatures with high temperatures increasing by more than 2 days.

Under the SSP5-8.5 scenario, Vietnam plant has a significant risk of high temperatures in the medium term and a slight decrease in the long term.

Many of TSRC's other factories are located in coastal areas and are subject to sea temperature regulation. Although extremely high ambient temperatures are less likely to occur, high humidity conditions often result in excessively high body temperatures and outdoor workers may be at risk of heat stroke and heat injury. In addition, due to the influence of terrain, environment and other factors, or the volatile organic compounds (VOCs) emitted from industrial areas, and even the concrete flooring material, the temperature may increase, so in summer we still need to check the actual temperature measured in each factory and activate the high temperature contingency measures immediately.

Countermeasures

- TSRC is committed to the safety and environment of employees. TSRC has formulated contingency measures for high temperatures at each plant and will comply with occupational health and safety regulations set by the relevant authorities at each plant, as well as conduct ongoing equipment maintenance and electricity monitoring to maintain stable electricity use in high temperature environment.

Average annual number of days with high temperatures up to 36 °C at Louisiana plant in the USA

Scenario	Base Period	Short-term	Medium-term	Long-term
SSP2- 4.5	15.2	16.3	18.4	17.9
SSP5- 8.5		13.3	15.7	15.5

Average annual number of days with high temperatures up to 36 °C at Vietnam plant

Scenario	Base Period	Short-term	Medium-term	Long-term
SSP2- 4.5	15.6	14.8	13.7	13.5
SSP5- 8.5		16.4	18.4	11.4

Physical Risk — Strong Winds

Climate Scenarios

United Nations Intergovernmental Panel on Climate Change (IPCC)

AR6 SSP2 - 4.5 Medium Greenhouse Gas Emissions Scenario

AR6 SSP5 - 8.5 High Greenhouse Gas Emissions Scenario

Analysis Method

maximum wind speed of level 8 or higher

Note: based on past experience of typhoon damage, when strong winds with an average wind speed of level 8 hit the TSRC plant area, damage is likely to occur. The results of the climate scenario analysis

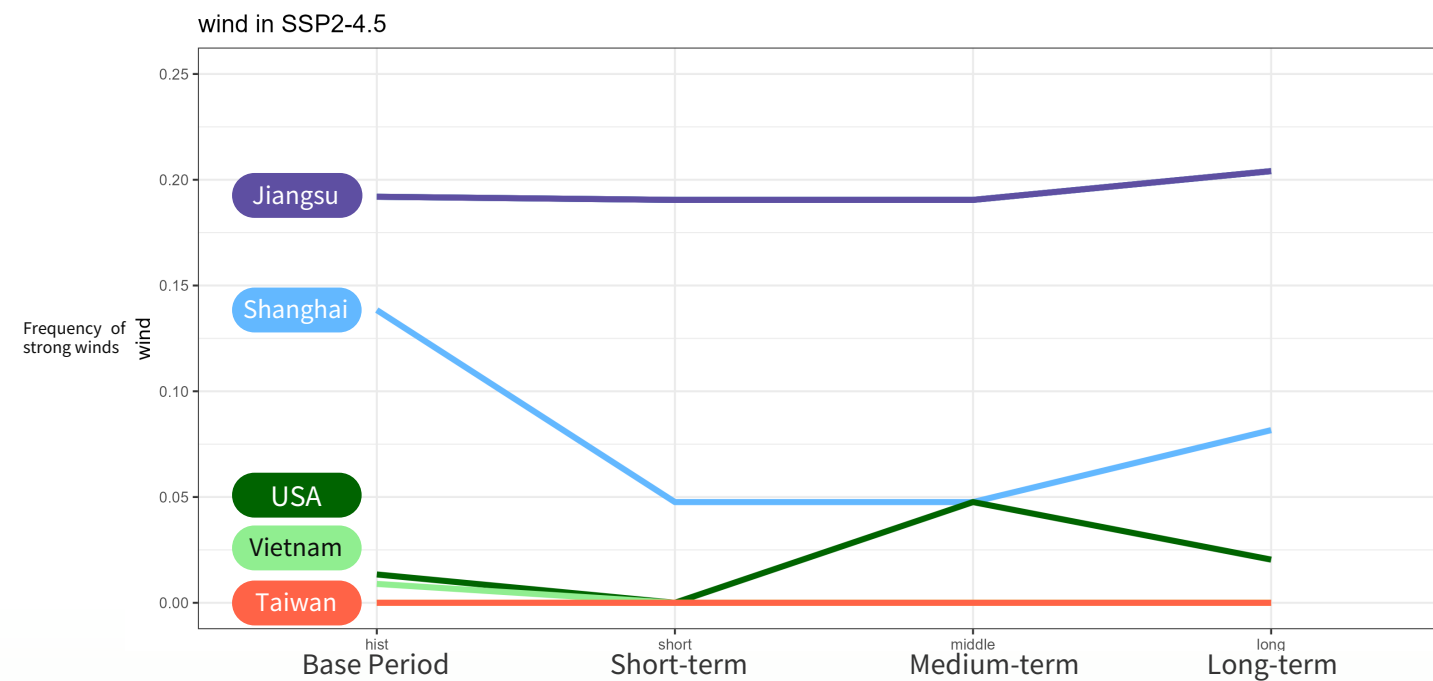
Analysis Result

Regardless of whether it is in SSP2-4.5 or SSP5-8.5, there is no obvious upward trend in the frequency of strong winds at TSRC's various plants in the short, medium and long term, but there is a downward trend at the Kaohsiung, Vietnam and Shanghai plants.

