



Dairen Chemical Corporation

# 2023

## Sustainability Report



Chang Chun Group



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## Message From the Operator

In 2023, the petrochemical industry faced the dual challenges of global inflation and accelerating interest rate hikes. Meanwhile, the Israeli-Palestinian conflict and the Red Sea crisis have further deepened the geopolitical instability, bringing additional pressure on the balance of supply and demand in the global market. DCC suffered from fierce competition and unfavorable laws and regulations, which affected its operating revenue and profitability. However, in the face of such challenges and opportunities, we adhere to a win-win strategy centered on the environment, society, and governance to fulfill our commitment to sustainable development.

In response to low-carbon transformation and customer needs, DCC continues to invest in the R&D of green products and low-carbon processes, aiming to mitigate climate change, reduce human hazards, reduce environmental impact, and improve production efficiency. At the same time, we are actively strengthening business development in Europe, America, and emerging markets. DCC's green products include VAE Emulsion, a low-VOC eco-friendly coating, and VAE powder, an eco-friendly, low-carbon building material coating. In 2023, our VAM and VAE products obtained ISCC PLUS (International Sustainability and Carbon Certification), and we plan to expand the scope of product certification in 2024. We will continue our efforts to develop in the direction of recycling, biomass raw materials and low-carbon raw materials, and reduce our reliance on petrochemical raw materials.

In response to the "Paris Agreement" to limit the temperature rise to 1.5° C and CBAM and other global climate regulations, we have established sustainable carbon reduction targets. We aim to reduce emissions by 12% in 2025 and 30% in 2030 with 2021 as the baseline year, in line with the government to achieve net zero carbon emissions by 2050. In 2023, we continued to promote carbon management, including formally signing the TCFD initiative, planning to introduce an internal carbon pricing system, completing the self-assessment of the carbon footprint of the main products of plants in Taiwan, and expanding the program to overseas factories, demonstrating DCC's determination to achieve net zero.

We uphold a people-oriented business philosophy, are committed to promoting labor human rights, and value talents. In addition to offering salary packages that are better than the industry standard, the Company pays more attention to work-life balance and organizes diverse sports and family care activities. Since the implementation of the maternity incentive system in 2018, we have continued to expand benefits. In 2023, we extended the monthly childcare allowance of NT\$3,000 until the child turns 4 years old. A total of NT\$2.42 million was paid out in 2023, enabling employees to enjoy decent and healthy living.

In recent years, the AI industry has developed vigorously. Given this, DCC is moving towards smart manufacturing by actively introducing AI identification and monitoring system in recent years to assist in the intelligent inspection of PPE wearing to reduce the occurrence of workplace injuries. At the same time, we have introduced risk assessment software for process safety to minimize the occurrence of process safety incidents. As the importance of the information system and network environment continues to increase, we have built a solid foundation in information security. By 2023, all seven factories overseas passed the ISO 27001 information security management system certification. In addition, with the promotion of the international trend of sustainable finance promotes, we have signed US\$150 million sustainable-linked finance lines of credit with banks to enjoy preferential interest rates while pursuing environmental goals, creating a win-win situation for both parties.

Through years of hard work in ESG, DCC stood out from 50,466 companies worldwide in the evaluation of EcoVadis, a third-party sustainability evaluation organization, and ranked in the top 4% of the overall industry, the first time after seven consecutive years. This has fully affirmed the Company's sustainable performance. We will continue to invest more resources, refine our sustainable development strategies, and realize the net-zero vision. We are committed to creating greater sustainable value for the Company, society, and all stakeholders.

Chairman **Lin Shean-Tung**

## 2023 DCC Highlights on Sustainability

**100%** Reinstatement rate of those on unpaid parental leave

The average salary adjustment for employees in Taiwan has increased by **3%** each year over the past decade.

**77** cases Number of social contribution projects in Taiwan and overseas that we participated or sponsored

**National Occupational Safety and Health Award** CCPG Executive Board Chairman, Mr. Lin Shu-Hong received the "2023 National Occupational Safety and Health Award" for Individual Contribution by the Ministry of Labor

**Outstanding Performance Award**  
The Formaldehyde, Allyl Alcohol Toxic Disaster Joint Defense Organization was awarded the Outstanding Performance Award by the Taiwan Responsible Care Association

Rate of water recovery : **89%**

Environmental protection input of NT\$ **370** million

2023 Total carbon capture  
**66,155 tCO<sub>2</sub>e**

In 2023, 89 energy conservation projects were undertaken, resulting in a carbon reduction benefit of **21,040 tCO<sub>2</sub>e**

VAM and VAE products have obtained ISCC PLUS international sustainability and carbon certification.  
**ISCC PLUS Certification**



NT\$ **7.9** billion Combined revenue of green products

Number of patents accumulated **60** cases

Ranked in the top **4%** of **50,466** companies worldwide and received the EcoVadis Gold Award  
**EcoVadis gold medal**

All **7** domestic and overseas production factories of the Group obtained ISO 27001 certification  
**100%** ISO 27001 Coverage Rate

DCC's 2023 planning of sustainability-linked line of credit  
Sustainability-linked line of credit of US\$ **150** million



# Introduction

In recent years, international trends and customers have placed more and more emphasis on ESG management. As it is DCC's commitment to pursue sustainability and center on ESG development, efforts have been made on practicing low-carbon production and valuing labor human rights. DCC also strives to create labor-management harmony, exert the influence of the value chain, deepen SDGs to create sustainable values, while emphasizing stakeholder communication and proactively responding to stakeholder concerns. By working side by side with stakeholders, we vow to create a sustainable future.

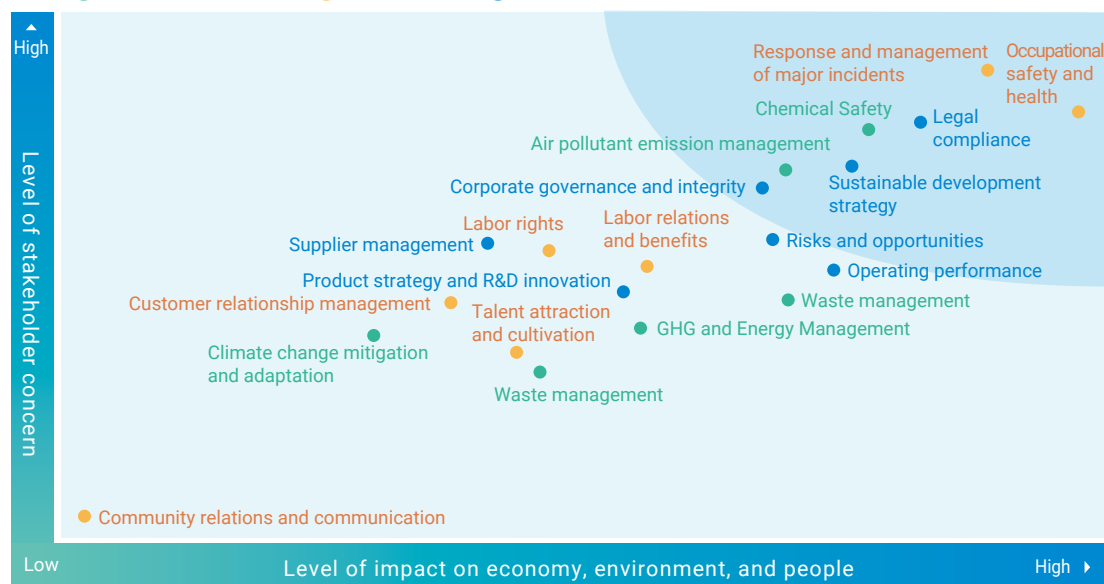


## Stakeholder Communication and Material Topic Identification

In order to pursue sustainability, DCC has categorized stakeholders and set up communication channels to effectively collect their information, while understanding their needs and expectation of us. The information collected on stakeholders is used as the vital reference for report information disclosure.



**E** Environmental Issues **S** Social Issues **G** Governance Issues



## 7 Material Sustainability Topics

- S** Occupational safety and health
- S** Response and management of major incidents
- G** Legal compliance
- E** Chemical Safety
- G** Sustainable development strategy
- E** Air pollutant emission management
- G** Corporate governance and integrity

## 13 General Topics

- G** Risks and opportunities
- G** Operating performance
- E** Waste management
- S** Labor relations and benefits
- S** Labor rights
- G** Product strategy and R&D innovation
- G** Supplier management
- E** GHG and Energy Management
- S** Talent attraction and cultivation
- E** Water resources management
- S** Customer relationship management
- E** Climate change mitigation and adaptation
- S** Community relations and communication

### Ranking of Top 3 Positive Impacts

|                                                | Impact Explanation                                                                                                                                                                                                                                                        |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1</b><br>Legal compliance                   | Establish a comprehensive legal identification system to comprehensively identify applicable laws and ensure compliance of corporate operations with relevant laws and regulations to strengthen employees' legal compliance awareness and reduce the risk of illegality. |
| <b>2</b><br>Sustainable development strategy   | Plan forward-looking sustainable development strategies and goals, align with the international sustainability trend, practice sustainable management, and bring more contributions to stakeholders.                                                                      |
| <b>3</b><br>Corporate governance and integrity | Formulate anti-corruption policies and conduct anti-corruption risk assessments and audits on a regular basis. Adhere to the principle of integrity in internal management and business activities to enhance the stakeholders' trust in the Company.                     |

### Ranking of Top 3 Negative Impacts

|                                                        | Impact Explanation                                                                                                                                                                                                                                             |
|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1</b><br>Response and management of major incidents | Incomplete contingency plans can easily lead to secondary disasters, threaten public health and safety, and have a significant impact on the local economy, environment, and industry image.                                                                   |
| <b>2</b><br>Legal compliance                           | Operational activities in violation of laws and regulations must bear the risk of penalties and increase the financial burden. Taking on legal liabilities may also cause a loss of stakeholder trust, which could have an impact on the Company's reputation. |
| <b>3</b><br>Occupational safety and health             | Neglect of occupational safety and health measures may lead to poor physical and mental conditions of employees and contractors, long-term exposure to hazardous environmental risks, and increase accidents and occupational diseases.                        |



## Scope and Boundaries of Material Topics

| Topic                                      | GRI Standards Corresponding | The Significance of Material Topics to DCC                                                                                                                                                                                                                                                                                                                                                                 | Stakeholders               |                           |           |                                       |                                 |                                           |                    | Management Approach and Related Information                   |
|--------------------------------------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|-----------|---------------------------------------|---------------------------------|-------------------------------------------|--------------------|---------------------------------------------------------------|
|                                            |                             |                                                                                                                                                                                                                                                                                                                                                                                                            | Employees/<br>labor unions | Suppliers/<br>contractors | Customers | Governments/<br>competent authorities | Shareholders/<br>joint ventures | Community residents surrounding factories | Trade associations | Corresponding Chapters                                        |
| Occupational safety and health             | GRI 403                     | Through the effective promotion and implementation of workplace safety and health measures, employees and contractors can avoid accidents and occupational diseases caused by poor physical and mental condition and prolonged exposure to hazardous environments. This minimizes negative environmental and social impacts, build a workplace where employees can work with peace of mind and dedication. | ●                          | ●                         |           | ●                                     | ●                               | ●                                         | ●                  | 3.4.2<br>Workplace and Process Safety<br>3.4.3<br>Health Care |
| Response and management of major incidents | GRI 403                     | When a major accident occurs, an incomplete contingency plan may cause a significant impact on public safety, the local economy, the image of the entire industry, the environment, and natural resources, or even cause secondary disasters. Given this, we perform emergency response drills in different scenarios to familiarize employees with emergency response techniques and correct procedures.  | ●                          | ●                         |           | ●                                     | ●                               | ●                                         |                    | 3.4.4<br>Response and management of major incidents           |
| Legal compliance                           | GRI 2-27<br>GRI 205-3       | Legal compliance is the Company's moral mission and responsibility. Strict compliance with relevant laws and regulations is the practice of social responsibility, and also a way of being responsible to the stakeholders. Maintaining the corporate reputation and trust leads the Company to stable and sustainable growth.                                                                             | ●                          | ●                         | ●         | ●                                     | ●                               |                                           | ●                  | 4.1.2<br>Risk management                                      |
| Chemical Safety                            | GRI 416<br>GRI 417          | DCC takes a responsible attitude on the subject of R&D, raw material acquisition, production, use and disposal stages of chemicals. We seek safe alternatives and reductions when using high-risk/ hazardous substances to reduce any negative impact on human health and the environment.                                                                                                                 | ●                          |                           | ●         | ●                                     | ●                               | ●                                         | ●                  | 3.4.1<br>Chemical Safety                                      |
| Sustainable development strategy           | GRI 2-13<br>GRI 2-14        | At DCC, we shape an ESG culture and root sustainability in the company through practical environmental protection actions, providing company governance transparency, protecting employee interests and rights, improving supply chain management, and facilitating local community development.                                                                                                           |                            | ●                         | ●         |                                       | ●                               |                                           | ●                  | Introduction<br>Sustainability Strategy                       |
| Air pollutant emission management          | GRI 305                     | DCC is devoted to creating a better living environment for the public so that Taiwanese people can enjoy clean air and a blue sky. This is our greatest motivation to keep on promoting the improvement of air pollution.                                                                                                                                                                                  |                            |                           |           | ●                                     | ●                               | ●                                         | ●                  | 2.5<br>Air pollutant emission management                      |
| Corporate governance and integrity         | GRI 2-9                     | DCC firmly believes that a transparent, open, and efficient corporate governance mechanism and the implementation of corporate sustainability standards and measures can protect the rights and interests of shareholders while taking into account the interests of other stakeholders, thereby leading the Company to achieve steady and sustainable growth.                                             |                            | ●                         | ●         | ●                                     | ●                               |                                           |                    | 4.1.1<br>Corporate Governance and Integrity                   |

## Stakeholder engagement

We value the needs and expectations of our stakeholders and have identified important stakeholders through each unit's feedback of questionnaires. In 2023, the communication channels/frequencies are listed as follows:

| Stakeholders                                       | Importance of stakeholders to Dairen                                                                                                                                                                                                                                                                               | Communication Channel                                                                                                                                                                                                                         |                                                                                                                                                                                      | Communication Frequency                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2023 Communication Results                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employees/<br>labor unions                         | Not only is "talent" DCC's most important asset, it has also been the foundation of the sustainable operations for more than 7 decades. We strive to build a friendly and stable workplace to bring employees closer while deepening their sense of identity.                                                      | <ul style="list-style-type: none"> <li>Various types of work meetings (quality/environment/safety/production, etc.)</li> <li>Various employee benefit meeting</li> <li>Internal meeting or seminar</li> </ul>                                 | <ul style="list-style-type: none"> <li>Annual performance evaluation</li> <li>Education and training</li> <li>Grievance email, e-Bulletin board, questionnaire, interview</li> </ul> | <ul style="list-style-type: none"> <li>Work meetings (weekly/monthly/quarterly/annually)</li> <li>Employee benefit meetings (quarterly)</li> <li>Various types of meetings held from time to time</li> <li>Occasional communication through Grievance email, e-bulletin board, questionnaire surveys, interviews, etc.</li> <li>1 annual performance evaluation and 4 annual regular evaluations</li> </ul>                                                    | <ul style="list-style-type: none"> <li>Provided a variety of bonuses and non-bonuses as employee benefits</li> <li>Satisfactory results were achieved at the union general meeting</li> <li>Average 76 hours of education and training per person</li> </ul>                                                     |
| Suppliers/<br>contractors                          | Suppliers/contractors are a fundamental foundation for DCC to provide quality products and services; they are at the same time indispensable partners in moving towards a sustainable supply chain.                                                                                                                | <ul style="list-style-type: none"> <li>Phone, letter, fax, webpage</li> <li>Supplier/contractor visits, and visited by them</li> <li>Supplier/contractor education and training</li> <li>Supplier evaluation, audit</li> </ul>                |                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Mutual visits with suppliers/contractors from time to time</li> <li>Multiple sessions of supplier/contractor education and training per year</li> <li>Unscheduled on-site audits of suppliers depending on the importance of suppliers, their quality/delivery performance and ESG risk assessments</li> <li>Occasional phone and email communications</li> <li>Two transportation safety meetings each year</li> </ul> | <ul style="list-style-type: none"> <li>4,084 contractors were trained and tested</li> <li>21 supplier on-site audits</li> <li>205 qualified main raw material suppliers, 56 qualified transportation suppliers and 504 qualified contractors.</li> </ul>                                                         |
| Customers                                          | "Customer first" has always been DCC's management philosophy. Dairen treats all customers with integrity and trust so that all customers are served with peace of mind for sustainable growth.                                                                                                                     | <ul style="list-style-type: none"> <li>Phone, letter, fax, webpage</li> <li>Customer visits, visit customers</li> <li>Exhibition exchange</li> </ul>                                                                                          | <ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Customer evaluation at the factory</li> <li>Set up customer complaint channel</li> </ul>                | <ul style="list-style-type: none"> <li>Occasional communication via phone, email, fax and webpage</li> <li>Occasional customer visits, technical services</li> </ul>                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>1 customer satisfaction survey</li> <li>Participated in one large exhibition</li> </ul>                                                                                                                                                                                   |
| Governments/<br>competent<br>authorities           | DCC strictly follows law and regulations and maintains smooth communication with the government/competent authorities, jointly promoting the steady and sustainable growth of the industry.                                                                                                                        | <ul style="list-style-type: none"> <li>Promote on par with central and local competent authorities, and briefings, review, audit and meeting</li> </ul>                                                                                       | <ul style="list-style-type: none"> <li>Visits by government officials</li> <li>Joint fire drills</li> <li>Official correspondence</li> </ul>                                         | <ul style="list-style-type: none"> <li>Regular application review</li> <li>Unscheduled site visit by authorities</li> <li>Unscheduled official correspondences and telephone communication</li> <li>Unscheduled visits by government officials</li> <li>Occasional participation in meetings (review meetings/negotiation and discussion meetings/briefings/seminars/forums) multiple times a year</li> </ul>                                                  | <ul style="list-style-type: none"> <li>Periodic filing of environmental and occupational safety and health information as required by law</li> <li>Participated in 9 emergency response drills organized by appropriate government body</li> <li>Participated in 259 government unit-related meetings</li> </ul> |
| Shareholders/<br>joint ventures                    | The support DCC receive from shareholders/joint ventures is the backbone to the pathway to sustainability. Meanwhile, DCC is committed to demonstrating corporate value and practicing sustainable governance through the excellent management performance.                                                        | <ul style="list-style-type: none"> <li>Board of Directors</li> <li>Management meeting and monthly report</li> </ul>                                                                                                                           |                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Hold at least four Board meetings a year</li> <li>Hold monthly management meeting</li> </ul>                                                                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>Held 4 meetings of the Board of Directors</li> </ul>                                                                                                                                                                                                                      |
| Community<br>residents<br>surrounding<br>factories | Since its inception, DCC has upheld the spirit of "what's taken from society will be given back to society". DCC takes in the views of local communities, while at the same time maintaining robust relationships with them by conveying positive influence while working together to create a sustainable future. | <ul style="list-style-type: none"> <li>All factories provide a grievance number, mailbox, security guard booths</li> <li>Participate in/sponsor community activities</li> <li>Environment/public facility adoption and maintenance</li> </ul> | <ul style="list-style-type: none"> <li>Invite residents to visit the factory</li> <li>Sponsored scholarships for local and neighboring universities</li> </ul>                       | <ul style="list-style-type: none"> <li>Visit community residents from time to time</li> <li>Proactively sponsor local activities and public facility adoption and maintenance each year</li> </ul>                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Participated in and sponsored 77 community activities</li> <li>47 community residents and students were invited for factory visit</li> </ul>                                                                                                                              |
| Trade<br>associations                              | Through various exchanges and sharing activities, we proactively interact with industry associations to keep up with the market trend and sustainability direction, jointly enhancing the competitiveness of the industry.                                                                                         | <ul style="list-style-type: none"> <li>Participate in meetings held by trade associations</li> </ul>                                                                                                                                          |                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Participate in meetings from time to time</li> </ul>                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>Took part in a total of 9 industry associations, 1 R&amp;D associations and academic societies, and 12 other associations</li> <li>Hold important positions in 7 public associations</li> </ul>                                                                           |

CCPG have established multiple communication channels to tackle different issues: in terms of internal labor and human rights issues - our employees can offer their opinions or air grievances via labor-management meetings and labor union organizations; in terms of residents living near the factory - we maintain a smooth communication channel, and provide various platforms to give feedback on environmental issues that concern them the most; and in terms of whether our operations are in compliance with the principle of integrity - we have set up internal audit control units to supervise related matters. As Chang Chun has a straightforward reporting system, we also carry out independent investigations.

CCPG strictly protects the identity and content of whistleblowers and those involved in the investigation. Retaliation is strictly prohibited, and those who violate the rules will be punished severely.

| Aspect                                                                                  | Grievance Channel                                                                                                                                           | Handling Process                                                                                                                                                                                                                                                                                                                                                                                                                                                | Result                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Legal Compliance                                                                        | Appeal via phone, fax, letter, or email<br>Compliance Email: CCPGLG@ccp.com.tw<br><br>Audit department Email: ccpgaudit@ccp.com.tw                          | After receiving a grievance, the Legal Department or the Audit Department will take the initiative to investigate and report the case to management of each company. Those involved will be corrected and disciplined to prevent recurrence.                                                                                                                                                                                                                    | In 2023, there were a total of 1 whistleblower cases related to anti-corruption. After review, the cases were substantiated. <div>Explanation<br/>An external anonymous report that the factory supervisor received bribes from the contractor. The case was proven to be true after investigation. and the employee involved was dismissed.</div> |
| Society and Economy                                                                     | Appeal via phone, fax, letter, or email<br>Compliance Email: CCPGLG@ccp.com.tw                                                                              | After receiving a grievance, the Legal Department and the Audit department will take the initiative to investigate and report the case to management of each company. For any unlawful conduct, compliance must be reviewed and countermeasures proposed to prevent it from recurring.                                                                                                                                                                          | In 2023, there were no social and economic reports or complaints                                                                                                                                                                                                                                                                                   |
| Environment                                                                             | Safety and environment departments of all factories<br>Security booths of all factories<br>All factories provide a grievance number for complaints, mailbox | Upon the receipt of a grievance, the related unit will be notified to handle the matter, which is then submitted to the management of each company. The management of each company will then reply with the course of action as well as the subsequent result.                                                                                                                                                                                                  | There were no environment-related reports or complaints in 2023.                                                                                                                                                                                                                                                                                   |
| Corporate human rights, labor conditions (including child labor and forced labor, etc.) | Appeal via labor platforms, trade union organizations, phone, fax, letter, or email<br>HR Email: CCPGHR@ccpgp.com                                           | After receiving a grievance, the Human Resource Department should make an effort to carry out an investigation upon receiving a grievance case. If the case proves to be true, the guilty party should be held responsible in accordance with the work rules and related laws and regulators; where the grievance case is proven to be a false accusation or frame-up, the person filing the grievance should be disciplined in accordance with the work rules. | 2 complaints related to labor conditions were received in 2023. <div>Explanation<br/>2 cases involving dismissal were filed for investigation in Dairen; one was rejected through mediation, and the other is under investigation.</div>                                                                                                           |
| Information Safety                                                                      | Any information security incident shall be reported to the Management Information Center at 0988-558363 or the information representative of each factory.  | After receiving an information security incident report, the Management Information Center will handle the matter according to the 《Information Security Incident Management Procedure》 to eliminate or reduce the risk brought by the information security incident.                                                                                                                                                                                           | There were no information security incidents reported in 2023.                                                                                                                                                                                                                                                                                     |
| Trade Secret System                                                                     | Suspected infringement incidents should be reported by each department to security_tsaudit@ccpgp.com to initiate trade secret investigation.                | Upon receiving reports of suspected infringement incidents, the Trade Secrets Enforcement Team will work with relevant units to launch an investigation, compile and verify the facts, and report them to the Company’s management to ensure the rights and interests of the Group.                                                                                                                                                                             | In 2023, there were no trade secret infringement incidents.                                                                                                                                                                                                                                                                                        |

## External Participation

DCC is dedicated to participating in trade associations, academic societies, social gatherings and other non-profit organizations, striving to enhance industrial development and progress through exchanges. As a means of putting our influence into use and improving the value of the industrial chain, the Company have assigned managers to serve in roles in which they are experts, leading industry development or participating in academic research.

### I. Signing the “Responsible Care Global Charter”

Upholding the spirit of the “Caring for Society and Be Responsible and Disciplined”, DCC has signed up to the commitment and statement “Responsible Care Global Charter” since 2000. At the same time, we keep on improving chemicals regarding Environment, Health, and Safety (EHS) management systems in accordance with international standards, jointly promoting the co-prosperity and sustainable development of Taiwan’s chemical industry.

### II. Participation in EcoVadis Supplier Sustainability Ratings

EcoVadis is a third-party rating platform in France for sustainable development of the global supply chain, with its assessment method based on international CSR standards. We ensure the implementation of the Company’s ESG to achieve the objective of sustainability development by entrusting the third-party rating platform.

- Ranked among the top **4%** of global competitors
- Ranked among the top **10%** in the industry for the aspect of environment
- Ranked among the top **17%** in the industry for the aspect of labor and human rights
- Ranked among the top **7%** in the industry for sustainable procurement
- Ranked among the top **3%** in the industry for business and ethics

DCC was awarded the  
gold medal in 2023

**GOLD | Top 5%**

**ecovadis**

Sustainability Rating

**MAR 2024**

## III. Trade Unions and Associations

In 2023, DCC was involved in a total of 9 industry associations, 1 R&D associations and academic societies, and 12 other associations. We also serve important roles in 7 organizations, providing the Company with greater benefits in sustainability through proactive exchanges with external entities.

| Industry Associations                                            | Explanation                                                     |
|------------------------------------------------------------------|-----------------------------------------------------------------|
| Taiwan Chemical Industry Association                             | President Huang Fu-Chu serves as Director                       |
| Petrochemical Industry Association of Taiwan                     | Chairman Lin Shean-Tung serves as Director                      |
| Taiwan Synthetic Resin & Adhesives Industrial Association        | Vice Chairman Huang Ho-Ching serves as Executive Director Chief |
| Taiwan Responsible Care Association                              | Manager Chao Huan-Chang serves as Director                      |
| R&D Associations and Academic Societies                          | Explanation                                                     |
| Taiwan Institute of Chemical Engineers                           | President Huang Fu-Chu serves as Director                       |
| Other Associations                                               | Explanation                                                     |
| Dafa Industrial Park Association                                 | Factory General Manager Chang Chueh-Kuang serves as director    |
| Taiwan Compatriot Investment Enterprises Association of Yangzhou | President Yeh, Shih-Wen serves as Vice President                |

| Nature of Membership                             |                                                       |
|--------------------------------------------------|-------------------------------------------------------|
| Occupational Hygiene Association of Taiwan       | Yangzhou Occupational Health Association              |
| Importers and Exporters Association of Taipei    | Singapore Business Federation                         |
| Yunlin Hsien Industrial Association              | Federation of Malaysian Manufacturers                 |
| Kaohsiung City General Industry Association      | Taipei Investor’ s Association in Malaysia            |
| Daishe Industrial Park Manufacturers Association | Malaysian Petrochemical Association                   |
| Yangzhou Human Resources Association             | Malaysian Chamber of International Trade and Industry |
| Jiangsu Customs Brokers Association              | Malaysian Chemical Industry Council                   |
| Port of Yangzhou Association                     |                                                       |



## IV. External Affirmation of DCC

### CCPG Executive Board Chairman, Mr. Lin Shu-Hong received the “National Occupational Safety and Health Award” for Individual Contribution

The Ministry of Labor held the award ceremony of the “2023 National Occupational Safety and Health Award” on 2023/10/16. Not only did Mr. Lin Shu-Hong, CCPG Executive Board Chairman, promoted industrial safety and health for 74 years and made industrial safety culture a part of the daily life of employees of the CCPG, he also wrote teaching materials on occupational safety and health in the petrochemical industry for use by peers, and was awarded the “Individual Contribution Award”.



## Sustainability Strategy

### Management Approach for “Sustainability Strategies”

#### Meaning of Material Issues

At DCC, we shape an ESG culture and root sustainability in the company through practical environmental protection actions, providing company governance transparency, protecting employee interests and rights, improving supply chain management, and facilitating local community development.

#### Responsibility ESG Committee

#### Review Mechanism

An ESG Committee meeting is held once a year, an ESG working team meeting is held quarterly for regular review

#### Policy and Commitment

DCC makes every effort to align with international initiatives and standards, while also safeguarding the interests of stakeholders and turning risks into opportunities to jointly move towards sustainability, constructing a fair and just society. The Group has established an ESG policy. For more details, please see the company [website](#).

#### Target

| KPI             | 2025 Target         | 2030 Target             |
|-----------------|---------------------|-------------------------|
| EcoVadis medals | Gold medal (Top 5%) | Platinum medal (Top 1%) |

#### Action Plan

- We release a company ESG report each year and disclose our ESG practices and performance to our stakeholders through the report.
- We periodically hold ESG Committee and ESG Working Team meetings to review the achievement status of ESG targets, and track the effectiveness of the improvement recommendations for EcoVadis.
- We regularly convene an energy conservation and carbon reduction and carbon neutrality meeting in order to review the Company's GHG reduction targets. For more details, please see 2.3.3 Energy Conservation and Carbon Reduction Actions.

#### Implementation Result

| KPI             | Achievement in 2023    |
|-----------------|------------------------|
| EcoVadis medals | Gold medal - 73 points |

#### Communication/ Grievance Mechanism

ccpgcsr@ccp.com.tw  
has been set up to receive  
stakeholder-related information

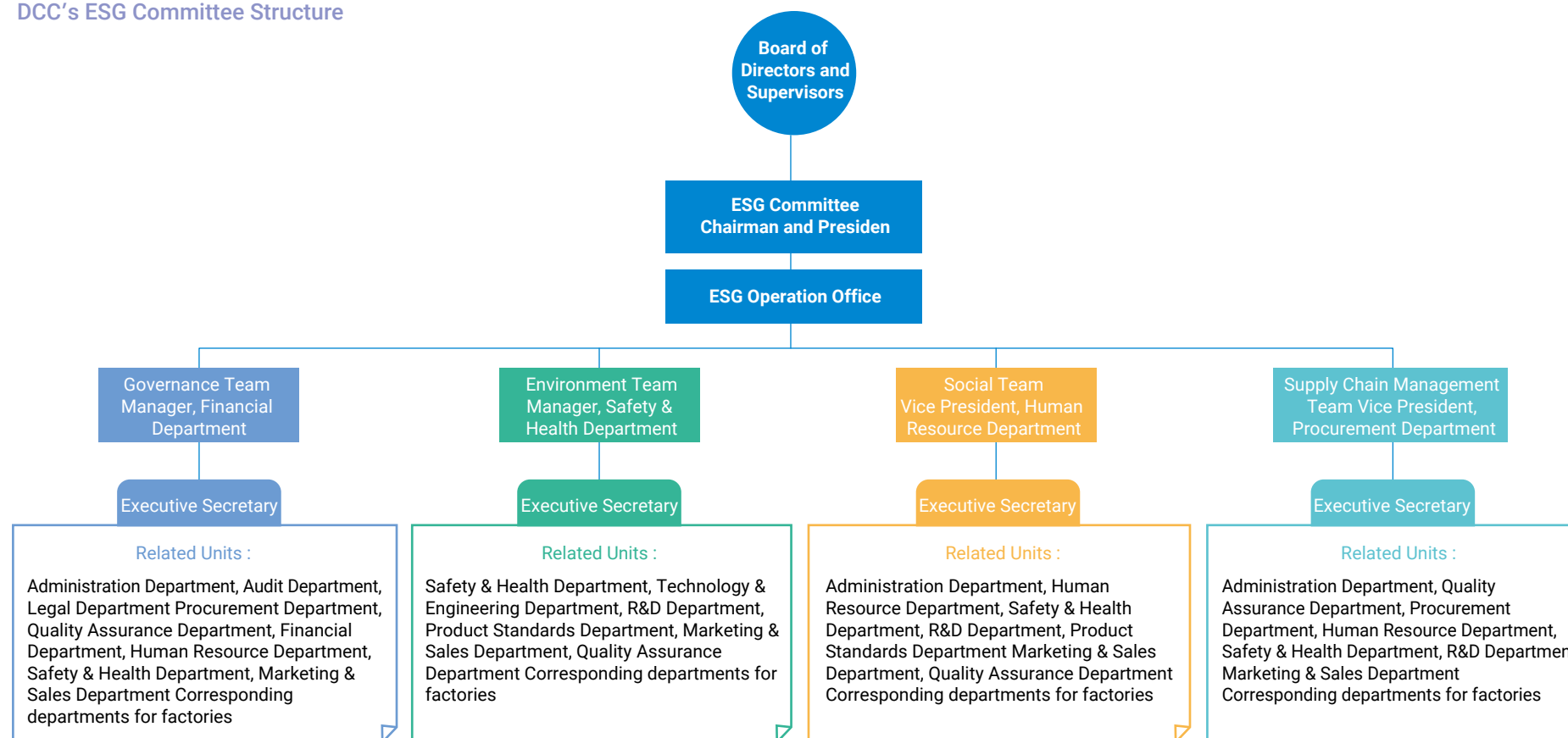


## ESG Governance and Management Organization

DCC gas established an ESG Committee, and in accordance with the organizational structure, the chairman serves as Committee Chairman while President serves as Committee Vice Chairmen. Under the ESG Committee, an ESG Operation Office and Governance Team, Social Team, Environmental Team, and Supply Chain Management Team have been formed. The Executive Director of the Executive Secretariat and all team leaders are held by heads of responsible departments and they are also members of the Committee.

The ESG Operation Office provides support to each cooperating department and conducts issue integration with representatives of each factory. The results of sustainable performance and the results of communication with stakeholders are reported to the ESG Committee and stakeholders on a quarterly basis. In 2023, 4 ESG Working Team meetings and one ESG Committee meeting were held.

### DCC's ESG Committee Structure

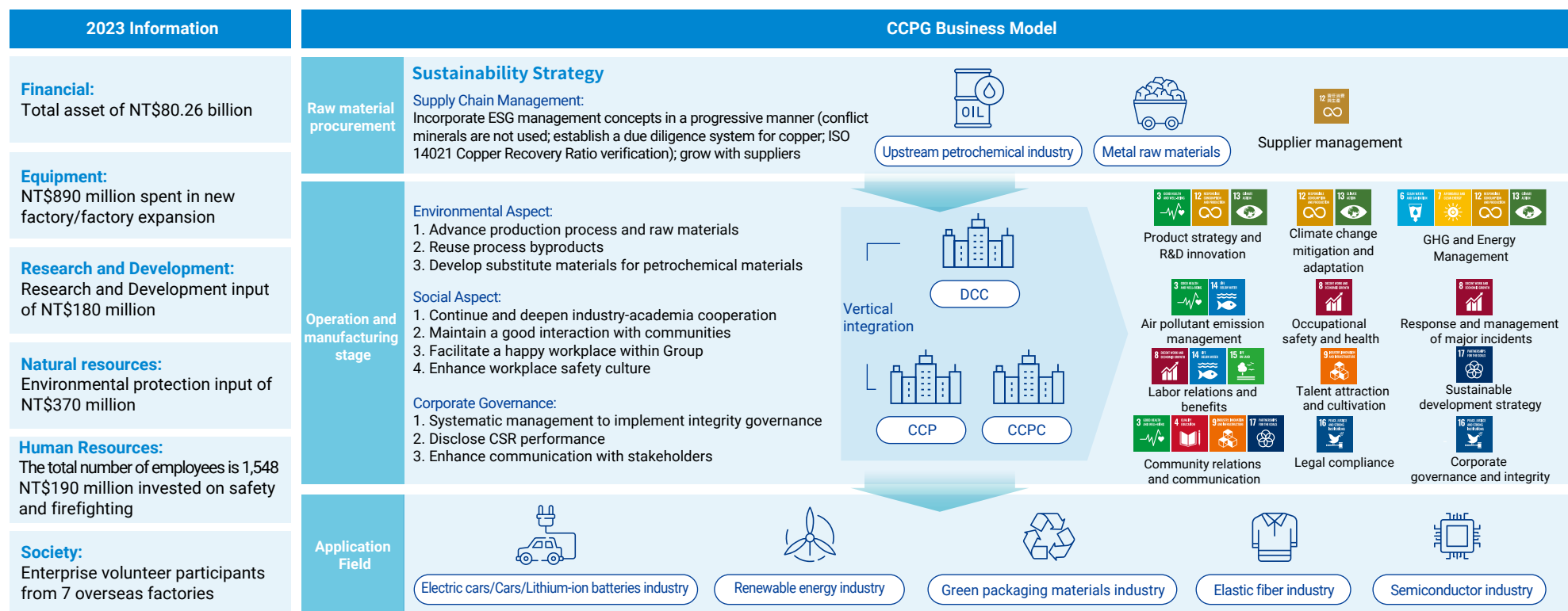


KPIs and quantitative goals based on international trends and stakeholder requirements are set. The executive secretaries of each ESG team lead and supervise the implementation status and report to the chairman and the president. The president reports the ESG implementation results to the Board of Directors on a regular basis. For short-, medium- and long-term targets, please refer to the respective chapter.

## Sustainability Strategy and Value Chain

Since establishment, DCC have always been striving for sustainability. While pursuing profitable growth, we are also committed to our management philosophy and shaping a corporate culture. As it is our dedication to developing a sustainability strategy based on the core of our business, we examine each stage in the petrochemical industry value chain for DCC, from raw material procurement and manufacturing operations to green innovative applications to create sustainable value. By aligning SDGs adopted by the UN, we will make every effort to deliver results to respond to stakeholder expectations. In response to sustainable finance, DCC proactively negotiates with banks to take green deposits. The bank will use the funds for projects that pose benefits to the environment (such as renewable energy). This shows our determination to sustainability actions, hoping to create a positive impact on our credit assessment under the Equator Principles for financial institutions.

## DCC Sustainability Value Chain



## 2023 planning of sustainability-linked line of credit

### The total amount reached US\$150 million

DCC has linked environmental key performance indicators to some of its lines of credit, including fossil fuel consumption, GHG emissions, wastewater discharges, and waste treatment. The pursuit of achieving these performance indicators not only brings real improvement benefits to the environment and society, the company at the same time benefits from the reduction of the bank's credit and interest rates, creating a win-win situation for both sides.

The link between sustainability and lines of credit shows DCC's commitment to society and the environment. The Company will continue its mission to establish a quality green supply chain and proactively implement and achieve its targets, further promoting the industry's green transformation.

## DCC Sustainability Value Creation



### SDGs 3 Good health and well-being

#### Performance in 2023

- 3 factories of DCC received the “Badge of Accredited Healthy Workplace”.
- DCC Mailiao Factory and DCC Dafa Factory received the “AED Safe Area Certificate Mark”.
- We provide the “Chang Chun Good Mood Hotline” for consultation and service. In 2023, we held a total of 8 telephone consultations and 10 face-to-face consultations to assist colleagues in solving physical and mental problems.



### SDGs 4 Quality Education

#### Performance in 2023

- CCPG works with a number of universities to provide scholarships for outstanding students to cultivate future talent in the chemical industry.
- DCCJS and the Yizheng Technician College established the “DCC Scholarship”, which was granted to six outstanding chemical students.



### SDGs 6 Clean Water and Sanitation

#### Performance in 2023

- Water recycling rate reached 89% in 2023, saving 64 megaliters of water.
- Recovered 183 megaliters of rainwater



### SDGs 7 Affordable and Clean Energy

#### Performance in 2023

- There were a total of 89 energy conservation and carbon reduction projects, reducing electricity use by 3,117 MWh/year, steam use by 80,784 metric tons/year, and carbon reduction by 21,040 metric tons of CO<sub>2</sub>e/year.
- A total of 672,000 kWh of solar power was generated, reducing carbon emissions by 333 metric tons of CO<sub>2</sub>e/year.



### SDGs 8 Decent Work and Economic Growth

#### Performance in 2023

- Held 16,000 hours of emergency response training/drills for 12,000 people, strengthening major incident handling and response capabilities.
- participated in the Chang Chun Formaldehyde Toxic Disaster Joint Defense Organization and the Allyl Alcohol Toxic Disaster Joint Defense Organization and received the Outstanding Performance Award from the Taiwan Responsible Care Association.
- 100% of suppliers involved in conflict minerals-related products completed the Conflict Minerals Reporting Template (CMRT, CRT) release and recovery, with results showing that their minerals are compliant.
- At DCC, we protect rights of those with physical or mental disabilities. Each year, we hire an increasing number of people with physical disabilities, and by the end of 2023, we hired a total of 8 people with disabilities.



### SDGs 9 Industry, Innovation Infrastructure

#### Performance in 2023

- In 2023, NT\$180 million was spent on R&D with 60 patents approved.





## SDGs 12 Responsible Consumption and Production

### Performance in 2023

- Revenue from green products in 2023 was NT\$7.9 billion.
- DCC has developed its own VAE products that meet green industry standards. These VAE products are formaldehyde free, plasticizer free, no film forming aid required, and have low temperature flexibility and ultra-low VOC waterproof coating.
- The VAM and VAE of CCDSG obtained the International Sustainability and Carbon Certification (ISCC) PLUS.



## SDGs 13 Climate Action

### Performance in 2023

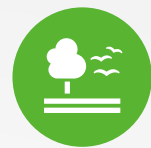
- DCC's GHG reduction target by 2030 is 30% which will meet the government's net zero target requirement by 2050.
- Officially signed as the TCFD Supporter for Task Force on Climate-related Financial Disclosures
- Continues to promote carbon capture and utilization, and carbon capture has reached 66,000 tCO<sub>2</sub>e in 2023.



## SDGs 14 Life Below Water

### Performance in 2023

- CCPG organized 3 beach cleanups, with a total of 375 participants picking up 1,132 kilograms of garbage.



## SDGs 15 Life on Land

### Performance in 2023

- CCPG Dafa Factory, CCP Kaohsiung Factory, and DCC Kaohsiung Factory jointly engaged in mountain cleaning activities. A total of 311 people participated in the mountain cleaning activity, picking up 55 kilograms of garbage.
- DCCM organized an afforestation event that was attended by 84 people, and planted 62 mangroves in the local national park.



## SDGs 16 Peace and Justice System

### Performance in 2023

- Legal compliance and human rights training completion rate 100%
- The correction rate of audit deficiencies within the trade secret system was 100%.



## SDGs 17 Partnerships to Achieve the Goal

### Performance in 2023

- Received the EcoVadis Gold Award and ranked among the top 5% of global enterprises participating in the evaluation
- We maintain smooth communication channels with the seven major types of stakeholders and have established multiple communication outlets to respond to different issues.
- DCC signed a sustainability-linked line of credit in 2023 totaling US\$150 million, symbolizing the Company's determination to play its role in sustainability actions.

# Ch1

## Responsible Production

Adhering to the principle that “the environment is our most valuable asset, it goes without saying that environmental protection is an unspoken responsibility”, DCC introduces the world’s most advanced technology and equipment, while insisting on constant refinement of manufacturing processes, promotion of industrial waste reduction, and the implementation of pollution prevention. At the same time, we research and develop all types of production technology aiming to improve waste treatment efficiency, and regard “environmental sustainability” as one of our prime objectives, making every effort to fulfill our social responsibility towards sustainable management.

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### 1.1 About DCC

### 1.2 Green products and Service Quality

### 1.3 Sustainable Supplier Management



DCC ESG Issues

KPI

2023 Target

Achievement in 2023

2024 Target

2025 Target

2030 Target

Corresponding SDGs

| Product strategy and R&D innovation                                                             | Sales volume of green products<br>Base year: 2021: 190,090 metric tons                                                                                         | An increase of 5%<br>(199,594 metric tons)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | An increase of 40%<br>(266,373 metric tons)                                                                                                                                                                                 | An increase of 7.5% | An increase of 10%                     | An increase of 15%                      | <div><div>3GOOD HEALTH AND WELL-BEING</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13CLIMATE ACTION</div></div> |                             |      |      |      |         |                                        |                                         |     |    |   |                                                                       |  |  |                                                     |
|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------|------|------|---------|----------------------------------------|-----------------------------------------|-----|----|---|-----------------------------------------------------------------------|--|--|-----------------------------------------------------|
|                                                                                                 |                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                             |                     |                                        |                                         |                                                                                                                                 |                             |      |      |      |         |                                        |                                         |     |    |   |                                                                       |  |  |                                                     |
| Supplier management                                                                             | Signing rate of the Supplier Code of Conduct (Promotion of Supplier Declaration of Conflict-free Minerals: incorporated into Supplier Code of Conduct clauses) | 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <table><tr><th colspan="2">Taiwan</th><th rowspan="2">Overseas Factories</th></tr><tr><th>Internal purchase suppliers</th><th>External purchase suppliers</th></tr><tr><td>100%</td><td>100%</td><td>100%</td></tr></table> | Taiwan              |                                        | Overseas Factories                      | Internal purchase suppliers                                                                                                     | External purchase suppliers | 100% | 100% | 100% | 100%    | Maintained at 100%                     |                                         |     |    |   |                                                                       |  |  |                                                     |
|                                                                                                 | Taiwan                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Overseas Factories                                                                                                                                                                                                          |                     |                                        |                                         |                                                                                                                                 |                             |      |      |      |         |                                        |                                         |     |    |   |                                                                       |  |  |                                                     |
|                                                                                                 | Internal purchase suppliers                                                                                                                                    | External purchase suppliers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                             |                     |                                        |                                         |                                                                                                                                 |                             |      |      |      |         |                                        |                                         |     |    |   |                                                                       |  |  |                                                     |
|                                                                                                 | 100%                                                                                                                                                           | 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 100%                                                                                                                                                                                                                        |                     |                                        |                                         |                                                                                                                                 |                             |      |      |      |         |                                        |                                         |     |    |   |                                                                       |  |  |                                                     |
| Completion rate of conflict minerals due diligence (for metals used in manufacturing processes) | 100%                                                                                                                                                           | 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Remain 100% every year                                                                                                                                                                                                      |                     |                                        |                                         |                                                                                                                                 |                             |      |      |      |         |                                        |                                         |     |    |   |                                                                       |  |  |                                                     |
| Practice social responsibility risk assessment and site audits of major raw material suppliers  | Completion of the risk assessment for major raw material suppliers and arrangement of on-site audits.                                                          | <p>Based on the risk assessment results in 2022, on-site audits of medium and high-risk suppliers were conducted in 2023. For all low-risk suppliers, each factory audited at least one supplier based on the transaction status.</p> <table><tr><th>Company</th><th>Total number of suppliers investigated</th><th>Number of medium to high risk suppliers</th><th>Number of suppliers having completed on-site audits</th></tr><tr><td>DCC</td><td>27</td><td>1</td><td>4</td></tr></table> <p>The results of the risk assessment for 2023 are as follows:</p> <table><tr><th>Company</th><th>Total number of suppliers investigated</th><th>Number of medium to high risk suppliers</th></tr><tr><td>DCC</td><td>21</td><td>0</td></tr></table> |                                                                                                                                                                                                                             | Company             | Total number of suppliers investigated | Number of medium to high risk suppliers | Number of suppliers having completed on-site audits                                                                             | DCC                         | 27   | 1    | 4    | Company | Total number of suppliers investigated | Number of medium to high risk suppliers | DCC | 21 | 0 | Re-examine the supplier scope each year to enhance supplier exchanges |  |  | <div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div> |
| Company                                                                                         | Total number of suppliers investigated                                                                                                                         | Number of medium to high risk suppliers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of suppliers having completed on-site audits                                                                                                                                                                         |                     |                                        |                                         |                                                                                                                                 |                             |      |      |      |         |                                        |                                         |     |    |   |                                                                       |  |  |                                                     |
| DCC                                                                                             | 27                                                                                                                                                             | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 4                                                                                                                                                                                                                           |                     |                                        |                                         |                                                                                                                                 |                             |      |      |      |         |                                        |                                         |     |    |   |                                                                       |  |  |                                                     |
| Company                                                                                         | Total number of suppliers investigated                                                                                                                         | Number of medium to high risk suppliers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                             |                     |                                        |                                         |                                                                                                                                 |                             |      |      |      |         |                                        |                                         |     |    |   |                                                                       |  |  |                                                     |
| DCC                                                                                             | 21                                                                                                                                                             | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                             |                     |                                        |                                         |                                                                                                                                 |                             |      |      |      |         |                                        |                                         |     |    |   |                                                                       |  |  |                                                     |

## 1.1 About DCC

Dairen Chemical Corp. (DCC) was established in 1979 as a joint venture by Chang Chun Plastics Co., Ltd. (CCP), Chang Chun Petrochemical Co., Ltd. (CCPC), and Nan Pao Resins Chemical Co., Ltd. As CCPG's third core company, DCC produces vinyl acetate monomer and works hard day and night with its management philosophy of integrity, customer first, and creative innovations.

