



2024

ESG REPORT



SINO-JAPAN
CHEMICAL

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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 2024 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 2024 (from January 1, 2024, to December 31, 2024). 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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Sustainability development policy statement

Sino-Japan Chemical Co., Ltd., adhering to the philosophy of safe production and social contribution, persists in its mission of "bringing prosperity and comfort to humanity and society through science and technology." While pursuing sustainable management and profitability, the Company fulfills its corporate social responsibility by establishing the following Sustainable Development Best Practice Principles across the three dimensions of Environment (E), Society (S), and Governance (G), committing to achieving the vision of promoting balanced and sustainable development of economy, society, and environmental ecology.

- I. We aspire to be a sustainable manufacturer that prospers alongside the environment, implementing green transformation and actively promoting and participating in various environmental protection and socially concerned issues. Facing global climate change and global warming, we declare our carbon reduction targets.
- II. We comply with internationally recognized labor human rights, prohibit discrimination, ensure equal employment opportunities, value employee rights, cultivate talent, provide reasonable remuneration and benefits, and create a healthy and safe workplace environment.
- III. We emphasize corporate governance, comply with legal and ethical standards, uphold the rights and interests of customers, employees, shareholders, and all stakeholders, provide accurate, timely, and transparently disclosed ESG-related information, create win-win value, and earn long-term trust.
- IV. We deeply understand the risks and opportunities in the workplace, as well as the impact on work within the Company's control scope. We establish and effectively maintain management systems for quality, occupational safety and health, and environmental protection.
- V. We fully recognize the impact of the Company's products and business activities on society and the environment. We are committed to creating a sustainable business model and aspire to inspire more business partners to jointly achieve sustainable development goals.
- VI. We encourage employees to actively engage in social participation and contribute to environmental improvement, promoting a more harmonious, inclusive, and progressive society.



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.

Currently, we are in an era where corporations are required to address social issues such as climate change and human rights problems, and ESG has become one of the most important global issues. 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 our 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.



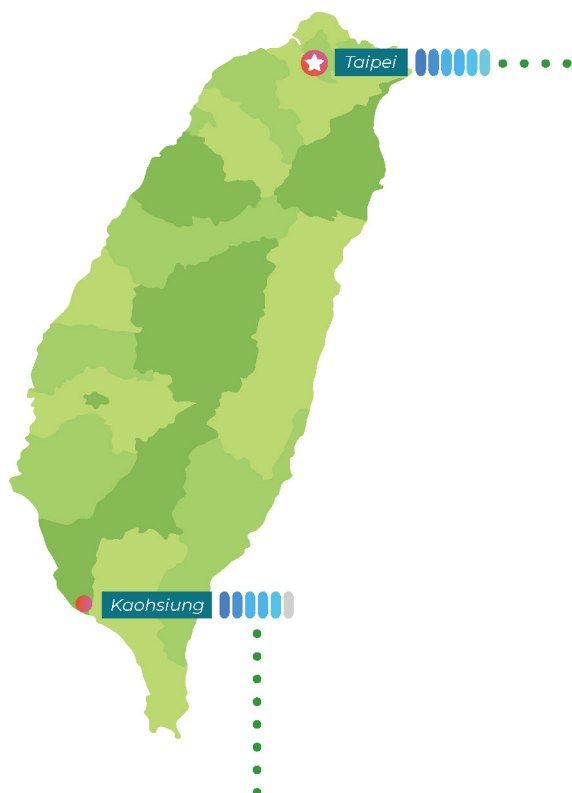
SINO-JAPAN CHEMICAL
Chairperson | President

原, 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. In 2024, we introduced an intelligent inspection system. In 2025, we will complete the construction of a logistics center and implement intelligent warehousing management equipment to comprehensively enhance production and operational safety, shipping efficiency, and energy conservation and carbon reduction targets.

We are committed to providing high-quality products and services to ensure customer satisfaction. To fulfill this commitment, we continuously improve our quality, environmental, safety, and health management systems, comply with regulatory requirements, and continuously enhance and obtain various certifications and verifications. Details are as follows:

Certifications obtained	Year of certification
ISO-9002 Process Quality Assurance System Certification	1997
ISO-9001 Quality Management System Certification	2000
ISO-14001 Environmental Management System Certification	2006
OHSAS-18001 Occupational Safety and Health Management System Certification	2007
HALAL Certification	2014
CNS 15506 Taiwan Occupational Safety and Health Management System and other certifications	2015
Passed JIPM review in Japan and received TPM Excellence Award.	2018
ISO-45001 Occupational Safety and Health Management System Certification	2019
RSPO SCCS MB Supply Chain Certification	2019
ZDHC MRSL LEVEL3 Product Certification	2023
GOTS Global Organic Textile Standard Certification	2024



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, refining tank, mixing tank, heat transfer oil system high-temperature reactor, flaker, and pulverizer. Over the years, the Company has continuously introduced new technologies and implemented factory intelligent management, environmental protection, production waste reduction, and energy conservation activities, such as high-efficiency wastewater treatment pools, plant-wide industrial safety and environmental monitoring systems, and smart inspection - automated checklist digitization. Through regular environmental review and audit, we strengthen environmental, safety, and health management. In the future, we will also introduce AI management systems such as intelligent unmanned transport systems for logistics centers, image recognition for factory personnel safety management, UWB personnel positioning and anomaly detection systems, and factory operations management platforms, to achieve "zero pollution" and "zero accidents."



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. To provide comprehensive technical support and immediate after-sales close-contact services, the Company invests more than 10% of its workforce in research and development to provide customers with the most professional advice.

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 2024, the Company introduced green products such as polyglycerol, bio-based polyethylene glycol ether, and triglyceride for application in environmentally friendly areas such as cosmetics and eco-friendly detergents. At the same time, we are committed to developing high-value-added technologies and products for innovative electronic materials such as semiconductors, PCBs, and solid-state lithium batteries, leading forward-looking innovation and expanding new horizons for the industry.

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.