Countermeasures

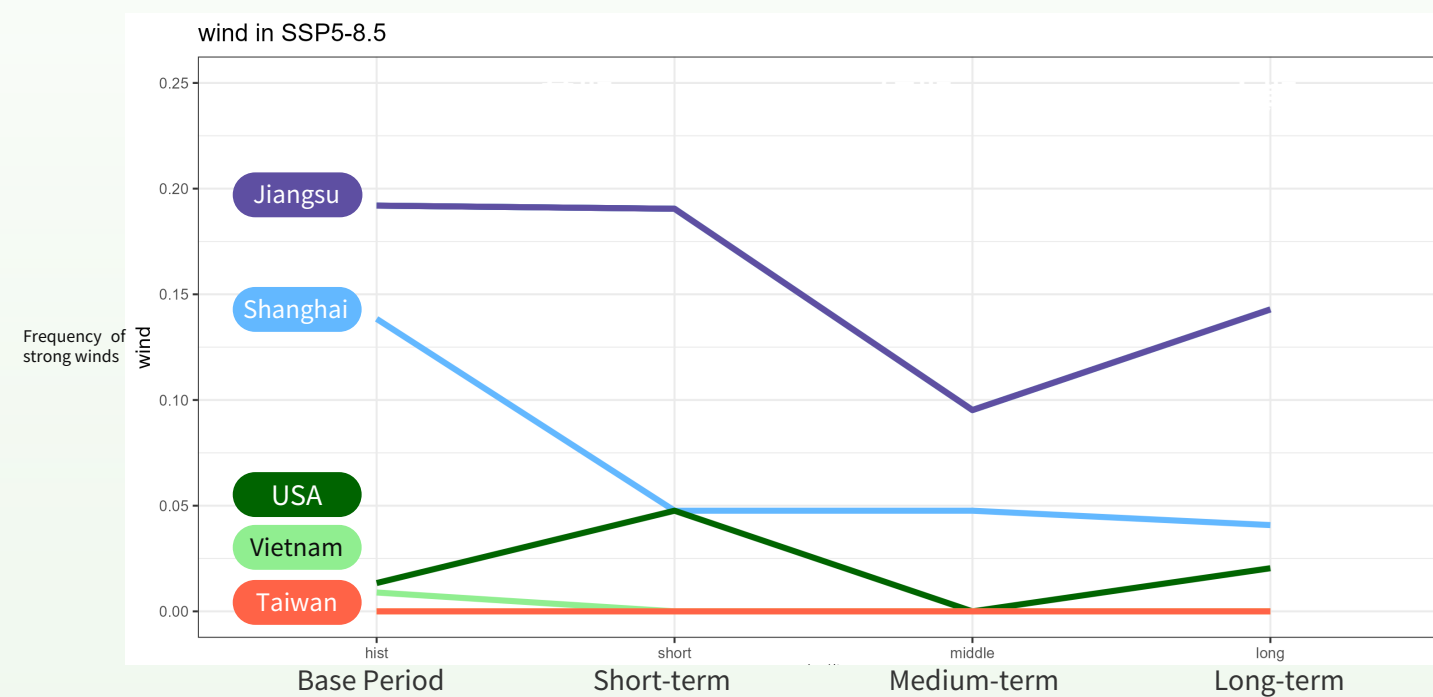
TSRC will continue to review the robustness of equipment at each plant in accordance with the Disaster Response Plan and strengthen damage prevention measures before a disaster occurs to reduce damage caused by strong winds

SSP2- 4.5 Scenarios



All factory areas have a low likelihood of experiencing strong winds

SSP5- 8.5 Scenarios



長期

All factory areas have a low likelihood of experiencing strong winds

Align Climate-Related Disclosures with IFRS S2

Under the global trend of climate change and carbon reduction, climate-related risks and opportunities affect the business model, value chain, and financial performance of companies. To gradually align with IFRS S2, among the priority risks and opportunities identified by TSRC in 2025, TSRC focused on three categories of climate-related risks and opportunities, and their corresponding risk and opportunity factors that have a more significant impact on company operations and strategies. Taking into consideration factors that can reasonably be expected to affect the company's outlook, TSRC disclosed information regarding its business model and value chain, strategy and decision-making, financial impacts, and climate resilience. At the same time, through scenario analysis of the impacts on operations, supply chain, and financial performance, we further reviewed climate strategies and action plans to ensure that operational impact is reduced and mitigation or adaptation capabilities are strengthened, while leveraging growth opportunities brought by low-carbon or sustainable products to support long-term value creation and sustainable development.

Risk Category	Climate Transition Risks - Market	Climate Physical Risks - Chronic Risks	Climate Opportunities - Products and Markets
Risk and Opportunity Factors and Description	Changes in customer behavior or preferences For customers' low-carbon transformation requirements, we must provide products with environmental contributions or low-carbon sustainability attributes as part of our low-carbon transition initiatives.	Drought Drought causes local water shortage, which may impact production operations or disrupt operations in plants.	Enhance product competitiveness To enhance product competitiveness and expand markets, we provide customers with products with environmental contributions or low-carbon sustainability attributes characteristics.
Time range of reasonably expected occurrence ^{Note}	Short to long term	Short to long term	Short to long term
Current and expected impact and scope of impact of risks and opportunities on business model and value chain	Business Model In response to changes in customer behavior or preferences, the impact of product sales and resource allocation to all of the Group's operating locations are as follows: 【Current】 Provide verified organizational GHG inventories (ISO14064-1), medium- and long-term carbon reduction targets and carbon reduction plans, and product carbon footprint (ISO14067) according to customer requirements, as well as purchase certified renewable raw materials according to customer requirements for sustainable raw materials. Installation of solar power generation devices at the Kaohsiung Factory, Shen Hua Chemical, and increased the proportion of green electricity procurement at the three plants in the Nantong region of China. 【Expected】 Continue to update and disclose product carbon footprints according to customer requirements, optimize processes, increase the proportion of renewable energy, use low-carbon raw materials, and reduce product carbon footprint. Value Chain (Customers) 【Current】 To calculate the carbon footprint of their products and develop medium- to long-term carbon reduction plans, customers are requesting that suppliers provide product carbon footprint data. 【Expected】 Customers respond to national climate carbon reduction policies, develop corporate climate strategies, continue to develop sustainable low-carbon products, and increase the proportion of sustainable raw materials, or continue to require suppliers to reduce the carbon footprint of raw materials to reduce the carbon footprint of products.	Business Model 【Current】 No significant impact 【Expected】 Droughts and water shortages may affect the normal water consumption and operations of production sites. If the Kaohsiung Factory in Taiwan implements water outage measures, it could result in production cuts or temporary suspensions of production lines. Value Chain (Suppliers) 【Current】 No significant impact 【Expected】 In the event of a drought, raw material suppliers may suspend water supply or implement water restrictions locally, resulting in limited production capacity and affecting the stability of raw material supply.	Business Model 【Current】 Increase the sales volume and revenue of new generation synthetic rubber products. 【Expected】 Continue to increase sales of products with environmental contributions or low-carbon sustainability attributes and operating revenue through production capacity expansion. Value Chain (Customers) 【Current】 Customers have a willingness to purchase low-carbon raw materials or demand for sustainable raw materials, and thus choose TSRC's products with environmental contributions. 【Expected】 Customers continue to choose TSRC products to continue manufacturing low-carbon or environmentally friendly products to reduce the carbon footprint of their end-of-life products.
Response to climate-related risks and opportunities in strategies and decisions (including resource allocation)	Through the establishment of suitable communication channels with stakeholders, TSRC continues to collect and evaluate the views of employees, neighboring communities, suppliers, and customers regarding climate risks and opportunities, as well as the direct and indirect potential impacts. We also incorporate relevant feedback into the transition and adaptation plans, implement these plans, and make dynamic adjustments, taking into account the rights and interests of employees and local residents, stability of the supply chain, and continuity of operations. This approach helps to avoid improper impacts during the transition process and ensures that transition measures are implemented gradually to adapt to changes in the external environment and meet stakeholder requirements. The key initiatives for current and expected direct mitigation and adaptation efforts are as follows: "Changes in customer behavior or preferences" and "Enhancement of product competitiveness" : Meeting customer needs is the main strategic focus. In addition to providing certified products with carbon footprint, we make timely adjustments to product portfolio sales strategies in response to market conditions each year. We also develop a five-year product sales plan to exceed customer expectations as our long-term goal. At the same time, to reduce the carbon footprint of products, by optimizing production processes, replacing energy-consuming equipment, installing solar energy facilities, and purchasing more renewable energy, we can increase energy efficiency and improve product competitiveness. "Drought" : Set short, medium, and long-term goals, such as establishing a Group-wide wastewater recycling system and increasing the use of reclaimed water. By continuously optimizing the use of water resources to reduce wastewater discharge and mitigate potential impacts on biodiversity in the natural environment, the Group has actively implemented water resource sharing initiatives with the nearby Dashe Industrial Park for its high-risk Kaohsiung Factory. We also work with major suppliers (such as CPC) to set up water pipelines between TSRC, providing TSRC with a portion of water resources to jointly resist droughts and tide over periods of water restrictions.		