### Business Philosophy



As "integrity" is the essence of DCC's business philosophy, we treat others with honesty and fairness to ensure that all customers are able to receive our services with peace of mind, while also gaining trust from the government, employees, suppliers and society.



Under the quality policy of "improve our quality, satisfy our customers", our products are well-received worldwide. DCC provides customers with more competitive product quality and prompt service



With "innovation" being DCC's long-term dedication, we strive for production process improvement and product quality enhancement. We spare no effort when it comes to research and development, which is our driving force for continuous growth.

#### Management Approach

Be diligent and pragmatic; work together.

Grow together with the customers.

Innovate through R&D and make contributions to the society.

### 1.1.1 Key Products and Location of Operation

DCC began its business as a producer of vinyl acetate (VAM). The Kaohsiung Factory came into operation in 1983 and was the only factory in Taiwan to produce VAM as a raw material for vinyl acetate-ethylene copolymer emulsion (VAE) and polyvinyl alcohol (PVA), and for domestic and international markets. As a means to meet customer expectations, we are committed to improving the competitiveness of our products in the market. Since establishment, we have been constantly striving for strict quality management, environmental assessment and protection, product research and development, process improvement, responsible care, and implementation of total production automation and total corporate e-commerce. At the same time, we have been diversifying uses of chemicals and establishing global production and marketing bases.

#### Dairen Chemical Corporation

No.8-1 Huaxi Rd., Dafa Industrial Park, Daliao District 83164, Kaohsiung, Taiwan

#### Company Ownership and Legal Form

Company Limited

#### Taiwan Operations

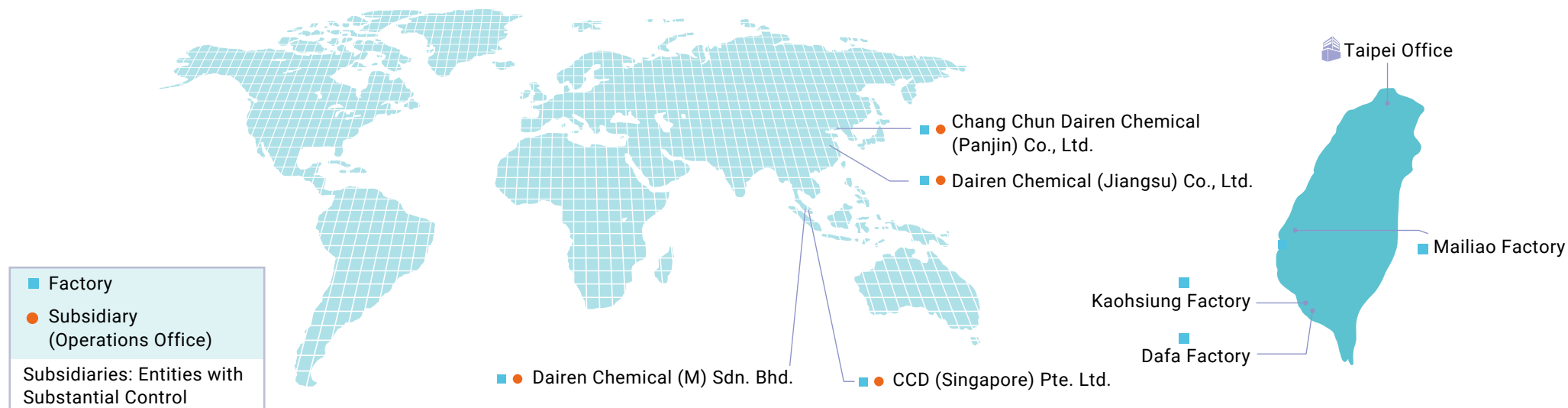
Taipei Head Office, Mailiao Factory, Dafa Factory, Kaohsiung Factory

#### Overseas Operations

|                | Factory                                       | Abbreviation |
|----------------|-----------------------------------------------|--------------|
| Mainland China | Dairen Chemical (Jiangsu) Co., Ltd.           | DCCJS        |
|                | Chang Chun Dairen Chemical (Panjin) Co., Ltd. | CCDPJ        |
| Southeast Asia | CCD (Singapore) Pte. Ltd.                     | CCDSG        |
|                | Dairen Chemical (M) Sdn. Bhd.                 | DCCM         |



## Global Locations of Operation



At DCC, we have become a major international manufacturer thanks to the 1,4-Butanediol (BDO) and VAE emulsion products we successfully produced. We continue to invest in resources to research and develop new products and processes to enhance our corporate competitiveness so that we will keep on growing. For the main descriptions of our products, please see “Applications” on the website.

[E-Catalog](#)

### Key Products

Vinyl acetate, vinyl acetate-ethylene copolymer emulsion, vinyl acetate-ethylene redispersible powder, allyl alcohol, 1,4-butanediol, and Polytetramethylene ether glycol, 2-methyl 1,3-propanediol.

### Major Applications

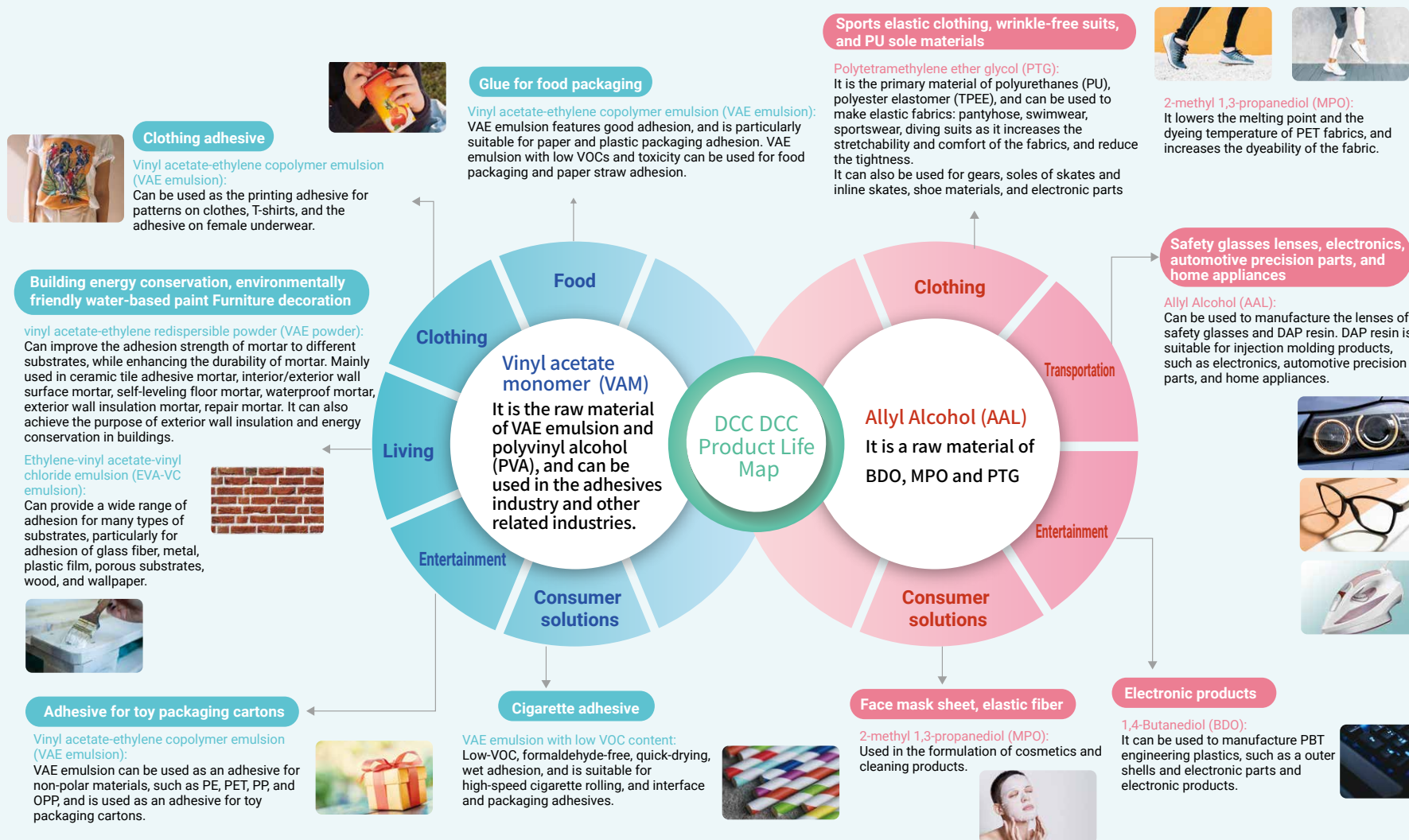
Chemicals, coatings, resins, adhesives, paints, civil engineering, elastic fibers

### Major Markets

Taiwan, China, Asia, America, Australia, Europe and Africa

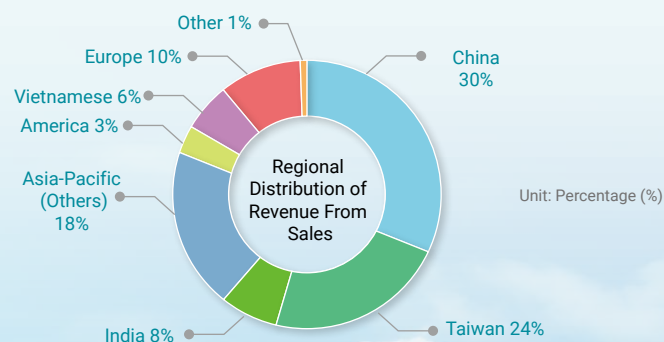
DCC products are closely linked to people's daily lives, such as food (food packaging glue, paper straw glue), clothing (sports elastic clothing, anti-wrinkle suits, PU shoe sole material), housing (construction energy-saving, environmental water-based paint, furniture decoration), transportation (automotive precision parts), entertainment (electronic products, toy packaging materials), consumer solutions (cosmetics, face sheet masks). Our products are diverse and indispensable in modern life.

By understanding the sustainable needs of customers and consumers, we have accelerated our R&D pace and invested in innovative technology, manpower, and resources for green products, including process improvement, reduction of raw material usage and waste emissions. By doing so, not only can we increase our product competitiveness, but we at the same time bring more sustainable and environmentally friendly values to the world.



## 1.1.2 Operating Performance

DCC's revenue and profits in 2023 were affected by the overall economic environment. There was a significant decline compared with the previous year, mainly due to the slowdown in market demand for the petrochemical industry and the Company's revenue and profits were affected by the competitive environment, the regulatory environment, and the overall business environment. Although the impact declined, we continued to strengthen the development in Europe, America and emerging markets. Where there are earnings for the year as a result of DCC's stable financial performance, these earnings are distributed as dividends to shareholders. The Board of Directors of the Company have proposed the motion for the 2023 earnings distribution, which is to be distributed in 2024.



Financial performance is mainly reflected in the operating income growth and the ongoing improvement of profitability. This is the key to a company's sustainability. Thanks to the company's recent robust financial performance and the creation of long periods of stable economic values, we were given tw AA ratings from Taiwan Ratings.

Note: DCC did not conduct an independent credit rating as its ultimate parent company, Chang Chun Petrochemical Co., Ltd. (CCPC), is the main rating entity subject to credit rating.

### 2021-2023 DCC Operating Performance

Unit: NT\$ million

| Year                                   | 2021    | 2022    | 2023   |
|----------------------------------------|---------|---------|--------|
| Net Sales                              | 118,966 | 103,371 | 47,422 |
| Net profit for the Period (Before Tax) | 50,463  | 38,851  | 1,609  |
| Total Assets                           | 104,114 | 103,338 | 80,262 |
| Total Liabilities                      | 24,783  | 18,925  | 15,768 |
| Total Shareholders' Equity             | 79,331  | 84,413  | 64,494 |
| Employee benefits                      | 2,864   | 2,819   | 2,256  |

Note: This table shows numbers from consolidated financial statements certified or reviewed by CPAs. In addition to the boundaries of the Report, it includes information of merged subsidiaries.

2023 DCC Consolidated Statements

Multiple unfavorable factors in 2023 including the trade war between the U.S. and China, the war between Russia and Ukraine, the Fed's interest rate hike, inflation, and China's zero-COVID policy have had a huge impact on the recession in the global economy. Additionally, the market demand of the petrochemical industry has weakened due to inflation and interest rate hikes, and the industry chain was forced to reduce production strategies and inventory adjustments in response to the suppression of demand for petrochemical products in downstream industries, leading to a decline in product prices and increase in raw material costs due to inflation, resulting in a drop in profitability of products by at least 90% compared to 2022. The company continued to focus on enhancing its product competitive edge, keep a close eye on market changes and responded to market conditions to make timely adjustments to operations strategies. Given these efforts, the Group performed better than the industry average in terms of profitability, total assets, shareholders' returns, and operations.

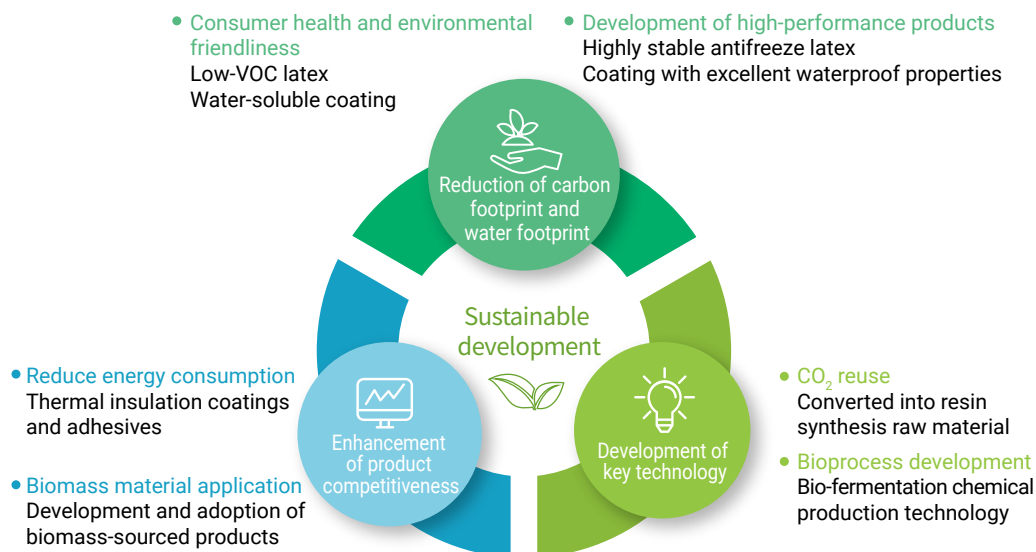
## 1.2 Green products and Service Quality

DCC pride ourselves as a reliable material supplier. With the intention to continue to provide our customers with top-notch products, we have established a comprehensive quality policy to strengthen process controls and ensure product quality and a stable supply chain. We value the needs and opinions of all our customers and perform rigorous chemical and product management. In the meantime, we are making a proactive investment in the development of green process technology and innovative research and development of green products.

### 1.2.1 Green Process and Products

DCC's products cover plastic raw materials, coating and adhesive resins, pharmaceutical and industrial intermediates, and liquid carbon dioxide. Through new product research and development, production process improvement, and product quality improvement, we take environmental and social responsibilities and move toward the goal of achieving sustainable development of both business and environment.

#### Challenges Faced by DCC and Their Solutions



Currently, DCC has seven factories and three research centers in Kaohsiung, Mailiao in Yunlin, Malaysia, Singapore, Yizheng in Jiangsu, and Panjin in Liaoning. The development goals are divided into two major tasks: application development and innovation R&D. The R&D Department of each factory divides labor according to the R&D responsibilities. Meanwhile, we take into account economy, energy, environment, process safety and CSR, and proactively research and develop based on the goal of sustainable development, while implementing circular economy through energy/resource integration and green chemical technology.

#### Responsibility Division of the R&D Team

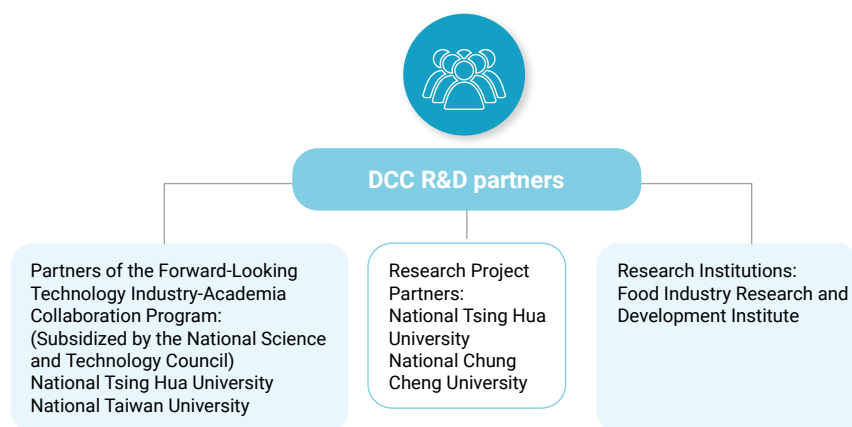
| Innovative R&D                                                                                                                                                         | Application Development                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New product field investigation, R&D planning, progress execution and outcome evaluation, patent and intellectual property application for new products and processes. | R&D planning, progress execution and outcome evaluation for existing products, patent and intellectual property applications for existing products and processes. |

| Patents obtained in 2023 | Accumulated patents |
|--------------------------|---------------------|
| 9                        | 60                  |

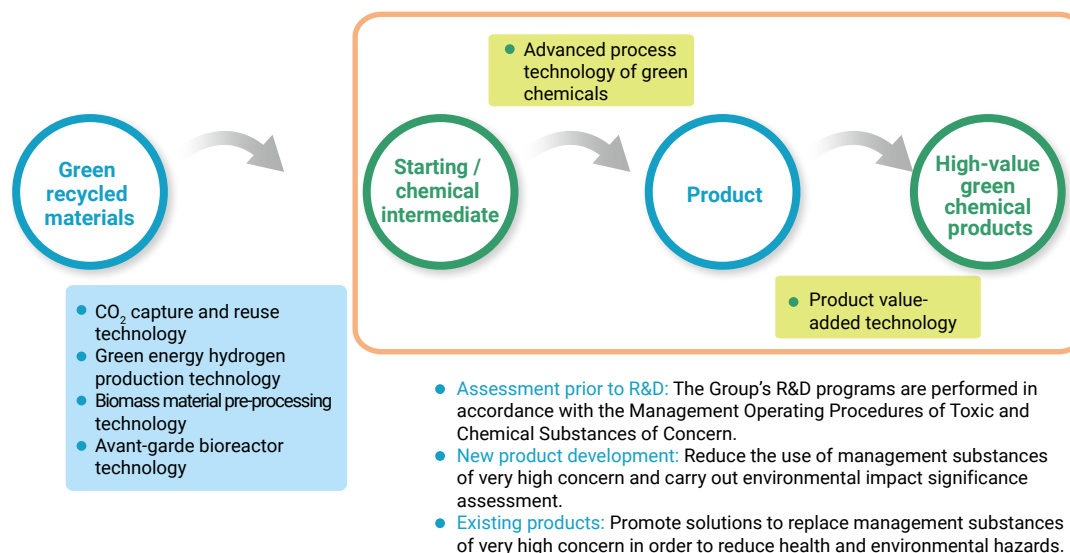


DCC continues to invest in R&D resources – our R&D investment in 2023 totaled NT\$180 million, with a total of 60 patents obtained. We actively engage in industry-academia collaboration and development and form strategic alliances with partners. We have invested more than NT\$6.25 million per year, with a total of more than NT\$30 million spent since 2017. We focus on green chemistry, process enhancement, and biomass raw materials to develop high value-added products. The development of new high value-added products, including the production of chemical raw materials by capturing carbon dioxide, new catalyst technology, and biotechnology process development, has gradually completed the mass production of related technologies.

## R&D Partners



## DCC's Next-Generation Green Chemical Technology Innovation Development



To meet the goal of low-carbon transformation, DCC has planned sustainable development projects - biomass-sourced raw materials, biological reaction processes, carbon capture and reuse, and recycled and recyclable raw materials. Through the vertical integration from upstream raw materials to downstream products, DCC is able to achieve the reduction of Volatile Organic Compounds (VOCs) and toxic waste through the development of high-value technologies such as biomass processes and products, and develop catalysts to improve process efficiency. We have established a technical threshold to ensure our product line bears the corporate responsibility of reducing environmental impact and mitigating climate change while maintaining the high-quality product line.

DCC attaches importance on the impact posed on humans by chemical substances of very high concern. Through assessments prior to R&D and new product development, the Company reduces the use of chemical substances of very high concern. In terms of existing products, the Company seeks substitutes for the use of chemical substances of very high concern. When using chemical substances of very high concern is unavoidable, we have formulated clear management measures and operating procedures that clearly record the operation of chemical substances of very high concern and we carry out control on the usage.

### Obtained ISCC PLUS certification in 2023.

The VAM and VAE of CCDSG obtained the International Sustainability and Carbon Certification (ISCC) PLUS in November 2023, advocating a circular economy production to reduce reliance on petrochemical raw materials.

DCC is committed to using biomass and recycled raw materials, and plans to expand the scope of certification. Through cooperation with certified suppliers, we are creating a sustainable value chain for low-carbon products.

## Green Products and Applications

### Reduction of Human Health Hazards



Protect product users and the environment from toxic hazards

### Mitigation of Climate Change



Products under the theme of "CO<sub>2</sub> Emission Reduction"

DCC understands that the earth's resources are limited and that environmental regulations are increasingly tightened. Under the influence of factors, we have begun to develop products and solutions with high material efficiency, low energy consumption and emissions to meet market demand and environmental sustainability, and our green products will have a total revenue of approximately NT\$7.9 billion in 2023.

## Reduction of Human Health Hazards

At DCC, we insist on providing customers with the safest products that are also environmentally friendly. Through R&D and innovation, we constantly reduce substances (VOC) harmful to humans. By doing this, customers will use our products with peace of mind, caring for human health.



### Reduce VOCs

#### Product

Low VOC eco-friendly coating - vinyl acetate-ethylene copolymer emulsion (VAE Emulsion)



DCC has developed its own VAE products that meet green industry standards. These VAE products are formaldehyde free, plasticizer free, no film forming aid required, and have low temperature flexibility and ultra-low VOC waterproof coating. Taking into account market demand, a new technology was introduced to allow VAE Emulsion to have both anti-freeze thawing resistance and water resistance, maintaining good low temperature stability without adding anti-freeze agents, further achieving the goal of low VOC eco-friendly coating products. At present, well-known domestic and international waterproof manufacturers have adopted and approved this new technology.

Low VOC vinyl acetate-ethylene redispersible powder (VAE powder)

The development of low VAE powder can be applied to diatom mud decorative materials, dropping VOC emissions by 60-80% and meeting the European VOC standard of less than 100ppm.



## Mitigation of Climate Change.

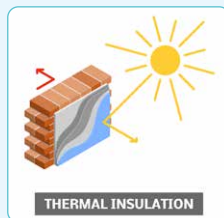
Given the fact that climate change and global warming are the most serious issues faced by mankind, at DCC, we vow to exert our professional capabilities to respond to climate change. To do this, we have proactively initiated the “Carbon dioxide Reduction” plan by developing carbon dioxide recycling technology, which can effectively mitigate GHG emissions.



### Applied Energy Saving Products

#### Product

VAE powder -  
used for the adhesion  
of building energy  
saving materials



THERMAL INSULATION

VAE powder is used for thermal insulation material adhesion. By applying it on exterior walls, it effectively insulates the thermal insulation foam or thermal insulation tile and blocks the impact of outside temperatures to maintain a comfortable internal environment and reduces the use of air conditioning. As the emulsion film is formed and cured, the adhesion of the adhered body increases, allowing the polymer finishing mortar on the insulation foam material breakage rate reaching  $\geq 90\%$ , and can penetrate into the gap of the base layer. VAE is widely used in the construction industry as its water resistance can enhance the bonding strength of insulation materials and exterior walls to increase their service life.

According to the estimated sales volume of VAE powder in 2023, the thermal insulation energy saving benefits were equivalent to a reduction of about 2,871 metric tons of CO<sub>2</sub> emissions.

VAE emulsion -  
thermal insulation  
coating application

A new technology has been applied in the VAE green product for low-VOC thermal insulation coatings, giving it water resistance and excellent thermal insulation performance. The sales volume of VAE emulsion in 2023 was estimated to be equivalent to reducing approximately 7,435 metric tons of CO<sub>2</sub> emissions.



### Use of Carbon Dioxide

#### Product

Reuse of Carbon Dioxide  
(CO<sub>2</sub>) - Acetic  
Acid Production

In 2023, DCC recycled approximately 42,000 metric tons of CO<sub>2</sub> and 1,440 metric tons of CO gas. All recycled products can be used as raw materials for making acetic acid. This is a unique technology, developed by DCC and CCPG, that achieves the integration of the upstream and downstream, and avoids the direct CO<sub>2</sub> emissions into the atmosphere to mitigate global warming.



### Biomass Materials Use

#### Product

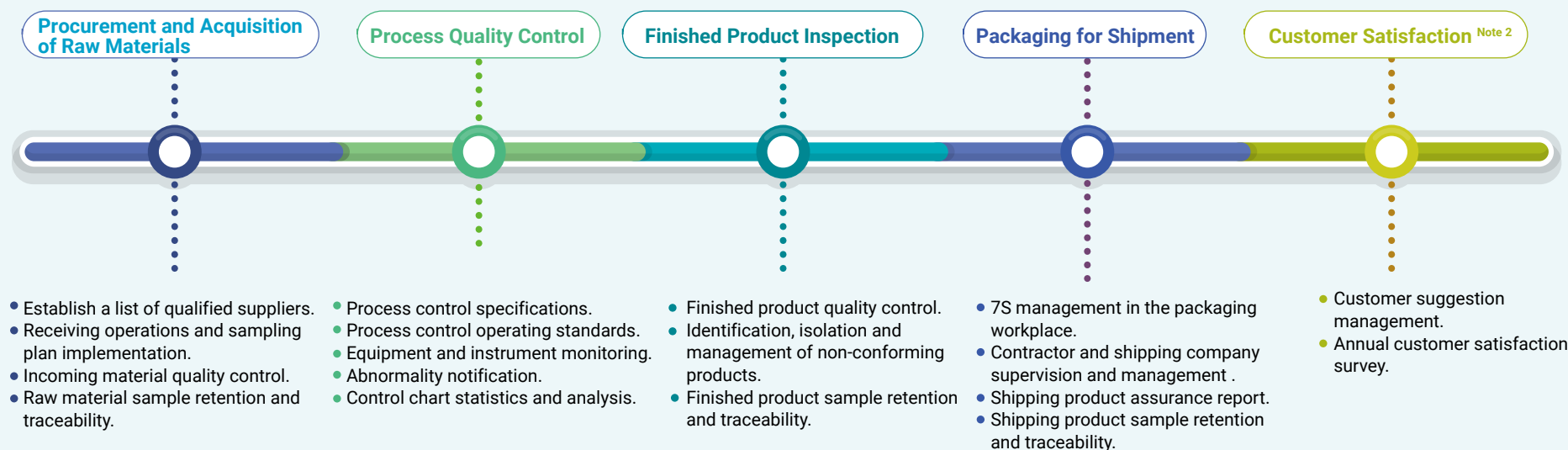
VAE powder -  
new product  
development using  
biomass raw materials

For sustainable development, DCC has developed VAE powder with natural biomass as raw material. Compared to the previous use of petrochemical feedstocks, our carbon emissions have decreased by 7% from 3.215 (kgCO<sub>2</sub> e/kg) to 2.988 kgCO<sub>2</sub>e/kg.

## 1.2.2 Product Quality Management

With our quality policy of “make continuous improvements, honor our commitments, improve our quality, satisfy our customers”, DCC commits ourselves to providing customers with products and services that are satisfactory. To ensure quality and stable supply, we implement stringent quality management and enhance process control. We have also established a supplier management system (please refer to 1.3 Sustainable Supplier Management) to promote sustainable development of the supply chain.

### Quality Management Process



Note 1 : For contractor and shipping company supervision and management, please refer to 1.3.2 Supplier Management System.

Note 2 : For customer satisfaction, please refer to 1.2.3 Customer Service.

At DCC, the Quality Assurance Department conducts an annual thematic audit, and reviews quality-related issues and management systems monthly. In addition, through the management meeting held in the factory and product marketing activities, we are able to thoroughly discuss quality improvement plans, the development of new products, existing products, and new specifications. We hope, by continuing to make improvements and innovate our development, we will enhance product quality and competitiveness, further increasing our customers' trust and satisfaction.



## Strengthen Quality Education

In order to deepen the quality culture of CCPG, we continue to strengthen employees' professional competence in quality, and have planned various physical courses as well as digital courses for employees so that they are able to review the courses at all times. By doing so, we aim to improve the awareness of quality of all CCPG employees.

| 2023                                            |                             | 2024                                                             |                 |
|-------------------------------------------------|-----------------------------|------------------------------------------------------------------|-----------------|
| Physical Courses                                | Digital Courses             | Physical Courses                                                 | Digital Courses |
| 6 Sigma                                         | Data Analysis with Graphing | Application of Statistics and Data Analysis to Chemical Industry |                 |
| Data Analysis Application in Chemical Processes |                             |                                                                  | 6 Sigma         |

## In-depth Quality Events

We value the creativity of our employees and inspire their motive for quality improvement to prevent the occurrence of possible abnormality while also optimizing the method of operation. In addition, we do not limit our employees to just quality control. Our employees are also encouraged to propose improvement plans from different perspectives associated with industrial safety, environmental protection and engineering technology. By taking this approach, DCC create a safe working environment which allows the growth of the company and employee, contributing to the Company's sustainable development.

## DCC's 2021-2023 Number of Improvement Plans Proposed



## DCC's Certifications

### Product Certification

DCC has 17 products, all of which have been certified with ISO 9001:2015, continuing to pursue quality products and services. Also, as we attach great importance on the list of Substances of Very High Concern (SVHC) under the EU REACH regulations and the restriction of hazardous substances in electrical and electronic equipment under RoHS, we perform testing on all related products. Furthermore, in order to expand our business to meet our customers' needs, all of our products meet the regulations required in the food container, cosmetics, and cigarette adhesive industries.

BPA Free

U.S. Food and Drug  
Administration (FDA) regulation  
(FDA 21 CFR 175.105)

Food Contact Materials and  
Articles Additives - National  
Food Safety Standard  
(GB 9685-2016)

Safety requirements of  
adhesives for cigarettes  
(YQ 5-2019)

### Quality System Audit

We review the Group's quality management system's implementation effectiveness through thematic and ad hoc internal and external audits (held at least once a year in each factory), as well as occasional audits performed by customers. Through Plan-Do-Check-Act (PDCA), we review ourselves and continue to make improvement in order to refine our quality system. At the same time, we strengthen operating procedures via mutual exchanges and sharing of quality management experiences with those holding the same positions in the factory. In addition, we arrange a supplier audit on a regular basis to confirm that our supplies are in compliance with the requirements of DCC's product management and to maintain the supply, quality and service of raw materials.

### 1.2.3 Customer Service

#### Good Customer Communication

At DCC, we value customer-oriented quality management and customer relationship management. We maintain sound communication with customers via regular customer visits, customer satisfaction surveys, and customer feedback forms and the CRM system. From customers' feedback, we make corrections or development aiming to reduce the defect rate and grievance rate. Furthermore, improvements are made from the customers' perspectives and we strive to find out the causes of customer complaints through joint collaboration of business, R&D, QA units, or even external partners. By doing so, we aim to create maximum social values for both DCC and customers.

As a means to strengthen customer relationships, in addition to the above communication means, we also actively participate in important exhibitions at home and abroad. For example, at the 2023 Taipei Building Show, where we exchanged market information directly with customers and built an immediate communication channel.

We provide a platform for customers to exchange views, request information, and ask for prices on DCC's website. At the same time, customers' questions and opinions are immediately responded to on this platform. DCC's latest information is also announced on the official website to keep our customers up to date of important information.



#### Product Information Disclosure

Based on the industry and product category, the Company's official website provides customers with clear and detailed product information. Customers may inquire information on the Company's products regarding their characteristics and applications. e-Catalogs and related certificates are also available on the website for download. Customers may submit a request or feedback through our website where they wish to obtain further product specifications or material safety data sheet, or have any questions related to our products. Queries will be answered by our responsible unit.

VAE Product Catalog

VAEP Product Catalog

CCPG e-Catalog

### Customer Opinion Processing

With the intention to collect customers' valuable feedback, at DCC, we have established clear procedures for customer grievance channels, returns/exchanges, and compensation applications. We collect customer comments through customer visits, E-mails, Office website - Customer Zone and customer hotlines. To fully record the reason and the process of their feedback, relevant comments are logged into the customer feedback system. The manager assigns the matter to the relevant unit, who will conduct an investigation and analysis, and the customer will be responded accordingly with proposals of appropriate improvement plans as soon as possible. After the matter is solved, we will propose corrective measures to avoid recurrence through the statistical data of the customer feedback system.

At "Customer Zone" on our website, we provide three services:

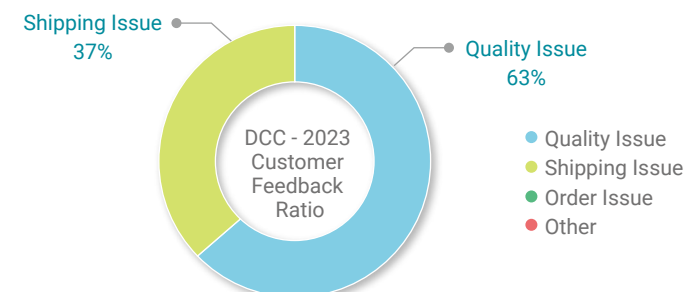
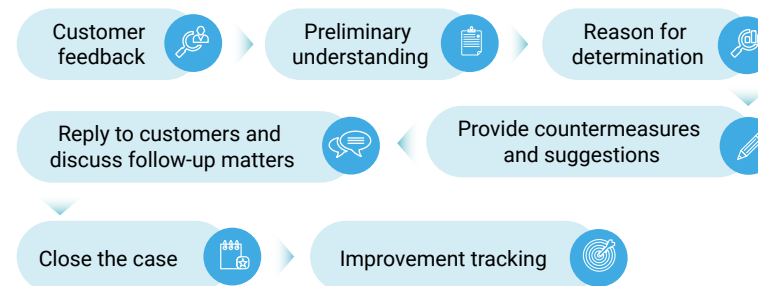
Product Inquiry

SDS/TDS Request

Comments and  
suggestions

Customer Hotline: +886-2-7743-1500

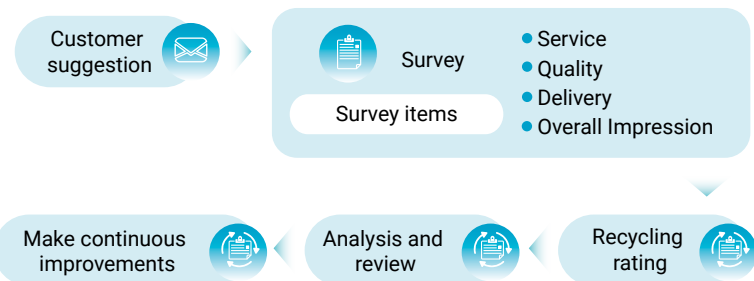
### Customer Opinion Processing Procedures



## Customer satisfaction survey

As DCC holds customer feedback in high regard, we perform a customer satisfaction survey on an annual basis. The subjects of the surveys are the top 10 customers in terms of sales volume or customers who have made a complaint in the previous year with 4 core topics: service, quality, delivery and overall impression. Through the survey, we will collect different views and make continuous improvements. We aspire to satisfy our customers by collecting their feedback, and thus maintaining a good relationship and communication channel with them.

### Customer satisfaction survey model



Note: The average score of each item is taken, with the maximum score being 5.

In 2023, 13 products of DCC were surveyed for customer satisfaction and obtained an average satisfaction score of 4.77. DCC strictly controls the information of customers. In 2023, there were no incidents of breaches of customer privacy or losses of customer data. For related methods, please refer to 4.1.2 Risk Management.

### Promotion of e-invoicing



To implement the policy of energy conservation and carbon reduction, we issue **100%** electronic invoices to replace paper invoices. We also cooperate with the government to integrate the upstream and downstream supply chains and actively encourage suppliers to issue electronic invoices and the rate of issuance of electronic invoices of suppliers has reached **55%** at present.



## 1.3 Sustainable Supplier Management

### Management Approach for "Supplier management"

#### Policy and Commitment

DCC is committed to the practice of responsible supply chain and abides by ethics and local laws and regulations. With sustainable development as the core, we work with supply chain partners to reduce labor, human rights, environmental, and safety risks in the supply chain to achieve the goal of sustainable operation.

#### Responsibility

Procurement Department, General Affairs Department in Taipei company, and the business management departments of each factory such as the Factory Affairs Department, etc.

#### Action Plan

- Supplier Code of Conduct promotion
- Promotion of Supplier Declaration of Conflict-free Minerals
- Implement social responsibility risk assessment of suppliers
  - ▶ Formulate surveys for social responsibility risk assessment of suppliers
  - ▶ Complete survey and statistics on major raw material suppliers
  - ▶ Conduct site audits on medium and high-risk suppliers

#### Targets and Implementation Results

Please refer to page CH1 for details.

#### Review Mechanism

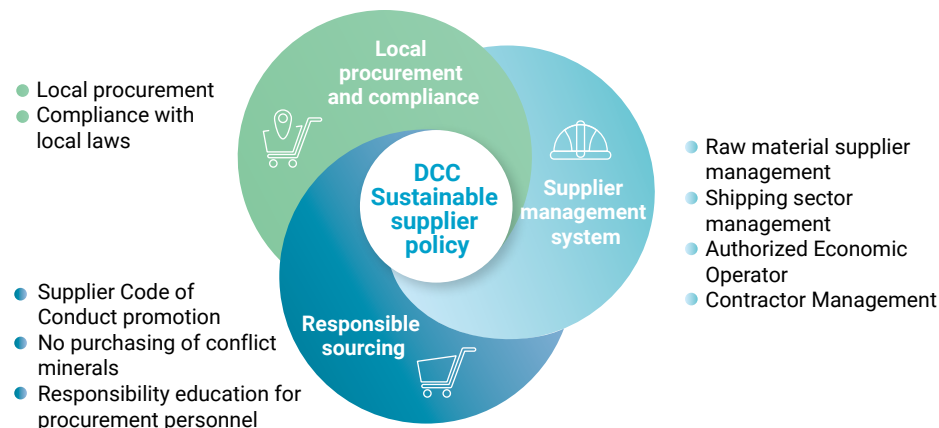
An ESG Committee meeting is held once a year, an ESG working team meeting is held quarterly for regular review

#### Communication/Grievance Mechanism

Communicate or file a grievance via customer hotline, CCPG website - Contact Us, or email.

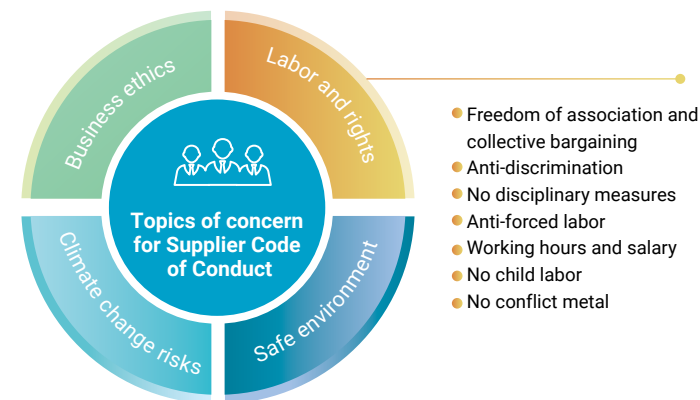


DCC follows the CCPG sustainable supplier policy which can be divided into three major aspects: responsible sourcing, supplier management system, and local procurement and compliance.



### 1.3.1 Responsible sourcing

#### Supplier Code of Conduct promotion



#### Supplier Code of Conduct

In a bid to raise CSR awareness in our suppliers, DCC facilitate promotion regarding matters including “labor rights”, “human rights issues”, “business ethics” and “conflict minerals”. We also enter into contracts or agreements with suppliers who we have business dealings with. Based on the feedback and the status of signatures, the revision of the Supplier Code of Conduct has been made, and the determination of the signing of the Code of Conduct covers: The following table shows the supplier’s signature and implementation status of the current Code of Conduct for (1) suppliers announced on the website, (2) self-owned versions, and (3) those who have signed our Supplier Code of Conduct. We will continue to carry out signing in the future, and the goal is to achieve a 100% signature rate.

### 2023 Current Implementation Status of the Signing of DCC Supplier Code of Conduct

| Region   | Factory                                | Implementation Status                                        |                    |
|----------|----------------------------------------|--------------------------------------------------------------|--------------------|
|          |                                        | Domestic suppliers                                           | Overseas suppliers |
| Taiwan   | Taipei Company and Factories in Taiwan | 100% completion of contract transaction / B2B system signing | 100%               |
|          | DCCJS                                  | 100%                                                         |                    |
| Overseas | CCDPJ                                  | 100%                                                         |                    |
|          | CCDSG                                  | 100%                                                         |                    |
|          | DCCM                                   | 100%                                                         |                    |

### No purchasing of conflict minerals

With our continuous dedication to responsible supply chain, DCC continue to make a contribution to reducing social, environmental, and safety risks in the supply chain. DCC are committed to not purchasing conflict minerals and products made from conflict minerals. At the same time, we ask our suppliers to also make an effort to ensure a responsible supply chain.

### Sourcing Policy for Conflict Minerals

To ensure that products do not contain conflict minerals, DCC’s main policies are as follows:

1

Suppliers must sign the “Supplier Code of Conduct” as to commits that their products will not contain conflict minerals.

2

Prior to conducting procurement operations, ensure that products provided by suppliers are involved in conflict minerals.

3

For suppliers who provide products related to conflict minerals, we conduct a regular investigation each year on specific metal manufactures or their precious metal counterparts to find out whether they are on the Good Delivery List announced by the London Bullion Market Association (LBMA) in accordance with the latest Conflict Minerals Reporting Template (CMRT) and Cobalt Reporting Template (CRT) released by Responsible Minerals Initiative (RMI). By doing this, we ensure the origin of metals used by our suppliers.