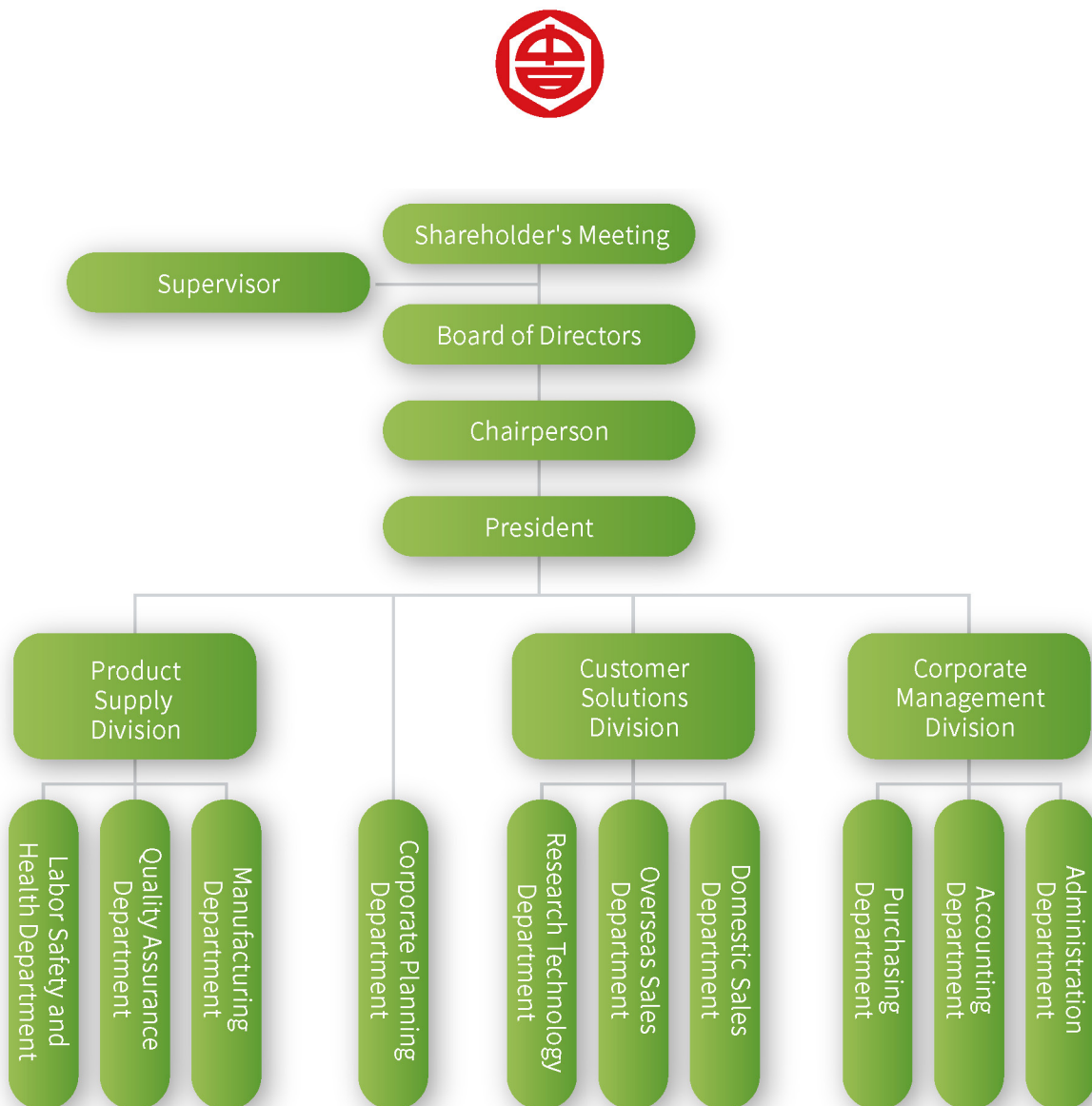




1.2 Corporate governance organizational structure

1.2.1 The highest governing body:

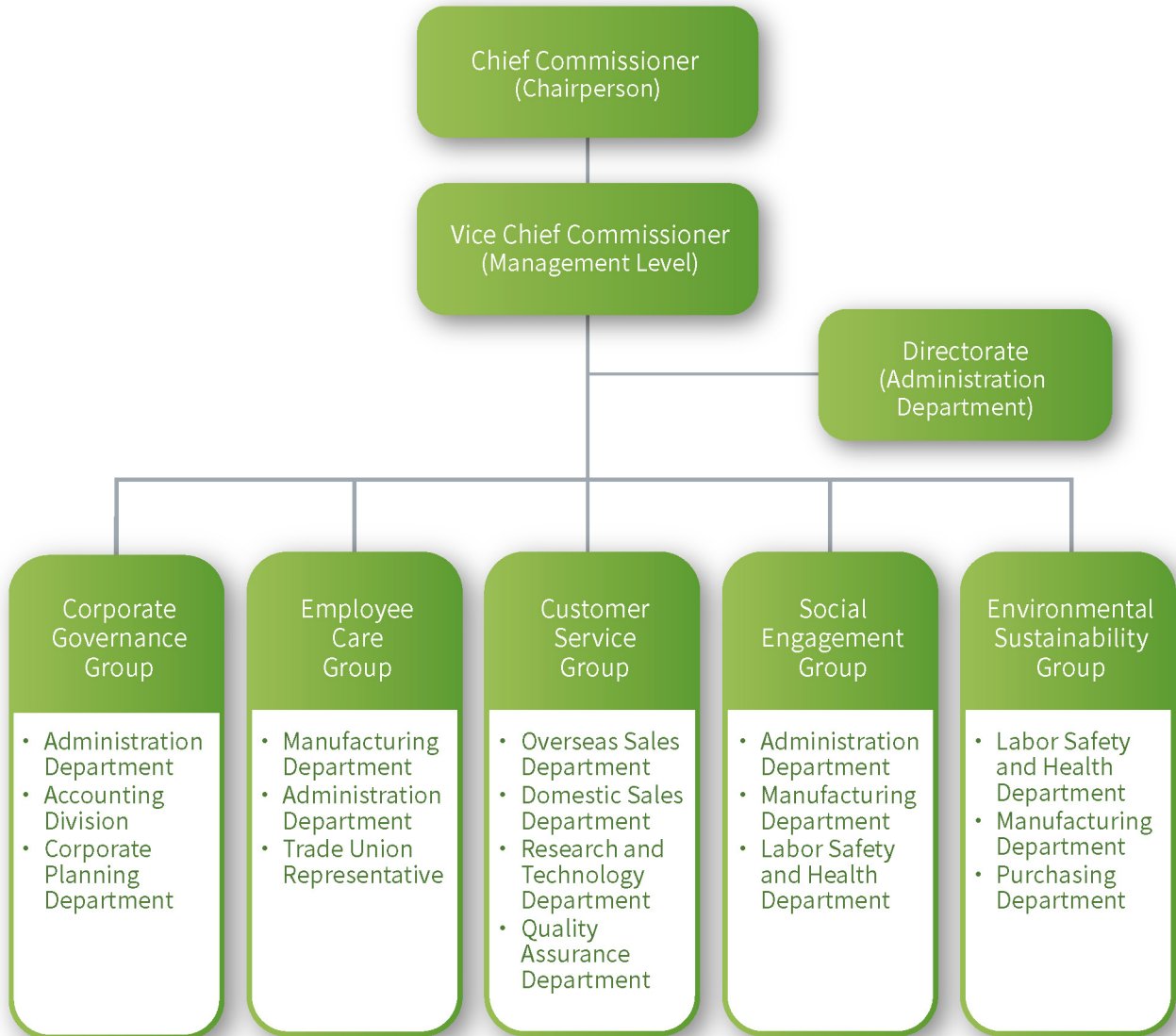
To fulfill internal management mechanism and supervision, resources are integrated and shared through the resource platform. In addition, it focuses on the integration of back-end management performance and the coordination of front-end to further enhance the business performance at the front-end. Based 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:

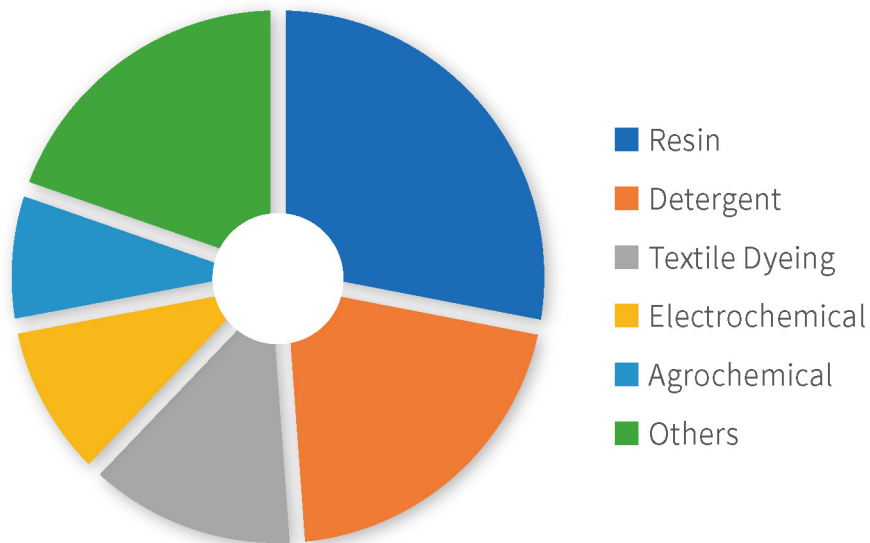
- ◆ Planning guidelines and strategies of sustainable development activities promoted by the Company.
- ◆ Establishing plans and measures for sustainable development promotion and reviewing the actual effectiveness.
- ◆ Discussing other important matters of sustainable development promotion.
- ◆ Other 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. Every key supplier completed their signatures 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.



This survey is conducted every two years. The following data represents the 2023 survey results for the top five suppliers (only four responded), with procurement quantities accounting for 69% of the total. The risk assessment is outlined below:

Suppliers	Sent	Response	Goal (%)	Risk Assessment (Actual %)
A	V	V	80%	95.9%
B	V		80%	---
C	V	V	80%	96.6%
D	V	V	80%	89.9%
E	V	V	80%	83.1%

Besides, the Company also 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.

Audits of domestic and overseas raw material suppliers were conducted by the Quality Assurance Department and the Purchasing Department during 2024. On-site audits were conducted at three domestic suppliers and one overseas suppliers. No defects were found during the audits, so all were deemed to be approved suppliers. Explanation is provided below:

Audit date	Raw material supplier	Location	Auditors	Audit outcome	Decision (Pass score is 80)
2024/03/07	Fatty Alcohol Plant	Southeast Asia	2 x QA Dept. 2 x Purchasing Dept.	Score = 95.56 No defects recorded.	Pass
2024/05/10	Polyol Plant	Domestic	2 x QA Dept. 2 x Purchasing Dept.	Score = 97.78 No defects recorded.	Pass
2024/08/07	Mineral Salt	Domestic	2 x QA Dept. 2 x Purchasing Dept.	Score = 93.33 No defects recorded.	Pass
2024/11/15	Phenol Plant	Domestic	2 x QA Dept. 2 x Purchasing Dept.	Score = 97.78 No defects recorded.	Pass



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.

Currently, the proportion of "local procurement" for the Company's top 10 raw materials in 2024 was 65.6%. "Local procurement" refers to the Company's raw materials being produced and manufactured in Taiwan.

1.4.4 Strengthening customer service:

Sino-Japan Chemical Co., Ltd.'s growth relies on customer trust. To create greater value for customers, in addition to being committed to providing excellent service systems and regularly reviewing customer product usage to ensure smooth operation of customer production lines, Sino-Japan Chemical Co., Ltd. continues to promote material innovation and improvement. Sales personnel collaborate with technical personnel to visit customers together, work closely with customer R&D teams to jointly develop 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 2024 are as below:

Classification	Copies of questionnaire issued	Copies of questionnaire returned	Recovery rate	Level of satisfaction
Domestic customers	60	60	100%	100%
Overseas customers	30	30	100%	96.0%

The slightly lower rate of customer satisfaction from overseas customers shown above was mainly due to minor damage to packaging from external forces during the transportation process rather than quality issues with the product itself. The Company will therefore examine and make improvements to product packaging to prevent defects in packaging created by the transportation process.



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 2024, 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 participate in reasonable carbon reduction targets, implement ISO 14001 to enhance performance, establish intelligent factory equipment and energy resource management systems, and improve energy efficiency.	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 2024, there was no record of materially violating relevant laws in terms of economic dimension, environmental dimension, and social dimension and was fined or prosecuted.

Audit outcomes and response strategies for government audits in 2024 are tabled below:

Type	No. of plant visits	Audit outcome	Note
Industrial safety	6 times	4 verbal recommendations	The oral recommendations and improvements were as follows
Auditing Unit	Recommendation		Action Taken
Kaohsiung City Government Labor Standards Inspection Office	On June 18, the Ministry of Labor's PSM counseling was conducted at the plant, to provide improvement recommendations regarding the implementation of process safety management within the facility.		Improvements have been completed in accordance with the recommendations.
	On August 16, an inspection was conducted at the plant: guidelines for high-temperature outdoor operations should be incorporated into the plant's regulations.		The guidelines for high-temperature outdoor operations have been incorporated into this plant's standards.
The Taipei City Government Labor Inspection Office	conducted an inspection at the company on January 16, with the following items requiring improvement: 1. In addition to the Linyuan plant's filing of the "Occupational Safety and Health Work Rules," Taipei Company should also complete the relevant filing procedures to ensure compliance with regulatory requirements. 2. Changes to the "Occupational Safety and Health Business Supervisor" should be promptly updated and filed for record.		All improvements and filings were completed on February 10.
Environmental Protection	10 time	2 verbal recommendations	The oral recommendations and improvements were as follows



Auditing Unit	Recommendation		Action Taken
Kaohsiung City Government Environmental Protection Bureau	On January 25, plant inspection regarding wastewater operation matters: The wastewater treatment plant's related signage was unclear and replacement was recommended.		Related signage was reposted on January 25.
	On June 17, plant visit identified that EO concentrations at Shanwei monitoring station exceeded standards on January 18, 22, and 24. No abnormal phenomena were observed in on-site operations. Continued request for on-site maintenance of the normal operation of pollution control equipment.		Awareness campaign was presented during the plant affairs meeting.
Fire safety	4 time	No defects	
Working conditions	2 time	No defects	

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) Zero Discharge of Hazardous Chemicals Foundation (ZDHC). 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.