Note: For short-, medium-, and long-term definitions and corporate strategic planning, please refer to the definitions of the risk matrix.

Risk Category	Climate Transition Risks - Market	Climate Physical Risks - Chronic Risks	Climate Opportunities - Products and Markets
Impact of climate-related risks and opportunities on stakeholders	TSRC evaluates the potential impact of the Company's climate change transformation plan and related operating activities on local community residents (including indigenous people) based on the location of operating sites. After evaluation, no significant negative impacts were found on local communities or indigenous groups. The Company continues to regularly review the possible impacts of business activities through existing community communication and management mechanisms, and adjusts management practices on a rolling basis based on actual situations. In the future, we will review the impact on biodiversity to ensure the comprehensiveness of the plan. At the same time, in light of our sustainable development and climate change transition plans, TSRC established a dedicated unit to handle ESG and sustainability-related matters in 2022. To the needs of these plans, a manager (female) was transferred to serve as the coordinator and report to the Executive Leadership Team. With regards to the transition plans, we do not hire or lay off permanent or temporary employees solely based on the plans' requirements. Rather, we consider the Company's long-term development strategies and operational needs when hiring or reassigning staff. Relevant transition measures are gradually implemented through existing operations and manpower allocation, and have not resulted in any substantial changes to the workforce structure. With regards to the climate transition or physical risk plan training, we are currently taking into account the ultimate purpose of climate change transition and sharing information on physical risks and education and training through internal climate workshops and the implementation of key guidance on IFRS S1 and S2. The main targets of the climate transition risk workshops are the ESG Work Team and climate strategy planning personnel, with 12 men and 8 women, totaling 20 people. The main targets of the climate physical risk workshop are the ESG Work Team and managers of climate disaster high-risk plants. The number of participants is 10 men and 5 women, totaling 15 people. The main targets of the guidance for IFRS S1 and S2 are the Executive Leadership Team and members of the IFRS guidance team. The total number of participants is 18 men and 8 women, totaling 26 people.		
Provision and planning of resources	In 2025, a total of NT\$120,840,281 was invested in "energy conservation and carbon reduction" project; 86% of the investment amount comes from own funds and 14% comes from financing It is expected that we will continue to invest in energy-saving equipment and measures in the future, and the source of funds will be through own funds or short-term financing depending on the contents and amounts of the plan For details, please refer to Appendix TSRC Group Capital Expenditures on Environment-Related Projects	In 2025, a total of NT\$35,597,303 was invested in "improve water resources management" project, all of which came from own funds It is expected that we will continue to invest in related equipment and measures in the future. Depending on the contents and amount of the plan, we will use our own funds or short-term financing to support the funds For details, please refer to Appendix TSRC Group Capital Expenditures on Environment-Related Projects	R&D expenditures in 2025 totaled NT\$409,770 thousand, all from own funds It is expected that we will continue to invest in R&D and process optimization in the future. Depending on the contents and amount of the plan, we will use our own funds or short-term financing to support the funds For details, please refer to Appendix TSRC Group Patents and R&D Expenses
Impact of climate-related risks and opportunities on the financial position, performance, and cash flows during the reporting period and over the short, medium, and long term	- In 2025, no changes in customer behavior or preferences due to low-carbon transformation affected revenue performance, and the Company's financial performance did not have any impact - In 2025, to mitigate risks, the Group invested NT\$120,840,281 in "energy conservation and carbon reduction" project, accounting for 10% of the Group's annual capital expenditures. The overall expenditures have no significant impact on the Group's cash flow in the current year. The completion status of each item is reflected in the account "Real Estate, Factory and Equipment" in the consolidated financial statements for the year - In 2025, Nantong's three subsidiaries purchased renewable energy from external sources. The increase in procurement costs was recognized in the Group's consolidated financial statements as "operating costs," accounting for only 2% of pre-tax net profit. After evaluation, it did not have a significant impact on the Company's profits and cash flow - In 2025, customers increased their demand for renewable raw materials. In addition to increasing the procurement of renewable raw materials, Kaohsiung Factory, Nantong Industries, TSRC (Lux.) and TSRC Specialty Materials successively obtained the ISCC Plus sustainable product certification. The total related costs account for only 3% of pre-tax net profit, which does not have a significant impact on the Company's financial position - In anticipation of future customer demand for low-carbon, sustainable products, the company will continue to allocate resources to optimize manufacturing processes, increase the cost of renewable energy procurement, and the purchase of energy-saving equipment, thereby continuously reduce the carbon footprint of its products. However, as customer sustainable product development is still in its early stages, future developments are subject to a high degree of uncertainty, and no specific forecasts are currently available	- There were no water shortages and no financial losses to the Company in 2025 - In 2025, the Group invested NT\$35,597,303 to "improve water resource management" project, accounting for 3% of the Group's total capital expenditures. The overall expenditures did not have a significant impact on the Group's cash flow in the current year. The completion status of each item is reflected in the account "Real Estate, Factory and Equipment" in the consolidated financial statements for the year - Considering long-term drought conditions have led to regional water shortages, the situation remains subject to policy factors such as the status of nearby reservoirs and water allocation plans. At the same time, in line with the local government's water resource allocation policy, TSRC will continue to implement water resource utilization improvement plans and maintain relevant equipment to proactively address these challenges. During the drought and water shortage in 2021 and 2023, the Company utilized water tankers as a contingency measure. Procurement expenses did not have a significant impact on the profit and loss in the those years. Considering that water shortage affects operations, there are many factors that need to be determined. The Company will continue to monitor and assess the situation and will not make any predictions regarding potential future impacts for the time being	"Revenue from Products with Environmental Contributions" in 2025 was NT\$1,288,001 thousand. For details, please refer to the Appendix TSRC Group Revenue from Products with Environmental Contributions - The sales ratio of products with low carbon or environmental contributions is expected to increase due to increased market demand. Specific changes will still be made depending on the economic status of the industry and the level of market demand. - TSRC will navigate economic cycles with resilience and agility, continuing to focus on optimizing asset efficiency, investing in high-value product portfolios, deepening understanding of customer needs, and improving financial performance. Considering significant changes in external markets and uncertainties, no forecasts have been made. - For a detailed outlook on the future, please refer to the investor conference presentation for the second half of 2025.

