



2025 永續報告書 Sustainability Report

This report has been prepared in Chinese. In the event of any discrepancy or inconsistency between the English and Chinese versions, the Chinese version shall prevail.



Table of Contents

The Chairman’s Message	02	1 About CHEM	15	4 Green Sustainability	51	7 Social Care	108
About this Report	03	1.1 Company Overview	16	4.1 Climate-Related Financial Disclosure	52	7.1 Social Engagement	109
Sustainability Performance	05	1.2 Awards & Management Systems	18	4.2 Environment Management Policy	61		
		1.3 Participation in External Organizations	21	4.3 Energy Conservation & Carbon Reduction	66	Appendices	
				4.4 Pollution Control	75	Appendix 1: GRI Index	114
				4.5 Material Management	81	Appendix 2: TCFD Index	122
						Appendix 3: Climate-Related Information for Listed Companies	123
						Appendix 4: SASB Standards Index — Electrical & Electronic Equipment and Components	124
Shareholder Engagement	06	2 Corporate Governance	23	5 Friendly Workplace	82		
• Stakeholder Identification	06	2.1 Governance Practices	26	5.1 Happy Workplace	84		
• Stakeholder Communication	07	2.2 Risk Management	33	5.2 Compensation & Benefits	88		
• Material Topic Identification	10	2.3 Customer Relations	34	5.3 Learning & Development	96		
• Sustainability Development Committee	12	2.4 Innovation and R&D	35				
• Sustainability Performance Highlights	12	2.5 Information Security	39				
		2.6 Tax Management	41				
				6 Occupational Health and Safety	98		
		3 Sustainable Supply Chain	43	6.1 Occupational Health & Safety Policy and Management	99		
		3.1 Supply Chain Profile	45	6.2 Occupational Health Services	104		
		3.2 Supply Chain Management	46	6.3 Promotion of Worker’s Health	106		
		3.3 Supplier Evaluation	48				
		3.4 Supplier Assessment	49				
		3.5 Sustainable Supply Chain	50				

The Chairman's Message

In 2025, the global economic environment continued to be shaped by multiple factors, including geopolitical conflicts, changes in international trade policies, and climate change, resulting in a market environment characterized by significant challenges and uncertainty. However, the rapid development of artificial intelligence (AI) and the semiconductor industry drove rising global demand for energy transition and power infrastructure, creating new opportunities for industry growth.

In 2025, through the collective efforts of our employees and the collaborative development of our business groups, Chung-Hsin Electric & Machinery Mfg. Corp. (hereinafter referred to as "CHEM" or the "Company") once again delivered outstanding operating performance. These robust results not only demonstrate the effectiveness of our long-term business strategies, but also highlight CHEM's competitive advantages and momentum for sustainable growth amid the global energy transition.

While creating economic value, we firmly believe that corporate sustainability is not merely a responsibility, but also a cornerstone for long-term business development. Accordingly, we remain committed to embedding Environmental, Social, and Governance (ESG) principles into our operational decision-making and management mechanisms, translating our sustainability commitments into concrete actions.

On the environmental front (E), we are actively investing in green energy generation, resilient power grids, and new energy applications. In alignment with the government's energy transition policies, we continue to support the development of renewable energy, gas-fired power generation, and smart grid infrastructure. Simultaneously we are expanding our portfolio of low-carbon solutions, including high-efficiency, energy-saving air conditioning systems, hydrogen fuel cells, and electric vehicle charging services, helping industries and communities move together toward a net-zero future. In 2025, CHEM also participated in the technical integration of Taiwan's first hydrogen fuel cell bus, demonstrating our innovation and capabilities in the development and practical application of new energy technologies.

On the social front (S), we continue to foster a diverse, equitable, and inclusive workplace, with a strong focus on talent development and employee well-being while providing a safe and healthy working environment. Through comprehensive talent development programs and employee benefits,

the Company has received the "Gold Award in the Happy Enterprise voting campaign" for three consecutive years, demonstrating our tangible achievements in promoting harmonious labor-management relations and a happy workplace. Looking ahead, we will continue to deepen our talent sustainability strategies to enhance organizational competitiveness and cohesion.

On the governance front (G), CHEM continues to reinforce the functions of the Board of Directors and our corporate governance framework, improving operational transparency and risk management capabilities. We have successfully obtained the Taiwan Intellectual Property Management System (TIPS) A-level certification for three consecutive years and continue to refine our intellectual property management system to safeguard our innovations and strengthen the competitiveness of our core technologies. In addition, we continue to promote a culture of integrity and compliance, while establishing robust governance mechanisms to strengthen the trust and support of our stakeholders.

The achievements accumulated through CHEM's long-term commitment to sustainable development have also continued to receive recognition from various sectors. In 2025, the Company once again received the Bronze Award in the "Sustainability Report - Traditional Manufacturing - Category 1" at the Taiwan Corporate Sustainability Awards (TCSA), and was awarded the Gold-tier Certificate under Chunghwa Telecom's Supplier Sustainability Partner Rating System, demonstrating our ongoing efforts and achievements in sustainability governance, supply chain management, and corporate social responsibility.

Looking ahead, as the AI industry continues to develop, electricity demand grows, and the global transition toward net zero accelerates, CHEM will continue to seize opportunities arising from the energy transition and deepen our presence in power equipment, system integration, and green energy applications, guided by our vision: **"Power the Future with Innovation, Efficiency, and Sustainability."** We will drive growth through innovation and lead the future through sustainability, working together with our employees, customers, suppliers, and investors to create a sustainable future that generates economic, environmental, and social value.

About this Report (2-2~2-5)

CHEM is committed to sustainable business operations and greater information transparency. We regularly disclose operational results beyond our financial performance and have published the 2025 Sustainability Report (hereinafter referred to as the Report). The information and data presented in this Report were provided by the respective responsible departments and plant sites, compiled and edited by the Sustainability Working Group, and reviewed and revised by the relevant supervisors. The Report was then submitted through the administrative process for review by the General Manager and the Chairman, and subsequently approved by the Board of Directors prior to publication. Through this Report, we describe the measures undertaken and performance achieved by the Company in pursuit of sustainable business operations, including our efforts in integrity governance, green sustainability, building a happy workplace, and social engagement, thereby putting our corporate vision of sustainable business operations into practice. This Report was published in August 2026. No information has been restated. The next Sustainability Report is expected to be published in August 2027.

Reporting Boundary and Scope

The information disclosed in this Report covers the period from January 1 to December 31, 2025. For the economic category, performance statistics are based on the consolidated financial statements included in CHEM's 2025 Annual Report, with the Company's headquarters and all subsidiaries included within the reporting scope. For the environmental and social categories, the reporting scope covers Linkou Plant (North Plant), Chiayi Plant, and Nanke Branch (South Plant), with the information disclosed representing entities that account for more than 90% of the operating revenue reported in the consolidated financial statements. There were no significant changes in organizational size, structure, ownership, or supply chain during the reporting period. For more detailed information on affiliated companies, please refer to CHEM's 2025 Annual Report.

Compilation Guidelines

This Report has been prepared in accordance with the Sustainability Reporting Standards 2021 (GRI Standards 2021) issued by the Global Reporting Initiative (GRI). The content and structure relating to environmental matters and greenhouse gas (GHG) inventories are disclosed in accordance with the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). The Report also makes reference to the Sustainability Accounting Standards Board (SASB) Standards for the Electrical &

Electronic Equipment industry, covering topics including energy management, hazardous waste management, product safety, product lifecycle management, raw material sourcing, and business ethics. The Report also complies with the requirements of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE-Listed and OTC-Listed Companies. A GRI Standards Content Index is provided in the Appendix for stakeholders' reference.

External Assurance

- The financial data disclosed in this Report are derived from the consolidated financial statements audited and certified by Crowe (TW) CPAs in accordance with International Financial Reporting Standards (IFRS) and are presented in thousands of New Taiwan dollars to enhance their reliability. Environmental, employee, occupational safety, and other related data are independently compiled and aggregated by the responsible departments, confirmed by the department heads, and presented using internationally recognized calculation methodologies.
- To ensure that CHEM's products and services meet customer requirements, the Company has obtained certifications under ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 17025:2017 Laboratory Quality Management System, ISO/IEC 27001 Information Security Management System, ISO 45001 Occupational Safety and Health Management System, AS 9100(D) Aerospace Industry Quality Management, ISO 37001 Anti-Bribery Management System, and TIPS Standards. In addition, the carbon footprint of the Company's air-conditioning system products has been verified in accordance with ISO 14067, and the Company continues to maintain the validity of the certificates.
- This Report has not been subject to assurance by an independent third-party verification body.

External Initiatives

In addition to publishing its Sustainability Report in accordance with the GRI Sustainability Reporting Standards, CHEM also advocates the United Nations' 17 Sustainable Development Goals (SDGs) to move towards sustainable business operations, as well as the Responsible Business Alliance (RBA) Code of Conduct, which calls for the Company to uphold the highest standards of social, environmental, and ethical responsibility internally. CHEM also requires its suppliers not to use conflict minerals.

Business Locations

CHEM's head office is located at 3F, No. 801, Zhongzheng Road, Zhonghe District, New Taipei City, Taiwan, with Linkou Plant as its main manufacturing base and branch offices in Taipei City and New Taipei City, Taichung City, and Tainan City. For information on CHEM's subsidiaries in Taiwan, please refer to the "Information on CHEM's Subsidiaries in Taiwan" table. For information on CHEM's subsidiaries in other countries, please refer to the Annual Report.

- Linkou Plant: No. 25, Wende Road, Guishan District, Taoyuan City
- Chiayi Plant: No. 22, Machohouyuanqu 1st Rd., Lucao Township, Chiayi County
- Taipei Branch: 2F, No. 19-5, Sanchong Road, Nangang District, Taipei City
- New Taipei Branch: 3F, No. 801, Zhongzheng Rd., Zhonghe District, New Taipei City
- Taichung Branch: 8F-5, No. 238, Jinhua N. Rd., Taichung City
- Nanke Branch: No. 1, Muzha Gang West Road (adjacent to No. 7), Nangan Li, Shanhua District, Tainan City

Issue Frequency

CHEM will publish a Sustainability Report annually. To enhance the transparency and accessibility of the information disclosed in the Report, the electronic version of the complete Report is available for download on CHEM's official website.

Current Release: August 2026
Next Release: August 2027

CHEM's Subsidiaries in Taiwan

Subsidiary	Address
Cheng-Hsin Engineering & Services Co., Ltd.	3F, No. 801, Zhongzheng Rd., Zhonghe Dist., New Taipei City, Taiwan
Sunrise Tech. Co., Ltd	3F, No. 801, Zhongzheng Rd., Zhonghe Dist., New Taipei City, Taiwan
Global-Entech Co., Ltd.	8F-5, No.238, Jinhua North Rd., North Dist., Taichung City, Taiwan
Etrovision Technology Co., Ltd.	2F, No.19-5, Sanchong Rd., Nangang Dist., Taipei City, Taiwan
San Feng Construction Co., Ltd.	2F, No.19-5, Sanchong Rd., Nangang Dist., Taipei City, Taiwan
Bao-Sheng Global Co., Ltd.	2F, No.19-5, Sanchong Rd., Nangang Dist., Taipei City, Taiwan
Wha Dun Building Management Service Co., Ltd.	2F, No.19-5, Sanchong Rd., Nangang Dist., Taipei City, Taiwan
Findata Finance Technology Corp.	2F, No.19-5, Sanchong Rd., Nangang Dist., Taipei City, Taiwan
Tien Chong Energy Co.	2F, No. 1, Muzhagang West Rd., Shanhua Dist., Tainan City, Taiwan
Tien Peng Energy Co.	2F, No. 1, Muzhagang West Rd., Shanhua Dist., Tainan City, Taiwan
Tien Cing Energy Co.	2F, No. 1, Muzhagang West Rd., Shanhua Dist., Tainan City, Taiwan
Tien Fu Energy Co.	3F, No. 801, Zhongzheng Rd., Zhonghe Dist., New Taipei City, Taiwan
Chung Hsin Energy Tech. Inc.	3F, No. 801, Zhongzheng Rd., Zhonghe Dist., New Taipei City, Taiwan
StellarPowerSystemCo.,Ltd.	3F, No. 801, Zhongzheng Rd., Zhonghe Dist., New Taipei City, Taiwan

Feedback

If you have any suggestions or questions regarding CHEM's 2025 Sustainability Report, please feel free to contact us through the channels below. To fulfill our responsibility for corporate information disclosure, we have also published this Report on the Investor Relations section of CHEM's official website, where stakeholders can download and review it.

Contact: Ms. Jing-Feng Lai, Acting Spokesperson, Office of the Chairman
Address: No.25, Wende Rd., Guishan Dist., Taoyuan City 33383, Taiwan
Phone: (03) 328-4170 ext. 2101
Email: tw006466@chem.com.tw
Website: <https://www.chem.com.tw/tc/index.aspx>

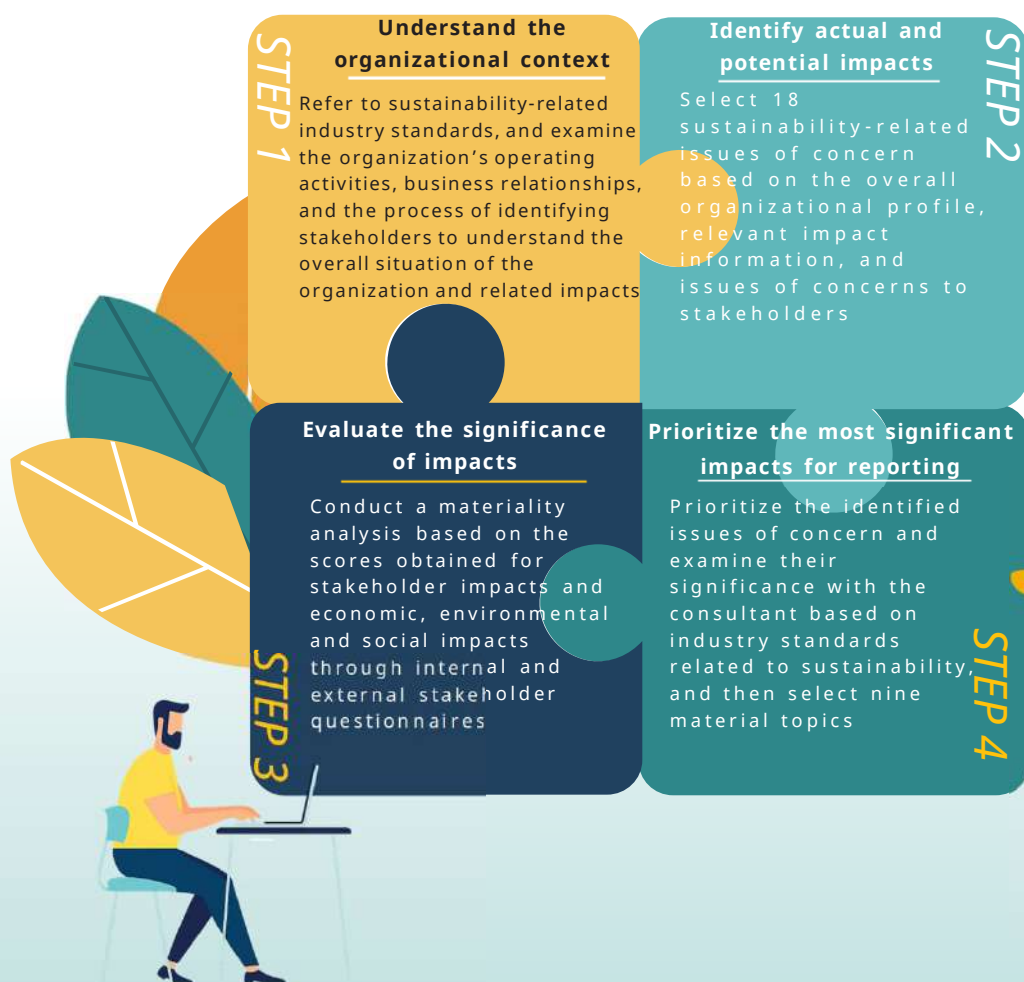
Sustainability Performance

Pillar	2025 Sustainability Efforts
Governance /Economic	- CHEM ranked in the 36%-50% range among listed companies in the 12th Corporate Governance Evaluation. - CHEM received the Gold-tier Certificate under Chunghwa Telecom's Supplier Sustainability Partner Rating System. - CHEM received the Bronze Award in the "Sustainability Report – Traditional Manufacturing – Category 1" at the Taiwan Corporate Sustainability Awards (TCSA). - CHEM received the Gold Award in the manufacturing category in the 2025 Happy Enterprise voting campaign organized by 1111 Job Bank. - CHEM received the Potential Enterprise Award under the 2025 Taoyuan City Middle-Aged and Older Worker-Friendly Enterprise Certification. - CHEM achieved outstanding performance in green procurement in Taoyuan City, Taichung City, Chiayi City, and Tainan City. - CHEM obtained NT\$536,405,000 in government subsidies, R&D grants, and incentives. - The attendance rate of members at the Remuneration Committee meetings was 100%. - The attendance rate of members at the Audit Committee meetings was 100%. - No reports of personnel violating integrity were received; no records of violations of corporate governance regulations; and no major deficiencies in internal control operations. - CHEM's consolidated operating revenue reached NT\$27,449,025,000, up 7.18% YoY. Net profit was NT\$3,990,342,000, up 10.01% YoY. - The overall average customer satisfaction score reached 91.7 points. - CHEM maintained its ISO 27001:2022 Information Security Management System certificate. No major information security incidents occurred that disrupted company operations; no personal data breaches occurred.
Environmental	- Since 2024, the green procurement amount has continued to be reported to the Ministry of Environment, and certification has been obtained. - CHEM maintained its ISO 14001:2015 Environmental Management System certification with 100% coverage for its operational sites. - The three photovoltaic plants, Tian Cin, Tian Chong, and Tian Peng, in Qigu, Tainan (generating approximately 320 million kWh of green electricity in total) sell all electricity generated to Taipower. Their total electricity generation reduced CO₂e emissions by 148,012 metric tons, approximately the annual carbon sequestration of 383 Daan Forest Parks. - Nanke Plant began using solar power for self-consumption in 2025 and has obtained green electricity certificates. Scope 1 emissions from Linkou Plant, Nanke Plant, and Chiayi Plant amounted to 1,064.0899 metric tons of CO₂e (accounting for 18%), down 18.0% YoY. Scope 2 emissions from Linkou Plant, Nanke Plant, and Chiayi Plant amounted to 4,280.0526 metric tons of CO₂e, down 21.3% YoY. Energy consumption intensity per NT\$1 million of revenue decreased 13.0% YoY. - The solar photovoltaic systems installed at Linkou Plant, Nanke Plant, and Chiayi Plant have a total installed capacity of 6,099.035 kWp.

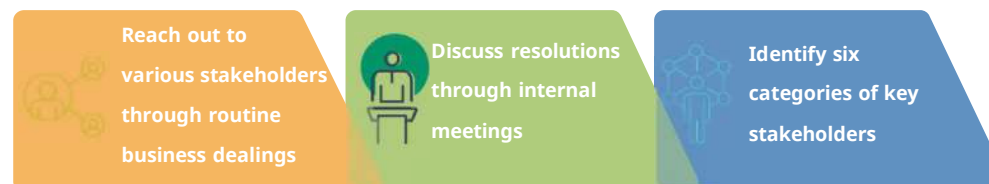
Pillar	2025 Sustainability Efforts
Environmental	65 charging piles were set up to provide charging for EVs, reducing CO₂e emissions by 46,286.2982 metric tons annually, equivalent to the annual carbon sequestration of 120 Daan Forest Parks. - Through various energy-saving actions, Linkou Plant and Nanke Plant reduced electricity consumption by 6% in 2025 compared to 2024. - CHEM has fully implemented an electronic invoicing system, reducing CO₂e emissions by a total of 107.1067 metric tons in 2025. - No complaints related to hazardous substance management were reported; conflict minerals were not procured. Environmental and human rights assessments and audits were conducted for 143 key suppliers, with an overall supplier ESG audit rate of 13.57%. - The proportion of local procurement by number was 93.86%, while local procurement expenditures accounted for 83.37%. - No supply chain disruptions occurred as a result of suppliers violating laws or regulations concerning social responsibility, including environmental, human rights, and occupational safety matters.
Social (incl. human rights)	- CHEM jointly organized the "Three-Part Green Island Environmental Conservation" public welfare initiative with Taipower. - From 2023 to 2025, CHEM received the Gold Award in the manufacturing category of the Happy Enterprise voting campaign organized by 1111 Job Bank for three consecutive years. - In 2025, neither CHEM nor its suppliers were involved in any major risks or incidents related to child labor or forced labor. There were no violations of employees' rights to freedom of association and collective bargaining, nor any significant labor disputes. - CHEM provided approximately 4,000 concrete foundation blocks for post-disaster reconstruction in the Matai'an disaster area in Hualien. - The average salary of non-supervisory employees increased by NT\$22,000 from the previous year; the median salary increased by NT\$41,000. 100% of senior executives at key business locations were hired from the local population. - The total cost of salaries and benefits amounted to NT\$3,531,573,000, up 2.55% YoY. - The average training hours per employee reached 11.91 hours, up 40% YoY. - From 2023 to 2025, CHEM rehired a total of 54 employees who reached the age of 65 in the respective year, and in 2025 received the Potential Enterprise Award under the Taoyuan City Middle-Aged and Older Worker-Friendly Enterprise Certification. - CHEM signed industry-academia cooperation agreements with various schools and provided internship opportunities, employing seven industry trainees and seven senior-year interns in 2025. - The language learning subsidy, which encourages employees to improve work-related language skills, totaled NT\$817,225 over the past five years. - CHEM maintained its ISO 45001:2018 Occupational Safety and Health Management System certification with 100% coverage of its operational sites. - There were no violations of labor laws and regulations.

Stakeholder and Material Topic Identification (2-29)

Stakeholder and Material Topic Identification Process



Stakeholder Identification



Stakeholders are groups that affect or are affected by CHEM. CHEM initially screens the types of stakeholders contacted by various departments in routine business dealings, and then follows the five major aspects of the AA1000 Stakeholder Engagement Standard (AA1000 SES 2015). After that, six categories of stakeholders that are of significance to CHEM are selected based on their (1) dependency, (2) responsibility, (3) tension, (4) influence, and (5) diverse perspectives. Through internal discussion, CHEM ultimately identifies six categories of key stakeholders that are significant to the Company: (1) investors, (2) employees, (3) customers, (4) suppliers, (5) competent authorities, and (6) the community.

Stakeholder Communication

In order to understand the interests and expectations of all of CHEM's stakeholders, recognize the significance and impact of the issues of concern, and conduct follow-up analysis and responses, CHEM communicated with stakeholders through regular meetings, telephone interviews, business interactions, routine surveys, and public information releases, etc., At the same time, based on the specific topics revealed in the GRI Sustainability Reporting Guidelines, CHEM collected a wide range of issues and focused on 18 topics covering economic, environmental, and social aspects, including: sustainable supply chain, raw material management, energy management, GHG management, water management, waste management, green products/services, compensation and benefits, labor and employment communication, occupational safety, talent cultivation, customer relationships, operational performance, complaint mechanism, procurement practices, anti-corruption, innovative research and development, and information security.

In addition, CHEM has established a dedicated "Stakeholder Relations" section on its official website, providing a dedicated email address for communication with stakeholders: services@chem.com.tw. The Company also has a spokesperson, a deputy spokesperson, dedicated stock affairs personnel, and an investor relations contact. Stakeholders may use this email address to raise any questions, suggestions, or complaints regarding matters of concern and maintain timely and effective communication with the Company. For more details on stakeholder communication, please see the table below, "Stakeholder Concerns and Communications."



Stakeholders' Concerns and Communications

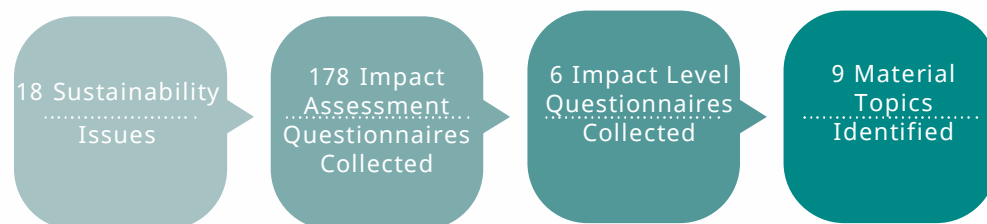
Stakeholder	Issue of Concern	Communication Frequency	Communication Channel	Response
 Investors	Operational Performance	Annually Quarterly/Annually As Needed Annually Annually As needed	Company Annual Report Company Financial Reports Investor Relations (Company Website) Annual General Meeting Investor Conference Public Information (MOPS)	' We disclose our financial performance through the Taiwan Stock Exchange website and our annual reports, and publicly disclose information on material operating events. ' We convene shareholders' meetings and investor conferences to explain operating results to investors and respond to issues of concern.
 Employees	Remuneration and Benefits	Quarterly Quarterly As Needed As Needed	Welfare Committee Meetings Enterprise Union Meetings Major Employee Rights Communication Meeting Review of the Appropriateness of the Collective Agreement	' Quarterly meetings of the Welfare Committee are held to review the Company's employee welfare activities and budgets and to disseminate information on various activities to employees. ' A general meeting of the Company's enterprise union is held every six months, at which employees may engage in two-way communication and negotiation on topics such as improving working conditions. ' Quarterly meetings between the management and the enterprise union are held to communicate internal employee issues. ' Meetings between the senior management and the enterprise union are held as necessary to communicate the Company's business direction and solicit opinions.

Stakeholder	Issue of Concern	Communication Frequency	Communication Channel	Response
 Employees	Occupational Safety and Health	Quarterly Every Two Years As needed As Needed	Enterprise Union Meetings Health Examinations Education and Training Occupational Health Nurse Plant Visits Walk-Around Management by Safety and Health Officers and Department Supervisors	- The Company arranges for an occupational health physician to inspect the working environment and provide recommendations for improvement each month, as well as provide consultation services on employees' physical and mental health. - Every two years, the Company's medical office and a hospital jointly conduct employee health examinations to help employees maintain their health and prevent occupational injuries at an early stage. - Occupational health physicians and nurses arrange education and training sessions as needed such as seminars on hazard awareness and the use of protective equipment. - Dedicated safety and health officers conduct walk-around management to regularly inspect and improve workplace safety. - The Company conducts comprehensive inspections of aging pipelines, switches, and work surfaces to prevent occupational accidents. - Lighting and rain shelters in employee parking areas have been improved to reduce workplace safety issues.
	Talent Development	Quarterly /As Needed	Education and Training Bonus Incentives	- Quarterly education and training sessions are held for new employees to help them understand the Company and adapt to its corporate culture. - Dedicated staff are responsible for employees' pre-employment and on-the-job training, and various training activities are organized as needed. - A training assessment mechanism is in place, with tiered bonuses provided to encourage participation.
		As Needed	Education and Training Promotion References	Training courses are held for supervisors to help them become familiar with relevant business operations and responsibilities and understand the basic knowledge required for the Company's overall operations, supporting supervisor development and job rotation.
 Customers	Production Management (QCD)	Weekly As Needed	Production and Sales Review Meetings Dedicated Staff (PM)	- Production and sales review meetings are held based on customer delivery schedules, and permanent solutions to customer/product issues are promptly proposed. - Anticipatory stocking is used to minimize lead times and costs.
	Innovation, R&D, and Green Products	As Needed	Dedicated Staff (PM)	R&D and innovation are conducted based on customer needs and market dynamics, and green products are provided to customers.

Stakeholder	Issue of Concern	Communication Frequency	Communication Channel	Response
 Customers	Customer Relations	Twice a Year As Needed	Customer Satisfaction Survey Establish a Customer Service System Achieving ESG Goals with Customers	- Customer satisfaction surveys are conducted every six months to collect customer feedback, understand customer preferences, respond to their needs in a timely manner, and make continuous improvements. - Dedicated contact persons are assigned to customers to expedite coordination and response handling, enhancing service quality. - A system has been developed to establish customer service information and product histories, enabling access to real-time information to better serve customers. - The Company participates in customers' ESG initiatives and works together with them to fulfill corporate responsibility.
 Suppliers	Corporate Governance	During Each Transaction	Procurement Contracts Supplier Audits	The Company requires suppliers to comply with standards such as RBA, SA8000, and ISO 37001, establish a confidentiality mechanism for the identities of whistleblowers and those reported, and conduct regular audits to ensure that suppliers and the Company are jointly committed to corporate social responsibility and the implementation of an ethical supply chain.
	Information Security	During Each Transaction	Procurement Contracts Supplier Audits	The Company requires suppliers to comply with all regulations and standards issued by competent authorities, as well as the Company's information security and confidentiality policies. Through regular audits and information security awareness initiatives, the Company ensures that suppliers work together with it to safeguard a <u>secure and trustworthy digital operating environment</u>.
	Supply Chain Sustainability Management	New Suppliers Upon Monthly Delivery Every Two Years	Procurement Contracts Supplier Delivery Assessments Supplier Audits	- The Company requires suppliers to implement quality management and focus on sustainability issues. Through regular audits and evaluations, the Company verifies that suppliers offer competitive pricing, excellent quality, stable supply, and meet sustainability requirements. - Dedicated personnel visit cooperating suppliers to ensure timely delivery with the required quality.
 Competent Authorities	Corporate Governance Social Engagement Regulatory Compliance Energy Conservation and Carbon Reduction Pollution Prevention Information Security	As Needed Regularly	Questionnaire Surveys Promotional Seminars Consulting Services	- The Company complies with the requirements of competent authorities in accordance with applicable laws and regularly submits relevant information. - Professional firms are engaged to assist the Company in ensuring proper compliance with all regulatory requirements.
 Community	Social Engagement	As Needed As Needed Regularly	Public Welfare Activities Emergency Relief Sponsorships to Community/School Events	- The Company sponsors community activities from time to time and provides emergency relief to disadvantaged families as needed. Through participation in and sponsorship of various public welfare activities, the Company fulfills its social responsibilities. - The Company has provided long-term donations to schools to establish after-school tutoring and vocational programs to enhance students' learning and future employment capabilities.

Material Topic Identification (3-1)

Material Topic Identification Process



CHEM's ESG Team identified 18 sustainability issues and, in 2025, invited key stakeholders to complete an online questionnaire. A total of 167 valid questionnaires were collected, including 9 from investors, 52 from employees, 31 from customers, 68 from suppliers, 5 from competent authorities, and 2 from the community, resulting in ratings of the degree of impact of key stakeholders' concerns regarding each sustainability issue. An online questionnaire was then distributed to 79 Company executives to rate the degree of impact of each sustainability issue on the Company. The two sets of ratings were then aggregated to produce a Materiality Matrix. Following discussion by the ESG Team, the top three sustainability issues by score under each of the three pillars—environmental, social, and economic—were included as the material topics for 2024. The nine material topics prioritized for disclosure under the environmental, social, and economic pillars were Sustainable Supply Chain, Energy Management, Greenhouse Gas (GHG) Management, Talent Development, Customer Relations, Occupational Safety, Operational Performance, Information Security, and Innovation and R&D. Remuneration and Benefits was included as an optional material topic, bringing the total to 10 material topics. After considering the materiality and sustainability of the issues, these 10 material topics were carried forward for 2025. Based on the results of the material topic identification process, the Company discloses relevant information on policies and commitments, targets and performance related to the material topics in its Sustainability Report for the reference of all stakeholders in their evaluation and decision-making. The Company also reports its annual sustainability performance and implementation targets for the following year to the Board of Directors each year, facilitating CHEM's continued advancement of its sustainable business development policies.

Pillar	Sustainability Issues
Environmental	Sustainable Supply Chain, Raw Material Management, Energy Management, GHG Management, Water Resource Management, Waste Management, Green Products/Services
Social	Remuneration and Benefits, Labor-Management Relations, Occupational Safety, Talent Development, Customer Relations
Economic	Operational Performance, Complaint Mechanism, Procurement Practices, Anti-Corruption, Innovation and R&D, Information Security

CHEM's 2025 Materiality Matrix



ESG Pillar	Material Topics (Positive Impact/Negative Impact)
Environmental	Supply Chain Sustainability Management (Positive), Energy Management (Positive), GHG Management (Positive)
Social	Talent Development (Positive), Customer Relations (Positive), Occupational Safety (Positive), Remuneration and Benefits (Custom, Positive)
Governance/Economic	Operational Performance (Positive), Information Security (Positive), Innovation and R&D (Positive)

CHEM's 2025 Material Topics and Their Boundaries

● Direct Impact ○ Enabling Impact ▲ Business Impact

	Material Topic	Corresponding Chapter	Corresponding GRI Indicator	Importance to CHEM	Stakeholder					
					Investor	Employee	Customer	Supplier	Competent Authority	Community
1	Operational Performance	Chapter 2 Corporate Governance	GRI 201: Economic Performance	A sound corporate governance mechanism is the foundation for sustainable business operations. CHEM continuously enhances corporate governance quality and effectiveness to maximize shareholders' rights and interests and achieve sustainable business operations.	●	○	●	▲	●	
2	Information Security	Chapter 2 Corporate Governance	Custom Topic	CHEM protects its R&D technologies and customer confidentiality through information security management mechanisms, employee awareness, and information security controls.	●	○	●	○	●	
3	Innovation and R&D	Chapter 2 Corporate Governance	Custom Topic	CHEM advances product development and technological innovation through diversification based on its core capabilities, expanding product applications and strengthening its competitive advantage.	●	○	●	▲	●	
4 5	Energy Management GHG Management	Chapter 4 Green Sustainability	GRI 302: Energy GRI 305: Emissions	Improving energy and resource efficiency and developing clean energy can enhance CHEM's competitiveness, while creating opportunities for profitability.	○	○	○	▲	○	○
6	Supply Chain Sustainability	Chapter 4 Green Sustainability	GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	CHEM requires supply partners to comply with local laws and regulations and its ESG policies and encourages them to join its sustainable business efforts.			●	▲	○	
7	Talent Development	Chapter 5 Friendly Workplace	GRI 404: Training and Education	CHEM provides diverse learning and training resources to equip employees with the knowledge and skills needed for their work and support their continued growth and development.		●			○	
8	Customer Relations	Chapter 2 Corporate Governance	Custom Topic	CHEM builds strong customer relationships, addresses customer complaints and improves communication, and seeks additional orders through high-quality products and services.	○	○	●	▲		
9	Occupational Safety	Chapter 6 Occupational Health and Safety	GRI 403: Occupational Health and Safety	A safe and healthy working environment protects employees' rights and interests while supporting operational efficiency and production quality.		●		▲	○	
10	Remuneration and Benefits	Chapter 5 Friendly Workplace	GRI 401: Employment	Improving employee compensation and benefits strengthens employees' identification with the Company, enhances work efficiency, and creates shared value for the Company and its employees.	○	●			○	

Sustainability Development Committee(2-14)

To fulfill its corporate social responsibility, promote economic, environmental, and social progress, and achieve the goal of sustainable business development, CHEM has adopted the Sustainable Development Best Practice Principles as approved by the Board of Directors and reported them to the regular shareholders' meeting as the basis for the Company's implementation of sustainable development.

In addition, to Since issuing its Sustainability Report in 2022, CHEM's management team has continued to report the progress and results of ESG and sustainable development initiatives to the Board of Directors, strengthening the Board's involvement in the Company's ESG initiatives. achieve its sustainable development goals in environmental protection, social responsibility, and corporate governance, CHEM plans to establish a Sustainability Development Committee under the Board of Directors in 2026 to assist the Board in continuously promoting the implementation of environmental, social, and corporate governance initiatives and achieve the goal of sustainable business operations.

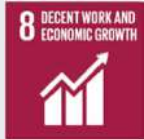
Sustainable Development Action Performance

In 2015, the United Nations proposed 17 Sustainable Development Goals (SDGs) to guide global efforts toward sustainability. From 2015 to 2030, the SDGs are intended to provide countries, local governments, businesses, and civil society organizations with directions for responding to initiatives and formulating policies, promoting sustainable development and growth in environmental, economic, and social areas. CHEM also regards sustainable development as a corporate responsibility and promotes various policies and activities in accordance with the SDG initiative, with the aim of implementing relevant action plans and contributing to sustainability.



SDG Indicators	CHEM's SDG Action Performance
 1.1	1. Established the CHEM Charity Trust Fund to make donations to and sponsor nonprofit organizations, including foundations supporting disadvantaged and critically ill individuals. 2. Provided subsidies for major illnesses and disaster relief. 3. Provided living assistance. 4. Provided financial assistance for tuition and miscellaneous fees and daily necessities for children from disadvantaged families.
 2.1	1. Organized Lunar New Year meal donation activities. 2. Provided financial assistance for lunch expenses for children from disadvantaged families.
 3.3/3.8	1. Provided employees, their dependents, and contractors with biennial health checkups that exceeded regulatory requirements. 2. Provided health checkup report consultation services and occupational health physician consultations. 3. Provided various types of personal protective equipment and training on their use to reduce the risk of occupational accidents. 4. Occupational health nurses practiced "walk-around management" throughout the plants and proactively checked on employees' physical and mental well-being. 5. Continued to organize activities such as smoking cessation, weight management, and blood donation. 6. Organized annual health and nutrition seminars and physical fitness courses. 7. Provided employees with influenza vaccinations. 8. Installed AEDs at the plants and arranged training for personnel. 9. Provided various employee clubs, travel activities, hospitalization visits, and medical subsidies to promote employees' physical and mental well-being.
 4.1/4.3/4.4	1. Provided internal and external training and training programs for mid- to senior-level management. 2. Entered into industry-academia collaboration programs with multiple universities and provided internship opportunities. In 2025, CHEM hired 7 industry-academia training participants and 7 fourth-year university students for off-campus internships. 3. Donated to education funds and teaching equipment for elementary schools in remote areas. 4. Provided scholarships and grants for employees' children. 5. Participated in the government's "Recharge and Restart" training program. 6. Provided employees with incentive bonuses for language proficiency and professional certification examinations.

SDG Indicators	CHEM's SDG Action Performance
 5.1/5.5	1. Women account for approximately 30% of the Company's approximately 20 senior executives, including the General Manager. 2. Provided childbirth subsidies of NT\$10,000 for the first child and NT\$8,000 for the second child, and collaborated with nearby kindergartens to provide preferential childcare services. 3. Provided priority parking spaces for pregnant employees. 4. Set up a lactation room with a dedicated refrigerator. 5. Held talks on gender equality and prevention of sexual harassment from time to time.
 6.3/6.4	1. Used rainwater and groundwater as the primary water sources for toilets. Cleaned and disinfected water towers annually to ensure water quality. 2. Regularly inspected drinking water dispensers within the plants. 3. Installed sensor-activated water supply equipment to conserve water resources. 4. Replaced the dosing pipelines and upgraded the motors at the wastewater treatment facility in the plant to ensure that discharged wastewater meets regulatory standards.
 7.1/7.2/7.3	1. Installed solar photovoltaic systems at Linkou Plant, Nanke Plant, and Chiayi Plant, with a total installed capacity of 6,099.035 kWp. 2. The three photovoltaic plants, Tian Cin, Tian Chong, and Tian Peng, in Qigu, Tainan sell all electricity generated to Taipower. Their total electricity generation reduced CO₂e emissions by 148,012 metric tons, approximately the annual carbon sequestration of 383 Daan Forest Parks. 3. Participated in government wind power generation projects, accounting for more than 10% of the Company's revenue. 4. Made early preparations to expand from the heavy electrical equipment business into green electricity and established a Hydrogen Energy R&D Center. 5. Invested substantial resources in establishing a comprehensive laboratory equipped with Taiwan's highest-power fuel cell stack testing equipment. 6. Currently the only company in Taiwan capable of developing fuel cells with a power output exceeding 10 kW. 7. Capable of efficiently integrating various renewable energy sources, energy storage systems, fuel cells, and other equipment.

SDG Indicators	CHEM's SDG Action Performance
 8.5/8.6	1. Entered into industry-academia collaboration programs with multiple universities and provided internship opportunities. In 2025, CHEM hired 7 industry-academia training participants and 7 fourth-year university students for off-campus internships. 2. Hired 28 people with disabilities in 2025. 3. Hired 15 employees who reached the age of 65 in 2023, 16 in 2024, and 23 in 2025. CHEM received the Potential Enterprise Award under the 2025 Taoyuan City Middle-Aged and Older Worker-Friendly Enterprise Certification. 4. CHEM's enterprise union was recognized by the Taoyuan City Government as an outstanding union. 5. Provided employees with a NT\$3,000 referral bonus for recommending qualified candidates to join the Company. 6. In 2025, CHEM had a total of 1,900 employees, including 182 new hires.
 9.4	1. The three photovoltaic plants, Tian Cin, Tian Chong, and Tian Peng, in Qigu, Tainan sell all electricity generated to Taipower. Their total electricity generation reduced CO₂e emissions by 148,012 metric tons, approximately the annual carbon sequestration of 383 Daan Forest Parks. 2. Automated the hydrogen energy stack production line, including automated plate washing and coating, to reduce employees' exposure to contaminated environments. 3. Currently provides iCharging parking and charging services, with six charging stations established at national highway service areas. 4. Established 65 charging piles at national highway rest areas and DoDoHome parking lots nationwide.

SDG Indicators	CHEM's SDG Action Performance
 10.2/10.3	- Set up a staff suggestion box, with suggestions forwarded to the responsible department and the General Manager, to understand the needs of employees and assist with improvements. - Provided female employees with equal employment opportunities at the same plants to increase female representation. - Introduced fixed-amount bonus programs to effectively improve the income of employees. - Donated a patrol vehicle to the Fonglin Township Office, Hualien County. - Supported handmade products from the Children Are Us Foundation. - Provided tablets, video teaching aids, and scholarships to students in remote areas. - Participated in the distribution of winter relief supplies in Wanrong Township, Hualien County. - Since 2023, selected handmade soap products produced by Agape Sheltered Workshop as souvenirs for the annual shareholders' meeting, with annual orders exceeding 40,000 pieces, integrating business operations with social welfare.
 11.1/11.3	- Invested in the Dunnan and Sanchong urban renewal projects to create green, comfortable, and safe living environments and bring a new look to older communities. - In 2020, CHEM invested in its first urban renewal project, with the Dunnan urban renewal project receiving the 22nd National Architecture Gold Quality Award. - Invested in façade renovation and upgrades to public facilities and MEP equipment at the Company's Zhonghe office building, not only beautifying the cityscape, but also enhancing the safety of the living environment for residents.
 12.2/12.4/ 12.5/12.6	- Properly sorted production waste to reduce waste disposal and convert materials into recyclable materials, contributing to the circular economy. - Required collaborating vendors to recycle their own product packaging materials or reduce packaging and plastic use. - Transported steel plates and bases from construction sites back to the Company for reuse. - Optimized production processes to reduce the waste of oil, gas, water, and electricity resources.

SDG Indicators	CHEM's SDG Action Performance
 13.3	- Installed additional solar panels, saving 428.34 MWh of electricity. - Optimized 154 sets of 1,000W high-bay lights. - Optimized 556 sets of 400W metal halide high-bay lights. - Replaced 1,338 sets of 40W double-tube lamps and double-tube pendant lamps with LED lamps. - Started conducting a carbon inventory in 2022 and completed third-party assurance in 2025.
 15.1/15.2	- Organized one-person-one-tree planting activities. - Adopted street trees in industrial areas. - Planted an additional 750 trees. - Regularly replaced activated carbon filters and upgraded wastewater facilities to prevent pollution from adversely affecting the surrounding ecosystem.
 16.5/16.6/ 16.7	- Prohibited employees from accepting inappropriate gifts, provided appropriate reporting channels, and established penalties for violations. - Established a Personnel Review Committee and a grievance hotline, with a dedicated unit responsible for handling related matters. - The Personnel Review Committee is responsible for protecting the personal information of the parties concerned and ensuring that they are not subjected to improper treatment as a result of reporting.