100% of suppliers involved in conflict minerals-related products in 2023 completed template release and recovery, with results showing that their minerals are of compliant origins, as follows.

| Region   | Company/Factory |       | Number of suppliers involved with conflict minerals | Completion of template distribution and collection; percentage of compliant mineral sources |
|----------|-----------------|-------|-----------------------------------------------------|---------------------------------------------------------------------------------------------|
| Taiwan   | DCC             |       | 2                                                   | 100%                                                                                        |
| Overseas | DCC             | DCCJS | Not involved                                        | Not involved                                                                                |
|          |                 | CCDPJ |                                                     |                                                                                             |
|          |                 | CCDSG |                                                     |                                                                                             |
|          |                 | DCCM  |                                                     |                                                                                             |



## Responsibility Education for Procurement Personnel

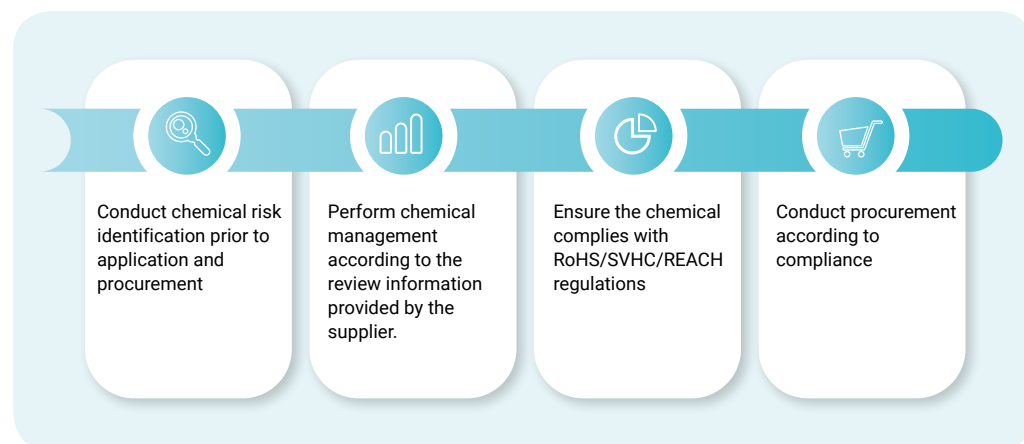
At DCC, we provide new procurement personnel with necessary practitioner and CSR education and training. Online courses were launched in 2018, with a total of 31 participants and a 100% passing rate for newcomers. After becoming an official employee, the ESG team enforces courses with other related topics through the Group's e-learning education and training platform. This continues the strengthening of CSR awareness of the procurement personnel.

## Compliance With Local Laws

In an attempt to comply with the EU REACH and RoHS requirements to reduce the impact of chemicals on the ecosystem, DCC have established a chemical management mechanism (for management measures, please refer to 3.4.1 Chemical Safety). We also require raw material suppliers of related products to provide the following review information:

- Provide ICP-AES test data for detectable substances or analysis report from a third party (e.g. SGS) - 10 hazardous substances required by RoHS.
- Safety Data Sheet (SDS).

## DCC's Environmental Substance Management Procedures



## Green procurement: Purchasing IE3 or above high efficiency motors



IE (International Efficiency) refers to motor efficiency defined by the International Electrotechnical Commission (IEC). The energy efficiency levels are IE1, IE2, IE3, and IE4 - the larger the number, the better the efficiency and the more energy saving. Compared to IE1 motors, the efficiency of IE3 motors can be increased by **1.7% to 7.5%** (depending on the power). The statistics of IE3 or above high efficiency motors purchased by DCC in 2023 are as follows:

| Company/Factory    |       | Motor efficiency | 2023 procurement amount | Currency | In USD    |
|--------------------|-------|------------------|-------------------------|----------|-----------|
| Taiwan             | DCC   | IE3              | 145,500.00              | TWD      | 4,693.52  |
| Overseas Factories | CCDSG | IE3              | 1,363.44                | SGD      | 1,017.49  |
|                    |       | IE4              | 920.00                  | SGD      | 686.56    |
|                    | DCCJS | IE3              | 80,535.00               | RMB      | 11,189.15 |

Note: CCDPJ, and DCCM did not independently purchase IE3 motors or above in 2023.

### 1.3.2 Supplier Management System

DCC hopes, by making constant improvements regarding the supply management and requirements, we will be able to reduce quality, environmental, safety and social risks, further achieving the goal of reducing the CSR risks of suppliers.



The DCC's supplier management system is explained as follows in three types: raw material suppliers, shipping company and contractors:

#### Raw Material Supplier Management

DCC's qualified raw material suppliers in 2023



Note: The number of qualified suppliers is calculated by each company in the Group. If a supplier is qualified by two companies in the Group under the Group, the quantity of the supplier will be counted separately in the two companies.

| Supplier Type                                                                                                     | Management Regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>New Suppliers</b>       | <ul style="list-style-type: none"> <li>• Meet quality, environmental, health, and government regulations.</li> <li>• Obtain ISO 9001 or other quality system certification.</li> <li>• Complete the initial supplier product quality system questionnaire, including quality and ESG-related questions</li> <li>• An evaluation team composed of by Quality Assurance, Production and Procurement departments perform on-site assessment on new suppliers. Those that meet criteria become qualified suppliers.</li> <li>• Unqualified suppliers will be notified of the reason and can re-enter the evaluation process after improvement.</li> </ul> |
| <br><b>Existing Suppliers</b> | <ul style="list-style-type: none"> <li>• Compile the delivery records of products from the supplier to each factory in the previous year, and evaluate each supplier based on the quality environment, services, and delivery documents.</li> <li>• Increase the purchase frequency or prioritize the products from suppliers with higher annual ratings. No purchases shall be made from disqualified suppliers in the current year.</li> <li>• Arrange annual supplier on-site audits on the supplier's quality system, supplier management, material and production management, as well as environmental safety management</li> </ul>              |

Note: The above enforcement points may vary slightly depending on local regulatory requirements and regulations for operations.

## CSR Risk Assessment of Major Raw Material Suppliers

DCC conducts a corporate social responsibility risk assessment for its main raw material suppliers. The assessment mechanism is as follows:

### Evaluated Supplier

- Ranked according to the raw material purchases from October of the previous year to September this year (calculated separately by each company). The main raw materials suppliers whose total supplies account for more than 70% of total raw material purchases, excluding internal purchases from Chang Chun's affiliates. If it is confirmed that no purchases will be made from such supplier in the assessment year, the supplier will not be listed for assessment.
- Additional Conditions: If the number of suppliers is less than three after excluding internal purchases from Chang Chun's affiliates, the assessment scope will be extended to suppliers whose raw material purchases account for more than 3% of the total amount.

### Assessment Content

- **Stage I** : Understand the public ESG or CSR disclosure status of major raw material suppliers. List those who take the initiative to disclose ESG or CSR information and statement as suppliers with low risks.
- **Stage II** : A CSR risk questionnaire will be distributed to suppliers with lower degree of ESG or CSR information disclosure from Stage I to investigate their implementation results in terms of quality/safety/environmental protection/human rights/ social aspects with supporting information submitted. The CSR risk level of the supplier will be determined according to the questionnaire results.

**Survey Frequency** : Once every year

**Assessment Handling** : After two stages of assessment, medium- and high-risk suppliers are scheduled to be included in the on-site audits within one year. Through on-site visits and exchanges, advice will be given from all aspects and improvements required within a deadline to track the effectiveness.

In 2023, based on the risk assessment results of the previous year, DCC selected the medium and high-risk suppliers in the comprehensive results of the first and second stages as the targets of on-site audit. For all the low-risk suppliers, each factory audited at least one supplier based on the transaction status. In 2023, one supplier on-site audit plan was completed in Taiwan and three overseas. We understand the status of suppliers through in-depth audits, conduct ESG education and training, and request suppliers to submit improvement plans to reduce the Group's corporate social responsibility risks in supplier management.

| Region   | Company/Factory | 2022 Consolidated Public Survey and Questionnaire Results (Number of Suppliers) |             | 2023 On-site Audit Implementation Status |                                        |
|----------|-----------------|---------------------------------------------------------------------------------|-------------|------------------------------------------|----------------------------------------|
|          |                 | High-risk                                                                       | Medium-risk | No. of suppliers to be audited           | Percentage of target suppliers audited |
| Taiwan   | DCC             | 0                                                                               | 0           | 1                                        | 100%                                   |
| Overseas | DCCJS           | 1                                                                               | 0           | 1                                        | 100%                                   |
|          | CCDPJ           | 0                                                                               | 0           | 0                                        | NA                                     |
|          | CCDSG           | 0                                                                               | 0           | 1                                        | 100%                                   |
|          | DCCM            | 0                                                                               | 0           | 1                                        | 100%                                   |

Note: CCDPJ: There were only 3 suppliers that accounted for the top 70% of procurement amount or more than 3% of single supplier, of which 2 were affiliates, and one of them no longer worked with us in 2023. Therefore, there were no suppliers to be audited.

The company conducts the “CSR Risk Assessment of Major Raw Material Suppliers” every year. According to the assessment mechanism, the number of suppliers under assessment was 21 in 2023. The assessment results show that 100% of the suppliers are low-risk suppliers. This shows that suppliers have awareness of environmental safety and health, labor human rights and other social responsibility aspects while at the same time taking action plans.

Although all suppliers can be determined to have low risks based on the public survey results and the completeness of the questionnaires, the company still made an effort to plan on-site assessments for some suppliers according to the 2023 business dealings for 2024, hoping to establish long-term partnerships through friendly engagements with major suppliers.

### In 2023, Statistics of CSR Policy Risk Survey of Major Raw Material Suppliers

| Region   | Company/Factory | Total Number of Suppliers | Affiliates | Number of Suppliers Surveyed (Excluding Affiliates) | Stage 1 | Stage 2 | Integrated report survey and questionnaire results (Number of companies) |             |          |
|----------|-----------------|---------------------------|------------|-----------------------------------------------------|---------|---------|--------------------------------------------------------------------------|-------------|----------|
|          |                 |                           |            |                                                     |         |         | High-risk                                                                | Medium-risk | Low-risk |
| Taiwan   | DCC             | 5                         | 1          | 4                                                   | 4       | 0       | 0                                                                        | 0           | 5        |
| Overseas | DCCJS           | 4                         | 1          | 3                                                   | 1       | 2       | 0                                                                        | 0           | 4        |
|          | CCDPJ           | 6                         | 2          | 4                                                   | 0       | 4       | 0                                                                        | 0           | 6        |
|          | CCDSG           | 3                         | 0          | 3                                                   | 2       | 1       | 0                                                                        | 0           | 3        |
|          | DCCM            | 3                         | 0          | 3                                                   | 2       | 1       | 0                                                                        | 0           | 3        |

Note: Calculated by each company in the Group; if a supplier is supplier of main raw materials in two companies under the Group, the quantity of the supplier will be counted separately in the two companies.

### Transportation Supplier Management

The company has established a comprehensive response mechanism for shipping incidents. In the event of an accident, response personnel are immediately dispatched to the premises to reduce the impact on the environment. In addition, transportation suppliers are also required to propose measures for improvement and prevention of reoccurrence. This will be incorporated in the evaluation of transportation suppliers. There was no major transportation accident occurred in 2023.

#### 2023 Transportation Qualified Suppliers

Taiwan

25

Overseas

31

Total

56

| Supplier Type                                                                                               | Management Regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>New Suppliers       | <ul style="list-style-type: none"> <li>Attained the ISO 9001 certification (Taiwan).</li> <li>Attained AEO certification (Taiwan; only for import/export).</li> <li>Attained shipping licenses for controlled chemicals required by law.</li> <li>Vehicles equipped with GPS devices (Taiwan).</li> <li>Investigate the system and implementation situation of contractors regarding safety, health, drivers, driving safety, vehicle and equipment maintenance.</li> </ul>                                                                                                                                                                  |
| <br>Existing Suppliers | <ul style="list-style-type: none"> <li>According to the previous year, the user unit will fill in the satisfaction survey, and suppliers with poor results will carry out improvements.</li> <li>Suppliers are put into different levels according to the results of the annual satisfaction survey. Suppliers who fail to meet the criteria will not be used.</li> <li>Regularly visit transportation suppliers to conduct on-site evaluations according to the level of the Company, and check management measures such as vehicle maintenance and drivers' driving behavior to confirm the supplier's management capabilities.</li> </ul> |

Note: The above enforcement points may vary slightly depending on local regulatory requirements and regulations for operations or the characteristics of the goods to be shipped.

## On-site assessment and tiered management of transportation suppliers:

In a bid to ensure that the transportation suppliers of DCC's goods meet the requirements, we have an on-site assessment process in place to improve the transportation quality and reduce safety risks. The suppliers are graded according to the assessment results. Taking Taiwan as an example, the assessment rules are as follows:

| On-site Assessment Target                                                                                                            | On-site Assessment Frequency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | On-site Assessment Content                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Newly Developed Transportation Suppliers</b> | <ul style="list-style-type: none"> <li>Companies become qualified suppliers after the above management process has been carried out and are put on trial for one year.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>Management</li> <li>Safe, health, environment and security</li> <li>Supply chain management and subcontracting</li> <li>Equipment</li> <li>Security during shipping (safety)</li> <li>Operating procedures and customer contact</li> <li>Order processing and operation</li> <li>On-site inspection</li> </ul> |
| <br><b>Existing transportation suppliers</b>       | <ul style="list-style-type: none"> <li>Routine assessment: Determine the assessment frequency according to the level.                             <ul style="list-style-type: none"> <li>▶ Level A: Once every three years</li> <li>▶ Level B: Once every two years</li> <li>▶ Level C: Once every year</li> </ul> </li> <li>Level C and above : Issued with a certificate and continued to be appointed.</li> <li>Level D : Subject to improvement within a time limit and is reassessed in six months.</li> <li>Temporary assessment: Where there is an abnormality in the year.</li> <li>Shipping satisfaction survey: Completed by cooperating factories each year.</li> </ul> | <ul style="list-style-type: none"> <li>Coordination capability</li> <li>Equipment and operations</li> <li>Related laws and factory regulations</li> <li>Abnormal incidents</li> </ul>                                                                                                                                                                 |

Note: The above enforcement points may vary slightly due to different local regulatory requirements and regulations for operations.

According to past grading results, 42 transportation suppliers in Taiwan and overseas were assessed in 2023. The evaluation results are shown in the table below:

Unit: Number of suppliers

| Region   | Grade A | Grade B | Grade C | Grade D | Total |
|----------|---------|---------|---------|---------|-------|
| Taiwan   | 3       | 4       | 3       | 1       | 11    |
| Overseas | 13      | 15      | 3       | 0       | 31    |

## Annual transport safety awareness promotion session:

In 2023, DCC conducted 14 transport safety awareness promotion sessions (2 in Taiwan and 12 overseas). The persons in charge of the transportation companies were invited, with the highlights of the meetings as follows:

- Transportation regulations and precautions
- Review of the transportation accidents in the past year involving cargo of other companies
- Explanation of common defects and improvement approaches of on-site assessments

Through the promotion session, we were able to strengthen the sensitivity of transportation suppliers to potential risks and implement vehicle and driver safety management to achieve the goal of reducing transportation risks.



## Authorized Economic Operator, AEO

DCC Taiwan CCDPJ, and DCCJS have been accredited with AEO certification. Raw material suppliers and shipping companies have been included into the business partner management procedures. This is to review the safety operating procedures and measures of the business partners on a periodic basis or at any time, ensuring that they are in compliance with the safety standards, thus reducing risks of logistics safety.

DCC's AEO Policy



## Contractor Management

At DCC, we require contractors to comply with local regulations, and fulfill their responsibility in terms of taking out insurance for their employees and contracted personnel and ensuring their safety. In addition, the Company's factories have stipulated contractor rules and penalties to effectively manage the behavior of contractors' personnel in the factory to maintain safety in factory operations.

### Qualified Contractors Who Had Business Dealings with DCC in 2023



Note: The number of qualified suppliers is calculated by each company in the Group; if a supplier is qualified supplier of main raw materials in two companies under the Group, the quantity of the supplier will be counted separately in the two companies.

Each worker who enters DCC is subject to labor safety and health education course and is only allowed to enter the factory once training is completed. Retraining is required if the training validity has expired. This effectively facilitates suppliers' safety awareness and to reduce the risk of accidents. In 2023, a total of 4,084 contractors received training and testing for DCC. The training attendance is as follows:

### 2021-2023 Training Hours Received by Contractors

| Year / Gender<br>Hours/<br>No. of People | 2021  |        |       | 2022  |        |       | 2023  |        |       |
|------------------------------------------|-------|--------|-------|-------|--------|-------|-------|--------|-------|
|                                          | Male  | Female | Total | Male  | Female | Total | Male  | Female | Total |
| Training Hours                           | 4,848 | 314    | 5,162 | 4,463 | 291    | 4,754 | 3,755 | 329    | 4,084 |
| No. of People at the End of the Year     | 4,848 | 314    | 5,162 | 4,463 | 291    | 4,754 | 3,755 | 329    | 4,084 |
| Average Hours                            | 1     | 1      | 1     | 1     | 1      | 1     | 1     | 1      | 1     |

Note: For detailed information on each factory in 2023, please refer to Appendix A.

| Supplier Type                                                                                                      | Management Regulations                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>New Contractors</b>      | <ul style="list-style-type: none"> <li>The "profit-seeking enterprise registration certificate" content</li> <li>Qualification certificates required by related industries or the government</li> <li>Qualifications and licenses of relevant personnel</li> <li>Labor insurance or accident insurance required by the local government</li> <li>Safety and health education and training of contractors entering the factory</li> </ul> |
| <br><b>Existing Contractors</b> | <ul style="list-style-type: none"> <li>Ensure the related qualification certificates and personnel training validity of all suppliers on a regular basis</li> <li>Establish and announce penalties. In the event of a violation, contractors are required to pay a fine.</li> <li>The contractor will be suspended where the violation is severe, or the contractor fails to make improvement after repeated reminders.</li> </ul>       |

Note: The above enforcement points may vary slightly due to different local regulatory requirements and regulations for operations.



# Ch2

## Low Carbon and Sustainability

At DCC, we realize that companies should do more than just pursue profits; they must also fulfill corporate social responsibilities. For that reason, we regard “environmental protection” as our top mission and we are a firm believer that a good management system can improve the environment and the well-being of people.

- 
- 2.1 Environmental Management Strategy
  - 2.2 Climate Change Risks and Opportunities
  - 2.3 GHG and Energy Management
  - 2.4 Water resources management
  - 2.5 Air Pollutant Emission Management
  - 2.6 Waste Management

Corresponding material  
sustainability topic

Air pollutant emission  
management



The following are the goals of Taiwan factories

| DCC ESG Issues                                                        | KPI                                                                                                       | 2023 Target                    | Achievement in 2023            | 2024 Target                    | 2025 Target                    | 2030 Target                                                        | Corresponding SDGs                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Climate change mitigation and adaptation<br>GHG and Energy Management | Reduction of GHG (Scopes 1 and 2) at Taiwan factories<br><br>Base Year: 2021<br>1,936 ktCO <sub>2</sub> e | 6%                             | 31%                            | 9%                             | 12%                            | 30%<br>2050: Achieve net zero in line with government requirements |                                                                                             |
|                                                                       | Water consumption unit                                                                                    | 1.91 tons / tons               | 1.91 tons / tons               | 1.85 tons / tons               | 1.81 tons / tons               | 1.72 tons / tons                                                   |                                                                                                                                                                                |
|                                                                       | Steam consumption unit                                                                                    | 1.66 tons / tons               | 1.66 tons / tons               | 1.61 tons / tons               | 1.58 tons / tons               | 1.49 tons / tons                                                   |                                                                                                                                                                                |
|                                                                       | Power consumption unit                                                                                    | 0.288 MWh/ tons                | 0.312 MWh/ tons                | 0.279 MWh/ tons                | 0.274 MWh/ tons                | 0.259 MWh/ tons                                                    |                                                                                                                                                                                |
| Air pollutant emission management                                     | Percentage reduction of SOx, NOx, and VOCs<br><br>Base Year : 2021                                        |                                |                                |                                |                                |                                                                    |                                                                                                                                                                                                                                                                   |
|                                                                       | SOx : 6 metric tons                                                                                       | 10%                            | 3%                             | 3%                             | 3%                             | 3%                                                                 |                                                                                         |
|                                                                       | NOx : 109 metric tons                                                                                     | 19%                            | 29%                            | 23%                            | 25%                            | 30%                                                                |                                                                                                                                                                                                                                                                   |
|                                                                       | VOCs : 149 metric tons                                                                                    | 15%                            | 33%                            | 18%                            | 20%                            | 25%                                                                |                                                                                                                                                                                                                                                                   |
| Waste management                                                      | Waste generation at Taiwan factories                                                                      | Reduction to 1,814 metric tons | Reduction to 1,557 metric tons | Reduction to 1,775 metric tons | Reduction to 1,723 metric tons | Reduction to 1,633 metric tons                                     |    |



## 2.1 Environmental Management Strategy

At DCC, we realize that companies should do more than just pursue profits; they must also fulfill corporate social responsibilities. For that reason, we regard “environmental protection” as our top mission and we are a firm believer that a good management system can improve the environment and the well-being of people.

DCC’s management objective is to meet or exceed the standards set out by the law and to implement applicable environment protection measures. Through upgrading waste recycling and production efficiency, investing in pollution prevention and process improvement equipment at each plant, we carry out equipment maintenance and repair, as well as replacing and adding new equipment. In addition, DCC introduced an internal carbon pricing mechanism in 2024 to facilitate overall carbon asset management in the future, achieving the goal of sustainability.

### Management Method:



### Investment in Environmental Protection

DCC is dedicated to the concept of sustainable management. In 2023, the expenditure and investment related to environmental protection amounted to NT\$370 million. We also continued to invest in additional related equipment, making an effort to reduce the impact of the production process on the environment.

Environmental expenditures related  
to environmental protection

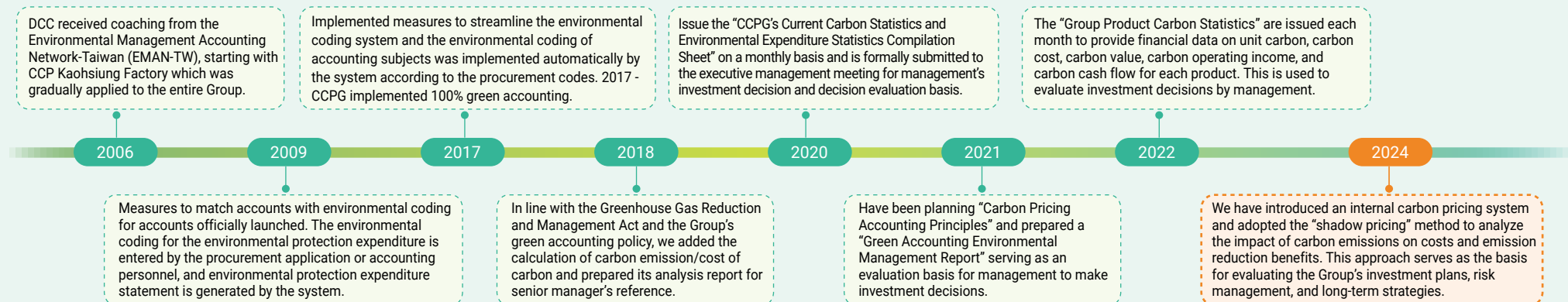
1.9 million

Investment expenses in  
environmental protection

1.8 million

### Green Accounting Promotion

In a bid to clearly summarize the Company’s environmental protection expenditures, DCC continued to support and cooperate with CCPG’s promotion of green accounting. The process of promotion is as follows:



## Legal Compliance

DCC manages and audits ESH laws and regulations through the internal "Regulation Identification System", and reviews and improves the deficiencies in each case and tracks the progress. We are committed to the goal of zero fines, and to take responsibility for community residents and the surrounding environment.

### 2021-2023 Statistics of Number of Environmental Violations and Fines

Unit: NT\$10,000

| Item / Year   | 2021         |        | 2022         |        | 2023         |        |
|---------------|--------------|--------|--------------|--------|--------------|--------|
|               | No. of Cases | Amount | No. of Cases | Amount | No. of Cases | Amount |
| Air pollution | 0            | 0      | 2            | 90     | 3            | 37     |
| Total         | 0            | 0      | 2            | 90     | 3            | 37     |

Note 1: The incidents disclosed here are mainly deficiencies with fines over NT\$100,000.

Note 2: The remaining pollutants not listed in the table represent no violations in the year.

Note 3: For detailed information on each factory in 2023, please refer to Appendix B.

### Description of 2023 Environmental Violations and Improvement Plans

| Item | Description of violation                                                                                     | Improvement plan                                                                                                                                                                             |
|------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1    | The VOCs detection value of equipment components exceeded the legal 10,000 ppm.                              | The leaking components were repaired and maintained, and they passed the inspection by a testing organization certified by the Institute for Environmental Testing, Ministry of Environment. |
| 2    | The vent did not meet the Odor Pollutant 2,000 standard.                                                     | The use of process fluids as fuel was decreased to reduce odor.                                                                                                                              |
| 3    | The actual height of the discharge pipeline did not match the height of the pipeline approved in the permit. | Permit changes were performed to conform to the current situation, and revise the MOC system evaluation process to avoid inconsistencies in subsequent permit applications.                  |

## 2.2 Climate Change Risks and Opportunities

DCC introduced the Task Force on Climate-related Financial Disclosures (TCFD) in 2019, and officially signed the agreement as a TCFD Supporter in June 2023. The Company followed the framework recommended by the TCFD and established four major core aspects, namely governance, strategy, risk management, indicators, and targets in order to identify significant climate risks and opportunities in the operational phrase, financial impact is evaluated and countermeasures and management mechanism formulated. This way, we will be able to effectively reduce the impact on the Company.

| Management Structure | Strategy and Actions                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Governance           | Formation of the ESG Committee                                                                     | As the highest governance unit for climate change, the Board of Directors has established the ESG Committee under its jurisdiction. The Chairman serves as the chairman of the Committee and the President as the deputy chairman. Under the Committee, we have established four major working teams: the environment to review the achievement of the goals on each sustainability issue on a quarterly basis. |
|                      | Established an energy conservation, carbon reduction, and carbon neutrality promotion organization | An energy conservation and carbon reduction meeting is held by the chairman and presidents each quarter to oversee the climate change promotion plan and report on its actual performance.                                                                                                                                                                                                                      |
| Strategy             | Formulation of six major carbon reduction strategies                                               | Low-carbon energy transformation, indirect energy decarbonization, energy efficiency improvement, circular economy, carbon capture and utilization, renewable energy installation/use                                                                                                                                                                                                                           |
| Risk management      | Identification of climate risks and opportunities                                                  | The matrix is used to determine major risks and opportunities, quantify the impact of climate-related issues on operations based on the likelihood of occurrence and financial impact, and formulate response strategies for the analyzed risks and opportunities.                                                                                                                                              |
| Indicators and goals | Planning the Company's Carbon Reduction Goals                                                      | Set short-, medium- and long-term carbon emission absolute targets with 2021 as the base year.<br>● 2025 : 12% reduction compared to the base year<br>● 2030 : 30% reduction compared to the base year<br>● 2050 : Achieve net zero in line with government requirements                                                                                                                                        |
|                      | Setting of energy conservation and carbon reduction goals                                          | Setting an annual 3% target of reduction for water, stream, and electricity consumption and move towards low carbon manufacturing.                                                                                                                                                                                                                                                                              |
|                      | Continue to carry out carbon inventory                                                             | Use the guidelines announced by the competent authority to conduct Scopes 1 and 2 inventories as well as building an internal carbon emission system. Facilitate Scope 3 and product carbon footprint inventory.                                                                                                                                                                                                |



## TCFD Implementation Process



### Climate change risk awareness building

Enhance employees' awareness of TCFD through education and training.



### Establish climate related risk issues

After collecting information on the regulations for related policies with the TCFD official risk recommendation list and IEA and IPCC scenarios referred to, we have identified six transformation risks, two physical risks, and five opportunity issues.



### Quantitative evaluation of impact on climate-related risks and opportunities

With DCC factory in Taiwan as the scope of risk assessment, the potential impact of various issues on operations under a given scenario is analyzed and quantified.



### Identify significant climate-related risk issues

Furthermore, we identified material climate issues by mapping the likelihood of the event and the degree of financial impact.

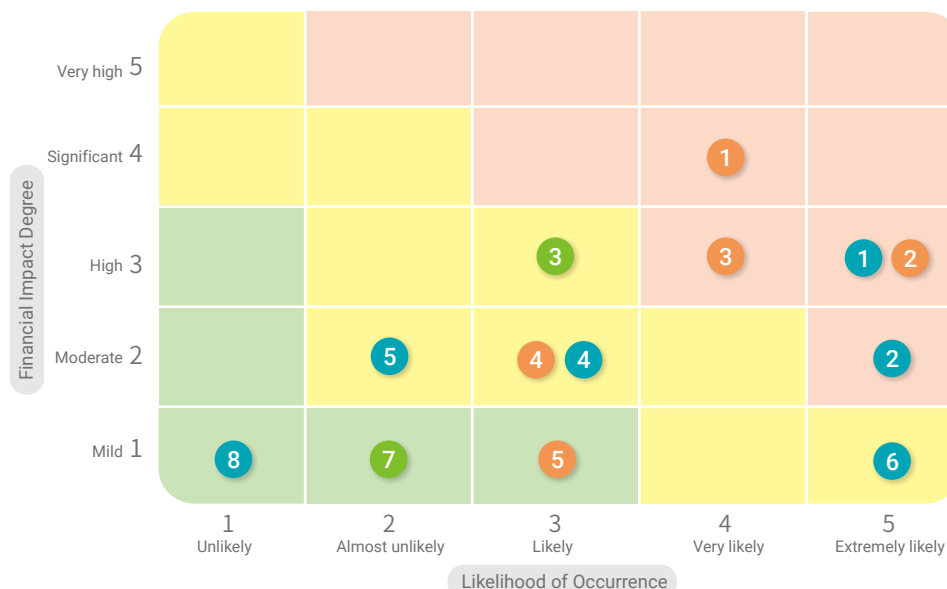


### Develop management response to climate-related risks and opportunities

Proposes management actions and response plans, and assesses the financial impact and plans for major risk events and opportunities.

## Risk and Opportunity Identification - Significant Climate Risk Matrix

By interviewing each department under the given scenarios, DCC estimated the impacts from the 13 climate issues between 2030 and 2050 under the given scenarios (IEA NZE 2050 for transformation risk and IPCC AR6 SSP for physical risk). The impacts on operations that may be caused by each issue were analyzed and quantified. The likelihood of occurrence (horizontal axis) and the degree of financial impact (vertical axis) were scored by five levels and a matrix for risks and opportunities was created. The impacts were classified as significant, moderate, and low, and two risks and three opportunities were identified by the matrix.



| Risk / Opportunity | Significant (10-25 points)                                                                                                                                                                                                         | Moderate (4-9 points)                                                                                                                                                                                                                                                                                        | Low (1-3 points)                                                                                                                                                                                   |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transition Risk    | <ul style="list-style-type: none"> <li>1 Policies and regulations - carbon fee collection</li> <li>2 Policies and regulations - clauses for large electricity users (renewable energy obligation)</li> </ul>                       | <ul style="list-style-type: none"> <li>3 Acute extreme weather events - heavy rainfall or strong winds</li> <li>4 Policies and regulations - international carbon tariffs</li> <li>5 Market - changes in customer behavior</li> <li>6 Policies and regulations - water consumption fee collection</li> </ul> | <ul style="list-style-type: none"> <li>7 Chronic Extreme Weather Events - water shortage</li> <li>8 Company reputation - poor sustainability performance resulting in negative feedback</li> </ul> |
| Physical Risk      |                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                    |
| Opportunity        | <ul style="list-style-type: none"> <li>1 Commodities and services - low-carbon product development</li> <li>2 Energy or technology - carbon capture, utilization, and storage</li> <li>3 Resource efficiency - recovery</li> </ul> | <ul style="list-style-type: none"> <li>4 Resource efficiency - more efficient production process/energy saving improvement</li> </ul>                                                                                                                                                                        | <ul style="list-style-type: none"> <li>5 Energy or technology-energy transition</li> </ul>                                                                                                         |

## DCC Countermeasures for Climate-related Risks and Opportunities

| Item                | Category                       | Issue                                                                | Risk/Opportunity Analysis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Financial Impact Explanation             | Measure to be Taken                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------|--------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transformation Risk | Policies and Regulations       | Carbon Fee Levy                                                      | The Ministry of Environment expects to levy a carbon fee on the power generation and manufacturing industries with direct emissions and indirect emissions up to 25,000 metric tons of CO <sub>2</sub> e in 2025, and all plants of DCC will be included in the levy. If the carbon fee per ton is estimated at NT\$300, the Company will have to pay a carbon fee of over NT\$100 million. If the carbon cost cannot be passed on, it will affect the competitiveness of product prices.                                                                         | Operating costs ▲                        | <ul style="list-style-type: none"> <li>● Use energy-saving and high-efficiency equipment</li> <li>● Improve processes to reduce energy consumption</li> <li>● Continue to install/purchase renewable energy</li> <li>● Decrease in carbon emission coefficients by power and steam suppliers</li> <li>● Continue to promote energy conservation and carbon reduction projects and circular economy</li> </ul> |
|                     | Policies and Regulations       | Clause for large electricity users (obligation for renewable energy) | DCC Kaohsiung Factory is listed as a large consumer of electricity (contracted power capacity of more than 5 kilowatts). If the requirements for renewable energy installation are not met, the Company will pay NT\$4/kWh.                                                                                                                                                                                                                                                                                                                                       | Operating costs ▲                        |                                                                                                                                                                                                                                                                                                                                                                                                               |
| Physical Risk       | Chronic Extreme Weather Events | Water Shortage                                                       | Climate change will alter the rainfall characteristics of Taiwan. It is estimated that the increase in annual rainfall in the future will mainly focus on the typhoon season, which will prolong the dry season. In particular, the periods of no rainfall in the central and southern coastal areas will increase the risk of droughts. Due to the increased water shortage rate in the future, once it is subject to the Phase III water control measures of the Water Resources Administration, it will affect the production and operation of the factories.  | Operating revenue ▼                      | <ul style="list-style-type: none"> <li>● Water recovered from the process will be reused, reducing replenishment and discharge of water</li> <li>● Rainwater and wastewater separation will improve rainwater recovery volume</li> <li>● Improve seawater supply capacity through desalination plants</li> <li>● Enhance weather status tracking system and response drills</li> </ul>                        |
|                     | Acute Extreme Weather Events   | Heavy rainfall or strong winds                                       | According to the key scientific excerpts of the IPCC Sixth Assessment Report on Climate Change and the updated assessment of Taiwan's Climate Change Assessment, the intensity of the heaviest daily rainfall and the proportion of strong typhoons in Taiwan will tend to increase in the future. The increased severity of extreme weather events such as floods and typhoons caused by abnormal climates will affect the production and operation of the plant.                                                                                                | Operating revenue ▼                      |                                                                                                                                                                                                                                                                                                                                                                                                               |
| Opportunity         | Products and Services          | Low-carbon product development                                       | Taking into account product life cycle and product value chain, DCC is committed to the development of low-carbon products, which is expected to improve profit performance and meet customer expectations. For more information, see 1.2.1 Green Products.                                                                                                                                                                                                                                                                                                       | Operating revenue ▲                      | <ul style="list-style-type: none"> <li>● Continue to invest in R&amp;D of technology and resource efficiency. Management costs cover R&amp;D expenses (personnel wages, patent applications), hardware equipment (e.g., factory construction), and industry-government-academia cooperation.</li> </ul>                                                                                                       |
|                     | Energy or Technology           | Carbon Capture, Utilization, and Storage                             | In the sustainable development scenario planned by the International Energy Agency (IEA), CCUS will be a key carbon reduction technology in the later stage. DCC continues to develop carbon reduction technologies such as carbon capture and utilization. In addition to reducing carbon expenses, by converting CO <sub>2</sub> into green raw materials for chemical manufacturing, it can reduce the cost of raw material procurement, or sell the recovered CO <sub>2</sub> to increase operating costs. collection. For details, see 2.3.1 GHG Management. | Operating costs ▼<br>Operating revenue ▲ |                                                                                                                                                                                                                                                                                                                                                                                                               |
|                     | Resource Efficiency            | Recycling and reuse                                                  | The report "Material Efficiency in Clean Energy Transitions" published by the IEA points out that a carbon reduction benefit of 30% can be achieved by improving material efficiency. DCC is committed to resource recycling and the implementation of circular economy, such as the development of waste solvent regeneration and purification technology and process heat recovery. For more information, see 1.2.1 Green Products, 2.3.3 Energy Saving and Carbon Reduction Actions, and 2.6 Waste Management.                                                 | Operating costs ▼<br>Operating revenue ▲ |                                                                                                                                                                                                                                                                                                                                                                                                               |

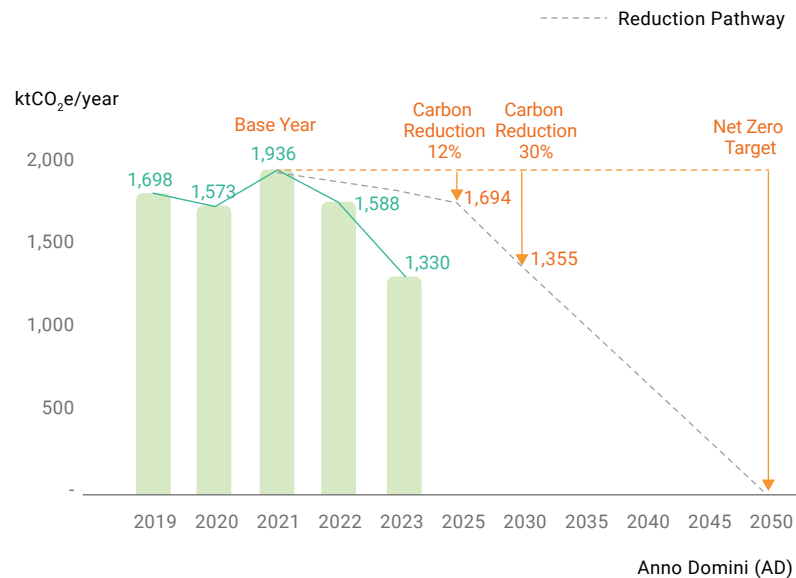


## Physical Risk Scenario Analysis Results

To analyze the impact of physical risks on the production and operation of each factory of the Company, Taiwan Climate Change Projection Information and Adaptation Knowledge Platform, (TCCIP) and National Science and Technology Center for Disaster Reduction (NCDR) adopt the SSP low emission to very high emission scenarios (SSP1-2.6, SSP 2-4.5, SSP 3-7.0, SSP5-8.5) to estimate the likelihood of risk of flooding, drought, and high temperature.

## Short-, Medium-, and Long-term Carbon Reduction Path

With 2021 as the base year, DCC (Taiwan factories) has set a goal of reducing carbon emissions by 12% in 2025 (short-term goal) compared to the base year, by 30% by 2030 (medium-term goal), and net zero by 2050 (long-term goal), in line with the government's commitment. To achieve net zero requirements, we will continue to promote various carbon reduction strategies to achieve the Group's goal.



| Scenario Analysis       | Disaster Risk Items                                                                                                         |                                                                                                                                          |                                                                                                                             |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
|                         | Flooding                                                                                                                    | Drought                                                                                                                                  | High temperature                                                                                                            |
| SSP1-2.6                | A few affected                                                                                                              | Not affected                                                                                                                             | Not affected                                                                                                                |
| SSP2-4.5                | Partially affected                                                                                                          | Not affected                                                                                                                             | Not affected                                                                                                                |
| SSP3-7.0                | Partially affected                                                                                                          | Not affected                                                                                                                             | Not affected                                                                                                                |
| SSP5-8.5                | Partially affected                                                                                                          | Not affected                                                                                                                             | Not affected                                                                                                                |
| DCC Adjustment Strategy | <ul style="list-style-type: none"> <li>● Increase the elevation of the factory area.</li> </ul>                             | <ul style="list-style-type: none"> <li>● Water reduction and reuse.</li> </ul>                                                           | <ul style="list-style-type: none"> <li>● Install ventilation devices such as awnings, air conditioners, or fans.</li> </ul> |
|                         | <ul style="list-style-type: none"> <li>● Setup of detention ponds and preventive inspection of waterproof gates.</li> </ul> | <ul style="list-style-type: none"> <li>● Formulate strategies for diversifying water sources.</li> </ul>                                 | <ul style="list-style-type: none"> <li>● Release information on the heat hazard level daily.</li> </ul>                     |
|                         | <ul style="list-style-type: none"> <li>● Establishment of a natural disaster response management mechanism.</li> </ul>      | <ul style="list-style-type: none"> <li>● Install tap water storage tanks/ tanks, drought wells, rainwater storage tanks, etc.</li> </ul> | <ul style="list-style-type: none"> <li>● Proper adjustment of work and break periods.</li> </ul>                            |

## DCC Carbon Reduction Strategy Planning

At DCC, we emphasize the importance of climate change issues. As well as this, we take proactive approaches when it comes to facing the impact of the global emission reduction trends on the Company's operations and have planned the direction for short-, medium- and long-term carbon reduction strategies.

| Carbon Reduction Strategy         | Short-term<br>(~ 2025)                                                                                                                                                                                                                                | Medium-term<br>(2025~2030)                                                                                                                                                                                                                           | Long-term<br>(2030~2050)                                                                                                                                                                                                                                                                                 |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Low Carbon Energy Transition      | <ul style="list-style-type: none"> <li>Reduction in fuel use</li> </ul>                                                                                                                                                                               | <ul style="list-style-type: none"> <li>Reduction in fuel use</li> </ul>                                                                                                                                                                              | <ul style="list-style-type: none"> <li>Introduce alternative energy sources such as hydrogen and ammonia when commercially viable after evaluation</li> </ul>                                                                                                                                            |
| Indirect Energy Decarbonization   | <ul style="list-style-type: none"> <li>Decrease in carbon emission coefficients by benefitting from energy transition</li> </ul>                                                                                                                      | <ul style="list-style-type: none"> <li>Decrease in carbon emission coefficients by benefitting from energy transition</li> <li>Decrease in carbon emission coefficients by suppliers</li> </ul>                                                      | <ul style="list-style-type: none"> <li>Decrease in carbon emission coefficients by benefitting from energy transition</li> <li>Decrease in carbon emission coefficients by suppliers</li> </ul>                                                                                                          |
| Energy efficiency improvement     | <ul style="list-style-type: none"> <li>Promote process energy conservation and carbon reduction and equipment efficiency improvement activities</li> <li>Use energy-saving and high-efficiency equipment</li> <li>Process heat integration</li> </ul> | <ul style="list-style-type: none"> <li>Continue to promote energy conservation and carbon reduction activities</li> <li>Continue to promote the heat integration project</li> </ul>                                                                  | <ul style="list-style-type: none"> <li>Continue to promote energy conservation and carbon reduction activities</li> <li>Expand introduction of intelligent management manufacturing</li> </ul>                                                                                                           |
| Circular economy                  | <ul style="list-style-type: none"> <li>Promote waste solvent recovery in the factory</li> <li>Low pressure waste heat recovered to be transformed into medium and high-pressure stream for secondary process use</li> </ul>                           | <ul style="list-style-type: none"> <li>Continue to promote resource recycling and reuse projects</li> <li>Promote the process heat recovery project</li> </ul>                                                                                       | <ul style="list-style-type: none"> <li>Continue to promote low carbon and recycling material applications</li> <li>Continue to promote the process heat recovery project</li> </ul>                                                                                                                      |
| Carbon capture and utilization    | <ul style="list-style-type: none"> <li>Promote process CO<sub>2</sub> recovery</li> </ul>                                                                                                                                                             | <ul style="list-style-type: none"> <li>Continue to develop process CO<sub>2</sub> recovery</li> <li>Work with industry and academia to study the construction of negative emission technology and process and its applications in industr</li> </ul> | <ul style="list-style-type: none"> <li>Grasp and timely introduce international innovative carbon reduction processes</li> </ul>                                                                                                                                                                         |
| Renewable energy installation/use | <ul style="list-style-type: none"> <li>Installation of solar power generation equipment</li> <li>Purchase of renewable energy</li> </ul>                                                                                                              | <ul style="list-style-type: none"> <li>Increase the installation of solar power equipment</li> <li>Expand the purchase of renewable energy</li> </ul>                                                                                                | <ul style="list-style-type: none"> <li>Continue to add renewable energy generation facilities and increase the ratio of electricity used by renewable energy</li> <li>Grasp the development trends of forward-looking energy (geothermal, biomass, ocean energy) and energy storage equipment</li> </ul> |

## 2.3 GHG and Energy Management

### Management Approach of "Greenhouse Gas and Energy Management"

#### Policy and Commitment

Comply with government energy-related regulations, continue to promote energy conservation and carbon reduction activities, and carry out low-carbon energy transformation at the same time. Expand the use of renewable energy, support low-carbon design, purchase energy-saving equipment, use effective technology and management systems, and monitor changes in GHG emissions, and reduce environmental impact and improve energy performance.

#### Responsibility

Taipei Company, All Factories:  
Safety & Health Department

#### Target

Please refer to page CH2  
for details.

#### Communication/Grievance Mechanism

Any environment, safety or health issues or injustice encountered may be reported to the safety and factory health manager. If it involves a wider issue, a grievance case may be filed at the Taipei Company to ensure an effective resolution.