Risk Category	Climate Transition Risks - Market	Climate Physical Risks - Chronic Risks	Climate Opportunities - Products and Markets
Scenario analysis Note: Climate scenarios involve assumptions related to social, economic, and political factors, which are difficult to predict and may increase the uncertainty of scenario analysis and resilience assessments. The Company will adjust or reassess in a timely manner as external environment changes °	Description of Scenario Selection Consider the characteristics of our industry and operations, the diverse needs of our customers, and the varying timelines for individual low-carbon transition initiatives, we ensure the reliability of our analyses and decisions. Climate Scenarios Based primarily on the United Nations Intergovernmental Panel on Climate Change (IPCC) - AR6 SSP2-4.5 Medium Greenhouse Gas Emissions Scenario - AR6 SSP5-8.5 High Greenhouse Gas Emissions Scenario Scenario Time Frame Set short-term (2025–2027) and medium-term (2027–2029) and long-term (2030 and beyond) based on the reporting period in 2025 Scope of Scenario Assess how customer requirements for TSRC have changed amid the trend toward carbon reduction, based on sales data from all operational locations	Description of Scenario Selection The selected climate-related scenarios are primarily based on official scientific reports and policy data, and consider the characteristics of the industry and operations to ensure the reliability of analysis results and the usefulness of decision-making Climate Scenarios Based primarily on the United Nations Intergovernmental Panel on Climate Change (IPCC) - AR6 SSP2-4.5 Medium Greenhouse Gas Emissions Scenario - AR6 SSP5-8.5 High Greenhouse Gas Emissions Scenario Scenario Time Frame Set short-term (2025–2027) and medium-term (2027–2029) and long-term (2030 and beyond) based on the reporting period in 2025 Different time frames help the Company assess and respond to different climate risks, and formulate corresponding strategies and measures Scope of Scenario Assess all operating sites and evaluate the financial impact, maintenance and repair costs, and capital expenditures for additional equipment in the event of past or simulated future climate-related disasters Climate Observation Data Includes data from the Central Weather Administration, CMIP6 Historical run, Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP AR6), IPCC AR6 global climate simulation data, domestic and international official institutions and literature, and taking into account TSRC's past experience in the impact of disasters Scenario Assumptions - Using the SPI3 precipitation index, it indicates the difference between the rainfall in the area for the past three consecutive months compared to the average for this same period. A negative value indicates less rainfall than average and a higher chance of drought, while a positive value indicates more rainfall and a lower chance of drought. The current analysis results only consider droughts caused by climate and rainfall factors - The actual occurrence of droughts depends on the impact of national or regional policy variables such as local reservoirs and water resource allocation and local government water resource allocation	Description of Scenario Selection Consider the characteristics of our industry and operations, the diverse needs of our customers, and the varying timelines for individual low-carbon transition initiatives, we ensure the reliability of our analyses and decisions Climate Scenarios Based primarily on the United Nations Intergovernmental Panel on Climate Change (IPCC) - AR6 SSP2-4.5 Medium Greenhouse Gas Emissions Scenario - AR6 SSP5-8.5 High Greenhouse Gas Emissions Scenario Scenario Time Frame Set short-term (2025–2027) and medium-term (2027–2029) and long-term (2030 and beyond) based on the reporting period in 2025 Scope of Scenario Assess the demand among customers purchasing products at all physical retail locations for TSRC's products with low carbon or environmental contributions, given the current trend toward carbon reduction
Impact assessment	In the short, medium, and long term, climate policies and timelines of various countries and increased environmental protection awareness of consumers may cause changes in customer behavior or preferences. The degree of impact of the risk will be determined by market demand and the Company's response to changes in the external environment	TSRC analyzes the risks of droughts in each plant based on climate scenario data. The results show that droughts may be more frequent in the future - SSP2-4.5 Scenario: The probability of drought for Jiangsu Province, where Shen Hua Chemical, Nantong Industries, and TSRC-UBE are located, may increase in the short-term. In the long-term, Kaohsiung Factory and Gangshan Factory also face a clear risk of drought - SSP5-8.5 Scenario: The Kaohsiung Factory, Gangshan Factory, and Vietnam Factory would face relatively higher drought risks in the medium and long term. The key water reservoirs supplying Southern Taiwan have also exhibited a clear trend towards lower water levels, indicating that TSRC should prioritize implementing drought adaptation measures for Kaohsiung Factory and Gangshan Factory	With global tariff policies expected to stabilize, the global economy is projected to maintain moderate growth. The demand for the automotive and tire market continues to expand, especially in Asia, with relatively stable growth, which is conducive to driving the demand for specialty rubber and related materials. However, due to structural economic problems in China, imbalance in supply and demand will continue to adversely impact the petrochemical and rubber industries. Although the market in which TSRC operates is facing short-term pressures, demand for high-performance EV tires, sustainable bio-products, and medical material applications will continue to drive medium- and long-term growth momentum into the industry For more information on the overall economic trends and the Company's business outlook, please refer to the TSRC 2025 Annual Report

