



炎洲集團
YC GROUP

2024

Sustainability Report



www.ycgroup.tw

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1-1 About the Report

To Readers

This is the 2024 Annual Sustainability Report of Yem Chio Corporation (Yem Chio Group). In accordance with the relevant provisions of the Code of Practice for Sustainable Development of Listed Companies, the Company is committed to corporate social responsibility and has set sustainable management as one of its business philosophies. Through this report, we will disclose in detail the performance of various aspects of the Company's operations, such as environmental, social, and corporate governance, with the aim of demonstrating to customers, enterprises, society, government, and other stakeholders that the Yem Chio Group has proactively invested in the achievement of ESG sustainable development. We hope to demonstrate to our customers, businesses, society, government and other stakeholders the results of the Group's active commitment to ESG sustainability. In addition, we hope that readers and other stakeholders will be kind enough to give us their advice, and your feedback will be the driving force behind our continued progress.

Reporting Boundaries and Scope

The scope of the information data in the report is the environmental, social, and corporate governance aspects of the Group's subsidiaries in terms of important issues and performance. The scope of the report covers the following areas under the Yem Chio Group: Taipei Headquarters, Yem Chio Changhua Plant, AICHEM Technology, Yem Chio Distribution, Wong Chio Development, and Yem Chio Hotel (formerly known as UINN Hotel).

Principles and Guidelines

This report shall be prepared annually with reference to the GRI Standards issued by the Global Reporting Initiatives (GRI), industry disclosures, and the previous year's sustainability report prepared in accordance with the characteristics of the industry by adopting the SASB standards of the Taiwan Stock Exchange Corporation's IFRS permanent disclosure standards area, and disclosing the economic, environmental, and social significant themes that the company has identified. The sustainability report for the previous year discloses the Company's identification of economically, environmentally, and socially significant themes, management policies, disclosure items, and reporting requirements, and at a minimum, meets the GRI Standards' core criteria. The content of the aforementioned sustainability report shall include an assessment of the relevant environmental, social and governance risks, as well as the establishment of relevant performance indicators for the management of the significant themes identified.

Disclosure items should be measured and reported according to standards set by the relevant regulatory authorities. If no applicable standards are issued by the authorities, commonly accepted industry practices should be used for measurement and disclosure.

Reporting Period

The period for disclosure of information in this report is January 2024 1 to December 31, 2024, partial renewal of disclosure of information. As of April 30, 2025, there were no other significant changes in size, structure, ownership or supply chain within the Group in order to strengthen the Group's competitiveness and consolidate internal resources.

Report Verification and Issuance

In order to comply with the preparation and verification of the sustainability report, the Taiwan Stock Exchange Corporation (TSE) has issued the following report dated December 7, 2021 The Company's Procedures for the Preparation and Validation of the Company's Sustainability Report are set out in the Announcement No. 1100024868 of the Taiwan Stock Exchange Corporation (TSE) amending the title of the release, "Procedures for the Preparation and Validation of the Company's Sustainability Report". These procedures were agreed by the Audit Committee and approved by the Board of Directors on March 25, 2022, and were incorporated into the internal control system. The disclosures in the sustainability report correspond to the GRI and SASB standards, and the report indicates whether third-party confirmation and assurance have been obtained for each disclosure item. 2024 Sustainability Report is prepared in accordance with the GRI standard and has not yet been certified by an external certification body, and the Sustainability Report is submitted to the Board of Directors annually, and an

electronic file is placed on the Company's website and reported to the Internet information reporting system designated by the competent authorities.

Point of Contact

If you have any suggestions regarding the YEM CHIO 2024 Sustainability Report, you are welcome to contact us as follows. We will post this report on our website after submitting it to the Board of Directors

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Message From the Chairman

Greetings to all Yem Chio Group staff and readers.

This is a time of turbulence, but also a time of opportunity. Since 2022, when the Group announced the common beliefs and culture of the Yem Chio Group (a one-page book), the entire international community been in a state of great instability, whether it be geopolitics, the U.S.-China game, the U.S.-Ukraine war, or the tariff war, and it is amazing that major events, which are rare in the last 100 years, have occurred over the past few years. The industries and enterprises have been rising one after another, and even the global industrial structure has changed. For example, the crude oil futures have seen a oil price, and even our Group has experienced a problem that is rare to see in several decades; the capacity utilization rate of certain plants in the manufacturing cluster is less than half; the management of the real estate business is deteriorating, and the opportunities that could have been value-creating were not seized in time at a good time, and we failed to make profits when we should have made profits. This is something we have never experienced since we were founded.

