

Status of Environmental Management

TSRC takes its social responsibility for environmental protection seriously, and has adopted high standards of environmental management at all of its operating locations, including air pollution, waste/scraps, soil and groundwater contamination, and other substances that may have an impact on the environment. TSRC continues to promote energy conservation and waste reduction, air pollution prevention, and wastewater reduction and recycling through ISO 14001 Environmental Management Systems. We periodically conduct comprehensive reviews, and use technology to monitor factories and surrounding areas, to comply with regulations. TSRC's environmental management strategy focuses on "process improvement" and "environment monitoring", in which the global business headquarters is responsible for environment management and supervision and for formulating related plans while factories are responsible for implementation.

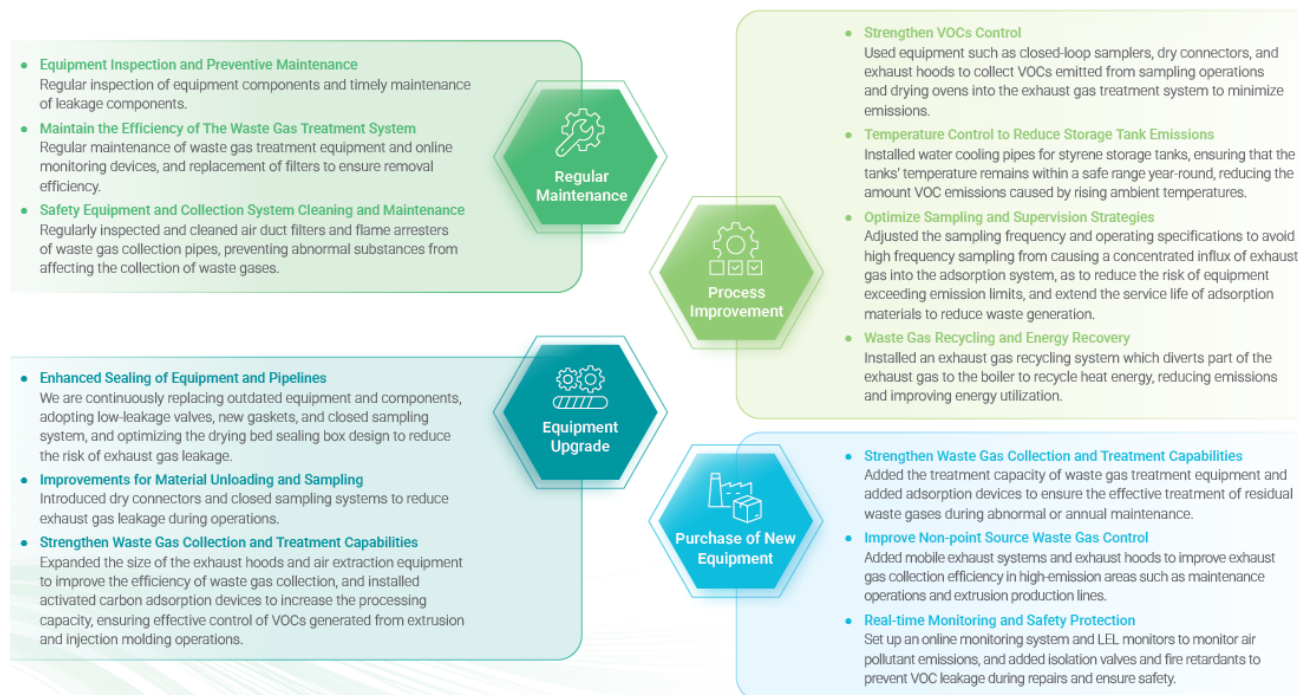


TSRC Kaohsiung Factory, Gangshan Factory, Shen Hua Chemical, Nantong Industries, TSRC-UBE, Shanghai Industries, and TSRC Specialty Materials have all obtained ISO-14001 Environmental Management System certification.

Site	ISO 14001 Certification validity period
Kaohsiung Factory	2024/02/06-2027/02/05
Gangshan Factory	2024/02/06-2027/02/05
Shen Hua Chemical	2025/05/22-2028/05/21
Nantong Industries	2024/08/15-2027/08/14
TSRC-UBE	2024/08/03-2027/08/02
Shanghai Industries	2024/11/28-2027/11/27
TSRC Specialty Materials	2024/04/12-2027/04/11

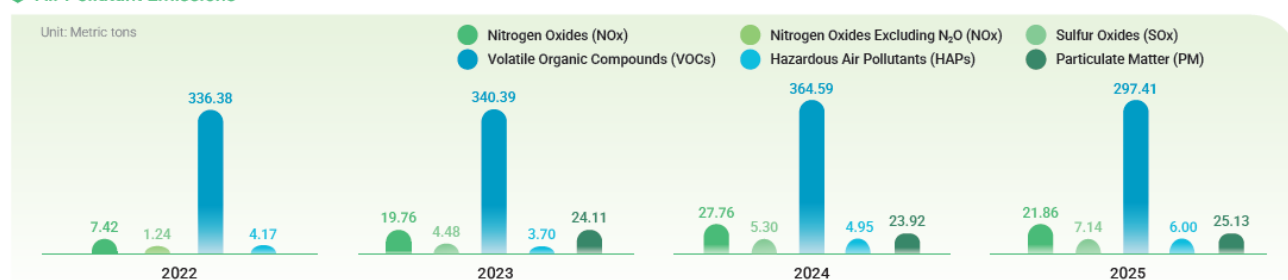
1. Air Pollution Prevention and Management

In terms of air pollution prevention and management, TSRC focuses on strengthening the management of volatile organic compounds (VOCs) at each location, driving continuous improvement through regular maintenance, improvement processes, equipment updates, and new equipment purchase.