Risk Category	Climate Transition Risks - Market	Climate Physical Risks - Chronic Risks	Climate Opportunities - Products and Markets
Resilience	Reduce carbon emissions from product manufacturing processes by continuously optimizing production processes, increasing the use of renewable energy, and applying the concept of circular economy. Continue to develop renewable raw materials suppliers and obtain sustainable product related certifications to provide customers with sustainable products in a timely manner. For more details, please refer to the following section on "Short-, medium-, and long-term climate change strategies and adaptability of business models."	To reduce the impact of drought risks on operations, we continue optimizing water resource usage, increase the proportion of wastewater recycled, and increase amount of reclaimed water used. In addition, TSRC complies with environmental protection regulations in Jiangsu Province, China, and regulations on the use of reclaimed water in new factories. In order to address water risks at the Kaohsiung Factory, TSRC's Kaohsiung Factory has actively engaged in water resource sharing initiatives with the neighboring Dashe Industrial Park. TSRC has also worked with major supplier (such as CPC), which, in addition to maintaining its own water demand in times of poor water conditions, has set up water pipelines with TSRC and supply part of the water resources to TSRC to jointly mitigate drought impacts.	In developing sustainable products, we focus on clear market positioning, and expand new markets through product sales strategies, including: - R&D and technology: TSRC targets the global market and is expanding the international core technology with strong capabilities. The Company continues to develop customized products with excellent and stable quality, in order to expand the product application and sales. - Proactive innovation: TSRC actively innovates and develops high-value products, including synthetic rubber products and polymers widely used in tires, wellness, and medical materials. - Understanding customer needs: Continue to expand sales networks in Asia, Europe, and the Americas to provide customers with consistent and reliable solutions. For details, please refer to the following section on " Short-, medium-, and long-term climate change strategies and adaptability of business models."
Short-, medium-, and long-term climate change strategies and adaptability of business models	In response to changes in customer behavior or preferences, short-, medium-, and long-term response strategies have been formulated to reduce the risk of failure to meet customer needs. Short-term - Set annual goals and implement annual carbon reduction plans: This includes annual GHG reduction ratio, renewable energy use ratio, process optimization, new product development, increased procurement of renewable raw materials, and purchased renewable energy, in order to achieve annual goals. - Regular review of carbon reduction: Review the implementation status of carbon emissions and carbon reduction plans at each production and operation site through quarterly ESG meetings. Medium-term, long-term - Set medium- and long-term carbon reduction and product-related goals: Set targets for 2030, such as the percentage of new product sales and the percentage of renewable raw materials used - Reducing the carbon footprint of products: Continue to purchase energy-saving equipment, replace energy-consuming equipment, reduce energy consumption, and improve energy efficiency. Use cogeneration equipment to significantly reduce purchased electricity, reduce carbon emissions, continue to increase procurement of renewable energy and low carbon steam, and reduce carbon emissions from processes. - Optimization of production processes: Reduce steam consumption per unit of product through continuous process optimization, thereby reducing Scope 2 carbon emissions. - Develop low carbon raw material suppliers: Collect the carbon footprint of suppliers' products, evaluate the reduction method for raw materials, and develop renewable raw materials suppliers.	Respond to the challenges brought by climate change and strive to implement short-, medium-, and long-term strategies to continuously improve climate resilience. Short-term - Regular review: Conduct annual inspections of drought-mitigation equipment and related pipelines at high-risk operational sites to ensure risk management - Annual plan implementation: Set annual targets for wastewater recycling and reclaimed water use and implement specific management to reach targets Medium-term, long-term - Set medium- and long-term goals: Set targets for the Group's wastewater recycling rate and increase the use ratio of reclaimed water by 2030 - Water resource optimization: Develop related plans such as water conservation and improvement of wastewater use in plants to meet the Group's water resource goals	Be equipped with the ability to adjust and adapt strategies and business models to enhance operational performance and build resilience in the face of environmental changes through short-, medium-, and long-term strategies. Short-term - Regularly update market conditions: Communicate with customers from time to time each year to understand customers' product sales strategies and goals, and their considerations for sustainable raw material needs - Market development: Actively develop customers who use renewable raw materials - Sustainable product certification: Obtained ISCC Plus sustainable product certification and completed the carbon footprint certification of important products (ISO14067) Medium-term, long-term - Set medium- and long-term product-related goals: Set targets to increase the proportion of sustainable products and new product sales. - Medium-term and long-term product strategies: We will steadily implement our sales, production and procurement strategies, flexibly align our global production and sales strategies with local supply capabilities, and respond swiftly to changes in market demand. By working closely with key customers on supply, technical services, logistics, and cost management, we will continue to deepen our long-term partnerships. At the same time, we will actively optimize product quality and performance to meet customers' expectations of cutting-edge products. We expect to continue driving new technology platforms and applications, accelerate commercial production and application of high-value products, and actively develop sustainable product solutions. For details, please refer to TSRC 2025 Sustainability Report 2.2.2 Innovative Products and Technologies
Assess uncertainty in climate resilience	When conducting climate resilience assessments, we have factored in certain uncertainties to maintain resilience and ensure that the Company's response measures can be flexibly adjusted to adapt to changes in different scenarios. Through continuous monitoring and strategic adjustments, we aim to achieve our sustainability goals. Uncertainties are identified as follows: - Policy changes: Governments around the world may launch new environmental policies and regulations based on the impact of climate change, such as: adjustment of the general carbon fee rate - Technological advancement: With the rapid development of technology, new environmental protection technologies and solutions continue to emerge - Changes in market demand: Market demand for low-carbon products and services may change over time, requiring companies to anticipate and adapt to these shifts to ensure their products and services meet customer needs. - Environmental changes: Climate change may cause more extreme weather events, such as droughts, floods, and typhoons, which may impact the supply chain and production operations. - Economic factors: Uncertainties in the global economy may affect climate strategies and actions, long-term investments, and capital planning. We must continue to consider the impact of changes in the economic environment on our long-term financial position and operations.		

Metrics and Targets

Climate-Related Metrics

Greenhouse gas emissions

For details on TSRC's Scope 1, 2, and 3 GHG emissions, measurement methods, input values, and assumptions, please refer to [TSRC Group Greenhouse Gas Emissions](#).

The amount and percentage of assets or business activities vulnerable to climate-related transition risks

The Company's Kaohsiung Factory is currently exposed to climate-related transition risks. The Company's carbon fee in 2025 was NT\$11,360 thousand, accounting for approximately 0.03% of the Group's annual operating costs. Since the Kaohsiung Factory has been approved for the preferential carbon fee rate under the Ministry of the Environment's voluntary program, following an assessment of the plant's future annual carbon emissions and changes in carbon fee rates, the Company has no assets or business activities that are significantly exposed to climate-related transition risks.

The amount and percentage of assets or business activities vulnerable to climate-related physical risks

The Company currently has no assets or business activities that are significantly exposed to physical climate-related risks. However, the Kaohsiung Factory site is currently classified as a high-risk area for droughts. Based on the water shortages experienced during the droughts in 2021 and 2023, the cost of using water tankers as a contingency measure was NT\$4.6 million and NT\$600,000, respectively. The Company will continue to evaluate possible response measures in the future to reduce the impact on operations.

The amount and percentage of assets or business activities vulnerable to climate-related opportunities

Currently, TSRC's primary exposure to climate-related opportunities stems from revenue generated by environmentally beneficial products (please refer to Appendix " [Revenue from Products with Environmental Contributions](#) "). Environmentally beneficial products accounted for 3.53% of the Group's total revenue in 2025.

Capital deployment

For capital expenditures related to climate-related risks and opportunities, please refer to Appendix [TSRC Group Capital Expenditures on Environment-Related Projects](#).

Internal carbon prices

Among all of TSRC's production sites, only Taiwan has a relatively clear carbon fee policy. In accordance with the principle of reasonableness, TSRC has set its current internal carbon price in Taiwan at NT\$100, based on the carbon fee rate published by the Ministry of Environment and taking into account the company's eligibility for a preferential carbon fee rate. This rate will remain in place until 2030. After 2031, the calculation will be based on the Ministry of Environment's publicly projected rate of NT\$1,800. Since the implementation details of other production sites (such as China and the United States) remain unclear and cannot be reasonably estimated, the internal carbon pricing will be continuously reviewed and adjusted in accordance with actual changes in publicly announced rates.