With China's overcapacity problem, products being sold at low prices to capture the international market, the economic cycle of various industries being broken, and the U.S. imposing tariffs across the board, we have a tiger in front of us and an army behind us, which is very challenging for the operation of the Group's various business divisions.

Fortunately, we have proposed "pruning and re-seeding" since 2016 and "operational transformation" in 2022. In the face of the unpredictable new situation, we should take stock of the Group's ability to transform, and adjust the Group's overall operational



direction, business model, organizational structure, and resource allocation, with particular emphasis on the Group's organizational structure and integration of resources, which have not yet yielded comprehensive results over the years. In the future, we should take action to respond quickly to the situation and adjust our strategies in order to maintain our competitive edge.

On the road to transformation, the headquarters has accelerated the implementation of talent cultivation and the application of digital tools to enhance the digital efficiency and value of the organization, and "transformation" and "integration" are now in progress for the Group.

Group Chairman



2025/1/17

1-3 Sustainable Performance

2024 Execution Status

E (Environment)

1. Gradually reduce the number of coating machines (including recycling machines) while keeping the total capacity of the Yangmei plant unchanged.
2. The solvent-free system is used to replace the recycling system in the production facility.
3. The addition of SF PVC replaces some of the PVC products produced on conventional machines.
4. Reduce the need for recycling equipment.
5. The Changhua Film Plant is implementing an energy-saving performance assurance program for the process cooling system, and will replace the old chiller with a new one to save energy. The amount of electricity generated was 3,313 kWh by 2024.

S (Social)

1. Strengthen internal education and training to improve the quality and skill level of our employees, and provide 5,173 hours of internal and external education and training in FY2024.
2. Expand industry-academia collaboration to facilitate seamless integration between the academia and the industry. By March 2025, the total number of interns will be 2.
3. The childcare subsidy program took effect in July 2023, with a total of 42 employees and 55 children receiving subsidies in 2024.
4. Education scholarship subsidies for employees and their children in Taiwan, with a total of 182 employees and their children receiving subsidies in 2024.

G (Governance)

1. Yem Chio Group's 2024 consolidated revenue for 2024 is approximately 15.9 billion yuan, with EPS of approximately 1.27 yuan.
2. 2024 The Board of Directors reports on various items of corporate governance
 - (1) Annual report on the implementation of the ESG for Sustainable Development.
 - (2) Report on the implementation of risk management policies and procedures.
 - (3) Intellectual Property Management Annual Executive Report.
 - (4) Promote the annual report on the implementation of corporate integrity management.
 - (5) Report on the status of communication with stakeholders.
 - (6) Report on "Corporate Value Enhancement Program" in accordance with the Code of Corporate Governance Practices for Listed and OTC Companies.
 - (7) Report of Succession Planning for key managers.
 - (8) Added a new procedure for managing sustainability information.
 - (9) Amendments to certain provisions of the Company's "Code of Corporate Governance Practices," "Code of Conduct for Meetings of the Board of Directors," and "Organizational Procedures for the Audit and Risk Committee."

Future Sustainability Advancement Plan

Group Transformation Motto

"Transformation is the only way forward. As long as there is commitment, a clear direction, and consistent effort, it becomes a source of strength."

Operational Performance

1. Operating with principles of integrity, stability, innovation, and sustainability.
2. Short-term Goal: Achieve the operational targets set for the 2023 budget.
3. Mid-to Long-term Goal: Continue advancing the Group's operational synergies, energy-saving initiatives and digital transformation to create operational synergies.