1

About CHEM

- 1.1 Company Overview
- 1.2 Awards & Management Systems
- 1.3 Participation in External Organizations

1. About CHEM (2-1)

1.1 Company Overview

Founded in 1956, CHEM has accompanied Taiwan's industrial development and transformation by providing the advanced power equipment and transmission and distribution engineering services required at various stages of power development. CHEM is now a leading company in Taiwan's heavy electrical equipment, parking management, and green energy industries.

Since its establishment, CHEM has continued to keep pace with the times and pursue growth and transformation with a spirit of innovation and change. Building on the stable foundation of its power business, CHEM has developed six major business groups: power, system integration, parking management, CNC, new energy, and China business. Its core businesses include power equipment, power engineering, and green energy. In recent years, as global warming has become increasingly severe, CHEM has actively supported the government's policies promoting green energy, energy conservation, and carbon reduction. The Company leverages its expertise and actively engages in various renewable energy businesses, including wind power, solar power, fuel cells, charging piles, and microgrids, with the aim of fulfilling its corporate social responsibility for green energy and environmental protection and working with people across Taiwan to protect the Earth through green energy.

Note: For information on CHEM's major milestones, please refer to the 2025 Annual Report.

Company Name	Chung-Hsin Electric & Machinery Manufacturing Corp.
Location	No. 25, Wende Road, Guishan District, Taoyuan City
Capital	NT\$5.031 billion
Consolidated Revenue	NT\$27,449,025 thousand
No. of Employees	1,900
Business Locations	Headquartered at 3F, No. 801, Zhongzheng Road, Zhonghe District, New Taipei City, Taiwan, with Linkou Plant serving as its main manufacturing base and branch offices in Taipei City, New Taipei City, Taichung City, and Tainan City. For information on CHEM's subsidiaries in Taiwan and other countries, please refer to the Annual Report.
Major Products/ Services	CHEM is the No. 1 brand of heavy electrical equipment in Taiwan. CHEM focuses on the development of three major businesses: gas-insulated switchgear (GIS), precision manufacturing, and hydrogen energy. In addition, CHEM has developed diversified business groups. Its scope of operations includes heavy electrical products, electric meter products, system air-conditioning engineering, generators, power automation systems, parking management, charging piles, and turnkey projects for power generation and substations. In 2008, CHEM began investing in hydrogen energy research and development, with the aim of creating cleaner and more energy-efficient products for the public in the future.

Note: Data is as of the end of 2025.

Business Scope

Having engaged in the heavy electrical equipment industry for many years, CHEM has developed diversified business groups based on its strong competitive advantages in the power industry. Its scope of operations includes heavy electrical equipment, power engineering, new energy products, microgrids, electric meter products, system air-conditioning engineering, generators, and parking management.

In recent years, CHEM has actively transformed and expanded its business into green energy areas, including hydrogen energy, energy storage, microgrids, and carbon emissions, putting its commitment to environmental protection and protecting the Earth into practice. CHEM has successively completed grid connection and power generation at its solar power plants in Qigu, achieved growth in hydrogen energy product sales, and introduced its "iCharging" EV charging services at national highway rest stops. These initiatives demonstrate that CHEM has entered the green energy sector and is actively fulfilling its corporate social responsibility.



Advancing toward Green Energy (2025)

Unit: NT\$100mn	Green Energy	Services	Engineering & Others
Revenue	201.05	55.49	30.18
Percentage	70.12%	19.35%	10.53%



CHEM's Six Business Groups

I. Power Business Group

1. Power Distribution Products
2. Power Engineering
3. Electric Meter Products (Single-Phase / Three-Phase)
4. Power Automation

II. System Integration Business Group

1. Systems Engineering
2. Air-Conditioning Products
3. Generator Products
4. MEP & Fire Protection O&M
5. Construction & Urban Renewal Development
6. Energy Efficiency Management Services

IV. CNC Business Group

1. Precision Machining of Semiconductor, Optoelectronic, and Aerospace Components

III. New Energy Business Group

1. Hydrogen Energy-Related Businesses (Fuel Cells & Microgrids)
2. Contracting, Construction, and O&M of New Energy Power Generation Projects, including Wind and Solar Power

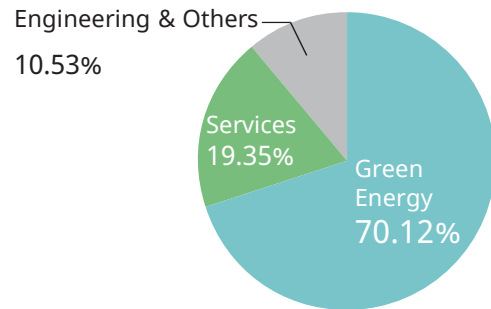
V. DoDoHome Business Group

1. Parking Management and Equipment Manufacturing & Sales
2. EV Charging Services Management

VI. China Business Group

1. Precision Machining of Semiconductor and Optoelectronic Components
2. GIS Assembly & Sales

Revenue Breakdown



CHEM 2025 Revenue Breakdown



Green Energy

- Solar Photovoltaics (PV)
- Hydrogen Energy, Energy Storage & Microgrids
- Power Equipment



Services

- DoDoHome (Parking Management)
- EV Charging Services
- Operation & Maintenance



Engineering & Others

- Urban Renewal
- Fire Protection & MEP Systems Integration
- Precision Machining

I. 1.



I. 3.



II. 2.



II. 3.



II. 5.



III. 1.



III. 2.



IV. 1.



V. 1.



V. 2.



Main Businesses, Products and Services

Manufacturing and sales of air-conditioning products, electrical machinery products, electrical products, power supply equipment, and industrial machinery components and products.

Installation of electrical piping; contracting of air-conditioning and MEP engineering projects; on-site maintenance of air-conditioning and MEP equipment; and contracting and construction of system engineering projects.

Contracting and construction of incineration and pollution control projects, as well as power supply system and power monitoring system engineering projects.

Contracting and construction of wind, hydro, thermal, and solar photovoltaic power generation projects, highway tunnel MEP and fire protection projects, and turnkey substation projects.

Parking management and the manufacturing, sales, operation, and management of charging piles and related equipment.

Manufacturing and sales of smart grid power automation equipment.

Research and development, manufacturing, and sales of stationary fuel cell systems, primarily including the development of key components such as stack modules, power conditioning modules, methanol-water reformers, and fuel cell controllers.

Development, sale, and leasing of residential properties and buildings.

Manufacturing and sales of various types of hydraulic, pneumatic, spring, and motorized spring actuators used in 22kV-550kV gas-insulated switchgear (GIS), as well as medium-voltage switchgear.

Production, processing, and manufacturing of aerospace components, panels, semiconductor equipment chambers, and precision-machined components.

Contracting and construction of solar photovoltaic power plant projects, as well as their operation and maintenance.

1.2 Awards & Management Systems

Industry-Academia Cooperation

Due to the current shortage of personnel in Taiwan's power industry, and in order to cultivate more outstanding power-industry talent, CHEM has established scholarships to help outstanding electrical and mechanical engineering students complete their studies and collaborates with several universities, including Chang Gung University, National Taiwan University of Science and Technology, Lunghwa University of Science and Technology, and National Chung Cheng University, through industry-academia cooperation on power R&D projects. Furthermore, in 2007, CHEM established a master's program with National Taipei University of Technology focused on the power supply industry, contributing to the development of the next generation of outstanding talent in the power industry. The industry-academia cooperation projects with the universities are listed below.

CHEM's Industry-Academia Collaboration Projects with Universities Over the Past Three Years

No.	School	Collaboration Details	Period
1	National Taipei University of Technology	Tripartite Agreement for Industry-Academia Training Collaboration (Department of Energy and Refrigeration & Air Conditioning Engineering)	2025.07.15~2027.06.30 2026.01.30~2028.06.30
2	Lunghwa University of Science and Technology	Industry-Academia Collaboration Agreement (Department of Mechanical Engineering)	2023.07.03~2025.06.30
		Tripartite Agreement for Industry-Academia Training Collaboration (Department of Electrical Engineering)	2023.03.20~2025.06.15 2024.03.11~2026.06.30



Internship Opportunities

No.	School	Collaboration Details	Period
1	National Formosa University	Individual Student Internship Program (Department of Electrical Engineering)	2025.02.03~2025.06.30
2	National Taiwan Normal University	Professional and Technical Training Contract (Bachelor of Science in Vehicle and Energy Engineering)	2023.7.3~2025.6.30
3	Lunghwa University of Science and Technology	Student Internship Contract (Department of Mechanical Engineering, Department of Electrical Engineering, and Department of Finance)	2024.07.01~2025.06.30 2025.07.01~2026.06.30

Corporate Social Responsibility Awards

To fulfill its corporate social responsibility (CSR) and contribute to economic, environmental, and social progress toward the goal of sustainable development, CHEM has established its Corporate Social Responsibility Best Practice Principles since 2015. The awards received are listed below:

Corporate Social Responsibility Awards

- 1 2015 Uniform Invoicing Meritorious Operator Award
- 2 Outstanding Supplier Award in Chunghwa Telecom's 2015 Supplier CSR Second-Party Audit
- 3 Certificate of Appreciation for the Kaohsiung Sunlight Xiaolin Village Community-Based Green Power System
- 4 Participated in the MOEA's voluntary green electricity tariff pilot program, subscribing to 700 MWh of green electricity in 2015, 2016, and 2017, respectively, demonstrating its CSR in green energy and environmental protection.
- 5 Silver Award in the Smart Grid Category at the 3rd APEC Energy Smart Communities Initiative (ESCI) Best Practice Awards in 2017
- 6 Special Excellence Award in Taipower's 2018 Green and Environmentally Friendly Worksites Evaluation for introducing the concept of the circular economy
- 7 Gold Award in the Smart Grid Category at the 4th APEC Energy Smart Communities Initiative (ESCI) Best Practice Awards in 2019
- 8 Voted one of the top 20 happiest companies in the precision machinery category in the Happiness Survey for the Manufacturing and Construction/Property Marketing Industries organized by 1111 Job Bank
- 9 Gold-tier Certificate under Chunghwa Telecom's Supplier Sustainability Partner Rating System in 2019
- 10 Gold Level Green Building Label Certificate for the Dunnan Urban Renewal Project in 2021
- 11 Supplier Excellence Award from Applied Materials, the only recipient of the award in Asia

Corporate Social Responsibility Awards

- 12 Gold-tier Certificate under Chunghwa Telecom's Supplier Sustainability Partner Rating System in 2022
- 13 Taoyuan City 2023 Enterprise with Harmonious Labor-Management Relations
- 14 Selected by 104 Job Bank and Business Weekly as one of the Top 100 DEI Enterprises for the Experienced Workforce
- 15 2024 17th TCSA Taiwan Corporate Sustainability Awards – Sustainability Report: Traditional Manufacturing Industry – Category 1 Bronze Award
- 16 Gold Award in the 2024 Happy Enterprise Voting Campaign organized by 1111 Job Bank
- 17 Gold-tier Certification under Chunghwa Telecom's Supplier Sustainability Partner Rating System in 2025
- 18 2025 18th TCSA Taiwan Corporate Sustainability Awards – Sustainability Report: Traditional Manufacturing Industry – Category 1 Bronze Award
- 19 Gold Award in the 2025 Happy Enterprise Voting Campaign organized by 1111 Job Bank
- 20 Potential Enterprise Award under the 2025 Taoyuan City Middle-Aged and Older Worker-Friendly Enterprise Certification
- 21 2025 Outstanding Performance in Green Procurement in Taoyuan City, Taichung City, Chiayi City, and Tainan City



BSI Environmental Sustainability Statement



25th Public Construction Gold Award – Honorable Mention for Design and Construction and Special Contribution Award



CHEM Dunnan Urban Renewal Project – Gold Level Green Building Label Certificate, 2021



Supplier Excellence Award from Applied Materials, the only recipient in Asia



Chunghwa Telecom – 2025 Supplier Sustainability Partner Gold-tier Certification



2025 Happy Enterprise – Manufacturing Industry Gold Award



3rd APEC ESCI Best Practice Awards – Silver Award in the Smart Grid Category



4th APEC ESCI Best Practice Awards – Gold Award in the Smart Grid Category



2025 Taoyuan City Middle-Aged and Older Worker-Friendly Enterprise – Potential Enterprise Award



2024 Best Managed Companies (BMC)



2025 18th TCSA Taiwan Corporate Sustainability Award



Taiwan Intellectual Property Management System (TIPS) A-Level Certification

Other Awards and Quality Certifications

Highest Honor in Technology and R&D

- 1 18th Industrial Technology Development Award

Corporate Honor Awards

- 1 Evergreen Enterprise Excellence Award – Taoyuan County
- 2 2nd Taiwan Mittelstand Award
- 3 Selected as one of the “Top 100 Companies for Year-round Growth” in CommonWealth Magazine's 2021 Top 200 Resilient Enterprises Survey
- 4 Selected as one of the “Top 100 Carbon Competitiveness Companies” in Business Weekly's 2023 survey
- 5 Gold-tier Certification under Chunghwa Telecom's Supplier Sustainability Partner Rating System in 2022
- 6 Named one of the Best Managed Companies (BMC) in 2024 by Deloitte Taiwan
- 7 Gold-tier Certification under Chunghwa Telecom's Supplier Sustainability Partner Rating System in 2025
- 8 Potential Enterprise Award under the 2025 Taoyuan City Middle-Aged and Older Worker-Friendly Enterprise Certification

Product Quality Certifications

- 1 ISO 9001:2015 Quality Management System
- 2 ISO 14001:2015 Environmental Management System
- 3 ISO 17025:2017 Laboratory Quality Management System
- 4 ISO/IEC 27001 Information Security Management System
- 5 ISO 45001 Occupational Safety and Health Management System
- 6 Certification to National Electrical Manufacturers Association (NEMA) Standards
- 7 AS 9100 Aerospace Quality Management System Certification
- 8 OHSAS 18001 Occupational Health and Safety Management System Certification
- 9 NADCAP CMSP Holmaking Certification
- 10 Boiler and Pressure Vessel Certification from the American Society of Mechanical Engineers (ASME)
- 11 TAF-Accredited Laboratories: Power Supply Product Testing Laboratory, Generator Set Testing Laboratory, Air Conditioning Equipment Testing Laboratory, and Calibration Laboratory

- 12 New 69/161/345 kV GIS Certified by Italy's CESI Through Type Testing and Qualified in Taipower's Phase III Localization Assessment
- 13 110/220/420/550 kV Porcelain Post-Type Gas Circuit Breakers (GCBs) Certified by Italy's CESI Through Type Testing
- 14 ISO 37001 Anti-Bribery Management System
- 15 Taiwan Intellectual Property Management System (TIPS)

Awards for Products/Systems

- 1 Excellence Award at the 5th Public Construction Golden Quality Award
- 2 Excellence Award at the 7th Public Construction Golden Quality Award
- 3 Distinguished Excellence Award at the 8th Public Construction Golden Quality Award
- 4 Excellence Award at the 9th Public Construction Golden Quality Award
- 5 Distinguished Excellence Award at the 9th Public Construction Golden Quality Award
- 6 Excellence Award at the 11th Public Construction Golden Quality Award
- 7 Distinguished Excellence Award at the 15th Public Construction Golden Quality Award
- 8 Excellence Award at the 16th Public Construction Golden Quality Award
- 9 Distinguished Excellence Award at the 17th Public Construction Golden Quality Award
- 10 Excellence Award at the 19th Public Construction Golden Quality Award
- 11 Double Excellence Awards and Special Contribution Award at the 20th Public Construction Golden Quality Award
- 12 Excellence Award at the 21st Public Construction Golden Quality Award
- 13 Distinguished Excellence Award at the 22nd Public Construction Golden Quality Award
- 14 22nd National Architecture Gold Quality Award for both Planning/Design and Construction Quality in the Residential and Commercial Buildings/High-Rise Category, received by the Dunnan urban renewal project
- 15 Best in Class Performance Award from Applied Materials in 2022
- 16 Double Excellence Awards in the Facilities Category for Design and Construction, and Special Contribution Award at the 23rd Public Construction Gold Quality Award
- 17 Double Excellence Awards in the Facilities Category for Design and Construction, and Special Contribution Award at the 24th Public Construction Gold Quality Award
- 18 Double Honorable Mention Awards in the Facilities Category for Design and Construction, and Special Contribution Award at the 25th Public Construction Gold Quality Award

Government Grants for CHEM's Projects

MOEA's Grant for Science and Technology R&D Projects/A+ Industrial Innovation R&D Program		Year
1	12 kV Gas-Insulated Switchgear (Dry-Air-Insulated, Environmentally Friendly) R&D	2006
2	R&D Project for an After-Sales Energy-Saving and Maintenance Service Platform for Air-Conditioning Chillers	2010
3	High-Speed, High-Precision 5-Axis Gantry Machining Center and Process Value-Added System	2012
4	Development Project for Weather-Resistant, Humidification-Free Fuel Cell Key Components and Systems	2012
5	Development Project for High-Sensible-Heat Rack-Type Air-Conditioning Equipment and Monitoring System for Data Centers	2013
6	Program to Encourage Domestic Enterprises to Establish R&D Centers in Taiwan	2013
7	High-Value Aerospace-Grade Processing Equipment and Application Integration Project	2015
8	Development Project for High-Efficiency Water-Cooled Fuel Cell Stacks and Key Technologies	2020
9	Low-Carbon Integrated Technology Project for Hydrogen Storage and Supply Combining Methanol Reforming and Carbon Capture	2025
MOEA's Taiwan Industry Innovation Platform Program		Year
1	Development of an Energy-Saving Manufacturing Process for Extra-High-Voltage Switchgear in Power Systems – Friction Stir Welding Process Development for GIS Copper Conductors	2023
MOEA's Fuel Cell Demonstration Operation Verification Subsidy		Year
1	Hydrogen Wind-Solar House Hybrid DC Power Demonstration and Operation Verification Program	2009
2	SBN Global Financial Channel Studio Backup Power Demonstration and Operation Verification Program	2010
3	Fuel Cell Backup Power Demonstration and Operation Verification Program for Telecommunication Equipment Rooms of Far EasTone Telecommunications	2011
4	Fuel Cell Backup Power Demonstration and Operation Verification Program for Radio Repeater Stations of the National Fire Agency, Ministry of the Interior	2012



1.3 Participation in External Organizations (2-28)

External Initiatives

1. United Nations Sustainable Development Goals (SDGs)
2. Global Reporting Initiative (GRI) Sustainability Reporting Standards
3. United Nations Global Compact (UNGC)
4. World Economic Forum (WEF) Partnering Against Corruption Initiative (PACI) – Principles for Countering Bribery

Participation in Associations

Taiwan has numerous industry associations and academic organizations. To build industry consensus, CHEM actively participates in various industry associations, sharing the latest industry information and gaining diverse perspectives and professional knowledge through various platforms. CHEM further seeks to promote the development and advancement of public affairs within the industry. The Company also participates in relevant associations dedicated to green power generation and climate change mitigation, with the aim of contributing its expertise to the development of green energy and energy conservation and carbon reduction in Taiwan. These include the Taiwan Fuel Cell Partnership, the Taiwan Hydrogen Industry Development Alliance, the Solar Power Generation System Commercial Association of the Republic of China, and the Taiwan Association of Energy Conservation and Emission Reduction.

In 2025, CHEM was a member of 42 associations. In particular, CHEM's Quality Assurance Committee, Air Conditioning Factory, Electrical Factory, and Power Supply Factory each participated as members of the Taiwan Accreditation Foundation (TAF) and each obtained TAF laboratory accreditation.



CHEM's Participation in Industry Associations and Memberships

1	Chinese Quality Society, Taiwan	22	Taipei City Parking Lot Business Association
2	Chinese National Association of Industry and Commerce, Taiwan	23	New Taipei City Fire Engineering Equipment Commercial Association
3	Industrial Safety and Health Association of the Republic of China (ISHA)	24	Taoyuan City Industrial Association
4	CNS Certification Mark Association, R.O.C.	25	Linkou Gongsan Industrial Park Manufacturers' Association
5	Atmosphere Protection Association of the Republic of China	26	Taipei Air-Conditioning and Refrigeration Professional Engineers Association
6	The Institute of Internal Auditors, R.O.C.	27	Taiwan Electric Power Development Association (TEPDA)
7	Relay Association, R.O.C.	28	Taiwan Aerospace Industry Association
8	Middle East Economic and Trade Association of the Republic of China	29	Association of Power Facility Inspection & Maintenance in Taiwan
9	Accounting Research and Development Foundation	30	Taiwan Association of Energy Conservation and Emission Reduction (TAECER)
10	Taiwan Accreditation Foundation (TAF)	31	DLMS
11	Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	32	Taiwan Electronics Testing Center (ISO 9001, ISO 14001, and OHSAS 18001)
12	Taiwan Machinery Industry Association	33	Tainan County Industrial Association
13	Taiwan Refrigeration and Air Conditioning Engineering Industry Association	34	National Association of Construction Site Managers of the Republic of China
14	Taiwan Water Pipe Engineering Industry Association	35	ROC Photovoltaic Power Generation System Commercial Association (PVGSA)
15	Taiwan Electrical Engineering Industry Association	36	Taiwan EV Power Supplement Industry Technology Promotion Alliance
16	Taiwan Fire Equipment Industry Association	37	The Allied Association for Science Park Industries
17	Taiwan Society of Heating, Refrigerating and Air-Conditioning Engineering	38	Taichung City Parking Lot Business Association
18	Taiwan Smart Grid Industry Association	39	Taiwan Power and Energy Engineering Association
19	Taipei Electrical Commercial Association (TECA)	40	Information Service Industry Association of R.O.C. (CISA)
20	Taipei Computer Association (TCA)	41	Chiayi County Industrial Association
21	Taipei Measuring Instruments Association	42	Methanol Institute (MI)

2

Corporate Governance

- 2.1 Governance Practices
- 2.2 Risk Management
- 2.3 Customer Relations
- 2.4 Innovation and R&D
- 2.5 Information Security
- 2.6 Tax Management



2. Corporate Governance (2-13、2-14、201)

Sustainable Development Policy

In addition to pursuing sustainable operations and profitability, CHEM places importance on environmental, social, and corporate governance matters and protects the rights and interests of stakeholders. Accordingly, with reference to the Code of Practice for Sustainable Development of TWSE- and TPEX-Listed Companies, CHEM formulated its Code of Practice for Sustainable Development, and the Board of Directors authorized senior management to oversee its implementation and report the implementation status to the Board from time to time. If shareholders propose motions relating to sustainable development, the Company's Board of Directors considers and includes such motions as agenda items for the shareholders' meeting, in order to advance the Company toward ESG-driven sustainable development.

CHEM's Code of Practice for Sustainable Development clearly sets forth the principles of corporate social responsibility and the key areas for promoting sustainable corporate governance, including corporate governance, environmental protection, social welfare, and disclosure of sustainability-related information. CHEM also continuously monitors developments in sustainability-related standards domestically and internationally and changes in the corporate environment, and accordingly reviews and improves the sustainable development systems and goals established by the Company to enhance the effectiveness of its sustainable development efforts.

In addition, we will continue to consider trends in the development of domestic and international sustainability issues and their relevance to the Company's core businesses, as well as the impacts of the Company's and the Group's overall operating activities on stakeholders, in order to formulate relevant sustainable development management policies and specific implementation plans.



Implement Corporate Governance



Develop a Sustainable Environment



Uphold the Social Good



Enhance Disclosure of Corporate Sustainable Development Information

CHEM's Code of Practice for Sustainable Development



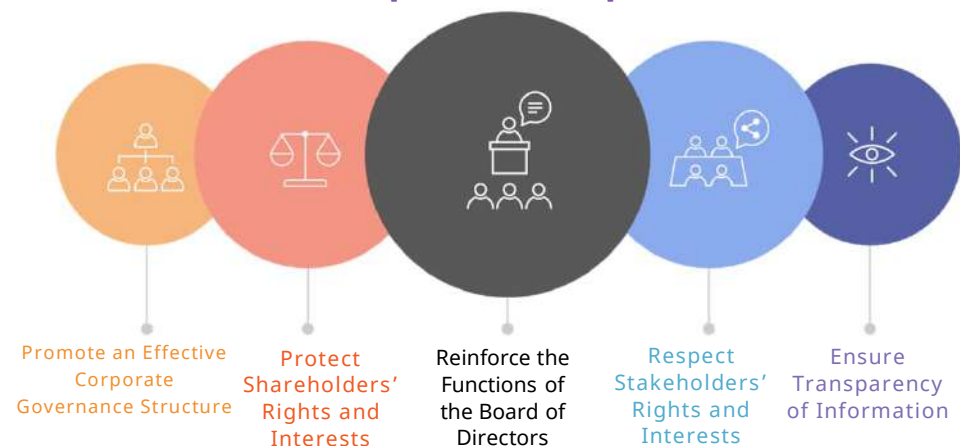
Corporate Governance Policy

A sound corporate governance mechanism is the foundation of sustainable business operations. CHEM upholds the principle of integrity in business operations and is committed to promoting an effective corporate governance structure, protecting shareholders' rights and interests, reinforcing the functions of the Board of Directors, respecting the rights and interests of stakeholders, and ensuring transparency of operational and financial information. Through continuously enhancing the quality and effectiveness of corporate governance, CHEM seeks to fully implement the principles of corporate governance and strengthen the foundation for sustainable business operations.

To implement corporate governance, CHEM, pursuant to a resolution of the Board of Directors, appointed Divisional General Manager Jing-Feng Lai to serve as the Corporate Governance Director. Her responsibilities include "handling, in accordance with applicable laws and regulations, information required for the Board of Directors to perform its duties," "handling matters relating to Board of Directors meetings and shareholders' meetings in accordance with applicable laws and regulations," "providing directors with information required to perform their duties," "assisting directors in assuming office and pursuing continuing education," and "assisting directors in complying with laws and regulations," as well as other related matters.

To continuously improve the effectiveness of corporate governance, CHEM establishes and reviews its internal control system, conducts Board of Directors performance evaluations, provides continuing education for the Corporate Governance Director, and regularly publishes corporate governance reports. These measures enable CHEM to effectively respond to rapid changes in the Company's internal and external governance environment, assist management in flexibly formulating strategies for economic, environmental, and social issues, and ensure that the design and implementation of its systems remain continuously effective, creating maximum benefits for the Company and its stakeholders. In the 2025 Corporate Governance Evaluation conducted by the Taiwan Stock Exchange, a total of 1,009 TWSE-listed companies and 801 TPEX-listed companies were evaluated. CHEM ranked in the 36% to 50% range among the evaluated companies. CHEM obtained ISO 37001 Anti-Bribery Management System certification in 2024 and will continue to reinforce its internal control systems, accelerate the transparency of corporate information, and align with international corporate governance trends.

CHEM's Five Principles of Corporate Governance



CHEM's 2025 Approach to Operational Performance and Its Evaluation

Material Topic	Operational Performance				
Corresponding GRI Indicator	GRI 201 Economic Performance				
Policies and Commitments	- Pursue sustainable operations and profitability - Protect stakeholders' rights and interests - Maximize stakeholders' interests				
Goals and Targets	<table border="1"> <tr> <td>Short-Term</td><td> - Consolidated revenue for the year exceeding NT\$21 billion and consolidated net profit exceeding NT\$3.5 billion </td></tr> <tr> <td>Medium- and Long-Term</td><td> - Continue to enhance operational efficiency through organizational reforms. - Seize opportunities in the green energy industry's development </td></tr> </table>	Short-Term	Consolidated revenue for the year exceeding NT\$21 billion and consolidated net profit exceeding NT\$3.5 billion	Medium- and Long-Term	- Continue to enhance operational efficiency through organizational reforms. - Seize opportunities in the green energy industry's development
Short-Term	Consolidated revenue for the year exceeding NT\$21 billion and consolidated net profit exceeding NT\$3.5 billion				
Medium- and Long-Term	- Continue to enhance operational efficiency through organizational reforms. - Seize opportunities in the green energy industry's development				
Responsibilities and Resources	- Appoint a dedicated Corporate Governance Director to handle matters related to the Board of Directors' performance of its duties in accordance with applicable laws and regulations, and assist directors in pursuing continuing education and enhancing their functions - If a shareholder proposes a motion relating to sustainable development, the Board of Directors considers including it as an agenda item for the shareholders' meeting				
Evaluation Mechanism and Results	Annual consolidated revenue exceeding NT\$20 billion and consolidated net profit exceeding NT\$3 billion; in 2025, the Company's consolidated revenue was NT\$27.409 billion and consolidated net profit was NT\$3.99 billion				

Economic Performance

CHEM's 2025 Consolidated Financial Statements (Unit: NT\$ thousand except as otherwise stated)

Item	2023	2024	2025
Operating Revenue	22,144,872	25,609,456	27,449,025
Gross Profit	6,418,919	6,721,115	7,067,749
Operating P&L	4,386,497	4,536,921	4,976,856
Income Tax	811,418	833,744	1,016,098
Net Profit for the Period	1,585,444	3,627,150	3,990,342
EPS (NT\$)	3.25	7.33	8.07
Employee Salary and Benefits Expenses	3,049,874	3,443,642	3,531,573

Note: CHEM's consolidated financial statements include all subsidiaries in the consolidated financial statements. For information on domestic and overseas subsidiaries and affiliated companies, please refer to the financial report.

Financial Assistance from the Government in 2025 (Unit: NT\$ thousand)

Item	2023	2024	2025
Tax Deductions and Credits	611,862	597,254	531,787
Subsidies	4,239	4,183	3,411
Investment and R&D Grants	32,421	7,803	1,000
Rewards	448	1,042	207
Total	648,970	610,282	536,405



2.1 Governance Practices (2-9 ~ 2-12、2-15 ~ 2-18、2-21、2-25 ~ 2-26、405-1)

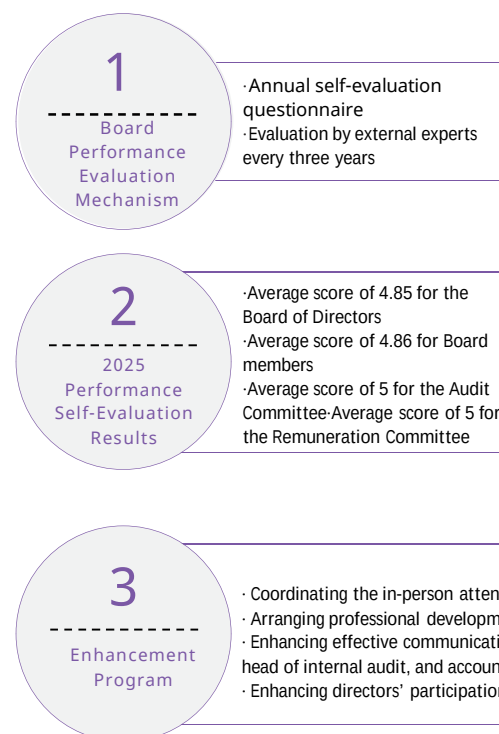
2.1.1 Board of Directors

CHEM established its Board of Directors in accordance with the Company Act. The current Board of Directors was re-elected in May 2023 for a three-year term ending in May 2026, with a total of nine directors, including three independent directors. The Board of Directors is responsible for assisting the Company in reviewing and approving various business plans relating to economic, social and environmental matters and reviewing the results of their implementation, as well as supervising the Company's internal audit operations. The Board of Directors meets quarterly and held six meetings in 2025, with an overall attendance rate of 92.6%. In addition, CHEM has established functional committees such as the Audit Committee and the Remuneration Committee, in accordance with applicable laws and regulations, to assist the Board of Directors in fulfilling its oversight responsibilities with respect to the quality of the Company's accounting, auditing and financial controls. The Audit Committee and the Board of Directors also review the independence and suitability of the certified public accountants annually in the first quarter.

CHEM's various departments interact with stakeholders on a regular and irregular basis through routine channels. If a potential significant adverse impact may arise between a stakeholder and the Company, the responsible departments will conduct due diligence on the stakeholder in various areas, including financial matters, business operations, legal compliance records, environmental pollution, infringement of employees' human rights, and health hazards, and report the investigation results to the General Manager and the Chairman. The Chairman will assess, based on the specific findings, whether the matter may have a significant impact on the Company's overall operations and whether it should therefore be reported to the Board of Directors. The Board of Directors will then make a resolution on the due diligence report and instruct the responsible departments to implement the resolution. In 2025, no potential significant adverse impact events occurred between CHEM and its stakeholders; therefore, there were no instances of reporting such matters to the Board of Directors. Through these practices, CHEM has further strengthened its stakeholder due diligence process and clarified the Board of Directors' role in addressing potential significant adverse impacts.

The Board of Directors emphasizes diversity and equality. Based on the professional expertise and experience of its members and diversity across different age groups, the Company is able to make innovative and sound decisions in overall decision-making and determination of its leadership direction. In addition, to enhance the effectiveness of the Board of Directors' operations and strengthen its oversight, the Company has three independent directors who meet the relevant requirements regarding professional qualifications, independence criteria, and restrictions on concurrent positions under the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, enabling the Company to properly formulate corporate innovation and development strategies, safeguard shareholders' rights and interests, and strengthen corporate governance.

CHEM's Board of Directors possesses professional industry knowledge and extensive experience in corporate governance. Through continuing education and extensive reference to international trend reports, the Board of Directors enhances its collective knowledge of environmental, social and economic issues. In addition to professional competence, CHEM has adopted the "Board Performance Evaluation Method" to ensure that the conduct and ethical standards of its directors conform to the Company's corporate culture and values. CHEM conducts internal evaluations of the performance of the Board of Directors, individual directors and functional committees annually, while an external independent professional organization or a team of external experts and scholars conducts an evaluation every three years, in order to enhance the integrity of CHEM's corporate governance and management effectiveness. The results of the Board of Directors' external evaluation conducted in 2025 are available (<https://reurl.cc/R2N3pG>), and the next external evaluation is scheduled for 2028.



Diverse Members of CHEM's Board of Directors

Title	Name	Gender	Age Group	Professional Qualifications and Experience Highlights	No. of Attendance
Director / Chairman	Fu-Nien Chiang	Male	41-50	Auckland Institute of Tourism Management, New Zealand COO, DoDoHome Business Group, CHEM	6
Director	Wei-Chuan Chang	Male	61 and above	Department of Marine Engineering, China Maritime College Vice President, CHEM	6
Director	Ming-Xian Weng	Male	61 and above	Department of Agricultural Engineering, National Taiwan University Chairman, CMC Magnetics Corporation	2
Director	Song-Qin Shen	Male	51-60	Graduate Program in Engineering Science, National Cheng Kung University General Manager, Etrovision Technology Co., Ltd.	6
Director	Hon-Ren Lin	Male	41-50	Department of Economics, University of Toronto, Canada Director, YUAN LIH CONSTRUCTIONS CO., LTD.	6
Director ¹	Chin-Chung Lin	Male	61 and above	Department of Electrical Engineering, National Taipei Institute of Technology Vice President, CHEM	6
Independent Director	Gene-Tzn Chen	Male	61 and above	Department of Law, National Taiwan University Legislator; National Assembly Representative; Prosecutor; Attorney; Chairman, IBT Securities Investment Trust Co., Ltd., Ltd.; Chairman, Taishin Securities Investment Trust Co., Ltd.; Independent Director, CHAMPION BUILDING MATERIALS CO., LTD.	6
Independent Director	Sing-San Pai	Male	61 and above	LL.D., Chinese Culture University; M.Arch., National Cheng Kung University; B.Arch., Chung Yuan Christian University; M.P.A., University of San Francisco, U.S. National Policy Advisor to the President; Chairman, Taipei Architects Association; Chairman, Consumers' Foundation, Chinese Taipei; Director, Memorial Foundation of 228; Member, Procurement Complaint Review Board, Public Construction Commission, Executive Yuan	6
Independent Director	Horng-Chi Chen	Male	61 and above	LL.D., Kindai University; Associate Professor, Aletheia University National Assembly Representative; Legislator; Deputy Representative, TECRO in Japan; Chairman, Association of East Asian Relations; Independent Director, SINKANG INDUSTRIES CO., LTD.	6

Note: Age groups are categorized as 21-30, 31-40, 41-50, 51-60, and 61 and above.

Note 1: Assumed office on January 10, 2024.

Board of Directors' Performance Evaluation

In order to implement corporate governance and enhance the functioning of the Board of Directors, CHEM has established the "Board Performance Evaluation Method" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," setting performance targets to enhance the efficiency of the Board's operations. CHEM conducts an internal evaluation of the performance of the Board of Directors, individual Board members, and functional committees annually, while an external independent professional organization or a team of external experts and scholars conducts an evaluation every three years. The internal performance evaluation of the Board of Directors covers the Board as a whole, individual Board members, and functional committees, with the evaluation results categorized into five levels, ranging from (1) Needs Improvement to (5) Excellent. The results of CHEM's 2025 Board of Directors' performance evaluation are set out in the table below. For more information on the performance evaluation results of individual Board members and functional committees, please refer to "Board Performance Evaluation" on the Company's official website.

The Board of Directors' performance evaluation indicators cover five major aspects and a total of 45 indicators. In the 2025 evaluation, 39 indicators were rated "Excellent (5)," five indicators were rated "Very Good (4)," and one indicator was rated "Good (3)," demonstrating that the Board of Directors has fulfilled its responsibilities for guiding and supervising the Company's strategies, major business operations, and risk management, and has established an appropriate internal control system in compliance with corporate governance requirements.

CHEM's 2025 Board of Directors' Performance Self-Evaluation

Five Aspects of Self-Evaluation	No. of Evaluation Items	Evaluation Results
A. Degree of participation in the Company's operations	12	4.83
B. Enhancing the quality of the Board's decisions	12	4.83
C. Board composition and structure	7	4.71
D. Directors' election and continuing education	7	4.86
E. Internal control	7	5.00

Progressive Governance Team

In order to achieve the ideal goals of corporate governance, CHEM's Board members actively participate in further education to develop the knowledge, skills and professionalism required to perform their duties. In 2025, CHEM's Board of Directors completed a total of 54 hours of further education, with an average of 6 hours per person. The courses covered corporate governance, corporate sustainable development, information security governance strategies, risk management, strengthening climate information disclosure to enhance corporate climate resilience, corporate innovation and growth and AI, and crisis management and response. In the future, additional training courses related to environmental and social issues will be provided to strengthen ESG knowledge, enhance the professionalism of the Board of Directors, and improve governance effectiveness and overall sustainable competencies.

CHEM's Board of Directors' 8 Core Competency Requirements



2025 Board Training Courses and Total Hours

Title / Trainee	Course	Hours
Director / Fu-Nien Chiang	The 15 th Taipei Corporate Governance Forum	6
Director / Hon-Ren Lin	Corporate Governance and Sustainable Business Management Workshop (42 nd Session)	6
Director / Wei-Chuan Chang	2025 Cathay Sustainable Finance and Climate Change Summit	6
Director / Ming-Xian Weng	Trends in Digital Technology and Artificial Intelligence and Risk Management	6
Director / Song-Qin Shen	2025 Cathay Sustainable Finance and Climate Change Summit	6
Director / Ching-Chun Lin	Sustainable Development Practice Advocacy Meeting	3
	Strengthening Climate Information Disclosure to Enhance Corporate Climate Resilience	3
Independent Director / Gene-Tzn Chen	Crisis Management and Response	3
	Corporate Innovation and Growth and AI	3
Independent Director / Sing-San Pai	Crisis Management and Response	3
	Corporate Innovation and Growth and AI	3
Independent Director / Horng-Chi Chen	Crisis Management and Response	3
	Corporate Innovation and Growth and AI	3
Total: 54 hours		



2.1.2 Functional Committees (2-19 ~ 2-20)

CHEM has established an Audit Committee and a Remuneration Committee in order to establish a comprehensive governance structure, strengthen its supervisory and management functions, and reduce the overall operational risks of the Company. Except for matters that are required by law to be handled independently, the Audit Committee and the Remuneration Committee are accountable to the Board of Directors and submit proposed resolutions to the Board of Directors for decision. The General Audit Department regularly evaluates and reviews risk matters and reports the results of such evaluations. The Chief Auditor then consolidates major risk matters and regularly reports them to the Audit Committee and the Board of Directors.

Audit Committee

The Audit Committee assists the Board of Directors in overseeing the quality of the Company's accounting, auditing, financial reporting processes, and financial controls, and submits its evaluation results to the Board of Directors for discussion. CHEM's Board of Directors has approved the "Audit Committee Charter" and established the Audit Committee under the Board of Directors, comprising three independent directors, with Mr. Gene-Tzn Chen serving as the Convener and Chair. In 2025, the Audit Committee held six meetings, with an overall attendance rate of 100%.

The head of internal audit holds a closed-door meeting with all independent directors at least once every quarter to report on the Company's internal audit activities. During the year, the independent directors and the head of internal audit held one meeting. The independent directors also held one meeting with the accountants during the year. During the meeting, the accountants reported the results of their review of the financial reports to the independent directors, provided regulatory briefings, and exchanged views. Overall, communication among the independent directors, the head of internal audit, and the accountants was smooth.

Remuneration Committee

In order to establish a sound remuneration system for directors and managers, assess their performance, and evaluate whether their remuneration is fair and reasonable, CHEM has established the Remuneration Committee under the Board of Directors pursuant to the Board's approval of the "Remuneration Committee Charter." The Committee currently has three members, all of whom are independent directors, with Mr. Gene-Tzn Chen serving as the Convener.

The Remuneration Committee's primary responsibilities are to evaluate, from a professional and objective perspective, the Company's remuneration policies and systems for directors and managers. The Committee shall meet at least twice a year and submit recommendations to the Board of Directors for consideration in its decision-making. In 2025, the Remuneration Committee held four meetings, with an actual attendance rate of 100%. The Remuneration Committee diligently fulfills its duties with the due care of a good administrator, including establishing and regularly reviewing the policies, systems, standards, and structures for the performance evaluation and remuneration of directors and managers, as well as regularly evaluating and determining the remuneration of directors and managers, and submitting its recommendations to the Board of Directors for discussion.

Remuneration Policy

The performance evaluation and remuneration policies for directors and managers are set forth in the Company's Articles of Incorporation. The Remuneration Committee determines the reasonableness of remuneration after reviewing the contributions of the relevant parties to the Company's operating performance and submits its recommendations to the Board of Directors for approval. With the growing importance of corporate governance and sustainable development, in addition to linking the performance of CHEM's directors and managers to remuneration indicators, non-financial performance aspects such as ESG-related corporate governance, green finance, social engagement, and environmental sustainability, will gradually be incorporated into the scope of evaluation and the Company's remuneration policies.

Sustainability Development Committee

To implement the Company's commitment to sustainable business practices, strengthen its systems across the three major areas of corporate governance (G), environmental (E), and social (S), and achieve its sustainable development goals, CHEM plans to establish a Sustainability Development Committee in 2026 in accordance with Paragraph 3, Article 27 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Paragraph 1, Article 9 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies. The General Manager will serve as the Chief Sustainability Officer and the highest-ranking executive responsible for corporate sustainability. The Committee will promote the formulation of a sustainability vision, integrate cross-departmental resources, ensure regulatory compliance, enhance corporate sustainability value, and communicate with stakeholders, including investors and employees, to translate sustainability goals into concrete business actions.



