



2022
ESG REPORT



SINO-JAPAN
CHEMICAL



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SINO-JAPAN CHEMICAL
中日合成化学有限公司





About the Report

About the Report

The Report is to disclose plans and practice of corporate social responsibility and sustainable development implemented by Sino-Japan Chemical Co., Ltd. (hereinafter referred to as Sino-Japan Chemical) as well as to provide stakeholders with the performance of sustainable development achieved by Sino-Japan Chemical. The reporting boundary, duration, release cycle, and preparation accordance of the Report as well as contact details and other relevant information are as follows :

Reporting boundary

Taipei Headquarters: 14F., No. 99, Sec. 2, Ren Ai Rd., Zhongzheng Dist., Taipei City
Linyuan Plant in Kaohsiung: No. 6, Shi Hua 4th Rd., Linyuan Dist., Kaohsiung City (Linyuan Industrial Park)

Duration and the release cycle

The Report is the 2022 Corporate Sustainability Report that is released by Sino-Japan Chemical for the first time. The information and statement presented in the Report is the implementation status of environment, social responsibility (including human rights), and corporate governance (including economy) in 2022 (from January 1, 2022, to December 31, 2022). It is released once every complete year.

Preparation accordance

The Report is disclosed according to GRI: 2021 Standards. A table of comparison between the content of the Report and GRI: 2021 Standards is provided at the end of the Report.

Contact details

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Message from the Chairperson

Message from the Chairperson

Thank you for reading Sino-Japan Chemical Sustainability Report. Implementation of sustainable development is a journey that never stops. Through the disclosure of sustainability information, we comprehensively review the current status of sustainability achieved by the Company and continue prompting the Company's improvement and development.

Although the epidemic of COVID-19 all over the world has been eased, we are now in an era that enterprises must face social issues, including climate change and human rights. ESG has become one of the most essential issues in the world. To enhance competitiveness and pursue sustainable management, enterprises at home and abroad focus on three dimensions, Environmental (E), Social (S), and Corporate Governance (G), and disclose the current status and objectives in ESG Sustainability Report in order to improve corporate long-term performance and corporate value. Sino-Japan Chemical also carries the core philosophy of sustainable development, emphasizes employee care and environmental protection, and implements corporate social responsibility in order to establish the foundation for sustainable development.

Safe production and make contribution to society

Following “Safety Philosophy” and “Mission” disclosed by Nippon Shokubai Group, we always adhere to “Safety takes priority over production” . Besides, we follow “**TechnoAmenity** Providing prosperity and comfort to people and society, with our unique technology. ” as our mission to the society. Committed to production, Sino-Japan Chemical also thinks about the global environment, produces products that meet customer demands, ensures product quality, and delivers to customers on time. In addition, other than our customers, we hope anyone who uses our products



indirectly can also wear a smile with joy. If we can achieve it, when gaining trust from customers and the society, it also represents the contribution made by each of our employees to customers and to the society. As the saying goes, “What we take from society, we give it back to society” . Except ensuring the Company's steady development, we also take part in public welfare activities and community charity activities near out plant as well as continue putting in resources and providing a safe working environment to protect employee health and safety.

Implementation of green transition

Currently, other than actively “developing core technologies and products” , “opening up forward-looking markets and industries” , promoting “differentiation strategies that stand out among our competitors” , and pursuing growth of the Company, we also push forward and participate in issues related to environmental protection and social concern from different dimensions to fulfill our actions for sustainability. Among them, for the issues of global climate change and global warming, the government has announced the goal of “2050 net zero in Taiwan” . Our Company also refers to the goals set by the parent company, Nippon Shokubai Group, and sets the targets of achieving 20% carbon reduction in 2030 and fulfilling “carbon neutrality “ in 2050. In response to the world trend of carbon reduction, the connection to international supply chains, the satisfaction of customer demands, and the fulfillment of green transition, the Company will continue innovating and developing environmentally friendly green products, improving existing manufacturing processes, and reducing loads to the environment to achieve scheduled milestones of energy consumption and carbon emission reduction.

Fulfillment of sustainable development goals

From now on, to maintain rights and interests of stakeholders and precisely deliver ESG-related information, we hope the Company will become a part of the global supply chain through the full promotion of ESG-related activities among all employees and further enhance our competitiveness and strengthen the foundation of sustainable management. In addition to obtaining better development in business and operation, we can also fulfill



our responsibility to the society and the environment, continue creating values to shareholders and employees, make contribution to society and environment, implement sustainability actions to production activities and corporate operation to truly achieve the goals of sustainable development. Please do feel free to continue providing us with support and encouragement.



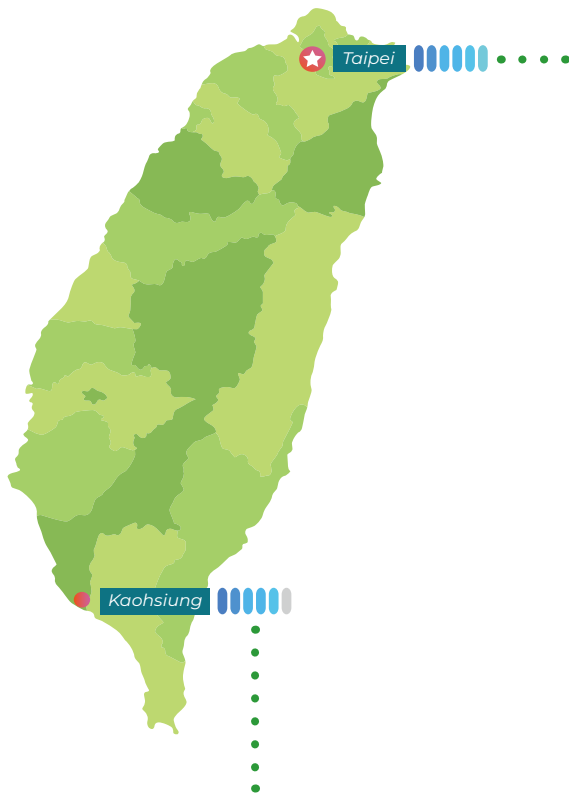
SINO-JAPAN CHEMICAL
Chairperson | President

荒井, 修樹



01. Sino-Japan Chemical

1.1 Company profile



Taipei Headquarters in Taipei, Ren Ai Rd.



Linyuan Plant in Kaohsiung (Linyuan Industrial Park)



1.1.1 Company main history

The Company was established in 1970 with funds raised by Sankyo Co. Ltd. in Japan, China Chemical & Pharmaceutical Co., Ltd., and Great Victory Chemical Industry Co., Ltd. jointly. It was technically assisted and supervised by Nippon Nyukazai Co. Ltd. and was the first professional surfactant manufacturer in Taiwan. In the beginning, it mainly produced pesticide emulsifiers in Shulin Plant. In 1982, Linyuan Plant was established in Kaohsiung Linyuan Petrochemical Industrial Park for professional production of nonionic surfactant. In 2008, Nippon Shokubai Group became the biggest shareholder of the Company. Over the past years, we continue working hard in advancing details related to safety & health, environmental protection, and internal control as well as optimizing production technology, organizational systems, and equipment to lay a cornerstone for the continuous development and sustainable management of Sino-Japan Chemical.

1.1.2 Product application and sales territory

For more than 50 years, our products are widely used in different industries, they play a key role in every industry and are closely related to our daily life. To satisfy customer demands, we continue investing in R&D equipment, establishing key technology, providing customized products and services of joint development, and building long-term partnership with customers.

For the “detergent” industry, we are active in developing a variety of eco-cleaning products and providing green products that are friendly to human body and environment in order to make efforts to green home. For the “resin” industry, we focus on continuous improvement of water resistance and weather resistance performance on waterborne resin paints. We have become a key supplier for reactive surfactants. For the “electronic” industry, we devote ourselves to the development of precision electronic chemicals and work hard to satisfy industrial demands in order to be an important partner in the electronic industry. In terms of the “textile” industry, we offer numerous surfactant products related to biomass to satisfy customer demands. As for the “agri-biotechnology” industry, we responded to the trend of environmental demand in water-borne pesticide formulations all over the world and developed water-based flowable concentrate and emulsion agent, oil in water to step into the new trend of environmental protection with customers.

Other than the domestic market, our products are marketed in more than 50 countries over the five continents in the world. In the future, we will concentrate on the expansion of overseas markets and continue enhancing the ratio of overseas sales.



1.1.3 Rigorous standardized manufacturing process and quality management

To pursue quality stability and operational safety, we keep introducing the latest production equipment and technology, fully implement the automatic control system, and complete automatic storage equipment and precise automatic filling system. We plan to further introduce intelligent management in our plant from 2023, including the completion of the logistics center in 2025, to comprehensively enhance production and operational safety, shipment efficiency, and the goals of energy saving and carbon reduction.

We obtained ISO-9002 Manufacturing Process and Quality Assurance System Certification in 1997, ISO-9001 Quality Management System Certification in 2000, ISO-14001 Environmental Management System in 2006, OHSAS-18001 Occupational Safety and Health Management System in 2007, HALAL Certification in 2014, and CNS 15506 Taiwan Occupational Safety and Health Management System Certification in 2015. In 2018, we passed the review of JIPM in Japan and obtained TPM Excellence Award. In 2019, we obtained ISO-45001 Occupational Safety and Health Management System and RSPO MB Certification. These are to ensure we fully understand customer demands; through quality management systems, we commit and implement continuous improvement.

1.1.4 Equipment investment and occupational safety management

The main equipment used in the Company includes EO/PO polymerization high-pressure reactor, EO/PO polymerization pretreatment tank, refinery pit, mixing tank, heat transfer oil system high-temperature reactor, flaker, and grinder. For years, the Company continues introducing new technology and activities related to environmental protection, waste reduction during production, and energy saving, such as installing high-efficiency wastewater treatment tank and whole plant occupational safety and environmental protection monitoring system. Besides, through regular discussion and environmental review, we aim to achieve the goals of “zero pollution” and “zero disaster” .