Remuneration

The Executive Leadership Team regularly reviews the implementation results and links climate-related targets to the performance of senior managers to strengthen the achievement of goals. Please refer to [Board of Directors and Senior Management Compensation Policy](#)

Note: Industry-based metrics (chemical industry): Please refer to Appendix [Industry-Based Metrics Comparison Table](#)

Climate-Related Targets

Climate-related Targets	Description	2025 Achievements	Targets		
			2025	2026	2030
Reduce total carbon emissions	Reduce Scope 1+2 total carbon emissions (Base year:2021)	-16.08%	-10%	-12.5%	-22.5%
Increase the percentage of renewable energy	Percentage of renewable energy in total electricity consumption	29.50%	10%	15%	30%
Improve wastewater recycling	Percentage of wastewater recycling out of total wastewater	36%	36%	37%	40%
Increase use of reclaimed water	Percentage of reclaimed water in total water consumption	29%	34%	35%	40%
Develop products that reduce environmental impact	Develop a new generation synthetic rubber for green tires and footwear, contributing to reduced carbon emissions based on sales volume	- 430,000 tons	-300,000 tons	-300,000 tons	-1,500,000 tons

Note 1: In line with the introduction of the IFRS Sustainability Standards, the Company plans to transition its greenhouse gas inventory methodology from ISO 14064-1 to the GHG Protocol within the timeframe specified by law. Through this transition, the Company will reassess the overall impact of Scope 3 emissions while considering future operational plans and the potential for reducing various Scope 3 emission factors. Based on this assessment, the Company will gradually establish Scope 3 targets and implement them accordingly.

Note 2: At present, the Company has not specifically planned to use carbon credits to offset GHG emissions. Biogenic CO₂ emissions are not included in the calculation of emission reduction targets.

Appendix

About the Report

This is the 2025 Climate-related Financial Disclosures Report of TSRC Corporation (hereinafter referred to as "TSRC") . The report discloses climate-related risks and opportunities according to the framework recommended by the Task force on Climate-related Financial Disclosures (TCFD) and International Financial Reporting Standard S2: Climate-related Disclosures (IFRS S2).

Reporting Period

This report covers the period from January 1, 2025 to December 31, 2025, which is consistent with the reporting period of the Company's financial statements.

Scope of Report

The content of this report covers entities belonging to the TSRC Group (including TSRC Corporation, 6 subsidiaries with substantive operations, and 2 holding subsidiaries with trading operations). The reporting boundary is consistent with all manufacturing and operational entities included in the consolidated financial statements. The information and material topics disclosed in this report do not vary from different entities and are not adjusted for minority shareholders' interests. All entities report ESG data and information to headquarters on a regular basis. The entity referred to in this report as "TSRC" refers to the following entities belonging to the TSRC Group, which can also alternatively be referred to as "TSRC Group" and "the Group."

- **TSRC Corporation: Refers to all companies located in Taiwan**

Global business headquarters (Taipei City)
Kaohsiung Factory
Gangshan Factory

- **Subsidiaries with Substantive Operations**

Shen Hua Chemical: Shen Hua Chemical Industrial Co., Ltd.
Nantong Industrial: TSRC (Nantong) Industrial Co., Ltd.
TSRC-UBE: TSRC-UBE (Nantong) Chemical Industrial Co., Ltd.
Shanghai Industrial: TSRC (Shanghai) Industrial Co., Ltd.
TSRC (Vietnam): TSRC (Vietnam) Co., Ltd. (Production and operations were stopped at the end of December 2024)
TSRC Specialty Materials: TSRC Specialty Materials LLC

- **Holding Subsidiaries with Trading Operations**

Polybus : Polybus Corporation Pte Ltd.
TSRC (Lux.) : TSRC (Lux.) Corporation S.à.r.l.

Third-Party Verification and Assurance

The data disclosed in this report is consistent with the 2025 Sustainability Report. The scope of the greenhouse gas inventory covers all factories and subsidiaries identical to the reporting scope in the financial statements. The operational control approach is adopted in accordance with ISO14064-1:2018. Verification conducted by DNV GL Business Assurance Co., Ltd. (DNV) . Please refer to the TSRC website for the Verification Statement. Water usage data has also been assured and verified by an independent third party. The assurance statement and the independent assurance statement by the certified public accountant can be found in the 2025 Sustainability Report.

Contact

Welcome any advice/suggestion or inquiries for TSRC ESG plans or implementations

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Climate-Related Performance

TSRC Group Greenhouse Gas Emissions

Unit : metric tons of CO₂e

	2021 (Base year)	2022	2023	2024	2025
Scope 1					
TSRC Group Total	129,576.10	138,263.75	139,249.78	151,362.26	154,696.90
Scope 2					
TSRC Group Total	431,108.98	407,234.28	374,918.70	356,420.45	315,857.61
Scope 3 ^{Note1}					
TSRC Group Total	1,405,933.19	1,333,221.48	1,332,772.05	1,331,675.38	1,583,915.32

Note 1 : Scope 3 GHG emission includes Category 3 (Indirect GHG emissions from transportation)– Emissions from upstream transportation and distribution (major raw materials) and Category 4 (Indirect GHG emissions from products used by an organization)– Emissions from the purchase of products (major raw materials) , Emissions from activities related to energy resources (excluding Categories 1 and 2) , Emissions from the removal and disposal of waste from operations .

Note 2 : This table includes seven types of greenhouse gases: carbon dioxide, methane, nitrous oxide, HFCs, PFCs, sulfur hexafluoride, and nitrogen trifluoride. The 2022-2025 GWP values are based on IPCC AR6.

Note 3 : Scope 1 emissions are calculated using the emissions factor and the mass balance calculation method. Scope 2 emissions are calculated using emissions factors and market-based method, and the factors used in this table are as follows:

- (Taiwan) Global Business Headquarters, Kaohsiung Factory, Gangshan Factory: The GHG Emission Factor announced by the Ministry of Environment (2024.02.05).
- (China) 2021-2023 : Shen Hua Chemical, Nantong Industries, and TSRC-UBE and Shanghai Industrial use China's provincial electricity emission factors, the United Nations Intergovernmental Panel on Climate Change (IPCC) assessment reports, and the Shanghai Bureau of Ecology and Environment [2022] No. 34 The Notice of Shanghai Ecological Environment Bureau on the Adjustment of Emission Factor Values related to the City's Greenhouse Gas Emission Accounting Guidelines.

2024 : Nantong Industries uses the national average carbon emission factor of electricity (excluding non-fossil fuel electricity generated through market-based transactions), while Shen Hua Chemical, TSRC-UBE, and Shanghai Industries use the national average carbon emission factor of electricity.

2025 : Shen Hua Chemical, Nantong Industries, and TSRC-UBE use the national average carbon emission factor of electricity (excluding non-fossil fuel electricity generated through market-based transactions). Shanghai Industries is based on the CO2 emission factor of the surplus combined electricity from the Shanghai public grid.
- (Vietnam) TSRC (Vietnam): Vietnam's Ministry of Industry and Trade, Vietnam Ministry of Natural Resources and Environment electricity emission factors, and Intergovernmental Panel on Climate Change (IPCC) Assessment Reports.
- (USA) TSRC Specialty Materials: U.S. EPA database and Intergovernmental Panel on Climate Change (IPCC) Assessment Reports.