2.1.3 Internal Audit

Internal Audit Operations

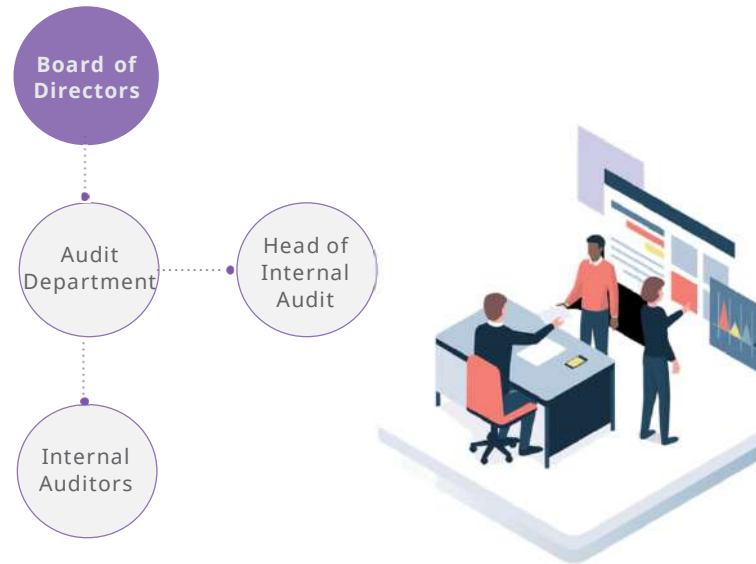
In order to assist the Board of Directors in identifying deficiencies in the Company's internal control system, reviewing the reliability and completeness of financial and operating information, and measuring the results and efficiency of operations, CHEM provides timely recommendations for improvement through internal controls and internal audits to ensure the continued effective implementation of the system.

CHEM's Internal Audit Department reports directly to the Board of Directors. The appointment and removal of the head of internal audit must be approved by the Audit Committee and submitted to the Board of Directors for approval. The appointment, removal, evaluation, and remuneration of internal audit personnel shall be carried out in accordance with CHEM's Regulations on the Appointment, Transfer, and Departure of Employees, Regulations on Job Grades, Titles, and Salary Administration, and Regulations on Employee Performance Evaluation, and shall also be submitted to the Chairperson of the Board for approval. The relevant information shall be filed annually with the Securities and Futures Bureau (SFB) for record.

Internal Audit Procedures

The purpose of CHEM's internal audits is to assist the Board of Directors and managers in examining and reviewing deficiencies in the internal control system, measuring the effectiveness and efficiency of operations, and providing timely recommendations for improvement to ensure the continuous and effective implementation of the internal control system and serve as a basis for reviewing and revising the internal control system. CHEM conducts internal audits through on-site audits and written audits, covering the operations for which the various units of the Company and its subsidiaries are responsible. Personnel of the audited units shall closely cooperate with the audits. Audit work includes examining and evaluating audit planning, communicating audit results, and conducting follow-up procedures. The annual audit plan shall be formulated based on risk assessment considerations. For each individual audit, key audit areas shall be identified and documented in working papers. Upon completion of the on-site audit, the audit results shall be fully communicated with the head of the audited unit, and an improvement plan and its expected completion date shall be obtained from the audited unit, followed by follow-up on the improvement results. Finally, the audit and follow-up reports shall be submitted for approval and then provided to all independent directors for their review.

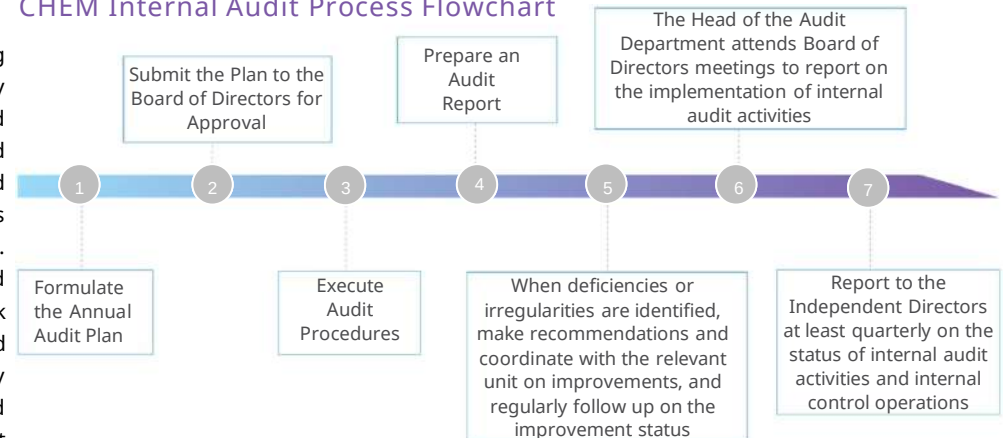
CHEM Internal Audit Organization Chart



CHEM Internal Audit Schedule

Routine Internal Audits	Before the end of each year, the Audit Department shall formulate an annual audit plan based on the characteristics of the eight major transaction cycles, letters issued by the SFB regarding key audit areas requiring enhanced auditing based on its previous inspections, the frequency of the Company's transactions, the complexity of operations, and other practical operating considerations, and shall determine the audit timing for each audit item.
Ad Hoc Internal Audits	To gain a thorough understanding of the current operations of the audited departments, the Audit Department may determine audit items based on considerations including the importance, risk, transaction frequency, and complexity of operations of individual activities within each transaction cycle.
Project-Based Internal Audits	Senior management or the head of the Audit Department shall designate the subject matter and timing of the audit, and auditors shall conduct the relevant audit procedures within the designated period.

CHEM Internal Audit Process Flowchart



2.1.4 Ethics & Integrity (2-27 · 205)

Integrity in Business Operations

In order to establish a corporate culture of integrity in business operations and ensure sound development, CHEM has formulated the "Code of Conduct for Business Integrity" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and relevant laws and regulations. The Code was approved by the Board of Directors. It explicitly prohibits unethical conduct, including offering or accepting bribes, making illegal political contributions, making improper charitable donations or sponsorships, and accepting improper benefits. It also requires strict compliance with contracts entered into with customers and other relevant regulations to ensure that management and all employees conduct business activities in a fair and transparent manner.

To effectively manage and promote the Company's integrity in business operations, the Management Division is responsible for formulating and implementing relevant programs and regularly reporting to the Board of Directors.

Reporting & Protection Mechanism

If anyone suspects or discovers a violation of the Company's "Code of Ethical Conduct," "Code of Conduct for Business Integrity," or any laws, they may submit relevant information to the Company's management, the head of internal audit, through the reporting channels provided by the Company, or directly to the HR unit of the Management Division. Anonymous reports with specific supporting evidence and clear explanations are also accepted. The Company will investigate each report and protect the personal information and identity of whistleblowers. The Company is committed to protecting whistleblowers from inappropriate treatment as a result of reporting, to encourage the reporting of any illegal acts or conduct that violates ethical conduct standards.

The Company has established and publicly disclosed independent reporting channels, including an email address, telephone number, mailing address, and webpage, for use by both internal and external personnel: reporting email: anti-corruption@chem.com.tw; reporting telephone: 03-3280811; reporting address: Ms. Lai, Management Division, No. 25, Wende Road, Guishan District, Taoyuan City; and reporting webpage: <https://www.chem.com.tw/tc/contact.aspx>.

In 2025, CHEM conducted corruption-related risk assessments at two operational sites, achieving a 100% completion rate. No related violations occurred in 2025.

Training and Communication

In 2025, CHEM conducted internal and external training on integrity in business operations, including courses on compliance with laws and regulations relating to integrity in business operations, anti-bribery and corruption, accounting systems, and internal control. A total of 234 participants attended these courses, representing 556 person-hours. In addition, to promote and emphasize the principles of ethics and integrity in business operations, relevant content was incorporated into training for new employees, enabling them to understand the Company's policies and direction regarding ethics and integrity in business operations. In 2025, a total of 99 participants attended the training, with each session lasting 15 minutes.



Procedures for Preventing Insider Trading

To prevent insider trading, the Company has established the Procedures for Preventing Insider Trading to protect investors and safeguard the Company's rights and interests. To implement these procedures, the Company provides directors, managers, and other insiders currently in office with training and information on the "Regulations Governing the Prevention of Insider Trading" and relevant laws and regulations at least once a year. Newly appointed directors, managers, and other insiders are provided with relevant training and information within two months of assuming office for their compliance.

Code of Conduct for Business Integrity



Procedures for Preventing Insider Trading



Legal Compliance

Based on the management philosophy of integrity, transparency, and accountability, CHEM has formulated integrity-based policies and established sound corporate governance and risk management mechanisms to create a sustainable business environment, and complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, regulations governing TWSE and TPEX listings, and other laws and regulations relating to business activities.

To implement integrity in business operations and legal compliance, CHEM has formulated a "Dishonesty Prevention Program" following consultation and discussion with employees, members of the enterprise union, and members of other representative organizations. The Program includes operating procedures, behavioral guidelines, and education and training to ensure that employees comply with the requirements for integrity in business activities. Before engaging in business transactions, CHEM considers the legitimacy of agents, suppliers, customers, and other business counterparties, as well as whether they have a record of unethical conduct, and avoids conducting transactions with parties that have a record of unethical conduct. In 2025, 100% of suppliers signed anti-corruption commitments.

Category	Year	No. of People Receiving Anti-Corruption Training	% of People Receiving Anti-Corruption Training	No. of People Signing Anti-Corruption Pledges	% of People Signing Anti-Corruption Pledges
Supplier	2023	906	100	906	100
	2024	1078	93	1078	93
	2025	1547	100	1547	100

In addition, when entering into contracts with other parties, the Company should include provisions requiring the counterparties to comply with its integrity in business operations policies and providing that, if a counterparty is involved in any dishonest conduct, the Company may terminate or rescind the contract at any time, in order to ensure fair and transparent business activities. Overall, the Company's operations in terms of legal compliance have been sound, with no major violations involving work stoppages, revocation of operating permits, forfeitures, or other similar matters. In 2025, five occupational safety and health cases occurred. These cases resulted from occupational safety and health inspections conducted by the Occupational Safety and Health Center at worksites of contractors engaged by the Company in the Tongxiao Power Plant, Third Nuclear Power Plant, and Tainan Section of the National Freeway No. 3 HVAC Equipment Turnkey Engineering Projects. The cases involved failures to install safety protection measures during work at heights of two meters and an employee at Linkou Plant forgetting to fasten the safety belt while operating a forklift. These incidents resulted in penalties being imposed on the Company; however, the amounts were generally low and

did not constitute major violations involving penalties of NT\$200,000 or more. In addition to immediately paying the fines in full, the Company imposed disciplinary measures and strengthened education and training, and again issued written instructions to the contractors requiring them to duly fulfill their engineering management responsibilities in accordance with the contracts and strictly comply with and implement relevant occupational safety and health laws and regulations.

ISO 37001 Anti-Bribery Management System Certification

ISO 37001 is an international standard issued by the International Organization for Standardization (ISO) in 2016 for anti-bribery management systems. It is designed to help organizations prevent, detect, and address bribery, and provides guidelines for implementing relevant measures.

Integrity in business operations is a fundamental cornerstone of business. To strengthen corporate governance and reduce operational risks, CHEM announced at the end of 2023 its adoption of the anti-bribery management system standard. The Company conducted bribery risk assessments covering both internal operational processes and external business activities, and established bribery risk control mechanisms across financial and non-financial aspects to develop CHEM's anti-bribery management system. In September 2024, CHEM officially obtained ISO 37001 Anti-Bribery Management System Certification, with the aim of enhancing organizational resilience and aligning with global sustainable business practices.



2.2 Risk Management (2-23)

To strengthen its risk management mechanisms, CHEM has formulated the "Risk Management Policies and Procedures." Each management unit regularly evaluates and reviews risk matters, while the General Manager is responsible for implementing risk management decisions and coordinating inter-departmental risk management interactions and communications. The Audit Department regularly audits the implementation of risk management by each unit in accordance with its duties and reports to the Board of Directors on a regular basis. During the Company's operations and management processes, CHEM takes steps to prevent and control potential risks and establishes relevant early warning mechanisms to ensure sustainable business operations.

Risk Management Response Measures

Each level of management is responsible for effectively managing the corresponding risk areas within its purview and actively monitoring relevant risks across departments. When necessary, management may review operating manuals and external laws and regulations and establish relevant internal rules. In addition, for uncertainties that may threaten the Company's operations, the Company will, in addition to consulting with the relevant internal departments, seek advice from external consultants as necessary to effectively assess risks and develop appropriate response measures.

The Audit Department regularly conducts assessments based on the Internal Audit Operations Risk Assessment Form. When abnormalities are identified, it immediately notifies the supervisors of the relevant departments responsible for the matters and follows up on subsequent handling to ensure that the abnormalities are properly addressed and resolved. For more information on the Company's risk management policies and implementation results, please refer to the "Risk Management Policies and Procedures" on the Company's website.

CHEM Risk Management Overview

Type of Risk	Description
Operational Risk	1. Operational risks arising from errors or omissions in employee conduct or failure to comply with the Company's internal controls. 2. Credit risks arising from losses incurred by the Company when counterparties are unable to fulfill their contractual obligations due to poor business condition or other factors. 3. Legal risks arising from failure to comply with applicable laws and regulations of competent authorities, contracts lacking legal validity, acts beyond authority, inadequate regulations, omissions in contractual terms, or other factors that may result in financial or reputational losses.
Financial Risk	1. Market risks arising from fluctuations in interest rates, exchange rates, and inflation, which may result in changes in the on-balance-sheet and off-balance-sheet values of assets and liabilities and affect the Company. 2. Liquidity risks arising from sudden shortages of market liquidity caused by drastic changes in the external environment, resulting in difficulties in fund allocation.
Political and Economic Risk	Political and economic risks arising from domestic and international political, economic, and regulatory factors that may affect the Company's finances or operations.
Raw Material Risk	Risks of material shortages arising from factors such as market conditions, the business condition of suppliers, or natural disasters, which may affect suppliers' supply quantities, quality, and delivery schedules and increase the risk of supply disruptions.
Information Security Risk	1. Risks arising from attacks on the Company's information systems that prevent the information systems supporting its operations from functioning normally. 2. Information security risks arising from employees' lack of information security awareness.
Talent Risk	Talent risks include workforce shortages, significant employee turnover, labor-management disputes, and other personnel-related workforce risks.
Environmental and Health & Safety Risk	1. Changes in environmental regulations resulting from increasingly stringent environmental requirements and public pressure may create related uncertainties and risks for the Company. 2. Unsafe working environments and a lack of employee awareness of disaster prevention may increase the risk of occupational safety and health incidents.
Climate Change and Energy Risk	1. The increasing frequency of typhoons, flooding, and droughts resulting from climate change may affect suppliers and customers, indirectly resulting in reduced or interrupted production capacity and creating financial and operational risks for the Company. 2. As environmental awareness increases, customers may place greater emphasis on the Company's carbon emissions, increasing business uncertainty and related risks.
R&D Innovation and Green Products	1. R&D projects may fail to adequately consider market demand. 2. R&D projects may deviate from the Company's business objectives, resulting in inappropriate allocation of resources and affecting future development.
Customer Relations	1. Market risks that may arise from customer concentration. 2. Failure to effectively address customer complaints may affect customers' purchase volumes from the Company.
Supply Chain Disruption	1. Factors such as the Russia-Ukraine war, Israel-Hamas war, Red Sea crisis, China's consideration of terminating all or part of the ECFA, developments in geopolitical conditions, and shortages of skilled personnel in various industries may affect supply schedules, supply and transportation, and tax-related costs in relevant regions. 2. Global inflation and the U.S.-China trade war may increase material supply costs.
Tax Risk	1. Risks arising from failure to comply with tax laws when filing tax returns, including failure to pay or underpayment of taxes, which may result in additional tax assessments, fines, late-payment surcharges, criminal penalties, and reputational impacts. 2. Incorrect application of tax laws to business operations may result in the Company failing to fully utilize applicable tax incentives and consequently incurring unnecessary tax burdens.



The 2025 annual risk assessment identified raw material risk as the primary area of high-risk exposure. The relevant response measures are described below:

Type of Risk	Risk Description	Response Measures for High-Risk Items
Raw Material Risk	Risks of material shortages arising from factors such as market conditions, the business condition of suppliers, or natural disasters, which may affect suppliers' supply quantities, quality, and delivery schedules and increase the risk of supply disruptions.	- Establish a second supplier or alternative raw materials for critical raw materials required for operations, and conduct annual supplier audits in accordance with the annual audit plan to ensure stable supply. - Increase the proportion of locally sourced raw materials to mitigate the risks and costs associated with cross-border transportation. - Enhance the effectiveness of digital management systems by monitoring raw material inventory levels in real time to identify and resolve potential issues promptly.



2.3 Customer Relations

CHEM's 2025 Approach to Customer Relations and Its Evaluation

Material Topic	Customer Relations	
Corresponding GRI Indicator	Custom Topic	
Policies and Commitments	1. Establish a service-oriented operating model and optimize service processes to enhance customer trust and create mutually beneficial outcomes. 2. Apply innovative technologies to manage and improve product quality, and work with customers to provide products and services that closely meet their needs.	
Goals and Targets	Short-Term	- Achieve a customer satisfaction survey score of 90 or above. - Receive the Public Construction Golden Quality Award from the Public Construction Commission, Executive Yuan.
	Medium- and Long-Term	- Continue to receive the Special Contribution Award of the Public Construction Golden Quality Award from the Public Construction Commission, Executive Yuan. - In line with the government's green energy policies, fully develop green energy equipment and engineering businesses to create a mutually beneficial future for businesses and the government.
Responsibilities and Resources	To enhance the management of customer relations, the Company has designated the Sales Division as the responsible unit for establishing, maintaining, and strengthening customer relations.	
Evaluation Mechanisms and Results	1. The weighted average customer satisfaction survey score has exceeded 90 over the past three years. 2. Received the Public Construction Golden Quality Award from the Public Construction Commission, Executive Yuan.	

In accordance with the requirements of the ISO 9001 quality management system, CHEM has established processes for customer communication, order processing, technical support, customer complaint handling, and after-sales service, and formulated the "Customer Satisfaction Management Procedures" and "Corrective Action Procedures" to enhance the quality of professional services in all aspects, earn customer trust, and achieve long-term profitability.

CHEM monitors customer relations through customer satisfaction surveys and the handling of customer complaints, and promptly reviews and improves its practices in response to customer feedback. In 2025, CHEM did not receive any customer complaints related to violations of customer contracts or regulations governing restricted or prohibited substances in products (RoHS, WEEE, and REACH).

To objectively collect and listen to customer feedback, CHEM conducts an annual customer satisfaction survey of existing customers by questionnaire in accordance with its customer satisfaction survey management mechanism. After each survey, CHEM compiles the customer satisfaction scores, feedback, and suggestions and communicates the results to the relevant departments and senior management. Based on the survey results, the relevant departments and senior management can review customer feedback and identify opportunities for improvement. For significant comments requiring improvement, CHEM responds to customers by telephone or through in-person visits and provides improvement measures with a sense of accountability, continuously enhancing the quality of its products and services to ensure that customer needs are understood and met.

The overall average customer satisfaction score in 2025 was 91.7, exceeding the annual target of 85. No dissatisfied feedback was received, and the overall average score also increased slightly YoY. The response rate for the 2025 customer satisfaction survey was 100%.

Customer Satisfaction Survey Score		
2023	2024	2025
90.4	91.0	91.7

Note: The maximum score is 100.

2.4 Innovation and R&D

CHEM's 2025 Approach to Innovation and R&D and Its Evaluation

Material Topic	R&D Innovation and Green Products	
Corresponding GRI Indicator	Custom Topic	
Policies and Commitments	Innovation and R&D are the cornerstones of CHEM's sustainable development. CHEM will leverage technology to advance sustainability, increase the proportion of sustainable materials used, reduce the environmental impact of manufacturing processes, and develop innovative, energy-efficient sustainable products and solutions.	
Goals and Targets	Short-Term	- No. of R&D projects: 10/year - No. of Products in Violation of Laws or Regulations: 0
	Medium- and Long-Term	- Establish a sustainable materials library. - Enhance product recyclability and reuse. - Continue to develop and promote environmentally friendly products.
Responsibilities and Resources	The power-related industry is an important national infrastructure sector. CHEM currently has the highest market share in Taiwan and is a leading company in related technologies. CHEM has a comprehensive and leading GIS equipment product line, extensive experience in green energy engineering, and expertise in developing innovative green energy products. Going forward, CHEM will continue to focus on its core businesses and actively support the government's energy transition initiatives, further developing the green energy and sustainability industry.	
Evaluation Mechanisms and Results	- Annual R&D Expenditure: Over 1% of Revenue - No. of R&D Projects: 3/year - No. of Products in Violation of Laws or Regulations: 0	

Innovation and R&D are the cornerstones of CHEM's sustainable development. CHEM is committed to developing sustainable products with low environmental impact and high added value. In recent years, CHEM's investment in R&D personnel and expenditure has shown a steady growth trend.

Item	2023	2024	2025
R&D Expenditure (NT\$ thousand)	334,061	321,909	240,644
R&D / Revenue Ratio (%)	1.51	1.26	0.88
R&D Personnel	270	276	241
% of R&D Personnel with a Master's Degree or Higher	25.19	25.97	33.19

CHEM operates across a diversified range of products. The Company regularly conducts industry trend analyses and risk assessments and, building on its existing strengths, keeps abreast of market trends and carries out R&D for various products, as described below:

1. Heavy Electrical Equipment Business

Taipower's 345 kV extra-high-voltage substations are key projects under the current "Power Grid Resilience Strengthening Construction Plan," which is being accelerated. As the manufacturer of the key 345 kV GIS equipment, CHEM is currently the only domestic manufacturer qualified under the localization assessment. CHEM has a strong R&D team and independent R&D and design capabilities, with key components designed and manufactured in-house, giving the Company favorable development prospects. Although the 161 kV GIS and 69 kV GIS markets are subject to competition from multiple manufacturers, CHEM continues to have significant advantages in terms of quality, delivery schedules, production scale, after-sales service, product-line completeness, and system integration capabilities, and has received widespread recognition from customers.

2. Engineering Business

(A) Generator Products

The development trends for generator set products can be divided into two main areas. The first is the development of higher-quality generator sets. In general, new concepts and more sophisticated materials are increasingly being adopted to increase generator set capacity and efficiency, enhancing product performance and contributing to greater energy efficiency and environmental protection.

The second development trend is the increasing focus on after-sales services, including inspection and repair, warranty services, and regular maintenance. To implement this approach, CHEM has not only increased its maintenance and service personnel but also conducts internal training from time to time to enhance the professional maintenance capabilities of its technical personnel. In addition, CHEM uses its SAP materials management system to record relevant information on generator sets that have been delivered, enabling maintenance personnel to provide customers with more comprehensive after-sales services based on complete information.

In terms of industry competition, CHEM adopts a market-segmentation strategy and leverages its competitive advantages, including comprehensive testing facilities and a strong R&D team. The Company focuses its production on precision generator sets featuring high specifications and high quality, as well as larger-scale public works system integration projects, with the aim of differentiating itself from competitors producing conventional generator sets.

(B) Air-Conditioning Products

The development trends in the air-conditioning industry include energy conservation, indoor air quality, and automation. Indoor air quality is closely related to building and indoor air-conditioning design, while energy conservation and automation are more directly related to air-conditioning products. In addition to high efficiency, air-conditioning products must be compatible with smart buildings and become digitalized products, which has become a mainstream trend in the future market. In addition, providing users with energy-saving services and after-sales services is another business focus for the air-conditioning industry. These two areas differ from conventional standard products available on the market, as they involve customized products designed to meet users' specific needs and therefore require stronger technical capabilities. This is precisely one of CHEM's competitive advantages and enables the Company to differentiate itself from standard products in the market.

3. Electric Meter Products

Since the tendering method was changed from open tendering to selective tendering in the second half of 2022, two tenders have been conducted, with five vendors competing in each tender. For single-phase three-wire electric meters, CHEM secured orders worth NT\$360 million (17.27% of the tender value) and NT\$1.47 billion (21.15% of the tender value), respectively. In 2025, CHEM again secured orders worth approximately NT\$1.491 billion (21.2% of the tender value).

4. Parking Lot Operations

In view of the government's policy of streamlining personnel, off-street parking lots in cities and counties across Taiwan are expected to be gradually opened to outsourced operation. With its extensive management experience and strong cost-control capabilities, CHEM DoDoHome believes it is well positioned to undertake outsourced parking operations in line with government policy and achieve mutually beneficial outcomes for the government, CHEM DoDoHome, and parking users.

Although CHEM DoDoHome leads its peers in terms of scale, service quality, and operating track record, the market currently has numerous competitors, and smaller operators are also increasingly forming alliances with one another. Accordingly, in addition to actively developing franchise partnerships with industry peers and alliances with companies in other industries, CHEM DoDoHome is expanding the application of the Company's parking management system and developing the iParking app in collaboration with companies in other industries. Going forward, CHEM DoDoHome plans to offer vehicle-related products and provide higher-value-added parking services, creating new channel value.

5. New Energy Business

CHEM's New Energy Business Group focuses on comprehensive new energy solutions, integrating resources, developing new business models, and partnering with international energy companies to strengthen its competitive advantages.

(A) Hydrogen Energy (On-Site Hydrogen Production Systems and Stationary Generators)
Through the acquisitions of IdaTech (2014) and Ballard's stationary power generation business (2016), CHEM has ranked among the global top three holders of patents for methanol-to-hydrogen technology, and its products have been adopted by major telecommunications companies worldwide. CHEM has since expanded into renewable energy and distributed power generation and further into smart microgrids, building a comprehensive ecosystem.

(B) Energy-as-a-Service (EV Supercharging Operations and Smart Microgrid Management)
Under its own iCharging brand, CHEM integrates charging, smart parking, diverse payment options, and energy management, while incorporating smart energy storage and backup power systems to enhance energy efficiency. CHEM currently operates 16 highway charging stations and uses smart microgrids and energy storage to optimize power dispatch, reduce electricity costs, and ensure continuous power supply during outages. CHEM is a leading EV charging service provider in Taiwan, offering comprehensive services and highly efficient electricity utilization.

(C) New Energy Commercial Mobility Vehicles (Light Hydrogen-Powered Motorcycles and EVs)
CHEM collaborates with governments around the world to promote the low-carbon transformation of public transportation by providing comprehensive solutions for new energy commercial motorcycles, tricycles, government vehicles, and logistics vehicles. CHEM also integrates hydrogen energy and fast-charging infrastructure to build a new energy transportation ecosystem and enhance its market competitiveness.

6. Smart Grid

With global warming and energy depletion, the demand for smart grids worldwide has become increasingly pressing, and major power equipment suppliers around the world are actively pursuing the development of smart grids by enhancing the intelligent online monitoring capabilities of their equipment. To equip the Company's major power products with intelligent self-diagnostic functions, the Company will place greater emphasis on developing online monitoring systems for GIS equipment, including systems for monitoring SF₆ gas density and moisture content, partial discharge, and circuit breaker operating status, enhancing the reliability of power equipment.



7. Operator Products

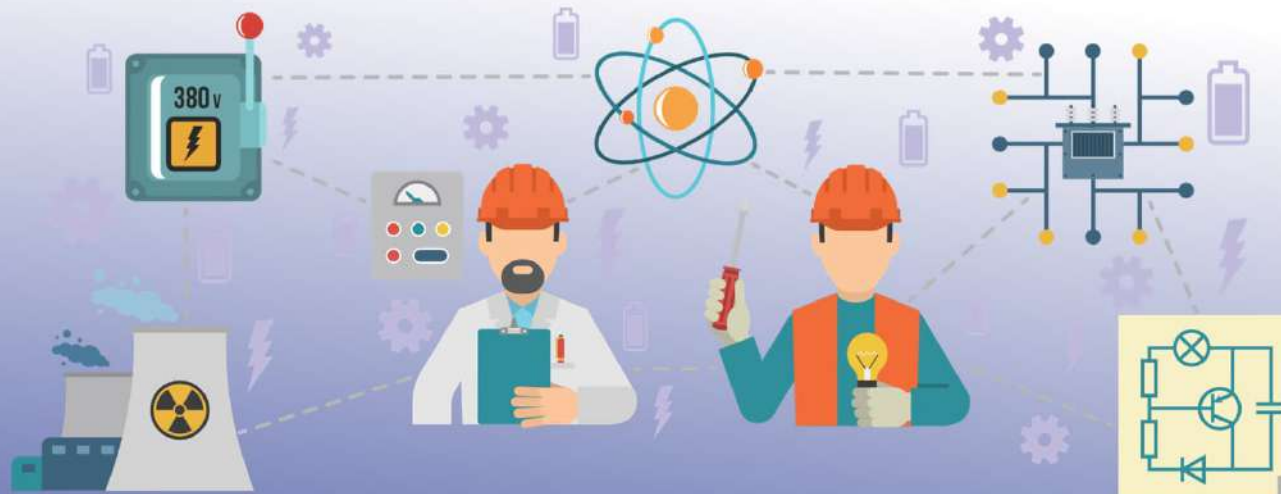
The implementation of various Taipower projects has generated substantial demand for 69–345 kV high-voltage equipment. In addition, CHEM is the only domestic manufacturer qualified under the localization assessment for 345 kV voltage-level equipment and holds a 70% share of the domestic high-voltage switchgear market above 69 kV. With these multiple advantages, CHEM's operator products maintain their technological edge and further strengthen their market-leading position.

8. Panels and Semiconductor Equipment Chambers

In the display panel sector, U.S.-based Applied Materials is actively engaged in the OLED market, providing a variety of manufacturing equipment and technologies covering organic material deposition, evaporation, polishing, and inspection. In the semiconductor sector, the company has established a specialized organization dedicated to the ICAPS market and has released more than 20 new products tailored for ICAPS applications. CHEM continues to enhance its processing and welding capabilities and actively integrates its supply chain, including surface treatment, assembly, and performance testing required for special processes, to meet customers' requirements for delivery time, cost, and quality. In 2023, CHEM was further honored by Applied Materials as a "Best Supplier."

Unit	Project Name	R&D Results
Design & Development Dept. 4	Ministry of Economic Affairs (MOEA) Science and Technology R&D Project – Development of an Energy-Saving Manufacturing Process for Extra-High-Voltage Switchgear in Power Systems	I. Development of Friction Stir Welding Tools for Copper Conductors - Completed the design and fabrication of friction stir welding tools and fixtures for copper conductors of two different thicknesses, capable of welding materials more than 10 mm thick. - Completed welding trials and established welding parameters, achieving time savings of more than 60% compared with the existing process. - Completed end-hole filler testing for the two developed copper conductor product types of different thicknesses and designed a clamping fixture solution for a full-scale 5.5-meter-long copper conductor. II. Creation of Material Analysis Files for Copper Conductors and Copper Alloys - Completed a CAE material file analysis report for C1020 copper alloy used in copper conductors, as well as an analysis report on the welding heat source model. - Completed the setup of a real-time welding temperature measurement system, enabling the welding temperature to be controlled within the range of 700–950°C (the plastic flow range). III. Establishment of the Copper Conductor Welding Manufacturing Process - Completed an inventory of existing copper conductor manufacturing procedures and planned the manufacturing process following the introduction of the new process. - Completed the recording and inventory of energy consumption and consumable usage for the energy-saving friction stir welding manufacturing process for copper conductors. - Completed the planning document for durability testing of copper conductor materials under different welding parameters.
	161kV 50kA 4000A 1.4m GIS Development Project	- Main R&D Results: The GIS current-carrying capacity was increased from 2,000 A to 4,000 A, meeting the requirements of the power system. - In April 2025, the KERI test report for the interruption test of the 161kV 4000A circuit breaker was obtained, and Taipower's approval letter was received in October 2025.
	69kV 40kA GIS Eco-Friendly Equipment Development	- Main Expected R&D Results: Using existing highly stable and mature models as the core, the project aims to enhance their suitability and operational stability for use with eco-friendly gases and ensure that the products fully comply with relevant regulations and international standards. - Independent testing of interruption and GIS performance was completed in December 2025.

Unit	Project Name	R&D Results
Design & Development Dept. 4	Development of Eco-Friendly 161kV 50kA GIS Equipment (Using C4F7N Eco-Friendly Insulating Gas)	1. Main Expected R&D Results: Using existing highly stable and mature models as the core, develop key components using materials highly compatible with eco-friendly gases and improve the flow field structure so that the circuit breaker interrupting section can fully adapt to the insulation and arc-quenching characteristics of eco-friendly gases. 2. In March, September, and December 2025, high-current (50 kA) single-phase interruption performance and insulation verification tests were conducted.
	Development of Second-Generation Commercial Vehicle Fuel Cell Power Modules and Key Technologies	1. Enhanced quality requirements for supplier components, optimized the design of certain components, and extended the validation process. 2. Structural, powertrain, and control strategy optimizations have been carried out for the three-wheeled and four-wheeled vehicle platforms, along with collaboration with technical partners and prototype production. 3. The second-generation water jacket and low-pressure hydrogen storage system are being developed concurrently, with alternative material options being evaluated to improve overall performance and durability while reducing costs and module weight.
Hydrogen Energy R&D Dept.	Development of Key Technologies for a 10 kW Methanol Reforming Fuel Cell System	1. Completed optimization and integration of the fuel cell system BOP, including components for reactant delivery and thermal management. 2. Completed two DVT (Design Verification Test) prototypes. 3. Completed four test benches, including a BOP feed FAI test bench, a semi-finished product test bench, and a system test bench, all of which meet IEC requirements.
	Development of Pressure Swing Adsorption Hydrogen Production Equipment	1. Optimization, design, and testing of the pressure swing adsorption hydrogen production equipment system. 2. Integration and testing of the control system. 3. Operational performance testing of the pressure swing adsorption hydrogen production equipment system.
	Development of Skid-Mounted Pressure Swing Adsorption Hydrogen Production System	1. Testing of modular pressure swing adsorption equipment. 2. Flame signal testing for the modular ignition platform. 3. Testing of mixed gas cylinders in conjunction with a PVSA purification system.



2.5 Information Security

CHEM's 2025 Approach to Information Security and Its Evaluation

Material Topic	Information Security	
Corresponding GRI Indicator	Custom Topic	
Policies and Commitments	Implement risk management to ensure information security and safeguard business continuity.	
Goals and Targets	Short-Term	- Complete the replacement of the outdated mail server to enhance the security and stability of the email system and minimize the impact of information security risks. - Complete the implementation of multi-factor authentication (MFA), prioritizing MFA activation for privileged accounts, remote connections, email systems, and critical information systems to reduce the risks of account compromise, password leakage, and unauthorized access. - Complete the deployment of an endpoint detection and response (EDR) system, prioritizing coverage of administrators' computers, servers, critical user endpoints, and high-risk devices to enhance endpoint visibility, threat detection capabilities, and incident response efficiency.
	Medium-Term	- Conduct scenario simulations and drills for critical business processes, core systems, and backup and recovery procedures on an irregular basis to verify notification, switchover, recovery, and business continuity capabilities. - Conduct regular vulnerability scanning and remediation for servers, and carry out remediation, retesting, and record retention based on risk levels to reduce the risk of known vulnerabilities being exploited. - Establish a regular account access-rights review mechanism to periodically review user accounts, system administrator accounts, and privileged accounts, including access-rights inventories, suitability reviews, changes and adjustments, and deactivation and revocation, to ensure that account access-rights configurations comply with the principle of least privilege and job requirements.
	Long-Term	- Gradually replace hardware and software equipment with inadequate security capabilities to reduce the risk of security attacks and ensure system and information security. - Continuously strengthen and improve information security management mechanisms to enhance responses to information security incidents and emergency response capabilities.
Responsibilities and Resources	The responsibility for information security management is to "build a resilient, secure, and trustworthy enterprise." CHEM is committed to promoting digital transformation and comprehensively implementing information security management mechanisms to ensure the accuracy and availability of information processing, as well as the security of information-related systems, equipment, and networks.	
Evaluation Mechanisms and Results	- In 2025, no cyberattacks or incidents occurred that had a material adverse impact on the Company's business or operations. - In 2025, the Company experienced no information security breaches and incurred no losses, nor did any losses occur to customers. - Information security education and training was incorporated into new employee training, regular employee training, and ad hoc information security awareness campaigns. A total of 43,579 participants received training in 2025. - A total of 68,173 malicious emails were blocked in 2025.	



Information Security Management and Policy

In 2025, CHEM successfully passed the ISO/IEC 27001:2022 recertification assessment and obtained the Information Security Management System (ISMS) certificate, further improving its information security management policies and procedures. The certification covers 100% of CHEM's business locations, and no information security compliance violations occurred during the year.

CHEM has established the "Information Security Management Policy" and obtained ISO/IEC 27001:2022 Information Security Management System (ISMS) certification in 2025 to establish a secure and trusted information operating environment, ensure the security of the Company's computer data, systems, equipment, and networks, maintain the normal operation and sustainable development of its business, and establish mechanisms for data processing, exchange, and security controls while balancing information security and operational efficiency.

CHEM's information security organization consists of senior management, a management representative, the information technology unit, and the person in charge of the Quality Assurance Committee. Under the supervision of senior management and the management representative, the information technology unit is responsible for coordinating the planning and management of information security, while the Quality Assurance Committee is responsible for conducting internal audits of the information security system. The information security organization is responsible for implementing the Information Security Management System Policy and the Company's commitments, formulating and implementing information security management work plans, establishing and maintaining a robust corporate information security management system, and ensuring its effective and continuous operation.

To maintain the Company's competitive advantage, all employees are required to comply with the relevant information protection rules issued by the Company, practice self-management, and maintain information security awareness. In addition to the information security controls for services provided by the information systems, CHEM places particular emphasis on protecting the confidentiality, integrity, and availability of important information, including personal and transaction data. CHEM also strengthens information security management to safeguard data, systems, equipment, networks, and other hardware and software. By fostering a healthy information environment and deploying innovative protection technologies, CHEM implements robust information security management practices to continuously enhance service quality.

Information Security Management Plan

To maximize the benefits of information security management and effectively reduce information security risks arising from the Company's operations, CHEM has established information security management measures and implemented the ISO/IEC 27001 Information Security Management System. These measures set out the Company's internal information security-related matters in detail, including the allocation of responsibilities and division of duties, as well as specific information security management measures, to ensure the effectiveness of CHEM's information security management.

These include personnel management and information security education and training, computer system security management, network security management, system access control management, system development and maintenance security management, information asset security management, physical and environmental security management, business continuity management, personal data protection management, and other information security management matters.

CHEM's Information Security Management Responsibilities and Division of Duties

Work Item	Responsibilities and Division of Duties
Planning	The IT unit is responsible for planning, establishing, and evaluating information security policies, plans, and technical guidelines.
Security Controls	The IT unit, in coordination with representatives of each business unit, is responsible for reviewing the security requirements for data and information systems, as well as their use, management, and protection.
Personal Data Protection	The IT unit, in coordination with representatives of each business unit, is responsible for formulating and promoting the Company's personal data protection policy.
Information Security Audits	The audit unit, together with the information technology unit and other relevant business units, is responsible for maintaining information confidentiality and conducting information security audits.
Access Control	In accordance with the Company's plant access control management measures.
Outsourcing, Third Parties and Vendors	In accordance with the terms of the contract, and in coordination with the Company's information security operations.



Specific Information Security Implementation Measures

1. Dedicated Responsibilities:

Establish annual information security objectives, complete technology implementation and related audit activities, and maintain and continuously strengthen information security.

2. Implementation of Policies and Procedures:

In accordance with the ISO/IEC 27001 information security implementation requirements and the Company's information security policy, implement the relevant policies and procedures across all levels of the Company's operations. Business continuity plans are conducted on an as-needed basis, with three plans implemented to reduce information security risks and maintain uninterrupted operations.

3. Education and Training:

All new employees complete information security education and training before commencing employment. Employee social engineering phishing email tests are conducted twice a year, for a total of two tests. Information security education and training is conducted once every six months, and information security questionnaire tests are conducted twice a year, to strengthen employees' information security awareness.

4. Information Security Announcements:

Information security announcements are issued from time to time to communicate important information security protection requirements and precautions, as well as new tactics used by hackers. A total of 39 announcements were issued in 2025.

5. Information Security Commitments:

Upon joining the Company, all employees are required to sign the Employee Confidentiality, Professional Ethics and Integrity in Business Operations, and Creative Works Commitment Statement. All contractors are required to undertake to comply with all information security provisions when signing the negotiation records.

6. Asset Management:

All information equipment, hardware, and software are assigned financial asset numbers for asset management purposes. Unauthorized installation of software or setup of privately owned information equipment is strictly prohibited, and information equipment is continuously monitored for non-compliant activities.

2.6 Tax Management

CHEM supports the government's efforts to formulate laws and regulations that promote corporate innovation and economic growth. The Chief Financial Officer (CFO) reviews and approves the Company's tax policy annually, and CHEM is committed to enhancing information transparency and sustainable development.

Tax Policy

1. Comply with the tax laws and regulations, as well as the spirit of the legislation, in all jurisdictions where CHEM operates.
2. Ensure transparency in financial reporting and handle tax disclosures in accordance with applicable regulations and standards.
3. Establish a respectful relationship with tax authorities based on mutual trust and information transparency.
4. Analyze the operating environment and use management mechanisms to assess tax risks.

Tax Risk Management

CHEM operates and expands its business around the world while complying with the tax laws and regulations of the countries in which it operates. Any adverse changes in tax laws and regulations could increase the Company's effective tax rate and adversely affect its operating performance. To effectively manage tax risks, CHEM follows its internal control procedures to identify, assess, and manage tax risks arising from regulatory changes and its business operations, and appropriately measures, manages, and controls such risks.

Tax risk management has been incorporated into CHEM's risk management. The CFO regularly evaluates and reviews key tax risks and the effectiveness of related controls, and provides the results to the General Manager to support risk management decisions.



Tax Governance

CHEM's CFO is ultimately responsible for tax management. Day-to-day tax administration and management is delegated to the Head of Accounting, who is assisted by qualified and experienced tax professionals in fulfilling CHEM's tax obligations. In addition, CHEM strengthens its professional knowledge through the professional services provided by external tax advisory firms.

CHEM's Board of Directors has delegated to the Audit Committee the responsibility for overseeing the quality and integrity of the Company's accounting, auditing, financial reporting processes, and financial controls, and for regularly reviewing significant matters, including accounting policies and procedures, internal control systems, legal compliance, and corporate risk management. Tax compliance is also included within legal compliance.

Domestic Tax Reporting

CHEM complies with domestic tax laws and regulations and makes all required tax payments in accordance with the law. The following table summarizes CHEM's domestic tax payments over the past three years.