1.1.5 Flexible services and innovative R&D

The Company provides flexible customized services, advantages of small-volume and large-variety production, and various packaging materials to satisfy customer demands in quality and quantity. We offer complete technical support and real-time after-sales intensive service, provide most professional suggestions to customers, and carry out development with customers to further achieve the goals of accurate delivery and professional service.



We possess sophisticated analytical instruments, small reactive equipment, and complete database of surfactants as well as focus on the development of surfactants and establish key technology to ensure our competitiveness in domestic and overseas markets.

In addition to the existing industry, the Company is working hard to develop high-value added technology and products for electric vehicles, semi-conductors, and innovative electronic materials to establish a good foundation for sustainable development in the future.

Along with the development of each industry, the demands of industrial application continue rolling out. We also keep innovating and developing new technology and new products to respond to market demands. We hope to provide prosperity and comfort to people and society, with our unique technology. We conduct all of our corporate activities based upon a deep respect for humanity. We aim at coexisting with society, and working in harmony with the environment.

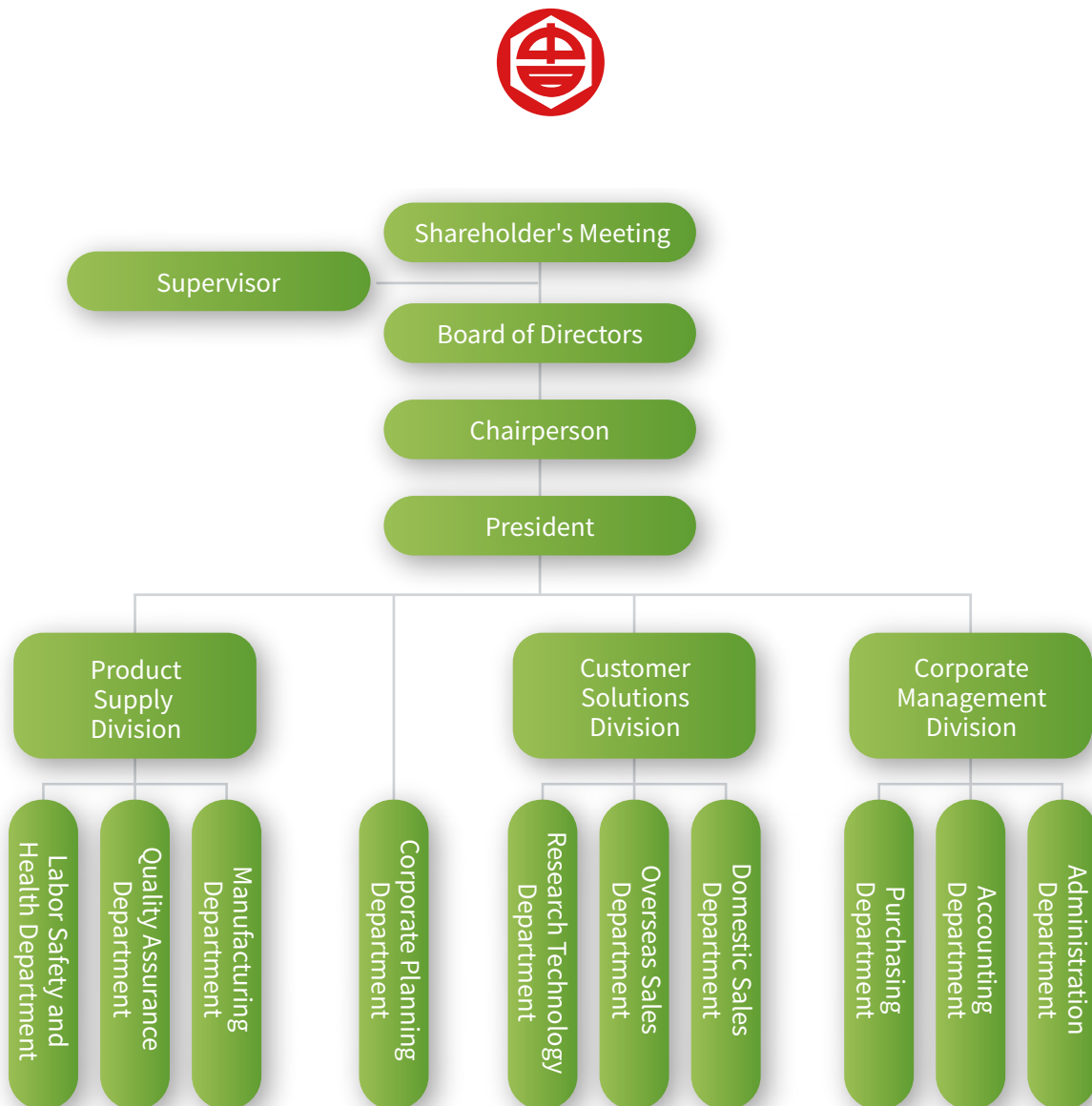




1.2 Corporate governance organizational structure

1.2.1 The highest governing body:

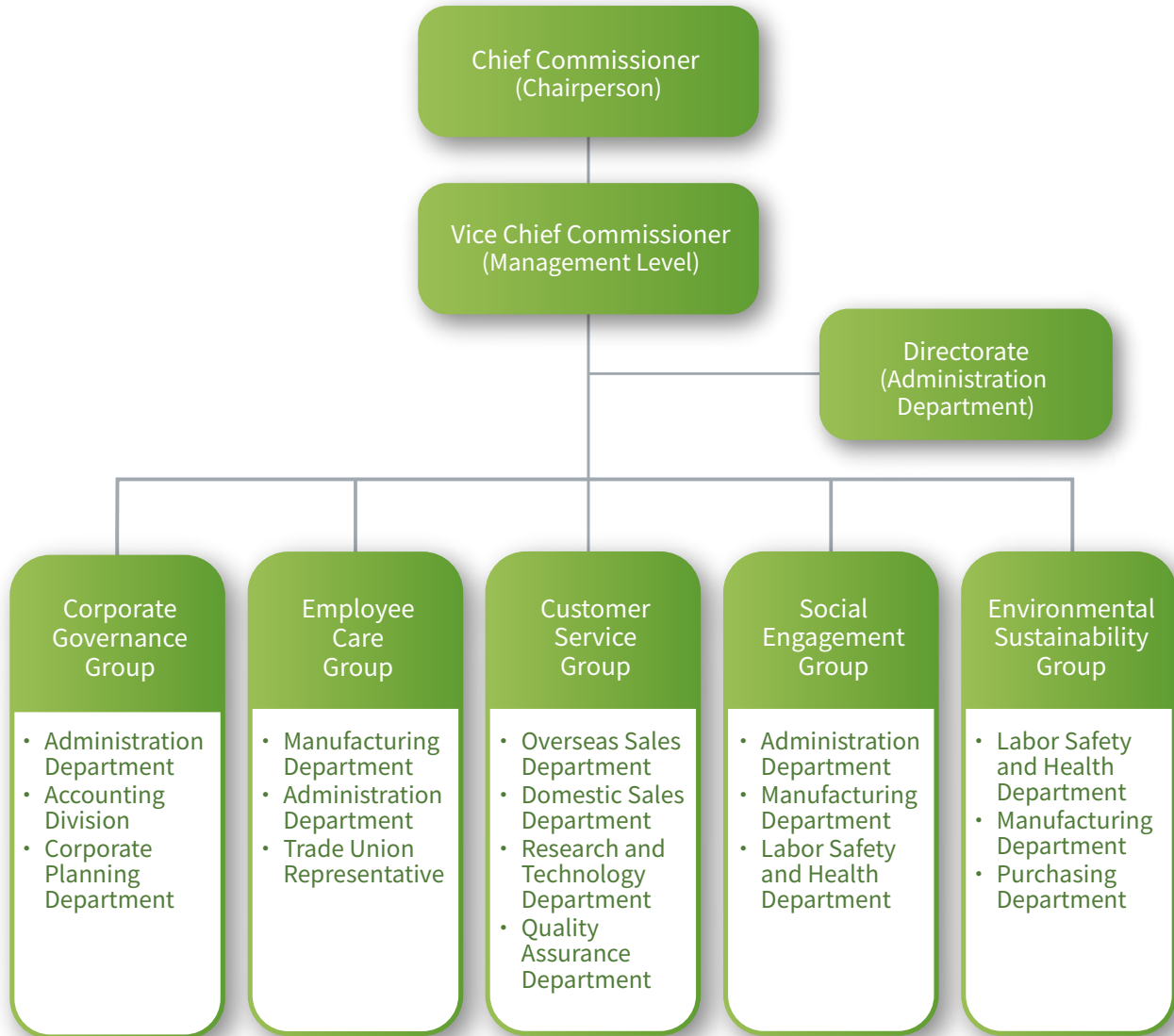
To fulfill internal management mechanism and supervision, resources are integrated and shared through the resource platform. In addition, it focuses on the integration of back-end management performance and the coordination of front-end to further enhance the business performance at the front-end. Based on different job duties, Sino-Japan Chemical establishes relevant departments to increase business performance of the Company. The organizational structure is as below:





1.2.2 Sustainability Committee:

The Board of Directors authorized to establish “Sustainability Committee” as the highest governing authority. The structure is shown below:





1.2.3 Committee duty:

To fulfill social responsibility as a corporate citizen, link with international trends, actively respond to risk evaluation and coping strategies for environment, society, and corporate governance required by stakeholders, and achieve sustainable development goals, the Board of Directors authorizes the establishment of the Sustainability Committee.