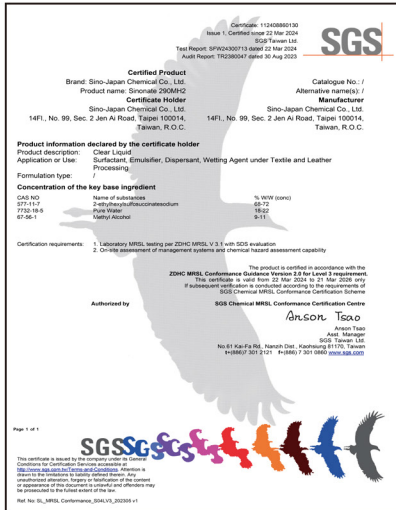


1.5.8 Internal control and audit by the Group:

The Company has obtained ISO international management system certification and HALAL, RSPO, and ZDHC certifications to meet specific industry customer requirements. In 2024, GOTs certification was also obtained to meet textile industry customer needs, receiving widespread recognition.

RSPO is not only a standard setter for sustainable management in the palm oil industry, but also a strong supporter for enterprises implementing ESG principles. Through joining RSPO and implementing its standards, enterprises can establish a more sustainable and competitive business model while balancing environmental conservation, social responsibility, and economic benefits.





1.6 Implementation of Sustainability Management

1.6.1 Strengthening Corporate Governance

1. Corporate management system: Improve internal control and management systems to enhance operational resilience and create long-term value.
2. Process management system: Complete multiple optimization and efficiency measures, significantly improving operational efficiency and reducing error risks.
3. Employee education and training: Content covers occupational safety and health, quality management, information security, personal capability development, and sexual harassment prevention, strengthening employees' professional competence and risk awareness capabilities.
4. Sexual harassment prevention: Establish prevention measures and grievance mechanisms in accordance with the Gender Equality in Employment Act and conduct related education and training. No related grievance cases were received in 2024, demonstrating a workplace culture of respect and safety.

Corporate governance serves as the core foundation for achieving sustainable development. The Company will continue to uphold integrity management as a principle, combining risk management, compliance mechanisms, and transparent governance culture to strengthen organizational resilience and corporate reputation, and fulfill sustainable commitments to stakeholders and society.





1.6.2 Strengthening Information Security Management

In response to digital transformation and information security risks, the Company has strengthened information security management and response drills to enhance system protection and risk response capabilities. Specific measures are as follows:

- 1.Trade secret management: Implementing classified encryption mechanisms for sensitive documents to strengthen information asset protection and operational risk control.
- 2.Promoting "Zero Trust Architecture": Adhering to the "zero trust" principle to strengthen information security protection while balancing operational efficiency and information security resilience.
- 3.Information security education and training: In 2024, a total of 8 information tool training sessions were conducted with 374 participants, with employees receiving an average of 2 information security training sessions.
- 4.Off-site backup: Strengthening backup mechanisms and upgrading obsolete equipment to ensure system stability and business continuity.
- 5.Emergency response: Regularly conducting "work from home" and "zone-based office" drills to enhance emergency response capabilities.
- 6.Email control: Implementing email outbound backup, control, and auditing to improve communication security and information governance.
- 7.Email social engineering testing: Effectively enhancing information security awareness and email usage safety.





1.6.3 Implementing Generative AI Technology and Smart Management Systems to Enhance Operational Efficiency and Environmental Sustainability

1. Generative AI usage: In response to the rapid development of generative AI technology, the Company has established "Management Guidelines for Generative AI Usage" to provide clear application guidance and management standards for enhancing operational efficiency.
2. Smart applications:
 - (1) Implementing workplace safety and environmental monitoring systems: Implementing gas data visualization analysis systems and real-time monitoring of high-risk operations by contractors to ensure factory and personnel safety.
 - (2) Establishing an "Intelligent Management System for Wastewater Treatment Plant":
Real-time monitoring of operational status and abnormal alerts ensures compliance and stability in water resource management.
 - (3) Promoting the "Smart Factory Management System":
Real-time access to 3D drawings and information on the types, quantities, and locations of chemicals in the facility. Enhancing management efficiency.
 - (4) Implementing the "Smart Inspection System":
Achieving digitalized and paperless inspection processes, improving efficiency and reducing paper usage to fulfill environmental protection commitments.
3. Digital Innovation and Sustainability Strategy: Continuously building an operational model that is highly efficient, low-risk, and environmentally responsible, advancing toward the goal of integrating intelligence and sustainability.





1.6.4 Internal Control and Audit

1. "Internal Control System": The Company has implemented an "Internal Control System" since 2011, formulating an "Internal Audit" plan annually, which is submitted to the Board of Directors for approval before implementation. Additionally, an Internal Control Supervisory Committee, comprising managerial officers from the management team, convenes quarterly to review and confirm the relevant implementation status.
2. 2024 Audit: Through internal audit findings and improvement reviews, management effectiveness has been substantially enhanced across various areas, including information security management measures for "Electronic File Protection and Encryption," operational procedures for "Customer Credit Condition Changes and Management," and legal compliance regulations for "Sexual Harassment Prevention, Complaint, and Disciplinary Actions."
3. J-SOX Internal Control Audit: As a member of the Nippon Shokubai Group, the Company regularly undergoes J-SOX internal control audits conducted by the parent company. These audits cover company-wide internal controls, settlement and financial reporting processes, as well as sales processes. The preparation and operational evaluations for 2024 received effective assessments from Nippon Shokubai and its supervising independent auditors.



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 116 copies of questionnaires to institutional shareholders, directors & supervisors, managers, employees, customers, suppliers, contractors, and underprivileged groups. 92 copies of questionnaires were returned with a recovery rate of 79.31%.

2.2.2 Material Topic Determination:

Based on the statistical results above, Sino-Japan Chemical Co., Ltd. selected topics for 2024 ranked by level of concern (A scale of 1 to 5):

- ◆ Product research and development and innovation. (Average 4.63)
- ◆ Occupational Safety and Health. (Average 4.61)
- ◆ Economic Performance (Average 4.53)
- ◆ Customer Privacy (Average 4.51)
- ◆ Customer Service. (Average 4.50)
- ◆ Human Rights. (Average 4.48)

In 2024, the stakeholder materiality survey showed that the top 3 highest-scoring issues were: "Product Research and Development & Innovation," "Occupational Safety and Health," and "Economic Performance," indicating stakeholders' high level of attention to the Company's product development, workplace health and safety, and business operations. These themes, along with "Customer Privacy," "Customer Service," and "Human Rights," will be incorporated into daily operations and management processes to implement corporate governance and continue appropriate communication and response.

Due to global trends such as climate change, Net Zero by 2050, and environmental sustainability, the Company will continue to provide disclosure on material topics such as Carbon Emissions and Waste in this Report.