#### Review Mechanism

An Energy Conservation, Carbon Reduction and Carbon Neutral meeting is held quarterly for regular review

#### Actions and Effectiveness

The achievement status of sustainability targets for each sustainability issue is examined through the ESG Committee on a quarterly basis.

| Carbon Reduction Strategy         | Measure                                                                                                                                                                                                  | Corresponding Chapters                                 |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| Energy efficiency improvement     | <ul style="list-style-type: none"> <li>Heat integration</li> <li>Recycle of low-pressure steam</li> <li>Cooling Tower Optimization and Improvement</li> <li>Energy Saving of Public Equipment</li> </ul> | 2.3.3 Energy Conservation and Carbon Reduction Actions |
| Circular economy                  | Packaging Material Reduction and Recycling                                                                                                                                                               | 2.6 Waste Management                                   |
| Carbon Capture and Utilization    | Promote process CO <sub>2</sub> recovery                                                                                                                                                                 | 2.3.3 Energy Conservation and Carbon Reduction Actions |
| Renewable energy installation/use | <ul style="list-style-type: none"> <li>Installation of solar power generation equipment</li> <li>Purchase of renewable energy</li> </ul>                                                                 | 2.3.2 Energy management                                |

### 2.3.1 GHG Management





### Inventory standard

#### Taiwan factories

Guidelines for  
the Inventory of  
Greenhouse Gas  
Emissions

#### China factories

Guidance on Accounting  
Methods and Reporting  
of Greenhouse Gas  
Emissions for Chinese  
Chemical Manufacturers

#### DCCM

ISO 14064-1:2018

#### CCDSG

Carbon Pricing  
Regulations

Boundary : Operational Control Method

Verification Frequency : Every year

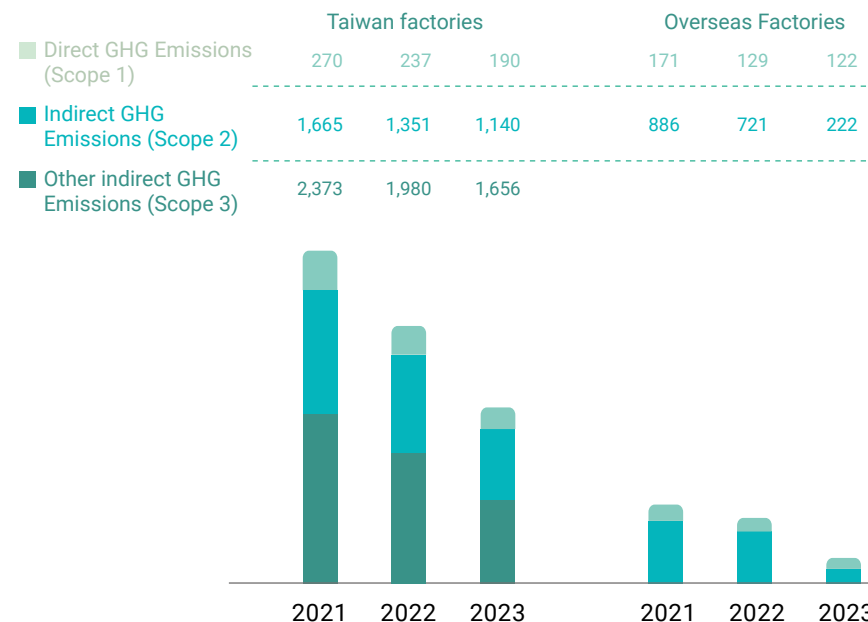
Verification Coverage Rate : 100%

Note: In 2021, DCC began to initiate GHG Scope 3 inventories at our factories in Taiwan. The category for the inventory included: purchased goods and services, upstream transportation and distribution, downstream transportation and distribution, business travel, fuel and energy-related activities, waste generated from operations as well as employee commuting.

As a means to keep hold of the petrochemical industry's development status under the goal of low carbon emissions, DCC proactively takes part in the "Petrochemical Industry Working Team" by the Industrial Development Administration and the "Petrochemical Industry Communication Platform" initiated by the Petrochemical Industry Association of Taiwan. We will continue to work closely with government goals and reflect the industry's needs for low-carbon development in the meeting.

In 2023, the overall GHG emissions of DCC (Taiwan Factory) decreased by 16% compared to 2022. Based on the emission situation in 2023, DCC has achieved the reduction target for 2030. However, this is mainly due to the fact that the impact of the economic downturn that led to a reduction in production capacity and energy consumption, resulting in a decrease in overall carbon emissions. To prevent an increase in emissions when the economy recovers, DCC continues to be committed to promoting energy conservation and carbon reduction activities. For details, see 2.3.3 Energy Conservation and Carbon Reduction Actions.

### 2021-2023 GHG Emissions of Domestic and Overseas Factories of DCC



Note 1: GHG emissions in Scope 1 include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and hydrofluorocarbons (HFCs); no other gases were emitted.

Note 2: GHG emissions in Scope 2 include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O); no other gases were emitted.

Note 3: Scope 1 and Scope 2 emissions cover factories in Taiwan and overseas; while Scope 3 emissions cover factories in Taiwan. The category for the inventory includes seven statistical categories: purchased goods and services, upstream transportation and distribution, downstream transportation and distribution, business travel, fuel and energy-related activities, waste generated from operations as well as employee commuting.

Note 4: The original self-conducted inventories for Scopes 1 and 2 for 2021 and 2022 have been revised to data after third-party verification.

Note 5: For data of overseas factories, only carbon dioxide (CO<sub>2</sub>) emissions were checked in China factories.

Note 6: The Global Warming Potential (GWP) is based on the IPCC Fifth Assessment Report (2013).

Note 7: GHG emission factor: The calculation for Taiwan factories is based on the latest data released by the Ministry of Environment during inventory. Grid emissions for China were based on the local power grid, while the rest of the emission were calculated based on the "Guidelines for Accounting and Reporting Greenhouse Gas Emissions for Petrochemicals Production Enterprises in China."

Note 8: For detailed information on each factory for 2023, please refer to Appendix B.

## Establishment of the Internal Carbon Cost System

Through building an internal carbon cost system, DCC effectively tracks changes in emissions for make further reductions. The system uses information such as GHG inventories, fuel, electricity, steam, and process gas and liquid information of each factory, establishes emission coefficients and activity data, and calculates the carbon emissions of each department. The system also conducts annual inventory checks to ensure that the information of internal carbon emissions is close to the actual emissions. An internal carbon pricing system was introduced in 2024, and the “shadow pricing” method has been adopted to analyze the impact of carbon emissions on costs and emission reduction benefits. These are used as an evaluation for the Group’s investment plans, risk management, and long-term strategies.

## Promotion of Product Carbon Footprint Inventory

In response to international climate issues and carbon reduction responsibilities, DCC has initiated a product carbon footprint inventory scheme to analyze and calculate carbon emissions generated from raw material extraction through the manufacturing process (including in-factory waste disposal). A total of 20 carbon footprint inventories on major products were completed in 2022, with product carbon footprint inventories planned out for overseas factories in 2023. In order to continuously strengthen the reliability of product carbon footprints, we purchased SimaPro and Gabi Life Cycle Assessment Software in the year. which are available for inquiry and operation at each factory. We also held relevant education and training activities through third-party verification of the unit’s audit experience to improve DCC’s ability to conduct carbon footprint inventories on our products.

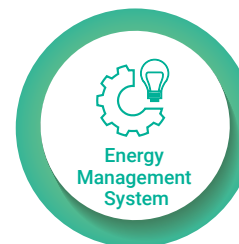
## GHG Offset Project Credits and Carbon Trading

From 2017 to 2020, DCC applied for two GHG offset projects, which were verified by the third party and the Environmental Protection Agency. So far, DCC has obtained carbon credits totaling 15,067 tCO<sub>2</sub>e. To enhance DCC’s climate management capabilities while coping with the impact of future carbon fees, we will continue to submit carbon credit applications.

| Item  | Project name                                                                  | Verified credit (tCO <sub>2</sub> e) |
|-------|-------------------------------------------------------------------------------|--------------------------------------|
| 1     | Dairen Chemical Corporation Heating Transfer Boiler Fuel Modification Project | 15,067                               |
| 2     | Engineering improvement of VAM2/VAM3 process heat integration                 | Pending application                  |
| Total |                                                                               | 15,067                               |

## 2.3.2 Energy Management

### Management Method:



ISO 50001 certification

### Energy Management System

DCC was the first in the industry to fully implement the ISO 50001 Energy Management System in all factories in Taiwan and overseas. In 2022, all factories obtained third-party verification. Furthermore, we reduce carbon emissions through systematic energy management to continue to improve energy consumption and enhance its efficiency.

In 2023, in an effort to strengthen the education of all employees, the ISO 50001 energy management courses were built into the Group’s online education and training system: there are a total of six foundation courses on management systems. By doing this, employees were able to familiarize themselves with the implementation of the management system.



### Course Content

- Understand the connotation of the ISO 50001:2018 energy management system standard and the development trend of international energy management systems.
- Implement and address risks and opportunities, energy review, set energy goals, targets, energy performance indicators, energy data collection plans and energy baselines, and use renewable or alternative energy.

ISO 500011

100%

Coverage Rate

100%

## 2022-2023 DCC Energy Consumption Statistics

Unit: Gigajoule (GJ)

| Source of Energy                                                                                             |                                | 2022       | 2023      |
|--------------------------------------------------------------------------------------------------------------|--------------------------------|------------|-----------|
| <br>Fossil fuels            | Diesel                         | 32,916     | 18,320    |
|                                                                                                              | Natural gas                    | 1,852,894  | 1,216,818 |
|                                                                                                              | Heavy oil/fuel oil             | 252,601    | 214,461   |
|                                                                                                              | Coal                           | -          | -         |
|                                                                                                              | Externally purchased power     | 3,217,220  | 2,577,278 |
|                                                                                                              | Externally purchased steam     | 14,026,716 | 5,944,702 |
|                                                                                                              | Power sold to external parties | -          | -         |
| <br>Renewable energy        | Steam sold to external parties | 78,610     | 157,592   |
|                                                                                                              | Self-generated solar energy    | 2,326      | 2,436     |
| Total Energy Consumption                                                                                     |                                | 19,306,063 | 9,816,423 |
| <br>Self-generated energy | Self-generated steam           | 735,825    | 457,987   |
|                                                                                                              | Self-generated power           | -          | -         |
| Renewable energy share                                                                                       |                                | 0.01%      | 0.02%     |
| Grid power usage percentage                                                                                  |                                | 16.66%     | 26.25%    |

Note 1: For detailed information on each factory in 2023, please refer to Appendix B.

Note 2: Total energy consumption = diesel + natural gas + heavy oil/fuel oil + coal + externally purchased power + externally purchased steam - power sold to external parties - steam sold to external parties + renewable energy.

Note 3: The calorific value conversion coefficients calculated based on the unit calorific value tables of energy products by the Bureau of Energy, Ministry of Economic Affairs.

Note 4: Renewable energy share = renewable energy use/total energy consumption.

Note 5: Grid power usage percentage = Externally purchased power / total energy consumption usage.

## Renewable energy installation/use

In response to the environmental problems caused by global warming and climate change, net-zero has become a common goal and issue of governments around the world. In line with the Taiwan government's green energy policy, we actively continue to expand solar photovoltaic renewable energy sources. In 2023, our total photovoltaic power generation was 672,000 kWh, which can reduce 332.64 tCO<sub>2</sub>e/year of carbon emissions (using a Taiwan Electric Power coefficient of 0.495 kgCO<sub>2</sub>e/kWh).

Our company is committed to strengthening environmental protection through our green mission by actively sourcing renewable energy. We pledge that starting in 2024, our Taipei office will use 100% renewable energy.

## Renewable Energy Installation and Planning



| Item             | Installed Capacity/Annual Electricity Generation | Under planning |
|------------------|--------------------------------------------------|----------------|
| Photoelectricity | 700 kW / 67.2 kWh                                | -              |

Note: For detailed information on each factory for 2023, please refer to Appendix B.



Kaohsiung Factory solar power panels



## 2.3.3 Energy Conservation and Carbon Reduction Actions

Climate change has become a major challenge. As a responsible group, the Group must take cautious, practical, and feasible approaches in tackling climate issues. In a zero-carbon competitive environment, the Group stand firm and keep up with the global trends and the government's energy conservation and carbon reduction policy. Furthermore, we have set short-, medium-, and long-term targets, while reinforcing planning and investment strength. Each year, the factories continue to foster their energy conservation and carbon reduction measures in the processes, improve energy efficiency, proactively prevent environmental pollution, and reduce waste generation by properly using resources and strictly complying with the regulations while seeking breakthrough points for technology innovation.

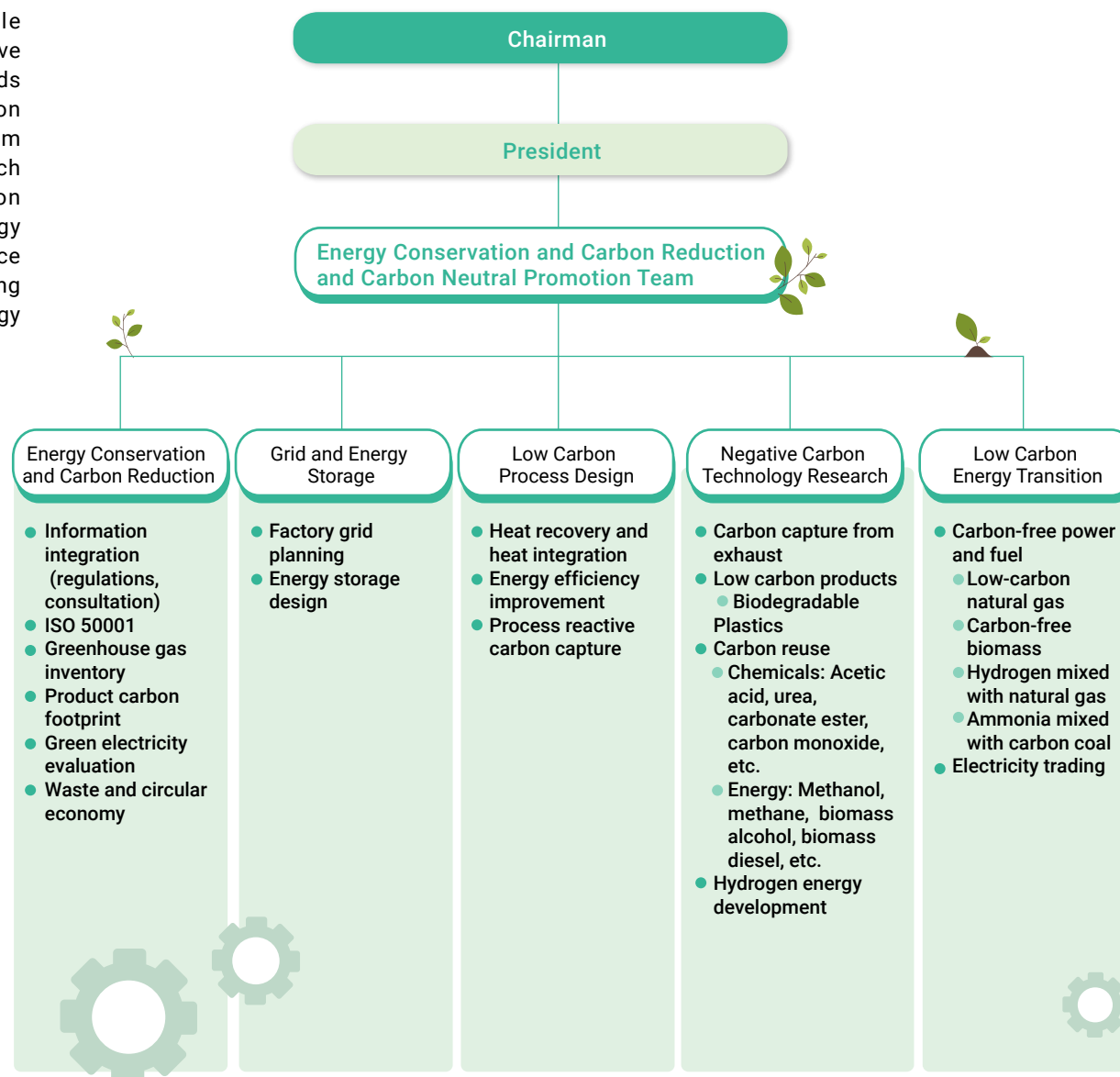
### DCC's Energy Conservation and Carbon Reduction Goals

Annual reduction of 3% in the original unit consumption of water, and products that consume steam and electricity in each factory.

3%

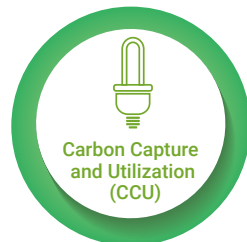
### Framework of the Energy Conservation and Carbon Reduction Promotion Organization

In 2018, the Energy Conservation and Carbon Reduction Promotion Team of the head office was established. The Team sets an annual target of 3% reduction in raw unit consumption of electricity, steam and water for products. Additionally, the Team holds a regular quarterly energy conservation and carbon reduction meetings to review the carbon reduction operations of each factory. With the support of senior leadership, we joined the carbon neutrality plan in 2021 to improve the organization's internal emission reduction capabilities and efficiency.





## Management Method:



## Energy Efficiency Improvement

There were 89 energy conservation projects in 2023

| Year | Number of Projects Completed | Actual Improvement Benefits |                        |                             |                                             |
|------|------------------------------|-----------------------------|------------------------|-----------------------------|---------------------------------------------|
|      | Project                      | Water Saving Tons/year      | Steam Saving Tons/year | Electricity Saving MWh/year | Carbon Emissions Reduced tCO <sub>2</sub> e |
| 2020 | 84                           | 307,073                     | 143,518                | 14,103                      | 49,267                                      |
| 2021 | 66                           | 137,722                     | 9,562                  | 26,561                      | 26,349                                      |
| 2022 | 78                           | 2,098,824                   | 85,162                 | 20,943                      | 36,385                                      |
| 2023 | 89                           | 64,128                      | 80,784                 | 3,117                       | 21,040                                      |



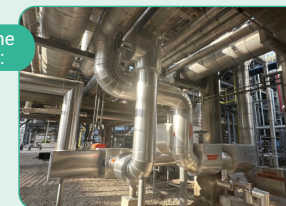
## Heat Integration

- **CCDSG**
- Improvement Description: Steam is recovered through piping design, and the excess low-pressure steam from the incinerator is directly introduced into the process for use, thereby reducing the amount of steam purchased externally.
- Annual Steam Saving Benefits: 54,777 tons/year
- Annual Carbon Reduction Benefits: 15,338 tCO<sub>2</sub>e/year

Before the project:

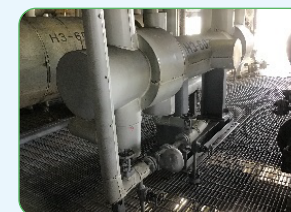


After the project:



## Recycle of Low-Pressure Steam

- **Mailiao Factory**
- Improvement Description: The low-pressure steam is recovered in the BDO process, and a heat exchanger is added in front of the distilling tower to control the feed temperature from 80°C to 115°C to reduce the amount of steam used.
- Annual Steam Saving Benefits: 2,240 tons/year
- Annual Carbon Saving Benefits: 649 tCO<sub>2</sub>e/year







## Energy Saving of Public Equipment

### DCCJS

- Improvement Description: Replacement of screw air compressors by replacing two old screw air compressors with one centrifugal air compressor.
- Annual Steam Saving Benefits: 1,416,960 kwh/year
- Annual Steam Saving Benefits: 1,136 tCO<sub>2</sub>e/year



## Cooling Tower Optimization and Improvement

### DCCJS

- Improvement Description: The operating current of the original blade of the cooling tower fan is 109A. New fan blades were replaced with 50% carbon fiber wrapped around the exterior, reducing the total weight of the blades by 1/3 and running at 77A.
- Annual Steam Saving Benefits: 143,216 kwh/year
- Annual Steam Saving Benefits: 115 tCO<sub>2</sub>e/year



## Education and Training on Hydraulic Analysis/Procedure Control

To improve the energy efficiency of public fluid motor pumps, in 2023, CCPG trained hydraulic analysts and arranged physical and online courses to conduct hydraulic analysis and inventory. A total of 305 systems have been initially inventoried throughout the Group. In the future, the Group's safety and health department will determine the relevant inventory priority to inventory different types of systems, including cooling water, chilled water, brine, cooling warm water, and heat medium oil systems to ensure a comprehensive hydraulic analysis and inventory.

### 離心式 Pump 基本常識 複習

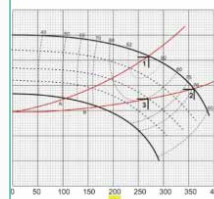
Pump 性能曲線

System Curves

A 設計曲線  
B 實際運轉得到的系統曲線

設計、操作點

- 設計者計算預期 的揚程  $H_{with CV}$  與流量  $Q_{with CV}$
- 操作運轉 的揚程  $H_{max}$  與最大流量  $Q_{max}$
- 製程需求流量  $Q_{no CV}$  之實際揚程  $H_{no CV}$



金島石化股份有限公司  
金島石化股份有限公司  
金島石化股份有限公司

課程名稱

公用流體供應網路  
水力分析

講師：林天元



### Factory Energy Storage Solution Planning

After analyzing the power consumption of DCCJS, a of purchase two energy storage systems was planned in 2023, with a total storage capacity of 6,000 KWH. This will optimize the time-sharing of electricity consumption in the factory and to resolve the impact of the factory's electricity restriction policy. The two systems are to be put into operation in 2025.



### Carbon Capture and Utilization (CCU)

DCC has developed its carbon capture and utilization (CCU) technology in 2011. In response to the global net zero goal, the Company has expanded its R&D capabilities by purifying CO<sub>2</sub> recovered from pipelines and processes to be reused in products and as raw materials.

In 2023, DCC's total carbon capture reached 66,000 tons of CO<sub>2</sub>e/year, equivalent to the CO<sub>2</sub> absorption capacity of 171 Da'an Forest Parks.

| Factory           | Capture Source | Capture Technology  | 2023 Capture Volume | Remarks                                            |
|-------------------|----------------|---------------------|---------------------|----------------------------------------------------|
| Mailiao Factory   | Process        | Absorption approach | 42,190 tons         | Acetic acid raw material                           |
| Mailiao Factory   | Process        | Absorption approach | 1,563 tons          | LCO <sub>2</sub>                                   |
| Kaohsiung Factory | Process        | Absorption approach | 4,891 tons          | LCO <sub>2</sub>                                   |
| Dafa Factory      | Process        | Absorption approach | 4,566 tons          | LCO <sub>2</sub> Officially launched in April 2023 |
| CCDSG             | Process        | ---                 | 12,945 tons         | Crude CO <sub>2</sub>                              |



## 2.4 Water Resources Management

### Water Resource Management Approach

#### Policy and Commitment

- Water resource use and management must be in line with regulatory requirements and meet the environmental assessment commitment.
- Establish, implement, and maintain water resource efficiency.

#### Responsibility

Safety & Health Department of Taipei Company, business management departments of each factory, such as: Administration Office, Utility Department, Safety & Health Department, etc.

#### Target

- There were 0 violations in water pollution control-related regulations or standards.
- To maintain the water recovery rate at 85% (inclusive) or above.

#### Communication/ Grievance Mechanism

Any environment, safety or health issues or injustice encountered in the factory may be reported to the Safety & Health Department of the factory. If it involves a wider issue, a grievance case may be filed at the Taipei Company to ensure an effective resolution.

#### Action Plan

- Achieve effective water recycling by reduction, replacement, and reuse.
- The hierarchical management of wastewater sources, the use of biological and chemical wastewater treatment, wastewater recycling and reuse, and effluent continuous monitoring systems (monitoring water temperature, conductivity, pH value, suspended solids (SS), chemical oxygen demand (COD) and heavy metals) are used to ensure that effluents meet regulatory requirements while reducing effluent discharge.
  - **Procedures:** Procedures for Management of Acceptance of Wastewater by Wastewater Treatment Plants, Effluent Automatic and Continuous Monitoring and Notification Procedures

#### Review Mechanism

- An energy conservation and carbon reduction meeting is convened on a quarterly basis, chaired by the Chairman and President. At the meeting, the progress of the targets (for water recycling rate and rainwater recovery performance) and measurement management monitoring of each factory are reviewed.
  - **Procedures:** ESG Water Resource Form

#### Implementation Result

- There were 0 violations in water pollution control-related regulations or standards.
- All effluents meet the discharge standards.
- Rate of water recovery:** 89%.
- Rainwater recovery volume:** 183 megaliters (thousand cubic meters).
- Water conservation performance:** There were 6 improvements, saving 64 megaliters of water per year and investing NT\$34,482 thousand.



## Information on Water Resource Management

Unit: megaliters (thousand cubic meters)

| Item                                           |                            | 2021    | 2022    | 2023    |
|------------------------------------------------|----------------------------|---------|---------|---------|
| Water Withdrawal                               | Tap water                  | 5,978   | 4,661   | 2,970   |
|                                                | Reservoir water            | -       | -       | -       |
|                                                | River water                | 1,236   | 1,125   | 25      |
|                                                | Groundwater                | -       | -       | 7       |
|                                                | Rainwater                  | 136     | 172     | 183     |
|                                                | Externally purchased water | 956     | 816     | 3,102   |
|                                                | Total Water Withdrawal (A) | 8,306   | 6,774   | 6,287   |
| Recycled Water                                 | Total Recycled Water (B)   | 53,293  | 53,419  | 49,989  |
| Rate of water recovery (B + Rainwater) / (A+B) |                            | 87%     | 89%     | 89%     |
| Water Discharge                                | Surface Water              | 14      | 8       | 7       |
|                                                | Seawater                   | -       | -       | -       |
|                                                | Third-party Water          | 2,262   | 2,179   | 1,669   |
|                                                | Total water discharge (C)  | 2,276   | 2,187   | 1,676   |
|                                                | Total of COD (kg)          | 178,844 | 165,588 | 114,563 |
| Total Water consumption (A-C)                  |                            | 6,030   | 4,587   | 4,611   |

Note 1: Please refer to Appendix B for Information on Water Resource Management of each factory.

Note 2: There is no seawater for its water withdrawal; nor does it have groundwater for its water discharge.

Note 3: Water withdrawal and water discharge items are all freshwater with total dissolved solids  $\leq 1,000$  mg/L.

Note 4: The 2023 water withdrawal for Mailiao Factory was redefined according to "Water Resources Agency: Operational Guidelines for Verification of Water Recycling Rate."

## Water Risk Assessment

The World Resources Institute (WRI) water resource risk assessment tool is used to identify water stress that may be faced by each factory. CCDPJ, located in an area of high-risk water stress, continues to implement water-saving improvement measures to reduce the reliance on water resources, avoiding the impact caused by water shortages.



Water shortage  
risk level

Low level  
less than **10%**

WRI Water Risk Assessment:  
Identification Results

- Factories in Taiwan
- CCDSG
- DCCM



Low to medium risk  
**10-20%**

- DCCJS



High risk  
**40-80%**

- CCDPJ



## Water Level Contingency Plan

| Water Level Signals and Their Meanings                                                                                                   | Water Level Contingency Plan                                                                                                                                                                                                                                             | Occurrences in 2023                       |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
|  <b>Blue Light</b><br>Normal water supply               | <ul style="list-style-type: none"> <li>Continue to promote water-saving measures</li> </ul>                                                                                                                                                                              | Factories of DCC have normal water supply |
|  <b>Green Light</b><br>Water level reminder             | <ul style="list-style-type: none"> <li>Reduce unnecessary water consumption or non-process water consumption</li> <li>Dispatch factory backup water storage tank</li> </ul>                                                                                              |                                           |
|  <b>Yellow Light]</b><br>Reduced pressure water supply  | <ul style="list-style-type: none"> <li>Stop unnecessary water consumption or non-process water consumption</li> <li>Reduce process water consumption</li> <li>Improve process water efficiency</li> <li>Increase the concentration ratio of the cooling tower</li> </ul> |                                           |
|  <b>Amber Light]</b><br>Water supply reduction         | <ul style="list-style-type: none"> <li>Initiate the [Yellow Light] plan for reduced pressure and water supply</li> <li>Adjust part of the production process</li> </ul>                                                                                                  |                                           |
|  <b>Red Light</b><br>Restricted water supply by areas | <ul style="list-style-type: none"> <li>Initiate the [Yellow Light] plan for reduced pressure and water supply</li> <li>Adjust or stop part of the production process</li> </ul>                                                                                          |                                           |

Source of water level signals and their meanings: Water Resources Agency website

## Water Saving Performance Improvement

### Scope of Implementation

Factories of DCC

### Water Conservation Improvement Performance in 2023

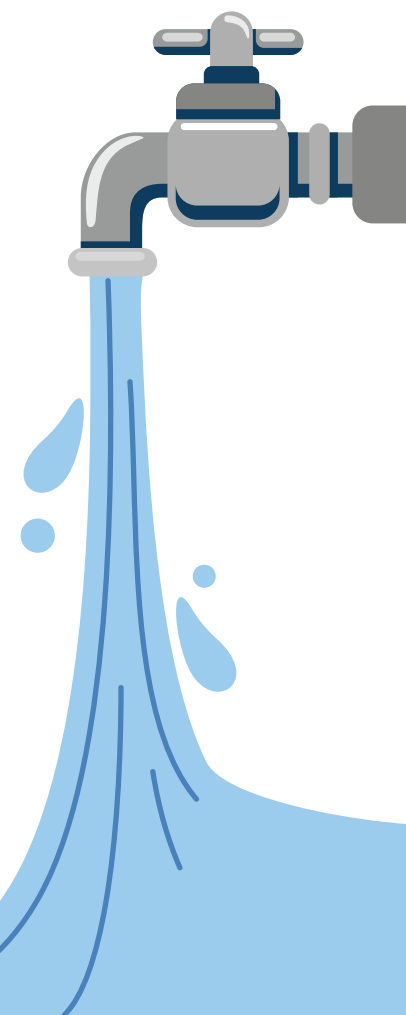
Number of improvements  
**6**

Water saving:  
**64** megaliters/  
year

Amount invested:  
**NT\$34,482**  
thousand

### Major Water-saving Technologies or Practices

- Establishment of the process wastewater recycling system: The process wastewater is recycled to be used as supplemental water for the process.
- Upgrade of the process operating system: The amount of process wastewater generated is reduced.
- Upgrade of the pure water operating system: Water consumption for cleaning is reduced; discharged water recycled is used as supplemental water for the cooling tower.





## 2.5 Air Pollutant Emission Management

### Management Approach for “Air Pollutant Emission Management”

#### Meaning of Material Issues

Being able to provide a healthy living environment with clean and fresh air is the motivation for us to keep on exercising the improvement of air pollution.

#### Responsibility

Taipei Company, All Factories:  
Safety & Health Department

#### Review Mechanism

An ESG Committee meeting is held once a year, an ESG working team meeting is held quarterly for regular review

#### Policy and Commitment

At DCC, we keep a close eye on domestic and foreign regulatory requirements. Coupled with autonomous monitoring and management, the “effective reduction of pollution sources and optimization of prevention equipment” approach has been adopted, which is used as the basic standard for improving air pollution emissions.

#### Target

KPI : Percentage reduction of SOx, NOx, and VOCs at Taiwan factories

| Pollution factors | Base Year 2021(Tons) | 2024 Target (Reduction) | 2025 Target (Reduction) | 2030 Target (Reduction) |
|-------------------|----------------------|-------------------------|-------------------------|-------------------------|
| SOx               | 6                    | 3%                      | 3%                      | 3%                      |
| NOx               | 109                  | 23%                     | 25%                     | 30%                     |
| VOCs              | 149                  | 18%                     | 20%                     | 25%                     |

Note: This is the target of Taiwan factories.

#### 2023 Implementation Result

KPI : Percentage reduction of SOx, NOx, and VOCs at Taiwan factories

| Pollution factors | 2023 Target (Reduction) | 2023 Implementation Result (Reduction) | 2023 Implementation Result (Tons) |
|-------------------|-------------------------|----------------------------------------|-----------------------------------|
| SOx               | 10%                     | 3%                                     | 5.4                               |
| NOx               | 20%                     | 29%                                    | 88                                |
| VOCs              | 17%                     | 33%                                    | 126                               |

Note 1: Steam boilers are the main source of SOx emissions. The fuel has been changed from crude oil to natural gas, so the SOx emissions are very small, and there is no room for reduction.

Note 2: The performance result pertains to the Taiwan factories.

#### Action Plan

- Formulate and review technological feasibility and regulatory compliance.
- Convene and set up project teams in each factory to promote and implement projects.
- Review and follow up the improvement progress and effectiveness of projects

#### Communication/Grievance Mechanism

Any environment, safety or health issues or injustice encountered in the factory may be reported to the Head of Safety & Health Department of the factory. If it involves a wider issue, a grievance case may be filed at the Taipei Company to ensure an effective resolution.



DCC is committed to the improvement and reduction of air pollution. Control equipment of each factory is installed based on the emission characteristics of the manufacturing process and the Best Available Control Technology (BACT) is adopted to properly collect and treat waste gas. Every emission pipeline is regularly tested by a third-party organization, and the results exceed the requirements of the emission standards of pollutants stipulated by the laws and regulations of the government.

To effectively prevent and stop the escaping leakage of process gases and odor, gas detectors are installed around the process equipment for real-time monitoring, and process gas leaks are prevented through periodic odor inspection and self-testing and monitoring of equipment components.

The Company will achieve air pollutant reduction goals by installing additional pollution control equipment, enhancing the efficiency of such equipment, and cooperating with tightened regulations and by voluntarily reducing air pollutants.

## 2021-2023 Air Pollutant Emissions

Unit: metric tons

| Item / Year                       | 2021 | 2022 | 2023 |
|-----------------------------------|------|------|------|
| Sulfur Oxides (SOx)               | 12   | 12   | 9    |
| Nitrogen Oxides (NOx)             | 173  | 130  | 113  |
| Volatile Organic Compounds (VOCs) | 299  | 258  | 103  |
| Particulate Matter (PM)           | 11   | 8    | 4    |

Note: For the detailed information of each factory in 2023 (including persistent organic pollutants (POPs) and hazardous air pollutants (HAPs)), please refer to Appendix B.

### Mailiao Factory, Kaohsiung Factory, Dafa Factory

#### Factory Measure

##### Monitoring (Testing) Management

Continuous Emission Monitoring Systems (CEMS) for flares, visual VOC gas detector management, regular emission pipeline inspection, GasFind IR detection, independent testing of equipment components, and routine inspection inside and outside the factory

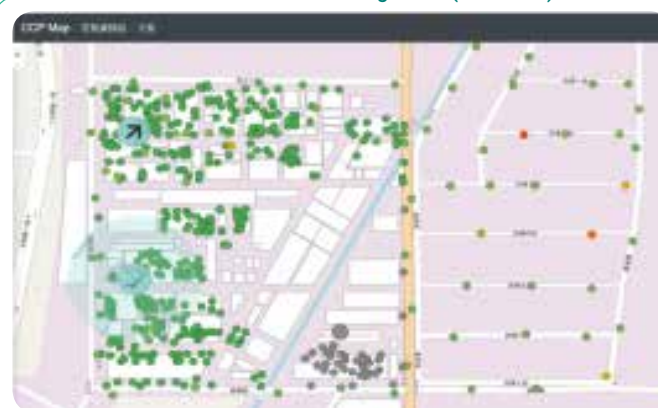
##### Best Available Control Technology (BACT)

Wet flue gas desulfurization, low NOx burner, baghouse dust collector, electrostatic precipitator, thermal incineration technology (oxidation furnace), flare total recovery technology.

#### Benefit

Effectively grasp the air pollution emission (emission) status in the plant through comprehensive monitoring (testing) operations, and optimize the treatment performance of various equipment through accurate preventive maintenance, training, and operations, effectively achieving the pollution prevention of particulate pollutants, nitrogen oxides, sulfur oxides, volatile organic compounds and hazardous air pollutants.

#### Visualization of VOC detector management (CCP MAP)



#### High-temperature oxidation furnace



## 2.6 Waste Management

### Management Approach for “Waste management”

#### Action Plan

The achievement status of sustainability targets for each sustainability issue is examined through the ESG Committee on a quarterly basis.

#### Circular economy

- Promote waste solvent recovery in the factory and semiconductor industry/optoelectronics industry
- Low pressure waste heat recovered to be transformed into medium and high-pressure stream for secondary process use

#### Packaging Material Reduction and Recycling

- Continue to evaluate the appropriate transportation and packaging methods for recycling and reuse within the Group and customers.

#### Autonomous inspection and audit of waste disposal plants

- A quarterly inspection of waste storage is conducted in Taiwan factories.

#### Evaluation of waste clearance, treatment, and reuse institutions

- The Taiwan factories conduct at least one visit to a key waste contractor at least once a year to understand the operational management of the contractor’s waste storage, clearance, treatment, and reuse.

#### Policy and Commitment

We comply with government waste-related laws and regulations, improve the efficiency of resource utilization in production activities, advocate the reduction of industrial waste and sustainable utilization of resources, while continuing to develop waste recycling technology, and building an environment-friendly and green technology-based circular economy system.

#### Responsibility

Taipei Company, All Factories: Safety & Health Department

#### Review Mechanism

An ESG Committee meeting is held once a year, an ESG working team meeting is held quarterly for regular review

#### Targets and Implementation Results

Please refer to page CH2 for details.

#### Communication/ Grievance Mechanism

Any environment, safety or health issues or injustice encountered in the factory may be reported to the safety and factory health manager. If it involves a wider issue, a grievance case may be filed at the Safety & Health Department of Taipei Company to ensure an effective resolution.

DCC is deeply aware of the serious environmental impact caused by the extensive use of resources and the side effects of economic activities. We are committed to improving various process technologies to reduce waste generation. By switching to renewable low-polluting raw materials, advocating industrial waste reduction and resource sustainability, and continuing to develop waste resource recovery technologies, not only are we able to reduce waste generation, waste disposal costs are at the same time lowered. This way, we are in line with the spirit of sustainability while also improving the efficiency of resource utilization.

### Management method



## Waste Environmental Impact Assessment

To ensure that factories comply with environmental laws and regulations when disposing waste, protect the environment, prevent pollution, and avoid causing environmental impact, the Group has unified management measures:

### Business Waste Disposal Plan



Implement waste management operations according to the industrial waste disposal plan to ensure that waste disposal meets legal standards.

### Waste Management Procedures



The Waste Management Procedures have been adopted to unify waste management standards across the Group's factories.

### Waste Clearance and Disposal Contract



Sign contracts with private waste clearance and treatment agencies to entrust them to carry out related operations to ensure that waste clearance and disposal comply with the requirements of the competent authority.

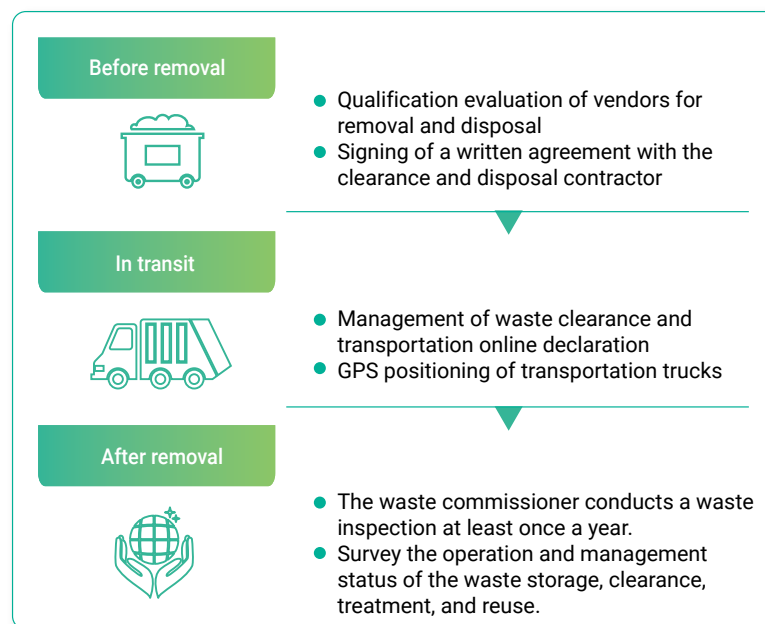
### Waste Clearance and Transportation Declaration by Online Transmission



Regularly perform waste clearance and transportation declarations through online transmission to ensure accuracy and timeliness, and track and confirm the final waste disposal status at the same time.

## Waste Supplier Management and On-site Audit

To fulfill our management responsibility for entrusted waste disposal clearance, the Group has established an Entrusted Waste Removal Form. By auditing waste suppliers, we can track on-site waste and resource product storage practices, quantities, and flow directions to ensure legal compliance and to reduce adverse environmental impacts.



## 2022-2023 Waste Statistics

Unit: metric tons

| Category                                   | 2022   | 2023   |
|--------------------------------------------|--------|--------|
| General Business Waste Output              | 2,314  | 1,110  |
| Hazardous Business Waste Output            | 19,533 | 10,924 |
| General Business Waste Recovery Rate (%)   | 40.2%  | 35.4%  |
| Hazardous Business Waste Recovery Rate (%) | 55.27% | 68.3%  |
| Waste Recycling Rate (%)                   | 53.7%  | 64.4%  |

## 2023 Waste by Disposal Method

Unit: metric tons

| Item                          |                 | General Business Waste | Hazardous Business Waste |
|-------------------------------|-----------------|------------------------|--------------------------|
| Recycled Waste Generation     | Recycling       | 1,110                  | 7,460                    |
|                               | By Landfilling  | 629                    | 35                       |
| Non-recycled Waste Generation | By Incineration | 559                    | 3,390                    |
|                               | Other Means     | 84                     | 39                       |

Note 1: Total General Business Waste Treated Through Other Methods: Heat treatment, solidification treatment, physical treatment, chemical treatment

Note 2: Total Hazardous Business Waste Treated Through Other Methods: Heat treatment and high-temperature wet oxidation treatment.

Note 3: For detailed information on each factory in 2023, please refer to Appendix B.

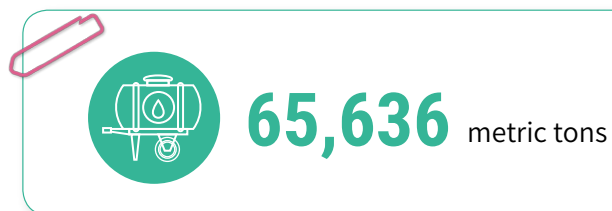
## 2023 Waste by Disposal Site

Unit: metric tons

| Item    |                      | General Business Waste | Hazardous Business Waste |
|---------|----------------------|------------------------|--------------------------|
| Onsite  | Disposal Transfer    | 0                      | 7,353                    |
|         | Directed to Disposal | 0                      | 2,818                    |
| Offsite | Disposal Transfer    | 1,110                  | 107                      |
|         | Directed to Disposal | 1,272                  | 646                      |

Note 1: According to GRI 306:2020, the definition of disposal transfer includes preparation for reuse and recycling. Waste of DCC will not be reused.

Note 2: According to the definition of GRI 306:2020 directed to disposal includes incineration (with energy recovery) and landfilling and other disposal operations.



Note: Process gas liquid recovery is the volume of the fuel input for energy recovery in the process.

## Packaging Material Reduction and Recycling

DCC's raw materials and products cover a variety of packaging materials and transportation methods. Whether these materials are for use by customers, we continue to assess appropriate transportation and packaging methods hoping to reuse the materials under the circumstances that they meet all the requirements of the customer. This approach not only conserves resources, but also helps protect the environment. Improvements are divided into two types:



## 2023 Summary of Implementation Result on the Reuse of Packaging Materials

Unit: Number of times

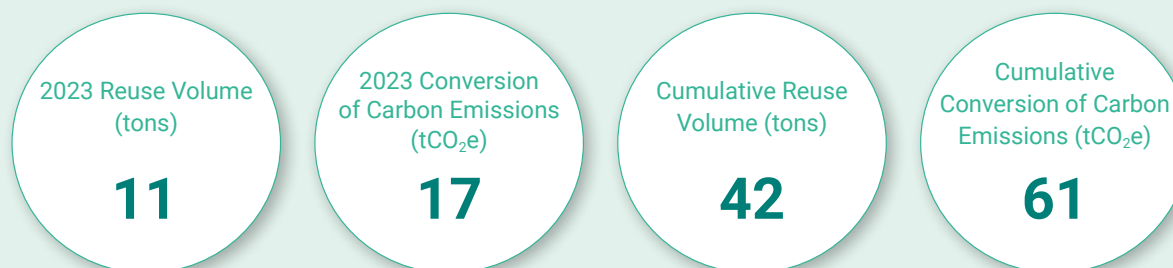
| Improvement Type | Region           | Packaging Materials/ Implementation Method | Recycling (reduction) amount each year |
|------------------|------------------|--------------------------------------------|----------------------------------------|
| <b>A</b>         | Taiwan factories | IBC barrel recycling                       | 321                                    |
|                  | CCDSG            | Pallet recycling                           | 300                                    |
|                  |                  | IBC barrel recycling                       | 344                                    |
| <b>B</b>         | DCCJS            | Changing of IBC to ISO TANK                | 400                                    |

While we continue to promote recyclable packaging materials, we also take into account the safety of packaging to ensure that products are safely stored during shipping and storage. We will continue to seek innovative packaging materials and shipping methods. At the same time, through measures including factory unloading, conveying and storage of equipment, and automation, we are able to reduce the use and consumption of packaging materials, thus helping to protect the environment.



## Reuse of Equipment and Materials

Since 2017, we have activated and reused the idle steel structures, equipment, and materials in the Taiwan factories. After assessment, the products are normal in appearance and function, or can be refurbished and reused will be prioritized for use in the process improvement project or new factory expansion project of each factory to reduce the purchase of new equipment and materials. As of 2023, the cumulative total weight of resource reuse reached 42 tons, and the carbon emissions converted have reached 61 tons of CO<sub>2</sub>e.



Noe: Only carbon steel, stainless steel, aluminum, and copper in equipment and materials are included in the calculation of conversion of carbon emissions. The carbon coefficient adopts the value announced on the product carbon footprint information website of the Ministry of Environment.



# Ch3

## Common Good

"Talent" has always been the foundation of DCC's sustainable operations. Through suitable and functional management policies, comprehensive education and training, and employee assistance programs (EAPs), we have created an inclusive system for selecting, nurturing, employing, and retaining talent. We have also extended the program to employee physical and mental health management, providing a friendly workplace and bringing our employees together while deepening their sense of unity. Moreover, we also continue to interact with community organizations to strengthen local relations. Not only do we donate funds and supplies, we also organize a variety of social welfare activities, hoping that through these we are able to do what we can to contribute to society.