Chairperson of the Company is the Chief Commissioner of the Sustainability Committee, and the Vice President/Associate Vice President of each division serves as the Vice Chief Commissioner, while the tier one supervisors of each department act as committee members. A meeting must be held at least every half a year. If necessary, additional meetings can be called up. The Board of Directors should be reported the implementation status aperiodically.

The Sustainability Committee is to assist continuous promotion of corporate social responsibility and enhance corporate governance in order to fulfill the purpose of sustainable management. Its duty includes:

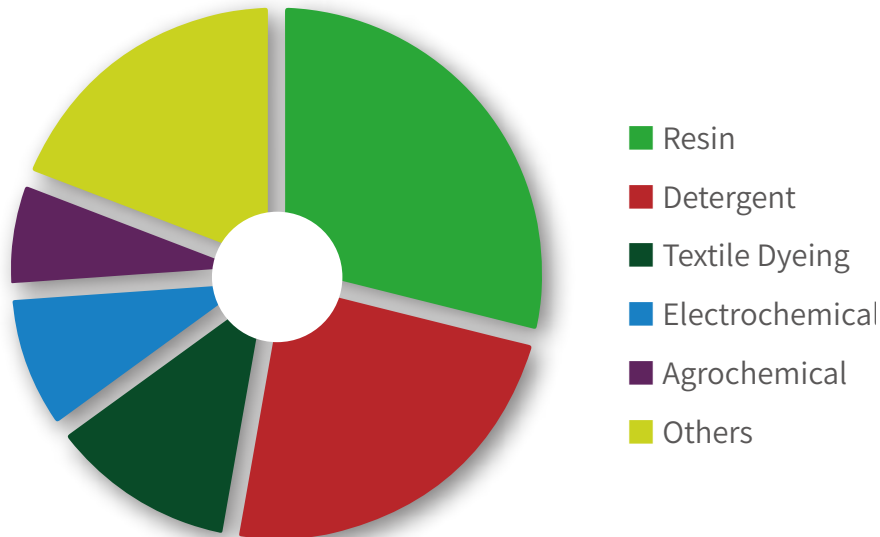
- ◆ Planning guidelines and strategies of sustainable development activities promoted by the Company.
- ◆ Establishing plans and measures for sustainable development promotion and reviewing the actual effectiveness.
- ◆ Discussing other important matters of sustainable development promotion.
- ◆ Other matters that are instructed to the Committee through the resolution of the Board of Directors.



1.3 Marketing overview

1.3.1 Distribution of sales revenue by the classification of domestic industry:

Our products are diversified and cover a wide range. The scope of application spreads more than 20 industries.



1.3.2 Rooted in Taiwan and eye on the world:

Our products are marketed in more than 50 countries over the five continents in the world. In the future, we will focus on expanding overseas markets and continue increasing the ratio of overseas sales.





1.4 Activity value chain

1.4.1 Promoting supplier cooperation and management:

Sino-Japan Chemical follows the guideline of “United Nations Convention against Corruption (UNCAC)” and agrees to comply with the anti-corruption regulations set by the local place where the business activities are conducted by Sino-Japan Chemical. To construct standards of corporate governance social responsibility and risk control mechanism, we adopt the principle of zero tolerance towards behaviors of corruption and bribery. In addition, Sino-Japan Chemical provides an “Environmental and Social Responsibility Statement” for each supplier to sign on it. It is expected to complete key supplier signature in 2023.

1.4.2 Regular assessment:

Sino-Japan Chemical insists all of our suppliers to respect labors. When selecting new suppliers, we incorporate “Human Right Standard Assessment” and request suppliers to follow relevant international standards and legal regulations in Taiwan to conduct behaviors that meet human right requirements in terms of voluntary labor, no child labor, legal working hours, legal wage payment, humanitarian working environment, no discrimination in gender/nationality/ethnicity/disability, and freedom of association. We demand all the suppliers working with Sino-Japan Chemical to respect employee human rights and ensure employees to work in a friendly working environment safely.

To deepen the implementation by suppliers, Sino-Japan Chemical will ask suppliers to complete “ESG Supplier Risk Evaluation Survey” regularly. The content includes five key dimensions in labor, health & safety, ethics, environment, and management system. Suppliers are asked to carefully review sustainability topics that need to be faced in order to strengthen positive impacts of the whole supply chain to the society and the environment. After the on-site audit, we will provide a corrective action report to each supplier for improvement.

Besides, the Company carries out periodic assessment to contractors. It includes work quality/ operational area management, work schedule control and management, cooperation and coordination, self-management of environment, safety & health, and special consideration. We expect contractors to meet schedules requested by the Company under the consideration of occupational safety and health as well as achieve problem-solving to create win-win situations.



1.4.3 Promoting local supply chain:

Suppliers are important partners for the sustainable operation of Sino-Japan Chemical. To reduce the risks and costs of supplies in the supply chain, Sino-Japan Chemical is active in working with suppliers for localized supplies. Except shortening delivery time and lowering transportation risks, it also reduces carbon emission caused by distant transportation and creates local employment opportunities to promote the development of local industries and economy in Taiwan. In 2022, the ratio of local procurement to the total purchase amount was 85%.

1.4.4 Strengthening customer service:

The growth of Sino-Japan Chemical relies on the trust from customers. To create greater value for customers, other than working hard to provide good service systems, regularly reviewing product utilization status by customers, ensuring smooth operation of production line for customers, Sino-Japan Chemical continues promoting material innovation and improvement as well as working closely with customers' R&D team to develop the most optimized products and grow with customers.

1.4.5 Customer satisfaction survey:

In order to ensure that quality management meets customer demands and increase customer satisfaction, Sino-Japan Chemical adopts questionnaires for “Customer Satisfaction Survey” . We send customers the questionnaires and ask them to fill in the level of satisfaction for relevant questions. The results of customer satisfaction survey in 2022 are as below:

Classification	Copies of questionnaire issued	Copies of questionnaire returned	Recovery rate	Level of satisfaction
Domestic customers	60	60	100%	98.3%
Overseas customers	30	30	100%	97.0%

1.4.6 Handling customer complaints:

In order to respond and handle customer complaints promptly, eliminate customer dissatisfaction and prevent recurrence, furthermore continuously enhance the quality of product and service, and increase customer satisfaction and loyalty, Sino-Japan Chemical has a mechanism in place to handle customer complaints.



Each customer complaint will be established a special case to provide concrete improvement and response within the deadline requested by customers.

In 2022, the customer complaint and its handling are as below:

Number of customer complaint	Number of closure	Closure rate
0	0	0





1.5 Sustainable development road map

1.5.1 Blueprint of sustainability strategy

Sino-Japan Chemical starts from our core competence and devotes ourselves to social responsibility through innovative thinking. We follow the Mission of our parent company in Japan and turn the concept of corporate sustainability into our business mission. It not only enables us to strengthen our corporate resilience but also helps us to break new ground from our business model to reach multiple winning synergy that is good for our business and others, Company profits, sustainable management, and environmental sustainability.

The details of the safety concepts, corporate philosophy, corporate value, and code of conduct instructed by the Group are as follows:

Safety Philosophy

Safety takes priority over production.

Mission

TechnoAmenity Providing prosperity and comfort to people and society, with our unique technology.

Values

Important guiding principles to fulfill our Mission

Respect Diversity

We will create new value by respecting the unique traits of each person.

Pioneer New Possibilities

Pioneer New Possibilities: We will courageously provide solutions to customer challenges and social issues.

Contribute to Global Environmental Preservation

We will work to ensure a better global environment is passed down to the next generation.

Code of conduct

1. We will contribute to the realization of a sustainable society by putting the Group Mission **TechnoAmenity** into practice.
2. We will execute our business activities by always ensuring both internal and external safety.
3. We will enforce thorough-going compliance in every area.



4. We will support international human rights standards and respect the human rights of all people touched by our business activities.
5. We will engage in fair and sincere business activities with all of our stakeholders.
6. We will provide materials and solutions needed by customers.
7. We will help reduce our environmental impact and help tackle environmental issues through technology.
8. We will actively disseminate information and dialogue with stakeholders.
9. We will recognize and respect diversity so that every person and organization reaches their full potential.
10. We will contribute to the development of local communities as a member of those communities.

1.5.2 Sustainable development goals:

		Short-term goals	Mid-term goals	Long-term goals
Key point of sustainable development promotion		Establishing Sustainability Committee and its system, checking current situation of ESG, and confirm the development blueprint	Establishing goals and strategies according to the development blueprint and introducing necessary management system	Developing and integrating new business models
Dimension of practice	Friendly environment	Setting up environmental policies according to the situation of greenhouse gas emission verification	Actively participating in reasonable carbon reduction goals, implementing ISO-14001 to enhance performance, promoting ISO-50001 Energy Management System, and increasing efficiency of energy utilization	Evaluating and setting the goals of carbon neutrality
	Shared-good society	Actively participating in community activities	Healthy Workplace Certification	Giving back to the society by helping underprivileged groups
	Corporate governance	Strengthening the functions of Sustainable Development Committee	Strengthening ESG information disclosure	Promoting business sustainable management
	Sustainable innovation	Identifying demands of the green industry	Green energy technology integration and positioning	Establishing new business models



1.5.3 Response to UN sustainable development goals (SDGs):

The Company is devoted to promoting gender equality of employment, creating a friendly workplace, and committed to providing for diversified employees to bring out their greatest potentials. We strengthen the development of sustainable economy to create excellent revenue performance year by year and continue expanding business scale through comprehensive connection and integration capability. No matter whether it is the fulfillment of ESG or the response to SDGs, Sino-Japan Chemical focuses on the main business to promote environmental and social development, fully implement corporate social responsibility, and create innovative and sustainable services.