Domestic Tax Payment Statistics for the Past Three Years NT\$ thousand

Item/Year	2023	2024	2025
Operating Revenue	22,144,872	25,609,455	27,449,025
Pre-tax Profit / Loss	2,396,862	4,460,893	5,006,440
Corporate Income Tax Paid in Cash	534,650	1,734,417	1,112,697
Profit / Loss on Accrued Corporate Income Tax	(811,419)	(833,744)	(1,016,098)



Sustainable Supply Chain

- 3.1 Supply Chain Profile
- 3.2 Supply Chain Management
- 3.3 Supplier Evaluation
- 3.4 Supplier Assessment
- 3.5 Sustainable Supply Chain

3



3. SUSTAINABLE SUPPLY CHAIN (2-6、2-23~2-24、308、414)

CHEM's 2025 Approach to Sustainable Supply Chain Management and Its Evaluation

Material Topic	Sustainable Supply Chain Management	
Corresponding GRI Indicator	GRI 204-1, 308, 414	
Policies and Commitments	1. Fulfill Corporate Social Responsibility 2. Implement Supplier Risk Controls 3. Evaluate Supply Chain Sustainability 4. Protect Intellectual Property Rights 5. Maintain an Ethical Supply Chain	
Goals and Targets	Short-Term	(1) Supplier on-time delivery rate: $\geq 90\%$ (2) Incoming inspection lot rejection rate: $\leq 3\%$ (3) Supplier quarterly performance evaluation achievement rate: $\geq 90\%$ (4) New supplier development: 25 suppliers / year (5) Suppliers signing the "Supplier Social Responsibility and Code of Ethics Commitment" (including a commitment not to use conflict minerals), "Integrity and Anti-Corruption Commitment Letter," "Information Security Responsibility Statement," and "Confidentiality Agreement": 100% (6) Suppliers adopting electronic invoicing: 100 suppliers / year (7) Digitize approval processes for evaluations, pricing, and other operations (8) Zero incidents of bribery or information security breaches
	Medium- and Long-Term	(1) Leverage group resources to establish strategic alliances within the supply chain to meet stakeholder needs. (2) Assist supply chain partners in setting carbon reduction targets and carbon neutrality plans and implementing such plans. (3) Lead supply chain partners in jointly adhering to ethical and integrity-based business practices.
Responsibilities and Resources	Coordinating Unit: Procurement Dept., Management Division Scope of Responsibility: Formulation and implementation of policies, procedures, and objectives related to supply chain management, as well as internal and external communication. Resources: Internal resources, including the General Audit Dept. and Quality Assurance Committee, and external resources, including accounting firms, customers, and third parties (e.g., ISO), are engaged to audit, supervise, and provide guidance on the achievement of various objectives and operations.	
Evaluation Mechanisms and Results	In accordance with the Supplier Management Procedures and other relevant procedures, CHEM conducts regular and ad hoc supplier evaluations, monitors and ensures suppliers' delivery quality and timeliness, workplace and personnel safety and health, management of various risks, environmental protection, and labor and human rights conditions.	

3.1 Supply Chain Profile

Diversified Businesses

Green Energy-Related Industries

70%

- Solar Photovoltaics (PV)
- Hydrogen Energy
- Energy Storage & Microgrids
- Power Equipment & Engineering

Services



19%

- DoDoHome (Parking Management)
- Operation & Maintenance

Engineering & Others

11%

- Urban Renewal
- Fire Protection & MEP System Integration
- Precision Machining



Upstream

The upstream industries include suppliers of wind power, hydropower, generators, solar power generation equipment, fuel cell power generation equipment, online communication equipment, power system grid-connection protection equipment, and energy management systems.

Public and private parking facilities.

Suppliers of accessories for generators and air-conditioning equipment, including engines, r generators, control boxes, compressors, coils, enclosures, and purifiers, as well as professional technical services.

Processing plants and component suppliers for raw materials, including stainless steel sheets, reinforcing steel bars, cement, and various nickel alloy sheets.



Midstream

CHEM is a system integrator in the midstream segment of the industry, utilizing transmission and distribution equipment and energy management systems to integrate distributed energy resources and intelligent online monitoring equipment, improving power quality and reducing transmission and distribution losses.

CHEM operates in the midstream segment of the industry, undertaking the construction and operation of parking lots and charging piles.

CHEM operates in the midstream segment of the industry, undertaking raw material processing, assembly, testing, and operation and maintenance management.

Midstream industry participants include construction contractors and outsourced process service providers, including welding, machining, sandblasting, grinding, cutting, and transportation.



Downstream

Downstream customers include power companies, large power consumers, customers requiring backup power, and hydrogen-powered logistics vehicles and other vehicles.

CHEM also operates solar PV plants.

For the parking business, downstream products and services are provided directly to the general public.

Downstream customers include construction companies, electrical and plumbing contractors, and others, with end users primarily being property developers and building management committees.

The downstream segment of the industry serves the general public, as well as public and private organizations and companies at all levels.



3.2 Supply Chain Management

Management Policies and Commitments

To maximize supply chain value and optimize the use of the supply chain, CHEM integrates Group resources and continuously enhances supply chain competitiveness through long-term, strategic cooperation. In terms of supply chain risk management, CHEM actively focuses on the integration, utilization, optimization, and management of resources within the supply chain and across the Group, and implements mechanisms such as information security protection and an anti-bribery system to address the impacts of environmental changes on the supply chain while maintaining risk control. In terms of social and human rights, CHEM has established a policy on the non-use of conflict minerals to ensure that there are no instances in which conflict minerals indirectly contribute to human rights violations across the Group's supply chain. CHEM has also invited all suppliers to sign and comply with the "Supplier Social Responsibility and Code of Ethics Commitment," and to adopt appropriate management systems to safeguard workers and their health and safety. From the date of issuance through December 31, 2025, a total of 2,826 suppliers had signed the commitment. In terms of environmental protection, CHEM is developing a green supply chain and emphasizing environmental friendliness, while encouraging and promoting suppliers to move toward a circular economy. Through ESG sustainable supply chain management, the Company has established the following five commitments, with the goal of leveraging the Group's capabilities to collectively lead upstream, midstream, and downstream suppliers, as well as society at large, toward a shared goal of mutual benefit.



CHEM's Five Commitments

- 01 Fulfill Corporate Social Responsibility**
 Starting from economic, environmental, and social responsibility, promote compliance with relevant social responsibility requirements by the Company itself and stakeholders across the entire supply chain, and maintain the well-being of stakeholders.
- 02 Implement Supplier Risk Management**
 Monitor and ensure the implementation of supply chain safety and health, environmental protection and human rights, information security protection, and anti-bribery measures; implement supply chain risk management; and proactively provide assistance when needed to maintain supply chain stability.
- 03 Assess Supply Chain Sustainability**
 Establish sustainability assessment procedures for supply chain suppliers, and include quality, delivery, financial, operational, service, information security, and anti-bribery matters as risk assessment criteria to strengthen supplier relationships and maximize supply chain value.
- 04 Protect Intellectual Property Rights**
 Respect and protect intellectual property rights, and enter into confidentiality agreements when appropriate to safeguard the rights and interests of stakeholders. In 2024, CHEM obtained TIPS (Taiwan Intellectual Property Management System) certification.
- 05 Maintain an Ethical Supply Chain**
 Adhere to the principles of ethical business conduct and prohibit any form of improper acceptance of benefits, corruption, extortion, or misappropriation of public funds. Establish a mechanism to maintain the confidentiality of the identities of whistleblowers and persons reported, and completed ISO 37001 re-certification in 2025.

Management Strategy and Implementation

To implement its supplier management policies and commitments, CHEM has established processes for supplier evaluation, assessment, guidance, and training. In terms of evaluation, suppliers are assessed in terms of quality, financial condition, cost, delivery, service, sustainability, information security, and anti-bribery. In addition to requiring suppliers to provide ESG declarations, CHEM also requires suppliers to provide relevant records or supporting documents such as certifications under ISO 9001 Quality Management System and ISO 14001 Environmental Management System. Only suppliers that meet the Company's requirements may become suppliers.

In terms of assessment, suppliers are categorized according to their characteristics and risks, and are scored and graded according to the assessment mechanism before entering the supplier guidance stage. Based on the assessment and grading results and recommendations, CHEM communicates with suppliers and requires improvements in areas such as quality, processes, technology, efficiency, environmental protection, and human rights to address identified deficiencies. High-performing suppliers are recognized and provided with preferential payment terms, feedback training, and other measures. Suppliers that meet the minimum standards receive guidance and training to continuously reduce their risks, while those that fail to meet the standards are eliminated.

Lastly, to continuously improve suppliers' environmental, occupational safety and health performance and promote compliance with relevant requirements, CHEM organizes supplier training from time to time or invites suppliers to participate in relevant outsourced training courses, including courses on processes, occupational safety and health, regulatory risks, and operations. Through these efforts, CHEM continues to promote the joint improvement of upstream and downstream suppliers.



 Supplier Evaluation	 Supplier Assessment	 Supplier Guidance	 Supplier Training
1. Evaluate suppliers in terms of quality, financial condition, cost, delivery, service, and sustainability, and require suppliers to provide relevant records or supporting documents such as ISO 9001, ISO 14001, ISO 37001, and ISO/IEC 27001 certifications. 2. ESG Declaration. 3. Only those that meet CHEM's requirements may qualify as suppliers.	1. Score suppliers based on the supplier classification and evaluation mechanism. 2. Categorize suppliers based on their characteristics and risks, and grade them based on the aforementioned assessment results.	1. Communicate with suppliers based on the assessment results and recommendations, and require improvements in areas such as quality, processes, technology, efficiency, environmental protection, human rights, and ethical business conduct to address identified deficiencies. 2. High-performing suppliers are recognized and provided with preferential payment terms and other measures, as well as feedback training; suppliers that meet the minimum standards receive guidance and training to reduce risks, while those that fail to meet the standards are eliminated. As of December 31, 2025, there had been no major deficiency incidents.	Training is organized from time to time or suppliers are invited to participate in relevant outsourced training courses to effectively improve environmental and occupational safety and health performance and promote compliance with relevant requirements. Course topics include manufacturing processes, occupational safety and health, regulatory risks, and ESG compliance-related issues. For example, two training sessions on the adoption of electronic invoicing were held in 2025, and 30 suppliers completed the transition to electronic invoicing, improving work efficiency while reducing paper use and contributing to environmental protection. Each month, occupational safety and health personnel from suppliers are invited to participate in retraining courses offered by the Labor Safety & Health Management Society, R.O.C.

3.3 Supplier Evaluation

To reduce the Group's overall supply chain risk, CHEM regularly conducts risk assessments when adding new suppliers and proactively assists suppliers in implementing business continuity plans to meet requirements related to quality, environmental protection, product safety, and information security, while ensuring timely delivery according to schedule and the provision of after-sales services and maintenance. At the same time, CHEM conducts origin investigations and regular reviews, and takes measures to prevent bribery and information security incidents, continuously enhancing its risk management capabilities and supply chain value and fulfilling its corporate social responsibility.

Business Continuity Plan	Origin Investigation	Periodic Review
Suppliers are requested to propose contingency plans and procedures for various potential threats to capacity allocation in order to minimize the impact on the supply chain and enable timely monitoring and response.	Origin investigations are conducted for key raw materials to prepare response measures and alternative plans in advance.	CHEM starts with itself and continues to promote and communicate the concept of sustainability throughout its supply chain, regularly evaluates the effectiveness of implementation, and considers ways to optimize its strategies and practices to achieve sustainable development and continuously enhance value.

Environmental Risk Assessment

During the supplier environmental risk assessment process, CHEM added a total of 203 new suppliers in 2025. For new suppliers, personnel in the procurement department require suppliers to complete the "Vendor Survey Form" to obtain a preliminary understanding of their operating scale, production and testing equipment, and certifications related to quality, environmental protection, and occupational safety and health.

An evaluation team comprising personnel from the procurement department, R&D, quality control, and other relevant departments then conducts on-site assessments as appropriate. If there are changes in a supplier's circumstances, the information in the "Vendor Survey Form" is re-verified, with follow-up reviews and revisions conducted once every three years as a general principle. As of December 31, 2025, there had been no major abnormalities or violations resulting in penalties imposed by customers or competent authorities.



Social Risk Assessment

During the social risk assessment process, CHEM requires suppliers not to procure or use conflict minerals and to comply with the requirements of the RBA, SA8000, and ISO/IEC 27001 to protect human rights and ensure a safe working environment. CHEM has also established the "Supplier Qualification and Assessment and Recognition Operating Procedures" and requires suppliers to sign the "Conflict Minerals Declaration" to commit that the tin, tantalum, tungsten, gold, and other minerals used in the products or components they supply, including product accessories, packaging materials, and other accessories related to product delivery, will not contribute to armed conflicts. If suppliers use any of the aforementioned minerals, they must disclose their sources. This policy was incorporated into procurement contracts in 2021, and supplier assessments were completed in 2022. Supplier risk assessment follow-ups and contract revisions are conducted once every three years. A reporting channel has also been established for suppliers (anti-corruption@chem.com.tw). As of December 31, 2025, the declaration signing rate was 100%, and there had been no instances of the use of conflict minerals.

Governance Risk Assessment

During the supplier governance risk assessment process, CHEM requires suppliers to comply with the requirements of RBA, SA 8000, ISO/IEC 27001, and ISO 37001, sign the "Supplier Social Responsibility and Ethical Code of Conduct Commitment" and the "Integrity and Anti-Corruption Commitment," provide business continuity plans, and establish feedback, reporting, and suggestion channels for suppliers (anti-corruption@chem.com.tw) to establish an ethical supply chain and promote sustainable operations. As of December 31, 2025, the commitment signing rate was 100%, and there had been no bribery incidents.

Human Rights Risk Assessment

During the supplier human rights risk assessment process, CHEM requires suppliers to comply with the requirements of RBA and SA8000 and sign the "Supplier Social Responsibility and Ethical Code of Conduct Commitment" to promote awareness of the importance and risks of human rights. CHEM also provides feedback, reporting, and suggestion channels for suppliers (anti-corruption@chem.com.tw). As of December 31, 2025, the commitment signing rate was 100%, and no major violations had occurred.

3.4 Supply Chain Assessment

In order to effectively monitor the supply chain and diversify risks, CHEM determines through annual audits and monthly delivery evaluations whether suppliers have the ability to fulfill their contractual obligations. The evaluation team conducts written or on-site assessments and records any deficiencies in quality, delivery, or service during the order execution process, with deadlines for follow-up and improvement. Improvement results are reported in improvement reports and fed back to suppliers through mechanisms such as quality management, delivery processes, warranty repairs, or service processes.

Supplier Delivery Assessment

CHEM regularly assesses suppliers and contractors, categorizing them and assigning scores based on their characteristics and risks. Each year, the weighting of supplier delivery assessment items is adjusted based on the relative significance of their impact on operations. In 2025, the assessment items and weightings were as follows: quality assurance, 35%; delivery stability, 35%; and supplier cooperation, 30%. Suppliers with a score of 70 or above are classified as qualified suppliers; those with a score of 60 to below 70 are considered suppliers requiring improvement and are required to make improvements within a specified period; and those with a score below 60 are classified as unqualified suppliers and will not be engaged. In 2025, a total of 633 suppliers and contractors were assessed, with a qualification rate of 100%.

CHEM's Supplier Delivery Assessment Results

Year	Passing Score	No. of Suppliers Assessed	No. of Qualified Suppliers	Qualification Rate
2024	70	687	687	100%
2025	70	633	633	100%

Supplier Audit

CHEM conducts on-site or written audits every three years, in addition to annual assessments. CHEM selects suppliers for on-site audits based on four major criteria: "sole supplier," "supply volume greater than 50%," "transaction amount greater than NT\$10 million," and "occupational safety incidents/quality abnormalities." The Company then forms an audit team from the relevant units to conduct on-site audits. If a supplier has any deficiencies such as undefined upper and lower limits for process operating parameters or undefined controls for finished product returns, the supplier is required, in accordance with the Company's requirements, to respond within one month after the audit with corrective and improvement measures. As of December 31, 2025, the response rate for corrective and improvement measures was 100%.

CHEM regularly conducts ESG assessments of suppliers. In addition to requiring suppliers to obtain ISO 9000 quality management, ISO 14001 environmental management, ISO 45001 occupational safety and health, and other management system certifications, CHEM conducts supplier ESG self-assessment questionnaires, on-site audits, and other assessments to ensure that suppliers' operations comply with the Company's supplier policies. The assessment areas include whether waste is identified and managed in accordance with applicable waste management regulations, whether basic labor rights are respected in compliance with applicable laws, whether bribery or information security incidents have occurred, and whether appropriate quality certificates are in place. If an existing supplier fails an assessment, CHEM provides guidance and requires the supplier to make improvements within a specified period. If the supplier remains unable to make improvements after the specified period, CHEM may reduce orders, seek compensation for damages, or remove the supplier from its approved supplier list in accordance with the contractual terms. As of December 31, 2025, there had been no major violations resulting in penalties involving suppliers. The following table presents the number of suppliers and audit results based on material suppliers with whom CHEM had transactions during the year.

Activities, Value Chain and Other Business Relationships

Supplier ESG Audit			
Item	2023	2024	2025
No. of suppliers	906	1159	1547
No. of suppliers that conducted ESG self-assessments	169	199	210
No. of suppliers subject to on-site ESG audits	30	128	143
Overall supplier ESG audit rate	18.65%	17.17%	13.57%

3.5 Sustainable Supply Chain

Sustainable Management Practices

In order to minimize the impact of various operating activities on the environment or society, CHEM has built a green supply chain through multi-faceted planning, including local procurement, green procurement, the circular economy, research and development of renewable energy, and the prohibition of conflict minerals. In 2025, the proportion of CHEM's expenditure on local procurement reached more than 83.37%.

Environment	1. Priority is given to products and suppliers that have obtained the environmental label recognized by the Environmental Protection Administration of the Executive Yuan, that meet criteria for recycled materials, low pollution, recyclability, and resource conservation, or that have obtained the Green Building Label, in order to minimize the environmental impact of the supply chain.
	2. CHEM works with its supply chain, from the R&D and design stages, to follow the 4R principles of environmental protection, including Reuse, Recycle, Reduction, and Replace, in order to enhance the overall environmental performance of the supply chain, implement energy conservation and waste reduction, and achieve a circular economy. For example, Linkou Plant replaced all lighting fixtures with LED lighting to improve the quality of the work environment while reducing electricity consumption; rooftop solar photovoltaic facilities were installed at Linkou Plant and to make effective use of available space and, in conjunction with sustainable and energy-efficient products from photovoltaic equipment suppliers, achieve green electricity sharing. CHEM also promotes the adoption of electronic invoicing by suppliers and paperless operations, including the use of electronic forms for contract signing and receipt, billing, and deposit guarantees. For example, 30 suppliers have adopted electronic invoicing, 30 contracts have adopted electronic signing requirements, and more than 6,000 orders have been issued electronically.
	3. CHEM requires vendors bidding for waste disposal services to hold Class A waste clearance licenses or relevant treatment licenses, thereby ensuring compliance with applicable laws and regulations.
	4. CHEM encourages suppliers to use green electricity. For example, CHEM assisted a supplier in Taichung in installing a rooftop solar photovoltaic system with a capacity of 738.37 kW.
	5. In 2025, CHEM's green procurement amounted to NT\$71,538,726, and CHEM received awards from the local governments of Taoyuan, Taichung, Chiayi, and Tainan.
Society	CHEM manages conflict minerals in accordance with the Conflict Minerals Disclosure requirements issued by the U.S. Securities and Exchange Commission (SEC) and has implemented conflict minerals management assessments throughout its supply chain. Starting from the supplier selection phase, CHEM requires products to be free of conflict minerals originating from conflict-affected regions. For existing suppliers, CHEM proactively investigates and confirms the use of specific materials (gold, tantalum, tin, and tungsten), requiring suppliers to sign a consent form prohibiting the use of conflict minerals or provide a declaration in accordance with due diligence procedures. At the same time, suppliers are required to sign the "Supplier Social Responsibility and Ethical Code of Conduct Commitment," through which CHEM promotes standards such as RBA and SA8000 and encourages the implementation of human rights practices and appropriate management systems to fulfill its corporate social responsibility.
Governance	1. Formulate and implement a business continuity plan in accordance with the Company's objectives. 2. Implement a sustainable and integrity-based supply chain in accordance with the supply chain policies and Code of Conduct (https://reurl.cc/vEldbo) and the ISO 37001 standard. 3. Establish and protect a secure and trustworthy information-based operating environment in accordance with the regulations and standards issued by the competent authorities, ISO/IEC 27001, and the Company's information security maintenance guidelines.

CHEM's Local Procurement Expenditure Ratio in 2025

In response to peak demand for power products, CHEM significantly increased both its total procurement amount and local procurement amount in order to effectively prepare inventory, meet various demand requirements, and further strengthen the resilience of the local supply chain.

Year	Total Procurement Amount (NT\$ million)	Local Procurement Amount (NT\$ million)	Local Procurement Expenditure (%)	Local Procurement Suppliers (%)
2023	NT\$11,987.97	NT\$9,145.39	76.29	93.37
2024	NT\$13,564.23	NT\$10,682.26	78.75	93.4
2025	NT\$15,737.46	NT\$13,121.40	83.37	93.86





Green Sustainability

- 4.1 Climate-Related Financial Disclosure
- 4.2 Environment Management Policy
- 4.3 Energy & Carbon Reduction
- 4.4 Pollution Control
- 4.5 Material Management

4

4. GREEN SUSTAINABILITY

As a global citizen, CHEM reviews its business resilience in light of international sustainable development trends. In addition to actively implementing environmental management during the production process to reduce negative impacts on the environment, CHEM also integrates “environmental sustainability” into its corporate culture, shaping employees’ beliefs, attitudes, and values regarding environmental protection and incorporating these principles into quality objective management, daily operations, and continuous improvement activities. CHEM also puts these principles into practice in the products and services it provides. Legal compliance is only a basic requirement; CHEM goes further by committing to corporate social responsibility and continuing to contribute to economic development and environmental sustainability.

4.1 Task Force on Climate-related Financial Disclosures (TCFD)

In alignment with SDG 13, “Climate Action,” and to strengthen business resilience, CHEM continues to adjust its business practices in line with international trends and move toward sustainable development.

4.1.1 Advancing Alignment with the IFRS Sustainability Disclosure Standards

In accordance with the Financial Supervisory Commission (FSC)’s “Roadmap for Taiwan listed companies to align with IFRS Sustainability Disclosure Standards—Scope of Application and Timeline” (Order No. 11403851756 issued on November 12, 2025), listed companies with paid-in capital of NT\$5 billion to NT\$10 billion (107 companies) are subject to the IFRS Sustainability Disclosure Standards and are required to file their annual reports and financial statements concurrently starting in 2027. To align with these standards and demonstrate its commitment to sustainable development, CHEM proactively reviewed relevant content in this year’s Annual Report in advance to facilitate subsequent implementation efforts. The Gantt chart for the implementation plan is shown in Table 4-1. An IFRS Sustainability Disclosure Standards Task Force was established at the end of 2025, and the implementation plan was finalized. The plan will subsequently be implemented as planned.

In accordance with IFRS Sustainability Disclosure Standards S1 and S2, companies promoting sustainable development should use a comprehensive reporting framework to provide external parties with information to understand the Company’s operations and make investment decisions. Since 2022, CHEM has prepared ESG reports in accordance with the Global Reporting Initiative (GRI) Standards and has conducted analysis and planning based on the Task Force on Climate-related Financial Disclosures (TCFD) framework, focusing on four core elements: governance, strategy, risk management, and metrics and targets. Since 2024, CHEM has disclosed industry-specific metrics in accordance with the Sustainability Accounting Standards Board (SASB) Standards. Subsequently, CHEM will implement a comprehensive reporting framework in accordance with IFRS Sustainability Disclosure Standards S1 and S2 as required.



Table 4-1: Gantt Chart of CHEM's IFRS Sustainability Disclosure Standards Implementation Schedule

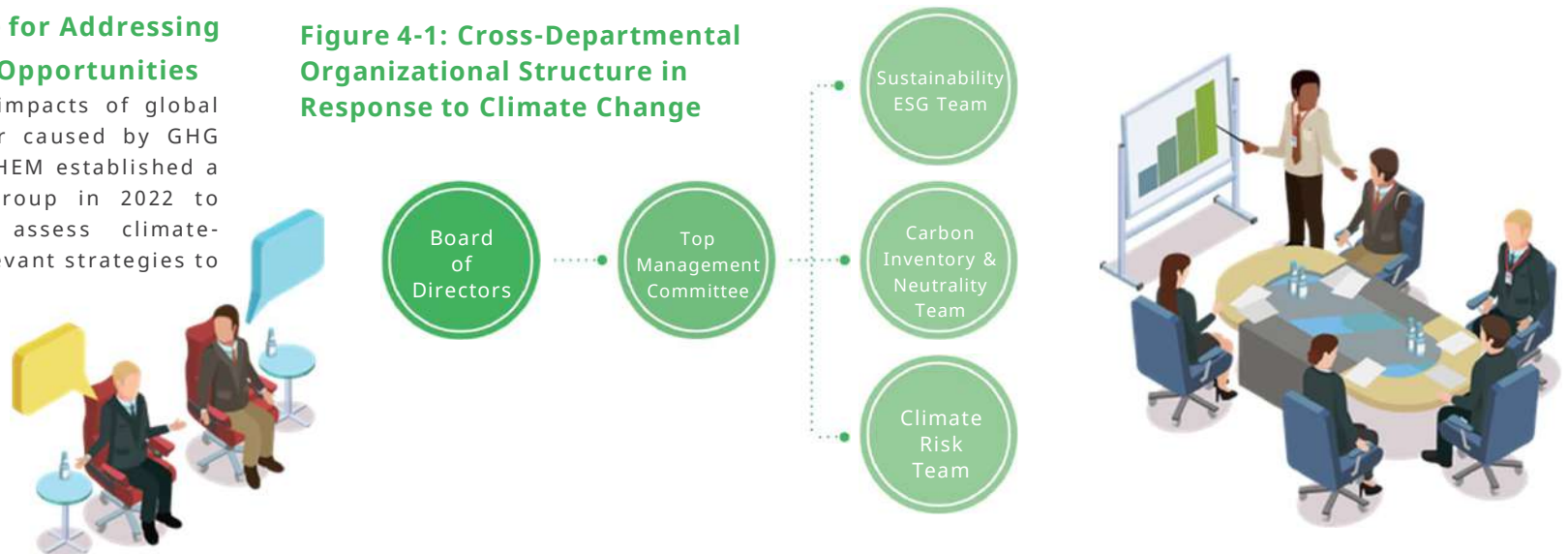
Work Item	Year	2025	2026				2027				2028	
	Schedule	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Establishment of an IFRS Sustainability Disclosure Standards Task Force												
Drafting and Finalization of an Implementation Plan												
Identification of Reporting Entities, Review of Current IFRS Status, and Gap Analysis												
Risk Identification and Assessment of Material Financial Impacts												
Collection of Material Sustainability Data												
Pilot Preparation of a Dedicated Sustainability Section in the Annual Report												
Public Disclosure of the Sustainability Section												

Note: This implementation schedule may be adjusted as appropriate based on relevant regulatory requirements and the Company's implementation progress.

4.1.2 Governance Structure for Addressing Climate-Related Risks and Opportunities

In response to the potential impacts of global warming and extreme weather caused by GHG emissions on its operations, CHEM established a cross-departmental working group in 2022 to systematically analyze and assess climate-related risks and formulate relevant strategies to address them (Figure 4-1).

Figure 4-1: Cross-Departmental Organizational Structure in Response to Climate Change



4.1.3 Roles of Governance Units in Climate-Related Risk and Opportunity Governance

The organizational structure corresponds to the TCFD core elements, and the corresponding responsibilities under the governance and management framework are set out in Table 4-2.

Table 4-2: Corresponding Responsibilities under the TCFD Risk and Opportunity Governance and Management Framework

Core Elements	Unit or Topic	Responsibility or Content
Governance	Top Management Committee	As the highest-level organization for the Company's climate change and sustainability management, the Committee consists of the Company's independent directors and senior management, with the Chairman serving as Chairperson and the General Manager serving as Vice Chairperson. The Committee oversees the Sustainability ESG Team, Carbon Inventory and Neutrality Team, and Climate Risk Team, which are cross-departmental units. Each team meets at least twice a year and reports its implementation results for the current year and plans for the following year to the Committee every six months. The Committee then reports the implementation plans and results to the Board of Directors every six months for oversight.
	Sustainability ESG Team	As a unit under the Top Management Committee, the Sustainability ESG Team is responsible for planning and implementing activities related to the Company's ESG blueprint formulated by the Committee. The Team is led by one team leader, Jing-Feng Lai, Corporate Governance Director, who coordinates the Company's administrative and business units in planning and implementing environmental, social, and governance initiatives. The Team meets at least twice a year, chaired by the General Manager, the Committee's Vice Chairperson, to implement ESG initiatives, evaluate their effectiveness, and conduct reviews and provide feedback.
	Carbon Inventory & Neutrality Team	As a unit under the Top Management Committee, the Carbon Inventory and Neutrality Team is responsible for planning and implementing activities related to the Company's carbon neutrality strategy formulated by the Committee. The Team is led by one team leader, Yu-Mei Huang, Special Assistant in the CEO's Office, who coordinates the Company's administrative and business units in conducting the annual carbon inventory, identifying carbon reduction opportunities based on statistical data, and progressively achieving the carbon neutrality target. The Team meets at least twice a year, chaired by the General Manager, the Committee's Vice Chairperson, to provide feedback and discuss the progress of the relevant inventory, hotspot analysis, carbon reduction opportunities, and the carbon neutrality target.
	Climate Risk Team	As a unit under the Top Management Committee, the Climate Risk Team is responsible for planning and implementing activities related to the Company's climate risk strategy formulated by the Committee. The Team is led by one team leader, Yu-Mei Huang, Special Assistant in the CEO's Office, who coordinates the Company's administrative and business units in preparing to implement risk mitigation plans related to various climate issues. The Team meets at least twice a year, chaired by the General Manager, the Committee's Vice Chairperson, to evaluate the effectiveness of climate-related initiatives, conduct reviews, and provide feedback. Given that extreme climate disasters have occurred from time to time in recent years, the Team will also convene interim meetings when climate disasters occur to direct relevant departments to initiate response measures in accordance with established procedures to reduce the impact of climate disasters on the Company.
Strategy	Identification of Risks and Opportunities	Climate scenario analysis and risk identification are conducted with reference to the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency's (IEA) Net Zero Emissions by 2050 Scenario (NZE), and Taiwan's Pathway to Net-Zero Emissions in 2050 announced by the National Development Council (NDC), to review the impacts of various extreme climate risk and opportunity events under different scenarios and conduct corresponding analyses. Through cross-departmental discussions, each business unit conducts a comprehensive assessment based on its professional experience and the environmental conditions of the regions in which it operates, including the frequency, likelihood, time frame, degree of impact, mitigation measures, and opportunities for adjustment associated with extreme climate risks. Based on their likelihood and impact, the risks and opportunities that are reasonably expected to have an impact are identified and ranked.
	Assessment of Potential Financial Impacts	Following the same process as the identification of risks and opportunities, after extreme climate risks and opportunities have been identified, all business units analyze and evaluate the potential financial impacts of extreme climate scenarios on the Company's production, sales, and operations. The financial impacts of the response or preventive measures implemented by the Company are also taken into consideration. Since 2024, an internal carbon pricing mechanism has been incorporated, with reference to the preliminary carbon fee standards set by the Ministry of Environment, to assess the potential financial impacts of carbon emissions associated with operational activities.

Core Elements	Unit or Topic	Responsibility or Content
Risk Management	Implementation of the TCFD Framework	Under the TCFD framework, the Company incorporates “transition risks” and “physical risks.” Transition risks are comprehensively analyzed with consideration of policies, regulations, technology, markets, corporate reputation, and other relevant factors, while physical risks are assessed based on acute and chronic risks. The Climate Risk Team coordinates the participation of managers and staff across departments to jointly discuss the impacts of risks and opportunities on the Company, regularly review the risk identification results, and adjust response measures to ensure that the risk identification results are promptly incorporated into the Company’s operations, preventing or mitigating the negative impacts of climate change. Climate change and energy risks have been incorporated into the Risk Management Policy and Procedures, with managers at all levels effectively managing the corresponding risk areas for which they are responsible. The audit unit conducts assessments in accordance with the internal audit procedures to ensure that risks are disclosed in a timely manner and properly managed.
	Reporting of Identification Results	The updated results of the identification of climate change risks and opportunities conducted under the TCFD framework are regularly reported to the Sustainability Development Committee, which meets every six months, together with the relevant response measures and risk management measures addressing the expected financial impacts on the Company. The Committee confirms, reviews, and provides feedback on the results and relevant measures to facilitate the development of more reasonable metrics and targets.
Metrics and Targets	Company Management Indicators	The Company sets a target to reduce GHG emissions intensity per NT\$1 million of revenue by 3% annually from 2022 to 2025 and reviews the progress annually.
	Climate Change Response Strategies	High-efficiency production equipment is introduced, the carbon-reduction performance of products is improved, carbon-emission hotspots are reviewed, and solutions to reduce GHG emissions are provided to improve energy efficiency.
	GHG Emissions Disclosure	According to the GHG inventory schedule announced by the FSC based on capital amount, CHEM as an individual company and the Group belong to the second and third stages, respectively, and their GHG inventories are required to be completed in 2025 and 2026, respectively. Third-party verification of CHEM’s GHG inventory is to be completed in 2027, and third-party verification of the GHG inventories of subsidiaries included in the consolidated financial statements is to be completed in 2028. In 2024, the Company issued its 2023 Carbon Inventory Report for disclosure, and in 2025, the Company issued a GHG Inventory Statement Report and completed third-party assurance. Going forward, the reports will be issued and assured regularly on an annual basis.



4.1.4 Strategy for Climate-Related Risks and Opportunities

To identify climate-related risks and opportunities that can reasonably be expected to affect the Company's outlook, the Group established the Top Management Committee to coordinate climate risk management. The working groups coordinate with relevant units and departments to conduct risk identification and assessment and consolidate a list of the Company's climate-related risks and opportunities. The scope of identification covers multiple dimensions, including financial, management, and business aspects.

· **Transition risks** : In response to the increasing complexity of markets and resulting impacts caused by climate change, adjustments to supply and demand structures are required to mitigate the impacts. Adjustment measures include changes in policies, laws, technology, and market conditions.

· **Physical risks** : Physical risks arising from long-term climate change and acute extreme weather events may have direct impacts on the Company, including supply chain disruptions.

The Company's transition initiatives include energy-saving and carbon-reduction projects, as well as green electricity adoption projects, to achieve its low-carbon transition goals. The financial impacts are primarily reflected in expenditures such as equipment replacement and operating expenses, while positive benefits, including cost savings and market expansion, are also generated through improved operational efficiency and meeting customer needs.

The Group's energy management goals are divided into short-, medium-, and long-term objectives. By identifying potential climate change risks and opportunities, the Company assesses the impacts of relevant factors on its operations and proactively formulates corresponding strategies and measures to prevent the risks and harm caused by climate change. Relevant analyses, recommendations, improvements, and implementation results are regularly reported to the Board of Directors for reference in corporate governance.

With as much as 80% of CHEM's products already being part of the green energy industry, the Group has identified climate-related risks and opportunities that can reasonably be expected to affect the Company's outlook. A total of 7 climate change risks and 11 climate change opportunities were identified, described in matrix format in Figures 4-2 and 4-3, respectively, with explanations provided in Tables 4-3 and 4-4, respectively. In accordance with the management procedures for climate-related risks and opportunities, the risks listed in the following table are further categorized into transition risks and physical risks, and the potential impacts on the Company's business model as well as the upstream and downstream parts of the value chain are assessed.



Table 4-3: Description of Risk Items Based on the TCFD Framework

Risk Identification Results	Item	Type of Risk	Potential Impact	Adjustments to Business Model and Resource Allocation	Time Frame	Level of Impact	Mitigation and Adaptation Actions	Direct	Indirect
	R1	Transition Risk	Increase in operating costs due to the introduction of a national carbon tax.	Develop short-, medium-, and long-term GHG management targets and incorporate an internal carbon pricing assessment mechanism.	Short-Term	Low	Short-, medium-, and long-term GHG management targets have been established, and the Company will continue to reduce carbon emissions to mitigate the impact of related charges.	V	
	R2	Transition Risk	Increase in operating costs during the low-carbon transition due to broad-based increases in raw material prices.	Implement carbon reduction plans and actively seek alternatives to reduce the impact of rising costs.	Medium-Term	Medium	Costs have been reduced by lowering electricity consumption, but capital investment is required.	V	
	R3	Transition Risk	Increased challenges in product sales due to customers' stricter requirements for the carbon footprint of equipment manufacturing processes. And equipment use in response to climate action.	Conduct GHG inventories ahead of legal requirements and plan product carbon footprint inventories, identify hotspots at factories, and evaluate improvement measures to reduce carbon emissions.	Medium-Term	High	GHG inventories began in 2022, and third-party assurance was completed in 2025.		V
	R4	Transition Risk	Increased operating costs as the Group actively develops emerging equipment and improves equipment technologies in response to the low-carbon development trend.	Based on the assessment that Scope 2 is the primary source of emissions from the production facilities, the Company has actively upgraded lighting fixtures at its plants to reduce electricity consumption.	Medium-Term	Medium	Optimization of plant lighting began in 2022.	V	
	R5	Transition Risk	Increased operating costs as the Group replaces existing production equipment with new, high-efficiency equipment in response to the low-carbon development trend.	Implement optimization measures for process air compressors and motors to reduce increases in operating costs.	Medium-Term	Low	Optimization of plant equipment began in 2022.	V	
	R6	Transition Risk	Impacts on raw material supply due to the overall supply chain being unable to keep pace with the requirements of the low-carbon transition.	Report the green procurement amount to the Ministry of the Environment and obtain certification, gradually establishing a green procurement supply chain so that suppliers can respond early or seek alternative suppliers.	Long-Term	High	Reports have been filed since 2024, and the Company received the 2024 Green Procurement Outstanding Performance Award from Taoyuan City, Taichung City, Tainan City, and Chiayi County. Reports were also filed in 2025.		V
	R7	Physical Risk	Increased frequency and severity of extreme weather events such as typhoons, rainstorms, and droughts, affecting product production and supply chain distribution and impacting operational efficiency.	Chiayi Plant officially commenced operations in 2024, reducing the potential production risks associated with relying on a single plant during extreme weather events.	Short-Term	Medium	Chiayi Plant commenced operations at the end of 2024.		V

Figure 4-2: Risk Matrix

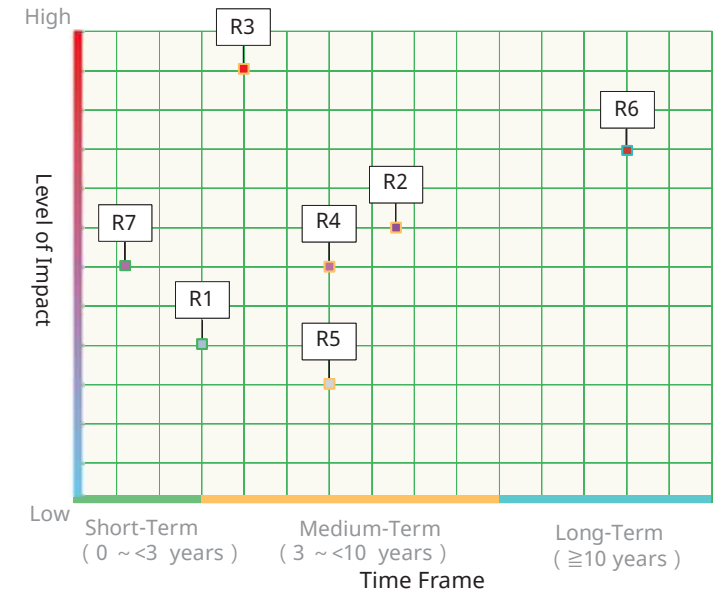


Figure 4-3: Opportunity Matrix

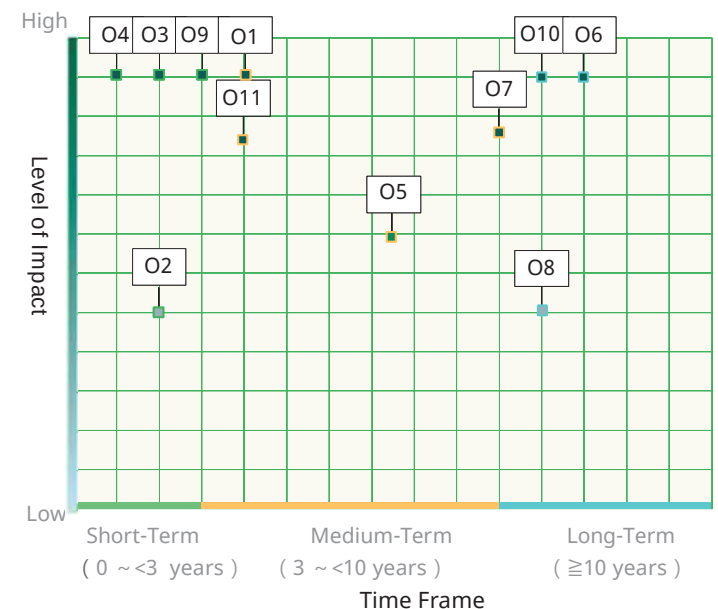


Table 4-4: Description of Opportunity Items Based on the TCFD Framework

Opportunity Identification Results	Item	Type of Opportunity	Potential Opportunities	Adjustments to Business Model and Resource Allocation	Time Frame	Level of Impact	Mitigation and Adaptation Actions	Direct	Indirect
	O1	Products and Services	In response to the global net-zero emissions trend, increase the global market penetration of the Company's hydrogen energy products and increase business group revenue.	Develop hydrogen fuel cells to meet market demand.	Medium-Term	High	On-site hydrogen production systems have been developed, with Taiwan serving as a demonstration site, and the Company is actively seeking strategic overseas partnership opportunities to promote the construction of hydrogen energy infrastructure and broaden market applications. Stationary generators have been developed for use as backup power sources at base stations worldwide.		V
	O2	Products and Services	In response to national energy transition policies, increase the market penetration of the Company's energy storage products and increase business group revenue.	Develop microgrid products to meet market demand.	Short-Term	Medium	Focus on renewable energy integration, electric vehicle fast-charging operations, and offshore island grid management. The primary market is currently Taiwan, and the "Zero Carbon Demonstration Island" initiative is being promoted on Dongji Islet, Penghu.	V	
	O3	Products and Services	In response to the energy transition in the transportation sector, leverage the parking business to increase the market penetration of electric vehicle charging pile services and increase business group revenue.	Providing charging services in conjunction with parking lot operations.	Short-Term	High	Currently provide iCharging parking and charging services, with six charging stations installed at freeway service areas.	V	
	O4	Energy Sources	In response to the national green energy transition, increase the Company's solar photovoltaic power generation capacity, increase the supply of green energy, and increase business group revenue.	Continue to develop solar panel power generation services.	Short-Term	High	All plant sites currently have solar panels for power generation. The three photovoltaic plants, Tian Cin, Tian Chong, and Tian Peng, in Qigu, Tainan, generate approximately 320 GWh of green electricity in total.		V
	O5	Products and Services	In response to the national power grid development trend, develop smart grids and increase business group revenue.	Smart grid products encompass the software and hardware required for smart grid automation.	Medium-Term	Medium	Integration with the Power CC power automation platform from Siemens (Germany) and the PACIS power automation platform from Alstom (France) has been completed, with projects implemented at major power plants and substations across Taiwan.	V	

Opportunity Identification Results

Item	Type of Opportunity	Potential Opportunities	Adjustments to Business Model and Resource Allocation	Time Frame	Level of Impact	Mitigation and Adaptation Actions	Direct	Indirect
O6	Products and Services	Develop the Company's carbon capture and utilization technologies or low-carbon technologies to provide viable low-carbon products to the market and assist customers in their transition.	Assess carbon capture and utilization technologies and low-carbon technologies based on product characteristics to help customers reduce carbon emissions.	Long-Term	High	Continue to assess based on customer requirements.		v
O7	Markets	As countries around the world respond to climate change, demand for low-carbon products is increasing, expanding the international market for the Company's overall new energy business.	Aim to become a fully green energy company by developing carbon reduction, hydrogen energy, and Class 1 energy-efficient products, as well as widely deploying charging piles; assess the feasibility of international market entry to expand market reach and increase revenue.	Medium-Term	High	Relevant green energy products and services have been developed and continue to generate revenue.	v	
O8	Resilience	Guide the supply chain in its low-carbon transition, reduce the carbon footprint of raw materials, and increase product competitiveness.	Increase the number of suppliers with carbon reduction capabilities based on product requirements.	Long-Term	Medium	Priority is given to products and suppliers that have obtained the environmental label recognized by the Environmental Protection Administration of the Executive Yuan, that meet criteria for recycled materials, low pollution, recyclability, and resource conservation, or that have obtained the Green Building Label, in order to minimize the environmental impact of the supply chain.	v	
O9	Resource Efficiency	Develop new product technologies to reduce the carbon footprint of product manufacturing and use and increase product competitiveness.	Utilize in-house design capabilities to develop customized, low-carbon products based on customer requirements, enhancing market competitiveness.	Medium-Term	High	Reduce gas leakage during testing in the design of switchgear-related products to minimize carbon emissions.	v	
O10	Resilience	In response to the low-carbon transition, continue to develop diversified renewable energy sources to enhance resilience to domestic and international carbon taxes.	Develop and provide a diverse range of green energy products to reduce potential carbon fee liabilities.	Long-Term	High	Products and services, including hydrogen energy and solar power generation, have been developed to increase revenue and reduce the impact of carbon taxes.	v	
O11	Resilience	Actively pursue energy conservation and carbon reduction, develop carbon credits, and participate in carbon markets.	Convert solar power generation to self-consumption and apply for green energy certificates to align with the Company's green energy goals.	Medium-Term	High	Nanke Plant began using solar power for self-consumption in 2025 and has obtained green electricity certificates.	v	

4.1.5 Key Areas of Uncertainty Considered in Climate Resilience Assessments

When conducting climate resilience assessments, key areas of uncertainty include policy changes, technological advancements, changes in market demand, environmental changes, and economic factors, all of which may affect the Company's future operations and financial performance, as described below:

1. **Policy Changes:** Governments around the world may introduce new regulatory policies and laws in response to the impacts of climate change.
2. **Technological Advancements:** With the rapid development of technology, new low-carbon technologies and solutions are constantly emerging.
3. **Changes in Market Demand:** Market demand for low-carbon products and services may change over time. The Company needs to anticipate and adapt to changes in market demand to ensure that its products and services meet customer needs.
4. **Environmental Changes:** Climate change may lead to more extreme weather events such as droughts, floods, and typhoons, and these environmental changes may have a significant impact on the Company's operations and value chain.
5. **Economic Factors:** Global economic uncertainty may affect investment and capital flows. The Company needs to consider the impact of changes in the economic environment on its financial position and operations.