### 3.1 Talent Deployment

### 3.2 Talent Cultivation

### 3.3 Employee Care

### 3.4 Occupational Health and Safety

### 3.5 Community Relations

Corresponding material  
sustainability topic

Chemical safety

Occupational health and safety

Response and management of  
major incidents



| DCC ESG Issues                             | KPI                                                                                                                                                       | 2023 Target                                                                                                                       | Achievement in 2023                 | 2024 Target                                                                                                                                                                  | 2025 Target                                         | 2030 Target                                         | Corresponding SDGs                                                                                                                                                                                                                                               |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Occupational safety and health             | Number of Tier 1 and Tier 2 process safety events                                                                                                         | No greater than 1 event<br>No greater than 4 events                                                                               | Tier 1: 1 event<br>Tier 2: 1 event  | No greater than 1 event<br>No greater than 4 events                                                                                                                          | No greater than 1 event<br>No greater than 3 events | No greater than 1 event<br>No greater than 2 events |                                                                                                                                                                               |
| Response and management of major incidents | Number of people and hours of emergency response drills/training                                                                                          | 12,000 person-times<br>12,000 hours                                                                                               | 12,157 person-times<br>16,926 hours | 12,300 person-times<br>12,300 hours                                                                                                                                          | 12,600 person-times<br>12,600 hours                 | 13,800 person-times<br>13,800 hours                 |                                                                                                                                                                               |
| Labor relations and benefits               | Diversified ESG activities with a 100% execution rate                                                                                                     | We have organized various activities, including blood drives, beach cleanups, Tree Talent award, road running, and Painting CCPG. | 100% activity execution rate        | Organize annual multi-faceted activities for the Group and stakeholders to deepen the corporate culture. (gradually extend to overseas companies and contractors, suppliers) |                                                     |                                                     | <br>  |
|                                            | Turnover rate of Taiwan factories of 4% (or less) (excluding employees duly retired and employees involuntarily resigned due to intra-group job transfer) | 4% (or less)                                                                                                                      | 3.9%                                | Turnover rate of Taiwan factories of 4% (or less)                                                                                                                            |                                                     |                                                     |                                                                                                                                                                                                                                                                  |

| DCC ESG Issues                           | KPI                                                                                 | Target                                                              | Achievement in 2023 | 2024 Target                                                                                                               | ▶ 2025 Target | ▶ 2030 Target | Corresponding SDGs                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------|---------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Talent attraction and cultivation        | Achievement rate of 95% and more for planned manpower needs in Taiwan factories     | 95%                                                                 | 100%                | Maintained each year 95%                                                                                                  |               |               |                                                                                                                                                                                                                                                              |
|                                          | Achievement rate of 90% and more for non-planned manpower needs in Taiwan factories | 90%                                                                 | 92%                 | Maintained each year 90%                                                                                                  |               |               |                                                                                                                                                                                                                                                                                                                                                 |
| Community involvement and community care | Social welfare events participated                                                  | The number of cases participated was higher than that of 2022 by 62 | 77 cases            | Propose long-term and continuous public welfare events and integrate company resources for social investment and feedback |               |               |     |

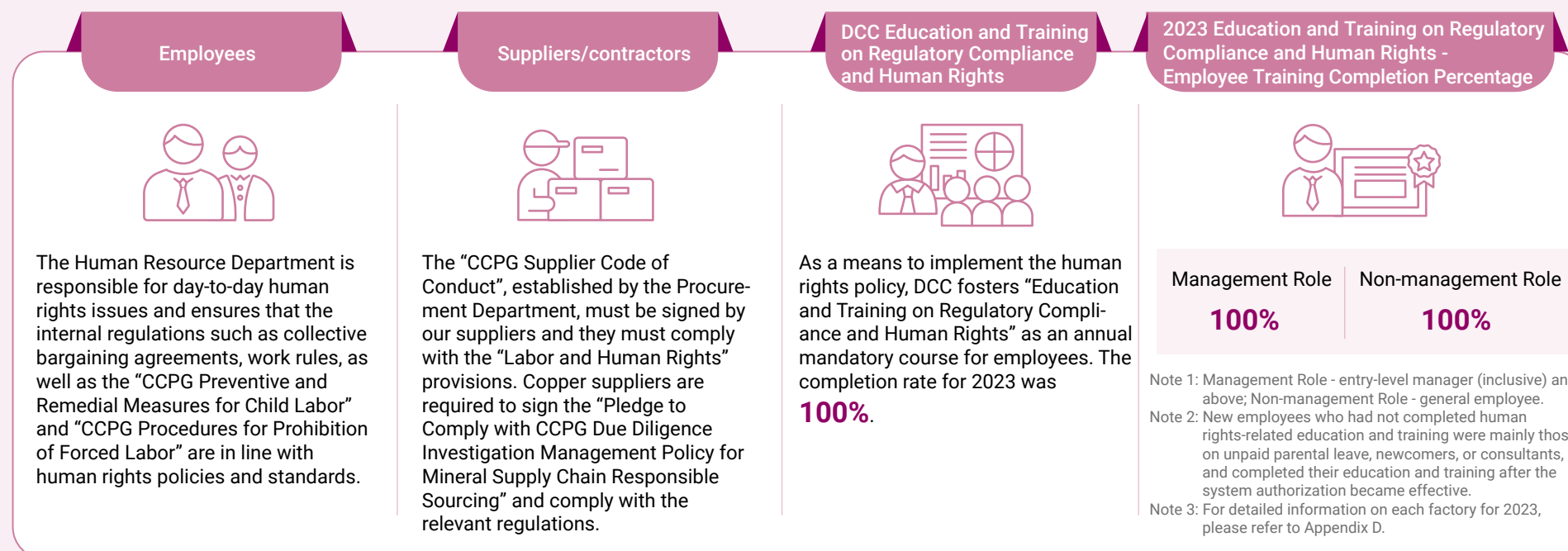
## 3.1 Talent Deployment

Rich professional knowledge, a passionate work attitude, and an honest and sincere behavior are the code of conduct for all DCC's employees. They are also the greatest keys to DCC's multiplied growth. Therefore, designing a flexible, diverse, and heartwarming talent management system and human resources development policy is our goal for continuous improvement.

### 3.1.1 Human Rights Policy

DCC adhere to human rights standards and initiatives such as the Universal Declaration of Human Rights (UDHR), United Nations Global Compact (UNG), United Nations Guiding Principles on Business and Human Rights (UNGPs), Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), and Responsible Business Alliance (RBA). In addition, DCC continue to comply with laws and regulations in the global locations of operation. Furthermore, we have formulated a Human Rights Policy. The spirit of human rights is deeply rooted in the Company's core value in order to fulfill our basic commitment as an enterprise. DCC also request our supply chain partners to follow the same commitment.

### DCC Human Rights Issues Management Mechanism





|           | Human Rights Issues                                                         | Risk Assessment and Audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Mitigation and Remedial Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Grievance Channel                                                          |
|-----------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Employees | Prohibition of child labor and protection of the rights of underage workers | Through the labor human rights risk assessment form and ISO 45001 system, we regularly review potential risks and take countermeasures according to the current internal and external environment and relevant regulatory requirements. At the same time, we ensure that relevant issues are in line with regulations through internal audits and continue to make improvements.                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>CCPG Preventive and Remedial Measures for Child Labor</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Grievance Email: CCPGHR@ccpgp.com<br>Grievance Telephone: +886-2-7701-8936 |
|           | Freedom of employment                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Implement the CCPG Procedures for Prohibition of Forced Labor.</li> <li>Organize labor-management meetings to facilitate communication and understanding.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                         |                                                                            |
|           | Working hours, wages and benefits                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Comply with laws and regulations associated with working hours. Immediate improvement and review will be carried out in the event of a violation.</li> <li>Reinforce a labor-management communication and dialogue mechanism.</li> <li>Take in the opinions of employees in organizing various hiking and recreational activities.</li> <li>Chang Chun Good Mood Hotline</li> <li>Procedures for Childbirth Incentives and Childcare Subsidies.</li> <li>The Self-appropriation of 6+1 New Pension System Reward Program</li> </ul>                          |                                                                            |
|           | Human treatment                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Implement workplace sexual harassment prevention measures and procedures for grievances and disciplinary actions.</li> <li>Sexual harassment control and prevention-related training.</li> </ul>                                                                                                                                                                                                                                                                                                                                                             |                                                                            |
|           | Diversity and anti-discrimination                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Outline an application form for religious activities for all employees.</li> <li>Increase the total number of employees with disabilities.</li> <li>Encourage each department to hire diverse talent.</li> </ul>                                                                                                                                                                                                                                                                                                                                             |                                                                            |
|           | Freedom of association and collective bargaining                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Reinforce a labor-management communication and dialogue mechanism.</li> <li>If there is a change in labor conditions, a coordination meeting will be held separately.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                             |                                                                            |
|           | Occupational health and safety                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Occupational health and safety training.</li> <li>Resident medical staff to provide onsite health-related services.</li> <li>Develop management tools to improve management immediacy.</li> <li>Health Management Promotion Program.</li> <li>Organize health seminars.</li> </ul>                                                                                                                                                                                                                                                                           |                                                                            |
|           | Human Rights Issues                                                         | Risk Assessment and Audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Mitigation and Remedial Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Grievance Channel                                                          |
|           | Occupational health and safety                                              | <ul style="list-style-type: none"> <li>Potential risks are identified and corresponding measures taken on a periodic basis according to the "Identification and Risk Assessment for Safety and Health Hazards" and the "Procedures for Contractor Evaluation".</li> <li>Regularly perform safety and health inspections to ensure that relevant operations are in line with the regulations and continuously improved.</li> <li>Contractors must perform a Job Safety Analysis (JSA) before performing dangerous operations to prevent operational safety risks.</li> </ul> | <ul style="list-style-type: none"> <li>If there is an issue found during the safety and health inspection, immediate improvement or suspension of operation will be required until improvement is made.</li> <li>Regularly convene a contractor agreement organization meeting, and perform daily safety inspections before, during, and after the daily operation and identify the environmental hazards and preventive matters.</li> <li>We have established emergency preparedness and response plans to prevent and eliminate possible damage to personnel, equipment, and property.</li> </ul> | Grievance Email: CCPGHR@ccpgp.com<br>Grievance Telephone: +886-2-7701-8936 |

|                    | Human Rights Issues            | Risk Assessment and Audit                                                                                                                                                                                                                                                                         | Mitigation and Remedial Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Grievance Channel                                                          |
|--------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Transport Supplier | Working Hours                  | Regularly review work reports and dashboard cameras of drivers to ensure labor regulatory compliance.                                                                                                                                                                                             | Transport suppliers must perform the following: <ul style="list-style-type: none"> <li>Set up a suggestion box and engage in regular communications so that drivers are able to reflect any work arrangement problems at any time.</li> </ul>                                                                                                                                                                                                                                                                                                                                            | Grievance Email: CCPGHR@ccpgp.com<br>Grievance Telephone: +886-2-7701-8936 |
|                    | Occupational health and safety | <ul style="list-style-type: none"> <li>Transport suppliers are required to track drivers for occupational diseases and regularly care for the state of their health.</li> <li>Onsite inspection to check whether the personnel operating environment is in line with the requirements.</li> </ul> | Transport suppliers must perform the following: <ul style="list-style-type: none"> <li>Drivers are required to see the doctor according to the health checkup report and attach proof, which will be included in employee performance appraisals.</li> <li>Additional lounge in workplace.</li> <li>Increase the inspection items and review mechanism of PPE in the parking lot and onboard vehicles.</li> <li>Vehicles equipped with Advanced Driver Assistance Systems (ADAS).</li> <li>Vehicle equipped with a real-time tire pressure and temperature monitoring system.</li> </ul> |                                                                            |

Note: Risk assessment is regularly checked based on the "Transport Supplier On-site Evaluation". For transport supplier management, please see 1.3.2 Supplier Management System.

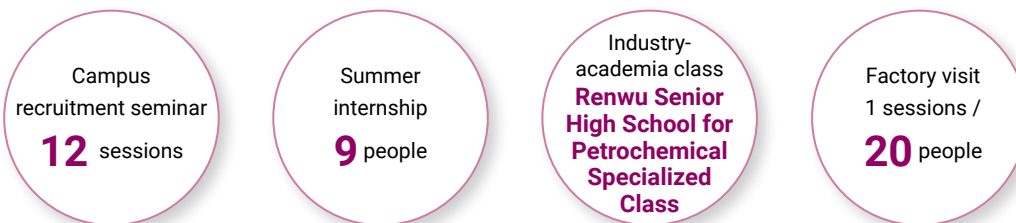
|           | Human Rights Issues                                                         | Risk Assessment and Audit                                                                                                                                                                                                                                                                                                                                                | Mitigation and Remedial Measures                                                                                                                                                                                                                                               | Grievance Channel                                                                               |
|-----------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Suppliers | Working hours, wages and benefits                                           | ESG risk assessment is conducted mainly for raw material suppliers. After two stages of assessment, medium and high risk suppliers are scheduled to be included. Through on-site visits and exchanges, advice will be given from all aspects and improvements required within a deadline to track effectiveness For more details, please see 1.3.1 Responsible Sourcing. | <ul style="list-style-type: none"> <li>Regular tracking of deficiencies and ensure that suppliers make improvements.</li> <li>Carry out education and training requirements on human rights issues in relation to child labor, forced labor, and conflict minerals.</li> </ul> | Grievance Email: CCPGHR@ccpgp.com<br>Grievance Telephone: +886-2-7701-8936                      |
|           | Prohibition of child labor and protection of the rights of underage workers |                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                |                                                                                                 |
|           | Occupational health and safety                                              |                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                |                                                                                                 |
|           | Responsible mineral sourcing                                                | <b>Conflict Minerals Due Diligence:</b> <ul style="list-style-type: none"> <li>CMRT (Conflict Minerals Reporting Template) &amp; Cobalt Reporting Template (CRT).</li> <li>In Good Delivery List announced by LBMA (London Bullion Market Association).</li> <li>On-site audits for first-tier suppliers.</li> </ul>                                                     | <ul style="list-style-type: none"> <li>Regularly track deficiency improvement and risk mitigation plans to ensure suppliers are compliant.</li> </ul>                                                                                                                          | <b>Conflict Minerals Grievance:</b><br>Grievance Email: ccpgaudit@ccp.com.tw, CCPGLG@ccp.com.tw |

## Channels for Filing Grievances or Raising Concerns:

We have set up multiple, anonymous formal channels for filing grievances or raising concerns regarding human rights issues as described above. After the receipt of information, the relevant department will proactively conduct an investigation and review existing procedures according to the statement made for continuous improvement. In addition, if the grievance filed is proven, the person responsible will be held accountable according to the internal regulations and applicable laws and regulations. For 2023 grievances and whistleblower protection, please refer to Introduction - Stakeholder Engagement.

### 3.1.2 Composition of Talent

The recruitment of high-quality and diverse talent is the foundation for CCPG to respond to international competition, including participation in college talent recruitment seminars, summer internships, industry-academia collaborations, and industry-academia activities. Factory tours are also arranged for neighboring schools aiming for more students to understand the chemical factories and DCC's corporate culture.



Campus recruitment event



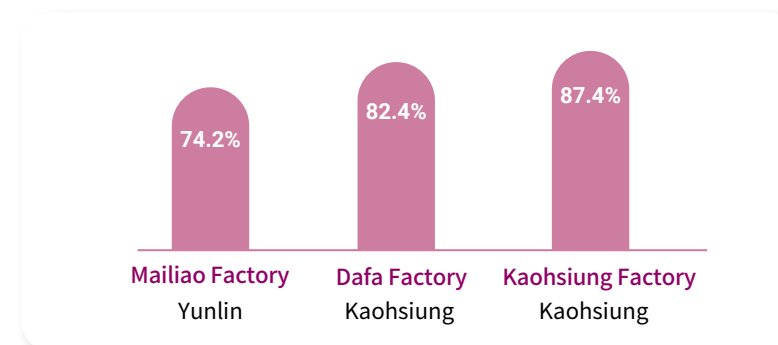
Factory visits, intern sharing sessions



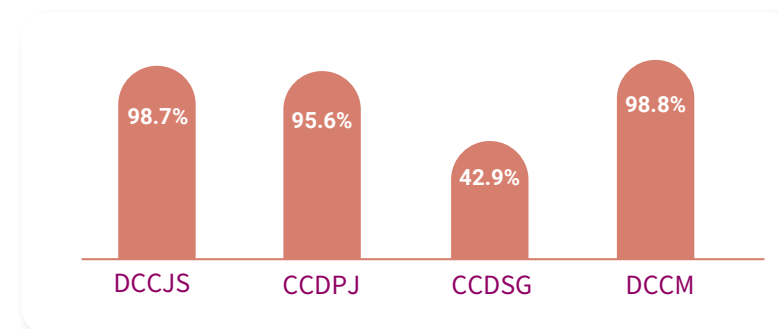
### Talent Localization

Besides giving priority to hiring Taiwanese employees in the Taiwan factories of DCC, local residents are also given priority when recruiting, while the overseas factories prioritize the hiring of local employees, demonstrating CCPG's philosophy of local cultivation.

#### 2023 Percentage of Local Employees in Taiwan Factories



#### 2023 Percentage of Local Employees in Overseas Factories



In 2023, the proportion of promoted local high-level executives was 100% in Taiwan and 54.5% in overseas regions. The Company conducts all-around management competency training to cultivate key positions in all factories overseas, aiming to proactively develop top-notch local cadres.

### 2023 Senior Management Distribution

Unit: Number of People

| 2023                                                         | Taiwan | Overseas |
|--------------------------------------------------------------|--------|----------|
| Total number of senior management (Executive+Senior manager) | 12     | 11       |
| Senior management from the local area                        | 12     | 6        |
| Percentage                                                   | 100%   | 54.5%    |

Note: The senior management refers to the deputy factory general manager, manager (inclusive) or above

### Employee Diversity

In an attempt to protect rights of those with physical or mental disabilities, at DCC, we have created a friendly working environment. Each year, we hire an increasing number of people with physical disabilities, and by the end of 2023, we hired a total of 8 people with disabilities.

### 2021-2023 Employee Diversity Distribution

Unit: Number of People

| Diversity                              | 2021       |                | 2022       |                | 2023       |                |
|----------------------------------------|------------|----------------|------------|----------------|------------|----------------|
|                                        | Management | Non-management | Management | Non-management | Management | Non-management |
| People with disabilities               | 1          | 3              | 1          | 5              | 0          | 8              |
| Percentage of people with disabilities | 0.6%       | 0.2%           | 0.6%       | 0.3%           | 0.0%       | 0.5%           |

Due to the characteristics of the chemical raw material manufacturing industry, the overall number of male employees is higher than the number of female employees at DCC. In terms of employee age, the majority of our employees are aged 30-50; the average age of all employees is 41; and the average length of service is more than 14 years. Our manpower structure is young with rich experience and strength and 100% of our management comes from the grassroots level of the Group.

Due for retirement, employees were transferred into a consulting role according to their area of expertise. In 2023, we hired 5 retired employees as consultants. These consultants are asked to attend a number of project meetings to offer their professional advice, or go to the production site to provide guidance and carry out internal departmental education and training. By doing this, they are able to contribute valuable knowledge and pass on their experience to further strengthen DCC.

Aside from involuntary departures such as retirement due to age and in-Group job adjustment, the overall employee turnover rate in Taiwan was 3.9% in 2023, better than the average in the industry. In addition to strengthening the interview process to better understand the reason for employees leaving, DCC will also continue to formulate and facilitate company welfare measures (please refer to 3.3 Employee Care) in order to create a benchmark for a happy company for employees.

### 2021-2023 Workforce Composition

Unit: Number of People

| Contract Type                     |                                                    | Region                             | 2021  |        | 2022  |        | 2023  |        |
|-----------------------------------|----------------------------------------------------|------------------------------------|-------|--------|-------|--------|-------|--------|
|                                   |                                                    |                                    | Male  | Female | Male  | Female | Male  | Female |
| Employees on fixed-term contracts | Part-time employees, contract drivers, consultants | Taiwan                             | 9     | 5      | 11    | 5      | 9     | 4      |
|                                   |                                                    | Overseas and expatriates           | 0     | 0      | 51    | 5      | 9     | 3      |
|                                   |                                                    | Subtotal                           | 9     | 5      | 62    | 10     | 18    | 7      |
| Non-fixed term Contract           | Other employees                                    | Taiwan factories                   | 844   | 72     | 858   | 85     | 855   | 89     |
|                                   |                                                    | Overseas factories and expatriates | 542   | 136    | 499   | 135    | 456   | 122    |
|                                   |                                                    | Subtotal                           | 1,386 | 208    | 1,357 | 220    | 1,311 | 211    |
| Total                             |                                                    |                                    | 1,395 | 213    | 1,419 | 230    | 1,329 | 218    |

Note 1: Employees on fixed-term contracts listed in this table are temporary employees as defined by GRI 2-7:2021; employees with indefinite contracts are defined as permanent employees and full-time employees as defined by GRI 2-7:2021.

Note 2: DCC does not have part-time employees or employees with non-guaranteed working hours as defined in GRI 2-7:2021.

## 2021-2023 DCC Employee Age Distribution

Unit: Number of People

| Age Distribution   | 2021       |                | 2022       |                | 2023       |                |
|--------------------|------------|----------------|------------|----------------|------------|----------------|
|                    | Management | Non-management | Management | Non-management | Management | Non-management |
| Under 30 years old | 1          | 197            | 1          | 193            | 1          | 152            |
| 30-50 years old    | 109        | 1,124          | 106        | 1,162          | 103        | 1,104          |
| Over 50 years old  | 55         | 122            | 56         | 131            | 52         | 135            |
| Total              | 165        | 1,443          | 163        | 1,486          | 156        | 1,391          |

Note: Management Role - entry-level manager (inclusive) and above; Non-management Role - general employee.

## 2021-2023 DCC New Employee Age Distribution

Unit: Number of People

| Age Distribution   |          | 2021 |        | 2022 |        | 2023 |        |
|--------------------|----------|------|--------|------|--------|------|--------|
|                    |          | Male | Female | Male | Female | Male | Female |
| Under 30 years old | Taiwan   | 15   | 9      | 50   | 13     | 24   | 9      |
|                    | Overseas | 21   | 4      | 35   | 4      | 2    | 3      |
| 30-50 years old    | Taiwan   | 7    | 0      | 18   | 3      | 9    | 3      |
|                    | Overseas | 11   | 8      | 39   | 8      | 2    | 1      |
| Over 50 years old  | Taiwan   | 0    | 1      | 2    | 0      | 0    | 0      |
|                    | Overseas | 3    | 2      | 0    | 3      | 0    | 0      |
| Total              |          | 57   | 24     | 144  | 31     | 37   | 16     |

## 2023 DCC Number of Contractors

Unit: Number of People

|             |       |
|-------------|-------|
| Company     | DCC   |
| Contractors | 5,004 |

Note: The calculation was based on the entry records of the system, and only one person was counted when he/she repeatedly entered the factory in the current year.

## 2021-2023 DCC Age Distribution of Employee Departures

Unit: Number of People

| Age Distribution   |          | 2021 |        | 2022 |        | 2023 |        |
|--------------------|----------|------|--------|------|--------|------|--------|
|                    |          | Male | Female | Male | Female | Male | Female |
| Under 30 years old | Taiwan   | 9    | 2      | 8    | 3      | 10   | 1      |
|                    | Overseas | 21   | 2      | 23   | 2      | 11   | 0      |
| 30-50 years old    | Taiwan   | 16   | 2      | 0    | 0      | 14   | 2      |
|                    | Overseas | 23   | 7      | 38   | 5      | 27   | 8      |
| Over 50 years old  | Taiwan   | 10   | 0      | 0    | 0      | 11   | 1      |
|                    | Overseas | 1    | 0      | 5    | 1      | 1    | 3      |
| Total              |          | 80   | 13     | 74   | 11     | 74   | 15     |

Note: The number of employee departures excludes retirements at age, redundancies, deaths, part-time workers/consultant without renewal of contracts, and inter-company transfers within the Group.

## 2021-2023 DCC Employee Job Rank Distribution

Unit: Number of People

| Rank              | 2021  |        | 2022  |        | 2023  |        |
|-------------------|-------|--------|-------|--------|-------|--------|
|                   | Male  | Female | Male  | Female | Male  | Female |
| Executive         | 9     | 0      | 9     | 0      | 7     | 0      |
| Senior manager    | 22    | 1      | 18    | 0      | 15    | 0      |
| Mid-level manager | 40    | 4      | 32    | 1      | 31    | 0      |
| Junior manager    | 75    | 14     | 83    | 20     | 83    | 20     |
| General employees | 1,249 | 194    | 1,277 | 209    | 1,193 | 198    |
| Total             | 1,395 | 213    | 1,419 | 230    | 1,329 | 218    |

Note 1: Percentage of female employees in 2023: 14.1%

Note 2: Percentage of female senior executives in 2023: 0%

Note 3: Percentage of female senior executives = (Number of female senior manager + Number of female executive) / (Number of senior manager + Number of executive)



## 3.2 Talent Cultivation

DCC's sustainable management relies on the accumulation and continuous development of high quality talent. We hope that each Chang Chun's employee to have the same common culture, the same code of conduct, and the same professional skills and work values. The Company implements employee rotation, appointment, and developmental training in three aspects: "root cultivation", "upward reserves", and "cross-level cultivation".

### Root cultivation

Improve the overall professional quality of employees through rigorous work drills supported by an apprenticeship system.



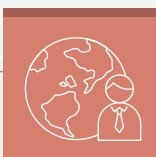
### Upward reserves

Cultivate the management ability of leaders at all levels at the foreman, manager, department manager, and senior executive level.



### Cross-level cultivation

For management staff dispatched overseas, and employee from grassroots foreman promoted to junior engineer, we provide them with various trainings required for their new positions in advance to build comprehensive management and professional capabilities.



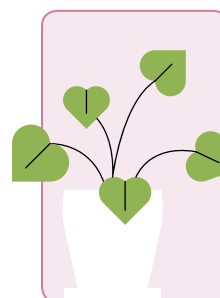
## Root cultivation

### 1. "Orientation Training for New Employees"

We provide new employees with the basic cognitive training required by them. We implement the "Mentorship System" for mentoring new employees, and arrange for more senior colleagues from the same department to help new employees integrate into the group more quickly. As of 2023, there were 11 domestic and overseas employees selected as outstanding seniors.



2023 Orientation Training for New Employees



### 長春員工權益義務線上課程

任何問題歡迎洽詢人資部

CCPG Online courses on employee rights and obligations for newcomers

## 2. "In-service Colleague Professional Training"

In 2023, the Company held more than 1,063 courses. For each professional course, senior colleagues combined their professional knowledge and work experience to be transformed into a physical or digital course for newcomers to learn in real-time at home and abroad. The Group has also established the "CCPG Shu-Ren Award" to encourage of mutual learning through teaching and learning. In 2023, a total of 11 outstanding lecturers and teaching materials were awarded at home and abroad. Moreover, the Group has also launched an online learning platform for a variety of professional functions, such as the "Sales Product Series", "Chemical Laws and Regulations", and the "Quality Assurance Library" and other structured online learning channels. In addition, the Company fully subsidizes employees in need of professional training to participate in external courses. In 2023, the total subsidy was more than NT\$1.57 million.

### e-Learning course on chemicals regulations



## 3. "Core Training for All Colleagues"

We hope that each colleague to have the same common culture, the same code of conduct, and the same and work values. For each core function, through the annual promotion of various physical and digital course resources, we hope that the core functions are deepened into the collective DNA of CCPG.

### Six core functions

Communication and coordination

Hardworking and responsibility

Teamwork

Quality orientation

Honesty and integrity

Self-development

### Training resources for each core function

Workplace communication course

CCPG Online Courses on Employee Rights and Obligations

Work skills course for newcomers in the factory

Workplace etiquette courses for employees

Courses on legal compliance and integrity clauses

e-Learning

### Workplace etiquette online course



### Workplace communication course for new employee



### 2023 Teacher's Day Shu-Ren Award Recognition



## Upward reserves

### 1. Management training

For those with different managerial roles, we provide appropriate managerial competency training. This enables them to gain the management knowledge and skills necessary to carry out their duties and are demonstrated through their personal management acts, enhancing the management knowledge of supervisors and colleagues at home and abroad.

#### Management training for all levels

| Foreman                         | New section supervisor                 | All section supervisors               |
|---------------------------------|----------------------------------------|---------------------------------------|
| TWI foreman management training | New course-level management training   | Systems thinking and workflow         |
| Job instruction                 | Management and leadership fundamentals | Change in the global perspective      |
| Work improvement                | Efficient execution                    | Implement management by objectives    |
| Work relations                  | Subordinate cultivation and teaching   | Execution tracking and implementation |
|                                 | Team building and collaboration        |                                       |

## Cross-level cultivation

### 1. Expatriates Training

For employees who plan to be stationed overseas, DCC will provide related training such as "Training on Pre-departure Instructions for Expatriates" and "Training for New Overseas Supervisors" before the expatriation of employees, so that they can understand the new work environment, systems and regulations, and pay attention to the management of the team. A total of 3 colleagues completed the training in 2023.

### 2. Training of reserve junior engineers

Every year, DCC arranges professional training courses related to the job category for foreman colleagues who have outstanding work performance and are willing to serve as junior engineers to ensure that colleagues can complete the preparation capabilities for junior engineering positions in advance. In 2023, a total of 7 foreman employees in Taiwan factories passed the training of reserve junior engineers.

#### Pre-departure Training for Dispatched Personnel

返台述職管理系統能幫助你...

- (1) 掌握述職作業正確執行
- (2) 述職主管交辦事項，可於系統中儲存紀錄待查

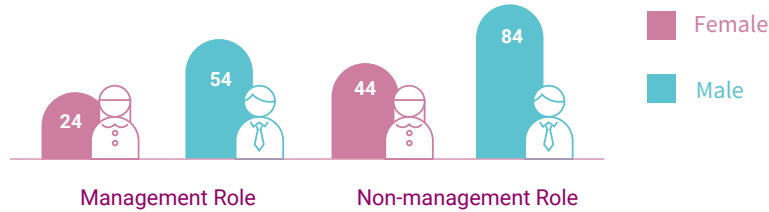
#### 返台述職作業流程



## 2023 Average Hours of Education and Training Received Per Employee

Unit: Hour

### Average Hours of Education and Training 76



Note: Management Role - entry-level manager (inclusive) and above; Non-management Role - general employee.

### Diversified Independent Learning Outlet

Our e-Learning platform integrates the education and training databases of all factories, allowing historical courses to be used for reference information for the coming year after being collected, analyzed and integrated. There are currently more than 770 self-produced or cooperative online projects with other units/institutions. We have also established an APPs, enabling colleagues to watch and learn in real-time. Since 2017, more than 1.6 million people have used the APP.





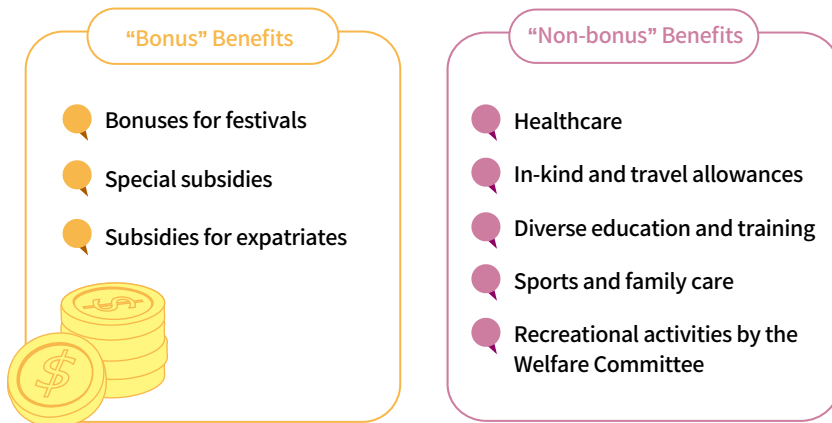
## 3.3 Employee Care

### Management Method:



### Employee Benefits

With the concept of sustainable and stable development, DCC offers competitive salary and benefits, diverse EAPs and a worry-free retirement system, enabling all of our colleagues to work with peace of mind.



Note: For DCC's complete employee benefits, please refer to Appendix C.

### Retirement Protection

To retire and live life with peace of mind is our specific and long-term goal for employees. DCC abide by the laws and regulations of local governments to ensure a worry-free retirement life for employees. In thanks of the years of hard work of our retired employees, a solid gold coin with the text "DCC" engraved on it will be given at retirement.

#### Employees under the new Labor Retirement System

We have the Self-appropriation of 6+1 New Pension System Reward Program in place. If an employee contributes 6% of their salary into their pension, the company's statutory appropriation rate will increase by 6% to 7%. By the end of 2023, the number of employees contributing new system was 553 (accounting for 63.9% of the total number of people eligible for the new system of the Group).

#### Employees under the old Labor Retirement System

We have set up a "Labor Retirement Reserve Supervision Committee" to supervise the utilization of employee pensions. Each year, we conduct regular annual actuarial calculations to ensure that the financial capacity of the Company is sufficient to cover employee pensions.

Note: The above is only applicable to the factories in Taiwan.





## Childbirth Incentive and Unpaid Parental Leave

In line with the government's childbirth incentive policy, DCC encourage our colleagues to apply for unpaid leave to care for children according to their actual needs. We approve 100% of applications and 100% of their original duties are reinstated when they return to work. We have also set up a childbirth incentive and childcare subsidy measures - NT\$20,000 per child and NT\$3,000/month childbirth allowance until the child reaches 4 years old, which has been extended, giving our employees full support in raising children. In 2023, annual maternity incentives were distributed to 31 people, totaling NT\$0.62 million, and childcare allowances were about NT\$1.8 million.



Note: The above is only applicable to the factories in Taiwan.



## 2021-2023 Unpaid Parental Leave Analysis in Taiwan

| Item                                                                             | 2021 |        | 2022 |        | 2023 |        |
|----------------------------------------------------------------------------------|------|--------|------|--------|------|--------|
|                                                                                  | Male | Female | Male | Female | Male | Female |
| Number of employees eligible for parental leave for the year (A)                 | 164  | 10     | 120  | 8      | 103  | 7      |
| Number of employees applying for parental leave for the year (B)                 | 0    | 3      | 4    | 1      | 4    | 2      |
| Number of employees reinstated after parental leave for the year (C)             | 1    | 2      | 4    | 2      | 3    | 1      |
| Number of employees applying for reinstatement for the year (D)                  | 1    | 2      | 4    | 2      | 3    | 1      |
| Reinstatement rate (D/C)                                                         | 100% | 100%   | 100% | 100%   | 100% | 100%   |
| Number of employees reinstated in the previous year (E)                          | 0    | 0      | 1    | 2      | 4    | 2      |
| Number of employees reinstated in the previous year and has been a full year (F) | 0    | 0      | 0    | 2      | 4    | 2      |
| Retention rate (F/E)                                                             | -    | -      | 0%   | 100%   | 100% | 100%   |

Note 1: Reinstatement rate = Number of employees applying for reinstatement for the year/Number of people reinstated after maternity leave for the year.

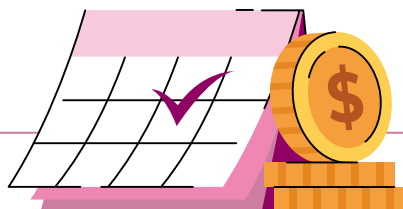
Note 2: Retention rate = Number of employees reinstated in the previous year and has been a full year / Number of people who have been reinstated in the previous year.

## 2021-2023 Parental (Maternity) Leave Analysis for Overseas

| Item                                                                         | 2021 |        | 2022 |        | 2023 |        |
|------------------------------------------------------------------------------|------|--------|------|--------|------|--------|
|                                                                              | Male | Female | Male | Female | Male | Female |
| Number of employees eligible for maternity leave for the year                | 17   | 7      | 18   | 8      | 22   | 5      |
| Number of employees for maternity leave for the year                         | 17   | 7      | 18   | 8      | 22   | 5      |
| Number of employees reinstated from maternity leave for the year             | 13   | 4      | 15   | 2      | 15   | 4      |
| Number of employees applying for reinstatement for the year                  | 13   | 4      | 15   | 2      | 15   | 4      |
| Reinstatement rate                                                           | 100% | 100%   | 100% | 100%   | 100% | 100%   |
| Number of employees reinstated in the previous year                          | 28   | 6      | 13   | 5      | 15   | 2      |
| Number of employees reinstated in the previous year and has been a full year | 28   | 6      | 13   | 3      | 15   | 1      |
| Retention rate                                                               | 100% | 100%   | 100% | 60%    | 100% | 50%    |

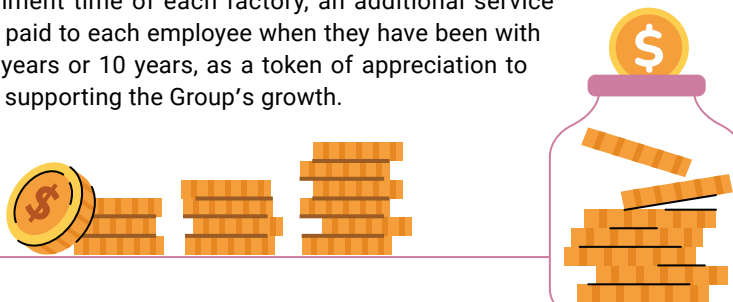
### Jurong Island Remote Area Allowance Subsidy

The Singapore Factory is situated in the Jurong Industrial Estate in the southwest of the main island of Singapore. The company provides allowances for remote areas on Jurong Island. In 2022, allowances were increased to effectively motivate current employees, enhance work efficiency, and prevent talent loss. This also helps recruit desired candidates and significantly build up employees' loyalty to the company. In addition, employees, their spouses, and children can also apply for annual medical subsidies from the factory.



### Long-Term Service Bonus for Senior Employees

Regardless of nationality, every senior employee in domestic and overseas plants is an important intangible asset of DCC. Long-term service bonuses are provided to senior employees in Singapore Factory and Malaysia Factory. With reference to the establishment time of each factory, an additional service bonus is paid to each employee when they have been with us for 5 years or 10 years, as a token of appreciation to them for supporting the Group's growth.



## Remuneration System

DCC is 100% in compliance with the local minimum wage standards. In 2023, the ratio of the average monthly salary of new entry-level employees to the statutory minimum basic wage was 163%. The actual salary results are adjusted based on the education and experience of individual employees.

Unit: NT\$

Monthly basic wage for 2023  
announced by the  
**Ministry of Labor**



**26,400**

Average monthly salary of  
**DCC's** newcomers at entry-level  
in 2023



**43,100**

Note: The above is only applicable to the factories in Taiwan.

At DCC, we have operating procedures for wage survey adjustments in place. Each year, wages of employees are adjusted based on the minimum cost of living announced by the central government, the minimum wage approved by the Executive Yuan, the CPI, the market situation of peers, the company affordability, and employee appraisal results, while also adjusting the starting wage of newcomers. In the past decade, the average salary of employees in Taiwan has been adjusted by 3% every year. In 2023, the number of full-time employees in non-managerial positions was 924, and the median annual salary was NT\$1,597,636.

2023 Annual total  
compensation ratio <sup>Note 1</sup>

**4.64**

2023 Percentage increase in annual  
total remuneration <sup>Note 2</sup>

**81.59%**

Annual total compensation for the  
highest paid individuals

Note 1 : Median annual total compensation for  
other employees

Percentage increase in annual total compensation  
for the highest paid individuals

Note 2 : Median percentage increase in annual total  
compensation for other employees

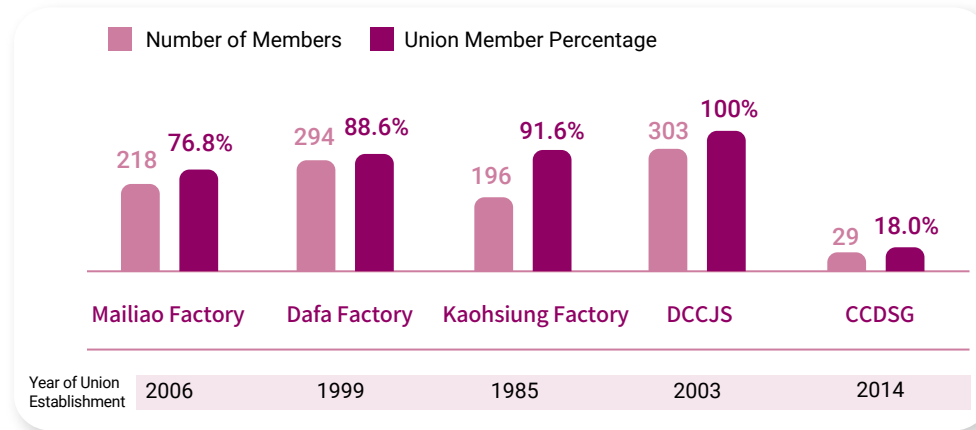
Note 3 : Other employees excluding the  
highest paid individual.

Note 4 : The above applies only to Taiwan factories.

## Harmonious Labor-management Relations and Communication Outlets Based on Mutual Trust

The first labor union was established in 1985 by DCC's factory, and a meeting for representatives is held with each labor union on an annual basis to facilitate a smooth and diverse labor-management communication channel.

### 2023 Labor Union Composition



Note: There are no labor unions established at the CCDPJ or DCCM

To ensure smooth and transparent communication between labor and management, DCC has established a variety of labor-management communication outlets for resolving labor-management disputes and protecting and enhancing the rights and interests of our employees. In addition to the annual meeting of union representatives, meetings of union directors and supervisors, labor pension fund supervisory committee, and labor management, employees may also use telephone and E-mail as communication channels or engage in a face-to-face conversation through factory supervisors and union officers. Also, employees can also propose suggestions through the employee grievance channel. For details on the grievance channels, see Introduction - Stakeholder Engagement.

### Employee Family and Physical Care

At DCC, we strive to build a friendly workplace that balances work and life through welfare and health management. By doing this, we are able to bring employees closer while deepening their sense of identity.

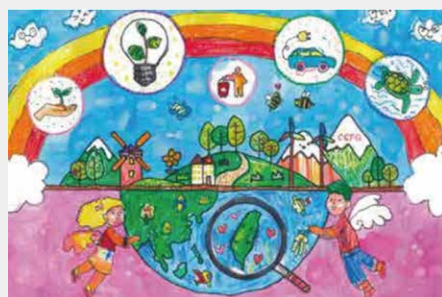
### CCPG Good Mood

The "Chang Chun Good Mood Hotline" has been set up for employees in Taiwan and overseas to provide consultation services. Employees are able to receive counseling from professional psychologists regarding health, life and work issues via telephone, Line, and WeChat. The content of counseling is kept confidential throughout the entire process. In 2023, there were a total of 8 telephone consultation sessions and 10 face-to-face consultation sessions, helping employees solve their physical or mental problems, while creating a friendly and joyful workplace.

## Painting CCPG - Parent-child Painting Activity

In a bid to deepen the recognition of our colleagues and their families, we put together the 1st “Painting CCPG - Parent-child Painting Activity” in Taiwan in 2019. Each year, the event is well-received. The theme of the fifth event in 2023 was “Protect the Earth with Color - Draw a Sustainable Life”. A total of 170 drawings were submitted. Children participating in drawings showed their understanding of and emphasis on energy conservation, carbon reduction, and sustainable environmental protection issues.

Kindergarten Section



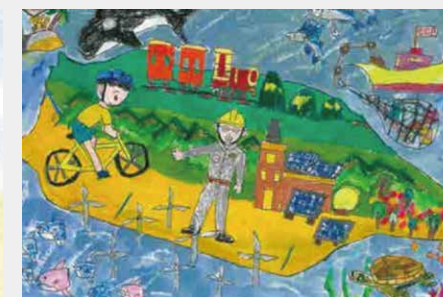
Lower Grade Section



Junior Grade Section



Junior Grade Section



Taiwan  
factories



Overseas  
factories





## Sports Promotion Actions

DCC continues to promote various internal sports and club activities every year to demonstrate the Group's healthy culture and corporate value of looking after employees.

### CCPG Taiwan Factories - Fun Table Tennis

In 2024, a total of four factories in Taiwan (including Taipei Company) enthusiastically launched a table tennis game in each factory. Not only did employees take advantage of this rare opportunity to unleash their sweat and play ball with friends, but their families and children also participated in the company's activities. More than 150 employees, their families, and their children participated in the annual game.





## 3.4 Occupational Health and Safety

Providing a healthy, safe, and eco-friendly workplace is the duty-bound responsibility and obligation of DCC and its employees. We highly value work safety maintenance and make a proactive approach to internalize the spirit of responsible chemicals in the Company, while ensuring the safety of our employees and customers through a robust chemical management system. At the same time, we raise work safety awareness among our contractors, further exerting our influence in the value chain. Moreover, we continue to make improvements to achieve the goal of zero accidents through implementing environmental safety and health and promoting Process Safety Management (PSM). We aim to expand the lifecycle of all products which is included in DCC's responsible care system.

### 3.4.1 Chemical Safety

#### Management Approach for "Chemical Safety"

##### Meaning of Material Issues

DCC takes a responsible attitude on the subject of R&D, raw material acquisition, production, use and disposal stages of chemicals. We seek safe alternatives and reductions when using high-risk/hazardous substances to reduce any negative impact on human health and the environment.

##### Responsibility

Product Standards Department,  
Safety & Health Department

##### Policy and Commitment

To reduce the harm caused by hazardous chemicals to the human body and the number of deaths and illness caused by air, water, and soil pollution by 2030.

##### Target

###### Short-term

- Import and export control of samples of scheduled toxic substances and chemical substances of concern in Taiwan (including 341 scheduled toxic substances and 18 chemical substances of concern)
- Continue with standard registration of existing chemical substances in Taiwan.
- 100% completion rate of inventory and identify hazards of products.
- Perform or obtain the exposure evaluation through registering/reporting international chemicals within the legal period.

###### Medium-term

- No major chemical accidents and pollution.
- Increase the transparency and exposure of product hazards.
- Internalize the information of chemical use safety as product safety responsibility.

###### Long-term

- Promote chemical recycling.
- Reduce the use of hazardous chemicals with safe alternatives.
- Products meeting regulatory requirements.

##### Communication/ Grievance Mechanism

- Communicate or file a grievance via customer hotline, DCC website - Customer Zone, or email.
- Convey hazards and information on safety use of the Company's products via hazardous goods labels, GHS labels and SDS.

