

Letter from the CEO

In 2025, rising global trade protectionism, market supply-demand imbalances, and an industry downward cycle created structural challenges for the global petrochemical and rubber industries. At the same time, extreme weather events, including torrential rainfall, floods, heat waves, and wildfires have occurred across many parts of the world. According to the latest data of the World Meteorological Organization (WMO), the global average temperature increased by 1.44°C in 2025 compared to pre-industrialization, indicating that extreme weather is gradually becoming the norm, which will bring varying degrees of impact on the environment, human life, and business operations.

Faced with multiple challenges from the external environment, TSRC must simultaneously respond to industry challenges and climate risks. Adhering to the principles of stable operations, the company implements global deployment strategies and optimizes resource allocation to deepens its core positioning in the demand chain for automotive materials in Asia. Through flexible production and sales operations, we reduce the impact of market fluctuations and stabilize the Group's financial performance. In terms of sustainability strategies, we continue to promote key action plans to actively expand the highend eco-tire material market, focus on employee rights, strengthen corporate governance, and enhance the operational resilience to climate disasters of each operational location.

The key focuses and results for the 2025 sustainability goals are as follows:

 Enhancing sustainable competitiveness	The company is committed to developing sustainable products and increasing the procurement of renewable raw materials. Several operating sites in Taiwan, China, the United States, and Luxembourg have obtained the ISCC Plus sustainable product certification, accelerating TSRC transformation into a supplier of sustainable products. At the same time, we expanded the production capacity for high-efficiency eco-tire materials, and maintained close cooperation with strategic customers. We will continue to develop innovative technologies in fields such as high performance tires and medical materials, and promote the commercial application of advanced materials. In terms of risk management, in addition to actively managing risks related to our own operations, we also completed the environmental and human rights due diligence of key suppliers this year to monitor their sustainability and carbon reduction actions, and gradually launched Scope 3 reduction actions.
 Demonstrating climate transition and resilience	The Group continues to promote climate transition plans, and continues to reduce the Group's direct and indirect carbon emissions by using low-carbon fuels, launching solar power generation facilities and cogeneration systems, optimizing processes, and increasing the use of renewable energy, achieving the annual carbon reduction targets (Scope 1+2) and receiving the Silver rating from the EcoVadis Group in the international sustainability evaluation. In addition, we promote various improvements based on the concept of circular economy to improve the wastewater recycling rate, reclaimed water usage rate, and waste recycling and reuse rate.
 Improving employee safety and development	Employee safety and health have always been the company's core focus. Most of the Group's operating sites have employee workplace physical and mental counseling services to support employee health and wellbeing. In terms of safety, we continue to strengthen the organization's safety awareness and related measures, maintaining the low accident rate typical of leading global petrochemical companies. In terms of talent development, the company continues to optimize the Group's Learning Management System (LMS) and training processes to enhance employee engagement and training effectiveness.

Looking ahead, in the face of uncertainties of the external environment, changes in industry structure, and frequent climate disasters, TSRC will continue to accelerate the deployment of high-value products, deepen sustainable transformation, strengthen operational resilience, and optimize resource allocation to mitigate and adapt to the impact of climate risks, ensuring the company's long-term growth momentum. At the same time, we hope to collaborate with value chain partners to jointly create sustainable values that take into account the environment and human wellbeing.

CEO of TSRC *Joseph Chai*