Major Direction of Group Transformation

1. Organizational Structure, Manpower (Adjustment) Configuration.
2. Implement a Layered Responsibility System
3. Energy Conservation and Carbon Reduction
4. Digital Optimization
5. Accelerate Equipment Automation
6. Product Upgrades and Industry Alignment with Future Demands
7. Establishing Technology Sources: Training Courses / External Consultants / Outsourcing / Employee Self-Learning and Development °



2. About YEM CHIO

Important Issues :

E. S. G

Significance to YC	<p>▲ The continuous and stable growth of revenue and profit to meet the expectations of investors and stakeholders is the basis of corporate operations. Only by pursuing overall operational efficiency and market development can long-term and stable operating performance be created.</p> <p>▲ A sound corporate governance mechanism can enhance the stability and transparency of corporate operations.</p> <p>▲ Ensure the company's stable and sustainable operations through a sound risk management mechanism.</p> <p>▲ Strictly abide by laws and regulations.</p>
Annual Specific Plan	<p>▲ Strengthen the stability of the company's operations, continuously improve the corporate governance system, and participate in relevant corporate governance evaluations.</p> <p>▲ Regularly review the development, establishment and implementation performance of the company's overall risk management mechanism, establish a comprehensive risk control process, and formulate corresponding methods for risks at all levels.</p>
Annual Specific Programs	<p>Target for 2024</p> <p>1. Annual revenue growth.</p> <p>2. Net profit after tax continues to grow.</p> <p>3. No violations of management, business and environmental regulations</p>
Input Resources	<p>The company's website discloses a specific contact window for investor relations. Since 2017, it has produced a sustainability report every year and is committed to various sustainable activities.</p>
Evaluation Mechanism	<p>Regularly publish financial information and company news in accordance with regulatory requirements</p>
Operational Performance in 2024	<p>The company's earnings per share ("EPS") was approximately \$1.27.</p>
Medium and Long Term Goals	<p>Promote the transformation of the group and focus on sustainable development.</p>

2-1 Company Profile

Basic Information:

Company Name: Yem Chio Co., Ltd.
 Date of Establishment: 1978.03.07
 Paid-In Capital: NT\$680 million
 Listed Company Stock Code: 4306
 Group Chairman: Mr. Lee, CHIH HSIEH
 Number of Employees: Taiwan: 1,228 (2024/12/31)
 Important Operating Locations.
 Headquarter: Yem Chio Group Taipei Headquarters
 (including Yem Chio, AChem Technology, Yem Chio
 Distribution, Wong Chio Development, Yem Chio
 Hotel)
 Manufacturing Plants :
 Yangmei AChem Technology, Taoyuan; Changhua
 Changbin Yem Chio I & II plants
 2024 Consolidated Revenue: NT\$15.9 billion



2024 Annual Revenue Distribution:

(Unit: NT\$ thousand)

Item	Amount	Proportion
Tape Manufacturing Department	10,610,128	66.8%
Packaging Materials Access Department	1,436,198	9.1%
Real Estate Division	2,961,595	18.6%
Specialty Chemicals Division	465,066	2.9%
New Energy Department	418,095	2.6%
Total	15,891,082	100.0%

2-1-1 Scope of Business

Packaging Materials Business



▲ Yem Chio Changhua Plant

Yem Chio Changhua Plants primarily produce BOPP film, a critical upstream material in the packaging industry. BOPP film is widely used due to its high tensile strength, impact resistance, rigidity, durability, and excellent transparency. After corona treatment, it offers good printability, enabling high-quality printing and making it a popular choice for composite films. Currently, major domestic suppliers of BOPP film and adhesive tape raw materials include large plastic manufacturers such as Formosa Plastics and Taiwan Chemical, making it crucial to maintain a competitive edge through automation for large-scale production and collaboration with upstream raw material suppliers.

For downstream customers, who require different film and tape properties, manufacturers need to offer advanced production technologies and a variety of product specifications to meet complete product demands in one purchase.

Achem, with its core competence in coating technology, specializes in producing and operating pressure-sensitive adhesive tapes and PE film products. It was one of the first companies in Taiwan to develop and produce PVC tape and has gained international recognition for pioneering BOPP-based



▲ Achem Yangmei Plant

packaging tapes. Its acrylic and oil-based adhesive coating technologies are world-leading.