What Sino-Japan Chemical created is not only a job but also an opportunity and a place for like-minded partners to participate in the future and to make the most of their talents. To enhance employee well-being and corporate sustainable operation, we provide measures balancing work and life that care for employee family and the personal life of employee, including dimensions in work, health, and family. We set up friendly systems and supports to create positive and supporting working environment. In order to create a good learning environment, we take the initiative to understand the latest trend of learning and employee demands, make good use of resource and learning platforms, improve interaction with employees, increase learning willingness, and enhance employees' competitiveness.

1.5.4 Ethical management and code of ethics:

Sino-Japan Chemical has established complete management regulations and systems, clearly expressed policies of ethical management, and provided employees with relevant educational training.

1.5.5 Regulatory compliance:

Sino-Japan Chemical highly values regulatory compliance and also entrusts professional law firms to assist employees in clarifying any concern about legal regulations. In 2022, there was no record of materially violating relevant laws in terms of economic dimension, environmental dimension, and social dimension and was fined or prosecuted.

1.5.6 Promoting commitments to corporate social responsibility:

Sino-Japan Chemical reviews and promotes corporate social responsibility with an active attitude. We integrate the promotion of sustainability commitment into daily operation to fully respond to the trend of sustainable development and make commitments to the sustainable development of the corporate and the society.



To guide our employees meeting ethical conduct standards and ensure stakeholders understand the Company's standards of ethics better, our parent company, Nippon Shokubai, established “Code of Conduct” for all the employees in Sino-Japan Chemical to follow and use it as guidelines for actions. New employees will be guided by the competent authority to know the company culture and code of conduct so that all the activities in the Company follow the social regulations and standards related to law, environment, and safety.

Sino-Japan Chemical provides high-quality and safe products and believes talents are the greatest cornerstone for the Company. Other than maintaining the rights and interests of internal employees, we also ensure suppliers to respect employees, adopt responsible manufacturing processes to the environment, and offer safe working conditions and welfare. We emphasize and make sure employee health and safety, including our suppliers' and whether working environment meets regulations. We continue enhancing social and environmental responsibility in our supply chain, actively monitoring risks and opportunities impacted by the environment, and moving towards the goal of environmentally friendly enterprise.

1.5.7 Cooperating with associations:

Other than pursuing our sustainable management, Sino-Japan Chemical responds to the demand of business development and tries hard to support associations in the same trade or in other industries and other non-profit organizations to strengthen information exchange within the industry or with other industries and promote industrial connection.

Currently, the Company is a member in Petrochemical Industry Association of Taiwan, Taiwan Chemical Industry Association, Taiwan Cleaning Product Association, Roundtable on Sustainable Palm Oil (RSPO), and Taiwan Halal Integrity Development Association (HALAL). Other than enhancing professional knowledge of the industry together with each organization, we also expect to perform social responsibility with each organization and further enhance the responsibility of the whole supply chain to the society.

1.5.8 Internal control and audit by the Group:

The Company receives J-SOX internal control audit from the parent company and obtains valid evaluation by the parent company and the supervising incorporated certified public accountant.





1.5.9 International certification:

The Company obtained ISO International Management System Certification as well as HALAL and RSPO Certification for customers in specific industries. We receive affirmation from our customers.

ISO 9001



ISO 14001



ISO 45001



RSPO



HALAL





02. Implementation of corporate social responsibility

2.1 Process of material topics

Our Company listens and responds to the topics that are concerned by stakeholders and introduces substantive analysis when preparing the sustainability report. Through systematic analytical mode, we hope to identify topics of sustainability that are concerned by stakeholders and use them as the reference for information disclosure of the Report to facilitate effective communication with stakeholders. The analysis of significant dimensions in the Report includes the following five steps:

2.1.1 Identifying stakeholders:

Through internal discussion with managers and colleagues in different departments and their feedback, we identify stakeholders, including institutional shareholders, directors & supervisors, managers, employees, customers, suppliers, contractors, and underprivileged groups.

2.1.2 Collecting sustainability topics and summarizing dimensions to be considered

The collection of topics comes from two sources, external and internal. External sources include GRI Standards. Based on the 33 consideration dimensions listed in GRI Standards, we incorporate them into international topics and standards to summarize a list of dimensions to be considered.

2.1.3 Understanding the topics

Through questionnaires, we understand stakeholders' concern towards each topic. We also carry out survey on the senior managers in the Company at the same time to evaluate the impact of each topic caused to the Company's operation.

2.1.4 Identifying material topics

After adding scores of stakeholders' concern and impact to the sustainable development recognized by the senior managers together, we conduct analysis and sequencing of dimensions. Upon the internal discussion and the approval of senior managers, the material topics of the Report are determined.



2.1.5 Reviewing and discussion

According to the material topics identified for the year, we disclose management guidelines. In the future, we will continue strengthening management and disclosing relevant information in the sustainability report.



2.2 Investigation of material topics

2.2.1 Questionnaire survey:

Based on the level of attention and impact towards GRI material topics, the Company conducted survey to stakeholders through questionnaires. We identified stakeholders according to 2.1.1 and issued 180 copies of questionnaires to institutional shareholders, directors & supervisors, managers, employees, customers, suppliers, contractors, and underprivileged groups. 124 copies of questionnaires were returned with a recovery rate of 68.89%.

2.2.2 Statistics of material topics

Material Topics	average attention	average impact
GRI 201- Economic Performance	8.18	7.65
GRI 202- Market Presence	7.49	6.50
GRI 203- Indirect Economic Impacts	7.12	6.18
GRI 204- Procurement Practices	6.99	6.50
GRI 205- Anti-corruption	7.97	7.02
GRI 206- Anti-competitive Behaviour	7.31	6.53
GRI 207- Tax	7.23	6.52
GRI 301- Materials	7.28	6.50
GRI 302- Energy	7.60	6.62
GRI 303- Water and Effluents	7.20	6.34



Material Topics	average attention	average impact
GRI 304- Biodiversity	6.75	6.00
GRI 305- Emissions	7.96	7.03
GRI 306- Effluents and Waste	7.81	7.00
GRI 308- Supplier Environmental Assessment	7.12	6.33
GRI 401- Employment	7.69	6.89
GRI 402- Labor-Management Relations	7.50	6.62
GRI 403- Occupational Health and Safety	8.16	7.38
GRI 404- Training and Education	7.59	6.73
GRI 405- Diversity and Equal Opportunity	7.16	6.03
GRI 406- Non-discrimination	7.44	6.26
GRI 407- Freedom of Association and Collective Bargaining	6.84	6.07
GRI 408- Child Labor	7.14	5.89
GRI 409- Forced or Compulsory Labor	7.41	6.24
GRI 410- Security Practices	6.53	5.66
GRI 411- Rights of Indigenous Peoples	6.40	5.29
GRI 413- Local Communities	6.68	5.68
GRI 414- Supplier Social Assessment	6.96	6.06
GRI 415- Public Policy	6.46	5.74
GRI 416- Customer Health and Safety	7.97	7.03
GRI 417- Marketing and Labeling	7.88	6.92
GRI 418- Customer Privacy	8.08	7.11

2.2.3 Determination of material topics:

Based on the results of statistics above, Sino-Japan Chemical selected following topics:

- ◆ 201 Economic Performance
- ◆ 205 Anti-Corruption
- ◆ 305 Emissions
- ◆ 306 Effluents and Waste
- ◆ 403 Occupational Health and Safety
- ◆ 416 Customer Health and Safety
- ◆ 418 Customer Privacy





2.3 Stakeholder communication

2.3.1 Topics, channels, frequency, and results

Meeting the expectation of stakeholders is an important goal of CSR policies established by Sino-Japan Chemical. We communicate and interact with stakeholders through different methods. The communication methods and channels with stakeholders are shown as below:

Topics concerned by stakeholders and engagement results

Stakeholder	Topics	Communication channels	Frequency	Response/ engagement results
Shareholder	Management strategy and future development Corporate governance Regulatory compliance: environment Supplier environmental assessment	Annual shareholders' meeting	Once a year	Business report Financial report Earnings distribution
Director Supervisor		Board of Directors	Twice a year	Annual budget Business report Financial report Voluntary retirement of employees Appointed managers' appointment Other proposals
Customer	Regulatory compliance (environment) Product and service labelling Customer health and safety Customer privacy	Satisfaction survey Business visit	Once a year	Feedback of customer satisfaction achieved the target.
Employee	Labor/ management relations Occupational health and safety	Labor-management meeting Employee grievance mailbox Employee Welfare Committee Occupational Safety and Health Committee	Omit	The content of meeting met legal regulations, and the meeting did not have important resolution and engagement.
Supplier	Regulatory compliance (environment) Supplier environmental assessment	Regulatory compliance (environment) Supplier environmental assessment	Once a year	Suppliers follow legal regulations for environmental management and have no material violation.



After identifying material topics, we further confirm the impacts to internal and external organization caused by the major considerations. Its scope, boundary, and schedule are fully disclosed in the Report. Besides, senior managers discussed each material topic with each other and established strategies, guidelines, and coping measures to strengthen the communication with stakeholders.

2.3.2 Material topic communication

Dimension	Material topic	Strategy and guidelines	Coping measures
Economy	<ul style="list-style-type: none"> ◆ 201 Economic Performance ◆ 205 Anti-Corruption 	Establishing long-term strategies and goals Strengthening information disclosure	<ul style="list-style-type: none"> * Investing more resources in technology innovation, quality improvement, and manufacturing cost reduction. * Integrating business and product information to strengthen development in the Mainland China and overseas areas. * Strengthening business continuity management (BCM) to increase the resilience of business continuity plan (BCP). * Establishing Sustainability Committee to deepen sustainable management.
Environment	<ul style="list-style-type: none"> ◆ 305 Emissions ◆ 306 Effluents and Waste 	Developing relationship with customers and suppliers Investing R&D to promote environmental protection	<ul style="list-style-type: none"> * Regular reviewing and actively following up the changes of governmental regulations. * Strengthening green supply chain to reinforce audit and management to suppliers. * Implementing “New raw material (Supplier) and Transaction Change Evaluation” . * Signing Sino-Japan Chemical “Corporate Social Responsibility Statement” with suppliers. * Conducting regular internal audit and standardized operating procedures as well as implementing regulations of product information disclosure.