##### Action Plan

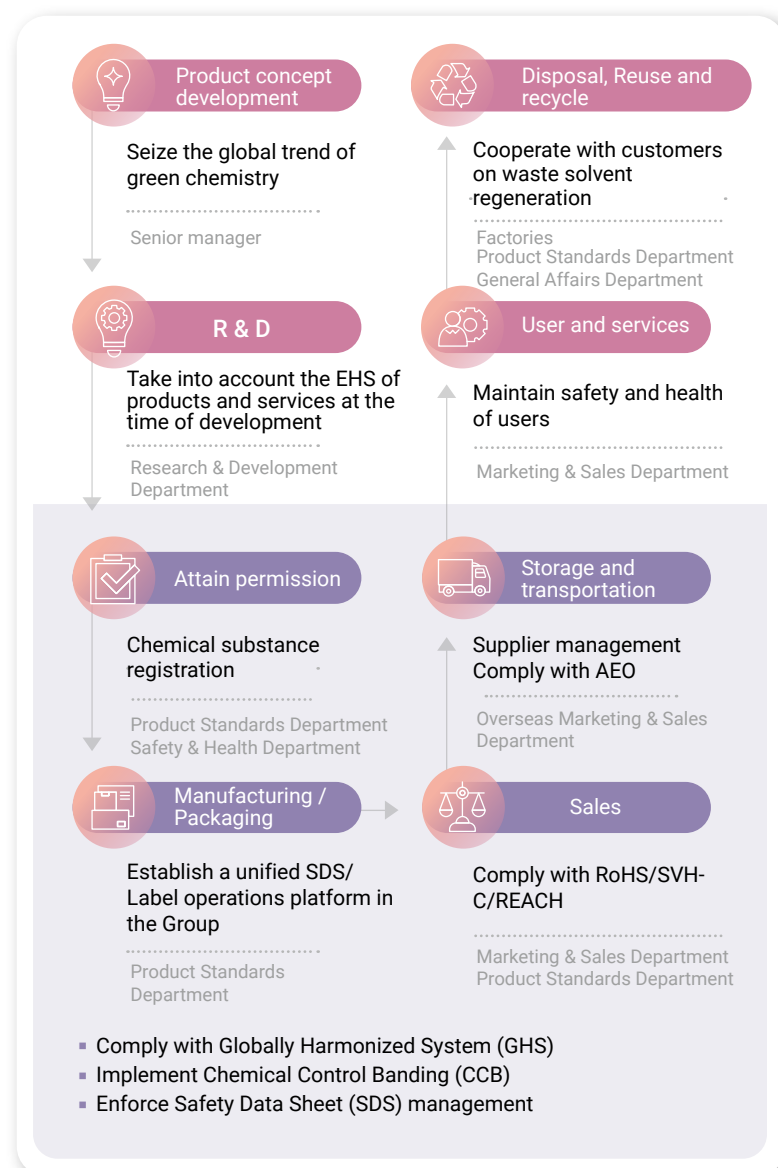
- Import and export control of samples of controlled toxic substances and chemical substances of concern in Taiwan.
- The standard registration of existing chemical substances in Taiwan.
- Ascertain the current status of GHS for the Company's raw materials.
- Perform inventories on the Group's own products and make them known to the customers.
- Register chemicals in different countries.
- Raise awareness of chemical regulations among the Company's colleagues.

##### 2023 Implementation Result

- 1 Completed the statistical system for products and raw materials of chemical substances and applied for statutory reporting in Taiwan (a total of 98 chemical substances, 100% reported).
- 2 Proposed the implementation strategy for the standard registration of Taiwan's existing chemical substances. A total of 2 substances required standard registration. Standard registration of 1 substances was completed, and 1 substances are undergoing registration.
- 3 Implemented import and export control of samples of scheduled toxic substances and chemical substances of concern currently includes 341 scheduled toxic substances and 18 chemical substances of concern.
- 4 Information construction of the REACH sales control system, taking inventories and control of 120+ products.
- 5 Completed chemical registration/login/filing in various countries, and the target achievement rate was 100%.



## Chemical Management Value Chain



## As of 2023 Results of Chemical Registration/Verification

|                                                                     | Completed within 2023       | Cumulative No. of substances completed |
|---------------------------------------------------------------------|-----------------------------|----------------------------------------|
| Pre-registration for K-REACH                                        | 1                           | 28                                     |
| Pre-registration for KKDIK                                          | 1                           | 54                                     |
| The standard registration of existing chemical substances in Taiwan | 1 completed; 1 in progress. |                                        |

## Import and export control of samples of controlled toxic substances and chemical substances of concern

Completed establishment of the sample import and export control mechanism for toxic and concern chemical substances or the validity of the disaster prevention basic data form of each factory, including three auditing measures: (1) the completeness of all types of certificates, (2) the validity of the delivery of the Hazard Prevention and Contingency Plan or the Basic Data Form for Disaster Prevention, and (3) the legitimacy of the Joint Prevention Organization. This ensures that samples entering and leaving the factory comply with laws and regulations.

## Internal management process for Substances of Very High Concern (SVHC)

In terms of substances of very high concern – not only do we conduct management system inventory twice a year, but we have also added an audit mechanism to get hold of the raw material use and product residue status at the time of issuing the raw material SDS or producing of the product SDS. Furthermore, we make suggestions for alternatives internally in accordance with the international control trends to reduce possible risks on human health and the environment from substances of very high concern.

## Survey of supply chain connections and regulatory compliance

We survey raw material compliance of upstream suppliers or information notification of REACH importers of downstream customers. Information related to supplier chain compliance can be obtained on the system, which can be analyzed to fulfill the Company's supply chain contact responsibility in a more efficient manner.

## Product Safety and Customer Service

DCC is passionate about implemented the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) of Classification and Labelling of Chemicals to reduce causing harm to humans and the environment by chemicals. The responsible department oversees planning and implementing the Company's GHS-related processes and operations.

### Management focus:

01

Establishment of the GHS hazard classification for all products (to grasp the status of the chemicals classified as health and environmental hazard levels 1 and 2)

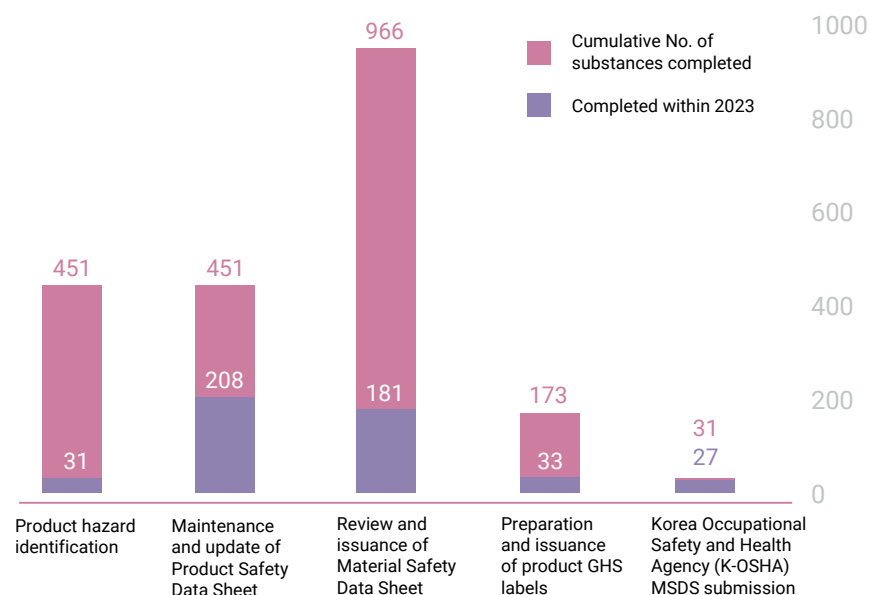
02

Standardize SDS and label preparation, and compliance promotion through reliability data combined with categorization logic.

03

Entrust a consulting company to provide emergency consulting services (expanded to global emergency consulting phone services in 2023)

### Achievements in dissemination of hazard information and compliance in 2023



## Digital course on chemicals regulations



To enable all departments to effectively implement the Company's chemicals management system, a new series of digital courses on chemicals regulations was launched in 2023. The digital courses provide colleagues with practical explanations of chemicals management and system operation introductions to strengthen the linkage between colleagues' daily work and chemicals regulations. A total of 5 new topics were introduced, with a total of 80 enrollments, 65 enrollments, and a course completion rate of 81%.

## Monthly regulatory newsletter for the Company

The latest developments in chemical regulations in various countries are captures every month, and internal circulars are issued to promote chemical management trends, and review whether corresponding management measures are necessary. As of the end of 2023, the number of regulatory updates reached 193 topics, with an average of 26.42% involving the Group's short-, medium-, and long-term goals. In 2023, in addition to announcing 52 topics, we further launched internal response plans for 15 of them (accounting for 28.84% of the annual announcement).

### 3.4.2 Workplace and Process Safety

#### Management Approach for "Occupational Safety and Health"

##### Meaning of Material Issues

Through the effective promotion and implementation of workplace safety and health measures, employees and contractors can avoid accidents and occupational diseases caused by poor physical and mental condition and prolonged exposure to hazardous environments. This minimizes negative environmental and social impacts, build a workplace where employees can work with peace of mind and dedication.

##### Responsibility

Taipei Company, All Factories:  
Safety & Health Department

##### Review Mechanism

An ESG Committee meeting is held once a year, an ESG working team meeting is held quarterly for regular review

##### Policy and Commitment

We follow the Occupational Health and Safety Act and adhere to international standards and norms. Through equipment and process improvement, we are committed to reducing health and safety risks while at the same time fulfilling our responsibility to ensure the health and health of our employees, contractors, in factories and communities.

##### Target

KPI : Number of Tier 1 and Tier 2 process safety events

| Process safety events | 2024 Target              | 2025 Target              | 2030 Target              |
|-----------------------|--------------------------|--------------------------|--------------------------|
| Tier 1                | no greater than 1 event  | no greater than 1 event  | no greater than 1 event  |
| Tier 2                | no greater than 4 events | no greater than 3 events | no greater than 2 events |

##### Action Plan

The achievement status of sustainability targets for each sustainability issue is examined through the ESG Committee on a quarterly basis.

##### Externally

- Industry-academic cooperation: Over NT\$10 million peryear is invested in safety, while NT\$4 million is invested in health.
- We will continue to work with external units to improve safety and health standards through education and training and expert guidance.
- By taking part in various PSM external seminars and international license training, we continue to develop PSM-related professionals.

##### Internally

- We continue to organize courses on the cultivation of work safety culture in an effort to establish a personnel safety culture to reduce occupational disasters.
- All factories must implement a dedicated process safety junior engineering system to safely protect factory processes.
- Various information systems have been established to manage the effectiveness of PSM promotion.
- Effectively improve harmful factors in the factory through digitized management in operations to prevent the possibility of human contact.

##### 2023 Implementation Result

KPI : Number of Tier 1 and Tier 2 process safety events

| Process safety events | 2023 Target              | 2023 Implementation Result |
|-----------------------|--------------------------|----------------------------|
| Tier 1                | no greater than 1 event  | 1 event                    |
| Tier 2                | no greater than 4 events | 1 event                    |

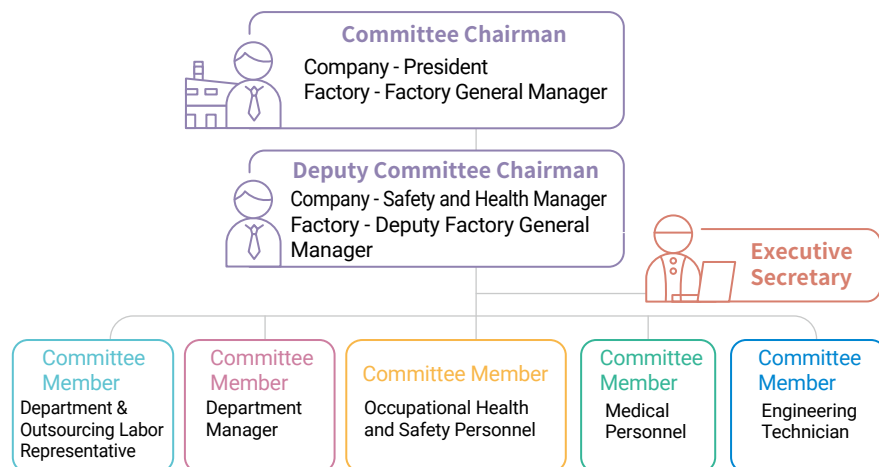
##### Communication/ Grievance Mechanism

Any environment, safety or health issues or injustice encountered in the factory may be reported to the safety and factory health manager. If it involves a wider issue, a grievance case may be filed at the Safety & Health Department of Taipei Company to ensure an effective resolution.



## 100% ISO 45001:2018 Coverage Rate

### Occupational Health and Safety Committee



In 2023, the total number of the Occupational Health and Safety Committee members of all factories was 155 including 86 worker representatives, accounting for 55% of all members. The Committee aims to handle the proposal, coordination, and supervision of environmental, safety, and health-related matters in the factory. Each quarter, we convene an Occupational Health and Safety Committee meeting to implement employee consultation and employee involvement.

### Topics for Discussion by the Occupational Health and Safety Committee

- Suggestions for the occupational health and safety policy
- Coordinate and recommend occupational safety and health management plans
- Safety and health education and training implementation plan
- Operating environment monitoring, results and measures taken
- Health management, work-related ill health prevention and health promotion matters
- Safety and health proposals
- Matters associated with automatic inspection and safety and health audits
- Preventive measures for hazards from machinery, equipment, or raw materials and materials
- Occupational disaster investigation report
- Review of safety and health management performance
- Safety and health management of contracting operations
- Other matters associated with occupational safety and health management

### 2023 DCC Statistics of Occupational Health and Safety Committee

| Factory           | Number of Committee Members | Worker Representative | Ratio of the Workers of the Committee | Percentage of Employees Covered |
|-------------------|-----------------------------|-----------------------|---------------------------------------|---------------------------------|
| Taipei Company    | 18                          | 15                    | 83%                                   | 100%                            |
| Mailiao Factory   | 19                          | 7                     | 37%                                   | 100%                            |
| Dafa Factory      | 23                          | 9                     | 39%                                   | 100%                            |
| Kaohsiung Factory | 17                          | 6                     | 35%                                   | 100%                            |
| DCCJS             | 25                          | 9                     | 36%                                   | 100%                            |
| CCDPJ             | 14                          | 14                    | 100%                                  | 100%                            |
| CCDSG             | 27                          | 15                    | 56%                                   | 100%                            |
| DCCM              | 12                          | 11                    | 92%                                   | 100%                            |

### Management method



### Occupational Accident Prevention and Handling

We use statistics to analyze the cause of incidents and investigation outcomes, and propose prevention plans and propose countermeasures and relevant improvement action plans at the occupational safety meetings. After that, potential hazards are identified and controlled in advance through identification and risk assessment for safety and health hazards to protect the safety and health of our employees.

DCC is committed to protecting the safety of all employees. Aside from providing PPE and management of related procedures, we continue to invest in adding and improving related safety and firefighting equipment each year. In 2023, we invested a total amount of NT\$191 million and by doing this, we hope to reduce the possibility of accidents, while improving the ability to respond in the event of an accident, further reducing injuries caused by accidents, while improving response capacity and reducing the harm caused by accidents.

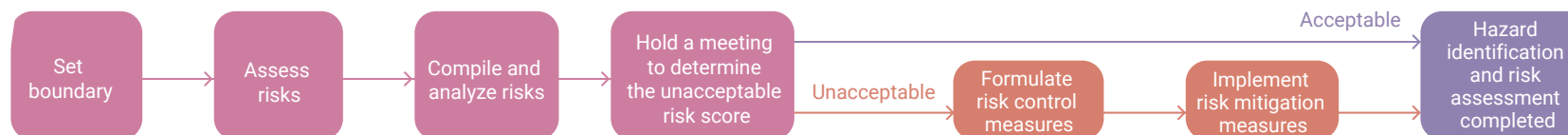
### 2023 Safety and Firefighting-related Investment Amount

Unit: NT\$ million





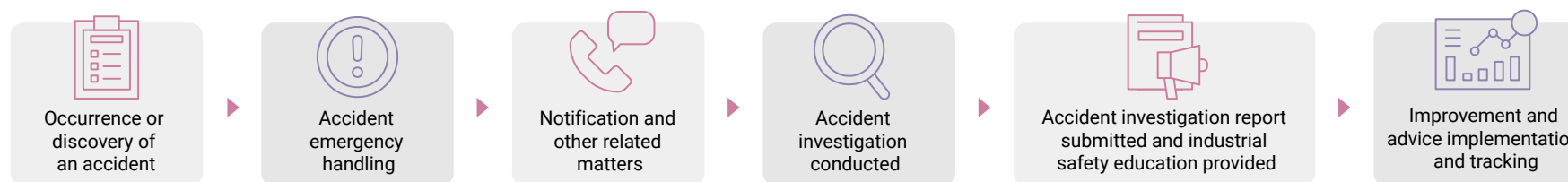
## Identification and Risk Assessment for Safety and Health Hazards Operating Procedures



## Accident Handling and Investigation Management

An accident within the Company or false alarm that does not constitute an occupational accident will be handled in accordance with the accident handling and investigation management measures, allowing the Company to create a safe workplace culture.

### Accident Handling and Investigation Management Measures



## Contractor Safety Management

At DCC, we follow the CCPG have formulated the “Engineering Contractors Occupational Safety Management Reward Measures”, and reward contractors with excellent health and safety performance. Contractors are rated based on five aspects: meeting involvement, number of work accidents, number of violations, document review, and site management. A comprehensive evaluation is conducted on a regular basis.

In 2023, 25 excellent vendors were selected and awarded NT\$290,000. By taking the approach to give both rewards and fines, our contractors are guided to improve their safety management, facilitating a robust competitive cycle.



## Work Injury Statistics

In 2023, DCC had a total of 9 work injuries/accidents (including off-site traffic accidents), all of which have been included in the management references as a basis for optimization and improvement. The main injuries that occur in the factory are: falls, cuts from machinery operations, burns, and chemical spills. On the other hand, the number of accidents outside the factory were slightly higher. In 2023, a total of 5 traffic accidents occurred. In 2023, the disabling injury Frequency Rate (FR) of DCC was 1.23.

### Accident Prevention Measures

#### Traffic accidents

We have produced themed teaching materials and continuously promoted the following matters through departmental meetings and electronic media, reducing the occurrence of traffic accidents

- Traffic accident case
- Defensive driving concept
- Commuting safety awareness

#### In-factory accidents

Similar incidents are prevented from happening again through the following measures

- Strengthen education and training on standard operating procedures
- Require personnel to wear protective gear
- Re-examine the job safety analysis (JSA)
- Formulate optimized risk reduction measures

### 2021-2023 Indicators for Work-related Injuries

| Year                                                  | 2021      |         |           | 2022      |         |           | 2023      |         |           |
|-------------------------------------------------------|-----------|---------|-----------|-----------|---------|-----------|-----------|---------|-----------|
| Gender                                                | Male      | Female  | Total     | Male      | Female  | Total     | Male      | Female  | Total     |
| No. of fatalities as a result of work-related injury  | 0         | 0       | 0         | 0         | 0       | 0         | 0         | 0       | 0         |
| No. of high-consequence work-related injuries         | 0         | 0       | 0         | 0         | 0       | 0         | 0         | 0       | 0         |
| No. of recordable work-related injuries               | 11        | 3       | 14        | 9         | 0       | 9         | 9         | 0       | 9         |
| Rate of fatalities as a result of work-related injury | 0.00      | 0.00    | 0.00      | 0.00      | 0.00    | 0.00      | 0.00      | 0.00    | 0.00      |
| Rate of high-consequence work-related injuries        | 0.00      | 0.00    | 0.00      | 0.00      | 0.00    | 0.00      | 0.00      | 0.00    | 0.00      |
| Rate of recordable work-related injuries              | 0.71      | 1.43    | 0.80      | 0.59      | 0.00    | 0.51      | 0.64      | 0.00    | 0.56      |
| Total number of hours worked                          | 3,095,750 | 418,291 | 3,514,041 | 3,072,491 | 444,588 | 3,517,079 | 2,802,082 | 425,644 | 3,227,726 |

Note 1: There were no occupational disease incidents in DCC in 2021-2023.

Note 2: Rate of fatalities as a result of work-related injury = No. of fatalities as a result of work-related injury / Total number of hours worked x 200,000\*.

Note 3: Rate of high-consequence work-related injuries (excluding fatalities) = No. of high-consequence work-related injuries (excluding fatalities) / Total number of hours worked x 200,000\*.

Note 4: High-consequence work-related injuries are defined as an injury that results in worker's inability to recover to the pre-injury state of health within six months due to occupational injury.

Note 5: Rate of recordable occupational injuries = No. of recordable work-related injuries / Total number of hours worked x 200,000\*.

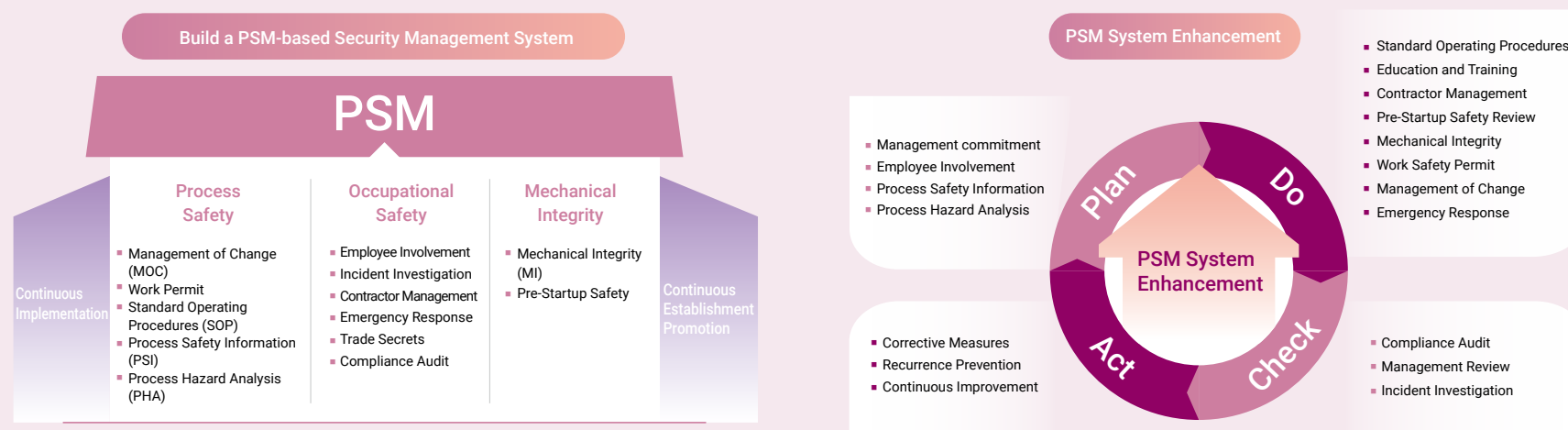
Note 6: Recordable work-related injuries are defined as the Occupational Accident Statistics reported monthly to the Occupational Safety and Health Administration, Ministry of Labor.

Note 7: For detailed information on each factory for 2023, please refer to Appendix C.

\*: Refers to the rate per 100 employees for 50 weeks per year with 40 working hours per week.

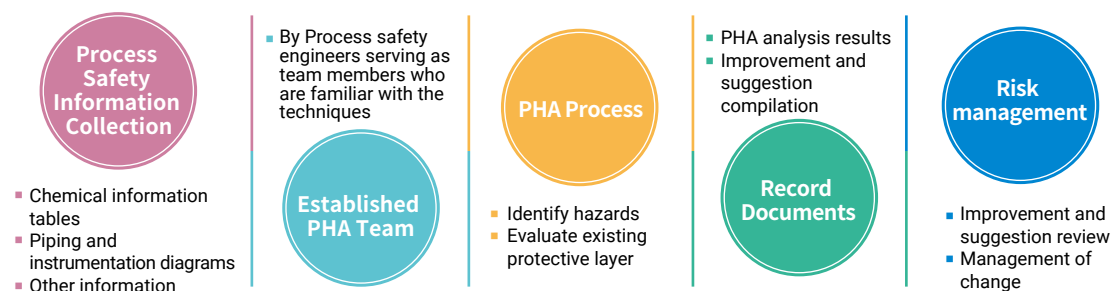
## Process Safety Management

DCC's Process Safety Management (PSM) platform was developed based on 14 management units of three major frameworks: occupational safety, process safety, and mechanical integrity. The overall PSM performance indicators, audits, management meetings, and related technologies from each factory are incorporated. The safety protection net is built and improved with the commitment of top-level management and involvement of all employees, combined with various elements of PSM to allow the Plan-Do-Check-Act (PDCA) process to continue to be refined.



## Process Hazard Analysis (PHA)

Process hazard analysis is a major focus of Process Safety Management (PSM); it helps DCC identify hazards at an early stage. It also posts great benefit to process risk management in terms of personnel training, operations, process improvement, equipment maintenance, and contingencies. In 2023, DCC had 5 process safety engineers who were dedicated to Process Safety Management (PSM) promotion and implementation. The PHA (Process Hazard Analysis) team is formed by professional process, mechanical, electrical, instrumentation and safety and health personnel. Through brainstorming of possible hazards, a comprehensive risk management system is created to control hazards.



The process safety engineers are key players when it comes to planning the process hazard analysis progress and actual participation in PHA. Each year, the Company holds a PHA seminar to select a process with serious incident experience. Process personnel who are familiar with the incident, process safety engineers, and the PHA experts within the Group are gathered for joint discussion. By breaking the old departmental mindset, existing PHA results are reexamined to find potential defects and possible risks in design or operation. In doing so, we are able to strengthen the professional analysis ability of process safety engineers while also enhancing their proficiency and sensitivity.

## Introduction of Alarm Management System

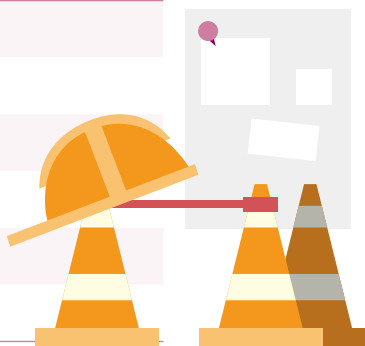
The accident investigation report of CSB found that ignoring alarms by the operator was one of the main causes of accidents. As there are too many invalid alarms in the process, it is likely for operator to ignore critical alarms. Due to this, immediate decisions based on the operating standards and past experience failed to be made. To reduce the impact of invalid alarms on process safety, DCC's alarm management was conducted according to ISA-18.2. Alarms for processes of each department were integrated and classified with an intelligent system used to compile daily reports. Operator can reduce the number of invalid alarms by reviewing the daily report. The daily number of the Company's daily alerts has been reduced from 2.00 per person per 10 minutes to 1.21 per person per 10 minutes. In addition, an independent critical alarm panel has been set up in each factory to prevent the operator from ignoring critical alarms and to increase process production safety and emergency response capabilities.

## Process Safety Performance Indicators

The performance of Process Safety Management (PSM) for DCC can be tracked through process safety performance indicators. In 2023, there were 2 process safety events in DCC - for each process safety event and Near Miss, an event investigation team was put together to conduct a thorough investigation to find the root cause in order to prevent recurrence.

### 2023 Process Safety Metrics

|                                                    |      |
|----------------------------------------------------|------|
| Tier 1 No. of Process Safety Events (PSE 1)        | 1    |
| Tier 2 No. of Process Safety Events (PSE 2)        | 1    |
| Tier 1 Process Safety Event Rate (PSER) (PSE1R)    | 0.06 |
| Tier 2 Process Safety Event Rate (PSER) (PSE2R)    | 0.06 |
| Tier 1 Process Safety Event Severity Rate (PSE1SR) | 0.17 |
| No. of Process Safety Near Miss                    | 64   |



Note 1: The abbreviation here is CCPS (Center for Chemical Process Safety), which differs from SASB but has the same definition (PSE, PSE1R, PSE1SR are called PSIC, PSTIR, PSISR in SASB).

Note 2: Process safety event rate (PSE1R) = Annual number of Tier 1 process safety events x 200,000\* / Total number of hours worked by workers (all employees and contractors).

Note 3: Process safety event rate (PSE2R) = Annual number of Tier 2 process safety events x 200,000\* / Total number of hours worked by workers (all employees and contractors).

Note 4: Process safety event severity rate (PSE1SR) = Annual total score of Tier 1 process safety event severity x 200,000\* / Total number of hours worked by workers (all employees and contractors) (the total score of annual process safety event severity is a classification of the number of process safety events through the process safety incident severity level).

\*: Refers to the rate per 100 employees for 50 weeks per year with 40 working hours per week.

## Safety Management Forum Exchange

DCC continues to exchange safety management with external entities to share practical experience and promotion regarding Process Safety Management (PSM). This year, DCC was also invited to take part in forums or events of related topics.

### CCPG Executive Forum

The Occupational Safety and Health Administration, Ministry of Labor convenes an autonomous-management forum of executives each year. The chief executive of the Occupational Safety and Health Administration and the senior executives of the Company engage in safety and health exchanges with experts and scholars. This year, in response to the fire of the Pingtung Technology Industrial Park, the Company's focus for the forum was fire and explosion and improvement of response capability in the event of a fire. We strengthened our safety management through guidance and exchanges with the chief of the Occupational Safety and Health Administration, experts and scholars.





### 3.4.3 Health Care

To implement healthcare, DCC has complete management and execution measures in place to identify health risk factors, assess improvement methods, implement management tools to evaluate the effectiveness of implementation through a systematic occupational health management framework. In order to provide our employees a healthy working environment and to achieve the above objectives, DCC has formulated health-related operating standards to carry out measures relating to the health of employees.

#### Occupational Health Management Framework



Note: Continuous cycles of 1 to 4.

- 1 Health Education
- 2 Health examination
- 3 Health Management
- 4 Health Promotion
- 5 Health Consultation
- 6 Maternity Protection



### Health Education

To implement the occupational health management framework, DCC is committed to promoting health education and training. Health education information is distributed electronically and health lectures and health education are held from time to time for the topics of health education and promotion, human-induced hazard prevention, abnormal workload-induced disease prevention, duty violation prevention, maternal health protection, CPR and AED, etc. health education and training through physical courses and training through physical courses.



#### Health seminar



DCC Mailiao Factory - CPR+AED training, EMT training



DCC Kaohsiung Factory - "Lose Fats" Health Lecture



#### CPR+AED



DCC Dafa Factory - First Aid and Reassuring Workplace AED Personnel Training, Education and Training



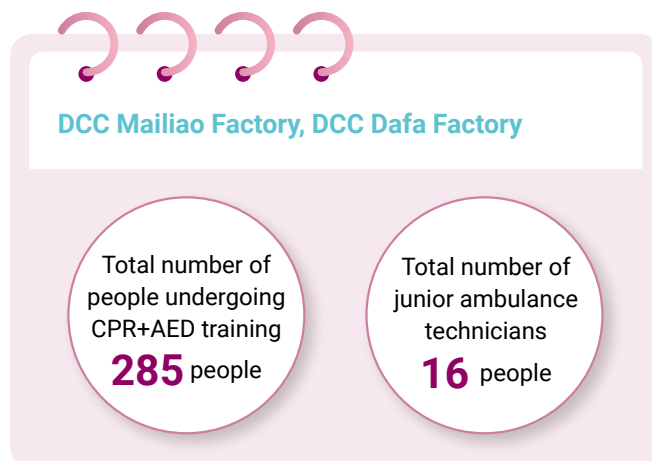
DCC Mailiao Factory - Seminar on Heavy Object Handling and Posture Hazard Lectures for Office Computers



DCC Mailiao Factory - CPR+AED training, EMT training



## AED Safe Area Certificate Mark



## Health examination

DCC attaches great importance to the physical health of all employees, provides comprehensive health checkups every year, and regularly tracks the physical and mental health of employees. In 2023, the health checkup rate reached 100%. In addition, according to the law, employees in the workplace exposed to health hazards are subject to annual special hazard health checkups. For employees with abnormal health checks, we refer to the doctor's advice, take management measures such as improving the nature of the risk sources or transferring from their current position. In 2023, DCC conducted 100% special hazard health checkup, with a total of 1,064 person-times, and the inspection results showed no special abnormality. Please refer to Appendix C for details.

## Health Management

We plan the short, medium, and long term plans for employees and contractors. The medium-term plan is to fully investigate and evaluate chemical hazards in the workplace as well as controlling the exposure concentration to under 10% of the limit value; the long-term plan is to develop a risk trend analysis of the top five diseases with the highest prevalence in the entire Group and invest in health management to create a healthy working environment. The short-term plan is to implementation measures are as follows:

### Employee Health Management System

An employee health management system has been built in DCC's Enterprise Resource Planning (ERP). Employees' health management data over the years can be managed within the system, enabling employees to check on changes in their medical examination data and pay attention to their health status at any time. The health checkup data are classified into groups, and the clinical criteria are compared for a preliminary analysis to assess the health management effectiveness.

### Management for Operations with Special Hazards to Health

At DCC, we are committed to identifying special health hazards in the workplace in each of our factories. We entrust professional monitoring vendors to perform inspections in accordance with specific laws and regulations. Improvement, management and effectiveness of short and medium-term plans are carried out and assessed. We also worked with a team made up of professors and experts from various major universities to achieve the following results:

01

Implemented the division of labor mechanism for operational environmental monitoring and testing and performance review of each factory of the Group; completed the review of the operational environmental monitoring and testing planning, project, on-site sampling and monitoring and report; completed contractor appraisal of operational environmental monitoring and testing, reaching 100% of the implementation of the operational environmental monitoring and testing process in each factory.

02

Established the module of labor exposure parameters and results compilation, covering the labor exposure survey, physical and chemical sampling and sample analysis record and data analysis form of the report of operational environmental monitoring and testing exposure evaluation. The module operation manual has also been completed.

03

Confirmed the improvement effectiveness of high risk areas (>1/10 allowed concentration standard) of the operational environmental monitoring and testing at DCC's factories; conducted improvement plans after evaluating high-risk areas to be prioritized for improvement; completed on-site visits and surveys in one high-risk area for improvement effectiveness.

## Health Promotion

At DCC, we organize multiple health promotion activities. A total of 3 factories have attained the “Badge of Accredited Healthy Workplace” from the Health Promotion Administration. In the Company, we are committed to facilitating tobacco hazards prevention and health promotion, making every effort to achieve a smoke-free workplace by implementing health promotion measures. Through the effect of being awarded this Badge, we have enhanced our corporate friendly workplace and improved employee’s health protection, showcasing our care for employees to the industry, suppliers and external evaluation sectors, strengthening the competitiveness of the Group.



DCC Dafa Factory - Health  
Education campaign  
“Relieving Human Factors  
Stress Made Easy”



DCC Dafa Factory - “Protecting  
Women - Screening for Cancer”  
health education activity during  
the health season

## Health Consultation

DCC implements graded management based on the results of employee health checkups. For employees with abnormal conditions, we cooperate with on-site physicians and plant nurses to provide health consultations to keep employees informed of their current physical conditions and suggest improvement measures. Health education and promotion are provided for employees with mild abnormalities. Colleagues with moderate abnormalities are re-examined and confirmed, and the factory nurse keeps track and records. For employees with severe abnormalities, the factory nurse will issue a return checkup form and request the colleague to report the results.

## Maternity Protection

DCC has established a lactation room in each factory to create a quality maternal health environment for female employees to provide them, contractors, or visitors during pregnancy and lactation with a comfortable and private environment.

The Company has established the “Procedures for Maternal Health Protection for Female Workers” and adopted hazard assessment, control, and graded management measures for jobs that may pose maternal health hazards. Potential adverse health effects are assessed by on-site occupational physicians, and changes are made in work adjustment or workplace changes, with continuous care and health education provided.



### 3.4.4 Response and management of major incidents

#### Management Approach of "Response and Management of Major Incidents"

##### Meaning of Material Issues

When a major accident occurs, an incomplete contingency plan may cause a significant impact on public safety, the local economy, the image of the entire industry, the environment, and natural resources, or even cause secondary disasters. Given this, we perform emergency response drills in different scenarios to familiarize employees with emergency response techniques and correct procedures.

##### Responsibility

Taipei Head Office: Safety & Health Department, General Affairs Department  
Factory: Safety & Health Department, General Affairs Department, Process Departments

##### Review Mechanism

An ESG Committee meeting is held once a year, an ESG working team meeting is held quarterly for regular review

##### Policy and Commitment

Comply with the regulations set forth by the competent authorities and take reference from international standards. We are dedicated to continuously enhancing response strategies, equipment and manpower, while applying the policy to responses regarding factories, shipping, public pipelines and underground pipelines.

##### Target

KPI : Number of people and hours of emergency response drills/training at Taiwan factories

| 2024 Target                         | 2025 Target                         | 2030 Target                         |
|-------------------------------------|-------------------------------------|-------------------------------------|
| 12,300 person-times<br>12,300 hours | 12,600 person-times<br>12,600 hours | 13,800 person-times<br>13,800 hours |

##### Action Plan

- We conduct industry-academia collaboration for emergency response training each year to establish a response protection network that completely covers the requirements of toxic and hazardous chemical substances of concern.
- Meanwhile, we continue to strengthen the emergency response capabilities and manpower of DCC as well as relevant contractors. Furthermore, the training plan is reviewed on a yearly basis so that it aligns with the actual needs of DCC.
- Carry out fire extinguisher training on industrial fire modules so that the self-defense fire personnel are familiar with the handling of equipment fires in the factory. In doing so, their ability to put out a fire in the early stage and prevent the expansion of a fire is enhanced.
- Provide professional training so that the responders can quickly respond in the event of an accident in order to relieve the impact on society. We also allocate adequate responders to all shifts, allowing 24-hour response. Conduct joint drills on accidents with our transportation contractors to reduce the required response time in the event of a transportation accident, while reducing the impact of chemical spills on the surrounding communities. The results of the drill are used to review whether the current response procedures and equipment preparation are appropriate.
- The DCC's joint defense organization can immediately dispatch neighboring factories for joint defense and rescue efforts to reduce disaster losses and prevent secondary hazards in the event of a chemical transportation accident.
- We conduct safety production drills and repeatedly practice emergency operating procedures for rare and dangerous process situations to prevent dangerous situations from further turning into accidents.

##### 2023 Implementation Result

KPI : Number of people and hours of emergency response drills/training at Taiwan factories

- Mailiao Factory and our friends in No.6 Naphtha Cracker industrial park jointly completed one large-scale Acetic Acid contingency exercise.
- Kaohsiung Factory - Pipeline Group 6 of the Regional Defense Organization Received the Excellent Control Model Award.
- Dafa Factory - Pipeline Group 5 of the Regional Defense Organization Received the Excellent Control Model Award.

##### Communication/ Grievance Mechanism

- Establish contact information for Environmental Protection Bureau, fire brigade, hospitals and neighboring factories well as a proactive notification mechanism in case of an incident. External notification can be quickly completed at the early stage of the accident, enabling affected areas to shelter in place or be evacuated immediately.
- Build an APP that makes SDS available on mobile phones so that front-line responders can quickly check the characteristics of the chemicals carried by the truck using the vehicle registration plate to speed up the response process.
- Mailiao Factory and Dafa Factory take the initiative to inform neighboring communities of the start-up and shut-down of the factories as well as anomalies, and the potential risks to operations in the hope of reducing the concerns of local communities and related units. We do our utmost to maintain a good neighboring living environment while keeping a sound community relations.
- DCC Mailiao Factory takes part in the No. 6 Naphtha Cracker Environmental Evaluation Committee on a quarterly basis and the joint drills of the public pipelines in the No.6 Naphtha Cracker industrial park, together with the third party and the competent authorities to review the review, in order to significantly reduce the impact of the accident on the environment and the surrounding communities.

## Emergency Response Communication and Training

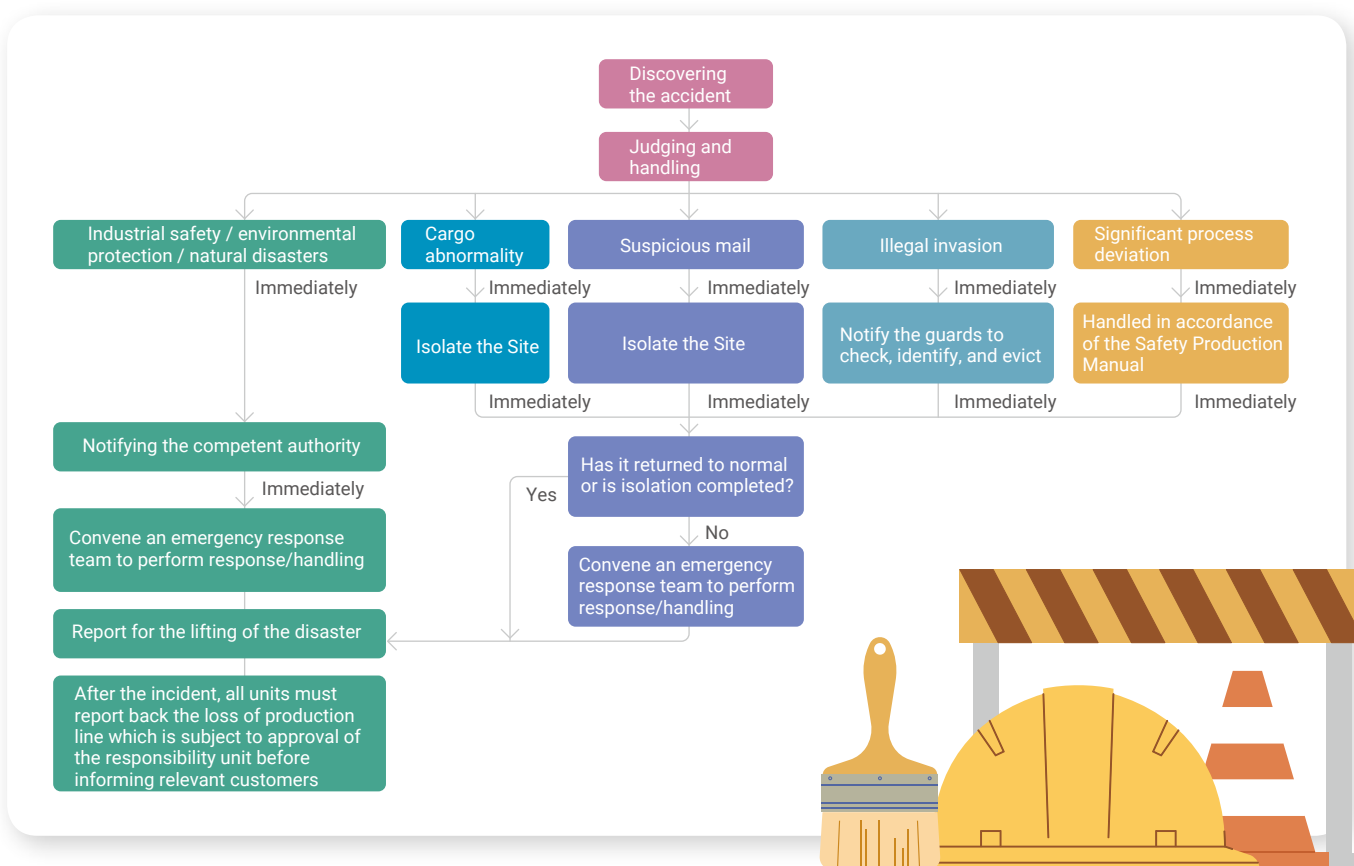
### Advocacy

- 1 Accident reporting and advocacy for transportation contractors
- 2 Promotion of factory emergency notification procedures
- 3 Contact and notification of relevant stakeholders
- 4 Emergency evacuation routes
- 5 Operation and safety precautions of joint defense organization
- 6 Assign and coordinate the areas of responsibility of the joint defense organization
- 7 Annual transportation safety conference

### Training and Drills

- 1 Confined space rescue training
- 2 Joint transportation accident drill
- 3 Fire response safety training
- 4 Fire hose operation training
- 5 Firefighting drill for trough roof
- 6 Firefighting drills for overhead pipelines
- 7 Foam fire extinguishing drill in the storage tank area
- 8 Accident tank truck moving training

## Emergency Response Procedures



## Emergency Response Priority Plan

01  
Cooperation with  
Government Agencies

02  
Industrial Park Joint  
Defense

03  
Pipeline Transport  
Joint Defense

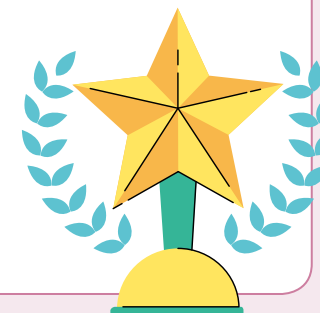
04  
Road Transport Joint  
Defense



## Cooperation with Government Agencies

### CCDPJ won the "First Prize in the Various Forms of Fire and Rescue Force Actual Skills Competition"

CCDPJ participated in the 2023 annual Panjin Economic Development Zone various types of fire rescue and rescue forces practical skills competitions, and won first prizes in the "50-meter fire extinguisher exercise in combat suit" and "hydrant water target exercise".



## Industrial Park Joint Defense

### Mailiao Factory - Continues to Participate in Joint Drills of the Public Pipelines in the No.6 Naphtha Cracker industrial park

The public pipeline of the Mailiao Factory is part of the public pipeline system of the No.6 Naphtha Cracker industrial park in Mailiao. In order to familiarize employees with the relevant response actions and mechanisms, from 2017, the factory has performed large-scale joint response drills alongside the fire brigade, the pipeline team, and relevant response teams in the complex. By making this effort, the last line of defense for the safety of the public pipelines is strengthened and the impact of disasters minimized. In 2023, Mailiao Factory and the Formosa Plastic Group jointly completed one large-scale Acetic Acid contingency drill.





## Pipeline Transport Joint Defense

DCC comply fully with applicable regulations of the competent authorities and implement comprehensive evaluation on the safety of pipelines. Each year, we formulate pipeline maintenance and prepare plans and ensure the normal and safe transport of raw material fluids through on-site electronic inspection of pipelines, a leak detection system, corrosion potential and closed-interval potential of regular inspection, inclusive management of regular pipeline thickness measurement, such as Intelligent Pig to prevent pipeline damage and leakage hazards. In addition, we raise public safety awareness and establish public relations of underground industrial pipelines through the joint defense organization.

### Kaohsiung Factory - Pipeline Group 6 of the Regional Defense Organization Received the Excellent Joint Defense Organization Award.

The Kaohsiung Factory attained outstanding performances serving as the leader of the Risk Assessment Function Group of Kaohsiung City's underground industrial pipelines for Pipeline Group 6, and was selected as an excellent joint defense organization by the MOEA in 2023.



### Dafa Factory - Pipeline Group 5 joint defense organization was awarded the Outstanding Joint Prevention Organization.

Dafa Factory performed well in the Pipeline Group 5 joint defense organization for underground industrial pipelines in Kaohsiung City. In 2023, Dafa Factory was selected as an excellent joint defense prevention organization by the MOEA.