TSRC continues to upgrade equipment and optimize processes, reduces air pollutants released in the production process, and hazards to the environment and health.

Air Pollutant Emissions



In 2025, 1 violations of the Air Pollution Prevention Act occurred at TSRC's Kaohsiung Factory. TSRC immediately initiated remedial measures to minimize the impact on the environment and on residents of nearby communities.

TSRC Air Pollution Violations and Improvement Plan

Factory Found in Violation	Regulation Violated	Reason for Fine	Fine Amount (NT\$)	Solution or Improvement Plan
TSRC Kaohsiung Factory	Article 23, Paragraph 2 of the Air Pollution Control Act	The cover plate for the process trench (D-07) of the other synthetic rubber manufacturing process (M02) at the Kaohsiung Factory was open, and on-site measurements of volatile organic compound (VOC) concentrations indicated a reading of 24,424 ppm, clearly indicating that an airtight seal was not maintained. The wastewater collection system allows the wastewater surface to come into contact with the atmosphere, which is not in compliance with Article 38 of the Air Pollution Control and Emission Standards for Volatile Organic Compounds, which is in violation of Article 23, Paragraph 2 of the Air Pollution Control Act.	220,000	- Cleaning of process trenches is carried out immediately, and regular cleaning is planned every six months. - Improved the drainage of water seal troughs to reduce odor and VOC retention in the process trenches. - VOC testing is carried out daily at the process trenches of the manufacturing site. If the measurement value exceeds the set value, cleaning will be carried out.

2. Environment and Ecosystem Preservation

With reference to the TNFD LEAP methodology for biodiversity disclosure, this framework is divided into four key phases: Locate, Evaluate, Assess, and Prepare, which serve as a tool for systematic identification and assessment of nature-related risks and opportunities. In the "Locate" phase, we used the World Database on Protected Areas (WDPA) of the International Union for Conservation of Nature (IUCN) and the United Nations Environmental Protection Agency (UNEP) and the global Key Biodiversity Area (KBA). Furthermore, we used data from the Taiwan Ecological Network of the Forestry and Nature Conservation Agency of the Ministry of Agriculture for our operations in Taiwan. We conducted a geographic overlay analysis of each operational site and its surrounding 2-kilometer radius to screen potential ecologically sensitive sites. TSRC's global operation sites are not directly located within the six categories of protected areas and critical biodiversity areas specified by the IUCN, while operations in Taiwan are not directly located within important biodiversity protected areas in Taiwan. None of the species in the industrial park are listed on the IUCN Red List or as endangered on the National List of Protected Species in Taiwan. TSRC Group has set up maintenance and management policies for a certain percentage of green space and vegetation at each of our factories, provided that factory safety and normal production processes are not jeopardized. In the future, TSRC will refer to the TNFD methodology framework for the subsequent "Evaluate, Assess, and Prepare" phases, and expand it to the value chain to comprehensively identify nature-related risks and opportunities.

Regarding the prevention of land and groundwater pollution, the three subsidiaries of Shen Hua Chemical, TSRC-UBE, and Nantong Industries conduct regular soil and groundwater monitoring inventories in accordance with the "HJ 1209-2021 Technical Guidelines of Soil and Groundwater Self-Monitoring for Industrial Enterprises" of China every year. The results of the inspections in 2025 showed no abnormalities, and there were no leaks or contamination incidents. In accordance with the Soil and Groundwater Pollution Remediation Act, the Kaohsiung Factory conducts groundwater monitoring once a year, and in 2025, the test results showed no anomalies, and no contamination occurred. In addition, in accordance with the "Regulations for the Prevention of Pollution of Groundwater by Storage Systems and the Installation of Monitoring Equipment", soil gas monitoring wells are installed in the diesel fuel storage tanks in the plant area, and monitoring and testing are conducted on a regular basis. The TSRC Specialty Materials plant is located in the Dow Industrial Park and the groundwater is monitored by Dow.

● TSRC Ecological Maintenance Management Approach



Outsource the Maintenance of Vegetation to a Professional Team

- Regular irrigation, pruning and fertilization
- Seasonal pest control
- Provide suitable living conditions for vegetation according to their characteristics, e.g. avoiding rainwater and industrial wastewater in planting areas



Protect Animals from Being Disturbed

No intentionally chasing, disturbing, feeding, or harming animals



Office Space Greening

TSRC Group offices use a small number of potted plants to green office space and air quality