Dimension	Material topic	Strategy and guidelines	Coping measures
Society	<ul style="list-style-type: none"> ◆ 403 Occupational Health and Safety ◆ 416 Customer Health and Safety ◆ 418 Customer Privacy 	<p>Implementing regulatory compliance and product responsibility</p> <p>Developing relationship with customers and suppliers</p> <p>Creating working environment that is friendly and LOHAS</p> <p>Establishing customer personal data protection mechanism</p>	<ul style="list-style-type: none"> * Providing employee communication and grievance channels as well as actively optimizing good working environment. * Providing employee welfare, including annual tour, health examination, and special payment for childbirth. * Establishing smooth internal communication channels and sexual harassment grievance mailbox. * Offering employees budgets for self-motivated educational training to strengthen knowledge management and enhance employee competence as well as encourage employees to engage with fitness exercise. * Implementing occupational safety and health policies * Developing environmentally friendly products <p>The Company's R&D team carries the concepts of protecting global ecology, environmental sustainability, and friendliness to human body and combines these concepts with industrial application to develop products that meet environmental protection regulations and industrial certification, such as eco-friendly cleaning materials, water-based pesticide dispersants, and water-based paint emulsifiers. They are products that meet certification of RSPO, ZDHC, and GOTs. We hope to make contributions to environmental sustainability.</p> <ul style="list-style-type: none"> * Management information is open and transparent, following regulations. * Signing confidential agreements with customers/ suppliers to maintain security of R&D and cooperation information with customers/ suppliers.



2.4 Promotion of commitments to corporate social responsibility

Sino-Japan Chemical reviews and promotes corporate social responsibility with an active attitude. We also integrate the sustainability commitments into our daily operation to fully respond to the trend of sustainable development and make commitments to the sustainable development of the enterprise and the society.

Based on the implementation of social responsibility, the policy and commitment of corporate social responsibility delivered by Sino-Japan Chemical include:

- Formulating the corporate social responsibility statement.
- All of the Company's business activities follow social regulations and standards related to law, environment, and safety.
- Ensuring the transparency of management information to strengthen business performance and maintain rights and interests of shareholders.
- Valuing corporate governance and implementing internal audit and control system.
- Providing safe and healthy working environment and fulfilling cultivation and development of professional competence.
- Working with customers and suppliers to enhance the supply chain's social and environmental responsibility.
- Implementing energy saving and carbon reduction as well as establishing energy saving and central control system and process of digital documents.
- Caring and giving back to society, participating in social and public welfare, and sponsoring industrial talent cultivation.

2.5 Active participation in social activities

Other than ensuring steady development, the Company also takes the initiative to participate in social welfare activities and community welfare near the plant. The details are as below.

- Joining the organization of “Linyuan Petrochemical Industrial Park Good-Neighborhood Fund” to give back to the residents in Linyuan District. The fund is used in the following purposes:

- (1) Local construction projects
- (2) Public welfare activities
- (3) Scholarships
- (4) Emergency assistance



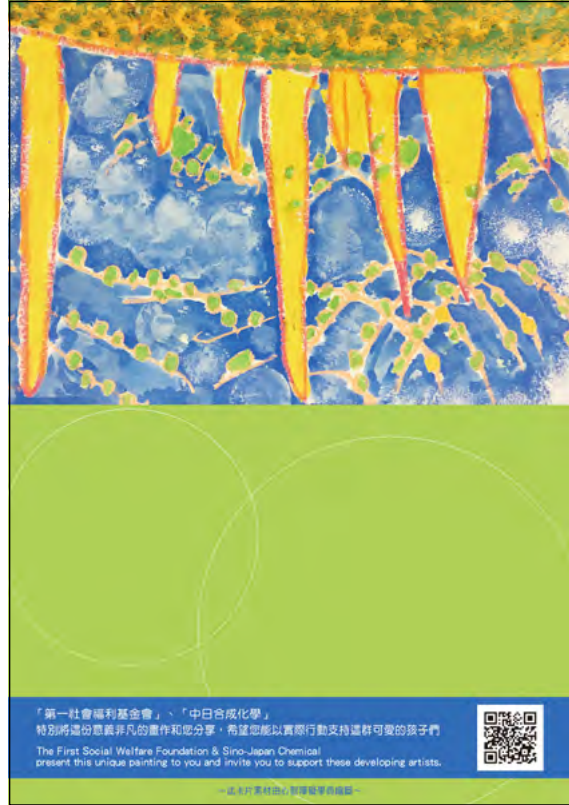
(5) Sponsoring community festivals, art activities, and sports events

(6) Supporting community health, afforestation, landscaping, and public facility maintenance

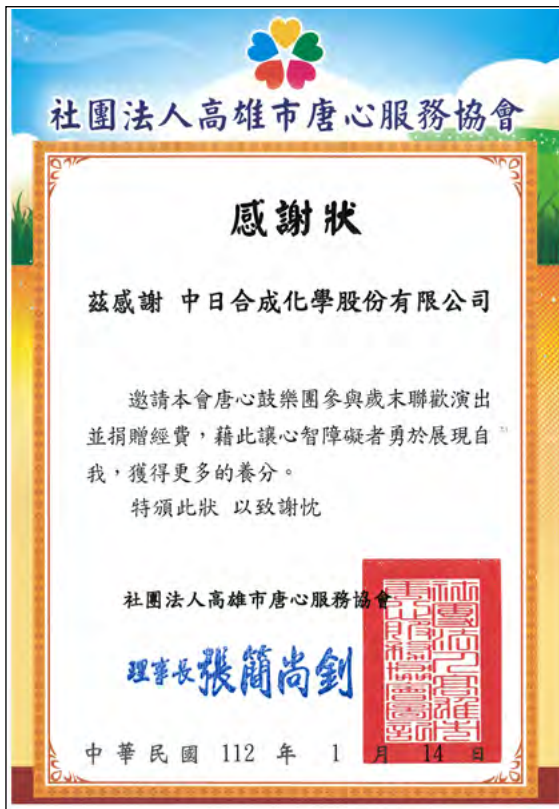
(7) Books donation to elementary schools in the community

- A long-term sponsor to The First Social Welfare Foundation for their activities of art camp for members with mental disability. The cards painted by the mentally disabled members are used as greeting cards for greetings in traditional festivals and Lunar New Year.
- Offering internship opportunities to students at the Department of Applied Chemistry, National University of Kaohsiung to promote cooperative internship instruction and practical training.
- Assisting free dishes to vulnerable seniors in Huashan Daliao Station for Lunar New Year.
- Inviting mentally disabled groups to perform at the end-of-year dinner party.
- Hosting activities of second-hand books and clothes donation.
- Participating in Petrochemical Cup Labor-Management Softball Tournament.





The cards painted by the mentally disabled members are used as greeting cards for greetings in traditional festivals and Lunar New Year



Inviting mentally disabled groups to perform at the end-of-year dinner party



Assisting free dishes to vulnerable seniors in Huashan Daliao Station for Lunar New Year.



Offering internship opportunities to students at the Department of Applied Chemistry, National University of Kaohsiung to promote cooperative internship instruction and practical training.

Hosting activities of second-hand books and clothes donation.



Participating in Petrochemical Cup Labor-Management Softball Tournament



03. Creation of an environment with friendliness and LOHAS

3.1 Employee structure

3.1.1 Nature of duty and gender status

	Whole company		Taipei Headquarters		Kaohsiung Linyuan Plant	
	Male	Female	Male	Female	Male	Female
Total number of employees	151	19	39	10	112	9
Number of permanent employees	151	19	39	10	112	9
Number of full-time employees	151	19	39	10	112	9
Total	170		49		121	

3.1.2 Employee turnover

	Whole company		Taipei Headquarters		Kaohsiung Linyuan Plant	
	Male	Female	Male	Female	Male	Female
Number of employees resigned	1	0	1	0	0	0
Number of employees recruiting new blood	8	1	1	0	7	1
Number of employees applying leave without pay	0	0	0	0	0	0
Number of employees resumed their duties	0	0	0	0	0	0



3.1.3 Non-employee workers:

Temp workers by the dispatch labor agency: 10/ Contractor: 3. Their main jobs are operators in the manufacturing site, cleaners, and personnel loading and unloading containers.

3.2 Remuneration policy

The Company's "Personnel System" and "Personnel Management Regulations" specify clear regulations for the promotion system, assessment system, and remuneration policy.

- The same salary is offered during the probation and after formal employment.
- New employees: Educational background and experience will be taken into the consideration to offer salary according to the regulations.
- Current employees: Salary will be adjusted every year based on personal performance (achievement of management by objectives and competence assessment) according to the regulations.

Salary structure includes:

- Base pay: competence pay, supervisory differential pay, and seniority pay.
- Allowance: Meal allowance, transportation allowance, and others.
- Bonus: Traditional holiday bonus (end of the year, Dragon Boat Festival, Moon Festival), business sustainability bonus, R&D bonus, and working-hour zero accident bonus.

In addition, to gather the morale of all employees and enhance adhesion to the Company, we provide:

- Termination indemnity to those who are qualified for old retirement fund, with seniority more than 10 years, and resign due to personal factors.
- Policy of voluntary retirement.
- Welfare systems, including travel subsidy, scholarships for employees' children, Lunar New Year allowance, seniority bonus (appreciation leave), self-motivated educational training subsidy, employee group insurance, travel leave, and special leave that is better than regulations specified in Labor Standards Act.