4.1.6 Short-, Medium-, and Long-Term Climate Change Strategies and Business Model Adaptability

The Group maintains the capacity to adjust and adapt its strategies and business models to address the challenges posed by climate change and is committed to continuously enhancing climate resilience in the short, medium, and long terms. When assessing the impact of climate change on operations, the Group integrates climate-related risks and opportunities into its overall Enterprise Risk Management (ERM) program. It evaluates the availability and flexibility of existing financial resources and develops specific plans to address climate-related risks and opportunities. Taking into consideration the Company's financial position and ability to obtain funding, the Group has sufficient resources to address the financial impacts of climate-related risks and opportunities, with no concern about operational disruption.

4.1.7 Taskforce on Nature-related Financial Disclosures (TNFD)

CHEM also recognizes the importance of biodiversity. Currently, all existing plants are located in well-equipped industrial zones or parks. In addition to robust environmental pollution prevention and control plans, these parks generally undergo ecological assessments prior to development, which can help reduce their impact on the ecosystem. Moving forward, CHEM will assess the adoption of the TNFD methodology to examine the interdependencies between CHEM and nature-related issues, with the aim of achieving a balance between business operations and the ecosystem.



4.2 Sustainable Environmental Management

To fulfill its corporate environmental responsibility, CHEM is committed to environmental protection and implementing pollution prevention measures. By proactively establishing an ISO 14001 Environmental Management System, CHEM demonstrates its commitment to environmental protection. Through the continuous operation and improvement of this environmental management system, CHEM contributes to environmental protection for society and the country.

4.2.1 Environmental Management Policy

CHEM's commitments to environmental protection are as follows:

1. Promote environmental education, raise awareness of environmental protection, and protect ecosystems.
2. Strengthen resource recycling and energy conservation.
3. Establish an environmental management system that provides a framework for setting and reviewing environmental objectives and targets, and commit to continual improvement and pollution prevention.
4. Promote industrial waste reduction and implement environmental management practices.
5. Comply with relevant environmental protection and fire safety laws and regulations and other legal requirements to create a better future together.
6. Maintain positive relationships with neighboring communities and make this policy publicly available.

The Group has also obtained ISO 14001 Environmental Management System certificates, as shown in Figure 4-4.



Figure 4-4: ISO 14001 Environmental Management System Certificates for Linkou Plant, Nanke Plant, and Chiayi Plant



4.2.2 Sustainable Energy

CHEM actively promotes its new energy business in alignment with United Nations Sustainable Development Goal 7 (UN SDG 7), "Affordable and Clean Energy," to ensure access to affordable, reliable, and sustainable modern energy for all.

1. Solar Photovoltaic

To comply with the regulations of the Bureau of Energy and support the Taoyuan City Government's vision of promoting a low-carbon, green city, solar photovoltaic systems have been installed at Linkou Plant, Nanke Plant, and Chiayi Plant, with a total installed capacity of 6,099.035 kWp.



Solar photovoltaic system at Linkou Plant



Solar photovoltaic system at Nanke Plant



Solar photovoltaic system at Chiayi Plant



Figure 4-5: Solar photovoltaic plant in Qigu, Tainan

CHEM has continued to contribute to green power generation through the use of solar photovoltaic systems. In 2025, the electricity generated by the three photovoltaic plants in Qigu, Tainan, Tian Cin, Tian Chong, and Tian Peng (Figure 4-5) was sold in full to Taipower. Their total electricity generation reduced CO₂e emissions by 148,012 metric tons, approximately the annual carbon sequestration of 383 Daan Forest Parks.



4.2.3 New Energy Products and Services

1. Hydrogen Energy and Energy Storage Products

CHEM actively develops its new energy business through systematic planning of development processes and solutions, develops hydrogen energy and energy storage products, and promotes the use of hydrogen energy products from its hydrogen energy business group nationwide, contributing to global net-zero emissions.

2. Charging Pile Services

Since February 2022, CHEM's CPO unit has been investing in environmentally friendly and sustainable equipment related to green energy at highway rest stops and DoDoHome parking lots across the country, primarily by installing charging piles and providing charging services for electric vehicles (EVs). To date, 65 charging piles (60 kW-350 kW) have been installed at highway rest stops and DoDoHome parking lots nationwide (Figure 4-6). In 2025, these charging services reduced CO₂e emissions by 46,286.2982 metric tons, approximately the annual carbon sequestration of 120 Daan Forest Parks.



4.2.4 Performance of Sustainable Economic Activities

In accordance with the "Reference Guidelines for the Recognition of Sustainable Economic Activities (Second Edition)" issued by the Financial Supervisory Commission (FSC), CHEM focuses on "Power Equipment," "Power Engineering," and "Green Energy Business" and has developed sustainable economic activities that fall under the two categories of "General Economic Activities" and "Enabling Economic Activities." The performance of these activities accounts for 21.23% of total revenue, as detailed in the statistics below. In response to the challenges of global warming, CHEM will continue to invest in renewable energy businesses, including wind power generation, solar power generation, fuel cell R&D, and charging pile deployment, to build a low-carbon, sustainable home.



Figure 4-6: CHEM's Charging Stations

2025 Revenue Share of Sustainable Economic Activities

No.	Type of Economic Activity	Applicable Category	Activity Description
1	General Economic Activities	Renewable Energy Generation and Facilities	Invest in wind and solar power generation projects and their operation and maintenance
2		Hydrogen Energy Application Technologies	Invest in fuel cell R&D and hydrogen energy-related businesses
3		Energy Storage Facilities	Actively expand into the energy storage business
4	Enabling Economic Activities	EV Charging Stations	“iCharging” EV charging services at freeway rest areas
5		Smart Building Energy Management	Develop electric meter products and power automation systems
6		Installation and Maintenance of Renewable Energy Technology Equipment	Install solar photovoltaic panels and other equipment on building rooftops
Total		Revenue from Economic Activities (NT\$)	5,828,353,064
		Revenue Share of Economic Activities	21.23%



2025 Conformity of Economic Activities with the Guidelines

No.	Type of Economic Activity	Applicable Category	Applicable Environmental Objective (Substantial Contribution)	Substantial Contribution	Do No Significant Harm	No Significant Harm to Social Safeguards
1	General Economic Activities	Renewable Energy Generation and Facilities	Climate Change Mitigation	Compliant	Compliant	Compliant
2		Hydrogen Energy Application Technologies	Climate Change Mitigation	Compliant	Compliant	Compliant
3		Energy Storage Facilities	Climate Change Mitigation	Compliant	Compliant	Compliant
4	Enabling Economic Activities	EV Charging Stations	Climate Change Mitigation	Compliant	Compliant	Compliant
5		Smart Building Energy Management	Climate Change Mitigation	Compliant	Compliant	Compliant
6		Installation and Maintenance of Renewable Energy Technology Equipment	Climate Change Mitigation	Compliant	Compliant	Compliant



4.2.5 Biodiversity

CHEM firmly believes that healthy ecosystems and biodiversity conservation are important foundations for global sustainable development. CHEM is committed to integrating environmental ecology, biodiversity, and forest conservation into its business operations, while working with suppliers and business partners across its value chain to support biodiversity and forest conservation and jointly promote ecological conservation. In addition to reducing negative impacts on the ecological environment and preventing deforestation, CHEM also seeks to promote the positive value of ecosystems and biodiversity, achieving harmonious coexistence between people and nature.

Commitments and Actions

1. Promote and support the UN SDGs, including SDG 6: Clean Water and Sanitation, SDG 12: Responsible Consumption and Production, SDG 13: Climate Action, SDG 14: Life Below Water, SDG 15: Life on Land, and SDG 17: Partnerships for the Goals.

2. Continue to comply with regulations and guidelines established by local governments, avoid conducting operations in or near areas of global or national critical biodiversity importance, strive to achieve the goals of No Net Loss and No Net Deforestation, and continue working toward the vision of Net Positive Impact.

3. When our own operations or supply chain (or value chain) partners conduct activities in or near areas of critical biodiversity importance, we will take measures in the following order to reduce ecological impacts: avoidance, minimization, restoration, and compensation.

4. Support initiatives related to biodiversity conservation, forest conservation, and afforestation carbon sequestration, and promote related conservation awareness among employees, shareholders, customers, business partners, suppliers, and other stakeholders, thereby implementing biodiversity conservation and the No Deforestation Policy.

Implementation in 2025

Green Island, located off the coast of Taitung, is like a dazzling pearl in the Pacific, renowned for its rich natural ecosystems, unique geological formations, and beautiful coastal scenery, attracting numerous visitors each year. However, because Green Island's power system cannot be interconnected with Taiwan's main island, the significant difference in electricity demand between the peak and off-peak tourism seasons makes it extremely challenging to maintain a stable power supply across the island, with power outages occurring from time to time. In response to the needs of tourism development and growing electricity demand in the outlying islands, CHEM has supported Taipower's efforts to improve the stability of power supply in the Green Island area. In recent years, CHEM has undertaken the "Lanyu and Green Island Power Plants Units 3 and 4 Upgrade and Replacement Project," replacing and upgrading the four existing 500 kW generating units to 1,500 kW units. At the same time, a selective catalytic reduction (SCR) denitrification system was introduced, reducing nitrogen oxide emissions by 74% and annual carbon dioxide emissions by approximately 692 metric tons, achieving the dual objectives of stable power supply and environmental protection.

To protect Green Island's precious ecological environment, CHEM jointly organized the "Three-Part Green Island Environmental Conservation" public welfare initiative with Taipower in 2025. Through the joint efforts of government agencies, private enterprises, and local community residents, the initiative aimed to strengthen public awareness of ecological conservation and energy sustainability and contribute to environmental protection on Green Island.

Part One: Promotion of Green Island Conservation Species

Green Island is home to a rich and diverse ecosystem. Through educational posters, CHEM introduced local residents and visitors to Green Island's precious native protected species, with the aim of working with all sectors of society to take diverse actions to protect Green Island's "indigenous inhabitants" and raise public awareness of and encourage action for Green Island's ecology.



Part Two: Green Island Tree Planting, Seedling Giveaway, and Energy Conservation and Environmental Conservation Awareness Campaign

CHEM, the Taitung Branch of the Forestry and Nature Conservation Agency, Taipower, and the Green Island Township Office jointly organized the Green Island Tree Planting, Seedling Giveaway, and Energy Conservation and Environmental Conservation Awareness Campaign on Green Island:

1. Promote Forest Fire Prevention Awareness and the "Three Don'ts and Three Dos" Principles

Over the past six years, Green Island has experienced five forest fires, seriously affecting the local ecosystem. To raise public awareness of forest fire prevention, the campaign promoted the "Three Don'ts and Three Dos" principles: do not start fires indiscriminately, do not discard waste, and do not burn waste; obtain a permit before starting a fire, stay alert to fire hazards, and remember the forest fire prevention hotline at 0800-000-930. These measures aim to reduce the risk of forest fires and promote forest conservation.

2. Tree Planting and Seedling Giveaway: Promoting Environmental Stewardship Together

The event distributed 750 native tree seedlings suitable for planting on Green Island, including *Vitex negundo*, *Clausena excavata*, *Murraya paniculata*, *Cinnamomum osmophloeum*, *Sophora tomentosa*, and *Heliotropium arboreum*, encouraging the public to plant trees and expand the island's forested green belt. In addition to greening the community, the initiative strengthened residents' emotional connection with the land and further raised local awareness of ecological conservation. The 750 seedlings are expected to create approximately 1.2 hectares of green space, while 750 trees at 20 years of age are estimated to have a carbon sequestration capacity of 13.5 metric tons per year.



Part Three: Green Island Ecological Conservation Awareness and Plastic Reduction Beach Cleanup Activity

While assisting with improvements to Green Island's power infrastructure, CHEM also pays attention to the island's precious ecological and environmental resources. CHEM jointly organized the "Green Island Ecological Conservation Awareness and Plastic Reduction Beach Cleanup Activity" with Taipower, calling on Green Island residents, school teachers and students, members of the Fishermen's Association home economics classes, and corporate volunteers to clean up plastic bottles, containers, discarded fishing nets, and other waste from the beaches on both sides of Zhongliao Fishing Harbor. The activity aimed to reduce the harm caused by plastic waste, protect the marine ecosystem together, and take concrete action toward environmental sustainability.



4.3 Energy Conservation and Carbon Reduction

CHEM's main products include heavy electrical equipment, electric meter products, air-conditioning systems, generators, and hydrogen energy products. Based on the results of its carbon inventory analysis, electricity is the primary source of emissions, making energy management a key area for carbon reduction. To reduce GHG emissions, CHEM implements various energy conservation measures, integrates energy-saving practices into employees' daily behavior to foster a culture of energy conservation and carbon reduction, and seeks to optimize energy-intensive equipment such as air-conditioning and lighting systems, to improve energy efficiency.

CHEM's 2025 Approach to Energy Conservation and Carbon Reduction and Its Evaluation

Material Topic	Energy Conservation and Carbon Reduction	
Corresponding GRI Indicator	GRI 302: Energy	
Policies and Commitments	Since 2021, CHEM has conducted internal GHG inventories and planned measures to reduce GHG emissions. Beginning in 2025, third-party assurance of GHG emissions from production plants (Scope 1 and Scope 2) has been conducted. For the Environmental Management Policy, please refer to Section 4.2.1.	
Goals and Targets	In response to its low-carbon transition plan, CHEM has established specific climate-related targets. In line with the national net-zero policy and the national targets of reducing net GHG emissions by 28±2% from 2005 levels by 2030, 32±2% by 2032, 38±2% from 2020 levels by 2035, and 50% from 2020 levels by 2050, CHEM plans to reduce Scope 1 and Scope 2 emissions and actively work toward achieving these targets.	
	Short-Term	Based on internal GHG inventories, identify emission hotspots (Scope 2) and reduce emissions by 3% annually.
	Medium- and Long-Term	Support the national net-zero transition plan and leverage its expertise and core technologies to play an important role in the government's efforts to promote energy security, a green economy, and environmental sustainability.

Material Topic	Energy Conservation and Carbon Reduction
Responsibilities and Resources	▪ CHEM firmly believes that power technology requires a high level of expertise. In 2008, CHEM established a R&D Center dedicated to energy conservation and carbon reduction in its manufacturing processes and to developing green products and services centered on stable power supply and clean energy. In recent years, in response to the energy transition, CHEM has also actively participated in the "Solar Photovoltaic Promotion Program" and wind power projects. ▪ CHEM possesses extensive expertise in the power industry and specialized design capabilities for manufacturing power equipment with special specifications. In recent years, CHEM has devoted significant efforts to strengthening power grid resilience and, drawing on its practical experience accumulated over the years, fulfilling its responsibility to help ensure a stable power supply.
Evaluation Mechanisms and Results	1. Establishment of an Environmental Management System: CHEM's Linkou Plant, Nanke Plant, and Chiayi Plant have all obtained ISO 14001 Environmental Management System certification, achieving 100% coverage. 2. Self-Conducted GHG Inventory: Since 2021, CHEM has conducted its own GHG inventories. Based on the operational control approach, the inventory boundary for 2025 was set at CHEM as an individual company. In accordance with the GHG Protocol, Scope 1 direct emissions (fossil fuel combustion, primarily liquefied petroleum gas and diesel) and Scope 2 indirect emissions (purchased electricity) were disclosed. In 2025, Scope 1 emissions totaled 1,064.0899 metric tons of CO₂e, accounting for 18%, while Scope 2 emissions totaled 4,280.0526 metric tons of CO₂e, accounting for 82%, for a combined total of 5,344.1425 metric tons of CO₂e. In addition to the aforementioned emissions, SF₆, an insulating gas used in the testing of CHEM's heavy electrical equipment as required by IEC 62271 and in inspections required under customer contracts prior to installation, accounted for the highest proportion of emissions. Through product design improvements and improvements to its testing pipelines, CHEM reduced its average annual leakage rate to 1.76% in 2025, down from 1.87% in 2024. Third-party assurance was completed for the current year. Compared with the previous year, the Company added offices in various locations to the inventory boundary in 2025. Scope 1 emissions decreased by 18.0%, mainly due to a decrease in LPG consumption, while Scope 2 emissions decreased by 21.3%, mainly because solar power generation at Nanke Plant was changed to self-consumption and the plants continued to implement lighting improvements and energy conservation measures. 3. Development of Diverse Green Energy Services: Since February 2022, CHEM's CPO unit has progressively invested in environmentally friendly and sustainable equipment related to green energy at highway rest stops and DoDoHome parking lots nationwide, primarily by installing charging piles and providing charging services for pure electric vehicles (EVs). To date, 65 charging piles (60 kW–350 kW) have been installed at highway rest stops and DoDoHome parking lots nationwide (Figure 4-3). In 2025, these charging services reduced CO₂e emissions by 46,286.2982 metric tons, approximately the annual carbon sequestration of 120 Daan Forest Parks. Solar photovoltaic systems with a total installed capacity of 5,001.31 kWp have been installed at Linkou Plant, Nanke Plant, and Chiayi Plant. In 2025, these solar photovoltaic systems generated a total of 4,138,788 MWh of green electricity. Except for Nanke Plant, all electricity generated was sold to Taipower, reducing CO₂e emissions by approximately 1,961.7855 metric tons. In 2025, electricity generated by the three photovoltaic plants, Tian Cin, Tian Chong, and Tian Peng, in Qigu, Tainan, was sold in full to Taipower. Their total electricity generation reduced CO₂e emissions by 46,286.2982 metric tons. 4. Continued Improvement of Energy Consumption at Plants: In 2025, CHEM continued to invest in energy conservation measures, focusing on optimizing lighting across the Linkou Plant area, dormitories, and public spaces, as well as expanding smart lighting in the underground parking lot. In terms of energy consumption, the total energy consumption of Linkou Plant, Nanke Plant, and Chiayi Plant was 40,211 GJ in 2025, representing a 13.0% reduction in energy consumption intensity per NT\$1 million of revenue. Over the past three years (2023–2025), the Company's energy consumption intensity per unit of operations has continued to decline, demonstrating its active efforts to improve energy efficiency. Since 2023, CHEM has implemented 20 energy conservation measures in its facilities as part of its energy conservation and carbon reduction initiatives, including turning off lights when not in use, installing timers in restrooms and pantries, turning off lights throughout the facilities during break periods, and regularly cleaning air-conditioning systems. These measures continued to be implemented in 2025. Electricity consumption decreased by 6% in 2025, mainly due to Nanke Plant's transition to self-consumption of solar power. Water consumption increased by 1.5% in 2025, mainly due to increased water consumption for product cleaning at Nanke Plant and the gradual increase in production capacity at Chiayi Plant, which was established in 2023. CHEM has fully implemented an electronic invoicing system, reducing CO₂e emissions by a total of 107.1067 metric tons in 2025.

Climate change has received widespread attention in recent years. Countries around the world have successively announced their net-zero plans. Taiwan also announced "Taiwan's Pathway to Net-Zero Emissions in 2050" on March 30, 2022. On October 24, 2024, Taiwan announced strengthened climate action to enhance the international competitiveness of its industries and set new carbon reduction targets for 2032 and 2035. CHEM has also reviewed its internal targets and adjusted them accordingly.

4.3.1 Energy Management

To support the national goal of achieving net-zero carbon emissions by 2050, CHEM, following thorough internal discussions, has gradually established the Group's energy target plan since 2023. The plan is divided into three periods: short-term, 0-3 years (2022-2025); medium-term, 4-10 years (2026-2032); and long-term, 10-30 years (2033-2050). The plan covers measures ranging from energy and water conservation and waste reduction to the planned reduction of the Group's carbon emissions, as well as planning for the future use of low-carbon energy or green electricity and selecting cleaner energy options. For details, please refer to Table 4-4 below.

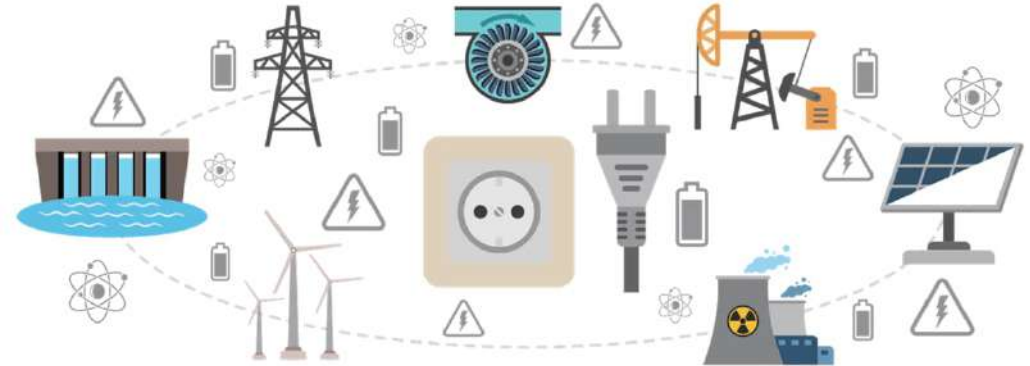


Table 4-4: Group Energy Management Targets

Period	Target	Action Plan
Short-term: 0-3 years (2022 -2025)	Formulate measures within the Group to reduce electricity and water consumption and reuse non-hazardous waste: 1. Reduce electricity consumption by 3% annually. 2. Reduce water consumption by 3% annually. 3. Achieve an annual reuse rate of more than 80% for general industrial waste.	1. Electricity consumption decreased 1% YoY in 2023, as the energy-saving benefits of the LED lighting project were not fully realized because the project was completed progressively toward the end of 2023. Electricity consumption decreased 2% YoY in 2024, mainly due to the addition of Chiayi Plant to operations. Excluding Chiayi Plant, electricity consumption decreased 5%. Electricity consumption decreased 6% YoY in 2025, mainly due to improvements to existing air-conditioning systems and equipment, as well as the conversion of solar power generation at Nanke Plant to self-consumption. 2. Water consumption decreased 3% YoY in 2023. Water consumption increased 2% YoY in 2024, mainly due to a pipeline leakage incident at Linkou Plant, increased operational activities at Nanke Plant, and the addition of Chiayi Plant to operations. Water consumption increased 1.5% YoY in 2025, due to increased operational activities at Nanke Plant and Chiayi Plant. 3. General industrial waste reuse rate: 82% in 2022; 82% in 2023; 82% in 2024.
Medium-term: 4-15 years (2026 - 2032)	1. In line with the national target of reducing GHG emissions by 20% from the 2005 baseline by 2030, implement corresponding energy conservation and carbon reduction measures. 2. Identify carbon emission hotspots within plants through GHG inventories and develop corresponding emission reduction plans.	1. Each plant has implemented an energy management system. 2. Solar power generation at Nanke Plant was changed to self-consumption, reducing electricity consumption from petrochemical fuels by approximately 14.7%, and renewable energy certificates were obtained. 3. As the main carbon emission hotspots at the plants are Scope 2, based on the assessment results, equipment or lighting fixtures with poor energy efficiency have been gradually replaced since 2023 with high-efficiency equipment such as LED lighting, variable-frequency air conditioners, and variable-frequency air compressors.
Long-term: 15-30 years (2033 -2050)	1. In line with the national target of reducing GHG emissions by 50% from the 2005 baseline by 2050, implement corresponding energy conservation and carbon reduction measures. 2. Continue to review energy consumption based on the results of GHG inventories and identify clean energy options.	1. Continue to implement measures for energy conservation, carbon reduction, waste reduction, and emissions reduction, and build a shared commitment among everyone in the Group to these efforts. 2. Based on energy consumption, continue to assess ways to improve energy efficiency and plan for increased use of green electricity.

4.3.2 Energy Efficiency Optimization

In 2025, CHEM invested nearly NT\$60 million to optimize energy consumption. This primarily involved purchasing energy management systems, charging piles, hybrid vehicles, and solar panels. Additionally, CHEM promoted leasing copiers and company vehicles instead of purchasing them, while also replacing lighting fixtures in the office and production areas of Linkou Plant. The Group's energy conservation actions and performance in 2025 are shown in the table below:

2025 Energy Conservation Actions and Performance

Action Plan	Electricity Savings (Unit: kWh)	Reduced Energy Consumption (Unit: GJ)	Reduced GHG Emissions (Unit: metric tons CO ₂ e)
Installation of Additional Solar Panels	428.34	1.5420	203.033

Note: Purchased electricity: 1 kWh = 3,600,000 joules; 1 kWh = 0.474 metric tons CO₂e (based on Taipower's 2023 published emission factor).



400W-1,000W high-bay lights and mercury wall lights replaced with 150W-240W LED lights



Corridor lighting replaced with 20W lights or panel lights

4.3.3 Energy Consumption Statistics

CHEM's energy consumption over the past three years is shown in Table 4-5. In terms of liquefied petroleum gas, purchased electricity, and tap water consumption related to energy use, electricity consumption at Linkou Plant and Nanke Plant both decreased in 2025. The increase in tap water consumption at Nanke Plant was mainly due to production capacity. Chiayi Plant commenced operations in 2024, and the increase in consumption in 2025 was mainly due to its gradually increasing production capacity.

Table 4-5: Major Energy Consumption Activity Data for Linkou Plant, Nanke Plant, and Chiayi Plant

Plant	Item	Unit	2023	2024	2025
Linkou Plant	Liquefied Petroleum Gas	kg	18,830	25,340	14,110
	Diesel	kL	141.368	112.921	111.583
	Electricity Consumption	MWh	9,013	8,494	7,926
	Tap Water Consumption	m ³	20,822	25,050	21,193
Nanke Plant	Electricity Consumption	MWh	1,672.80	1,662.80	1,566.85
	Tap Water Consumption	m ³	4,184	4,525	5,352
Chiayi Plant	Electricity Consumption	MWh	—	361.22	411.12
	Tap Water Consumption	m ³	—	8,290	11,890

Note: Chiayi Plant commenced operations in 2024.



CHEM's energy consumption intensity over the past three years: With reference to the Energy Management disclosure topic and metrics for the Electrical & Electronic Equipment industry under the Sustainability Accounting Standards Board (SASB) Standards, CHEM calculates total energy consumption and sources of electricity used. In 2025, the statistics covered Linkou Plant, Nanke Plant, and Chiayi Plant. Total energy consumption at the three plants was 40,211 GJ, down 6.77% YoY, indicating that the energy conservation planning has achieved initial results. Revenue increased 7.18% YoY, resulting in a 13.0% reduction in energy consumption per NT\$1 million of revenue. Statistical data show that over the past three years (2023-2025), the Company's total revenue has increased, while energy consumption intensity per unit of revenue has continued to decline, indicating improved production energy efficiency. Electricity is currently sourced mainly from the national grid, while Nanke Plant began self-generating and consuming solar photovoltaic power in 2025. The relevant energy management targets are shown in Table 4-6.

Table 4-6: Energy Consumption Intensity per NT\$1 Million in Revenue Over the Past Three Years

Item	Unit	2023	2024	2025
Total Energy Consumption	GJ	44,400	43,132	40,211
Annual Revenue	NT\$ million	22,145	25,609.456	27,449.025
Energy Consumption Intensity	GJ / NT\$ million	1.98	1.66	1.46
Change from Previous Year	%	-17.1%	-16.0%	-13.0%
Renewable Energy Usage Ratio	%	0	0	14.7
Grid Electricity Usage Ratio	%	100	100	85.3

Note:

1. Energy calorific value coefficients are based on the values announced by the Ministry of Environment in February 2024 and converted according to the Ministry of Economic Affairs' calorific value conversion: liquefied petroleum gas (LPG), 6,635 Kcal/L; diesel, 8,400 Kcal/L. The conversion factor from Kcal to KJ is 4.18 KJ/Kcal; the energy conversion factor for electricity is 3.6 MJ/kWh; 1 MJ = 0.001 GJ. The data have been updated due to a revision of the conversion factor for LPG energy consumption.

2. Annual revenue is based on consolidated revenue.

3. Energy consumption intensity per NT\$1 million of revenue (GJ/NT\$ million) = Total Energy Consumption (GJ) / Company Revenue (NT\$ million).

4.3.4 GHG Management

To prepare early for the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE- and TPEx-Listed Companies" and with reference to the Climate Change Response Act, CHEM has conducted its own GHG inventories since 2023, gradually established energy conservation systems, and promoted GHG emission reduction measures to formulate the Group's GHG management targets (Table 4-7). Going forward, CHEM will continue to align with national net-zero policies, comply with relevant laws and regulations, and further implement carbon reduction efforts.

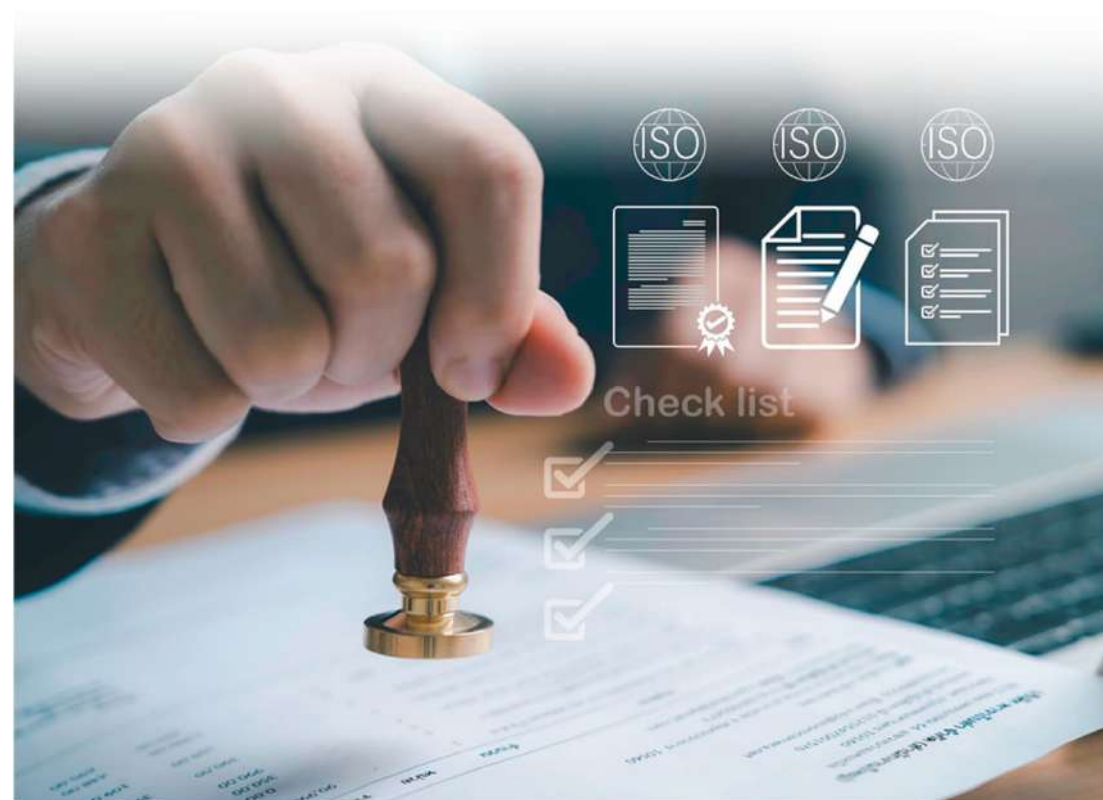


Table 4-7: Group GHG Management

Period	Target	Current Progress
Short term: 0-3 years (2022 -2025)	1. Conduct carbon inventories for the individual company and its subsidiaries, identify emission hotspots, and gradually plan reduction measures. Complete GHG inventories for all companies in the Group two years ahead of the schedule planned by the FSC. 2. To reduce GHG emissions, use 2020 as the base year for emission reduction, review carbon emission hotspots, and propose corresponding emission reduction measures, with a target of reducing GHG emissions per NT\$1 million of revenue by 3% annually. 3. Develop new energy businesses. 4. Develop filling and recovery methods for gases used in the testing of heavy electrical products to reduce fugitive losses.	1. Since 2020, CHEM has initially established carbon emission data for the individual company. Since 2023, CHEM has established carbon inventory data for the individual company, and since 2024, has conducted carbon inventories in accordance with the GHG Protocol and incorporated carbon inventory data for its subsidiaries. 2. From 2023 to 2025, GHG emissions per NT\$1 million of revenue decreased by 17.9%, 17.4%, and 28.23%, respectively. 3. CHEM has developed new businesses, including solar photovoltaic power generation and charging pile services, which reduced carbon emissions by 1,961.7855 and 44,412.3590 metric tons of CO₂e, respectively, in 2025. 4. The number of gas fillings was reduced, equipment and testing processes were carried out, and capital was invested in purchasing better recovery and treatment equipment. As a result, the loss rate decreased year by year, reaching 1.90%, 1.87%, and 1.75% from 2023 to 2025, respectively.
Medium term: 4-10 years (2026-2032)	1. Starting in 2026, conduct third-party assurance of GHG emissions, completing the work one year ahead of the schedule planned by the FSC. 2. In accordance with the new national GHG net emission reduction targets of a 28±2% reduction by 2030 and a 32±2% reduction by 2032, both compared with 2020 levels, plan to reduce Scope 1 and Scope 2 emissions and actively achieve the targets. 3. Review the inventory results, integrate product carbon reduction planning, and incorporate it into green supply chain management. 4. In response to net-zero carbon emission planning, incorporate new energy and carbon reduction planning to effectively reduce GHG emissions. 5. Develop environmentally friendly gas alternatives for gases used in the testing of heavy electrical products to reduce fugitive losses.	1. CHEM completed third-party assurance of its 2024 emissions in 2025, two years ahead of the schedule planned by the FSC, and uses 2024 as the base year. 2. From 2020 to 2025, GHG emissions from energy consumption at Linkou Plant and Nanke Plant decreased by 9%. Going forward, the Company plans to implement an energy management system, convert solar power generation at Nanke Plant to self-consumption, and apply for green electricity certificates as part of its carbon management strategy to reduce Scope 2 emissions. 3. Since 2024, the Company has conducted internal carbon pricing assessments based on the preliminary carbon fee rates planned by the Ministry of Environment to understand the impact of carbon fees on operations. Two types of the Company's products, air-conditioning systems and diesel generators, have obtained ISO 14067 certification. The Company also encourages suppliers to reduce emissions to further decarbonize its products. The Company uses its green energy products, hydrogen energy products, and energy storage products to replace the original use of electricity, and continues to evaluate carbon reduction measures for manufacturing processes and plant sites. 4. Since 2025, solar power generation at Nanke Plant has been used for self-consumption, and the Company has applied for green electricity certificates. 5. The Company has begun feasibility R&D of environmentally friendly testing gases for low-voltage products and has obtained verification from the customer.
Long term: 10-30 years (2033-2050)	1. In accordance with the new national GHG net emission reduction targets of a 38±2% reduction by 2035 and a 50% reduction by 2050, both compared with 2020 levels, plan to reduce Scope 1 and Scope 2 emissions and actively achieve the targets. 2. Seek and develop technologies for comprehensive green energy power generation, including hydrogen power generation and biomass power generation, to provide viable carbon reduction pathways to various sectors in a timely manner. 3. Apply environmentally friendly gas alternatives to the gases used in the testing of heavy electrical products to reduce fugitive losses.	1. Through carbon inventory data, regularly review the carbon emissions of raw materials used in manufacturing processes, evaluate feasible alternatives or business models, and actively reduce carbon emissions. 2. Increase investment in hydrogen power generation facilities and promote their adoption to gradually replace traditional fossil fuel-based power generation; develop biomass renewable fuel technologies to seek new investment and development opportunities. 3. Gradually replace gases used for product testing with environmentally friendly gas alternatives to significantly reduce fugitive losses.

4.3.5 GHG Emission Statistics

To implement CHEM's GHG management efforts, CHEM quantifies carbon emissions from various activities to establish corresponding energy conservation systems.

Total GHG emissions from CHEM's major production plants over the past three years: Based on the GHG emission intensity calculated from energy use, as shown in Table 4-8, the 2024 statistics include not only Linkou Plant and Nanke Plant, but also Chiayi Plant, which commenced operations in its first year. The total GHG emissions from energy use at the three plants were 5,588.4446 metric tons of CO₂e, a 4.5% decrease compared with 2023, while GHG emission intensity per NT\$1 million of revenue decreased 17.4%. The statistical data shows that over the past three years (2023-2025), the Company's GHG emission intensity has continued to decline, indicating that as the Company's total revenue increased, its GHG emissions also decreased.

Table 4-8: GHG Emissions and Intensity for the Past Three Years

Plant	Emissions	Item	Unit	2023	2024	2025
Linkou Plant	Scope 1	Liquefied Petroleum Gas	tCO ₂ e	61.1792	82.3304	45.0058
		Diesel	tCO ₂ e	347.1509	293.6835	288.0367
	Scope 2	Electricity Consumption	tCO ₂ e	4,587.70	4,204.63	3,413.10
	Scope 3	Tap Water Consumption	tCO ₂ e	3.352	3.9079	3.1789
Nanke Plant	Scope 2	Electricity Consumption	tCO ₂ e	851.4548	823.086	351.9924
	Scope 3	Tap Water Consumption	tCO ₂ e	0.674	0.7058	0.8028
Chiayi Plant	Scope 2	Electricity Consumption	tCO ₂ e	-	178.8047	194.8719
	Scope 3	Tap Water Consumption	tCO ₂ e	-	1.2933	1.7835
Total CO ₂ e Emissions			tCO ₂ e	5,851.5103	5,588.4446	4298.7683
GHG Emission Intensity			tCO ₂ e / NT\$ million	0.2642	0.2182	0.1566
YoY Change in GHG Emission Intensity			%	-17.9%	-17.4%	-28.23%

Note: Calculations for 2022-2023 were based on the Ministry of Environment's "Guidelines for Greenhouse Gas Emission Measuring" (May 2022). Starting in 2024, calculations have been conducted in accordance with FSC requirements using the GHG Protocol. In addition, the 2023 LPG emissions were revised due to an adjustment to the conversion factor.

For 2025, Scope 1 (direct GHG emissions) and Scope 2 (energy indirect emissions) were calculated in accordance with the GHG Protocol. The GWP values were based on the latest AR6, and Taipower's latest published 2024 emission factor was used for electricity. The operational boundary was defined using the operational control approach, covering production plants (Linkou Plant, Nanke Plant, and Chiayi Plant), the warehouse (Taoyuan Tech Plant), and business offices (Nangang and Taichung), presenting the complete GHG emissions of the individual company. Scope 1 emissions were 1,064.0899 tCO₂e (18%), and Scope 2 emissions were 4,280.0526 tCO₂e (82%), with electricity consumption being the major carbon emission hotspot. The combined total was 5,344.1425 tCO₂e. In addition to the aforementioned emissions, the Company's heavy electrical products require product testing under IEC 62271 and inspections required under customer contracts prior to installation, resulting in the use of insulating gas (SF₆) for testing, which accounts for the highest proportion of emissions. Through improvements to product design and testing pipelines, the Company reduced the annual average fugitive emission rate to 1.76% in 2025 (1.87% in 2024). Third-party assurance was completed in 2025. The GHG inventory information and assurance status are shown in Table 4-9. Considering the feasibility and representativeness of the statistics, CHEM also conducted a preliminary estimate of Scope 3 emissions for 2025, and the relevant information is disclosed in the Company's annual report.



Table 4-9: CHEM's GHG Inventory Information and Assurance Status for the Past Three Years

Item	Emissions	Unit	2023	2024	2025
CHEM	Scope 1	tCO ₂ e	1,323.2216	1,281.6398	1,064.0899
	Scope 2	tCO ₂ e	5,439.1538	4,984.9699	4,280.0526
	Subtotal (excluding SF ₆)	tCO ₂ e	6,762.3754	6,266.6097	5,344.1425
	Subtotal (including SF ₆)	tCO ₂ e	—	115,877.5684	67,416.3687
GHG Emission Intensity Excluding SF ₆ /Including SF ₆		tCO ₂ e/ NT\$ million	0.31/-	0.24/4.52	0.19/2.45
All Subsidiaries Included in the Consolidated Financial Statements	Scope 1	tCO ₂ e	—	35.9102	82.4184
	Scope 2	tCO ₂ e	—	4,626.4800	6,101.5312
	Subtotal (excluding SF ₆)	tCO ₂ e	—	4662.3906	6,183.9496
	Subtotal (including SF ₆)	tCO ₂ e	—	120,539.9590	73,600.3183
GHG Emission Intensity Excluding SF ₆ /Including SF ₆		tCO ₂ e/ NT\$ million	—	0.43/4.71	2.46/2.68
Assurance Provider			—	Crowe (TW) CPAs	Crowe (TW) CPAs
Inventory Standard			—	GHG Protocol	GHG Protocol
Inventory Boundary			—	Linkou Plant, Nanke Plant, and Chiayi Plant	Individual Company
Assurance Description			—	Limited Assurance under TWSAE 3410	Limited Assurance under TWSAE 3410



4.3.6 Management of Sulfur Hexafluoride (SF₆) Losses

After the production of CHEM's heavy electrical products is completed, product testing required under IEC 62271 and inspections required under customer contracts prior to installation must be conducted before the products are put into use. As the testing gas used has a high global warming potential, CHEM has actively improved fugitive emissions resulting from gas testing in recent years in response to the international issue of climate change and to fulfill its responsibilities as a global citizen.