## Road Transport Joint Defense

The contingency capabilities of the Group's production sites have been integrated to form the joint defense organization by factories of DCC and CCPG, which can immediately dispatch neighboring factories for joint defense and rescue efforts to reduce disaster losses and prevent secondary hazards in the event of a chemical transportation accident.

- CCPG Changpin Factory
- CCPG Mailiao Factory
- CCPC Miaoli Factory
- CCPG Storage and Transportation Area at Port of Taichung

### Central Region Transportation on Defense

### Northern Region Transportation Defense

- CCP Hsinchu Factory
- CCPC Miaoli Factory
- Triplex Chemical Corporation

- DCC Kaohsiung Factory
- CCPG Dafa Factory
- Lushun Warehouse Co., Ltd.
- CCP Kaohsiung Factory

### Southern Region Transportation Defense

## Outstanding Performance Award

Furthermore, it is DCC's ongoing dedication to deepen the nationwide joint defense organization for the transportation of toxic and chemical substances, optimize procedures, and continue to improve response capacity. DCC Mailiao Factory, DCC Kaohsiung Factory, DCC Dafa Factory formed the Formaldehyde Chang Chun Toxic Disaster Joint Defense Organization and the Allyl Alcohol Toxic Disaster Joint Defense Organization, the Chang Chun Epichlorohydrin (ECH) Toxic Disaster Joint Defense Organization, and the Epichlorohydrin Changchun Toxic Disaster Prevention Organization. with CCPG factories and their transportation contractors and performed the best in the joint defense organization conducted by the Taiwan Responsible Care Association in 2022, and were awarded the Outstanding Performance Award in 2023.



## 3.5 Community Relations

In response to the 17 Sustainable Development Goals (SDGs) proposed by the United Nations, we further assess the needs of our factories through surveys and interviews. At DCC, we focus on our five action axes of the common good values, including "1. Promoting Health and Welfare", "2. Cultivating Chemical Professionals", "3. Practicing New Perspectives of Responsible Production", "4. Strengthening the Environment, Health and Safety in the Industry", and "5. Integrating Community Resources and Communication". The primary linkage of SDGs include SDG3, SDG4, SDG9, SDG12, and SDG17. In the future, we will continue to emphasize the importance of these 5 action axes to proactively integrate internal and external resources, invest in different fields and work with local communities to jointly create a sustainable future.



**In 2023, DCC Took Part in a Total of 77 Social Contribution Projects in Taiwan and Overseas**

Note: For Axis 3: Practicing New Perspectives of Responsible Production, please refer to 1.2.1 Innovative R&D.

### Promotion of Health and Welfare

In 2023, DCC organized in many blood drive, beach cleanup, and mountain tidy-up activities. Through these concrete actions, we hope to strengthen the notion of health and environmental protection awareness of our employees, their families, and local people.

#### 2023 Blood Donation



► At DCC, **10** blood donation events were held in Taiwan and overseas factories, donating a total of 613 bags of blood.



DCC, CCP, and CCPC in Taiwan factories held three beach cleanups and one mountain tidy-up activities in 2023. Our employees and their families were also invited to make a difference for a cleaner environment.

### Beach Clean-up in Northern Taiwan

- Employees and family members of DCC Taipei Company, CCP Hsinchu Factory, and CCPC Miaoli Factory got together to clean up the Xinfeng Township port. A total of **195** people participated in the tidy-up, picking up **202** kilograms of trash, making an effort in the sustainability of the environment.



### Beach Clean-up in Central Taiwan

- Employees and their families of DCC Mailiao Factory and CCPG Changpin Factory cleaned the beach around the water near the Changbin Industrial Park. A total of **180** people participated, lifting **930** kilograms of garbage to protect the marine ecology.



### Mountain Tidy-up in Southern Taiwan

- Employees and family members of DCC Dafa Factory, DCC Kaohsiung Factory, and CCP Kaohsiung Factory gathered at the Mount Guanyin Trails to clean up the mountain. A total of **311** people participated in the cleanup, picking up **55** kilograms of trash. Through the cleanup, participants' efforts paid off as the original appearance of the natural environment was restored.



## Tree Planting

- DCCM organized a tree planting event in which 84 employees and their family members participated. The event involved **62** mangroves in the local national park and **58** kilograms of garbage was cleared away. The goal is to purify the air through greening the environment by absorbing carbon dioxide from the atmosphere.



## Cultivation of Chemical Professionals

Through the core capabilities and resources in the industry, we continue to dedicate ourselves to making efforts and contributions in the course of education promotion. Through factory visits and internships we are able to allow students to better understand industry-related knowledge and industry development to broaden their horizons, while at the same time cultivating industry talent capital. Through these activities, we hope that students will gain more insights into DCC.



### DCC Outstanding Student Scholarship

Targeting talented chemical, mechanical, and instrumentation students, CCPG has worked with many universities in Taiwan and provided scholarships (2 students received a scholarship of NT\$200,000 each in 2023) to develop future talent in the chemical industry.







### “DCC Scholarship”

DCCJS and the Yizheng Technician College established the “DCC Scholarship”, which was granted to six outstanding chemical students to encourage outstanding students.



### Renda Industrial Park and Renwu Senior High School Established an Industry-Academia Strategic Alliance

The Ren-Wu Industrial Park Service Center, together with the petrochemical companies in Dashe District and Renwu District and Renwu Senior High School, formed an industry-academia strategic alliance with Renwu Senior High School and jointly funded the Renwu Senior High School for Petrochemical Specialized Class. Aside from providing students with internship opportunities, internal instructors are also arranged and university professors hired to give lectures to the students. Each year, students of the specialized international petrochemical class are provided with opportunities to study off-site. By doing this, we hope to increase the possibility of future chemical talent choosing to work at CCPG.

## Strengthening Environment, Health, and Safety in the Industry

“Environmental Protection as a Priority and Safety First” is the duty-bound responsibility and obligation of operators and employees of CCPG. As a member of DCC, by sharing our expertise in industrial safety, we hope to be jointly committed to maintaining the environmental safety of community residents with government agencies, peers, the industry and the community to maintain the environment and ensure factory safety and health of nearby community residents.

### Sharing of Safety Culture and Management Promotion Practices

To help peers in the industry strengthen process safety management, the Occupational Safety and Health Administration, Ministry of Labor invited us to share our safety culture, management practices, and IT application results, providing a reference for the petrochemical industry to establish and strengthen a process safety management system.



## Integrating Community Resources and Communication

DCC took the initiative to participate in events held in communities according to the needs of the local people. By doing this, we bring the company and local residents closer together while maintaining diverse and smooth communication outlets with the chief of the village, the community and the residents. We provide an assortment of resources to give back to society, hoping to inject some warmth into society.

## Local Community Communication and Management

### Care for Neighborhood Safety

Neighborhood safety is taken into account during the management processes of DCC's factories, as summarized in the following:

#### 1. Reduction of Pollutant Emissions: :



At DCC, we do our utmost to minimize the negative impact on the environment, in particular by reducing pollution emissions, and using processes and technologies that are more environmentally friendly. Moreover, environmental protection-related procedures have been established to protect the safety of DCC's neighbors, providing local residents with a good environmental quality.

#### 2. Regular Inspection of Production Equipment:



All factories of DCC regularly inspect the equipment to ensure its normal operation, and repair any damage or malfunction in a timely manner. Each factory inspects the equipment according to the relevant equipment inspection procedures, protecting the safety of the neighborhood. DCC did not have any major equipment abnormalities in 2023, providing a good and safe living environment for local residents.

#### 3. Production Safety Training for Operators:



In a bid to ensure the safety of production operations, DCC provides necessary safety training to its employees to ensure the best safety practices are followed during the process of operations and potential accidents are prevented. The Group has established an "e-Learning" targeting production safety training for operators, with training courses covering chemical processes, environmental protection, safety and health, instrumentation and electrical control, mechanical safety, and technical design. Statistical analysis is conducted according to the individual learning map of each trainee with training progress management and regular refresher training notifications executed. Tests are also available for evaluation and the evaluation results are included in the appraisal assessment by the Human Resource Department.

#### 4. Collaboration with the Local Government:



DCC keeps in close contact with local governments where the factories operate to better understand local regulatory requirements. DCC also ensures that its operations are in line with the local environmental and safety standards.

#### 5. Neighborhood Communication Outlets:



DCC's factories have open communication outlets and maintain close contact with neighbors, while at the same time actively responding to questions and feedback. In doing so, we are able to enhance the trust of the community in the factories and help factories understand the needs and concerns of local residents. The person discovering a petition case of an abnormality reported by the community or the recipient of the information must inform the Safety & Health Department or the relevant authority department via email or telephone, and it must be immediately and appropriately handled. The handling, replying, and recording of the petition will be carried out by the Administration Office, Management Representative, and the Safety & Health Department.



## Implementation Protection

DCC is engaged in the manufacture of chemical products. The main processes generate waste gas, wastewater, waste solvent, and waste that need to be treated by environmental equipment. After assessment, potential impacts to local communities mainly occur in the environment, including air pollution control and water pollution control. As a means to implement environmental protection, the manufacturing sites undertake regular environmental quality monitoring and have independently set up environmental monitoring stations in some factories. In the event of an abnormal situation in any factory, the relevant units are immediately notified to take emergency response measures in order to effectively reduce the environmental impact of the operating activities. Regular implementation of environmental monitoring items inside and outside the factory:



### 1. Air Quality

For the sensitive points during the construction period outside the factory, fences or dikes were set up at the perimeter of the site. Sources of fugitive dust such as construction materials, gravel, earth, or waste that were piled inside the base were covered with dustproof cloths or nets to suppress dust. When excavation works were being performed, steel plates were laid down on the main access road for vehicles or on the base ground where there were no construction works. By doing this, we were able to control dust from the movement of vehicles.

During the operation of the factory, air pollution prevention equipment must be installed according to the laws. As well as this, the equipment will be maintained and repaired on a regular basis. Newly added processes must be handled in accordance with the "Stationary Pollution Source Installation, Operating and Fuel Use Permit Management Regulations Amended Clauses" and the Standards for Air Pollutant Emission from Stationary Pollution Sources. For full details on air pollution emissions management, please see "2.5 Air Pollutant Emissions Management".



### 2. Noise and Vibration Monitoring

The main sources of noise generated in the factory are blowers and cooling towers. The entrances and exits of equipment are equipped with sound proof equipment to effectively reduce the impact of noise and vibration on nearby residents.



### 3. Water Body Monitoring

Each factory of DCC has a dedicated wastewater treatment plant, which is regularly maintained and properly operated to prevent abnormal discharge water quality from affecting the surface water quality. An automatic continuous monitoring system has been installed to monitor changes in effluent quality to ensure that effluents discharged to surface water bodies meet the standards. In addition, the factory also regularly tests and records the groundwater. Factories directly discharge water to surface water will test and record the nearby river sediment.



### Maintaining Neighborhood Relationship

DCC has long supported and sponsored the activities held by neighboring communities and has established good exchange and communication channels with them.

### Caring for Students

#### "2023 Kaohsiung City Interdepartmental GHG Reduction" Program

DCC Kaohsiung Factory supports the "2023 Kaohsiung City Interdepartmental GHG Reduction" Program of the Environmental Protection Bureau of Kaohsiung City Government. DCC Kaohsiung Factory assisted Renwu Senior High School in replacing energy-saving lighting fixtures, providing a good learning environment for the students.

#### Donation for New Teaching Equipment and Scholarships

DCCM continues to donate funds to Foon Yew High School - Seri Alam, SJK (C) Nam Heng, and SJKC Ladang Grisek for new teaching equipment and scholarships, improving the students' learning environment and hardware facilities for students.



### Caring for the Disadvantaged

#### Supporting Taiwan's Agricultural Products and Caring for the Underprivileged

In response to the government's promotion of local agricultural product packages, DCC purchased and donated 52 boxes of agricultural products to disadvantaged groups (such as the Catholic Non-profit Tsz-Ai Mercy Hospice, etc.), supporting Taiwan's agriculture with concrete actions, and passing on care and love to disadvantaged groups.



#### Donation of Charitable Clothing and Books

DCCJS gathered donated clothes and books by employees and gave them to children in poor areas through the Yizheng Volunteer Union. Our care and love are passed on to the children.



## Community Prosperity

### Respond to the Innovative Magnetic Walks for Environmental Protection and Share the Green Living Activities with the Public

The Environmental Protection Bureau of Yunlin County organized the "Environmental Creativity Walk for a Green Life". The walk combined a creative modeling catwalk to encourage the public to unleash their creativity and make clothing and props from waste. To support the idea of environmental protection, no disposable products were used and the public was encouraged to use reusable cups.

DCC Mailiao Factory provided cartons of water and towels. In addition, about 25 employees and their family members participated in the activity to contribute to environmental protection and sustainability through practical actions.



### Donation of Residential Fire Alarms

DCC Dafa Factory and DCC Kaohsiung Factory donated a total of 400 residential fire alarms to the Kaohsiung City Fire Department for the local residents. The goal is to raise the awareness of the public about home fire safety to achieve early detection of fires, early response, and early evacuation, working together to protect people's residential safety.





# Ch4

## Integrity

As “integrity” is the cornerstone of DCC’s operations, corporate governance, legal compliance and risk management have been incorporated into the management of the group-level. In 2017, we formed an ESG Committee to strengthen ESG management. As required by the FSC, we promote the Corporate Governance 3.0 – Sustainable Development Roadmap, including introducing the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD). As well as this, we will implement the Sustainable Development Goals (SDGs) and follow the sustainable development roadmap to create a complete sustainable development (ESG) ecosystem, strengthening our international competitiveness.

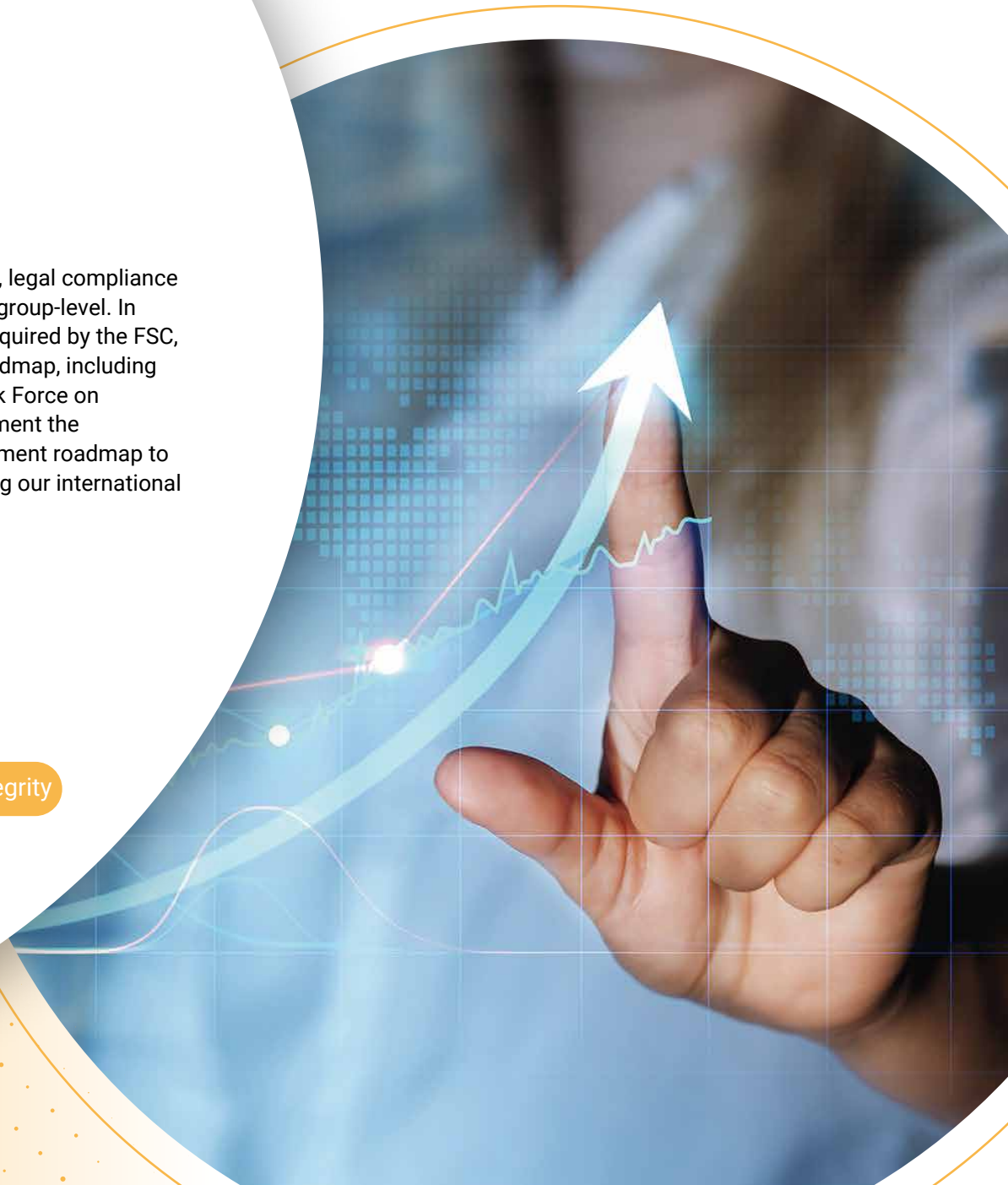
### 4.1 Corporate Governance

### 4.2 Smart Manufacturing

Corresponding material  
sustainability topic

Legal compliance

Corporate governance and integrity



| DCC ESG Issues                     | KPI                                                                                                                                                                     | 2023 Target                       | Achievement in 2023                                                        | 2024 Target                                                                                                                             | 2025 Target | 2030 Target | Corresponding SDGs                                                                    |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|---------------------------------------------------------------------------------------|
| Legal compliance                   | Legal compliance and human rights training completion rate                                                                                                              | 100%                              | 100%                                                                       | Remain 100% every year (Excluding new hires within the previous three months, those on unpaid parental leave, and those injured or ill) |             |             |    |
|                                    | Track and change the internal control system or contractual terms and conditions to align with changes in laws and regulations                                          | Number of cases actually executed | Revised 14 internal control regulations and 63 standard contract templates | Number of cases actually executed                                                                                                       |             |             |                                                                                       |
|                                    | Provide the up-to-date legal information to the several factories for them to identify their legal compliance rate                                                      | 100%                              | 100%                                                                       | Remain 100% every year                                                                                                                  |             |             |                                                                                       |
|                                    | Number of cases of violations of laws or regulations in the aspect of business ethics that are considered material (i.e. subject to a penalty of NT\$1 million or more) | 0 case                            | 0 case                                                                     | Remain zero occurrence every year                                                                                                       |             |             |                                                                                       |
| Corporate governance and integrity | Conformity of intra-Group business ethics                                                                                                                               | 95%                               | 96%                                                                        | 96%                                                                                                                                     | 96%         | 98%         |  |
|                                    | Assessment of anti-corruption risk                                                                                                                                      | Low anti-corruption risk          | Low anti-corruption risk                                                   | Maintain a low anti-corruption risk every year                                                                                          |             |             |                                                                                       |

## 4.1 Corporate Governance

### 4.1.1 Corporate governance and integrity

#### "Legal Compliance" Management Approach

##### Meaning of Material Issues

Legal compliance is the Company's moral mission and responsibility. Strict compliance with relevant laws and regulations is the practice of social responsibility, and also a way of being responsible to the stakeholders. Maintaining the corporate reputation and trust leads the Company to stable and sustainable growth.

##### Responsibility

Legal Compliance Committee,  
Legal Department

##### Review Mechanism

An ESG Committee meeting is held once a year, a legal compliance committee meeting is held every six months, and an ESG working team meeting is held quarterly for regular review

##### Policy and Commitment

DCC values local laws and regulations and has established a regulations identification system to assess the potential risks that may arise from regulatory changes, in order to avoid the impact of illegal incidents on the Company and to achieve long-term stable development.

##### Target

| KPI                                                                                                                                                                     | 2024 Target                                                                                                                                | 2025 Target | 2030 Target |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Legal compliance and human rights training completion rate                                                                                                              | Remain 100% every year<br>(Excluding new hires within the previous three months, those on unpaid parental leave, and those injured or ill) |             |             |
| Track and change the internal control system or contractual terms and conditions to align with changes in laws and regulations                                          | Number of cases actually executed                                                                                                          |             |             |
| Provide the up-to-date legal information to the several factories for them to identify their legal compliance rate                                                      | Remain 100% every year                                                                                                                     |             |             |
| Number of cases of violations of laws or regulations in the aspect of business ethics that are considered material (i.e. subject to a penalty of NT\$1 million or more) | Remain zero occurrence every year                                                                                                          |             |             |

##### 2023 Implementation Result

| KPI                                                                                                                                                                     | 2023 Target                                                                                                                                | 2023 Implementation Result                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Legal compliance and human rights training completion rate                                                                                                              | Remain 100% every year<br>(Excluding new hires within the previous three months, those on unpaid parental leave, and those injured or ill) | 100%                                                                       |
| Track and change the internal control system or contractual terms and conditions to align with changes in laws and regulations                                          | Number of cases actually executed                                                                                                          | Revised 14 internal control regulations and 64 standard contract templates |
| Provide the up-to-date legal information to the several factories for them to identify their legal compliance rate                                                      | Remain 100% every year                                                                                                                     | 100%                                                                       |
| Number of cases of violations of laws or regulations in the aspect of business ethics that are considered material (i.e. subject to a penalty of NT\$1 million or more) | Remain zero occurrence every year                                                                                                          | 0 case                                                                     |

Note: All 3 environmental violations (subject to a penalty of NT\$100,000 or more each) have been addressed and improved. Please refer to 2.1 Environmental Management Strategy.

##### Action Plan

- Risk prevention: The Group provides training on legal compliance and human rights to deepen the employee's concept of the legal system. In addition, there is the "CCPG Regulatory Identification System" in place to identify annual potential regulatory risks through business activities.
- Risk Handling: After an incident occurs or a report is received, DCC will immediately establish a response team to handle the incident as quickly as possible according to its nature.

##### Communication/ Grievance Mechanism

- Internally, the Group has the "Employee Grievance Operating Procedures"; externally, emails are available on the website: ccpgaudit@ccp.com.tw / CCPGLG@ccp.com.tw, providing employees and stakeholders outlets with a communication bridge to make complaints anonymously.
- The Group's grievance investigation system, whistleblower protection mechanism, and disciplinary measures are implemented in accordance with the "Grievance Investigation Operating Procedures."

##### Performance Evaluation Methods and Results

A Legal Compliance Committee meeting is convened by the Legal Department every six months and a legal compliance management review performed at the end of the year.



## "Corporate Governance and Integrity" Management Approach

### Meaning of Material Issues

DCC firmly believes that a transparent, open, and efficient corporate governance mechanism and the implementation of corporate sustainability standards and measures can protect the rights and interests of shareholders while taking into account the interests of other stakeholders, thereby leading the Company to achieve steady and sustainable growth.

### Responsibility

Legal Compliance Committee, Legal Department, Audit Department, Financial Department

### Review Mechanism

An ESG Committee meeting is held once a year, a legal compliance committee meeting is held every six months, and an ESG working team meeting is held quarterly for regular review

### Policy and Commitment

"Integrity" is the cornerstone of DCC. We have improved our corporate governance structure, strengthened the functions of the Board of Directors, and maintained high ethical standards and effective accountability mechanisms at all operational levels. These include fair competition, anti-competition, anti-corruption, anti-fraud, refusal of conflicts of interest, and anti-money laundering, etc., and accountability to stakeholders to achieve sustainable development.

### Target

| KPI                                    | Short-term Target (2024)                       | Medium-term Target (2025) | Long-term Target (2030) |
|----------------------------------------|------------------------------------------------|---------------------------|-------------------------|
| Conformity of internal business ethics | 96%                                            | 96%                       | 98%                     |
| Assessment of anti-corruption risk     | Maintain a low anti-corruption risk every year |                           |                         |

Note: The business ethics review covers anti-corruption and recusal due to conflicts of interest.

### Action Plan

- Hold a Board of Directors' meeting at least once a quarter and fulfill the responsibility of guiding and monitoring the company's strategy, major business operations, and risk control management.
- Perform internal audits in accordance with the internal control audit measures to ensure the effective implementation of the Group's internal control system.
- Carry out an annual business ethics risk assessment and take countermeasures or control measures for potential risks.
- Annually perform an internal audit of business ethics, and propose corrective measures for non-conformities.
- Continue to disclose financial reports and sustainability reports each year to enhance the transparency of information.

### 2023 Implementation Result

| KPI                                    | 2023 Target                         | 2023 Implementation Result                                                                                                                                                             |
|----------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Conformity of internal business ethics | 95%                                 | 96%                                                                                                                                                                                    |
| Assessment of anti-corruption risk     | Maintain a low anti-corruption risk | A corruption risk assessment table is prepared based on the corruption risk assessment items and actual implementation results. The assessment results in low corruption risk in 2023. |

### Communication/ Grievance Mechanism

- Internally, the Company has the "Employee Grievance Operating Procedures"; externally, emails are available on the website: ccpgaudit@ccp.com.tw / CCPGLG@ccp.com.tw, providing employees and stakeholders outlets with a communication bridge to make complaints anonymously.
- The Company's grievance investigation system and whistleblower protection mechanism are implemented in accordance with the "Grievance Investigation Operating Procedures."

### Performance Evaluation Methods and Results

The Audit Department performs an internal control evaluation on an annual basis. Results are submitted to the Board of Directors, and nonconformities and recommended improvements are included in the system for control and are constantly monitored until improved.





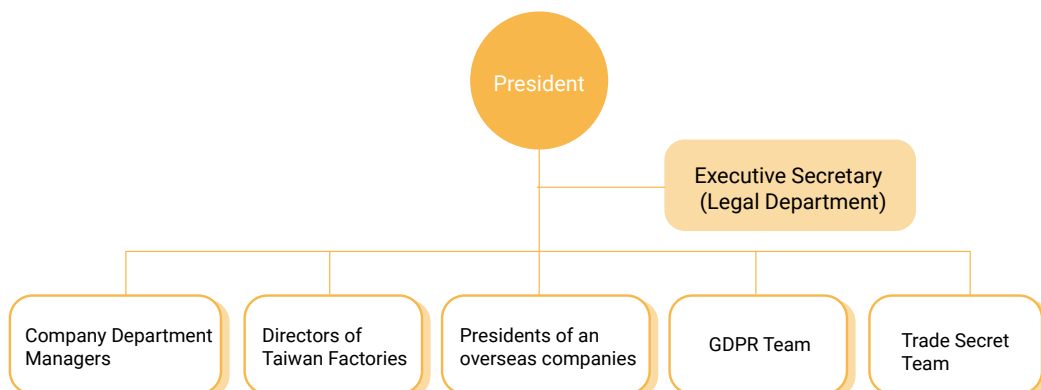
## Management Method:



## Legal compliance

### 1. Establishment of the “Legal Compliance Committee”

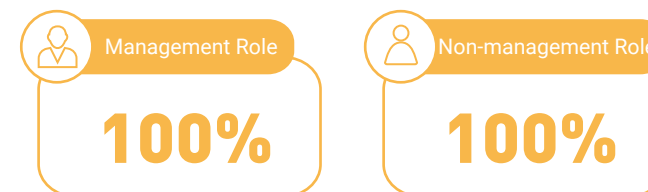
We established the “Legal Compliance Committee” to ensure that the corporate governance and management activities of the Group meet the requirements of competent authorities. Self-assessments are conducted in accordance with the “Legal Compliance Management Regulations” and the Legal Department carries out on-site inspections. The results of these audits are regularly reported to the Board of Directors. The Committee continues to follow up on the improvements made by those units with deficiencies in order to help the Group enhance the sensitivity of legal compliance. In addition, the “CCPG Regulation Identification System” is used to regularly review regulatory compliance and identify the risks that may be involved in various business activities when there are new or changed regulations. In 2023, a total of 97 regulations were identified, ensuring that all operating activities comply with the latest laws and regulations.



### 2. Education and Training on Regulatory Compliance and Human Rights

Since 2019, DCC provide annual education and training on regulatory compliance and human rights; 100% of employees received such training, further implementing the Group’s ethical standards in 2023.

### 2023 Education and Training on Regulatory Compliance and Human Rights - Employee Training Completion Percentage



Note 1: Management Role - entry-level manager (inclusive) and above; Non-management Role - general employee.

Note 2: For detailed information on each factory for 2023, please refer to Appendix D.

### Education and Training on Regulatory Compliance and Human Rights - Course Topic

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>● Code of Conduct</li> <li>● Legal Compliance - Non-violation of Laws</li> <li>● Maintain a Fair Competition Environment - No Concerted Behavior and Abuse of Dominant Position, Compliance Measures for Competition Law</li> <li>● Anti-bribery, Anti-corruption and Anti-fraud - All Forms of Corruption Are Strictly Prohibited</li> <li>● Confidential Information Protection Standards - Trade Secrets, Data Security, and Personal Data Protection, and Strict Compliance with Confidential Information Protection Regulations</li> <li>● Investor Protection - Norms to Ban Insider Trading</li> <li>● Conflict of Interest and Money Laundering Prevention</li> </ul> | <ul style="list-style-type: none"> <li>● ESG Policy</li> <li>● Human Rights Policy</li> <li>● Prohibition of Discrimination and Harassment</li> <li>● Child Labor Prevention and Remedial Measures</li> <li>● Prohibition of Forced Labor</li> <li>● Employee Grievance Procedures, Rewards and Punishments</li> </ul> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### 3. Conveying of Anti-Corruption-related Policies

At CCPG, we have established the “Integrity Clause for Chang Chun’s affiliates” and released the “DCC Anti-Bribery and Anti-Corruption Commitment” on our official website, demonstrating our determination in the matter of bribery and corruption. We have also included such notions in our education and training on regulatory compliance and human rights to strengthen employee awareness. For external entities, we require suppliers and contractors to sign the Supplier Code of Conduct (please see 1.3.1 Responsible sourcing) to effectively engage in anti-corruption communication.

#### Internal control system management

Each company of the Company has an Audit Department under the Board of Directors, and “Internal Control Systems” and “Internal Audit Enforcement Rules” are formulated in line with the company’s scales and characteristics. An independent internal audit system reviews whether the Company comply with laws and regulations, internal regulations and operating procedures. Moreover, an internal control evaluation is conducted and reported to the Board of Directors every year. The Company’s “Statement of Internal Control” is issued based on the internal control evaluation result.

In 2023, the Audit Department conducted routine project audits and topic audits of the internal control cycle at irregular intervals on the DCC factories and overseas subsidiaries. We also conduct continuous computer audits using audit software. Throughout the year, 15 suggested improvement and correction items for the internal control cycle were incorporated into the system for control and followed up until the improvements were completed.

To implement the ethical corporate management policy, Taipei Company and the Group’s factories at home and abroad follow the “Operating Procedures for Business Ethics Audits” to conduct internal audits at least once a year. Based on business ethics checklist items and actual implementation results, a business ethics compliance assessment form was compiled. The compliance rate in 2023 was 96%.

#### Suggested Improvements and Corrections of the Internal Control Cycle



### Operations of the Board of Directors

DCC’s corporate governance is effectively supervised and strategically guided by the Board of Directors of each company. The dedicated auditors perform an operational audit on each company and department to ensure there is no fraud, and that the information is correct and disclosed in a timely manner and laws and regulation are complied with in all business operations. Through the audit report and financial statements, supervisors are able to get a grasp of the company’s actual operating situation and make suggestions.

Secondly, in principle, a Board meeting is convened once every quarter and will increase in frequency when necessary. The Board of Directors receives management team reports, including one from the President, on a quarterly basis, and engages in dialogue with members of the management team. The management team proposes Company visions and strategies to the Board of Directors. The Board of Directors then evaluates the feasibility of Company strategies and supervises the timeline for completion.

The selection process of directors and supervisors of DCC is carried out in accordance with law and regulations as well as a stringent selection evaluation process. In addition to taking into account professional management ability, we also attach importance to personal integrity and leadership ability to ensure the professionalism and independence of the directors and supervisors so that they are able to provide the most appropriate strategic guidance for the future development of the Company. Doing this enables us to make further improvements to the Company’s operating procedures and enhancements of the Board of Directors in terms of improving corporate governance and compliance.

The professional qualifications of the Board members and supervisors and related discussions have been disclosed in the Company’s Annual Report. For the corporate governance structure of DCC, please visit the [official website - Organization](#).

#### 2023 Composition of Directors (Including Independent Directors) and Supervisors

| Age                                                                              | Gender | Number of People | Percentage |
|----------------------------------------------------------------------------------|--------|------------------|------------|
| 20-30 Years Old (Inclusive)                                                      | Male   | 1                | 5%         |
|                                                                                  | Female | 0                | 0%         |
| 30-50 Years Old (Inclusive)                                                      | Male   | 3                | 15%        |
|                                                                                  | Female | 0                | 0%         |
| 51 years old (and above)                                                         | Male   | 11               | 55%        |
|                                                                                  | Female | 5                | 25%        |
| Total                                                                            | Male   | 15               | 75%        |
|                                                                                  | Female | 5                | 25%        |
| Number of meetings (including interim Board meetings and regular Board meetings) |        | 4                |            |
| Attendance of Directors                                                          |        | 89%              |            |

In 2023, 4 Board meetings were held and the “Regulations for the Internal Control Systems of Shareholder Services Units” were amended. We also amended the “Internal Control System” and the “Internal Audit Enforcement Rules”. In addition, as required in the “Regulations Governing Internal Control Systems,” self-assessment audits on internal controls for 2023 were performed, further improving the Company’s operating procedures while enhancing the Board’s legal compliance and corporate governance.

## 4.1.2 Risk management

As a means to effectively grasp business risks and opportunities, we evaluate related issues that may pose a certain degree of impact on sustainable operations. We divide risk management into six major aspects and each authorized and responsible department proposes countermeasures for high-risk issues according to their frequency and severity of occurrence. Moreover, management is conducted by following the process of Plan-Do-Check-Act (PDCA) and the effectiveness is reviewed and followed up in periodic management review meetings.

### Six Risk Management Aspects



#### Financial Risk Management

The Company's financial risks are divided as follows :

1. **Credit risk:** With the primary objective being maintaining the quality of accounts receivable, we reduce the risk of financial loss arising from non-performance of contractual obligations by customers or counterparties of financial instruments, using credit check, credit rating, payment insurance, letter of credit insurance, transfer of account, endorsement and guarantee, and margin. By doing so, we are able to reduce the risk of financial loss arising from non-performance of contractual obligations of customers or transaction parties of financial instruments.
2. **Liquidity risk:** Maintain cash, cash equivalents, highly liquid marketable securities and sufficient bank financing limit required for operations to ensure that the Company has adequate financial flexibility and liquidity.
3. **Market risk:** Carry out appropriate management on exchange rate and interest rate to control the level of exposure within an acceptable range.
4. **Property risk:** Operating assets are covered with various property insurances, such as fire insurance, property insurance, commercial general liability insurance, and cargo transportation insurance, to reduce the risk of loss of business assets and transfer part of the risk the insurance company in the event of a natural or non-natural disaster.
5. **Tax risk:** Regularly review (1) Transaction Relation Statistics; (2) Tax Payment Statistics; and (3) Changes in tax laws and regulations and official interpretation letters, and propose relevant prevention and improvement measures to avoid the tax preferences being lost or the tax risk costs being increased due to failure to accurately and effectively apply tax laws to our business activities.

#### Quality Risk Management

In 2016, the quality risk management system was formed. From the high-risk items identified by the annual risk matrix and the material change issues raised by "departmental internal and external issues" and "stakeholders and concerned issues," the risk level of the quality management system that may affect the Group's companies is evaluated. In doing so, countermeasures and control measures can be taken to reduce the impact on products and services and increase advantage in terms of competitiveness.

#### Environmental and Occupational Health and Safety Risks

By applying the requirements of the most recent version of ISO standards, risk evaluation operations are performed on activities and operations inside and outside the Company and factories. Furthermore, environmental sustainability is protected through chemical management, energy conservation and carbon reduction, and the circular economy, while reducing the Company's environmental, safety, and health risks proactively by promoting Job Safety Analysis (JSA), Standard Operating Procedures (SOP) for operation safety requirements, Hazard and Operability Study (HAZOP), and labor health protection, as well as comprehensive emergency response procedures. Please refer to 3.4 Occupational Health and Safety.

## Confidential Business Information Protection

To ensure that information of our employees, customers and stakeholders is safe, we have introduced the ISMS-Information Security Management System and TSMS-Trade Secret Management System, and have passed a number of information security certifications.

### Short-term and Medium-term Target

Pass ISO 27001:2022 transition verification

### Long-term Target

Meet regulatory requirements and maintain the validity of the ISO 27001 certificate.

## Information Safety

- 2016**
  - Passed the AEO (Authorized Economic Operator) quality company certification
- 2018**
  - Established a dedicated team to introduce the GDPR-General Data Protection Regulation to meet EU regulations and privacy requirements of global customers
- 2019 | 2023**
  - Conduct online GDPR compliance education and training and EU GDPR data breach notification drill every year.
  - In 2023, the completion percentage of GDPR annual education and training reached 99.6%.
  - Each year, we perform a DGPR internal audit, including the Taipei office and 7 factories (24 departments). The audit was to check on employees' GDPR compliance and personal data protection awareness
  - Introduced the SecurityScorecard cyber data security management system and received an A rating for every year.
  - DCC passed the ISO 27001 certification.
  - The Taipei Company, our Taiwan factories, and our overseas factories have all completed information security education and training.

SECURITY SUMMARY REPORT

Scorecard for  
Dairen Chemical Corp.  
(Taiwan)



## Trade Secret System

Each year, DCC holds an education and training session and an internal audit to raise the awareness of trade secrets protection as well as the Group's related measures, and to check the implementation status of the system.

### 2023 Targets and Implementation Results

|                                       | 2023 Annual Target | 2023 Implementation Result | Short-term Target                                                       | Medium-term Target | Long-term Target |
|---------------------------------------|--------------------|----------------------------|-------------------------------------------------------------------------|--------------------|------------------|
| Correction Rate of Audit Deficiencies | 100%               | 100%                       | The annual correction rate of audit deficiencies is maintained at 100%. |                    |                  |

### Diverse Courses

Education and training was planned based on different roles to clarify the rights and responsibilities of employees managing confidential information in order to improve system implementation, further strengthening the protection mechanism of the Group's business secrets.

### 2023 Employee Completion Rate on Trade Secret System Training - Employee Training Completion Percentage

| Region   | Company/Factory | Education and Training Completion Rate |
|----------|-----------------|----------------------------------------|
| Taiwan   | DCC             | 99%                                    |
| Overseas | DCCJS           | 100%                                   |
|          | CCDPJ           | 100%                                   |

Note 1: The scope of education and training in Taiwan covers the Taipei Company and the 3 factories.

Note 2: In 2023, DCCJS, and CCDPJ were included in the education and training on the trade secret system.

### 2023 Trade Secret System - Internal Audit

- Audited units:** Taipei company and 3 factories - a total of 26 departments.
- Audit items:** Document classification control, business secrets system specification
- Deficiency correction:** Deficiency reasons must be reviewed, corrective and preventive measures proposed, and improvement tracked. The 2023 correction rate of audit deficiencies remained 100%.

As a means to handle issues regarding business secrets in a proactive manner, we have established a notification email [security TSAudit@ccpgp.com](mailto:security TSAudit@ccpgp.com) as an independent notification channel for internal and external related parties for immediate investigation and response, further reducing the impact on the Group.



## Climate Change Risk Management

In response to severe global climate changes, DCC implemented the Task Force on Climate-Related Financial Disclosures (TCFD) framework to identify related risks in advance to further reduce possible operational disasters brought along with climate change. For related risks and response strategies, please refer to 2.2 Climate Change Risks and Opportunities.

## Labor Rights and Business Ethics Risk Management

The Company has adopted the "Operating Procedures for Labor Rights and Business Ethics Risk Management". The risk assessment on the entire Company is conducted every year. Countermeasures or control measures were adopted to reduce related risks. CCPG has formulated its human rights-related management policies in accordance with international human rights standards. For more details, please refer to 3.1.1 Human Rights Policy.

### Labor rights assessment items

Child labor/underage labor; forced labor; discrimination; complaints filing; working hours; incentives and discipline; freedom of association; salary and benefits, and so on.

### Business ethics assessment items

Bribery and corruption, conflict-interest avoidance and gifts, legal compliance, trade secrets, intellectual property rights, and protection of personal data.

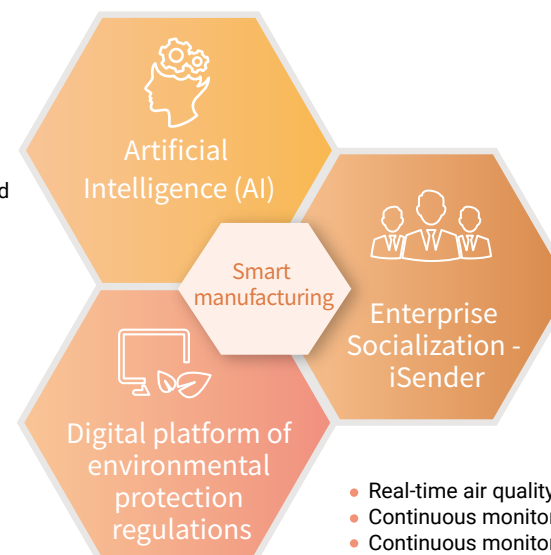
## 4.2 Smart Manufacturing

DCC applies a large number of advanced electronic information tools in productions, management, and information communication to improve production efficiency, strengthen quality management, and optimize environmental work safety and health mechanisms. This furthers integrates the information system of each factory in an effective manner to convey important management information in real time in order to quickly respond to customers' service needs.

With the evolution of information technology and companies moving towards internationalization, DCC will continue to use the most advanced electronic information technology to develop into a smart manufacturing company, achieving the Company's business philosophy.

### Smart Manufacturing Application Fields

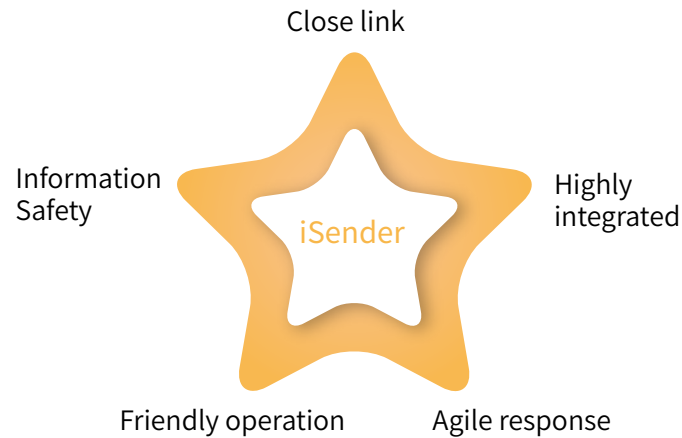
- Product defect classification and deficiency detection
- Product real-time quality determination
- Automatic control process
- Predict equipment abnormality in advance based on irregular sounds
- Facial recognition system
- Production data dashboard
- Smart power plant
- Optimal unit load capacity and steam distribution



- Replaces desktop computers, supports cross-platforms, and view data directly on mobile phones
- Real-time mobile phone communication to promote team efficiency and information security

- Real-time air quality monitoring
- Continuous monitoring of wastewater discharge ports
- Continuous monitoring of flares
- Laws and regulations identification for each factory
- Equipment availability factor monitoring

## Corporate Socialization-iSender



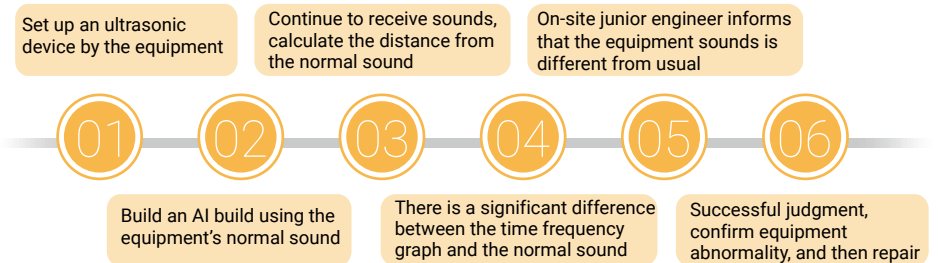
Our self-developed "iSender" is a power corporate internal real-time communication system, an indispensable tool for all employees. iSender has smooth basic communication and group discussion functions, as well as an announcement section so that each employee is able to get hold of important information in real time. Applying for leave, business trips, and overtime can also be done on the system. The friendly interface design makes the application steps easy, allowing colleagues to complete the process by clicking a few icons.

iSender is highly integrated with enterprise ERP to closely link with multiple enterprise systems, implementing the concept of the "Internet of Things". Data of each factory can be sent to the manager's mobile phone in a timely manner, allowing the manager to quickly grasp the situation and take preventive control. iSender is not just a general administrative system, but has gradually developed into industrial control, making the Company a pioneer of "Industry 4.0". For a detailed introduction about iSender, please see "Innovation and Application of CCPC Community Power APP" written by Chairman Lin Shean-Tung of DCC.



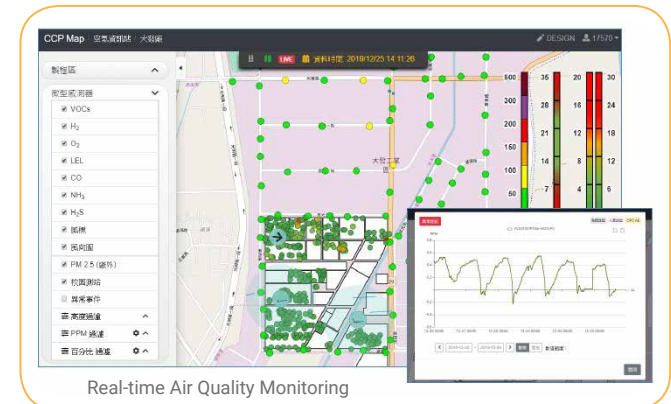
## iEar Project - Early Confirmation of Abnormal Equipment with Abnormal Noise

With the smart manufacturing and transformation strategy in recent years, DCC has continued to develop a number of innovative projects, such as iEar. This idea came about when CCPG Executive Board Chairman Lin Shu-Hong noticed an abnormal noise when inspecting the factory. The equipment was found to be abnormal after an inspection was conducted. Afterwards, the Management Information Center attempted to simulate the experience of the CCPG Executive Board Chairman with AI and set up an ultrasonic recording device next to the equipment. AI was used to analyze the time frequency to successfully develop the function of automatic pre-warning to determine equipment abnormalities. This enables the production line to prevent equipment abnormalities early and avoid accidents. In the future, iEar will be integrated with iSender. If the abnormal noise of equipment is over the threshold value, an alarm will be sent to notify the relevant personnel. The abnormal audio has been included in the training course to determine the abnormal category through AI.