3.3 Group engagement

The Company has the organization of trade union, and the percentage of membership is 89.9%. Other than holding regular representative meetings and directors & supervisors meetings, labor-management meetings will be held regularly to discuss working conditions, employment provisions, and employee working conditions and environment enhancement as the accordance of harmony between labors and management.





3.4 Occupational safety and health

The Company has obtained international certification of ISO-45001 Occupational Safety and Health. According to the regulations, the Company has identified each source of risks and identified material risk sources through the risk management, including:

Significant Risk Assessment Register									
									Year: 2022
Operational activity	EO/PO polymerization			Reaction tank in reaction			Labor-saving device- sling, steel barrel		
Identifying risks and results (scenario description of the results might be caused by risks)	Cooling water malfunction or inactiveness, no action of the mixer or power failure, causing it unable to cool down during the reaction.			Cooling water malfunction or inactiveness, no action of the mixer or power failure, causing it unable to cool down during the reaction.			Broken sling, hitting other objects because of the effect of inertia, or steel beam displacement.		
Place/ responsible unit	Manufacturing Process Area/ Manufacturing Section 1			Manufacturing Process Area/ Manufacturing Section 2			Testing and Measurement Area/ Testing and Measurement Section		
Type of hazard	CH1	CH2	CH4	CH1	CH2	CH5	PH6	PH7	PH1
Rating	180	180	180	120	120	120	120	120	120
Method of control (V or remark)	Elimination								
	Replacement								
	Engineering controls	V	V	V	V	V	V	V	V
	Process (Name)	Emergency Response Management Standards	Emergency Response Management Standards	Emergency Response Management Standards	Emergency Response Management Standards	Emergency Response Management Standards	Emergency Response Management Standards	Emergency Response Management Standards	Emergency Response Management Standards
	Administrative controls								
	Personnel protective equipment								
	Emergency response	V	V	V	V	V	V	V	V



Based on the sources of material risks above, the Company works actively in seeking improvement measures and lists concrete annual improvement goals, including:

Policy	Goal	Index (quantified)	Management plan
			Name
Obligation of compliance Continuous improvement Energy saving and waste reduction Environmental protection Disaster prevention Friendly workplace	Enhancing safety in the plant and reducing incidence rate of disaster caused by power failure	Hazard of high temperature in the reaction tank caused by power failure: 0	1. Installment of emergency power supply system for the reaction tank in Manufacturing Section 1.
			2. Installment of emergency power supply system for the reaction tank in Manufacturing Section 2.
	Lowering the probability of flying or falling objects	Hazard of flying or falling objects: 0	3. The filling steel barrel lifting equipment in Manufacturing Process Area 1/ replaced one set of the equipment
	Promoting labor health and strengthening personnel spiritual growth	Assisted family activities and held employee health examination and seminar: Once/ year.	4. Health promotion activities

3.5 Employee health and safety promotion

The Company holds a Safety, Health, and Environmental Protection Committee meeting every quarter and have made the following resolutions on the issues of employee health and safety promotion, including:

Quarter 1	<ol style="list-style-type: none"> 1. Health examination on all the labors in the company and plant, and the examination include specific health check and general labor health check. 2. Established after-work clubs and encouraged employees to participate in. 3. It was the time of epidemic, we cared for our employees and reminded them to pay attention on epidemic prevention measure when travelling on holidays, ensure to keep a record of body temperature, and carry out frequent sanitization.
Quarter 2	<ol style="list-style-type: none"> 1. For employees who had abnormality in the health examination, specific health check, and recent physical conditions, nurses will follow it up and provide one-on-one supervision to implement improvement actions. 2. During the epidemic, the Company implemented the following concrete actions: <ol style="list-style-type: none"> 2.1 During the work, workers must wear a mask all the time. 2.2 Ensure to record body temperature and carry out frequent hand washing and sanitization.



Quarter 2	<p>2.3 Visitors and contractors must have had at least two vaccinations before they can be permitted to enter the company and plant.</p> <p>2.4 Keyboard and mouse for public computer are wrapped with cling film, and the cling film should be replaced when there is a shift change.</p> <p>2.5 Strengthening environmental cleaning and disinfection in the office.</p> <p>2.6 Those who are required home quarantine because of close contact can return to work after three full day quarantine and tested negative on the fourth day.</p> <p>2.7 We will cooperate with Central Epidemic Command Center to review the concrete actions and make some adjustment at any time on a rolling basis.</p>
Quarter 3	<p>1. Four personnel were with major abnormality in the health examination. Nurses have provided health instruction and suggestion, and the health suggestion has been implemented.</p>
Quarter 4	<p>1. Caring for our employees in concrete action, such as health examination on tier 2-4 personnel, hazard prevention plans on middle-aged and elderly workers, and personnel for maternity protection plans (9 people).</p> <p>2. Carried out correction and promotion on a rolling basis based on the latest epidemic announced by Centers for Disease Control.</p> <p>3. Reviewed “Stalking or harassment specified in the Stalking and Harassment Prevention Act” .</p> <p>4. Promotion of high blood pressure prevention.</p>





04. Concern for environmental sustainability development

4.1 Environmental consideration

The Company obtained the international certification of ISO-14001 Environmental Management System and determined material environmental considerations through the evaluation of environmental dimension. Among them, we have established management plans for the improvement measures of material environmental consideration to achieve the purpose of pollution prevention and achieve the goal of sustainable environment.

Policy	Goal	Index (quantified)	Management plan
			Name
Obligation of compliance Continuous improvement Energy saving and waste reduction Environmental protection Disaster prevention Friendly workplace	Lowering the probability of heavy liquid leakage and preventing the spillage of chemicals	Leakage caused by the tank: 0/ year.	Replaced the 5M3 high temperature reactor
	Avoiding gas effusion and reducing air pollution	Leakage of organic gas: 0/ year.	Replaced storage tank (4 sets)
	Training personnel the knowledge of toxic disaster and strengthening the emergency response in the plant	Drill: 2 times/ year.	Drill for Emergency Response to Toxic Disaster

Toxic Disaster Response Drill





4.2 Environmental monitoring

The Company established environmental monitoring and testing plans according to relevant laws for environmental protection and implemented the plans in the first half of the year and the second half of the year respectively. The implementation results met the requirements of laws for environmental protection. The details are shown below:

111 上半年作業環境監測結果判定書
委託單位：台灣全瑞有限公司
監測日期：111.03.21

監測項目	取樣地點	容許濃度 mg/m ³	監測結果 mg/m ³	判定 (符合與否)	主管 簽核
總塵	製二樓 李寶仁	1	0.9101	符合	[Signature]
甲醇	製二樓 李寶仁	200	0.495	符合	[Signature]
	2F 品質保證部 葉智民	200	<0.438	符合	[Signature]
二甲苯	製二樓 紀維維	100	<1.021	符合	[Signature]
	2F 研發技術部 馮海明	100	<1.185	符合	[Signature]
1-丁醇	製二樓 李寶仁	100	0.328	符合	[Signature]
	2F 品質保證部 葉智民	100	<0.132	符合	[Signature]
異丁醇	製二樓 李寶仁	50	<0.145	符合	[Signature]
	製二樓 紀維維	50	<0.536	符合	[Signature]
丙酮	2F 品質保證部 葉智民	200	<2.328	符合	[Signature]
	2F 研發技術部 馮海明	200	<2.376	符合	[Signature]
甲苯	2F 品質保證部 葉智民	100	<0.873	符合	[Signature]
	2F 品質保證部 葉智民	100	<0.570	符合	[Signature]
二氯甲烷	2F 研發技術部 馮海明	50	<0.154	符合	[Signature]

經量測取樣結果均符合環保法規標準判定合格

111 上半年作業環境監測結果判定書
委託單位：台灣全瑞有限公司
監測日期：111.03.21

監測項目	取樣地點	容許濃度 F _{PM}	監測結果 F _{PM}	判定 (符合與否)	主管 簽核
甲醇	製二樓 王宏源	5	<0.0373	符合	[Signature]
三氯甲烷	2F 品質保證部 葉智民	10	<0.0456	符合	[Signature]
	2F 研發技術部 葉智民	10	<0.0380	符合	[Signature]
四氯化碳	2F 研發技術部 馮海明	200	<0.211	符合	[Signature]
乙醚	2F 研發技術部 陳耀杰	400	<0.164	符合	[Signature]
異丙醇	製二樓 李寶仁	400	<0.224	符合	[Signature]
	2F 品質保證部 葉智民	400	<0.230	符合	[Signature]
甲醇	製二樓 王宏源	1	<0.0103	符合	[Signature]
CO	2F 品質管理實驗室	5000	482	符合	[Signature]
	2F 品質管理辦公室	5000	469	符合	[Signature]
	2F 品質管理儲蓄室	5000	460	符合	[Signature]
	2F 技術實驗室	5000	463	符合	[Signature]
	2F 技術辦公室	5000	479	符合	[Signature]
	3F 會議室	5000	470	符合	[Signature]
	3F 倉庫二室	5000	485	符合	[Signature]
	行政大樓 3F 管理課/安環課辦公室	5000	500	符合	[Signature]
	行政大樓 3F 管理課/安環課辦公室	5000	638	符合	[Signature]
	行政大樓 4F 品質管理辦公室	5000	617	符合	[Signature]
	行政大樓 4F 品質管理辦公室	5000	602	符合	[Signature]
	行政大樓 3F 品質管理辦公室	5000	601	符合	[Signature]
	行政大樓 3F 品質管理辦公室	5000	735	符合	[Signature]
行政大樓 2F 品質管理辦公室	5000	628	符合	[Signature]	