SF₆ used as a testing gas is an inert gas with excellent electrical insulation and arc-extinguishing performance, approximately 100 times that of air. It is therefore widely used in high-voltage power transmission and distribution equipment and makes a significant contribution to power supply stability. Accordingly, although environmentally friendly gases are under development, practical application requires testing and inspection to verify insulation strength and reliability before they can replace SF₆ in products and be applied at project sites. Higher safety considerations are also required for extra-high-voltage equipment. CHEM's heavy electrical products range from low-voltage to extra-high-voltage equipment, giving CHEM a unique position in Taiwan. CHEM has also begun planning a carbon reduction pathway for testing gases. Short-term improvements to processes, operating parameters, and equipment have already shown results, while environmentally friendly alternative gases are being planned for the medium and long term to gradually reduce SF₆ consumption.

Due to the complexity of factory processes, the current IPCC methodology cannot be applied for calculation. However, to implement GHG emission reductions, CHEM independently developed a "case-by-case measurement method" to assess potential fugitive emissions during testing. The measured losses are conservatively estimated as fugitive emissions, with potentially remaining gas also taken into account, and are used as a basis for assessment and improvement. Improvement measures include increasing recovery through customized design, reducing the actual number of tests by integrating testing requirements, procuring improved equipment such as self-sealing quick couplings and advanced gas filling and recovery equipment, and improving testing gas pressure parameters. Approximately NT\$20 million in total was invested over the past two years. The annual average fugitive emission rate decreased from 1.87% in 2024 to 1.76% in 2025, while emissions in 2025 decreased by approximately 41.8% compared with 2024. In addition, CHEM is actively seeking alternative gases and studying the feasibility of developing environmentally friendly GIS for application to its products.

4.3.7 Introduction of Product Carbon Footprints

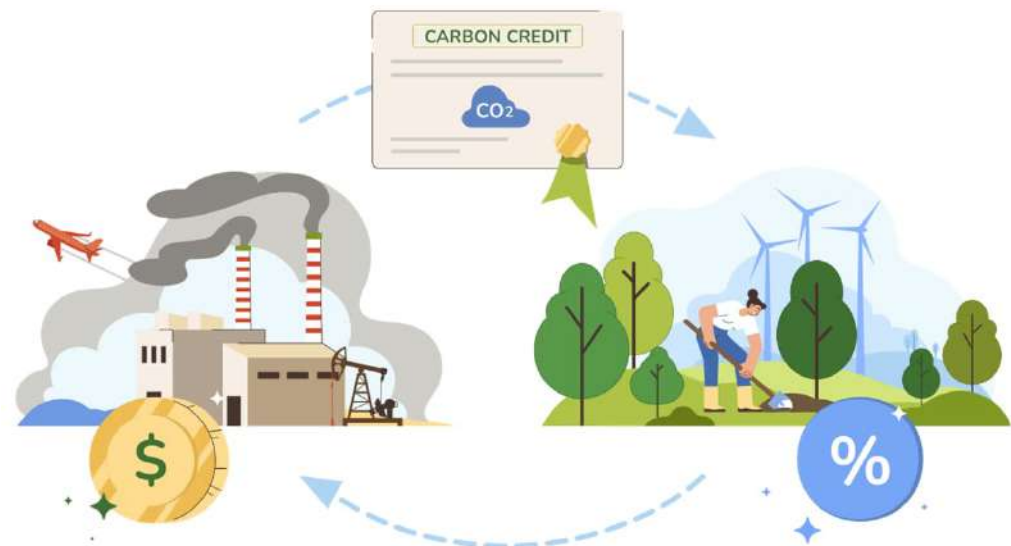
CHEM has introduced a life cycle concept for its products and conducted carbon footprint inventories for its air-conditioning systems and diesel generators. Based on the available data, a preliminary assessment of carbon emissions during the raw material acquisition and manufacturing stages found that the raw material acquisition stage was the main emission hotspot for both products. CHEM will continue to assess the feasibility of emission reductions. Both products have obtained third-party verification statements for their product carbon footprints.



Product Carbon Footprint of Air-Conditioning Systems
(Validity Period: 2025.10.01-2027.09.30)



Product Carbon Footprint of Diesel Generators
(Validity Period: 2026.01.05-2028.01.04)



4.4 Pollution Prevention and Control

4.4.1 Water Resource Management

CHEM's main operating site, Linkou Plant, obtains its water mainly from groundwater and the local water supply plant, with groundwater accounting for more than 70% of the Company's total water withdrawal and tap water accounting for nearly 30%. According to the World Resources Institute's "Aqueduct Water Risk Atlas," the water resource risk level across Taiwan is classified as Low-Medium (1-2), and Taiwan is not considered a water-stressed area. Therefore, there is currently no risk of impacts on local water withdrawals. At the same time, the Company actively conserves resources, and due to the replacement of aging pipelines at Linkou Plant, total water withdrawal in 2025 was 80.282 million liters, a decrease of 31.653 million liters from the previous year.

In accordance with applicable laws and regulations, CHEM discharges wastewater and domestic sewage from its plants to the wastewater treatment plant in the industrial area and cooperates with the management center in conducting regular sampling and testing. In early 2020, the Company completed the replacement of the chemical dosing pipeline and motors at its in-plant wastewater treatment facility, which helped improve the facility's wastewater treatment capacity and ensure that the treated wastewater complies with the standards for wastewater treatment and discharge into the industrial area.

To implement water pollution prevention and control, the Company prepares water pollution prevention and control plans and related documents in accordance with government announcements and submits them to the competent authorities for review and approval to obtain the required permits. Water pollution prevention and control facilities are installed at the plants in accordance with applicable regulations, and wastewater is discharged through the industrial area's pipeline system in accordance with the relevant requirements. The effluent is discharged into the receiving water body only after it complies with applicable local regulatory standards. In addition, the Company has dedicated wastewater treatment personnel responsible for recording the daily influent volume, influent water quality characteristics, discharge volume, chemicals used and chemical dosage, electricity consumption, and other relevant information. These records are used as a basis for setting and reviewing annual energy conservation targets.

CHEM's Water Withdrawal at Linkou Plant for the Past Three Years

(Unit: million liters)

Water Source	2023	2024	2025
Ground Water	81.338 (79.28%)	85.733 (76.59%)	59.127 (73.65%)
Tap Water	21.258 (20.72%)	26.202 (23.41%)	21.155 (26.35%)
Total	102.596	111.935	80.282

The statistics in the above table show that water withdrawal at Linkou Plant was higher in 2024 than in 2023. The increase in groundwater withdrawal was mainly due to increased operational needs, while the increase in tap water consumption was due to increased production capacity and the increase in the number of residents in the dormitories. Overall water consumption increased slightly compared with 2023. In 2025, water withdrawal decreased significantly following the replacement of aging pipelines and damaged underground water pipes.

2025 Water Resource Use Statistics for CHEM's Production Plants

(Unit: million liters)

Category / Plant	Linkou Plant	Nanke Plant	Chiayi Plant	Total
Water Withdrawal	111.935	4.997	8.363	125.295
Water Discharge	18.62	3.597	6.690	28.907
Water Consumption	93.315	1.400	1.673	96.388
Revenue (NT\$ million)	-	-	-	25,609
Water Withdrawal Intensity (metric tons / NT\$ million)	-	-	-	4.893

Note: 1. The 2025 water discharge and water consumption data have been revised.
2. 100% of the water used at Nanke Plant and Chiayi Plant is tap water.

2025 Water Resource Use Statistics for CHEM's Production Plants (Unit: million liters)

Category / Plant	Linkou Plant	Nanke Plant	Chiayi Plant	Total
Water Withdrawal	80.282	5.34	3.694	89.316
Water Discharge	18.94	4.069	2.955	25.964
Water Consumption	61.342	1.271	0.739	63.352
Revenue (NT\$ million)	-	-	-	27,449
Water Withdrawal Intensity (metric tons / NT\$ million)	-	-	-	3.253

Note: 100% of the water used at Nanke Plant and Chiayi Plant is tap water.

According to the statistics above, Linkou Plant, Nanke Plant, and Chiayi Plant consumed 61.342 million, 1.271 million, and 0.739 million liters of water, respectively, in 2025. The total water consumption of Linkou Plant, Nanke Plant, and Chiayi Plant was 63.352 million liters in 2025, down 33.036 million liters YoY. Going forward, we will continue to monitor our water usage and establish relevant measures to optimize water use.

In line with the government's green energy policy, Linkou Plant has been actively improving the existing manufacturing processes to reduce the generation of wastewater. Due to revenue growth, wastewater discharge has increased slightly over the past three years.



Effluent Monitoring Results for CHEM's Plants for the Past Three Years

Item	Plant	2023	2024	2025
Discharge Volume (million liters)	Linkou Plant	17.151	18.62	18.94
	Nanke Plant	—	3.597	4.069
	Chiayi Plant	—	8.363	2.955
Discharge as a Percentage of Water Use (%)	Linkou Plant	16.72	16.63	23.59
	Nanke Plant	—	71.98	76.19
	Chiayi Plant	—	80.00	79.99
COD (mg / L)	Linkou Plant	79.3	148	287
	Nanke Plant	—	69.2	132
	Chiayi Plant	—	33	9
SS (mg / L)	Linkou Plant	5.9	3.2	10.6
	Nanke Plant	—	17.2	30.5
	Chiayi Plant	—	10	1

Note:

1. Under local regulations, the chemical oxygen demand (COD) limit for discharge into the wastewater treatment system is 800 ppm, and the suspended solids (SS) limit is 600 ppm.
2. The annual COD and SS values represent the maximum values reported in the test reports.
3. Starting in 2024, discharge volumes from Nanke Plant and Chiayi Plant have been disclosed.



4.4.2 Waste Management

CHEM entrusts the off-site removal and treatment of industrial waste to public or private waste removal and treatment organizations licensed by the competent authority to remove and treat such waste. For waste removal and treatment contractors, CHEM verifies the legality of their licenses and other documentation and confirms that the flow of waste is properly managed. Various types of waste collection points are established at each plant and site to carry out waste sorting, storage, removal, recycling, and treatment. A dedicated unit oversees waste management across the Company, with priority given to source reduction and waste minimization during production, followed by consideration of reuse and treatment. Finally, records are properly maintained and retained for the operations and inspections related to the storage, removal, and treatment of industrial waste for audit purposes.

To effectively manage industrial waste, the Company implements waste sorting, collection, storage, management, and removal, ensuring effective waste management. Waste removal, treatment, and reuse are carried out in accordance with applicable environmental regulations. As part of ongoing improvement efforts, the Company has adopted measures such as increasing the frequency of waste removal to reduce the amount of waste stored each month.

Other Relevant Management Measures Are as Follows:

In accordance with environmental protection regulations and the requirements of the ISO 14001 Environmental Management System, each plant has an industrial waste disposal plan and handles 22 types of waste, including waste oil mixtures, scrap metal, and general waste generated from business activities, in accordance with applicable regulations. The waste is entrusted to government-approved professional contractors for removal and treatment, and the flow of waste is reported online as required by law to comply with the Waste Disposal Act. Before entrusting waste removal and treatment to external contractors, the Company implements a two-stage preliminary treatment process. In the first stage, waste is sorted and collected at the production lines. In the second stage, waste is sorted and inspected according to the designated signs in the plant's temporary waste storage area, and the weight is confirmed to track the waste flow and comply with the Waste Disposal Act.

The Company has entered into waste removal and treatment contracts with public or private waste removal and treatment organizations licensed by the competent authority to carry out such activities.

Waste removal and treatment operations are reported through online transmission in accordance with applicable regulations, and the final treatment status of the waste is tracked and verified within the prescribed period.

Suppliers are required to reduce packaging materials. Solid materials are delivered directly to the plant for processing without packaging, while gaseous and liquid materials are delivered in barrels. When waste is removed for treatment, each unit consolidates the waste, and the original suppliers take it back using reusable space-saving recovery bags. These bags can be reused repeatedly, significantly reducing waste by an estimated 10 metric tons.

In 2025, the total amount of waste generated by Linkou Plant was 977.4375 metric tons, including 0.9275 metric tons of hazardous industrial waste and 976.51 metric tons of non-hazardous industrial waste. The total amount of waste generated by Nanke Plant was 17.01 metric tons, all of which was non-hazardous industrial waste. Chiayi Plant generated a total of 83.71 metric tons of waste, all of which was non-hazardous industrial waste. For detailed statistics, please refer to the table below.

The statistics show that the amount of hazardous industrial waste generated during CHEM's manufacturing processes has remained very low. All waste is entrusted to qualified contractors for professional treatment, and the Company's environmental management personnel conduct on-site inspections of waste treatment facilities from time to time to ensure that waste removal and treatment processes comply with applicable regulations.

CHEM's 2025 Total Waste Generation and Treatment Breakdown (Unit: metric tons)

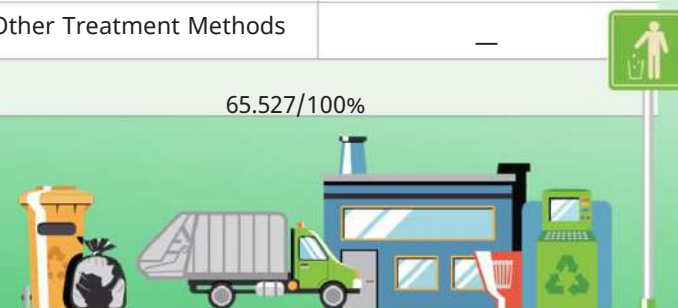
Plant	Waste Type	Waste Generated	Transferred for Treatment	Direct Treatment
Linkou Plant	Hazardous Industrial Waste	3.7918	3.7918 (100%)	0 (0%)
	General Industrial Waste	1195.26	1195.26 (100%)	0 (0%)
	Total Waste	1199.0518	1199.0518 (100%)	0 (0%)
Nanke Plant	Hazardous Industrial Waste	0	0 (0%)	0 (0%)
	General Industrial Waste	30.515	30.515 (100%)	0 (0%)
	Total Waste	30.515	30.515 (100%)	0 (0%)
Chiayi Plant	Hazardous Industrial Waste	0	0 (0%)	0 (0%)
	General Industrial Waste	65.527	65.527 (100%)	0 (0%)
	Total Waste	65.527	65.527 (100%)	0 (0%)
Total (Three Plants)	Hazardous Industrial Waste	3.7918	3.7918 (100%)	0 (0%)
	General Industrial Waste	1291.3020	1291.3020 (100%)	0 (0%)
	Total	1295.0938	1295.0938 (100%)	0 (0%)

CHEM's 2025 Waste Treatment Transfers and Direct Treatment (Unit: metric tons)

Plant	Waste Type	On-Site Treatment Methods	Total Treated	Off-Site Treatment Methods	Total Treated
Linkou Plant	Hazardous Industrial Waste	Recycling	—	—	3.7918
		Other Recovery Methods	—	Incineration	—
	General Industrial Waste	On-Site Reuse	—	Publicly Announced Reuse	—
		Recycling	—	Incineration	1195.26
		Other Recovery Methods	—	Other Treatment Methods	—
	Subtotal / Percentage	00.00/0%		1199.0518/100%	
Nanke Plant	Hazardous Industrial Waste	Recycling	—	Incineration	—
		Other Recovery Methods	—	Other Treatment Methods	—
	General Industrial Waste	Reuse	—	Publicly Announced Reuse	—
		Recycling	—	Incineration	15.155
		Other Recovery Methods	—	Other Treatment Methods	15.360
	Subtotal / Percentage	00.00/0%		30.515/100%	
Chiayi Plant	Hazardous Industrial Waste	Recycling	—	Incineration	—
		Other Recovery Methods	—	Other Treatment Methods	—
	General Industrial Waste	On-Site Reuse	—	Publicly Announced Reuse	—
		Recycling	—	Incineration	65.527
		Other Recovery Methods	—	Other Treatment Methods	—
	Subtotal / Percentage	00.00/0%		65.527/100%	

Notes: Chiayi Plant commenced operations in February 2024; therefore, waste statistics cover the period from February to December 2024.

1. Reuse: Using processes such as inspection, cleaning, or repair to enable products or components that would otherwise become waste to be reused for their original purpose.
2. Recycling: Reprocessing products or components that have become waste to manufacture new materials.



CHEM's 2025 Total Waste Generation and Treatment Breakdown (Unit: metric tons)

Plant	Waste Type	Waste Generated	Transferred for Treatment	Direct Treatment
Linkou Plant	Hazardous Industrial Waste	0.9275	0.9275 (100%)	0 (0%)
	General Industrial Waste	976.51	976.51 (100%)	0 (0%)
	Total Waste	977.4375	977.4375 (100%)	0 (0%)
Nanke Plant	Hazardous Industrial Waste	0	0 (0%)	0 (0%)
	General Industrial Waste	17.01	17.01 (100%)	0 (0%)
	Total Waste	17.01	17.01 (100%)	0 (0%)
Chiayi Plant	Hazardous Industrial Waste	0	0 (0%)	0 (0%)
	General Industrial Waste	83.71	83.71 (100%)	0 (0%)
	Total Waste	83.71	83.71 (100%)	0 (0%)
Total (Three Plants)	Hazardous Industrial Waste	0.9275	0.9275 (100%)	0 (0%)
	General Industrial Waste	1077.23	1077.23 (100%)	0 (0%)
	Total	1,078.1575	1,078.1575 (100%)	0 (0%)

CHEM's 2025 Waste Transferred for Treatment and Direct Treatment (Unit: metric tons)

Plant	Waste Type	On-Site Treatment Methods	Total Treated	Off-Site Treatment Methods	Total Treated
Linkou Plant	Hazardous Industrial Waste	Recycling	—	—	—
		Other Recovery Methods	—	Incineration	0.9275
	General Industrial Waste	On-Site Reuse	—	Publicly Announced Reuse	—
		Recycling	—	Incineration	932.82
		Other Recovery Methods	—	Other Treatment Methods	43.69
	Subtotal / Percentage	00.00/0%		977.4375/100%	
Nanke Plant	Hazardous Industrial Waste	Recycling	—	Incineration	—
		Other Recovery Methods	—	Other Treatment Methods	—
	General Industrial Waste	Reuse	—	Publicly Announced Reuse	—
		Recycling	—	Incineration	17.01
		Other Recovery Methods	—	Other Treatment Methods	—
	Subtotal / Percentage	00.00/0%		17.01/100%	
Chiayi Plant	Hazardous Industrial Waste	Recycling	—	Incineration	—
		Other Recovery Methods	—	Other Treatment Methods	—
	General Industrial Waste	On-Site Reuse	—	Publicly Announced Reuse	64.57
		Recycling	—	Incineration	19.14
		Other Recovery Methods	—	Other Treatment Methods	—
	Subtotal / Percentage	00.00/0%		83.71/100%	

Note:

1. Reuse: Using processes such as inspection, cleaning, or repair to enable products or components that would otherwise become waste to be reused for the same purpose as originally intended.

2. Recycling: Reprocessing products or components that have become waste to manufacture new materials.

4.4.3 Air Pollution Prevention and Control

To implement air pollution prevention and control measures, for any production process involving a stationary pollution source designated and announced by the central competent authority, the Company prepares an air pollution control plan and applies to the competent authority for installation and operation permits. Operations are conducted in accordance with the requirements of the permits, and all air pollutant emissions in 2025 complied with applicable regulatory emission standards. In addition, no operations involving combustion, grinding, conveying, or other activities that generate significant particulate pollutants are conducted within the respective areas, in order to prevent the dispersion of air pollutants into the atmosphere. Appropriate control measures are also required for construction projects, the storage of particulate materials, and the transportation of construction materials, waste, or other materials. The placement, use, baking, and storage of organic solvents or other volatile substances must not result in offensive odors. Pollution control equipment is properly maintained to ensure normal operation.

In terms of air pollution prevention and control, CHEM continues to invest resources in research and development to reduce direct process emissions and fugitive pollutants, while improving the efficiency of air pollution control equipment for exhaust gas treatment to levels exceeding regulatory standards.

Air Pollutant Emissions from Stationary Pollution Sources at Linkou Plant over the Past Three Years

(Unit : kg)

Year	2023	2024	2025
Nitrogen Oxides (NOx)	55.75	54.62	40.52
Sulfur Oxides (SOx)	4.409	4.23	3.22
Volatile Organic Compounds (VOCs)	51986.5	51245.2	37411

Source: Declaration data for air pollution fees and emissions from stationary pollution sources.

As shown in the table above, over the past three years, emissions of NOx, SOx, and VOCs from CHEM's stationary pollution sources have remained within a certain range. CHEM will continue to monitor these emissions and gradually reduce air pollutant emissions, contributing to environmental protection.



4.5 Material Management

To reduce the environmental and social impacts of its various operational activities, CHEM has established a green supply chain through multifaceted initiatives, including local procurement, green procurement, the circular economy, renewable energy research and development, and the prohibition of conflict minerals. Priority is given to products and suppliers that have obtained the environmental label recognized by the Environmental Protection Administration of the Executive Yuan, that meet criteria for recycled materials, low pollution, recyclability, and resource conservation, or that have obtained the Green Building Label, in order to minimize the environmental impact of the supply chain. From the supplier selection stage, CHEM requires that conflict minerals originating from conflict-affected areas not be included. For existing suppliers, CHEM proactively investigates and verifies specific materials (gold, tantalum, tin, and tungsten), obtains signed conflict mineral prohibition agreements or statements, and fulfills its corporate social responsibility through due diligence.

CHEM's Material Use by Weight over the Past Three Years (Unit: metric tons)

Year	Renewable Materials			Non-Renewable Materials				Total Material Use
	Cardboard Boxes	Wooden Pallets	Wooden Crates	Metal Machined Parts, Sheet Metal, and Steel Pipes	Engines	Compressors	Other	
2023	2.26	5.76	1.78	566.84	457.00	5.00	201.87	1,240.51
2024	3.1	7.89	2.44	776.57	626.09	6.85	276.56	1,699.5
2025	3.32	8.45	2.62	832.35	671.06	7.34	296.43	1821.57

Note: GIS is not included.

CHEM's Recycled and Reused Material Use by Weight over the Past Three Years

(Unit: metric tons)

Year	Total Weight of Recycled and Reused Materials Used	Total Material Use	% of Recycled and Reused Materials Used
2023	9.80	1,240.51	0.7900
2024	13.426	1,699.5	0.8000
2025	14.39	1821.57	0.7900

Note: GIS is not included.

CHEM's Recovered Products and Packaging Materials by Weight over the Past Three Years

(Unit: metric tons)

Year	Total Weight of Recovered Products and Packaging Materials	Total Weight of Products Sold (metric tons)	% of Recovered Products and Packaging Materials
2023	10.01	1,266.69	0.7900
2024	13.714	1,735.37	0.8000
2025	14.70	1860.02	0.7900

Note: GIS and the Hydrogen Energy Division are not included.





5

Friendly Workplace

- 5.1 Happy Workplace
- 5.2 Compensation & Benefits
- 5.3 Learning & Development

5. Friendly Workplace (2-7、2-8、2-30、401、404、405-1)

	Material Topic	2025 Strategic Direction	2025 Implementation Results
1	Occupational Health and Safety	·Foster a strong corporate culture of occupational health and safety risk management. ·Build a safe workplace and continue to implement source management of machinery and equipment to eliminate unsafe hazards.	·The number of consultations with occupational health physicians reached 71. ·The proportion of employees receiving special health examinations reached 92%. ·Starting in 2023, machinery and equipment purchased must undergo safety inspections based on applicable IEC or IEEE standards.
2	Talent Recruitment and Retention	·For external talent, deepen campus engagement to identify and develop talent and expand diversified recruitment channels. ·For internal talent, facilitate talent mobility and referrals, while encouraging cross-functional and cross-disciplinary development to promote long-term retention.	·The workforce replenishment rate increased by 7.32% YoY. ·The employee turnover rate decreased slightly by 0.09% YoY.
3	Talent Development and Training	·Implement performance evaluations at the organizational-unit level to ensure fairness and impartiality. ·Provide training for talent with diverse areas of expertise. ·Incorporate social responsibility into training.	·Women and men have equal opportunities for promotion, and career development is not restricted by gender. The Company promotes gender equality. ·Course offerings emphasize both general education and specialized skills training to support diversified development. ·The annual training plan completion rate reached 100%, while average training hours increased by 40% YoY. ·Energy conservation, carbon reduction, waste reduction, and emissions reduction are core themes of all training programs and proposal incentives.



Declaration on Respect for Human Rights

CHEM's Statement on Respect for Human Rights applies to full-time, contract, and temporary employees, as well as customers, suppliers, and society. The Company's fundamental principles are based on fair treatment and respect for individual differences, in accordance with the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGP), the Responsible Business Alliance (RBA), the International Labour Organization (ILO), and applicable local laws. In addition, the Company has established the "Operational Guidelines for the Supplier Corporate Social Responsibility Code of Conduct," requiring partnering suppliers and service providers to comply with the same standards and provide a safe and healthy working environment for all workplace stakeholders.

We Commit to the Following:

1	Prohibition of Human Trafficking, Forced Labor, and Child Labor	The use of slavery or human trafficking, forced labor, child labor, or any other form of involuntary labor is prohibited.
2	Protection of the Rights to Freedom of Association and Collective Bargaining	In accordance with local laws, CHEM respects all employees' rights to organize and participate in trade unions of their choice, engage in collective bargaining, and participate in peaceful assemblies.
3	Equal Employment Opportunity and Non-Discrimination	CHEM promotes diversity and equal opportunity and does not discriminate in recruitment, employment, or treatment on the basis of nationality, race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, beliefs, political affiliation, association membership, marital status, or other such factors.
4	Prohibition of Inhumane Treatment and Harassment	CHEM prohibits harsh or inhumane treatment of employees, including any form of sexual harassment, harassment of any kind, bullying, sexual assault, corporal punishment, mental or physical coercion, or verbal abuse, and prohibits threats to engage in any such conduct. CHEM provides grievance and feedback channels for employees to raise concerns regarding human rights, labor-management relations, sexual harassment, harassment of any kind, bullying, and other related issues. The Human Resources Department receives and handles grievances and oversees the responsible units in addressing them within the prescribed timeframe and developing improvement measures. For sexual harassment cases, the Sexual Harassment Complaint Handling Committee reviews the case to determine whether the complaint is substantiated and decides on disciplinary action against the relevant personnel based on the severity of the circumstances.
5	Provision of a Safe and Healthy Working Environment	Following international environmental, health, and safety management systems, CHEM establishes a healthy and safe working environment and reduces occupational accidents.
6	Compliance with Customer Requirements	CHEM regularly reviews and assesses customer requirements and related systems and practices, and timely adjusts and updates management methods as appropriate.

Human Rights Policy Education and Training

During onboarding training for new employees, CHEM promotes awareness of its human rights policy. All security personnel directly employed by CHEM receive training on the Company's human rights policy.



5.1 Happy Workplace

5.1.1 Human Resources Structure Analysis

The diverse abilities and creativity of employees are fundamental drivers of sustainable corporate development. CHEM places the well-being of its employees and their families as a top priority and is committed to creating a diverse, inclusive, and fulfilling workplace. The Company also provides employees with abundant resources to help them fully realize their potential and grow alongside the Company.

As of the end of 2025, CHEM had a total of 1,900 employees, including 252 supervisors and 1,648 general employees. Due to the nature of the industry and the job functions, which primarily involve engineering and technical operations, male employees accounted for 79.37% of the workforce (1,508 employees), while female employees accounted for 20.63% (392 employees). By nationality, 1,714 employees were nationals (90.21%), while 186 employees were non-nationals (9.79%). In addition, 179 migrant workers were employed through recruitment agencies, seven industrial trainees were employed through industry-academia collaboration, and seven fourth-year university students served as off-campus interns.

Information on CHEM Employees and Other Workers (Unit: persons; %)

Year	Major Categories		Male				Female				Subtotal	
			Nationals		Non-Nationals		Nationals		Non-Nationals		No. of Workers	%
			No. of Workers	%	No. of Workers	%	No. of Workers	%	No. of Workers	%		
2023	Employment Contract	Non-Fixed-Term	1,313	69.14	3	0.16	357	18.80	0	0.00	1,673	88.10
		Fixed-Term	61	3.21	149	7.84	7	0.37	9	0.48	226	11.90
		Subtotal	1,374	72.35	152	8.00	364	19.17	9	0.48	1,899	100.00
	Employment Type	Full-Time	1,343	70.72	152	8.00	360	18.96	9	0.48	1,864	98.16
		Part-Time	31	1.63	0	0.00	4	0.21	0	0.00	35	1.84
		Subtotal	1,374	72.35	152	8.00	364	19.17	9	0.48	1,899	100.00
	Employee Type	Direct	596	31.38	149	7.85	77	4.06	9	0.48	831	43.77
		Indirect	778	40.97	3	0.15	287	15.11	0	0.00%	1,068	56.23
		Subtotal	1,374	72.35	152	8.00	364	19.17	9	100.00	1,899	100.00

Year	Major Categories										Subtotal	
			Nationals		Non-Nationals		Nationals		Non-Nationals		No. of Workers	%
			No. of Workers	%	No. of Workers	%	No. of Workers	%	No. of Workers	%		
2024	Employment Contract	Non-Fixed-Term	1,301	96.37	3	1.69	359	95.99	0	0.00	1,663	86.66
		Fixed-Term	49	3.63	174	98.31	15	4.01	18	100.00	256	13.34
		Subtotal	1,350	100.00	177	100.00	374	100.00	18	100.00	1,919	100.00
	Employment Type	Full-Time	1,330	98.52	177	100.00	371	99.20	18	100.00	1,896	98.80
		Part-Time	20	1.48	0	0.00	3	0.80	0	0.00	23	1.20
		Subtotal	1,350	100.00	177	100.00	65	100.00	18	100.00	1,919	100.00
	Employee Type	Direct	535	39.63	176	99.44	309	17.38	18	100.00	794	41.38
		Indirect	815	60.37	1	0.56	374	82.62	0	0.00	1,125	58.62
		Subtotal	1,350	100.00	177	100.00	362	100.00	18	100.00	1,919	100.00
2025	Employment Contract	Non-Fixed-Term	1,303	97.31	4	2.37	13	96.53	1	5.88	1,670	87.89
		Fixed-Term	36	2.69	165	97.63	375	3.47	16	94.12	230	12.11
		Subtotal	1,339	100.00	169	100.00	373	100.00	17	100.00	1,900	100.00
	Employment Type	Full-Time	1,329	99.25	169	100.00	375	99.47	17	100.00	1,888	99.37
		Part-Time	10	0.75	0	0.00	60	0.53	0	0.00	12	0.63
		Subtotal	1,339	100.00	169	100.00	315	100.00	17	100.00	1,900	100.00
	Employee Type	Direct	506	37.79	167	98.82	375	16.00	16	94.12	749	39.42
		Indirect	833	62.21	2	1.18		84.00	1	5.88	1,151	60.58
		Subtotal	1,339	100.00	169	100.00		100.00	17	100.00	1,900	100.00

5.1.2 Talent Recruitment and Employee Retention

In 2025, CHEM hired a total of 182 new employees, including 136 men and 46 women. In terms of employee retention, the turnover rate for the year was approximately 11.58%, all of which was voluntary turnover. The turnover rate decreased slightly by 0.09% YoY, from 11.67% in 2024. The turnover rate has remained stable and has shown a slight downward trend over the past two years, mainly because the Company has continued to implement across-the-board salary adjustments, increase employee benefits, and improve the working environment. These efforts encourage employees to defer retirement and pursue re-employment, strengthen work-life balance, enhance managerial capabilities, and expand opportunities for employee career development.

Total Numbers and Percentages of New Hires and Departing Employees by Age Group and Gender

Year	Major Categories	Age Group	Male		Female	
			No. of Workers	%	No. of Workers	%
2023	New Hires	30 and Below	181	9.53	32	1.69
		31-50	120	6.32	35	1.84
		51 and Above	37	1.95	7	0.37
	Gender Distribution		338	82.04	74	17.96
	Departing Employees	30 and Below	69	3.63	14	0.74
		31-50	55	2.90	17	0.90
		51 and Above	38	2.00	4	0.21
	Subtotal		162	82.23	35	17.77
2024	New Hires	30 and Below	129	6.72	23	1.20
		31-50	100	5.21	21	1.09
		51 and Above	39	2.03	14	0.73
	Gender Distribution		268	82.21	58	17.79
	Departing Employees	30 and Below	68	3.54	15	0.78
		31-50	73	3.80	10	0.52
		51 and Above	50	2.61	8	0.42
	Subtotal		191	85.27	33	14.73

Year	Major Categories	Age Group	Male		Female	
			No. of Workers	%	No. of Workers	%
2025	New Hires	30 and Below	56	2.95	18	0.95
		31-50	49	2.58	26	1.37
		51 and Above	31	1.63	2	0.11
	Gender Distribution		136	74.73	46	25.27
	Departing Employees	30 and Below	46	2.42	9	0.47
		31-50	59	3.11	43	2.26
		51 and Above	48	2.53	15	0.79
	Subtotal		153	69.55	67	30.45

Note:

1. Percentage of New Hires (%) = Number of new hires in each age group / Total number of employees at year-end

Gender Distribution of New Hires (%) = Number of new hires of each gender / Total number of new hires

2. Percentage of Departing Employees (%) = Number of departing employees in each age group / Total number of employees at year-end

Gender Distribution of Departing Employees (%) = Number of departing employees of each gender / Total number of departing employees



5.1.3 Workplace Equality and Employment Accessibility

To create a diverse, inclusive, and accessible work environment, CHEM hired 28 persons with disabilities in 2025, exceeding the statutory employment requirement by seven. In addition, to encourage senior employees to pass on their work experience, realize their value, and bring greater vitality to the Company, CHEM continued its efforts to employ older workers. Following its selection by the Taoyuan City Government in 2021 as an "Outstanding Enterprise for Continued Employment of Older Workers," CHEM rehired a total of 54 employees who reached the age of 65 in the year during 2023–2025. In 2025, CHEM was recognized by the Taoyuan City Government with the "Potential Enterprise Award" under the Friendly Enterprise Awards for Middle-Aged and Older Workers. In addition, CHEM employed 179 migrant workers through recruitment agencies and hired seven industry-academia training program students and seven fourth-year university students for off-campus internships through industry-academia collaboration.



Designing Job Content to Meet Employee Needs

To provide an accessible work environment for employees with disabilities, CHEM improves work equipment and designs relevant assistive devices to help them better perform their duties. In addition, suitable job duties are assigned to employees with disabilities, who are provided with equal opportunities for promotion as other employees.

Providing Employment Opportunities and Stability

Employees with disabilities work in various departments and workplaces across different areas of the Company. The Company's occupational health nurses and Human Resources personnel provide timely care and assistance regarding their adjustment to the work environment and working conditions, as well as any difficulties they may encounter at work.

Recognizing Work Performance to Create a Win-Win Situation

Employees with disabilities perform their duties competently and maintain harmonious relationships with other employees. Their stable work performance and diligent, appreciative attitude toward their work, combined with placing them in positions suited to their abilities, enable them to maximize their strengths and achieve a win-win outcome.

5.1.4 Recognition as a Happy Enterprise

In 2019, nearly 9,000 office workers participated in the online voting campaign for the "Happiness Survey of the Manufacturing and Construction Brokerage Industries" organized by 1111 Job Bank. CHEM was selected as one of the top 20 happiest companies in the precision machinery category of the manufacturing industry. From 2023 to 2025, CHEM received the Gold Award in the "Happy Enterprise" voting campaign organized by 1111 Job Bank in the "Manufacturing Industry" category for three consecutive years. CHEM's efforts to build a happy and friendly workplace have received widespread recognition from working professionals.



5.2 Compensation and Benefits

CHEM's 2025 Approach to Compensation and Benefits and Its Evaluation

Material Topic	Compensation and Benefits	
Corresponding GRI Indicator	GRI 401 Employment	
Policies and Commitments	CHEM has established a sound compensation and performance evaluation system to ensure that employees receive the salary compensation and related bonuses and benefits to which they are entitled based on their capabilities and performance.	
Goals and Targets	Short-Term	- The Company makes timely adjustments to and enhances relevant employee benefits based on performance for the year. - The Company provides childbirth subsidies, expands the range of employee benefit activities, and invites employees' family members to participate, promoting interaction and learning among families and departments. - The Company benchmarks against relevant market sectors and makes timely adjustments to align with market salary levels and maintain the Company's competitiveness.
	Medium- and Long-Term	- Include additional performance evaluation criteria and determine the extent of salary adjustments based on overall performance, thereby increasing employee satisfaction with their compensation and strengthening their sense of belonging to the Company. - Add more employee benefit programs to better meet employees' needs.
Responsibilities and Resources	Human resources unit, Management Division	
Evaluation Mechanisms and Results	With benefits exceeding the requirements of the Labor Standards Act, CHEM received the Gold Award in the manufacturing category in the 2025 Happy Enterprise voting campaign organized by 1111 Job Bank.	

5.2.1 Compensation Management

In addition to providing annual salary adjustments for employees with outstanding work performance, CHEM has implemented across-the-board salary adjustments in 2024 and 2025 in response to the year-on-year increase in price levels in recent years, with the aim of improving employees' standard of living and sharing the Company's operating results with employees.

CHEM was founded more than 70 years ago and has established comprehensive salary, benefits, and retirement systems, which are fully implemented. The Company places the well-being of its employees and their families as a top priority and provides competitive compensation to recruit and retain the talent needed for its operations. CHEM also places importance on upholding the principle of equal pay for equal work, with no differences in employee compensation based on gender. In 2025, the ratio of basic salary and compensation between women and men was 1:1, in line with the Company's equal compensation policy.

Average and Median Salaries of Full-Time Non-Managerial Employees at CHEM

Year	2023	2024	2025
Average Salary	NT\$907,000	NT\$942,000	NT\$964,000
Median Salary	NT\$773,000	NT\$828,000	NT\$869,000



Note: 1. Non-managerial positions are positions below the managerial level.
2. Currency: New Taiwan dollars (NT\$).

CHEM's Average Monthly Salary for Entry-Level Employees

Year	Gender/Year	2023	2024	2025
Average Standard Salary for Entry-Level Employees	Male	34,041	35,689	36,321
	Female	34,321	35,607	36,528
Ratio of Entry-Level Employees' Average Standard Salary to Local Minimum Wage	Male	1.289	1.299	1.270
	Female	1.300	1.296	1.278

Note:
1. The local minimum monthly wage was NT\$26,400 in 2023, NT\$27,470 in 2024, and NT\$28,590 in 2025.
2. Entry-level employees are those holding positions at or below Assistant Engineer. Standard salary includes regularly paid production bonuses but excludes special allowances and bonuses.

Percentage of Women in Mid-Level and Senior Management at CHEM

Year	2024	2025
Middle-Level	1.78%	1.63%
Senior	0.42%	0.42%

Note:
1. "Senior management" refers to the Divisional General Manager level and above, including Deputy Divisional General Managers.
2. "Mid-level management" refers to Managers and Assistant Managers.

Number of Local Residents in Senior Management at CHEM

Year	2023	2024	2025
Total Senior Management Headcount	36	35	35
Number of Local Residents in Senior Management	36	35	35
Percentage	100	100	100

Note:
1. "Senior management" refers to the Divisional General Manager level and above.
2. "Major business locations" refers to locations in Taiwan, and "local residents" refers to residents of Taiwan.

5.2.2 Labor-Management Relations

Open Communication Channels

To promote harmonious labor-management relations, CHEM uses multiple communication channels to understand employees' needs and respond to their expectations, including holding four labor-management meetings each year and establishing an employee grievance mailbox on the Company's internal website.

CHEM regularly holds labor-management meetings with the Company's enterprise union in accordance with Article 83 of the Labor Standards Act and may convene ad hoc meetings when necessary. These meetings provide a forum for two-way communication and consultation on matters including promoting labor-management cooperation, coordinating labor-management relations, improving working conditions, and planning employee welfare programs.

The Company and its enterprise union negotiate on labor-management matters, including members' working conditions, welfare measures, occupational safety, and the use of facilities for union operations and activities, to promote labor-management harmony and enhance employee welfare. On February 26, 1979, both parties entered into a "collective agreement." Thereafter, upon the expiration of each agreement, both parties negotiate and sign a new agreement. The most recent agreement was signed on October 15, 2024, and is valid for three years. In 2025, the collective agreement covered 1,440 employees, representing 75.04% of the Company's total workforce.

Senior management participates in union activities twice a year to maintain open communication with employees and address work-related issues. The Company has also established an "Employee Grievance Mailbox" and an "Anonymous Reporting Mailbox" for employees to raise concerns regarding work, management, the work environment, or any other matters in a protected manner, with messages received and responses provided directly by senior management. The "Anonymous Reporting Mailbox" can be accessed directly through a link on the Company's official website (<https://www.chem.com.tw/tc/contact.aspx>). Since its launch in 2023, the mailbox has received a total of 393 anonymous reports, all of which have been appropriately addressed and improvements implemented.

CHEM values employees' feedback on the Company and conducts an employee satisfaction survey every year. The survey covers a range of topics, including satisfaction with job duties and the work environment, interactions with colleagues and supervisors, a sense of accomplishment at work, and expectations for the Company's future development. Employee feedback serves as a reference for continuously improving labor-management communication and management practices. The following summarizes the actual implementation over the past three years.

Employee Satisfaction Survey Results over the Past Three Years

Year	2023	2024	2025
Average Score	4.13	4.12	4.08



Note: The maximum score is 5.

Protecting Labor Rights

CHEM Human Rights Policy — Prohibition of Employment Discrimination, Forced Labor, and Child Labor

Human Rights Policy

CHEM respects human rights and treats all employees and job applicants fairly and with dignity, regardless of race, religion, skin color, nationality, place of origin, political affiliation, beliefs, place of birth, age, gender, sexual orientation, marital status, appearance, physical or mental disability, trade union membership, or other such factors. CHEM prohibits any form of improper employment discrimination and strictly prohibits the employment of children under the age of 16 and forced labor. CHEM also requires its suppliers to comply with international standards.

In addition, the Company has established the "Sexual Harassment Prevention Measures, Grievance, and Disciplinary Regulations," which are posted on the Company's website. The Company strictly prohibits any form of sexual harassment in the workplace and is committed to maintaining a safe and healthy working environment.

At the end of 2021, CHEM began planning the implementation of the Responsible Business Alliance (RBA) Code of Conduct across selected departments, including Precision Machinery Plant No. 2 and Nanke Plant. In 2022, these departments underwent an RBA Customer Managed Audit (CMA) to ensure compliance with the Code of Conduct. This initiative ensures that the Company protects labor rights, safeguards employee health and safety, and establishes a management system aligned with environmental and ethical standards.

In 2025, neither CHEM nor its suppliers were involved in any major risks or incidents related to child labor or forced labor. There were no violations of employees' rights to freedom of association and collective bargaining, nor any significant labor disputes.

Labor-Management Relations

If the Company is about to undergo significant operational changes that may materially affect employees' employment conditions, CHEM complies with Article 16 of the Labor Standards Act and provides the minimum statutory advance notice period for termination of employment contracts, in order to protect employees' employment rights and minimize the impact. During the reporting period, the Company did not undergo any significant operational changes.