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	Periodic supplier 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).
	◆ Product Research and Development & Innovation	Developing environmentally friendly green products and continuously enhancing competitiveness	<ul style="list-style-type: none"> * Introducing green product research and development to advance toward environmental protection and sustainable management. * Based on solid R&D technology foundation, continuing to focus on developing new products to strengthen market competitiveness. * In response to trends, actively deploying across various industries with solid core technology research and development to drive innovation and future development.
	◆ Customer Service	Meeting customer needs and strengthening customized services	<ul style="list-style-type: none"> * Increasing frequency of sales personnel visits to enhance service responsiveness. * Technical personnel conducting joint visits to resolve customer issues. * Rapid sample provision. * Customization of product specifications.
Environment	◆ 305 Emissions	Cultivation of customer and supplier relations to realize carbon emission reduction targets	<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. * Locate the plant's GHG emission hot spots, devise fixed/stationary emission reduction measures, and implement power-saving operations. * Carefully selecting suppliers, minimizing resource and energy consumption, strengthening carbon reduction management, comprehensively evaluating production carbon emissions, and reducing environmental and social impacts.
	◆ 306 Effluents and Waste	Waste reduction and implementation of waste disposal	<ul style="list-style-type: none"> * Strengthen the reduction of packaging materials waste in the supply chain. * Comply with regulations and implement the correct way of disposing of waste.



Dimension	Material topic	Strategy and guidelines	Coping measures
Society	<ul style="list-style-type: none"> ◆ Occupational Safety and Health ◆ Customer Privacy ◆ Human Rights 	<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. * We continue to monitor amendments to relevant regulations and have updated our "Sexual Harassment Prevention Complaint and Disciplinary Measures," while simultaneously promoting education, training, and advocacy efforts. These measures have been announced to all personnel, demonstrating our commitment to creating a safe, respectful work environment free from sexual harassment, workplace bullying, or any unlawful violations. * There were no violations of labor-related laws in 2024. * 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.
- In response to government policies and the United Nations "2030 Sustainable Development Goals," we continue to invest funds in green deposits, contributing to green finance for the development of green industries.



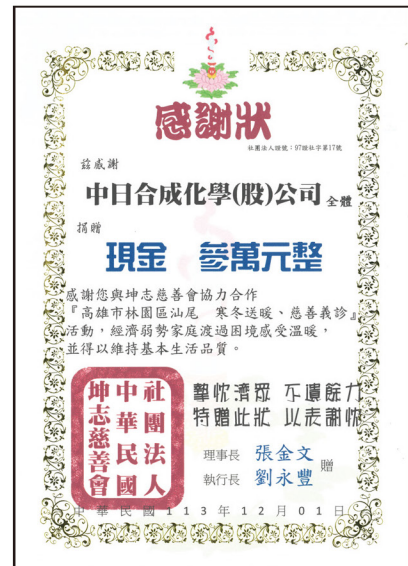
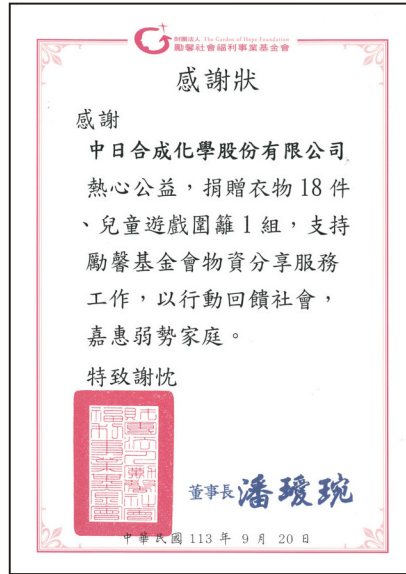
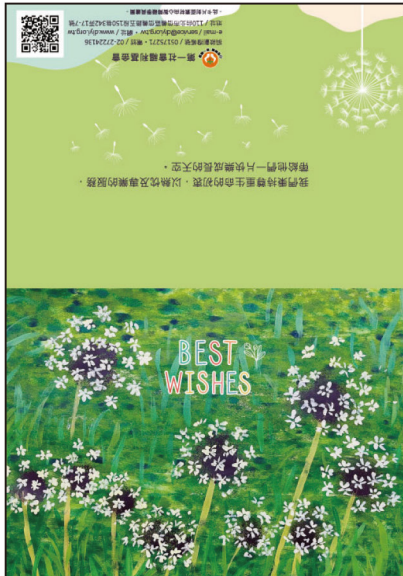


2.5 Active participation in social activities

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.

- 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.
- We donated to the Childhood Cancer Foundation of the Republic of China to help cancer-affected children receive appropriate care.
- Joining the organization of “Linyuan Petrochemical Industrial Park Good-Neighborhood Fund” to give back to the residents in Linyuan District, Kaohsiung City. 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
- We provide internship opportunities for university students, promoting cooperative education and practical training through internship programs.
- Donation to senior charity activities organized by the Huashan Foundation
- Donation to Kun-Chih Charity for hosting winter charity clinic and distribution of charity supplies
- 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.







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	153	17	41	9	112	8
Number of permanent employees	153	17	41	9	112	8
Number of full-time employees	153	17	41	9	112	8
Total	170		50		120	

3.1.2 Employee turnover

	Whole company		Taipei Headquarters		Kaohsiung Linyuan Plant	
	Male	Female	Male	Female	Male	Female
Number of employees resigned	3	1	1	0	2	1
Number of employees recruiting new blood	5	0	1	0	4	0
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 Contractor Role:

Item	Contractor Name	Contracted Business	Whether the contract was signed	Period of Cooperation
1	Labor Hire Agency	Cleaning	YES	Annual contract
2	Labor Hire Agency	Inspection (product packaging)	YES	Annual contract
3	Labor Hire Agency	Shipping	YES	Annual contract

Contractor Gender Overview

Year	2024	
Gender	Male	Female
Age/Persons	Persons	Persons
Under 30	7	
31-50	1	
Over 51		1

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.
- We provide "Self-Development Education and Training Funding Assistance" to enhance employees' knowledge and skills while promoting physical and mental health.
- 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 89.0%. This was mainly due to Company negotiations with the trade union. All employees above the grade of assistant manager are considered management cadre and employer's representatives so they are not union members. 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: 2024									
Operational activity	Identifying risks and results (scenario description of the results might be caused by risks)	Place/ responsible unit	Type of hazard	Rating	Method of control (<input checked="" type="checkbox"/> V or remark)				
					Elimination	Replacement	Engineering controls	Process (Name)	Emergency response
Uneven road surface	Forklift overturning during operation	Main gate/ Management Department	PH1	200			V	Health and Safety Work Rules	V
Adding chemicals	Activated carbon spillage	Wastewater treatment plant/ Engineering Department	CH3	192			V	Personal protective equipment	V
Loading and unloading operations	Freight elevator malfunction	Fourth Warehouse/ Quality Control Department	PH3	168			V	Automatic inspection program	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	Improve plant safety and reduce the probability of power outages.	Zero incidents of vehicle overturning hazards.	Plant asphalt road surface repair project
		Zero incidents of inhalation of dust hazards.	Addition of activated carbon feeding system to the wastewater treatment plant.
	Lowering the probability of flying or falling objects	Hazard of flying or falling objects: 0	Replacement of one freight elevator (lift) in the fourth warehouse.
	Promoting labor health and strengthening personnel spiritual growth	Assisted family activities and held employee health examination and seminar: Once/ year.	Health promotion activities



To strengthen occupational health and safety at the Company and ensure a quality environment for all employees, the Taipei Company, Linyuan plant carried out a series of continuous improvement activities during 2024. Improvements to the hardware facilities and software management systems aimed to realize the goal of zero industrial safety accidents.