111 下半年作業環境監測結果判定書
委託單位：台灣全瑞有限公司
監測日期：111.09.28

監測項目	取樣地點	容許濃度 mg/m ³	監測結果 mg/m ³	判定 (符合與否)	主管 簽核
總塵	製二樓 紀維維	1	0.0102	符合	[Signature]
甲醇	製二樓 李寶仁	200	<0.456	符合	[Signature]
	2F 品質保證部 葉智民	200	<0.438	符合	[Signature]
二甲苯	製二樓 紀維維	100	<1.054	符合	[Signature]
	2F 研發技術部 鄧維維	100	<1.021	符合	[Signature]
1-丁醇	製二樓 李寶仁	100	<0.132	符合	[Signature]
	2F 品質保證部 葉智民	100	<0.110	符合	[Signature]
異丁醇	製二樓 李寶仁	50	<0.131	符合	[Signature]
	製二樓 紀維維	50	<0.553	符合	[Signature]
丙酮	2F 品質保證部 葉智民	200	<1.809	符合	[Signature]
	2F 研發技術部 葉智民	200	<2.533	符合	[Signature]
甲苯	2F 品質保證部 葉智民	100	<0.823	符合	[Signature]
	2F 品質保證部 葉智民	100	<0.688	符合	[Signature]
二氯甲烷	2F 研發技術部 葉智民	50	<0.167	符合	[Signature]

經量測取樣結果均符合環保法規標準判定合格

111 下半年作業環境監測結果判定書
委託單位：台灣全瑞有限公司
監測日期：111.09.28

監測項目	取樣地點	容許濃度 F _{PM}	監測結果 F _{PM}	判定 (符合與否)	主管 簽核
甲醇	製二樓 林維維	5	<0.0152	符合	[Signature]
三氯甲烷	2F 品質保證部 葉智民	10	<0.0460	符合	[Signature]
	2F 研發技術部 葉智民	10	<0.0428	符合	[Signature]
四氯化碳	2F 研發技術部 馮海明	200	<0.152	符合	[Signature]
乙醚	2F 研發技術部 葉智民	400	<0.161	符合	[Signature]
異丙醇	製二樓 李寶仁	400	<0.185	符合	[Signature]
	2F 品質保證部 葉智民	400	<0.279	符合	[Signature]
甲醇	製二樓 林維維	1	<0.0117	符合	[Signature]
CO	2F 品質管理實驗室	5000	487	符合	[Signature]
	2F 品質管理辦公室	5000	491	符合	[Signature]
	2F 品質管理儲蓄室	5000	484	符合	[Signature]
	2F 技術實驗室(一)	5000	487	符合	[Signature]
	2F 技術實驗室(二)	5000	498	符合	[Signature]
	3F 會議室	5000	486	符合	[Signature]
	3F 倉庫二室	5000	575	符合	[Signature]
	行政大樓 3F 管理課/安環課辦公室	5000	840	符合	[Signature]
	行政大樓 3F 管理課辦公室	5000	780	符合	[Signature]
	行政大樓 3F 管理課/安環課辦公室	5000	862	符合	[Signature]
	行政大樓 4F 品質管理辦公室	5000	900	符合	[Signature]
	行政大樓 4F 品質管理辦公室	5000	735	符合	[Signature]
	行政大樓 3F 品質管理辦公室	5000	800	符合	[Signature]
行政大樓 2F 品質管理辦公室	5000	898	符合	[Signature]	



4.3 Greenhouse gas emission

The Company introduced ISO-14064-1 Greenhouse Gas Inventory in 2022 to collect and verify the activity data for Category 1 to Category 6. The emission coefficient used for verification adopts IPCC announcement and the emission coefficient management table published by Environmental Protection Administration in Taiwan. The total emission verified is equivalent to 11,562.5190 tons of CO₂.

4.3.1 Sources of greenhouse gas emission:

Reporting boundary				
Category	Sub-category	Facility	Item of emission source	
Category 1: Direct emission	1.1 Stationary emission	Boiler Emergency Power Generator	Natural gas Diesel	
	1.2 Mobile emission	Company Car Forklift	Gasoline Diesel	
			Acetylene	
	1.4 Fugitive emission		Air conditioner for general housing and commercial building	R32 R410A
			Household freezer and fridge	R134A R-600A
			Water chiller	R-22 R-134A R-404A R-407C
			Constant temperature water tank Dehydrator Dehumidifier	R-22 R-134A R-404A R-407C R-410A
			Vehicle refrigerant	HFC-134a
			Fire extinguisher	CBRF3
			Septic tank	Liquid fertilizer
Category 2: Energy indirect emission	2.1 Indirect emissions from energy input, including electricity, steam, thermal energy, high-pressure air, cold energy, or other energies	Power facility used in the whole plant	Outsourced electricity	
Category 3: Transportation indirect emission	3.1 Emissions generated by upstream material transportation	Commercial truck Sea freight Air freight	Diesel Fuel oil Aviation fuel	
	3.2 Emissions generated by the downstream product transportation	Commercial truck Sea freight	Diesel Fuel oil	
	3.3 Emissions generated by employee commute	Automobile Motorcycle	Vehicle gasoline	



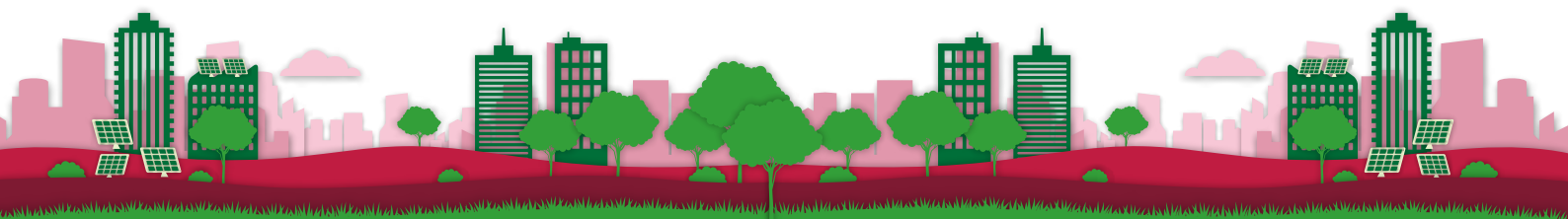
Reporting boundary			
Category	Sub-category	Facility	Item of emission source
Category 3: Transportation indirect emission	3.5 Emissions generated by the transportation during business trip (sales representatives or employees)	High Speed Rail	Others
Category 4: Raw material/ service indirect emission	4.1 Greenhouse gas missions generated during the mining, manufacturing, and processing of the materials purchased by the organization	Upstream electricity Upstream tap water	Upstream electricity Upstream tap water
	4.2 Emissions generated by disposing solid and liquid waste	Transportation of general waste	Diesel
	4.3 Emissions generated by disposing solid and liquid waste	Disposal of general waste (incineration)	General waste

4.3.2 Status of greenhouse gas emissions by category generated by the Company

The table below shows the volume and density:

	Category 1				Category 2	Category 3	Category 4	Category 5	Category 6	Total Emission Equivalent ^{Note}
	Fixed emissions	Process Emissions	Mobile Emission	Fugitive Emission	Energy Indirect Emission	Other Indirect Emissions				
Emission equivalent (ton CO ₂ e/year)	664.6564				6,894.5418	8,353.6505				15,912.8490
	473.5695	0.0406	95.5110	95.5353		7,580.0349	773.6156	0.0000	0.0000	
Ratio of Gas (%)	4.18%				43.33%	52.50%				100.00%
	2.98%	0.00%	0.60%	0.60%		47.63%	4.86%	0.00%	0.00%	

Note: According to Article 2, Paragraph 1 of the Measures for the Management of Greenhouse Gas Emissions Inventory and Registration, greenhouse gas emissions are expressed in metric tons of carbon dioxide equivalent (metric tons of CO₂e) and rounded to the third decimal place.



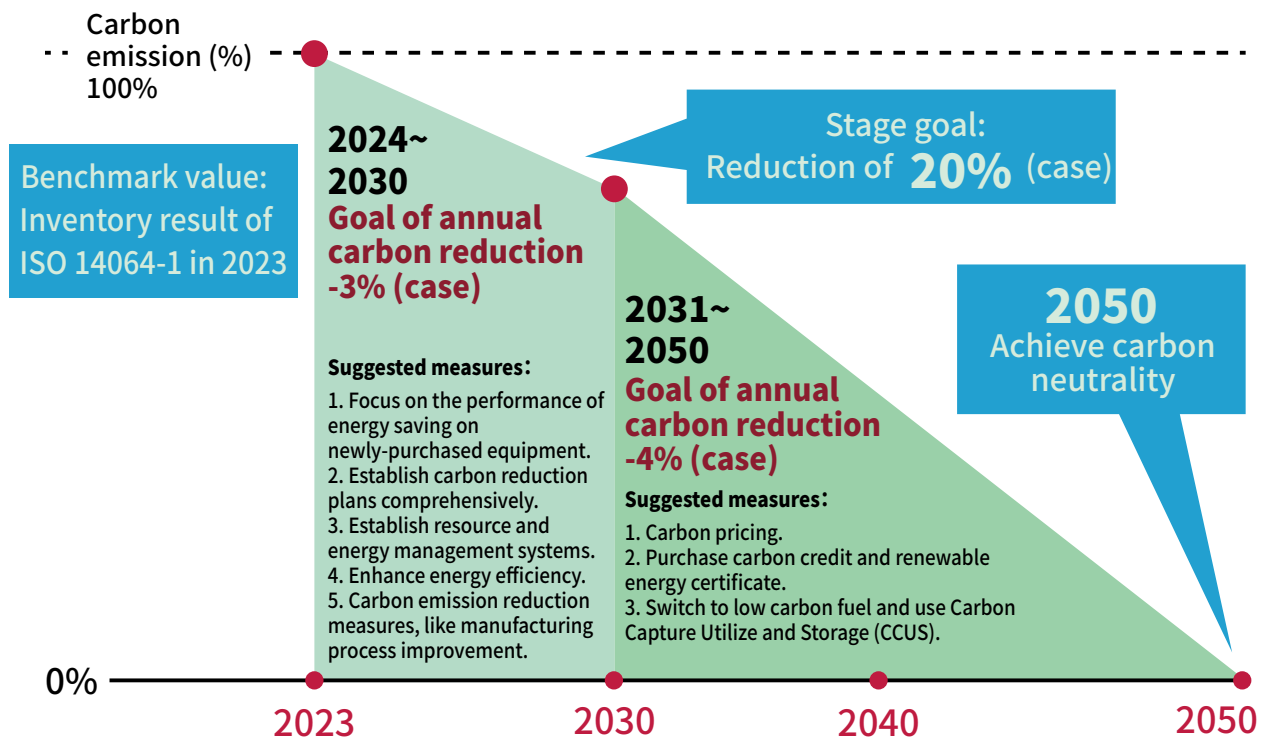


4.3.3 Emission reduction initiative:

Table 4.3.2 reveals the category with the highest ratio of emission density in the Company is Category 2- outsourced electricity. It is obvious that our Company specifically relies on the use of outsourced electricity. Look into the future, we plan to install self-generated solar power to reduce the power generation through traditional fossil fuel burning and increase the ratio of power generated by renewable energy.