5.2.3 Diverse Benefits

To provide employees with a safe and healthy workplace, CHEM is committed to creating a workplace where employees can work happily. Since 2016, CHEM has implemented an Employee Assistance Program (EAP) to help address work-, life-, and health-related issues that may affect employees' work performance. Through a variety of support measures covering health, medical care, legal, tax, financial, and childcare services, CHEM has established a caring and supportive work environment, improved employees' overall quality of work and life, and strengthened their sense of belonging to and cohesion with the Company.

CHEM provides full-time employees with a comprehensive benefits program. In addition to basic rights such as Labor and National Health Insurance, annual leave, maternity leave, and parental leave, the Company also provides life insurance, medical insurance, disability insurance, retirement benefits, emergency assistance, wedding and childbirth gifts, funeral assistance, employee dormitories, and subsidies for parental leave and children's scholarships. The Company also makes statutory contributions to employee welfare funds. To continuously promote employee welfare, the Employee Welfare Committee is composed of labor and management representatives, and each employee enjoys approximately NT\$20,000 in welfare funds per year. In addition to creating a healthy and friendly work environment, CHEM provides employees with greater support and care in the areas of family life and learning and personal development planning, while continuing to strengthen their sense of belonging to the Company.

For example, CHEM provides designated parking spaces for pregnant employees, offers consultations and care from occupational health nurses from time to time, and provides breastfeeding rooms. Recreational equipment is installed on each floor of the Company's buildings, allowing employees to relax and unwind individually or in groups after work. To recognize employees' efforts when working overtime, the Company provides overtime pay at rates above the statutory requirements. The Company has also installed extensive lighting and surveillance equipment to help ensure employees' safety at work. Based on employees' inquiries during consultations with occupational health physicians, health information is shared with employees from time to time, with occupational health nurses and supervisors working together to support their health and well-being.

Total Employee Salary and Benefits Expenses over the Past Three Years (Unit: NT\$ thousand)

2023	2024	2025
3,049,874	3,443,642	3,531,573

*In 2025, total employee salary and benefits expenses climbed 2.55% YoY to NT\$87,931 thousand.



CHEM's Employee Benefits Measures

1 Work-Life Balance

- **Birthday Cash Gift**: Employees who have been with CHEM for at least one year are eligible to receive an annual birthday cash gift of NT\$2,000.
- **Travel Subsidies**: The Company provides subsidies for domestic and overseas travel. Employees who have been with the Company for one year or more but less than two years are eligible for a subsidy of NT\$2,000; those who have been with the Company for two years or more but less than three years are eligible for NT\$4,000; and those who have been with the Company for three years or more are eligible for NT\$6,000.

2 Family Care

- **Flexible Working Hours**: To accommodate employees' family needs or childcare arrangements, employees may apply for flexible working hours and adjust their start and end times as needed.
- **Childcare**: CHEM has entered into agreements with legally registered childcare and after-school care providers in areas near the Company, including HOWWOH Childcare Center in Guishan District, Taoyuan City, and Linkou District, New Taipei City, as designated childcare providers. In addition to offering employees preferential rates, CHEM periodically visits the designated providers to monitor childcare conditions, giving employees peace of mind when arranging childcare.
- **Scholarships**: The Company provides scholarships and grants for employees' children, with applications processed once each semester.

Subsidy Levels for Scholarships and Grants to Employees' Children

Group	Graduate and College/University Group	High School Group	Middle School Group
Scholarship	3,200	2,400	1,600
Grant	800	600	500

3 Health Promotion

▪ **Vaccination:** CHEM encourages employees to get vaccinated to boost their immunity. In 2025, the Company arranged for healthcare providers to administer influenza vaccines to employees at the plants.

▪ **Health Promotion Activities:** CHEM offers a diverse range of work arrangements and encourages employees to enjoy more opportunities for interaction and fun alongside their work. The happiness and smiles of our employees have always been something we value deeply and strive to foster. Even a brief moment of happiness can create lasting memories and foster a sense of warmth and connection like that of a family.

Each year, CHEM plans and implements employee health promotion programs, including employee health checkups, strength training, weight management, smoking cessation, health seminars, and stress-relief courses, to promote employee health.

| CHEM "Wake-Up Call" Exercise |

To encourage employees to stretch and promote their health, CHEM conducts a daily morning exercise program called "Wake-Up Call." At 8:00 a.m. each morning before work, approximately five minutes of the national health exercise routine are automatically broadcast through the Company's broadcasting system, encouraging employees to exercise along with the program. This initiative aims to promote healthy employees, happy families, and effective work.

▪ **Lively Strength Training:** CHEM hires professional fitness instructors to conduct classes from Monday through Thursday after work, using equipment such as dumbbells, kettlebells, step platforms, resistance bands, and yoga mats. The classes focus on muscle building and cardiovascular aerobic exercise to improve employees' physical fitness, promote cardiovascular health, improve cardiorespiratory fitness, and reduce injuries caused by improper movements. The program encourages employees to exercise regularly while helping relieve stress and emotional tension. From its launch in May 2025 through the end of the year, 119 classes were held, with a total of 1,099 attendances, providing tangible health benefits to employees.



▪ **Weight Management Activities:** To promote employee health and implement workplace health management, CHEM has installed a body fat scale in the medical office to provide employees with real-time measurements and health consultation services. Through these activities, the Company assists employees who need to manage their weight to maintain their health. The activities also incorporate healthy eating education and the development of exercise habits to strengthen employees' self-management of their health and foster a supportive, healthy workplace environment.

Throughout the activity period, health and weight management information was regularly provided each week and distributed by email to all participating employees. For foreign employees, recruitment agencies assisted with translation and explanations during the measurement process to ensure the accurate communication of health information.

Based on the results of activities conducted in previous years, 160 employees registered for the activity in 2025, up 6.67% YoY. The total annual weight loss was 323.1 kg, down 28.62% from 2024, but up 61.79% from 2023. Overall, the results demonstrate the activity's continued positive impact on employees' weight management.

CHEM will continue to optimize its health promotion measures, deepen employees' health awareness, and track results through data-driven management to enhance the sustainable value of workplace health management.

Year	Number of Registrants	Total Weight Loss (kg)
2023	116	199.7
2024	150	452.7
2025	160	323.1



| CHEM Cup Third Singing Competition |

The third competition encouraged employees to break out of the traditional boundaries of singing by incorporating creativity, fun, and dance performances. In addition to showcasing their vocal talents through music, employees could explore new possibilities in performance, bringing more joy and a cheerful atmosphere to the workplace. Employees could also team up to compete for prize money.



Award	Prize Money (NT\$)
First Prize	10,000
Second Prize	5,000
Third Prize	3,000
Best Creative Design Award (1 recipient)	2,000
Best Performance Award (1 recipient)	2,000
Best Dance Award (1 recipient)	2,000
Best Entertainment Award (1 recipient)	2,000
Participation Award (26 recipients)	500

| Emotional Connections — Festive Activities — Mother's and Father's Day Celebrations |

Mother's and Father's Day celebrations were about more than just warmth. Creativity and fun were also incorporated, with professional entertainers bringing creative balloon art into the celebrations. Through interactive activities, employees who are mothers and fathers were able to embrace their inner child and create joyful memories amid their busy working lives. We sincerely appreciate our employees for their dedication to taking on their many roles in the workplace, at home, and in their daily lives with strength and commitment.



| Emotional Connections — Festive Activities— Winter Solstice Gathering |

Warm Hearts and Warm Bellies~ During this traditional festival, we gathered together to share warm greetings and enjoy sweet rice dumplings.

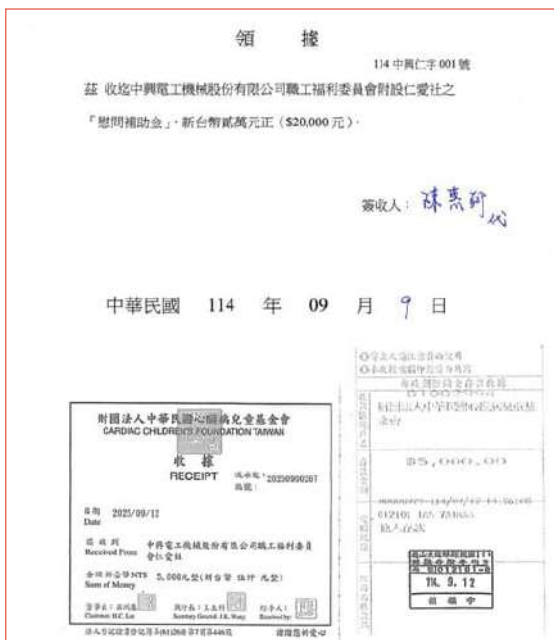


4 Club Activities

▪ **Diverse Clubs:** CHEM currently has various clubs, including a Bowling Club, Badminton Club, Hiking Club, Billiards Club, Charity Club, and Women's Club, which make use of community resources and facilities to encourage employees to participate in leisure activities.

▪ Club activities are more than spaces for exercise and stress relief; they also serve as bridges that cross departmental boundaries and foster friendships. Here, we work side by side and support one another in our daily lives. Employees' family members are warmly invited to join these activities, providing opportunities not only to develop skills together but also to enjoy quality family time through interaction, allowing teamwork and family happiness to grow together.

Club Name	Club Descriptions
Hiking Club	Organizes various hiking and trekking activities, providing opportunities to connect with and embrace nature.
Badminton Club	Provides opportunities for members to practice and improve their skills, foster team spirit, and participate in friendly matches with other companies and organizations to enhance their badminton skills.
Bowling Club	Brings together employees who enjoy bowling and organizes friendly matches to strengthen camaraderie among colleagues.
Shrimp Fishing Club	Promotes friendship and interaction among employees while providing opportunities to relax through shrimp fishing activities.
Billiards Club	Provides opportunities to practice and learn from one another, improve billiards skills, and promote interaction among employees from different departments.
Women's Club	Enhances women's life skills and promotes women's intellectual and aesthetic development and sense of value through activities such as beauty and grooming, handmade soap making, dried flower art, cooking, and other activities.
Charity Club	Identifies individuals and families in need, regardless of nationality, and provides care and assistance through donations and visits. By bringing together the small acts of kindness of employees, the Club creates a greater force for good and brings sunshine-like warmth to families living in the shadows of poverty and illness.



Charity Club

Calls on employees to make charitable donations and bring together the generosity of many to support disadvantaged groups.



Hiking Club

Calls on employees to participate in outdoor activities such as hiking, enjoying coastal scenery, and playing in the waves. Whether climbing through the mountains or walking along the coast, the team's mutual support and companionship promote physical and mental health while strengthening friendships among employees.



Women's Club

The Club offers a wide variety of activities, including handcrafts such as making mint soap, giving employees opportunities to develop skills and confidence while relieving stress, as well as strengthening connections among colleagues.



Handcraft Activity:
Refreshing Mint Soap



Baking Activity:
Mango Cheesecake Roll



Health Seminar:
Traditional Chinese Medicine:
Nourishing Health in Winter

Badminton Club



The Badminton Club is one of the most energetic clubs, where employees can work up a sweat while enjoying the sport. Badminton helps improve concentration and burn calories, and the Club organizes badminton tournaments every quarter. In addition to keeping employees active through continuous physical training, these activities also foster team harmony.



Billiards Club

Billiards is more than just a sport; it is also an activity that combines physics, geometry, and mental skills. The Billiards Club organizes social games each quarter, providing a professional yet friendly platform for interaction. After work, employees can enjoy the fun of playing at the billiards table while relaxing and unwinding.

5 Attracting Talent

- **Talent Referral:** To encourage employees to recommend qualified candidates to join the Company, CHEM provides a talent referral bonus of NT\$3,000.
- **Employee Dormitory:** Provides accommodation for job seekers from outside the local area.



6 Retirement System

- CHEM's retirement system is governed by the Labor Standards Act and the Company's Employee Work Rules and provides for two types of retirement: voluntary retirement and mandatory retirement.
- In accordance with the law, the Company contributes 2% of total monthly payroll to the labor retirement reserve fund, which is deposited in a dedicated account with the Bank of Taiwan (Trust Department) for safekeeping. Retirement benefits are paid to retired employees in accordance with applicable regulations.
- For employees covered by the new pension system under the Labor Pension Act, the Company contributes 6% of their monthly wages each month to their individual labor pension accounts established by the Bureau of Labor Insurance, in accordance with the law.

7 Various Subsidies

- **Meal Subsidy:** CHEM provides a NT\$45 subsidy for meals ordered at noon, and provides meals for employees working overtime in the evening or on holidays.
- **Medical Subsidies:** Employees hospitalized for more than three days receive a condolence payment of NT\$1,000. Employees on sick or injury leave who are hospitalized for more than seven days receive a daily hospitalization condolence payment equal to half of their daily wage. The Company also provides hospitalization medical subsidies for employees or their dependents, up to a maximum of NT\$10,000.
- **Childbirth Subsidy:** Employees receive NT\$10,000 for the birth of their first child and NT\$8,000 for each child from the second child onward.
- **Death Benefit:** NT\$5,000 is provided upon the death of an employee, and NT\$2,500 upon the death of an employee's dependent.

5.2.4 Gender Equality

Maternal Health Protection Program

Since its establishment 70 years ago, CHEM has continuously refined its salary and benefits systems to fully protect employees' rights and interests. In support of SDG 5, "Gender Equality," the Company ensures that compensation, benefits, employment, and promotion are not differentiated based on gender, promoting gender equality in the workplace.



In addition, in order to implement the maternity protection policy, we provide personal health counseling and individual hazard assessment for female employees who are expected to be pregnant, in the midst of pregnancy, within one year after delivery, or breastfeeding, and assist them in improving their work environment when necessary. At the same time, we provide pregnant employees with "priority parking spaces for pregnant women", allowing pregnant women to park near the fixed parking spaces in their work areas to alleviate the burden on employees. In line with the breastfeeding policy of the Department of Health of the Executive Yuan, we have set up a breastfeeding room, and those who make appointments for breastfeeding are provided with a key to the room, which makes it convenient for female workers to continue breastfeeding after giving birth.

Parental Leave Statistics at CHEM

Year	2023			2024			2025		
Gender / Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of Employees Eligible to Apply for Parental Leave	57	28	85	55	28	83	52	26	78
Number of Employees Who Actually Applied for Parental Leave During the Year	1	5	6	2	11	13	2	5	7
Number of Employees Who Actually Returned to Work from Parental Leave During the Year	1	1	2	1	7	8	2	2	4
Parental Leave Return-to-Work Rate During the Year	1	1	2	1	6	7	2	2	4
Number of Employees Who Actually Returned to Work from Parental Leave During the Year	100%	100%	100%	100%	86%	88%	100%	100%	100%
Parental Leave Return-to-Work Rate During the Year	1	1	2	0	3	3	1	7	8
Number of Employees Who Continued Working for One Year After Returning from Parental Leave in the Previous Year	0	1	1	0	1	1	1	6	7
Parental Leave Retention Rate During the Year	0%	100%	50%	0	34%	34%	100%	86%	93%

Note: The number of employees eligible to apply for parental leave in 2025 was estimated based on the number of employees who had applied for maternity leave or paternity leave during the past three years (2023-2025).

5.3 Learning and Development

CHEM's 2025 Approach to Talent Development and Its Evaluation

Material Topic	Talent Development	
Policies and Commitments	CHEM strives to create a supportive environment for employees' career development and establish effective training programs for developing career-related competencies.	
Corresponding GRI Indicator	GRI 404: Training and Education	
Goals	Short-Term	Enhance employees' job-related knowledge and skills, while developing their ability to think from different perspectives and innovate, with the aim of improving work methods and efficiency.
	Medium- and Long-Term	Develop talent through diverse and systematic training programs and broaden employees' professional knowledge across different areas to enhance team competitiveness.
Responsible Department / Grievance Mechanism	CHEM has dedicated personnel responsible for pre-employment and on-the-job training and also organizes various training activities from time to time.	
Resources Invested During the Year	- After joining CHEM, new employees receive orientation training conducted by the human resources unit, including an introduction to the Company, information that employees need to know, and training on the Company's quality and environmental policies. - Before assuming their duties, new employees receive training from the relevant units in accordance with applicable procedures or operating standards, including occupational safety and health work rules and other appropriate training. - On-the-job training covers three areas: management skills training, departmental competency training, and self-development training. A diverse range of continuing education courses is provided based on employees' needs. - Employees who pass the Senior Professional and Technical Examination or the National Technician Skills Certification receive monetary incentives.	
Evaluation Mechanisms and Results	- In 2025, employees received an average of 11.91 hours of training, up 40% YoY. The average training hours were 12.58 hours for male employees and 9.25 hours for female employees. - CHEM provides language learning subsidies to encourage employees to improve language skills related to their work. The Company also supports employees in pursuing academic degrees, providing a total of NT\$817,225 in subsidies over the past five years.	



Performance Appraisal Management

CHEM uses a performance appraisal system to enhance organizational and individual performance. To appropriately and promptly reward employees for their contributions to the Company's operating results and motivate employees, CHEM determines performance bonuses for each unit based on the operating performance of the Company and the respective unit. In accordance with the Company's performance appraisal procedures and other relevant policies, employees' work performance for the year is evaluated and individual bonuses are awarded based on the results. The appraisal covers individual KPIs, the quantitative and qualitative achievement of organizational competencies, execution, and innovation.



By using appraisal results as a basis for differentiated compensation and promotion decisions, CHEM effectively motivates employees to achieve the operating goals of their teams and the Company.

Number and Percentage of Employees Receiving Regular Performance Appraisals

Employees Reviewed in 2023		Number of Employees Reviewed	Total Number of Employees	Percentage (%)
Gender	Male	1,251	1,526	81.98
	Female	340	373	91.15
Employee Category	Direct	642	831	77.26
	Indirect	949	1,068	88.86
Employees Reviewed in 2024		Number of Employees Reviewed	Total Number of Employees	Percentage (%)
Gender	Male	1,255	1,527	82.19%
	Female	345	392	88.01%
Employee Category	Direct	588	794	74.06%
	Indirect	1,012	1,125	89.96%
Employees Reviewed in 2025		Number of Employees Reviewed	Total Number of Employees	Percentage (%)
Gender	Male	1,273	1,508	84.42%
	Female	349	392	89.03%
Employee Category	Direct	555	749	74.10%
	Indirect	1,067	1,151	92.70%

Note: Employees who have been with the Company for less than six months are excluded from performance appraisals.

Extensive Training Resources

For employee training, CHEM has dedicated personnel responsible for pre-employment and on-the-job training and organizes various training activities from time to time.

On-the-job training covers three areas: management skills training, departmental competency training, and self-development training. CHEM also provides language learning subsidies to encourage employees to improve language skills related to their work, supports employees in pursuing academic degrees, and provides technical certification incentives for employees who take the "Senior Professional and Technical Examination" or "National Technician Skills Certification" relevant to their unit's work. Over the past five years, the Company has provided more than NT\$817,225 in subsidies.

Employee Training Hours by Employee Level and Gender

Year	Employee Category	Total Training Hours		Average Training Hours per Employee	
		Male	Female	Male	Female
2023	Entry-Level Employees	7,923.83	1,540.67	5.98	4.61
	Supervisors	1,144.33	118.33	5.69	3.03
2024	Entry-Level Employees	10,874.3	2,737.78	8.26	7.69
	Supervisors	1,828.23	313.783	12.27	9.23
2025	Entry-Level Employees	10,172.37	1,892.87	12.75	9.66
	Supervisors	1,208.05	187.68	11.29	6.47

Note: Average training hours per employee for each gender and employee category = Total training hours for each gender and employee category / Number of employees in each gender and employee category during the year.

Providing Continued Employment Opportunities

To create a friendly work environment, CHEM provides reemployment opportunities after retirement to senior employees who have made long-term contributions to the Company and accumulated valuable experience, provided they are willing and able to continue working. This enables them to continue working at the Company or its affiliated companies after retirement, allowing them to apply their professional knowledge and skills, pass on valuable expertise and experience, and contribute to the development of the Company's organization.





Occupational Health and Safety

6.1 Occupational Health & Safety Policy and Management

6.2 Occupational Health Services

6.3 Promotion of Worker's Health

6

6. Occupational Health and Safety (403)

6.1 Occupational Health and Safety Policy and Management

Material Topic	Occupational Health and Safety	
Corresponding GRI Indicator	GRI 403	
Policies and Commitments	1. Fulfill corporate social responsibility and pursue sustainable development. 2. Comply with occupational health and safety laws, regulations, and standards. 3. Pay attention to occupational health and safety issues and create an excellent work environment. 4. Prevent occupational accidents and promote employee safety and physical and mental health.	
Goals and Targets	Short-Term	(1) Number of occupational injury incidents: < 3 (2) Fire incident rate: ≤ 0% (3) Occupational health and safety fines: 0 (including contractor management penalties at external project sites)
	Medium- and Long-Term	(1) Leverage Group resources to promote employee safety and physical and mental health. (2) Guide the supply chain in establishing and effectively implementing contractor management and supervision systems. (3) Continuously pursue excellence to achieve the highest honor in the National Occupational Safety and Health Award.
Responsibilities and Resources	Coordinating Unit: Safety and Health Department, Management Division Scope of Responsibility: Formulation and implementation of policies and procedures related to the ISO 45001 Occupational Health and Safety Management System, as well as internal and external communications. Resources: The Company engages its internal Safety and Health Department, Quality Assurance Committee, and external owners or third parties (e.g., ISO) to audit, supervise, and provide guidance on the achievement of various targets and the implementation of relevant activities.	
Evaluation Mechanisms and Results	In accordance with occupational health and safety procedures, including the "Performance Measurement and Monitoring" procedure, CHEM establishes monitoring and measurement methods to control operations and activities that may pose unacceptable occupational health and safety risks. These methods serve as the basis for performance evaluation and continuous improvement.	



To create an excellent work environment, CHEM places a strong emphasis on employee health and safety. CHEM aims to comply with domestic occupational health and safety laws, regulations, and standards, strengthen inherently safe design, prevent occupational accidents, and promote employee safety and physical and mental health. At the same time, CHEM strengthens communication and cooperation with customers, suppliers, and contractors to improve occupational health and safety performance across the supply chain and evaluates implementation effectiveness as appropriate.

6.1.1 ISO 45001 Occupational Health and Safety Management System

To maintain employee safety and prevent occupational accidents, CHEM maintained the effectiveness of its ISO 45001 Occupational Health and Safety Management System in 2025. Participation in the activities of this system is required across the Company, including policy oversight by the Board of Directors, system implementation by senior management and managers at all levels, and the participation and cooperation of all employees. The workplaces covered by the Occupational Health and Safety Management System are CHEM's Linkou Plant, Nanke Plant, and Chiayi Plant. The certification scope covers 100% of the Company's business locations and encompasses relevant workers and production activities.

In addition, in accordance with the Occupational Safety and Health Act and relevant laws and regulations, CHEM has established the "Occupational Safety and Health Work Rules" and the "Occupational Safety and Health Management Plan." Each department is required by law to establish an occupational health and safety unit and designate management personnel and first-aid personnel, and conducts occupational health and safety education and training annually.

Beyond implementing various occupational health and safety activities, CHEM also seeks to further improve its approach by learning from and sharing good practices within the industry. Accordingly, CHEM participated in the 2024 National Occupational Safety and Health Award selection process. After meeting the stringent requirements, CHEM passed the preliminary review and advanced to the second-stage review, demonstrating the effectiveness of its occupational health and safety initiatives. CHEM also received a certificate of appreciation for the Occupational Safety and Health Award from the Ministry of Labor.



CHEM's Linkou Plant, Nanke Plant, and Chiayi Plant have obtained ISO 45001 Occupational Health and Safety Management System certification.

CHEM participated in the 2024 National Occupational Safety and Health Award selection process and received a certificate of appreciation



Occupational Health and Safety Committee

To protect employees' rights and interests, CHEM has established an Occupational Health and Safety Committee in accordance with the requirements of the Occupational Health and Safety Management Regulations. The Committee has a total of 22 members, including 2 medical personnel, 2 engineering and technical personnel related to occupational health and safety, and 13 departmental managers, supervisors, and personnel responsible for directing and overseeing operations. Of these, 5 are labor representatives, accounting for more than one-third of the total membership.

The responsibilities of the Occupational Health and Safety Committee are to enhance the level of occupational health and safety management and achieve safety management objectives through the planning, implementation, evaluation, and improvement of the occupational health and safety environment. Meetings of the Occupational Health and Safety Committee are held regularly on a quarterly and annual basis. In addition to communicating previously identified violations, the meetings cover discussions on hazard identification and elimination, risk assessment, accident investigation and audits, and the development and management of audit criteria for contractors and suppliers.



Responsibilities of the Occupational Health and Safety Committee

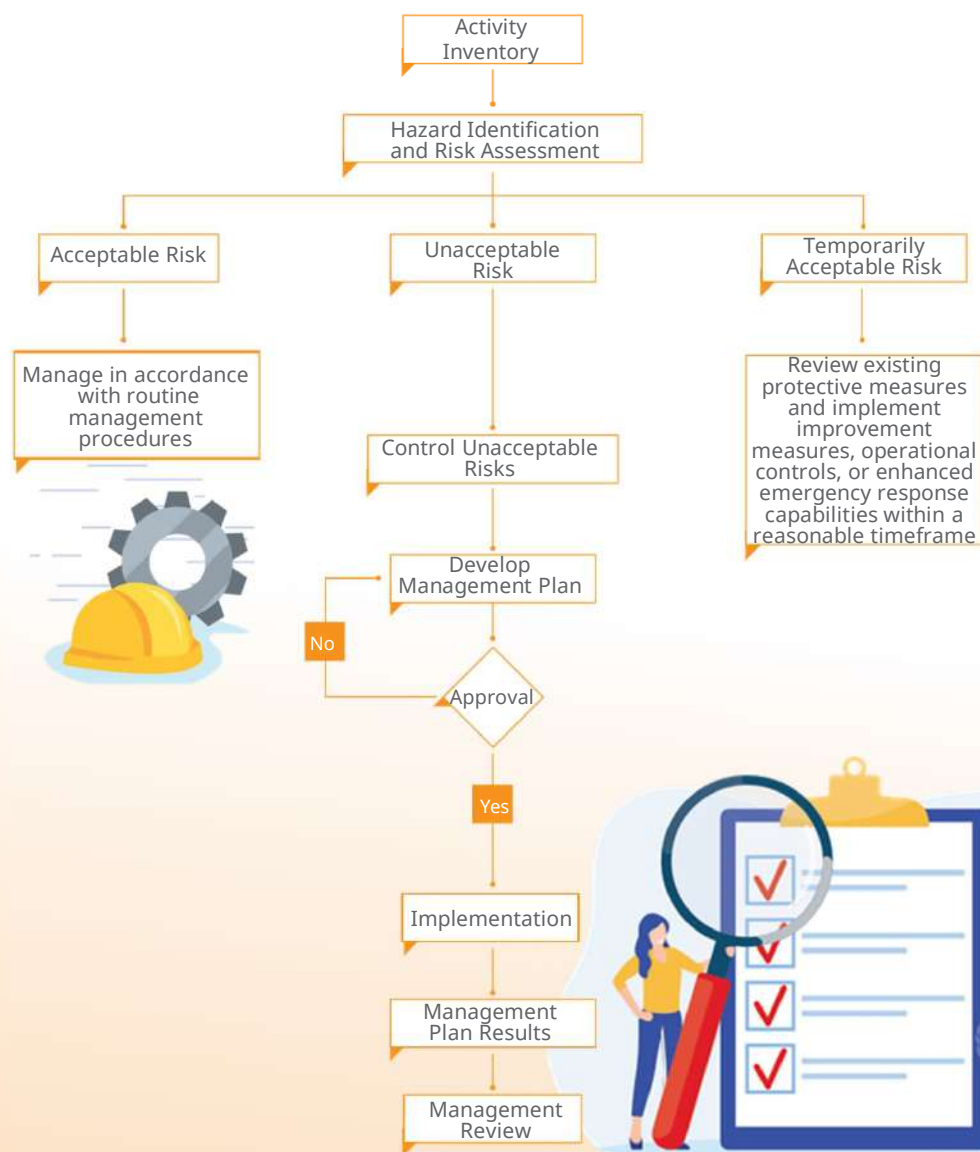
- Safety and Health Department: Develops the "Hazard Identification and Risk and Opportunity Assessment Procedure."
- Safety and Health Personnel at Each Plant/Office: Identify and assess occupational health and safety hazards in accordance with the "Hazard Identification and Risk and Opportunity Assessment Procedure."
- Supervisors at Each Plant/Office: Responsible for reviewing the occupational health and safety hazards identified and assessed by each unit.
- Divisional General Managers at Each Plant/Office: Approve the hazard identification and risk and opportunity assessment.
- Management Representative: Responsible for reviewing the Company's "Occupational Health and Safety Hazard Identification and Risk Assessment Form."



6.1.2 Hazard Identification and Risk Assessment

CHEM has established the "Hazard Identification and Risk and Opportunity Assessment Procedure" through the Safety and Health Department. Through the planning of occupational health and safety hazard identification and risk assessment, CHEM identifies potential occupational health and safety hazards and risks arising from the Company's various operations and activities, employees, facilities, and workplace environments. The Company also establishes objectives and implements operational controls, emergency response measures, and education and training, and provides contractors with hazard information for their contracted operations and workplaces, in order to reduce the risk of occupational health and safety hazards to employees and all workers. The scope of the procedure covers all occupational health and safety hazards associated with operations and activities, employees, potential emergency situations, external visitors, contractors, and other relevant parties at Linkou Plant, Nanke Plant, and Chiayi Plant.

CHEM Hazard Identification and Risk Assessment Process



Implementation Method

The hazard identification and risk assessment will be conducted by the identification and assessment team, which divides the work according to the scope of each unit's responsibilities. The team records the work process, work activities and tasks, work conditions (routine and non-routine activities), types of raw materials and machinery and equipment used, potential hazards, potential impact on personnel and equipment, and existing controls in the "Hazard Identification and Risk Assessment Form." These records serve as the basis for conducting occupational health and safety risk assessments.

Based on the improvement measures identified through the assessment of risks and opportunities, the "Occupational Health and Safety Management Plan" must be completed, specifying the implementation measures, responsible units, and scheduled improvement timeline. After the contents of the "Occupational Health and Safety Management Plan" have been reviewed by supervisors at all levels, the plan must be submitted to the President for approval. Each responsible unit must faithfully implement the improvement measures in accordance with the approved management plan.

CHEM Hazard Identification and Risk Assessment Implementation Method



Control Measures

CHEM conducts occupational health and safety risk assessments based on the "Occupational Health and Safety Hazard Identification and Risk Assessment Form," which serves as a basis for establishing policies and objectives. The form includes fields for work exposure frequency, probability of occurrence, likelihood of consequences, and severity of consequences, into which the relevant data are entered. The risk level is automatically determined by computer calculation and then identified based on the matrix in the risk classification table. Finally, corresponding risk control measures are established according to the risk level indicated in the risk classification table.

CHEM Risk Classification and Control Measures

Risk Level	Risk Classification	Countermeasures
1	Very High Risk (Unacceptable Risk)	Immediately review the completeness of existing protective measures and promptly implement engineering improvements, management improvement measures, or operational controls, and strengthen emergency response capabilities.
2	High Risk (Unacceptable Risk)	Immediately review the completeness of existing protective measures and implement engineering improvements, management improvement measures, or operational controls within a reasonable timeframe, and strengthen emergency response capabilities.
3	Moderately High Risk (Temporarily Acceptable Risk)	Temporarily acceptable, but consideration should be given to whether more effective protective measures are available or whether appropriate operating procedures, controls, and safety measures should be adopted. This risk level shall be listed as an item requiring improvement at the risk assessment meeting. The completeness of existing protective measures shall be reviewed, and engineering improvements, management improvement measures, or operational controls shall be implemented within a reasonable timeframe, with emergency response capabilities strengthened.
4	Moderate Risk (Temporarily Acceptable Risk)	Temporarily acceptable; continue monitoring under the existing approach.
5	Low Risk (Acceptable Risk)	Acceptable; continue monitoring under the existing approach.



Accident Investigation

CHEM has established the "Incident Reporting, Handling, and Investigation Management Procedure" to regulate the processes for incident reporting and accident investigation. Through accident investigations, CHEM identifies the causes of accidents involving employees, potential risks in the work environment, and the types of injuries that may result. The findings serve as a basis for subsequent preventive and improvement measures to reduce the likelihood of accidents recurring.

6.1.3 Performance Measurement Indicators

Occupational Injuries

The main types of occupational injuries among CHEM employees and contractors include falls, impact injuries, cuts and abrasions, sprains, and crush injuries. These hazards may result in serious occupational injuries. When an occupational injury occurs, the equipment is first shut down and basic corrective measures are taken. Operators are reminded to pay attention to conditions inside the machinery to minimize risks. The following data calculations cover all workers.

If an occupational accident occurs, the Company's reporting process is as follows:

Off-Site Traffic Accident

1 Notify

- Immediately notify the supervisor or team leader

2 Report

- Report to the police
- Obtain the police report receipt

3 Treat

- Receive medical treatment
- Obtain a medical certificate

4 Record

- Complete the occupational accident investigation and analysis report

On-Site Accident

1 Notify

- Immediately notify the supervisor and the safety and health supervisor

2 Treat

- Receive medical treatment
- Obtain a medical certificate

3 Record

- Complete the accident investigation and analysis report
- Implement improvements to address the identified hazard factors

CHEM Occupational Injury Statistics for Linkou Plant, Chiayi Plant, and Nanke Plant in 2024

	Linkou Plant	Chiayi Plant	Nanke Plant	Total
Working Hours	3,589,308	58,974	184,834	3,833,116
Number of Minor Occupational Injuries	8	0	0	8
Minor Occupational Injury Rate	2.2288	0	0	2.08
Number of Serious Occupational Injuries	0	0	0	0
Disabling Injury Frequency	2.2288	0	0	2.08
Lost-Time Injury Frequency Rate (LTIFR)	0	0	0	0
Number of Fatalities	0	0	0	0
Fatality Rate	0	0	0	0
Number of Recordable Occupational Injuries	8	0	0	0
Recordable Occupational Injury Rate	2.2288	0	0	2.08

CHEM Occupational Injury Statistics for Linkou Plant, Chiayi Plant, and Nanke Plant in 2025

	Linkou Plant	Chiayi Plant	Nanke Plant	Total
Working Hours	3,428,565	103,487	182,680	3,714,732
Number of Minor Occupational Injuries	3	0	1	4
Minor Occupational Injury Rate	0.875	0	5.47	1.077
Number of Serious Occupational Injuries	0	0	0	0
Disabling Injury Frequency	0.875	0	5.47	1.077
Lost-Time Injury Frequency Rate (LTIFR)	0	0	0	0
Number of Fatalities	0	0	0	0
Fatality Rate	0	0	0	0
Number of Recordable Occupational Injuries	3	0	1	4
Recordable Occupational Injury Rate	0.875	0	5.47	1.077

Note:

1. The occupational injury statistics do not include commuting accidents occurring while traveling to or from work.
2. Contractor work hours are estimated based on an average of 8 working hours per day. The formula is: (number of workers entering the plant each month × number of working days per month) × 8, used to estimate the annual data.
3. The minor occupational injury rate refers to the number of minor occupational injuries occurring per 1,000,000 working hours. The formula is: number of minor occupational injuries × 1,000,000 / total working hours.
4. The Disabling Injury Frequency Rate (FR) refers to the total number of disabling injuries occurring per 1,000,000 working hours. The total number of disabling injuries includes deaths, permanent total disabilities, permanent partial disabilities, and temporary total disabilities. The formula is: number of disabling injuries × 1,000,000 / total working hours.
5. The Lost-Time Injury Frequency Rate (LTIFR) refers to the number of occupational injuries resulting in death or permanent disability per 1,000,000 working hours. The formula is: number of serious occupational injuries (deaths or occupational injuries resulting in permanent disability) × 1,000,000 / total working hours.
6. The Total Recordable Injury Frequency Rate (TRIFR) refers to the number of recordable occupational injuries occurring per 1,000,000 working hours. The formula is: number of recordable occupational injuries (including minor occupational injuries, serious occupational injuries, and fatalities) × 1,000,000 / total working hours.



6.2 Occupational Health Services

6.2.1 Employee Health Examinations

To protect workers' physical and mental health, CHEM has established a medical office and, each year, conducts special health examinations for employees engaged in work involving special health hazards based on the results of workplace environmental monitoring, with health management classification implemented in accordance with applicable laws and regulations. CHEM provides employees, their dependents, and contractors with general health examinations every two years, exceeding regulatory requirements. The examinations include multiple-site ultrasound examinations, bone density tests, intraocular pressure tests, audiometric hearing tests, blood-based cancer screening, fecal occult blood tests, muscle strength tests, and screening for four major cancers. Each year, CHEM reviews diseases with high prevalence and adds relevant health examination items. Employees aged 65 and above and employees engaged in special types of work receive health examinations annually.



To prevent the major type of occupational injury, "noise-induced hearing loss," all CHEM employees throughout the Company undergo hearing tests using audiometers. High-decibel noise areas at each plant are also clearly marked at the entrances, warning those entering to put on earplugs properly before entering. For all employees engaged in noise-exposed work, CHEM maintains an annual hearing comparison chart and provides appropriate follow-up based on changes in hearing loss over the years. Such measures include interviews with occupational health physicians and on-site visits to assess workplace hazards and the use and wearing of personal protective equipment (PPE), as well as further education on the proper use of PPE and awareness of workplace hazards. CHEM also procures a variety of types of PPE for employees to choose from based on their physiological characteristics and work conditions, thereby promoting their willingness and compliance in wearing PPE.

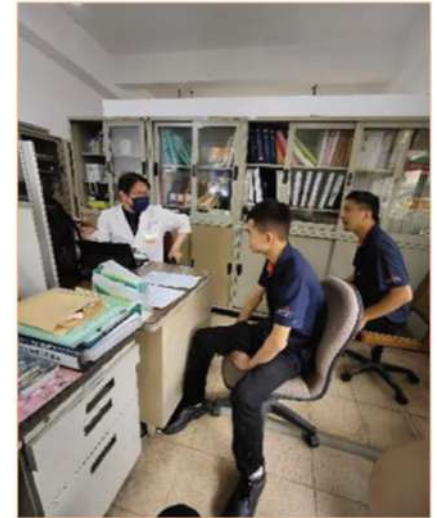
The Right to Know

Understanding the meaning and changes in health examination items and results over time, as well as how one's health status can be improved, helps employees recognize the importance of their health. After health examinations, CHEM arranges one-on-one health examination consultations and health education with occupational medicine specialists for employees who require further assistance. Employees who are not working at the plants and employees' dependents may also make online appointments for consultations on outpatient clinic days.

Encouraging Dependents and Contractors to Participate in Group Health Examinations

CHEM not only cares about the health of its employees but also, guided by its commitment to "caring for employees and their families" and "working together with contractors as one family," opens its group health examinations to employees' dependents and contractors. Employees with abnormal examination results are contacted by the medical office by telephone to provide follow-up care and assistance in seeking medical attention, while protecting their privacy and preventing disclosure of personal health information.

The Company's medical office actively encourages relevant individuals to undergo health examinations. In 2025, 87 dependents and contractors participated in the health examination program, and several participants were able to promptly detect malignant conditions through the examinations. After receiving urgent medical treatment, their conditions were brought under control and they recovered. CHEM will continue to encourage employees' dependents to participate in health examinations and work together to prioritize their health.

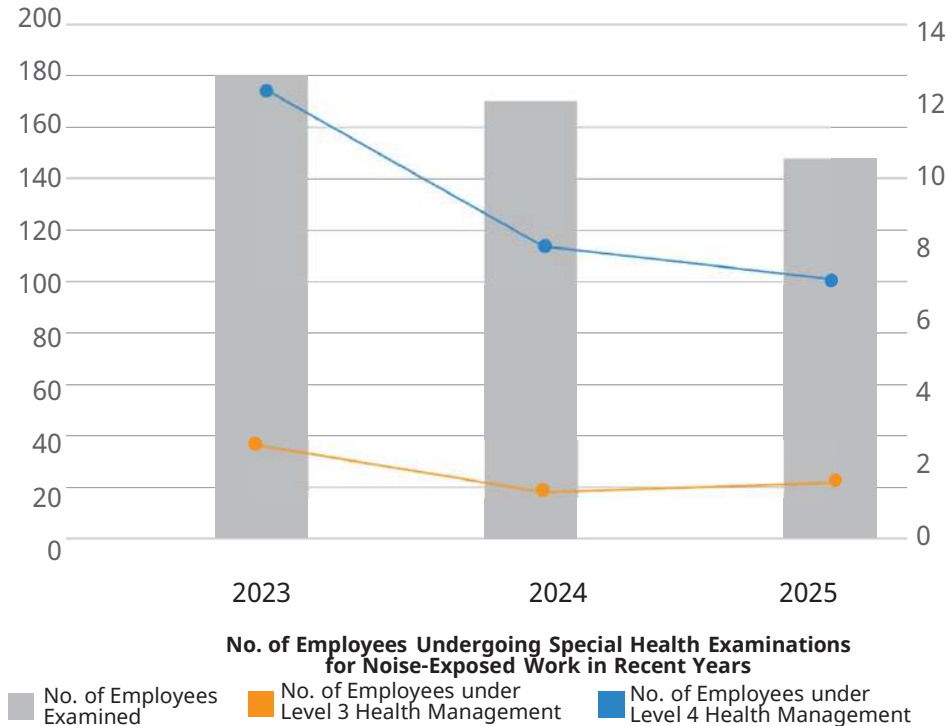


Health Management Classification for Special Health Examinations

In 2025, 148 employees participated in special health examinations. After the health examinations, occupational health nurses and occupational medicine specialists provided health education, health follow-up examinations, and other relevant assistance based on the examination results.



CHEM's Health Management Classification for Employees Undergoing Special Health Examinations over the Past Three Years



No. of Employees Undergoing Special Health Examinations for Noise-Exposed Work in Recent Years			
Year	2023	2024	2025
No. of Employees Examined	179	170	148
Level 3 Health Management	37	19	21
Level 4 Health Management	12	8	7

6.2.2 On-Site Occupational Health Physician Services

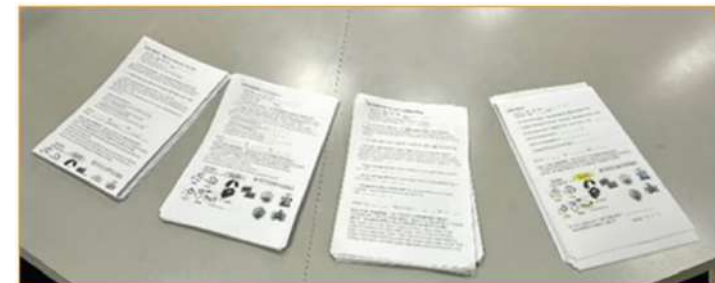
CHEM provides on-site occupational health physician services three times a month. The Company has engaged two practicing occupational medicine specialists to provide health education and on-site health services for employees under Level 2 health management following special health examinations, as well as other occupational health and safety-related services. For various common symptoms and sports injuries, the physicians patiently and professionally assist employees in identifying the underlying issues and advise them on which medical specialty to consult for further treatment or rehabilitation exercises they can perform at home.

Occupational medicine specialists provide return-to-work assessments and consultations on various internal medicine and surgical conditions and medication use. In addition to providing professional and patient explanations, they also assist employees with accessing medical care, such as identifying appropriate medical specialties and physicians and assisting with appointment registration and other medical resources.