## Self-Developed Eco-Friendly Digital Platform to Monitor Relevant Data in Real-Time

DCC also applies the same smart manufacturing spirit to environmental protection by developing an environmental protection digital platform that integrates and monitors relevant data of each factory which is connected to the Environmental Protection Agency. This allows top management of the Company and the Taipei Safety & Health Department to grasp the situation at any time to strengthen internal control. If there is an abnormality in the data, iSender will notify the relevant personnel to handle the emergency response and maintain environmental safety.



## About this Report

This report is divided into four chapters: In terms of responsible production, we provide a safe production environment and continue with innovative research and development, and promise to provide product quality and services that meet customer expectations; in terms of low-carbon and sustainability, we foster a circular economy and implement pollution prevention while also fulfilling social responsibility for environmental protection; in the aspect of common good, we show that we spare no effort in nurturing talent and giving back to society; finally, in terms of integrity, as integrity is the business philosophy the Company adheres to, we strive for proactive communication with stakeholders for a sustainable future. This report demonstrates DCC's commitment to sustainable development and society to achieve its business goals of environmental sustainability and corporate sustainability.

### Scope and Boundary of this Report

The scope and boundary of this report includes DCC Taipei Head Office, factories in Taiwan and 4 production factories abroad. Relevant information is provided as follows: For more details, please see 1.1.1 Key Products and Location of Operation.

### Scope of Data Disclosure in Taiwan

| Company Name                | Information Disclosure Scope                       |
|-----------------------------|----------------------------------------------------|
| Dairen Chemical Corp. (DCC) | Mailiao Factory 、 Dafa Factory 、 Kaohsiung Factory |

### Scope of Data Disclosure for Overseas Locations

| Overseas Operations                           | Abbreviation | Finance Consolidated Entity |
|-----------------------------------------------|--------------|-----------------------------|
| Dairen Chemical (Jiangsu) Co., Ltd.           | DCCJS        | Dairen Chemical Corp. (DCC) |
| Chang Chun Dairen Chemical (Panjin) Co., Ltd. | CCDPJ        |                             |
| CCD (Singapore) Pte. Ltd.                     | CCDSG        |                             |
| Dairen Chemical (M) Sdn. Bhd.                 | DCCM         |                             |

## Reporting Period and Issuance Date

DCC publishes the ESG Report for the previous year on an annual basis. The "2023 DCC Sustainability Report" is issued in June 2024 and the disclosure period runs from January 1, 2023 to December 31, 2023. In order to represent changing trends, certain data in this Report covers data in the past three years (2019-2021). Where other data differs from the aforementioned disclosure scope, it will be specified in that chapter. If the currency is not specified, it shall be the New Taiwan dollar.

### Report Preparation and Assurance

This Report is prepared by DCC's ESG Operation Office, four ESG working teams, all departments of the Taipei Company, all factories in Taiwan, and four factories abroad. All contents of the Report have been approved by ESG Committee to ensure their accuracy and that they meet the expectations of stakeholders.

The Company has entrusted KPMG to perform limited assurance in accordance with the Assurance Standards Bulletin No. 3000 of "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" (formulated with reference to International Standard on Assurance Engagements ISAE 3000) issued by the Accounting Research and Development Foundation (ARDF). The selected information, applicable standards and limited assurance report are enclosed in this Report.

### Report Compliance Standards

The content and structure of this Report are based on the GRI Standards published by the Global Sustainability Standards Board (GSSB) and the GRI Standards, as well as the SASB Standards - Chemicals published by the International Sustainability Standards Board (ISSB). This Report fully represents DCC's policies and implementation performance regarding the management approach of the ESG material topics. For the SASB Standards and GRI Standards, please refer to the Appendix.

#### Contact

Please contact us if you have any questions regarding the contents of this report.

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- Address: 6F., No. 301, Songjiang Rd., Taipei City 104, Taiwan
- TEL: 02-2500-1894
- E-mail: ccpgcsr@ccp.com.tw

# Appendix 1: GRI Standards Corresponding Table

## General Disclosures

| GRI Standards                   | Topic-specific disclosures                   | Chapter                                                          | Page                                                                                                                                                                                       |
|---------------------------------|----------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 2: General Disclosures 2021 | The organization and its reporting practices |                                                                  |                                                                                                                                                                                            |
|                                 | 2-1                                          | Organizational details                                           | 1.1 About DCC 18                                                                                                                                                                           |
|                                 | 2-2                                          | Entities included in the organization's sustainability reporting | 1.1 About DCC 1.1.1 Key Products and Location of Operation 18                                                                                                                              |
|                                 | 2-3                                          | Reporting period, frequency and contact person                   | Appendix About this Report 117                                                                                                                                                             |
|                                 | 2-4                                          | Restatements of information                                      | 117                                                                                                                                                                                        |
|                                 | 2-5                                          | External assurance                                               | Appendix About this Report 124<br>Appendix Assurance Report of CPAs' Independence                                                                                                          |
|                                 | Activities and workers                       |                                                                  |                                                                                                                                                                                            |
|                                 | 2-6                                          | Activities, value chain and other business relationships         | Introduction Sustainability Strategy 11                                                                                                                                                    |
|                                 |                                              |                                                                  | 1.1 About DCC 18                                                                                                                                                                           |
|                                 |                                              |                                                                  | 1.1.1 Key Products and Location of Operation 33                                                                                                                                            |
|                                 | 2-7                                          | Employees                                                        | 1.3.2 Supplier management system                                                                                                                                                           |
|                                 |                                              |                                                                  | 3.1.2 Composition of Talent For all employees, working hours are calculated according to the normal working hours specified by law, and the full-time equivalent method does not apply. 69 |
|                                 | 2-8                                          | Workers who are not employees                                    | 33                                                                                                                                                                                         |
|                                 |                                              |                                                                  | 3.1.2 Composition of Talent For all employees, working hours are calculated according to the normal working hours specified by law, and the full-time equivalent method does not apply. 69 |

| GRI Standards                   | Topic-specific disclosures | Chapter                                                                     | Page                                                                                                                                                                                           |
|---------------------------------|----------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 2: General Disclosures 2021 | Governance                 |                                                                             |                                                                                                                                                                                                |
|                                 | 2-9                        | Governance structure and composition                                        | 4.1.1 Corporate governance and integrity For more details, please see the 2023 annual report 109                                                                                               |
|                                 | 2-10                       | Nominating and selecting the highest governance body                        |                                                                                                                                                                                                |
|                                 | 2-11                       | Chair of the highest governance body                                        |                                                                                                                                                                                                |
|                                 | 2-12                       | Role of the highest governance body in overseeing the management of impacts | Introduction Sustainability Strategy 3.1.1 Human Rights Policy 11 66                                                                                                                           |
|                                 | 2-13                       | Delegation of responsibility for managing impacts                           | Introduction Sustainability Strategy 11                                                                                                                                                        |
|                                 | 2-14                       | Role of the highest governance body in sustainability reporting             |                                                                                                                                                                                                |
|                                 | 2-15                       | Conflicts of interest                                                       | 4.1.1 Corporate governance and integrity For more details, please see the 2023 annual report 109                                                                                               |
|                                 | 2-16                       | Communication of critical concerns                                          | Introduction Stakeholder Communication and Material Topic Identification 5                                                                                                                     |
|                                 | 2-17                       | Collective knowledge of highest governance body                             | For more details, please see the 2023 annual report -                                                                                                                                          |
|                                 | 2-18                       | Evaluating the highest governance body's performance                        | Relevant measures have been planned and are expected to be disclosed in the 2024 Sustainability Report. -                                                                                      |
|                                 | 2-19                       | Remuneration policies                                                       | For more details, please see the 2023 annual report -                                                                                                                                          |
|                                 | 2-20                       | Process to determine remuneration                                           | As the Company is not listed on TWSE or TPEX, the establishment of a Remuneration Committee in accordance with Article 14-6, Paragraph 1 of the Securities and Exchange Act is not required. - |
|                                 | 2-21                       | Annual total compensation ratio                                             | 3.3 Employee Care 76                                                                                                                                                                           |



| GRI Standards                   | Topic-specific disclosures         |                                                                          | Chapter                                                                  | Page |
|---------------------------------|------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|------|
| GRI 2: General Disclosures 2021 | 2-22                               | Declaration of sustainable development strategy                          | Message From the Operator                                                | 2    |
|                                 | 2-23                               | Policy commitments                                                       | Introduction Sustainability Strategy                                     | 11   |
|                                 |                                    |                                                                          | 1.3.1 Responsible Sourcing                                               | 30   |
|                                 |                                    |                                                                          | 2.1 Environmental Management Strategy                                    | 40   |
|                                 |                                    |                                                                          | 3.1.1 Human Rights Policy                                                | 66   |
|                                 |                                    |                                                                          | 4.1.1 Corporate governance and integrity                                 | 109  |
|                                 | 2-24                               | Embedding policy commitments                                             | Introduction Sustainability Strategy                                     | 11   |
|                                 |                                    |                                                                          | 1.3 Sustainable Supply Chain Management                                  | 30   |
|                                 |                                    |                                                                          | 3.1.1 Human Rights Policy                                                | 66   |
|                                 | 2-25                               | Processes to remediate negative impacts                                  | Introduction Stakeholder Communication and Material Topic Identification | 5    |
|                                 | 2-26                               | Mechanisms for seeking advice and raising concerns                       |                                                                          |      |
|                                 | 2-27                               | Legal compliance                                                         | Introduction Stakeholder Communication and Material Topic Identification | 5    |
|                                 |                                    |                                                                          | 2.1 Environmental Management Strategy                                    | 40   |
| 2-28                            | Membership of associations         | Introduction Stakeholder Communication and Material Topic Identification | 5                                                                        |      |
| Stakeholder engagement          |                                    |                                                                          |                                                                          |      |
| 2-29                            | Approach to stakeholder engagement | Introduction Stakeholder Communication and Material Topic Identification | 5                                                                        |      |
| 2-30                            | Collective bargaining agreements   | 3.3 Employee Care                                                        | 76                                                                       |      |

## Material topic

| GRI Standards               | Topic-specific disclosures     |                                       | Chapter                                                                  | Page |
|-----------------------------|--------------------------------|---------------------------------------|--------------------------------------------------------------------------|------|
| GRI 3: Material Topics 2021 | Disclosures on material topics |                                       |                                                                          |      |
|                             | 3-1                            | Guidance to determine material topics | Introduction Stakeholder Communication and Material Topic Identification | 5    |
|                             | 3-2                            | List of material topics               |                                                                          |      |
|                             | 3-3                            | Management of material topics         |                                                                          |      |

## Topic Criteria \*Material topic

### GRI 200: Economic

| Topic                | GRI Topic                          | Topic-specific disclosures |                                                                                | Chapter                                                                  | Page |
|----------------------|------------------------------------|----------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------|------|
| Economic Performance | GRI 201: Economic Performance 2016 | 201-2                      | Financial implications and other risks and opportunities due to climate change | 2.2 Climate Change Risks and Opportunities                               | 41   |
|                      |                                    | 201-3                      | Defined benefit plan obligations and other retirement plans                    | 3.3 Employee Care                                                        | 76   |
| Market Presence      | GRI 202: Market Presence 2016      | 202-2                      | Proportion of senior management hired from the local community                 | 3.1.2 Composition of Talent                                              | 69   |
|                      | GRI 3: Material Topics 2021        | 3-3                        | Management of material topics                                                  | 4.1.1 Corporate governance and integrity                                 | 109  |
| Legal compliance*    | GRI 205: Anti-corruption 2016      | 205-2                      | Communication and training about anti-corruption policies and procedures       | 4.1.1 Corporate governance and integrity                                 | 109  |
|                      |                                    | 205-3                      | Confirmed incidents of corruption and actions taken                            | Introduction Stakeholder Communication and Material Topic Identification | 5    |

## GRI 300: Environmental

| Topic                                    | GRI Standards                                      | Topic-specific disclosures |                                                                                    | Chapter                                  | Page |
|------------------------------------------|----------------------------------------------------|----------------------------|------------------------------------------------------------------------------------|------------------------------------------|------|
| Energy                                   | GRI 302: Energy 2016                               | 302-1                      | Energy consumption within the organization                                         | 2.3.2 Energy management<br>Appendix B    | 48   |
|                                          |                                                    | 302-3                      | Energy intensity                                                                   |                                          |      |
|                                          |                                                    | 302-4                      | Reduction of energy consumption                                                    |                                          |      |
|                                          |                                                    | 302-5                      | Reductions in energy requirements of products and services                         |                                          |      |
| Water and<br>Effluents                   | GRI 303: Water and Effluents 2018                  | 303-2                      | Management of water discharge-related impacts                                      | 2.4 Water resources management           | 54   |
|                                          |                                                    | 303-3                      | Water Withdrawal                                                                   |                                          |      |
|                                          |                                                    | 303-4                      | Water Discharge                                                                    |                                          |      |
|                                          |                                                    | 303-5                      | Water Consumption                                                                  |                                          |      |
| Air Pollutant<br>Emission<br>Management* | GRI 3: Material Topics 2021                        | 3-3                        | Management of material topics                                                      | 2.5 Air pollutant emission<br>management | 57   |
|                                          | GRI 305: Emissions 2016                            | 305-1                      | Direct (Scope 1) GHG emissions                                                     | 2.3.1 GHG Management<br>Appendix B       | 46   |
|                                          |                                                    | 305-2                      | Energy indirect (Scope 2) GHG emissions                                            |                                          |      |
|                                          |                                                    | 305-3                      | Other Energy indirect (Scope 3) GHG emissions                                      |                                          |      |
|                                          |                                                    | 305-4                      | GHG Emission Intensity                                                             |                                          |      |
|                                          |                                                    | 305-5                      | Reduction of GHG emissions                                                         | 2.5 Air Pollutant Emission<br>Management | 57   |
|                                          |                                                    | 305-7                      | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant<br>air emissions |                                          |      |
| Waste                                    | GRI 306: Waste 2020                                | 306-2                      | Management of waste-related significant impacts                                    | 2.6 Waste Management                     | 59   |
|                                          |                                                    | 306-3                      | Waste generation                                                                   |                                          |      |
|                                          |                                                    | 306-4                      | Waste diverted from disposal                                                       |                                          |      |
|                                          |                                                    | 306-5                      | Waste directed to disposal                                                         |                                          |      |
| Supplier<br>Environmental<br>Assessment  | GRI 308: Supplier Environmental<br>Assessment 2016 | 308-1                      | New suppliers that were screened using environmental criteria                      | 1.3.2 Supplier management system         | 33   |

## GRI 400 : Society

| Topic                           | GRI Standards                                | Topic-specific disclosures |                                                                                                               | Chapter                                          | Page |
|---------------------------------|----------------------------------------------|----------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------|
| Employment                      | GRI 401: Employment 2016                     | 401-1                      | New employee hires and employee turnover                                                                      | 3.1.2 Composition of Talent                      | 69   |
|                                 |                                              | 401-2                      | Benefits provided to full-time employees that are not provided to temporary or part-time employees            | 3.3 Employee Care                                | 76   |
|                                 |                                              | 401-3                      | Parental leave                                                                                                |                                                  |      |
| Occupational safety and health* | GRI 3: Material Topics 2021                  | 3-3                        | Management of material topics                                                                                 | 3.4.2 Workplace and Process Safety               | 85   |
|                                 | GRI 403: Occupational Health and Safety 2018 | 403-1                      | Occupational health and safety management system                                                              | 3.4.2 Workplace and Process Safety               | 85   |
|                                 |                                              | 403-2                      | Hazard identification, risk assessment, and incident investigation                                            |                                                  |      |
|                                 |                                              | 403-3                      | Occupational health services                                                                                  | 3.4.3 Health Care                                | 91   |
|                                 |                                              | 403-4                      | Worker participation, consultation, and communication on occupational health and safety                       | 3.4.2 Workplace and Process Safety               | 85   |
|                                 |                                              | 403-5                      | Worker training on occupational health and safety                                                             | 1.3.2 Supplier management system                 | 33   |
|                                 |                                              |                            |                                                                                                               | 3.4.4 Response and management of major incidents | 94   |
|                                 |                                              | 403-6                      | Promotion of worker health                                                                                    | 3.4.3 Health Care                                | 91   |
|                                 |                                              | 403-7                      | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 1.3.2 Supplier management system                 | 33   |
|                                 |                                              |                            |                                                                                                               | 3.4.2 Workplace and Process Safety               | 85   |

| Topic                           | GRI Standards                                 | Topic-specific disclosures |                                                                                              | Chapter                            | Page |
|---------------------------------|-----------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------|------------------------------------|------|
| Occupational safety and health* | GRI 403: Occupational Health and Safety 2018  | 403-8                      | Workers covered by an occupational health and safety management system                       | 3.4.2 Workplace and Process Safety | 85   |
|                                 |                                               | 403-9                      | Work-related injuries                                                                        |                                    |      |
|                                 |                                               | 403-10                     | Work-related ill health                                                                      |                                    |      |
| Training and Education          | GRI 404: Training and Education 2016          | 404-1                      | Average hours of training per year per employee                                              |                                    | 72   |
|                                 |                                               | 404-2                      | Programs for upgrading employee skills and transition assistance programs                    | 3.2 Talent Cultivation             |      |
|                                 |                                               | 404-3                      | Percentage of employees receiving regular performance and career development reviews         |                                    |      |
| Diversity and Equal Opportunity | GRI 405: Diversity and Equal Opportunity 2016 | 405-1                      | Diversity of governance bodies and employees                                                 | 3.1.2 Composition of Talent        | 69   |
| Non-discrimination              | GRI 406: Non-discrimination 2016              | 406-1                      | Incidents of discrimination and corrective actions taken                                     |                                    | 66   |
| Child Labor                     | GRI 408: Child Labor 2016                     | 408-1                      | Operations and suppliers at significant risk for incidents of child labor                    | 3.1.1 Human Rights Policy          |      |
| Forced or Compulsory Labor      | GRI 409: Forced or Compulsory Labor 2016      | 409-1                      | Operations and suppliers at significant risk for incidents of forced or compulsory labor     |                                    |      |
| Supplier Social Assessment      | GRI 414: Supplier Social Assessment 2016      | 414-2                      | Negative social impacts in the supply chain and actions taken                                | 1.3.2 Supplier management system   | 33   |
| Chemical Safety*                | GRI 3: Material Topics 2021                   | 3-3                        | Management of material topics                                                                |                                    | 82   |
|                                 | GRI 416: Customer Health and Safety 2016      | 416-1                      | Assessment of the health and safety impacts of product and service categories                | 3.4.1 Chemical Safety              |      |
|                                 | GRI 417: Marketing and Labeling 2016          | 417-1                      | Requirements for product and service information and labeling                                |                                    |      |
| Customer Privacy                | GRI 418: Customer Privacy 2016                | 418-1                      | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 1.2.3 Customer Service             | 28   |

## CCPG's Specific Topics

| Topic                                       | GRI Topic                   | Topic-specific disclosures |                               | Chapter                                          | Page |
|---------------------------------------------|-----------------------------|----------------------------|-------------------------------|--------------------------------------------------|------|
| Corporate governance and integrity*         | GRI 3: Material Topics 2021 | 3-3                        | Management of material topics | 4.1.1 Corporate governance and integrity         | 109  |
| Response and management of major incidents* | GRI 3: Material Topics 2021 | 3-3                        | Management of material topics | 3.4.4 Response and management of major incidents | 94   |
| Sustainable development strategy*           | GRI 3: Material Topics 2021 | 3-3                        | Management of material topics | Introduction Sustainability Strategy             | 11   |

## Appendix 2: SASB Corresponding Table

| TOPIC                      | CODE         | ACCOUNTING METRIC                                                                                                                                                           | Corresponding Chapters                                                       | Page     |
|----------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|----------|
| GHG Emissions              | RT-CH-110a.1 | Scope 1 GHG emissions (ton of CO <sub>2</sub> e); Scope 1 percentage (%) covered under GHG emissions-limiting regulations                                                   | 2.3 GHG and Energy Management                                                | 46       |
|                            | RT-CH-110a.2 | Discussion of long-term and short-term strategy or plan to manage Scope 1 GHG emissions, emissions reduction targets, and an analysis of performance                        | 2.3 GHG and Energy Management                                                | 46       |
| Air Quality                | RT-CH-120a.1 | Air emissions of the following pollutants:<br>(1) NOX (excluding N <sub>2</sub> O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs) | 2.5 Air Pollutant Emission Management                                        | 57       |
| Energy management          | RT-CH-130a.1 | (1) Total energy consumed (GJ), (2) percentage grid electricity (%), (3) percentage renewable (%), (4) total self-generated energy (GJ)                                     | 2.3 GHG and Energy Management                                                | 46       |
| Water resources management | RT-CH-140a.1 | (1) Total water withdrawn, (2) total water consumed, (3) operating sites in "high" or "very high" water shortage areas and the proportion of (1) and (2)                    | 2.4 Water resources management                                               | 54       |
|                            | RT-CH-140a.2 | Number of incidents of non-compliance associated with water quality permits, standards, and regulations                                                                     | 2.1 Environmental Management Strategy                                        | 40       |
|                            | RT-CH-140a.3 | Description of water management risks and discussion of strategies and practices to mitigate those risks                                                                    | 2.2 Climate Change Risks and Opportunities<br>2.4 Water resources management | 41<br>54 |
| Hazardous Waste Management | RT-CH-150a.1 | Amount of hazardous business waste generated, percentage recycled                                                                                                           | 2.6 Waste Management                                                         | 59       |
| Community Relations        | RT-CH-210a.1 | Discussion of engagement processes to manage risks and opportunities associated with community interests                                                                    | 3.5 Community Relations                                                      | 99       |
| Workforce Health & Safety  | RT-CH-320a.1 | For direct employees and contract employees:<br>(1) Total recordable incident rate (TRIR) (2) fatality rate                                                                 | 3.4 Occupational Health and Safety                                           | 82       |
|                            | RT-CH-320a.2 | Description of efforts to assess, monitor, and reduce exposure of direct employees and contract employees to long-term (chronic) health risks                               | 3.4 Occupational Health and Safety                                           | 82       |



| TOPIC                                                 | CODE         | ACCOUNTING METRIC                                                                                                                                                                                                                                               | Corresponding Chapters                                                                                              | Page |
|-------------------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|------|
| Product Design for Use-phase Efficiency               | RT-CH-410a.1 | Revenue from products designed for use-phase resource efficiency                                                                                                                                                                                                | 1.2 Green products and Service Quality                                                                              | 22   |
| Safety & Environmental Stewardship of Chemicals       | RT-CH-410b.1 | (1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances,<br>(2) percentage of such products that have undergone a hazard assessment | Currently, there are no relevant statistics. For management of GHS chemicals, please refer to 3.4.1 Chemical Safety | -    |
|                                                       | RT-CH-410b.2 | Develop alternatives with reduced human and/or environmental impact.                                                                                                                                                                                            | 1.2 Green products and Service Quality                                                                              | 22   |
| Genetically Modified Organisms                        | RT-CH-410c.1 | Percentage of products by revenue that contain genetically modified organisms (GMOs)                                                                                                                                                                            | DCC does not use genetically modified organisms                                                                     | -    |
| Management of the Legal & Regulatory Environment      | RT-CH-530a.1 | Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry.                                                                                               | Introduction Stakeholder Communication and Material Topic Identification                                            | 5    |
| Operational Safety, Emergency Preparedness & Response | RT-CH-540a.1 | Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)                                                                                                                            | 3.4 Occupational Health and Safety                                                                                  | 82   |
|                                                       | RT-CH-540a.2 | Number of transport incidents                                                                                                                                                                                                                                   | 1.3 Sustainable Supply Chain Management                                                                             | 30   |

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies - Sustainability Disclosure Indicator - Chemical Industry

For metrics other than “product volume by product type”, please refer to the Independent Assurance Report of the CPA

| Indicator                      | Indicator Type | Annual Disclosure Status                                                                        | Unit           |
|--------------------------------|----------------|-------------------------------------------------------------------------------------------------|----------------|
| Product volume by product type | Quantitative   | For production and sales values in the most recent two years, please see the 2023 Annual Report | Not applicable |

# Assurance Report of CPAs' Independence



安侯建業聯合會計師事務所  
KPMG

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## Independent Limited Assurance Report

To DAIREN CHEMICAL CORPORATION:

We were engaged by DAIREN CHEMICAL CORPORATION ("DCC") to provide limited assurance over the selected information attached ("the Subject Matter Information") on the 2023 Sustainability Report of DCC ("the Report") for the year ended December 31, 2023.

### Applicable Criteria of the Subject Matter Information

DCC shall prepare the Subject Matter Information in accordance with applicable criteria required by Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies ("the Regulation") as set forth in Appendix I.

### Management's Responsibilities

DCC is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. DCC is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

### Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation in Taiwan and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

### Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.



### Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of DCC;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Inherent limitations

The Report for the year ended December 31, 2023 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of DCC. Therefore, the different stakeholders may have different interpretations of such information.

### Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

### Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partner on the assurance resulting in this independent auditors' report is Huang, Yu-Ting.

KPMG

Taipei, Taiwan (Republic of China)  
June 14, 2024

### Notes to readers

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.



Appendix I : Summary of the Subject Matter Information

| No. | Corresponding Section            | Subject Matter Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Applicable Criteria                                                                                                                                                                                                                          |
|-----|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | 2.3.2<br>Energy Management       | <ul style="list-style-type: none"> <li>■ 2023 Energy Consumption Statistics <ul style="list-style-type: none"> <li>➢ Unit: Gigajoule(GJ) <ul style="list-style-type: none"> <li>- Fossil fuels <ul style="list-style-type: none"> <li>• Diesel: 18,320</li> <li>• Natural gas: 1,216,818</li> <li>• Heavy oil/fuel oil: 214,461</li> <li>• Coal: -</li> </ul> </li> <li>• Externally purchased power: 2,577,278</li> <li>• Externally purchased steam: 5,944,702</li> </ul> </li> <li>- Renewable energy <ul style="list-style-type: none"> <li>• Self-generated solar energy: 2,436</li> </ul> </li> <li>- Total energy consumption : 9,816,423</li> <li>- Renewable energy share: 0.02%</li> <li>- Grid power usage percentage: 26.25%</li> </ul> </li> <li>➢ Note 1: Total energy consumption = diesel + natural gas + heavy oil/fuel oil + coal + externally purchased power + externally purchased steam - power sold to external parties - steam sold to external parties + renewable energy.</li> <li>➢ Note 2: The calorific value conversion coefficients calculated based on the unit calorific value tables of energy products by the Bureau of Energy, Ministry of Economic Affairs.</li> <li>➢ Note 3: Renewable energy share = renewable energy use/total energy consumption.</li> <li>➢ Note 4: Grid power usage percentage = Externally purchased power / total energy consumption usage.</li> </ul> | <p>Taiwan Stock Exchange Corporation Rules</p> <p>Appendix 1-2 No.1</p> <p>Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy/total energy), and total self-generated and self-use energy</p> |
| 2   | 2.4<br>Water Resource Management | <ul style="list-style-type: none"> <li>■ 2023 Information on Water Resource Management <ul style="list-style-type: none"> <li>➢ Unit: megaliters (thousand cubic meters)</li> <li>➢ DCC <ul style="list-style-type: none"> <li>- Total water withdrawal: 6,287</li> <li>- Total water discharge: 1,676</li> <li>- Total water consumption: 4,611</li> </ul> </li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>Taiwan Stock Exchange Corporation Rules</p> <p>Appendix 1-2 No.2</p> <p>Total water withdrawn, total water consumption, mandatorily or voluntarily disclosed total wastewater (sewage) discharged</p>                                     |



| No. | Corresponding Section                 | Subject Matter Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Applicable Criteria                                                                                                                                                                                                                                                  |
|-----|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3   | 2.6<br>Waste Management               | <ul style="list-style-type: none"> <li>■ 2023 Waste Statistics <ul style="list-style-type: none"> <li>➢ Unit: metric tons</li> <li>➢ DCC <ul style="list-style-type: none"> <li>- Hazardous business waste output: 10,924</li> <li>- Hazardous business waste recovery rate (%): 68.3%</li> </ul> </li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>Taiwan Stock Exchange Corporation Rules</p> <p>Appendix 1-2 No.3</p> <p>Total quantity of hazardous wastes generated during the production process of products and recycling percentage required to be disclosed under the law or to be disclosed voluntarily</p> |
| 4   | 3.4.2<br>Workplace and Process Safety | <ul style="list-style-type: none"> <li>■ In 2023, the disabling injury Frequency Rate (FR) of DCC was 1.23.</li> <li>■ 2023 Indicators for Work-related Injuries <ul style="list-style-type: none"> <li>➢ Gender: male <ul style="list-style-type: none"> <li>- No. of recordable work-related injuries: 9</li> <li>- Rate of recordable work-related injuries: 0.64</li> <li>- Total number of hours worked: 2,802,082</li> </ul> </li> <li>➢ Gender: female <ul style="list-style-type: none"> <li>- No. of recordable work-related injuries: 0</li> <li>- Rate of recordable work-related injuries: 0.00</li> <li>- Total number of hours worked: 425,644</li> </ul> </li> <li>➢ Gender: total <ul style="list-style-type: none"> <li>- No. of recordable work-related injuries: 9</li> <li>- Rate of recordable work-related injuries: 0.56</li> <li>- Total number of hours worked: 3,227,726</li> </ul> </li> </ul> </li> </ul> | <p>Taiwan Stock Exchange Corporation Rules</p> <p>Appendix 1-2 No.4</p> <p>Number of employees in and rate of occupational accidents</p>                                                                                                                             |
| 5   | 3.5<br>Community Relations            | <ul style="list-style-type: none"> <li>■ Implementation Protection <p>DCC is engaged in the manufacture of chemical products. The main processes generate waste gas, wastewater, waste solvent, and waste that need to be treated by environmental equipment. After assessment, potential impacts to local communities mainly occur in the environment, including air pollution control and water pollution control. As a means to implement environmental protection, the manufacturing sites undertake regular environmental quality monitoring and have independently set up environmental monitoring stations in some factories.</p> </li> </ul>                                                                                                                                                                                                                                                                                  | <p>Taiwan Stock Exchange Corporation Rules</p> <p>Appendix 1-2 No.5</p>                                                                                                                                                                                              |



| No. | Corresponding Section               | Subject Matter Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Applicable Criteria                                                                    |
|-----|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
|     |                                     | <p>In the event of an abnormal situation in any factory, the relevant units are immediately notified to take emergency response measures in order to effectively reduce the environmental impact of the operating activities.</p> <p>Regular implementation of environmental monitoring items inside and outside the factory:</p> <ul style="list-style-type: none"> <li>➤ <b>Air Quality</b><br/>For the sensitive points during the construction period outside the factory, fences or dikes were set up at the perimeter of the site. Sources of fugitive dust such as construction materials, gravel, earth, or waste that were piled inside the base were covered with dustproof cloths or nets to suppress dust. When excavation works were being performed, steel plates were laid down on the main access road for vehicles or on the base ground where there were no construction works. By doing this, we were able to control dust from the movement of vehicles. During the operation of the factory, air pollution prevention equipment must be installed according to the laws. As well as this, the equipment will be maintained and repaired on a regular basis. Newly added processes must be handled in accordance with the “Stationary Pollution Source Installation, Operating and Fuel Use Permit Management Regulations Amended Clauses” and the Standards for Air Pollutant Emission from Stationary Pollution Sources.</li> <li>➤ <b>Noise and Vibration Monitoring</b><br/>The main sources of noise generated in the factory are blowers and cooling towers. The entrances and exits of equipment are equipped with soundproof equipment to effectively reduce the impact of noise and vibration on nearby residents.</li> <li>➤ <b>Water Body Monitoring</b><br/>Each factory of DCC has a dedicated wastewater treatment plant, which is regularly maintained and properly operated to prevent abnormal discharge water quality from affecting the surface water quality. An automatic continuous monitoring system has been installed to monitor changes in effluent quality to ensure that effluents discharged to surface water bodies meet the standards. In addition, the factory also regularly tests and records the groundwater. Factories directly discharge water to surface water will test and record the nearby river sediment.</li> </ul> | Operations with significant actual and potential negative impacts on local communities |
| 6   | 1.3.2<br>Supplier Management System | <ul style="list-style-type: none"> <li>■ <b>CSR Risk Assessment of Major Raw Material Suppliers</b><br/>DCC conducts a corporate social responsibility risk assessment for its main raw material suppliers. The assessment mechanism is as follows:</li> <li>➤ <b>Evaluated Supplier</b> <ul style="list-style-type: none"> <li>- Ranked according to the raw material purchases from October of the previous year to September this year (calculated separately by each company). The main raw materials suppliers whose total supplies account for more than 70% of total raw material purchases, excluding internal purchases from Chang Chun’s affiliates. If it is confirmed that no purchases will be made from such supplier in the assessment year, the supplier will not be listed for assessment.</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Taiwan Stock Exchange Corporation Rules<br>Appendix 1-2<br>No.6                        |



| No.      | Corresponding Section | Subject Matter Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Applicable Criteria                                                                                                                           |                                |                                                                                 |  |                                          |  |           |             |                                |                                        |        |     |   |   |   |      |          |       |   |   |   |      |       |   |   |   |    |       |   |   |   |      |      |   |   |   |      |  |
|----------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------|--|------------------------------------------|--|-----------|-------------|--------------------------------|----------------------------------------|--------|-----|---|---|---|------|----------|-------|---|---|---|------|-------|---|---|---|----|-------|---|---|---|------|------|---|---|---|------|--|
|          |                       | <ul style="list-style-type: none"><li>- Additional Conditions: If the number of suppliers is less than three after excluding internal purchases from Chang Chun’s affiliates, the assessment scope will be extended to suppliers whose raw material purchases account for more than 3% of the total amount.</li><li>➤ Assessment Content<ul style="list-style-type: none"><li>- Stage I: Understand the public ESG or CSR disclosure status of major raw material suppliers. List those who take the initiative to disclose ESG or CSR information and statement as suppliers with low risks.</li><li>- Stage II: A CSR risk questionnaire will be distributed to suppliers with lower degree of ESG or CSR information disclosure from Stage I to investigate their implementation results in terms of quality/safety/environmental protection/human rights/ social aspects with supporting information submitted. The CSR risk level of the supplier will be determined according to the questionnaire results.</li></ul></li><li>➤ Survey Frequency<ul style="list-style-type: none"><li>- Once every year</li></ul></li><li>➤ Assessment Handling<ul style="list-style-type: none"><li>- After two stages of assessment, medium- and high-risk suppliers are scheduled to be included in the onsite audits within one year. Through on-site visits and exchanges, advice will be given from all aspects and improvements required within a deadline to track the effectiveness.</li></ul></li><li>■ In 2023, based on the risk assessment results of the previous year, DCC selected the medium and high-risk suppliers in the comprehensive results of the first and second stages as the targets of on-site audit. For all the low-risk suppliers, each factory audited at least one supplier based on the transaction status. In 2023, one supplier onsite audit plan was completed in Taiwan and three overseas. We understand the status of suppliers through in-depth audits, conduct ESG education and training, and request suppliers to submit improvement plans to reduce the Group’s corporate social responsibility risks in supplier management.</li><li>➤ 2023 Number of suppliers on-site audited and percentage of target suppliers audited</li></ul> | Concrete valid mechanisms and actions implemented by the company itself and its suppliers to mitigate negative environmental or social impact |                                |                                                                                 |  |                                          |  |           |             |                                |                                        |        |     |   |   |   |      |          |       |   |   |   |      |       |   |   |   |    |       |   |   |   |      |      |   |   |   |      |  |
|          |                       | <table><tr><th rowspan="2">Region</th><th rowspan="2">Company/<br/>Factory</th><th colspan="2">2022 Consolidated Public Survey and Questionnaire Results (Number of Suppliers)</th><th colspan="2">2023 On-site Audit Implementation Status</th></tr><tr><th>High-risk</th><th>Medium-risk</th><th>No. of suppliers to be audited</th><th>Percentage of target suppliers audited</th></tr><tr><td>Taiwan</td><td>DCC</td><td>0</td><td>0</td><td>1</td><td>100%</td></tr><tr><td rowspan="4">Overseas</td><td>DCCJS</td><td>1</td><td>0</td><td>1</td><td>100%</td></tr><tr><td>CCDPJ</td><td>0</td><td>0</td><td>0</td><td>NA</td></tr><tr><td>CCDSG</td><td>0</td><td>0</td><td>1</td><td>100%</td></tr><tr><td>DSSM</td><td>0</td><td>0</td><td>1</td><td>100%</td></tr></table> <ul style="list-style-type: none"><li>- Note: CCDPJ: There were only 3 suppliers that accounted for the top 70% of procurement amount or more than 3% of single supplier, of which 2 were affiliates, and one of them no longer worked with us in 2023. Therefore, there were no suppliers to be audited.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Region                                                                                                                                        | Company/<br>Factory            | 2022 Consolidated Public Survey and Questionnaire Results (Number of Suppliers) |  | 2023 On-site Audit Implementation Status |  | High-risk | Medium-risk | No. of suppliers to be audited | Percentage of target suppliers audited | Taiwan | DCC | 0 | 0 | 1 | 100% | Overseas | DCCJS | 1 | 0 | 1 | 100% | CCDPJ | 0 | 0 | 0 | NA | CCDSG | 0 | 0 | 1 | 100% | DSSM | 0 | 0 | 1 | 100% |  |
| Region   | Company/<br>Factory   | 2022 Consolidated Public Survey and Questionnaire Results (Number of Suppliers)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                               |                                | 2023 On-site Audit Implementation Status                                        |  |                                          |  |           |             |                                |                                        |        |     |   |   |   |      |          |       |   |   |   |      |       |   |   |   |    |       |   |   |   |      |      |   |   |   |      |  |
|          |                       | High-risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Medium-risk                                                                                                                                   | No. of suppliers to be audited | Percentage of target suppliers audited                                          |  |                                          |  |           |             |                                |                                        |        |     |   |   |   |      |          |       |   |   |   |      |       |   |   |   |    |       |   |   |   |      |      |   |   |   |      |  |
| Taiwan   | DCC                   | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                                                                                                             | 1                              | 100%                                                                            |  |                                          |  |           |             |                                |                                        |        |     |   |   |   |      |          |       |   |   |   |      |       |   |   |   |    |       |   |   |   |      |      |   |   |   |      |  |
| Overseas | DCCJS                 | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                                                                                                             | 1                              | 100%                                                                            |  |                                          |  |           |             |                                |                                        |        |     |   |   |   |      |          |       |   |   |   |      |       |   |   |   |    |       |   |   |   |      |      |   |   |   |      |  |
|          | CCDPJ                 | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                                                                                                             | 0                              | NA                                                                              |  |                                          |  |           |             |                                |                                        |        |     |   |   |   |      |          |       |   |   |   |      |       |   |   |   |    |       |   |   |   |      |      |   |   |   |      |  |
|          | CCDSG                 | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                                                                                                             | 1                              | 100%                                                                            |  |                                          |  |           |             |                                |                                        |        |     |   |   |   |      |          |       |   |   |   |      |       |   |   |   |    |       |   |   |   |      |      |   |   |   |      |  |
|          | DSSM                  | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                                                                                                             | 1                              | 100%                                                                            |  |                                          |  |           |             |                                |                                        |        |     |   |   |   |      |          |       |   |   |   |      |       |   |   |   |    |       |   |   |   |      |      |   |   |   |      |  |





| No.      | Corresponding Section     | Subject Matter Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Applicable Criteria                                                                                                                          |                  |                           |            |                                                     |         |         |                                                                          |                                                     |         |            |                                                                          |          |        |     |   |   |   |   |   |   |   |          |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |  |
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|          |                           | <div><div><div>■ The company conducts the “CSR Risk Assessment of Major Raw Material Suppliers” every year. According to the assessment mechanism, the number of suppliers under assessment was 21 in 2023. The assessment results show that 100% of the suppliers in are low-risk suppliers. This shows that suppliers have awareness of environmental safety and health, labor human rights and other social responsibility aspects while at the same time taking action plans.<br/>Although all suppliers can be determined to have low risks based on the public survey results and the completeness of the questionnaires, the company still made an effort to plan on-site assessments for some suppliers according to the 2023 business dealings for 2024, hoping to establish long-term partnerships through friendly engagements with major suppliers.</div><div>➤ In 2023, Statistics of CSR Policy Risk Survey of Major Raw Material Suppliers</div><table><tr><th rowspan="2">Region</th><th rowspan="2">Company /Factory</th><th rowspan="2">Total number of suppliers</th><th rowspan="2">Affiliates</th><th rowspan="2">Number of suppliers surveyed (Excluding Affiliates)</th><th rowspan="2">Stage 1</th><th rowspan="2">Stage 2</th><th colspan="3">Integrated report survey and questionnaire results (Number of companies)</th></tr><tr><th>High -risk</th><th>Medium -risk</th><th>Low-risk</th></tr><tr><td>Taiwan</td><td>DCC</td><td>5</td><td>1</td><td>4</td><td>4</td><td>0</td><td>0</td><td>5</td></tr><tr><td rowspan="4">Overseas</td><td>DCCJS</td><td>4</td><td>1</td><td>3</td><td>1</td><td>2</td><td>0</td><td>0</td><td>4</td></tr><tr><td>CCDPJ</td><td>6</td><td>2</td><td>4</td><td>0</td><td>4</td><td>0</td><td>0</td><td>6</td></tr><tr><td>CCDSG</td><td>3</td><td>0</td><td>3</td><td>2</td><td>1</td><td>0</td><td>0</td><td>3</td></tr><tr><td>DCCM</td><td>3</td><td>0</td><td>3</td><td>2</td><td>1</td><td>0</td><td>0</td><td>3</td></tr></table><div>- Note: Calculated by each company in the Group; if a supplier is supplier of main raw materials in two companies under the Group, the quantity of the supplier will be counted separately in the two companies.</div></div></div> | Region                                                                                                                                       | Company /Factory | Total number of suppliers | Affiliates | Number of suppliers surveyed (Excluding Affiliates) | Stage 1 | Stage 2 | Integrated report survey and questionnaire results (Number of companies) |                                                     |         | High -risk | Medium -risk                                                             | Low-risk | Taiwan | DCC | 5 | 1 | 4 | 4 | 0 | 0 | 5 | Overseas | DCCJS | 4 | 1 | 3 | 1 | 2 | 0 | 0 | 4 | CCDPJ | 6 | 2 | 4 | 0 | 4 | 0 | 0 | 6 | CCDSG | 3 | 0 | 3 | 2 | 1 | 0 | 0 | 3 | DCCM | 3 | 0 | 3 | 2 | 1 | 0 | 0 | 3 |  |
| Region   | Company /Factory          | Total number of suppliers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                              |                  |                           |            |                                                     |         |         | Affiliates                                                               | Number of suppliers surveyed (Excluding Affiliates) | Stage 1 | Stage 2    | Integrated report survey and questionnaire results (Number of companies) |          |        |     |   |   |   |   |   |   |   |          |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |  |
|          |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | High -risk                                                                                                                                   | Medium -risk     | Low-risk                  |            |                                                     |         |         |                                                                          |                                                     |         |            |                                                                          |          |        |     |   |   |   |   |   |   |   |          |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |  |
| Taiwan   | DCC                       | 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1                                                                                                                                            | 4                | 4                         | 0          | 0                                                   | 5       |         |                                                                          |                                                     |         |            |                                                                          |          |        |     |   |   |   |   |   |   |   |          |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |  |
| Overseas | DCCJS                     | 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1                                                                                                                                            | 3                | 1                         | 2          | 0                                                   | 0       | 4       |                                                                          |                                                     |         |            |                                                                          |          |        |     |   |   |   |   |   |   |   |          |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |  |
|          | CCDPJ                     | 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2                                                                                                                                            | 4                | 0                         | 4          | 0                                                   | 0       | 6       |                                                                          |                                                     |         |            |                                                                          |          |        |     |   |   |   |   |   |   |   |          |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |  |
|          | CCDSG                     | 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0                                                                                                                                            | 3                | 2                         | 1          | 0                                                   | 0       | 3       |                                                                          |                                                     |         |            |                                                                          |          |        |     |   |   |   |   |   |   |   |          |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |  |
|          | DCCM                      | 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0                                                                                                                                            | 3                | 2                         | 1          | 0                                                   | 0       | 3       |                                                                          |                                                     |         |            |                                                                          |          |        |     |   |   |   |   |   |   |   |          |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |  |
| 7        | 3.1.1 Human Rights Policy | <div><div><div>■ DCC Education and Training on Regulatory Compliance and Human Rights<br/>As a means to implement the human rights policy, DCC fosters “Education and Training on Regulatory Compliance and Human Rights” as an annual mandatory course for employees. The completion rate for 2023 was 100%.</div><div>■ 2023 Education and Training on Regulatory Compliance and Human Rights - Employee Training Completion Percentage</div><div>➤ DCC</div><div>- Management Role: 100%</div><div>- Non-management Role: 100%</div><div>• Note 1: Management Role - entry-level manager (inclusive) and above; Non-management Role - general employee.</div><div>• Note 2: New employees who had not completed human rights-related education and training were mainly those on unpaid parental leave, newcomers, or consultants, and completed their education and training after the system authorization became effective.</div></div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Material topics set by DCC<br><br>Education and Training on Regulatory Compliance and Human Rights - Employee Training Completion Percentage |                  |                           |            |                                                     |         |         |                                                                          |                                                     |         |            |                                                                          |          |        |     |   |   |   |   |   |   |   |          |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |       |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |  |



Dairen Chemical Corporation