4.3.4 Implementation strategy of carbon neutrality:

To link with the world, the Company refers to the goals set by the Group and works around the customer demand in carbon neutrality to establish implementation strategies for future carbon neutrality as well as respond to the long-term goal of 2050 zero emission in Taiwan. The concrete strategies implemented by the Company include achieving 20% carbon reduction in 2030 and fulfilling the goal of “carbon neutrality” in 2050. The route of carbon neutrality is as below:





05. Vision for the future

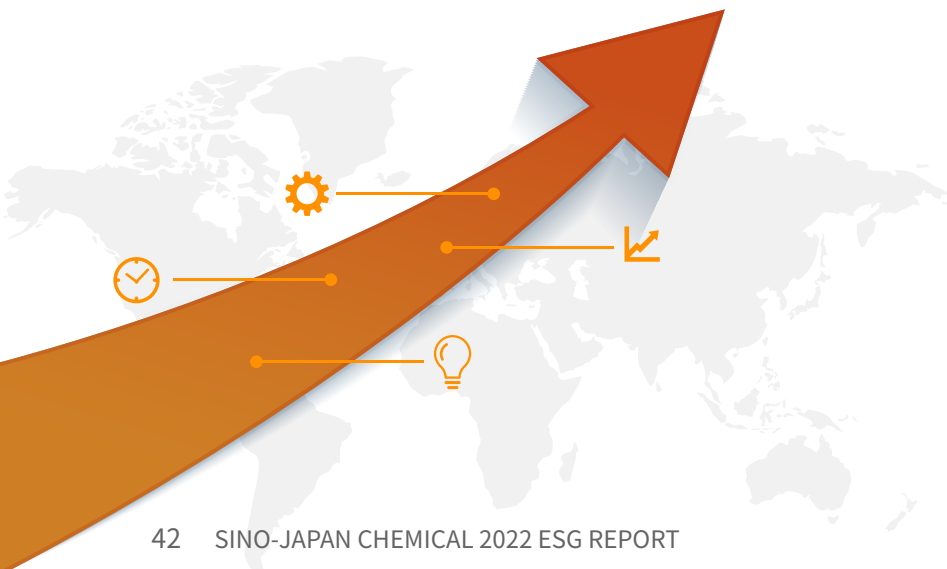
5.1 Performance for 2030:

The Company's medium- and long-term goals for 2030 are to achieve followings:

- As the creator of surfactant and surface chemistry, we aim to provide a wonderful life for human beings, earth, and the universe.
- Focus on the overseas markets as well as manufacture (including commissioned production) and prepare inventory for sales in overseas location.

5.2 Company's future development strategies and measures:

- Strengthening production and marketing models to enhance profitability.
- Launching strategic investment.
- Revitalisation of the organization and talent cultivation.
- Making flexible use of existing technology and knowledge to market in the areas, like electric car, semi-conductor, and printed circuit board, to expand market share.
- Promoting new technology development for patent application.
- Facilitating steady supplies of raw materials and reducing costs.
- Promoting overseas sales/ re-establishing promotional strategies.
- Enhancing profitability through the synergy among the companies in the Group.





Appendix 1: Table of GRI Standards

Statement of use	Sino-Japan Chemical Co., Ltd. refers to GRI standards to report information cited in the GRI table from January 1, 2022, to December 31, 2022.
GRI used	GRI 1 : Foundation 2021

Chapter	Corresponded GRI category/ regulations	Code	Disclosure content of GRI standards	Page
About the Report	GRI 2 General Disclosures 2021	GRI 2-1	Organizational details	P1
		GRI 2-2	Entities included in the organization's sustainability reporting	
		GRI 2-3	Reporting period, frequency and contact point	
Message from the Chairman	GRI 2 General Disclosures 2021	GRI 2-22	Statement on sustainable development strategy	P2 P4
		GRI 2-23	Policy commitments	
		GRI 2-24	Embedding policy commitments	

01. Sino-Japan Chemical

1.1 Company profile	GRI 2 General Disclosures 2021	GRI 2-1	Organizational details	P5 P8
		GRI 2-2	Entities included in the organization's sustainability reporting	
		GRI 2-28	Membership associations	



Chapter	Corresponded GRI category/ regulations	Code	Disclosure content of GRI standards	Page
1.2 Corporate governance organizational structure	GRI 2 General Disclosures 2021	GRI 2-9	Governance structure and composition	P9 P11
		GRI 2-10	Nomination and selection of the highest governance body	
		GRI 2-11	Chair of the highest governance body	
		GRI 2-12	Role of the highest governance body in overseeing the management of impacts	
		GRI 2-14	Role of the highest governance body in sustainability reporting	
		GRI 2-15	Conflicts of interest	
		GRI 2-17	Collective knowledge of the highest governance body	
1.3 Marketing overview	GRI 2 General Disclosures 2021	GRI 2-6	Activities, value chain and other business relationships	P12
	GRI 201 Economic Performance 2016	GRI 201	GRI 201 Economic Performance 2016	
1.4 Activity value chain	GRI 2 General Disclosures 2021	GRI 2-6	Activities, value chain and other business relationships	P13 P15
	GRI 205 Anti-corruption 2016	GRI 205	GRI 205 Anti-corruption 2016	
1.5 Sustainable development road map	GRI 2 General Disclosures 2021	GRI 2-22	Statement on sustainable development strategy	P16 P20
02. Implementation of corporate social responsibility				
2.1 Process of material topics	GRI3: Material Topics 2021	GRI 3	GRI3: Material Topics 2021	P21 P22



Chapter	Corresponded GRI category/ regulations	Code	Disclosure content of GRI standards	Page
2.2 Investigation of material topics	GRI3: Material Topics 2021	GRI 3	GRI3: Material Topics 2021	P22 P23
2.3 Stakeholder communication	GRI 2 General Disclosures 2021	GRI 2-16	Communication of critical concerns	P24 P26
	GRI 418 Customer Privacy 2016	GRI 418	GRI 418 Customer Privacy 2016	
2.4 Active participation in social activities	GRI 2 General Disclosures 2021	GRI 2-6	Compliance with laws and regulations	P27
2.5 Active participation in social activities	GRI 2 General Disclosures 2021	GRI 413	LOCAL COMMUNITIES 2016	P27 P28
03. Creation of an environment with friendliness and LOHAS				
3.1 Employee structure	GRI 2 General Disclosures 2021	GRI 2-7	Employees	P31 P32
		GRI 2-8	Workers who are not employees	
3.2 Remuneration policy	GRI 2 General Disclosures 2021	GRI 2-19	Remuneration policies	P31 P32
		GRI 2-20	Process to determine remuneration	
3.3 Group engagement	GRI 2 General Disclosures 2021	GRI 2-29	Approach to stakeholder engagement	P33
		GRI 2-30	Collective bargaining agreements	
3.4 Occupational safety and health	GRI 404 Training and Education 2016	GRI 404	GRI 404 Training and Education 2016	P34 P35
	GRI 416 Customer Health and Safety 2016	GRI 416	GRI 416 Customer Health and Safety 2016	



Chapter	Corresponded GRI category/ regulations	Code	Disclosure content of GRI standards	Page
3.5 Employee health and safety promotion	GRI 404 Training and Education 2016	GRI 404	GRI 404 Training and Education 2016	P35 P36
04. Concern for environmental sustainability development				
4.1 Environmental consideration	GRI 308 Supplier Environmental Assessment 2016	GRI 308	GRI 308 Supplier Environmental Assessment 2016	P37
	GRI 306 Waste 2020	GRI 306	GRI 306 Waste 2020	
4.2 Environmental monitoring	GRI 308 Supplier Environmental Assessment 2016	GRI 308	GRI 308 Supplier Environmental Assessment 2016	P38
	GRI 306 Waste 2020	GRI 306	GRI 306 Waste 2020	
4.3 Greenhouse gas emission	GRI 305 Emissions 2016	GRI 305	GRI 305 Emissions 2016	P39 P41
05. Vision for the future				
5.1 Performance for 2030	GRI 2 General Disclosures 2021	GRI 2-18	Evaluation of the performance of the highest governance body	P42
5.2 Company's future development strategies and measures	GRI 2 General Disclosures 2021	GRI 2-13	Delegation of responsibility for managing impacts	
		GRI 2-14	Role of the highest governance body in sustainability reporting	
		GRI 2-18	Evaluation of the performance of the highest governance body	



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