Note 4 : According to the ISO14064-1:2018 standard, TSRC Group’ s Scope 2 GHG emissions (location-based) were 360,432.32 metric tons CO2e in 2024 and 354,937.21 metric tons CO2e in 2025.

Note 5 : The 2021-2025 reporting boundary covers all factories and subsidiaries identical to the reporting scope in the financial statements. The operational control approach is adopted in accordance with ISO14064-1:2018. Verification conducted by DNV GL Business Assurance Co., Ltd. (DNV). Data is rounded to the second decimal place.

Note 6 : Locations governed by emissions-limiting regulations refer to locations that are required by local laws to declare greenhouse gas emissions, including Kaohsiung Factory, Shen Hua Chemical, Nantong Industries and TSRC-UBE.The above-mentioned sites reported Scope 1 emissions of 135,175.95 tCO₂e in 2025, accounting for 87.38% of the Group’ s total Scope 1 emissions. Locations not governed by emissions-limiting regulations refer to locations that do not need to make declarations and are not subject to emission trading or other regulations, including TSRC’s Global Business Headquarters, Gangshan Factory, Shanghai Industries, TSRC (Vietnam), TSRC Specialty Materials, Polybus and TSRC (Lux.). In 2025, these sites reported Scope 1 emissions of 19,520.95 tCO₂e, accounting for 12.62% of the Group's total Scope 1 emissions.

TSRC Group Energy Consumption

Unit: Gigajoule (GJ)

		2022	2023	2024	2025
Non-renewable Energy	Bituminous Coal	0.00	0.00	0.00	0.00
	Fuel Oil	0.00	0.00	0.00	0.00
	Diesel in Factory Area	12,126.96	9,936.36	11,521.72	9,315.80
	Natural Gas	1,763,823.66	1,815,902.91	1,923,062.93	2,077,891.46
	Liquefied Petroleum Gas	769.22	239.91	1,021.19	913.91
	Gasoline	1,241.03	1,530.97	1,371.03	1,243.66
	Recycled Butadiene	66,979.31	76,259.51	42,606.65	56,543.53
	Purchased Electricity	929,941.41	866,128.46	760,668.85	552,337.00
	Purchased Steam	2,366,576.76	2,234,203.88	2,332,618.67	2,624,256.74
	Subtotal	5,141,458.35	5,004,202.00	5,072,871.06	5,322,502.10
Renewable Energy	Purchased Electricity	0.00	36,000.60	63,593.86	308,494.25
	Purchased Steam	0.00	2,077.38	8,649.56	15,195.16
	Subtotal	0.00	38,077.98	72,243.42	323,689.42
Total Energy Consumption		5,141,458.35	5,042,279.98	5,145,114.47	5,646,191.52
Self-generated Electricity (Non-renewable Energy + Renewable Energy)		60,071.87	84,226.28	177,784.80	236,431.58
Percentage of Electricity Used from the Power Grid (%)		93.93%	87.81%	75.91%	50.34%
Percentage of Renewable Energy (%)		0.00%	0.76%	1.40%	5.73%
Percentage of Electricity from the Grid out of Total Energy Consumption (%)		18.09%	17.18%	14.78%	9.78%

Note 1: The data in this table includes the scope of the report (TSRC Corporation, 6 operating subsidiaries, and 2 trading subsidiaries).

Note 2: TSRC (Vietnam) suspended operations and ceased production at the end of December 2024. Therefore, the data for 2025 does not include TSRC (Vietnam).

Note 3: The TSRC Group energy conversion factors are based on the "Greenhouse Gas Emissions Guidelines" published by the Ministry of the Environment of Taiwan. The data is calculated based on the Lower Heating Values (LHV) of the fuels. Data figures are summed up in full, then rounded to the second decimal place.

Note 4: Organization Total energy consumption=the internal energy consumption = non-renewable energy + renewable energy.

Note 5: Percentage of electricity used from the power grid (%) = (Purchased electricity (non-renewable energy)) / (Purchased electricity (non-renewable energy) + Purchased electricity (renewable energy) + self-generated electricity (renewable energy) + self-generated electricity (non-renewable energy)).

Note 6: Percentage of renewable energy (%) = (Purchased electricity (Renewable energy) + Self-generated electricity (renewable energy)) / Total energy consumption.

Note 7: Percentage of electricity from the grid out of total energy consumption (%) = Purchased electricity (non-renewable energy) / Total energy consumption.

Note 8: The heating value conversion factors for various energy consumption metrics are based on the table of heating values for energy products in the Handbook on Heating Values and Energy Statistics published by the Ministry of Environment of Taiwan. Among them, the recycled butadiene reference petroleum heating value, is calculated as 7,800 kcal/L. For steam, except for Shen Hua Chemical and Nantong Industries, a standard conversion factor of 2.26 GJ for the heat required to vaporize one ton of water at one atmosphere pressure is used. Shen Hua Chemical and Nantong Industries use a conversion factor provided by their supplier, which is 2.96626 GJ for one ton of water.

Note 9: Starting from 2021, all TSRC manufacturing factories no longer use bituminous coal and fuel oil as energy sources.

TSRC Group Water Consumption

Unit: 1,000m³

	2022	2023	2024	2025
Tap Water Withdrawal	3,860.71	3,163.19	3,329.63	3,205.60
Groundwater Withdrawal	–	6.77	0.04	0.04
Consumption of Purchased Steam	880.43	826.52	873.48	922.77
Wastewater Recycled	809.24	918.76	1,040.18	1,450.58
Purchased Reclaimed Water	-	212.48	198.26	256.78
Total Water Withdrawal ^{Note1}	3,860.71	3,169.96	3,329.67	3,205.64
Water Usage ^{Note2}	5,550.38	5,127.72	5,441.59	5,835.76
Water Discharged	3,011.66	2,793.47	2,753.20	2,541.90
Water Consumption ^{Note3}	2,538.72	2,334.25	2,688.39	3,293.86
Wastewater Recycling Rate ^{Note4} (%)	21%	25%	27%	36%
Reclaimed Water Usage Rate ^{Note5} (%)	15%	22%	23%	29%

Note 1: Total water withdrawal = Tap water withdrawal + Groundwater withdrawal. Data figures are first summed up in full, then rounded to the second decimal place.

Note 2: Water usage = Fresh water withdrawal + Groundwater withdrawal + Consumption of purchased steam + Wastewater recycled + Purchased reclaimed water.

Note 3: Water consumption =Water usage - Water discharge.

Note 4: Wastewater Recycling Rate = Wastewater recycled volume / Total wastewater volume. Total wastewater volume = Wastewater recycled volume + Water discharge volume. The data is rounded to the nearest whole number.