Item		Description
1. Plant safety and environmental protection measures	1. Replacement of roof corrugated sheets in the PO storage tank area	Improve operational safety and convenience for personnel.
	2. Replacement of lighting fixtures in Process Zones 1 and 3	
	3. Conduct 2 response drills a year (including toxic chemicals, earthquakes, spills and leaks, terrorist attacks, and power outages)	Train personnel on emergency response knowledge and strengthen the plant's internal emergency response capabilities.
	4. Continued implementation of PSM (Process Safety Management) system.	Enforce process safety and improve the process safety knowledge of employees to prevent the risk of accidents.
2. New equipment installation or upgrades	1. Modified automatic scales No. 8 and No. 9 to add an automatic conveyor motor	Ensure safe utilization and quality stability to improve efficiency.
3. Workplace environment improvement	1. Safety helmet liner upgraded to rotary-style fitting	Enhanced the comfort of personal protective equipment for workers, making personnel work more comfortably and operations safer.
	2. Reinforce the locks on the filing cabinets in the Taipei office	Enhance earthquake resistance measures to improve workplace safety.
	3. Install anti-slip strips in the restroom corridor	Improve the office environment and enhance workplace safety.
4. Future implementation items	1. Personnel safety management image recognition system setup	Real-time monitoring of filling operations with AI determining whether personnel are wearing protective equipment, enabling immediate notification if any abnormalities are detected.
	2. UWB personnel positioning and anomaly detection system	Real-time tracking of personnel equipped with positioning tags, displaying their locations on the factory floor plan in the management platform, and issuing alerts with location information when abnormal behavior is detected.
	3. Safety lifeline reconfiguration project for filling operation area platform	Optimizing the overall work environment to enable operating personnel to perform related operations in a safer working environment.



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	1. Health promoting activities: Health exams, abnormal workload plan, musculoskeletal injury risk assessment 2. Colorectal cancer prevention and treatment education
Quarter 2	1. Health promoting activities: Middle-aged and elderly employees care/Maternal health protection plan/Overwork related illness prevention/ Risk assessment of musculoskeletal disorders 2. Heat injury prevention and treatment education
Quarter 3	1. Health promoting activities: Abnormal workload plan, human-factor hazard prevention plan, Special health exam, health exam report consultation service, middle-to-senior worker health and safety plan. 2. Emotional first-aid kit promotion.
Quarter 4	1. Health promoting activities: Special health exam, health exam report consultation services, autumn company holiday. 2. Helicobacter pylori prevention promotion.



3.6 Employee activities

To boost employee morale and promote the mental, physical, and spiritual well-being of employees, the Company continued to host a variety of outdoor activities in 2024. We hope this will help employees unwind outside of work and improve their productivity at work.

Item	Event Name	Material Outcomes	Implementation Period
1	Employee incentive travel	Hsinchu travel	2024/9/28
2	Employee incentive travel	Kenting travel	2024/06/15
3	Autumn tour	Chiayi family travel	2024/10/26
4	Petrochemical Cup - Softball Competition	Petrochemical companies at Renwu Industrial Park, Dashe Industrial Park, and Linyuan Industrial Park played friendship ball games	2024/11/17, 2024/09/21
5	Intra-company Cup - Golf Friendship Tournament	To promote the physical and mental well-being of employees, enrich the recreational life of employees, and encourage employees to socialize with each other	2024/6/29, 2024/11/30





04. Concern for environmental sustainability development

4.1 Environmental consideration

The Company obtained the international certification of ISO-14001 Environmental Management System Certification 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	Upgrade to energy-saving electrical equipment that is more environmentally friendly.	Energy-efficiency of motors improved by over 5%	Replacement of high-efficiency motors for cooling water pumps in Process Areas 1 and 2 (4 units)
	Avoiding gas effusion and reducing air pollution	Equipment-caused leaks: 0 incidents/year.	Addition of one handheld VOC detector
	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

Fire drill





4.2 Environmental Testing

The Company has established a pipeline testing plan in accordance with relevant environmental regulations, to be executed once annually. The execution results all comply with the specific requirements of environmental regulations, as shown below:

空氣污染物檢驗編號: EZ113A3380											
一、檢測結果附件											
(1)排氣平均溫度: 3.22 °C (2)排氣平均溫度: 31.2 °C (3)排氣平均流速: 1.32 m/s											
(4)平均濕基實測排氣量: 0.79 Nm ³ /min (5)平均乾基實測排氣量: 0.76 Nm ³ /min											
空氣污染物	排氣組成(%)			空氣污染 物實測 濃度	濃度 單位	乾基排氣量 (Nm ³ /min)	空氣污 染物排 放量	削減 率(%)	削減 標準	合格	備 註
檢測方法編號	CO ₂	O ₂	CO			實測值	校正值	(Kg/hr)		是否	
煙氣內硫 (A738, 728)	0.0	20.6	90(0.1)	—	g/s	0.76	—	6.5x10 ⁻⁴	—	—	
(.....)											
(.....)											
(.....)											
(.....)											
煙氣乙硫 (A738, 728)	0.0	20.6	90(0.1)	—	g/s	0.76	—	2.7x10 ⁻⁴	—	0.884	
間-甲酚 (A501, 708)	0.0	20.6	90(0.1)	—	g/s	0.76	—	6.5x10 ⁻⁴	—	—	
丙醇醇 (CLA5043)	0.0	20.6	90(0.1)	—	g/s	0.76	—	6.2x10 ⁻⁴	—	—	
(.....)											
(.....)											
備註: 1. 檢測結果附件非檢測報告, 僅提供本檢測需計算結果圖型和排氣標準等資訊做為參考, 檢測數據仍以檢測報告為主。 2. 非許可之項目不可做為空氣污染防制法授權的檢測目的, 故不能當作空污法執行依據。											
頁次											1

空氣污染物檢驗編號: EZ113A3379											
一、檢測結果附件											
(1)排氣平均溫度: 3.72 °C (2)排氣平均溫度: 36.0 °C (3)排氣平均流速: 1.94 m/s											
(4)平均濕基實測排氣量: 2.88 Nm ³ /min (5)平均乾基實測排氣量: 2.77 Nm ³ /min											
空氣污染物	排氣組成(%)			空氣污染 物實測 濃度	濃度 單位	乾基排氣量 (Nm ³ /min)	空氣污 染物排 放量	削減 率(%)	削減 標準	合格	備 註
檢測方法編號	CO ₂	O ₂	CO			實測值	校正值	(Kg/hr)		是否	
煙氣內硫 (A738, 728)	0.0	20.6	90(0.1)	—	g/s	2.77	—	2.3x10 ⁻⁴	—	—	
(.....)											
(.....)											
(.....)											
(.....)											
煙氣乙硫 (A738, 728)	0.0	20.6	90(0.1)	—	g/s	2.77	—	1.7x10 ⁻⁴	—	0.884	
間-甲酚 (A501, 708)	0.0	20.6	90(0.1)	—	g/s	2.77	—	2.4x10 ⁻⁴	—	—	
丙醇醇 (CLA5043)	0.0	20.6	90(0.1)	—	g/s	2.77	—	2.4x10 ⁻⁴	—	—	
(.....)											
(.....)											
備註: 1. 檢測結果附件非檢測報告, 僅提供本檢測需計算結果圖型和排氣標準等資訊做為參考, 檢測數據仍以檢測報告為主。 2. 非許可之項目不可做為空氣污染防制法授權的檢測目的, 故不能當作空污法執行依據。											
頁次											1