6.2.3 Assessment and Training in the Use of Protective Equipment

To effectively eliminate the risk of hearing loss caused by noise-exposed work, CHEM provides a variety of earplugs, earmuffs, and other protective equipment in different specifications and sizes, taking into account the convenience of use in employees' work operations and individual physiological needs. Employees can choose the protective equipment that best suits them to improve proper wearing compliance and reduce the risk of occupational injuries. CHEM also organizes, at each plant, seminars on hazard awareness and the introduction and trial use of various types of protective equipment. For foreign migrant workers, CHEM additionally arranges for recruitment agencies serving workers of different nationalities to translate the course content and relevant health education materials. During outpatient clinic visits, the Company also asks the agencies to assist with online interpretation to enhance understanding, facilitate communication between employees and medical personnel, and safeguard the health, safety, and rights of all employees.



6.2.4 AED Installation and Education and Training

According to recent statistics from the Ministry of Health and Welfare on the top ten causes of death in Taiwan, heart disease has consistently ranked among the top three. Many deaths caused by heart disease occur in the form of sudden cardiac arrest. Timely resuscitation using an AED can reduce the pre-hospital mortality rate of such patients. CHEM has installed AEDs at its plants and trained employees to obtain AED certification.



6.3 Promotion of Workers' Health

CHEM aims to help employees achieve work-life balance and therefore actively integrates internal and external professional service resources. In addition to the professional occupational health services described above, CHEM also cares about employees' physical and mental health. The Company's occupational health nurses practice "walk-around management" by proactively reaching out to employees and paying attention to their physical and mental well-being. CHEM also provides a listening hotline, "5880," while safety and health personnel at external sites proactively report relevant situations to the Company. Through these multiple measures, CHEM works to safeguard employees' physical and mental health.

6.3.1 Walk-Around Management and Proactive Care

When occupational health nurses conduct "walk-around management" at the plants, they immediately discuss any factors that may adversely affect health, such as poor work postures, strong light at close range, or incorrect work habits, with the relevant workers, senior employees at the same plant, supervisors, occupational health and safety management personnel, and on-site physicians. Based on these discussions, CHEM conducts hazard awareness and preventive health education at the plant or identifies and purchases appropriate hardware and equipment to reduce ergonomic burdens during work and provide appropriate intervention and guidance. When employees are experiencing low moods, the occupational health nurses also engage with them and provide care during walk-around management, offering positive encouragement.



6.3.2 Smoking Cessation and Weight Management for a Healthy Workplace

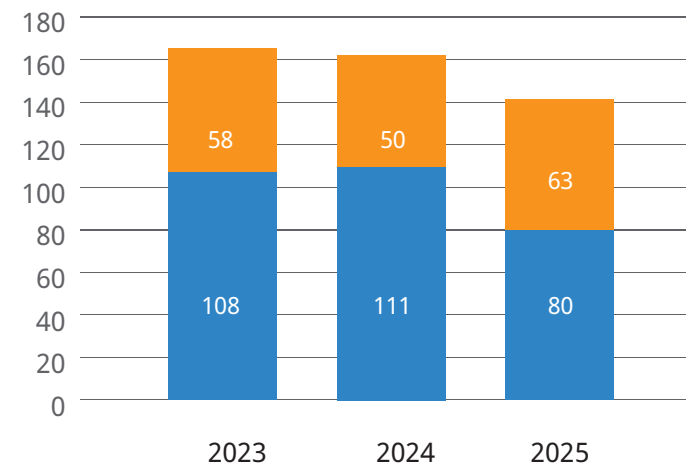
For many years, CHEM has continuously promoted smoking cessation and weight management activities. In recognition of the effectiveness of these initiatives, CHEM has received the "Badge of Accredited Healthy Workplace" awarded by the Health Promotion Administration, Ministry of Health and Welfare.



CHEM has continuously received the "Badge of Accredited Healthy Workplace" since 2014.

6.3.3 Multiple Vaccination Sessions for Influenza and Other Vaccines

CHEM has been providing influenza vaccinations for several years. With the strong support and encouragement of the Company, employees actively participate in vaccination programs. Since 2022, in addition to providing quadrivalent influenza vaccinations, CHEM has expanded its vaccination program to include various vaccines related to COVID-19 or vaccines that help prevent diseases that may become serious, such as hepatitis A and B, varicella, pneumococcal, and herpes zoster (shingles) vaccines. To better serve employees, CHEM also provides multiple vaccination sessions, allowing employees to conveniently access broader protection through a wider range of vaccines.



Number of People Vaccinated over the Past Three Years

Government-Funded Vaccinations Self-Funded Vaccinations

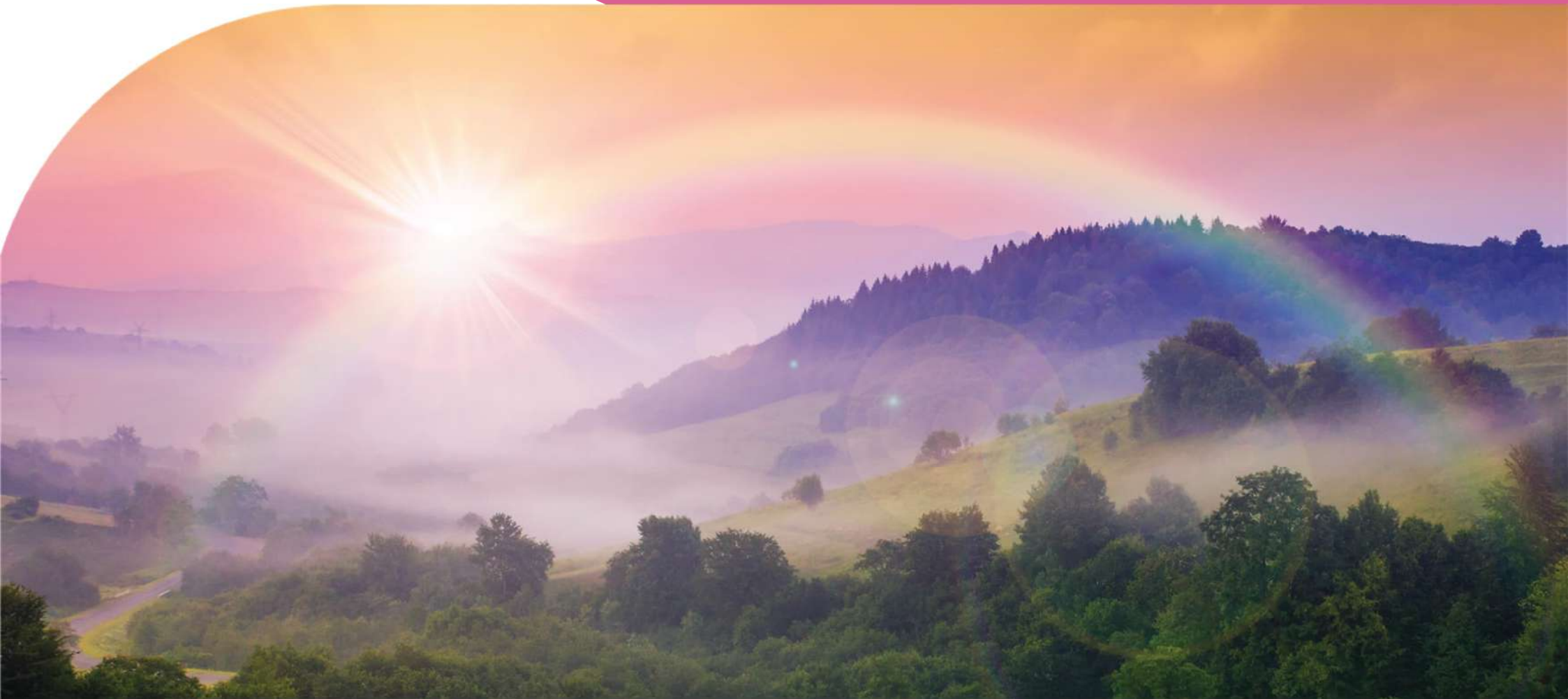
Year	2023	2024	2025
Government-Funded Vaccinations	108	111	80
Self-Funded Vaccinations	58	50	63



7

Social Care

7.1 Social Engagement



7. SOCIAL CARE

(203)

7.1 Social Engagement

Social responsibility is an important mission of CHEM's operations. Through a multi-pronged approach encompassing social engagement, industry-academia collaboration, internship opportunities, and regular blood donation drives, the Company actively contributes to philanthropic and public welfare causes.

1. Social Engagement

Since its establishment, CHEM has remained committed to giving back to society. During critical times when society has faced significant challenges, such as the 921 Earthquake, Typhoon Morakot in 2009, and the COVID-19 pandemic, CHEM has actively participated in relief and support efforts, with the hope of contributing to a better society.

On the important occasion of CHEM's 50th anniversary, the Company reflected on its transformation over the years and recognized social issues arising from changes in society, such as the increasing number of single-parent and disadvantaged families and the widening wealth gap. Guided by the spirit of "treating others' hunger as our own," CHEM established the Chung-Hsin Love and Charity Charitable Trust Fund to put its social responsibility into practice. CHEM also hopes that people facing difficulties can receive timely and appropriate assistance through the charitable trust fund and overcome their challenges. In 2025, CHEM invited employees to participate in a charity sale of Dragon Boat Festival sachets, raising a total of NT\$344,500 for the Chung-Hsin Love and Charity Charitable Trust Fund.



The main areas supported by the

Chung-Hsin Love and Charity Charitable Trust Fund are as follows:

(1) Subsidies for Major Illnesses and Disasters

Due to the pressures of modern life, many people neglect their health while striving to make a living. The cases currently receiving assistance from the Trust Fund involve families whose primary source of income has been severely affected by major illnesses, such as cancer, kidney disease, hypertension, and related complications, causing the families to fall into hardship. In addition to providing financial assistance, the Trust Fund continues to monitor their living conditions to determine whether further assistance is needed.

(2) Livelihood Assistance

This assistance primarily targets families experiencing financial hardship and is provided through regular support payments. The Trust Fund currently provides assistance to families whose members have suffered from serious illnesses requiring substantial medical expenses, as well as families whose primary source of income has been severely affected by a serious illness or death, causing the families to fall into hardship. Each family receives a fixed monthly subsidy of NT\$3,000 to NT\$20,000 to help them overcome their difficulties.

(3) Other Subsidies

In addition to providing emergency assistance to families affected by hardship or illness and supporting the employment of persons with disabilities beyond statutory requirements, the Trust Fund also provides assistance to disadvantaged families and children through organizations such as World Vision Taiwan and the Taiwan Fund for Children and Families. In addition, the Trust Fund makes regular visits to and donations to Hong-Hua Children's Home, SOS Children's Village of Taiwan, and Datong Children's Home. It also provides assistance with school and miscellaneous fees, lunch expenses, and daily necessities for children from disadvantaged families. The Trust Fund currently sponsors disadvantaged children to help them grow up safely and happily. In addition, it organizes donations of New Year meals to provide resources to people in need.

2. 3-Part Green Island Environmental Conservation

To protect Green Island's precious environment and ecosystems, CHEM jointly organized the "Three-Part Green Island Environmental Conservation" public welfare initiative with Taipower in 2025. Through the joint efforts of the public sector, private enterprises, and local community residents, the initiative aims to strengthen public awareness of ecological conservation and sustainable energy and contribute to environmental protection on Green Island.



Part 2: Green Island Tree Planting, Seedling Giveaway, and Energy Conservation and Environmental Conservation Awareness Campaign

CHEM, the Taitung Branch of the Forestry and Nature Conservation Agency, Taipower, and the Green Island Township Office jointly organized the Green Island Tree Planting, Seedling Giveaway, and Energy Conservation and Environmental Conservation Awareness Campaign on Green Island, promoting forest fire prevention awareness and the "Three Don'ts and Three Dos" principles. Over the past six years, Green Island has experienced five forest fires, seriously affecting the local ecosystem. To raise public awareness of forest fire prevention, the campaign promoted the "Three Don'ts and Three Dos" principles: do not start fires indiscriminately, do not discard waste, and do not burn waste; obtain a permit before starting a fire, stay alert to fire hazards, and remember the forest fire prevention hotline at 0800-000-930. These measures aim to reduce the risk of forest fires and promote forest conservation.

Tree Planting and Seedling Giveaway: Promoting Environmental Stewardship Together

The event distributed 750 native tree seedlings suitable for planting on Green Island, including *Vitex negundo*, *Clausena excavata*, *Murraya paniculata*, *Cinnamomum osmophloeum*, *Sophora tomentosa*, and *Heliotropium arboreum*, encouraging the public to plant trees and expand the island's forested green belt. In addition to greening the community, the initiative strengthened residents' emotional connection with the land and further raised local awareness of ecological conservation. The 750 seedlings are expected to create approximately 1.2 hectares of green space, while 750 trees at 20 years of age are estimated to have a carbon sequestration capacity of 13.5 metric tons per year.

Part 1: Promotion of Green Island Conservation Species

Green Island is home to a rich and diverse ecosystem. Through educational posters, CHEM introduced local residents and visitors to Green Island's precious native protected species, with the aim of working with all sectors of society to take diverse actions to protect Green Island's "indigenous inhabitants" and raise public awareness of and encourage action for Green Island's ecology.

我們是綠島的原住民・珍貴的「保育類動物」・要愛護我們囉！～綠島保育類動物宣導～ 我們是綠島的原住民・珍貴的「保育類動物」・要愛護我們囉！											
鳥類								爬蟲類		軟甲類動物	
黑翅紅腿 (灰面鵲)	赤腹鷹	黑鶯 (老鶯)	斑鵲 (雀)	角鴞	玄燕鷗	小燕鷗	紅頭綠鳩	綠蠍龜	玳瑁	椰子蟹 (八卦蟹)	綠島澤蟹
<i>Bubulcus coromandus</i>	<i>Accipiter subellatus</i>	<i>Microps negarctus</i>	<i>Falco peregrinus</i>	<i>Bubo blanfordi</i>	<i>Anous stolidus</i>	<i>Sterna albifrons</i>	<i>Trogon formicatus</i>	<i>Chelonia mydas</i>	<i>Eretmochelys imbricata</i>	<i>Birgus latro</i>	<i>Gecarcinus lateralis</i>
陸生保育類動物											
昆蟲類動物								哺乳類動物			
綠島厚沙鵝綠蟾	黃腹風鵲	碎斑球象鼻蟲	小斑球象鼻蟲	黑頭大葉鼻蟲	綠田氏大葉竹節蟲	大斑球象鼻蟲	新斑球象鼻蟲	綠斑球象鼻蟲	台灣狐蝠	白鼻心	綠島海豚
<i>Pseudoeurycea formosa</i>	<i>Troglodytes formosensis</i>	<i>Euphydryas formosensis</i>	<i>Pachyrhynchus kishinouyei</i>	<i>Phyllorhynchus kishinouyei</i>	<i>Megacrania taibaii</i>	<i>Pachyrhynchus kishinouyei</i>	<i>Pachyrhynchus peninsularis</i>	<i>Pachyrhynchus concolor</i>	<i>Pteropus daumaensis</i>	<i>Pteropus daumaensis</i>	<i>Tursiops gilii</i>
指導單位：農業部林業及自然保育署台東分署・台灣電力公司 臺東處・綜合施工處・台東區裝機處・綠島電廠 執行單位：中興電工機械股份有限公司											



Part Three: Green Island Ecological Conservation Awareness and Plastic Reduction Beach Cleanup Activity

While assisting with improvements to Green Island's power infrastructure, CHEM also pays attention to the island's precious ecological and environmental resources. CHEM jointly organized the "Green Island Ecological Conservation Awareness and Plastic Reduction Beach Cleanup Activity" with Taipower, calling on Green Island residents, school teachers and students, members of the Fishermen's Association home economics classes, and corporate volunteers to clean up plastic bottles, containers, discarded fishing nets, and other waste from the beaches on both sides of Zhongliao Fishing Harbor. The activity aimed to reduce the harm caused by plastic waste, protect the marine ecosystem together, and take concrete action toward environmental sustainability.



3. Typhoon Danas Disaster Relief in Madou

In July 2025, Typhoon Danas severely impacted Tainan, causing extensive damage in coastal areas of Tainan City, including widespread water and power outages. The roofs of numerous aging buildings were blown off, leaving many households relying on tarpaulins as temporary emergency protection. While repairs to damaged homes in various areas were progressing slowly, Tainan was hit by another typhoon, Typhoon Podul, in August.

To prevent residents affected by the disaster from suffering further harm from Typhoon Podul, CHEM upheld its corporate social responsibility and actively put into practice the principles of Social Engagement and Social Inclusion embodied in ESG and sustainable development. CHEM promptly responded to the Executive Yuan's disaster recovery efforts following typhoons and heavy rainfall in Yunlin, Chiayi, Tainan, and Kaohsiung. Before Typhoon Podul arrived, CHEM organized six repair teams in collaboration with contractors to provide free home repair services to disadvantaged households affected by Typhoon Danas, helping ensure the safety of residents' homes during the typhoon season and protect them from further typhoon-related harm.



4. Scholarships for Outstanding Students and Internship Opportunities

Since 2005, CHEM has provided scholarships to young students who are motivated to pursue their studies and strive for academic advancement. Undergraduate students receive NT\$20,000 to NT\$40,000 per semester, while graduate students receive NT\$50,000 to NT\$100,000 per semester. In response to the current shortage of skilled workers in Taiwan's power industry and to cultivate more outstanding talent in the power sector, CHEM not only provides scholarships and grants to help outstanding and financially disadvantaged students majoring in electrical engineering and mechanical engineering complete their studies, but also collaborates with universities, including National Taipei University of Technology, Lunghwa University of Science and Technology, and National Formosa University, on industry-academia collaboration and internship programs. Through these efforts, CHEM contributes to the development of the next generation of outstanding talent in the power industry. The Company's industry-academia collaboration and internship programs with universities are as follows:

CHEM's Industry-Academia Collaboration Projects with Universities

No.	School	Collaboration Details	Period
1	National Taipei University of Technology	Tripartite Agreement for Industry-Academia Training Collaboration (Department of Energy and Refrigeration & Air Conditioning Engineering)	2025.07.15~2027.06.30 2026.01.30~2028.06.30
2	Lunghwa University of Science and Technology	Industry-Academia Collaboration Agreement (Department of Mechanical Engineering)	2023.07.03~2025.06.30
		Tripartite Agreement for Industry-Academia Training Collaboration (Department of Electrical Engineering)	2023.03.20~2025.06.15 2024.03.11~2026.06.30

CHEM's Internship Collaboration Projects with Universities

No.	School	Collaboration Details	Period
1	National Formosa University	Individual Student Internship Program (Department of Electrical Engineering)	2025.02.03~2025.06.30
2	Lunghwa University of Science and Technology	Student Internship Contract (Department of Mechanical Engineering, Department of Electrical Engineering, and Department of Finance)	2024.07.01~2025.06.30 2025.07.01~2026.06.30
3	National Taiwan Normal University	Professional and Technical Training Contract (Bachelor of Science in Vehicle and Energy Engineering)	2023.7.3~2025.6.30

5. Provision of Thousands of Concrete Foundation Blocks for Post-Disaster Reconstruction in Hualien's Matai'an Disaster Area

Rainfall brought by the peripheral circulation of Typhoon Ragasa produced flows exceeding four times the flood protection standard, causing the Matai'an Creek landslide-dammed lake to overflow and its dam to breach, severely affecting downstream areas, including Guangfu Township.

During this difficult time for the disaster-stricken areas, CHEM upheld its corporate social responsibility and made every effort to support post-disaster reconstruction. In response to the needs of government agencies, including the Water Resources Agency, for the construction of temporary access roads and reinforcement of levees, CHEM provided approximately 4,000 surplus concrete foundation blocks from construction sites free of charge for post-disaster recovery efforts, with the hope of helping affected families restore normal and safe lives as soon as possible.



6. Blood Donation

One bag of blood can save a life! For more than 20 years, CHEM has organized annual blood donation drives at its plants, inviting employees across the Company to roll up their sleeves, donate blood, and contribute to the public good. Every year, regardless of the weather, whether in the scorching summer heat, cold winter, or even strong winds and heavy rain, employees can be seen lining up to roll up their sleeves and donate blood. Even when they may need to attend a meeting or leave on a business trip immediately after donating blood, they are still willing to contribute their love and care to society.



7. Use of Sheltered Workshop Products as Shareholders' Meeting Souvenirs

To fulfill its corporate social responsibility and help people with disabilities secure stable employment opportunities and income, CHEM has selected handmade soap products made by sheltered workshops as souvenirs for its annual shareholders' meetings since 2023, with more than 40,000 items ordered each year. This initiative integrates business operations with social welfare, with each shareholders' meeting souvenir carrying the heartfelt gratitude of both CHEM and the makers.

In addition, CHEM reduces unnecessary layers of packaging materials for shareholders' meeting souvenirs to fulfill its environmental responsibility and contribute to protecting the Earth's environment.



2025 Eden Social Welfare Foundation × Little Lamb Co-Branded Eco-Friendly Travel Cup



8. Cross-Sector Collaboration for Hualien

In May 2025, CHEM actively responded to the Hualien County Government's "Hualien Four Seasons" initiative. CHEM took concrete action by participating in the inaugural Summer | Midsummer Tribal Feast · Slow Food Experience event, integrating its commitment to corporate sustainability with local Indigenous culture. Through cross-sector collaboration, CHEM not only promoted Hualien's high-quality agricultural products and traditional crafts but also worked to bridge the urban-rural divide and inject momentum into the economic transformation of Indigenous communities.



Appendix 1

GRI Content Index ★ indicates a material topic.

Statement of Use	CHEM has reported the content for the period from January 1 to December 31, 2025, in accordance with the GRI Standards.			
GRI 1 used	GRI 1: Foundation 2021			
Applicable GRI Sector Standards	Nil			
Topic	Disclosure	Description	Corresponding Chapter / Disclosure Explanation	Reason for omission / Explanation
GRI 2: General Disclosures 2021				
The organization and its reporting practices	2-1	Organizational details	1.1 Company Overview	
	2-2	Entities included in the organization's sustainability reporting	About This Report	
	2-3	Reporting period, frequency and contact point	About This Report	
	2-4	Restatements of information	About This Report	
	2-5	External assurance	About This Report	
Activities and workers	2-6	Activities, value chain and other business relationships	3.1 Supply Chain Profile	
	2-7	Employees	5.1.1 Human Resources Structure Analysis	
	2-8	Workers who are not employees	5.1.1 Human Resources Structure Analysis	
Governance	2-9	Governance structure and composition	2.1 Governance Practices	
	2-10	Nomination and selection of the highest governance body	2.1 Governance Practices	
	2-11	Chair of the highest governance body	2.1 Governance Practices	
	2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Governance Practices	
	2-13	Person responsible for managing impacts	Corporate Governance	
	2-14	Role of the highest governance body in sustainability reporting	Corporate Governance	
	2-15	Conflicts of interest	2.1 Governance Practices	
	2-16	Communication of critical concerns	2.1 Governance Practices	
	2-17	Collective knowledge of the highest governance body	2.1 Governance Practices	

Topic	Disclosure	Description	Corresponding Chapter / Disclosure Explanation	Reason for omission / Explanation
Governance	2-18	Performance Evaluation of the Highest Governance Body	2.1 Governance Practices	
	2-19	Remuneration Policies	2.1.2 Functional Committees	
	2-20	Process to Determine Remuneration		
	2-21	Annual Total Compensation Ratio	Disclosure Omitted	Compensation is confidential to the Company.
Strategies, Policies and Practices	2-22	Statement on Sustainable Development Strategy	The Chairman's Message	
	2-23	Policy Commitments	5. Friendly Workplace	
	2-24	Embedding Policy Commitments	5. Friendly Workplace	
	2-25	Processes to Remediate Negative Impacts	2.1 Governance Practices	
	2-26	Mechanisms for Seeking Advice and Raising Concerns	2.1 Governance Practices	
	2-27	Compliance with Laws and Regulations	2.1.4 Ethics and Integrity	
	2-28	Membership Associations	1.3 Participation in External Organizations	
Stakeholder Engagement	2-29	Stakeholder Engagement Policy	Stakeholder Engagement	
	2-30	Collective Bargaining Agreements	5.2.2 Labor-Management Relations	
GRI 3: Material Topics 2021				
Material Topics	3-1	Process to Determine Material Topics	Material Topic Identification	
	3-2	List of Material Topics	Material Topic Identification	
Economic				
★Economic Performance				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	2. Corporate Governance	
★ GRI 201: Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed	2. Corporate Governance	
	201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	4.1 Climate-Related Financial Disclosure	
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	5.2.3 Diverse Benefits	
	201-4	Financial Assistance Received from Government	2. Corporate Governance	

Topic	Disclosure	Description	Corresponding Chapter / Disclosure Explanation	Reason for omission / Explanation
Market Presence				
GRI 202: Market Presence 2016	202-1	Different-gender entry-level employees' standard salary as a ratio of the local minimum wage	5.2.1 Compensation Management	
	202-2	Proportion of Senior Management Hired from the Local Community	5.2.1 Compensation Management	
Indirect Economic Impacts				
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure Investments and Services Supported and Developed and Their Impacts	7. Social Care	
	203-2	Significant Indirect Economic Impacts	7. Social Care	
Procurement Practices				
GRI 204: Procurement Practices 2016	204-1	Proportion of Spending on Local Suppliers	3.5 Sustainable Supply Chain	
Anti-corruption				
GRI 205: Anti-corruption 2016	205-1	Operations Assessed for Risks Related to Corruption	2.1.4 Ethics and Integrity	
	205-2	Communication and Training about Anti-corruption Policies and Procedures	2.1.4 Ethics and Integrity	
	205-3	Confirmed Incidents of Corruption and Actions Taken	2.1.4 Ethics and Integrity	
Anti-competitive Behavior				
GRI 206: Anti-competitive Behavior 2016	206-1	Legal Actions for Anti-competitive Behavior, Anti-trust, and Monopoly Practices	No such cases occurred in 2024.	
Tax				
GRI 207: Tax 2019	207-1	Tax Policy	2.6 Tax Management	
	207-2	Tax Governance, Control, and Risk Management	2.6 Tax Management	
	207-3	Stakeholder Engagement and Management of Concerns Related to Tax	2.6 Tax Management	
★ Innovation and R&D				
GRI 3 : Material Topics 2021	3-3	Management of Material Topics	2.4 Innovation and R&D	
★Information Security		Custom Material Topic	2.4 Innovation and R&D	
★Information Security				
GRI 3 : Material Topics 2021	3-3	Management of Material Topics	2.5 Information Security	
★Information Security		Custom Material Topic	2.5 Information Security	

Topic	Disclosure	Description	Corresponding Chapter / Disclosure Explanation	Reason for omission / Explanation
Environmental				
Materials				
GRI 301: Materials 2016	301-1	Materials Used by Weight or Volume	4.5 Material Management	
	301-2	Recycled Input Materials Used	4.5 Material Management	
	301-3	Reclaimed Products and Their Packaging Materials	4.5 Material Management	
★Energy				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	4.3 Energy Conservation and Carbon Reduction	
★GRI 302: Energy2016	302-1	Energy Consumption Within the Organization	4.3.3 Energy Consumption Statistics	Implemented in Accordance with the Regulatory Schedule
	302-2	Energy Consumption Outside of the Organization	Not Disclosed	
	302-3	Energy Intensity	4.3.3 Energy Consumption Statistics	
	302-4	Reduction of Energy Consumption	4.3.3 Energy Consumption Statistics	Not Applicable
	302-5	Reductions in Energy Requirements of Products and Services	Product and Service Characteristics Not Applicable	
Water and Effluents				
GRI 303: Water and Effluents 2018 Management Approach	303-1	Interactions with Water as a Shared Resource	4.4.1 Water Resource Management	
	303-2	Management of Water Discharge-related Impacts	4.4.1 Water Resource Management	
GRI 303: Water and Effluents 2018	303-3	Water Withdrawal	4.4.1 Water Resource Management	
	303-4	Water Discharge	4.4.1 Water Resource Management	
	303-5	Water Consumption	4.4.1 Water Resource Management	

Topic	Disclosure	Description	Corresponding Chapter / Disclosure Explanation	Reason for omission / Explanation
Biodiversity				
GRI 304: Biodiversity 2016	304-1	Operational Sites Owned, Leased, Managed in, or Adjacent to, Protected Areas and Areas of High Biodiversity Value Outside Protected Areas	No such cases occurred at any of CHEM’s operational sites that it owns, leases, or manages, or in areas adjacent to such sites.	
	304-2	Significant Impacts of Activities, Products and Services on Biodiversity	4.2.5 Biodiversity	
	304-3	Habitats Protected or Restored	No such cases occurred during the reporting period.	
	304-4	IUCN Red List Species and National Conservation List Species with Habitats in Areas Affected by Operations	No such cases occurred during the reporting period.	
★Emissions				
GRI 3: Material Topics2021	3-3	Management of Material Topics	4.3 Energy Conservation and Carbon Reduction	
★GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG Emissions	4.3.5 GHG Emission Statistics	
	305-2	Energy Indirect (Scope 2) GHG Emissions	4.3.5 GHG Emission Statistics	
	305-3	Other Indirect (Scope 3) GHG Emissions	4.3.5 GHG Emission Statistics	
	305-4	GHG Emissions Intensity	4.3.5 GHG Emission Statistics	
	305-5	Reduction of GHG Emissions	4.3.5 GHG Emission Statistics	
	305-6	Emissions of Ozone-Depleting Substances (ODS)	CHEM does not emit any such substances.	Not Applicable
	305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions	4.4.3 Air Pollution Prevention and Control	
Waste				
GRI 306: Waste 2020 Management Approach	306-1	Waste Generation and Significant Waste-related Impacts	4.4.2 Waste Management	
	306-2	Management of Significant Waste-related Impacts	4.4.2 Waste Management	
GRI 306: Waste 2020	306-3	Waste Generated	4.4.2 Waste Management	
	306-4	Waste Diverted from Disposal	4.4.2 Waste Management	
	306-5	Waste Directed to Disposal	4.4.2 Waste Management	

Topic	Disclosure	Description	Corresponding Chapter / Disclosure Explanation	Reason for omission / Explanation
★Supplier Environmental Assessment				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	3.3 Supplier Evaluation	
★GRI 308: Supplier Environmental Assessment 2016	308-1	New Suppliers That Were Screened Using Environmental Criteria	3.3 Supplier Evaluation	
	308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken	3.3 Supplier Evaluation	
Social				
★Employment (Voluntary Disclosure)				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.2.1 Compensation Management	
★GRI 401 : Employment 2016	401-1	New Employee Hires and Employee Turnover	5.2.1 Compensation Management	
	401-2	Benefits Provided to Full-Time Employees That Are Not	5.2.1 Compensation Management	
	401-3	Provided to Temporary or Part-Time Employees	5.2.1 Compensation Management	
	Salary	Parental Leave Average Salary and Median Salary of Full-Time Employees Who Are Not Managers, and Differences from the Previous Year	5.2.1 Compensation Management	
Labor/Management Relations				
GRI 402: Labor/Management Relations 2016	402-1	Minimum Notice Periods Regarding Operational Changes	5.2.2 Labor-Management Relations	
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	6.1 Occupational Health & Safety Policy and Management	
★GRI 403 : Occupational Health and Safety 2018 Management Approach	403-1	Occupational Health and Safety Management System	6.1.1 Occupational Health and Safety Management System	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	6.1.2 Hazard Identification and Risk Assessment	
	403-3	Occupational Health Services	6.2 Occupational Health Services	
	403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	6.1.1 Occupational Health and Safety Management System	

Topic	Disclosure	Description	Corresponding Chapter / Disclosure Explanation	Reason for omission / Explanation
★GRI 403 : Occupational Health and Safety 2018 Management Approach	403-5	Worker Training on Occupational Health and Safety	6.1.3 Performance Measurement Indicators	
	403-6	Promotion of Worker Health	6.3 Promotion of Worker's Health	
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	6.3.3 Multiple Vaccination Sessions for Influenza and Other Vaccines	
	403-8	Workers Covered by an Occupational Health and Safety Management System	6.1.1 Occupational Health and Safety Management System	
	403-9	Work-Related Injuries	6.1.3 Performance Measurement Indicators	
	403-10	Occupational Diseases	6.1.3 Performance Measurement Indicators	
★ Training and Education				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.3 Learning and Development	
★GRI 404: Training and Education 2016	404-1	Average Hours of Training per Year per Employee	5.3 Learning and Development	
	404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	5.3 Learning and Development	
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	5.3 Learning and Development	
Diversity and Equal Opportunity				
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	2.1.1 Board of Directors 5.1.2 Talent Recruitment and Employee Retention	
	405-2	Ratio of the Basic Salary and Remuneration of Women to Men	5.2.1 Compensation Management	
Non-discrimination				
GRI 406 : Non-discrimination 2016	406-1	Incidents of Discrimination and Corrective Actions Taken	5.2.2 Labor-Management Relations	
Freedom of Association and Collective Bargaining				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and Suppliers at Significant Risk for Incidents of Violations of Freedom of Association and Collective Bargaining	No such cases were confirmed upon investigation.	
Child Labor				
GRI 408: Child Labor 2016	408-1	Operations and Suppliers at Significant Risk for Incidents of Child Labor	5.2.2 Labor-Management Relations	
Forced or Compulsory Labor				
GRI 409 : Forced or Compulsory Labor 2016	409-1	Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	5.2.2 Labor-Management Relations	

Topic	Disclosure	Description	Corresponding Chapter / Disclosure Explanation	Reason for omission / Explanation
Security Practices				
GRI 410: Security Practices 2016	410-1	Security Personnel Trained in Human Rights Policies or Procedures	5. Friendly Workplace	
Rights of Indigenous Peoples				
GRI 411 Rights of Indigenous Peoples 2016	411-1	Incidents of Violations Involving the Rights of Indigenous Peoples	No such cases occurred during the reporting period.	
Local Communities				
GRI 413: Local Communities 2016	413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	No such cases occurred during the reporting period.	
	413-2	Operations with Significant Actual and Potential Negative Impacts on Local Communities	No such cases occurred during the reporting period.	
★Supplier Social Assessment				
★GRI 414: Supplier Social Assessment 2016	414-1	New Suppliers That Were Screened Using Social Criteria	3.3 Supplier Evaluation	
	414-2	Negative Social Impacts in the Supply Chain and Actions Taken	3.3 Supplier Evaluation	
Public Policy				
GRI 415: Public Policy 2016	415-1	Political Contributions	CHEM and all consolidated subsidiaries made no political contributions.	
Customer Health and Safety				
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	CHEM's product and service categories have no significant impacts on health and safety.	
	416-2	Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	No such cases occurred during the reporting period.	
Marketing and Labeling				
GRI 417: Marketing and Labeling 2016	417-1	Requirements for Product and Service Information and Labeling	CHEM's marketing and labeling of products and services comply with relevant laws and regulations and international standards to ensure the quality of its products and services.	
	417-2	Incidents of Non-Compliance Concerning Product and Service Information and Labeling	No such cases occurred during the reporting period.	
	417-3	Incidents of Non-Compliance Concerning Marketing Communications	No such cases occurred during the reporting period.	
Customer Privacy				
GRI 418: Customer Privacy 2016	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	No such cases occurred during the reporting period.	
★Customer Relations				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	2.3 Customer Relations	
★Customer Relations		Custom Material Topic	2.3 Customer Relations	

Appendix2

TCFD Index

Pillar	TCFD Disclosures	Corresponding Chapter
Governance	The Board's Oversight of Climate-Related Risks and Opportunities	4.1 Climate-Related Financial Disclosure (TCFD)
	Management's Role in Assessing and Managing Climate-Related Risks and Opportunities	4.1 Climate-Related Financial Disclosure (TCFD)
Strategy	The Short-, Medium-, and Long-Term Climate-Related Risks and Opportunities Identified by the Organization	4.1 Climate-Related Financial Disclosure (TCFD)
	The Impact of Climate-Related Risks and Opportunities on the Organization's Businesses, Strategy, and Financial Planning	4.1 Climate-Related Financial Disclosure (TCFD)
	The Resilience of the Organization's Strategy, Taking into Consideration Different Climate-Related Scenarios	4.1 Climate-Related Financial Disclosure (TCFD)
Risk Management	The Organization's Processes for Identifying and Assessing Climate-Related Risks	4.1 Climate-Related Financial Disclosure (TCFD)
	The Organization's Processes for Managing Climate-Related Risks	4.1 Climate-Related Financial Disclosure (TCFD)
	How Processes for Identifying, Assessing, and Managing Climate-Related Risks Are Integrated into the Organization's Overall Risk Management System	4.1 Climate-Related Financial Disclosure (TCFD)
Metrics and Targets	The Metrics Used by the Organization to Assess Climate-Related Risks and Opportunities in Line with Its Strategy and Risk Management Processes	4.1 Climate-Related Financial Disclosure (TCFD)
	Disclosure of Scope 1, Scope 2, and, if applicable, Scope 3 Greenhouse Gas Emissions and the Related Risks	4.1 Climate-Related Financial Disclosure (TCFD)
	The Targets Used by the Organization to Manage Climate-Related Risks and Opportunities and Performance Against Those Targets	4.1 Climate-Related Financial Disclosure (TCFD)

Appendix 3

Climate-Related Information for Listed Companies

1. Climate-Related Risks and Opportunities Facing the Company and the Company's Related Response Measures

	Item	Corresponding Chapter
1	Describe the Board of Directors' and Management's Oversight and Governance of Climate-Related Risks and Opportunities.	4.1 Climate-Related Financial Disclosure
2	Describe how the identified climate-related risks and opportunities affect the Company's business, strategy, and finances over the short, medium, and long term.	4.1 Climate-Related Financial Disclosure
3	Describe the financial impacts of extreme weather events and transition actions.	4.1 Climate-Related Financial Disclosure
4	Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the Company's overall risk management system.	4.1 Climate-Related Financial Disclosure
5	If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts used.	4.1 Climate-Related Financial Disclosure
6	If a transition plan is in place to manage climate-related risks, describe the content of the plan and the metrics and targets used to identify and manage physical risks and transition risks.	4.1 Climate-Related Financial Disclosure
7	If an internal carbon price is used as a planning tool, describe the basis for determining the price.	4.1 Climate-Related Financial Disclosure
8	If climate-related targets have been set, describe the activities covered, greenhouse gas emission scopes, planning timeframe, annual progress toward the targets, and other relevant information. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the relevant targets, describe the sources and amounts of the carbon offsets or the number of RECs used.	4.1 Climate-Related Financial Disclosure
9	Greenhouse Gas Inventory and Assurance.	4.1 Climate-Related Financial Disclosure

Appendix 4

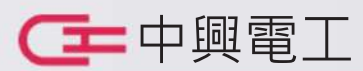
SASB Standards Index

Industry: Electrical & Electronic Equipment (RT-EE)

Topic	Metric	Metric Description	Unit	Format	Value	Notes
1. Energy Management	1.1 Total Energy Consumed	Code: RT-EE-130a.1 Type: Quantitative Unit of Measure: Gigajoules (GJ)	Gigajoules (GJ)	Numeric value, four decimal places, non-negative	40211.0000	
	1.2 Percentage of Grid Electricity	Code: RT-EE-130a.1 Type: Quantitative Unit of Measure: Percentage (%)	%	Numeric value, two decimal places, non-negative	86.30	
	1.3 Percentage of Renewable Energy	Code: RT-EE-130a.1 Type: Quantitative Unit of Measure: Percentage (%)	%	Numeric value, two decimal places, non-negative	14.70	
2. Hazardous Waste Management	2.1 Hazardous Waste Management	Code: RT-EE-150a.1 Type: Quantitative Unit of Measure: Metric tons (t)	Metric tons (t)	Numeric value, four decimal places, non-negative	0.9275	
	2.2 Percentage of Waste Recycled	Code: RT-EE-150a.1 Type: Quantitative Unit of Measure: Percentage (%)	%	Numeric value, two decimal places, non-negative	100	
	2.3 Number and Aggregate Quantity of Reportable Spills	Code: RT-EE-150a.2 Type: Quantitative Unit of Measure: Number	Number	Numeric value, zero decimal places, non-negative	0	
	2.4 Quantity Recycled	Code: RT-EE-150a.2 Type: Quantitative Unit of Measure: Kilograms (kg)	Kilograms (kg)	Numeric value, four decimal places, non-negative	0	
3. Product Safety	3.1 Number of Publicly Announced Recalls	Code: RT-EE-250a.1 Type: Quantitative Unit of Measure: Number	Number	Numeric value, zero decimal places, non-negative	0	
	3.2 Total Number of Units Recalled	Code: RT-EE-250a.1 Type: Quantitative Unit of Measure: Number		Numeric value, zero decimal places, non-negative	0	

Topic	Metric	Metric Description	Unit	Format	Value	Notes
3. Product Safety	3.3 Total Amount of Monetary Losses as a Result of Legal Proceedings Associated with Product Safety	Code: RT-EE-250a.2 Type: Quantitative Unit of Measure: Reporting currency Description: The entity shall briefly describe the nature and context of the monetary losses and any corrective actions taken.		Text block	NT\$0	
4. Product Lifecycle Management	4.1 Percentage of Products Containing IEC 62474 Declarable Substances, by Revenue	Code: RT-EE-410a.1 Type: Quantitative Unit of Measure: Percentage of Revenue (%)	%	Numeric value, two decimal places, non-negative	Not applicable. CHEM's products are	
	4.2 Percentage of Products Eligible for Energy Efficiency Certification, by Revenue	Code: RT-EE-410a.2 Type: Quantitative Unit of Measure: Percentage of Revenue (%)	%	Numeric value, two decimal places, non-negative	not included within the scope of the IEC 62474 framework.	
	4.3 Revenue from Renewable Energy and Energy Efficiency-Related Products	Code: RT-EE-410a.3 Type: Quantitative Unit of Measure: Reporting currency		Text block	NT\$20.105 billion	
5. Materials Sourcing	5.1 Description of the Management of Risks Associated with the Use of Critical Materials	Code: RT-EE-440a.1 Type: Discussion and Analysis Unit of Measure: Not applicable		Text block	Reference: 2.2 Risk Management; 3. Sustainable Supply Chain	
6. Business Ethics	6.1 Description of Policies and Practices for Prevention of Corruption and Bribery and Anti-competitive Behavior	Code: RT-EE-510a.1 Type: Discussion and Analysis Unit of Measure: Not applicable		Text block	Reference: 2.1.4 Ethics and Integrity	
	6.2 Total Amount of Monetary Losses as a Result of Legal Proceedings Associated with Bribery or Corruption	Code: RT-EE-510a.2 Type: Quantitative Unit of Measure: Reporting currency Description: The entity shall briefly describe the nature and context of the monetary losses and any corrective actions taken.		Text block	NT\$0	

6. Business Ethics	6.3 Total Amount of Monetary Losses as a Result of Legal Proceedings Associated with Anti-competitive Behavior	Code: RT-EE-510a.3 Type: Quantitative Unit of Measure: Reporting currency Description: The entity shall briefly describe the nature (e.g., judgments or orders issued after trial, out-of-court settlements, guilty pleas, deferred prosecution agreements, or non-prosecution agreements) and context (e.g., price fixing, patent abuse, or antitrust) of all monetary losses resulting from legal proceedings.		Text block	NT\$0	
	7.1 Production by Product Category			Text block	422554	
7. Activity Metrics	7.2 Number of Employees			Numeric value, zero decimal places, non-negative	1,900	



Chung-Hsin Electric & Machinery Mfg. Corp.

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