Note 5: Reclaimed Water Usage Rate = Reclaimed water usage volume / total water usage volume. Reclaimed water usage volume = Wastewater recycled volume + Purchased reclaimed water volume. The data is rounded to the nearest whole number.

Note 6: Tap water withdrawal comes from fresh water (= 1,000 mg/L total dissolved solids) supplied by the local water company. Purchased steam is also used as one of the sources of process water after the purpose of heat exchange. The evaporation of purchased steam is not considered. TSRC Kaohsiung Factory also draws groundwater.

Note 7: In 2025,tap water and groundwater withdrawal in areas with high water stress risk (according to regional analysis), including the Kaohsiung Plant, Gangshan Plant, Shenhua Chemical, Nantong Industrial, TSRC UBE, Shanghai Industrial, and TSRC (Vietnam), accounted for 96.56% of the group's total water withdrawal, and water consumption in these areas accounted for 97.52% of the Group's total water consumption.

TSRC Group Capital Expenditures on Environment-Related Projects

Unit: NT\$

	2022	2023	2024	2025
Energy Conservation and Carbon Reduction	65,585,801	82,634,999	118,818,631	120,840,281
Reduction of Air Pollution	57,672,813	87,427,700	99,756,543	71,730,443
Waste Reduction	9,096,124	23,762,820	537,067	3,901,056
Improve Water Resources Management	7,154,179	45,277,097	9,320,825	35,597,303
Total	139,508,917	239,102,616	228,433,066	232,069,083

TSRC Group Revenue from Products with Environmental Contributions

Unit: NT\$ thousand

Product Category	Product Description	2022	2023	2024	2025
New Generation Synthetic Rubber Products	- The application of new-generation synthetic rubber to tires can help reduce tire rolling resistance, increase wear resistance, and improve vehicle fuel efficiency - Applying this material to shoe materials can increase wear resistance and prolongs the lifecycle of shoe materials. These properties above can help to reduce carbon emissions in the environment and extend the lifecycle of products.	459,279	638,148	1,214,470	1,288,001

TSRC Group Patents and R&D Expenses

Unit: Case(s) ; NT\$ thousand

	2022	2023	2024	2025
Total Number of Global Patents Approved	431	457	474	482
R&D Expenses	392,118	396,693	427,402	409,770

Task Force on Climate-Related Financial Disclosures (TCFD) Comparison Table

TCFD Recommended Disclosure Items	Chapter Position in Report
Governance	
Board of Directors oversight of climate-related risks and opportunities.	TSRC Climate Governance and Management Framework
Role of management in assessing and managing climate-related risks and opportunities	TSRC Climate Governance and Management Framework
Strategy	
Short, medium, and long-term climate-related risks and opportunities identified by the organization	Impact of and Responses to Important Climate Risks and Opportunities
Impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	Align Climate-Related Disclosures with IFRS S2
The organization's strategic resilience considering various different climate scenarios (including scenarios of a 2°C or higher temperature change)	Align Climate-Related Disclosures with IFRS S2
Risk Management	
The organization's processes for identifying and assessing climate-related risks	Climate-Related Risks and Opportunities Identification and Management Process
The organization's processes for managing climate-related risks	Climate-Related Risks and Opportunities Identification and Management Process
Integrating processes for identifying, assessing, and managing climate-related risks into the organization's overall risk management	Climate-Related Risks and Opportunities Identification and Management Process
Metrics and Targets	
Disclose the indicators used by the organization to assess climate-related risks and opportunities in line with our strategy and risk management process	Metrics and Targets
Scope 1, Scope 2 and Scope 3 (where applicable) greenhouse gas emissions and associated risks	Appendix TSRC Group Greenhouse Gas Emissions
Goals used by the organization to assess climate-related risks and opportunities, and goal achievement performance	Metrics and Targets

IFRS Sustainability Disclosure Standard S2 Comparison Table

IFRS S2 Disclosure Items	Chapter Position in Report
Governance	
Role of governance units in the governance of climate-related risks and opportunities	TSRC Climate Governance and Management Framework
Role of management in the governance of climate-related risks and opportunities	TSRC Climate Governance and Management Framework
Strategy	
Climate-related risks and opportunities that can reasonably be expected to affect individual outlook	Align Climate-Related Disclosures with IFRS S2
Information on the current and expected impact of climate-related risks and opportunities on individual business models and the value chain	Align Climate-Related Disclosures with IFRS S2
Information on the impact of climate-related risks and opportunities on individual strategies and decisions	Align Climate-Related Disclosures with IFRS S2
Impact of climate-related risks and opportunities on the individual's current and expected financial position, financial performance, and cash flow	Align Climate-Related Disclosures with IFRS S2
Climate resilience scenario analysis and assessment	Align Climate-Related Disclosures with IFRS S2
Risk Management	
Processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities (including whether and how these processes are integrated into and affect the overall risk management process of the entity)	Climate-Related Risks and Opportunities Identification and Management Process
Metrics and Targets	
Information related to cross-industry metric categories (climate-related metrics)	Metrics and Targets
Information on industry-based metrics	Appendix Industry-Based Metrics Comparison Table
Disclose information on climate-related risks or opportunities (climate-related targets)	Metrics and Targets

Industry-Based Metrics Comparison Table

IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures Volume 47—Chemicals

Topic/SASB Code	Metric	Unit	Chapter Position in Report
Greenhouse Gas Emissions			
RT-CH- 110a.1	Gross global Scope 1 emissions, percentage covered under emissions limiting regulations	Metric tonnes (t) CO ₂ e Percentage (%)	Appendix TSRC Group Greenhouse Gas Emissions
RT-CH- 110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	TSRC has stopped using coal-fired boilers since 2020 to reduce emissions from coal use, while adjusting the fuel used in boilers at all factories to replace fuel oil with natural gas. No fuel oil was used across the entire TSRC Group. From 2022 onwards, TSRC has reduced the use of boiler fuel through steam reduction measures. In the future, TSRC will continue to reduce Scope 1 emissions by regulating steam consumption.
Energy Management			
RT-CH- 130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy	Gigajoules(GJ) Percentage(%)	Appendix TSRC Group Energy Consumption
Water Management			
RT-CH- 140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic metres(m ³) Percentage(%)	Appendix TSRC Group Water Consumption
RT-CH- 140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Number	0 case
RT-CH- 140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	To address the risk of operational disruptions caused by drought—such as water supply interruptions and water shortages—TSRC has strengthened its water resilience through four key actions: water conservation measures; improvement of wastewater recycling and process efficiency; increased use of reclaimed water; and diversification of water supply sources.
Product Design for Use-phase Efficiency			
RT-CH- 410a.1	Revenue from products designed for use phase resource efficiency	Presentation currency	Appendix TSRC Group Revenue from Products with Environmental Contributions
Activity Metrics			
RT-CH- 000.A	Production by reportable segment	Metric tonnes (t)	The Group's total production was 647,985 metric tons in 2025.



2025 TSRC Climate-Related Financial Disclosures Report