空氣污染物檢驗編號: EZ113A3381											
一、檢測結果附件											
(1)排氣平均溫度: 3.56 °C (2)排氣平均溫度: 36.0 °C (3)排氣平均流速: 1.44 m/s											
(4)平均濕基實測排氣量: 5.52 Nm ³ /min (5)平均乾基實測排氣量: 5.32 Nm ³ /min											
空氣污染物	排氣組成(%)			空氣污染 物實測 濃度	濃度 單位	乾基排氣量 (Nm ³ /min)	空氣污 染物排 放量	削減 率(%)	削減 標準	合格	備 註
檢測方法編號	CO ₂	O ₂	CO			實測值	校正值	(Kg/hr)		是否	
煙氣內硫 (A738, 728)	0.0	20.6	90(0.1)	—	g/s	5.32	—	4.3x10 ⁻⁴	—	—	
(.....)											
(.....)											
(.....)											
(.....)											
煙氣乙硫 (A738, 728)	0.0	20.6	90(0.1)	—	g/s	5.32	—	0.82	—	0.81	
間-甲酚 (A501, 708)	0.0	20.6	90(0.1)	—	g/s	5.32	—	4.7x10 ⁻⁴	—	—	
丙醇醇 (CLA5043)	0.0	20.6	90(0.1)	—	g/s	5.32	—	4.7x10 ⁻⁴	—	—	
(.....)											
(.....)											
備註: 1. 檢測結果附件非檢測報告, 僅提供本檢測需計算結果圖型和排氣標準等資訊做為參考, 檢測數據仍以檢測報告為主。 2. 非許可之項目不可做為空氣污染防制法授權的檢測目的, 故不能當作空污法執行依據。											
頁次											1



4.3 New and extended environmental protection and industrial safety projects

Extension

1. In response to regulatory amendments requiring adequate emergency response personnel for inter-county transportation, the Company has renewed its contract to join the emergency response organization to maintain the transportation of toxic chemicals across counties.
2. Toxic chemical substance permits and registration documents require renewal every 5 years according to regulatory requirements, allowing continuation of toxic chemical-related operations.



4.4 Greenhouse gas emission

4.4.1 Total GHG emissions

An organizational GHG inventory was conducted by the Company in accordance with the ISO-14064-1 international standard. The organizational boundaries encompassed the Taipei office and Linyuan (Kaohsiung) factory. Reporting boundaries encompassed Categories 1 to 6. Category 5 was excluded on the basis of materiality assessment. Nothing satisfied the criteria for Category 6 so the actual inventory encompassed Categories 1 to 4.

The emissions factors quoted by the GHG inventory were sourced from the “Greenhouse Gas Emission Factor Management Table Version 6.0.4” published by the Ministry of the Environment, and the MOE “Product Carbon Footprint Database.” Global Warming Potential (GWP) used IPCC AR6 to calculate GHG emissions.

All GHG emissions were expressed in “Tonnes/CO₂ equivalent” (tCO₂e).



The Company's total 2024 GHG emissions were calculated and are shown in the table below together with the 2023 data for comparison.

The total emissions for 2024 were 6,944.2956 metric tons of CO₂, a decrease of 564.9612 metric tons compared to 2023.

Greenhouse Gas Inventories Data								
Direct GHG Emission (Category 1)								
Emission source	Emission source category	CO ₂	CH ₄	N ₂ O	HFCs	2024 Total emissions	2023 Total emissions	Emission gap
Stationary combustion	Nat—ural gas	v	v	v		1,010.1774	394.9905	615.9382
Stationary combustion	Diesel fuel	v	v	v		0.7513	0.0000	0.7513
Stationary combustion	Acetylene	v				0.0203	0.0203	0
Mobile combustion	Gasoline	v	v	v		23.9890	27.9028	-3.9138
Mobile combustion	Diesel fuel	v	v	v		76.2577	67.7768	8.4809
Direct fugitive emissions	refrigerant				v	81.8448	81.8448	0
Direct fugitive emissions	Night Soil		v			13.7770	13.4422	0.3348
Direct fugitive emissions	CBRF3				v	0.0000	0.000	0
Total						1,206.8175	664.6564	620.8401
Indirect GHG Emission (Category 2)								
Input energy	Input power	v				2,784.0880	2,928.3109	-144.2229
Input energy	Input steam	v				2,953.3901	3,994.9685	-1,041.5784
Total						5,737.4781	6,923.2794	-1,185.8013
Category 1+ Category 2 Total						6,944.2956	7,509.2568	-564.9612

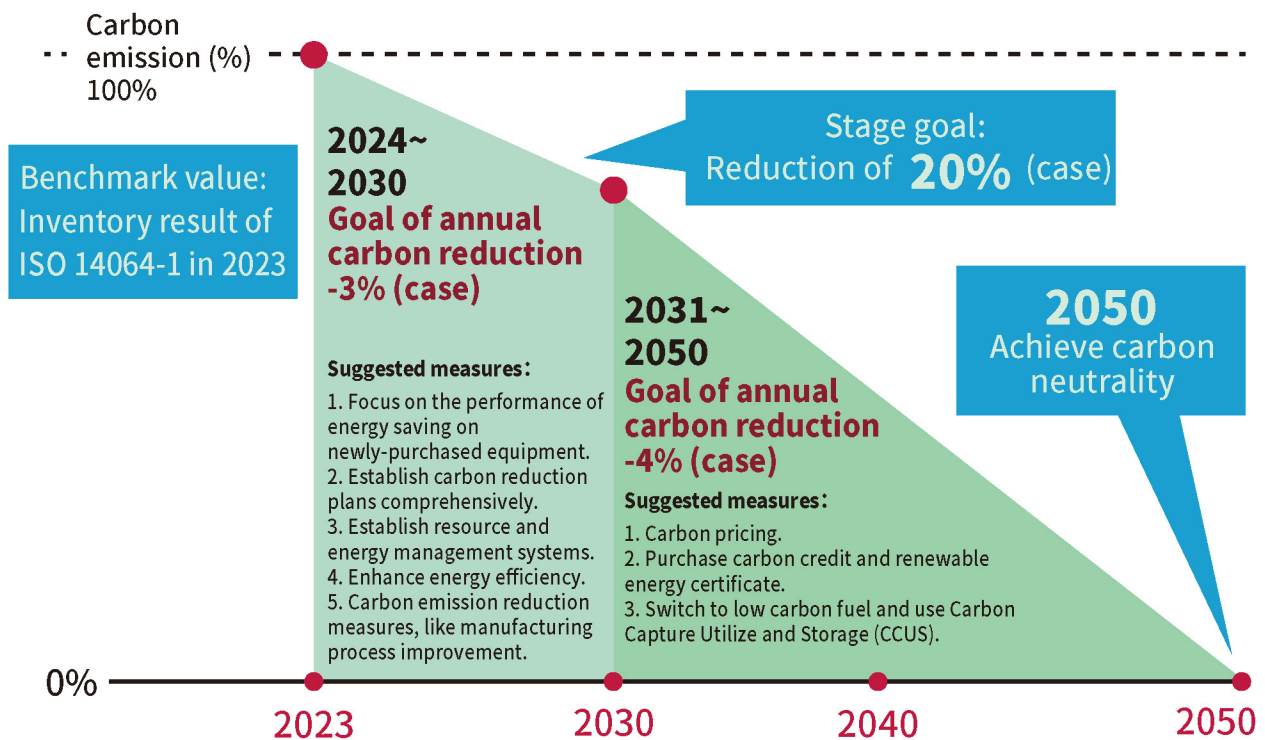
4.4.2 Emission reduction initiative:

Table 4.4.1 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. Therefore, in 2024, the Company completed the construction of solar power generation for self-consumption. In the future, the Company will continue to increase green electricity production to reduce traditional fossil fuel combustion power generation methods and increase the proportion of renewable energy generation.



4.4.3 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:





4.5 Waste disposal

The Company obtained the international certification of ISO-14001 Environmental Management System and determined material environmental considerations through

Item	Waste name	Total amount of waste declared (Tonne)		Difference (Tonne)
		2024	2023	
1	Organic sludge	16.28	94.34	-78.06
2	Non-hazardous organic waste liquid or solvent	159.92	76.17	83.75
3	Mixed waste plastic	19.35	3.6	15.75
4	Mixed waste paper	2.9	3.6	-0.7

4.6 Concrete energy-efficiency and carbon reduction measures

4.6.1 Partial computerization of printed forms for energy efficiency and carbon reduction.

4.6.2 Equipment improvements:

- Replacement of high-efficiency motors (4 units) for cooling water pumps in Process Areas 1 and 2

The high-efficiency motors comply with CNS 14400 C4482, achieving an energy efficiency of 6%.

- Replacement of lighting fixtures in Process Zones 1 and 3

Replacement of old traditional light bulbs with LED energy-saving bulbs, totaling 21 units.

- Factory intelligent electricity meter management system construction

Installing intelligent electricity meters in factory process areas, administrative buildings, quality assurance technical buildings, chilled water systems, and general affairs department utility systems will monitor electricity consumption and enable the establishment of optimization measures in the future.



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, 2024, to December 31, 2024.
GRI used	GRI 1 : Foundation 2021

Chapter	Corresponded GRI category/ regulations	C o d e	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 ad contact point	
Sustainability development policy statement Message from the Chairman	GRI 2 General Disclosures 2021	GRI 2-22	Statement on sustainable development strategy	P2 P3 P4 P5
		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	P6 P7 P8 P9 P10
		GRI 2-2	Entities included in the organization's sustainability reporting	
		GRI 2-28	Membership associations	



Chapter	Corresponded GRI category/ regulations	C o d e	Disclosure content of GRI standards	Page
1.2 Corporate governance organizational structure	GRI 2 General Disclosures 2021	GRI 2-9	Governance structure and composition	P11 P12 P13
		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	P14
	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	P15 P16 P17 P18
	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	P19 P20 P21 P22 P23 P24 P25
1.6 Implementation of Sustainability Management	GRI 2 General Disclosures 2021	GRI 2-18	Evaluation of the performance of the highest governance body	P26 P27 P28 P29
		GRI2-24	Embedding policy commitments	
		GRI2-26	Mechanisms for seeking advice and raising concerns	



Chapter	Corresponded GRI category/ regulations	C o d e	Disclosure content of GRI standards	Page
02. Implementation of corporate social responsibility				
2.1 Process of material topics	GRI3: Material Topics 2021	GRI 3	GRI3: Material Topics 2021	P30 P31
2.2 Investigation of material topics	GRI3: Material Topics 2021	GRI 3	GRI3: Material Topics 2021	P32
2.3 Stakeholder communication	GRI 2 General Disclosures 2021	GRI 2-16	Communication of critical concerns	P33 P34 P35
	GRI 418 Customer Privacy 2016	GRI 418	GRI 418 Customer Privacy 2016	
2.4 Promotion of commitments to corporate social responsibility	GRI 2 General Disclosures 2021	GRI 2-22	Compliance with laws and regulations	P36
2.5 Active participation in social activities	GRI 2 General Disclosures 2021	GRI 413	LOCAL COMMUNITIES 2016	P37 P38
03. Creation of an environment with friendliness and LOHAS				
3.1 Employee structure	GRI 2 General Disclosures 2021	GRI 2-7	Employees	P39 P40
		GRI 2-8	Workers who are not employees	
3.2 Remuneration policy	GRI 2 General Disclosures 2021	GRI 2-19	Remuneration policies	P40 P41
		GRI 2-20	Process to determine remuneration	
3.3 Group engagement	GRI 2 General Disclosures 2021	GRI 2-29	Approach to stakeholder engagement	P41
		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	P42 P43 P44
	GRI 416 Customer Health and Safety 2016	GRI 416	GRI 416 Customer Health and Safety 2016	



Chapter	Corresponded GRI category/ regulations	C o d e	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	P44
3.6 Employee activities	GRI 401 Employment 2016	GRI 401	GRI 401 Employment 2016	P45
	GRI 402 Labor/ Management Relations 2016	GRI 402	GRI 402 Labor/ Management Relations 2016	
04. Concern for environmental sustainability development				
4.1 Environmental consideration	GRI 308 Supplier Environmental Assessment 2016	GRI 308	GRI 308 Supplier Environmental Assessment 2016	P46
	GRI 306 Waste 2020	GRI 306	GRI 306 Waste 2020	
4.2 Environmental Testing	GRI 308 Supplier Environmental Assessment 2016	GRI 308	GRI 308 Supplier Environmental Assessment 2016	P47
	GRI 306 Waste 2020	GRI 306	GRI 306 Waste 2020	
4.3 New and extended environmental protection and industrial safety projects	GRI 2 General Disclosures 2021	GRI 2-22	Statement on sustainable development strategy	P48
4.4 Greenhouse gas emission	GRI 305 Emissions 2016	GRI 305	GRI 305 Emissions 2016	P48 P49 P50
4.5 Waste disposal	GRI 306 Waste 2020	GRI 306-5	Waste directed to disposal	P51
4.6 Concrete energy- efficiency and carbon reduction measures	GRI 2 General Disclosures 2021	GRI 2-22	Statement on sustainable development strategy	P51



Chapter	Corresponded GRI category/ regulations	C o d e	Disclosure content of GRI standards	Page
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	P52
5.2 Company's future development strategies and measures	GRI 2 General Disclosures 2021	GRI 2-13	Delegation of responsibility for managing impacts	P52
		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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