As one of the largest global manufacturers of BOPP and PVC tapes, Achem integrates the entire supply chain comprehensively, with production facilities in Taiwan, mainland China, and Southeast Asia. Its product range covers packaging, electrical, stationery, industrial, protective, double-sided, paper, and specialty tapes. The applications span various industries including automotive, construction, home appliances, electronics, footwear, textiles, toys, and printing. The company markets its products globally under the Wonder, Achem, and Achem Wonder brands, with a sales network extending to over 80 countries.

In recent years, to better meet customer needs and enhance profitability, Achem has actively pursued product diversification. It has expanded from its core coating technology into specialty chemicals (such as photoresists and EBR) and optoelectronic materials, and vertically into petrochemical raw materials like PE film, OPP film, PVC film, and acrylics. This strategy has successfully bridged traditional and high-tech industries, connecting Achem past with its future and expanding its market presence.



▲ YEM CHIO DISTRIBUTION CO.,LTD
 Promotional Gifts Division

YEM CHIO DISTRIBUTION (formerly: Xinzhou Global) is committed to innovating packaging material distribution channels by leveraging YEM CHIO Group's unparalleled vertical integration resources and supply chain support, along with industry-leading production technology and innovation capabilities. This approach enhances and personalizes customer service, adhering to the core corporate values of integrity, pragmatism, stability, speed, innovation, customer orientation, and sustainable management.

YEM CHIO DISTRIBUTION focuses on building a learning organization and upholding high ethical standards, with an emphasis on customer development and service. The company provides a range of packaging solutions, establishing long-term partnerships with clients through reliable operations and effective communication. Its core product lines include adhesive tapes, electronic packaging materials, cushioning

materials, plastic bags, packaging machinery, paper packaging, packaging materials, and various customized services. Additionally, YEM CHIO Distribution has established the "Pack Master" brand, a professional packaging material chain that spans both sides of the Taiwan Strait.

Drawing on years of experience in the packaging materials supply chain, YEM CHIO DISTRIBUTION is actively expanding into online channels and exploring new business opportunities in 2023. The company is also extending its focus to the customized promotional gifts market. The Pack Master promotional gifts service offers comprehensive packaging and one-stop custom services, with a strong reputation for customer satisfaction. The company aims to target opportunities in customized, personalized, identifiable, and environmentally friendly promotional products.

With its professional packaging material chain brand positioning, YEM CHIO DISTRIBUTION offers clients one-stop customized services supported by a professional logistics team and warehousing capabilities. Its key product lines include adhesive tapes, electronic packaging materials, cushioning materials, plastic bags, packaging machinery, and paper packaging products.

Unit: NT\$ Thousands

Region	Sales Amount for 2024	Percentage for 2024
Taiwan	1,404,612	97.32%
Asia-Pacific	38,630	2.68%
Europe	80	0.00%
Total	1,443,322	100.00%

▲ YEM CHIO Distribution CO.,LTD Description of the Proportion and Sales Amount of Domestic and International Sales

Real Estate Business



▲ Yem Chio THE ONE

For most consumers, purchasing a home is likely one of the most significant decisions in their lifetime, as a home becomes a vessel for living and creating various memories. A quality home should not only provide shelter but also be a nurturing environment that supports the residents' growth and well-being. Therefore, in terms of client management, WONG CHIO Construction has ambitious goals and exceptional aspirations. Adhering to the principles of sustainable operation, the company provides products and services characterized by "integrity," "stability," and "innovation," aiming to create more perfect and comfortable living spaces, enhance residential quality, and contribute



▲ New Taipei Yem Chio Sheraton Hotels

to building beautiful urban architecture. Through delivering solid and secure homes, WONG CHIO Construction establishes a lifelong commitment with its clients. The company's business activities include land development, construction, and urban renewal among other real estate operations.

New Taipei Yem Chio Sheraton Hotels and Marriott jointly create a five-star hotel service, the hotel provides the highest standards of luxury rooms and exotic cuisine and leisure pool, sauna, children's recreation area, gym and other professional entertainment facilities, to become the only five-star hotel in Xinzhuang Fuduxin of the senior brand.

2-1-2 Company Development History



In 1978, Chairman Lee, CHIH HSIEH founded YEM CHIO CO., LTD., engaging in the trading of packaging materials.

In 1987, the company expanded into manufacturing, producing packaging-related products.

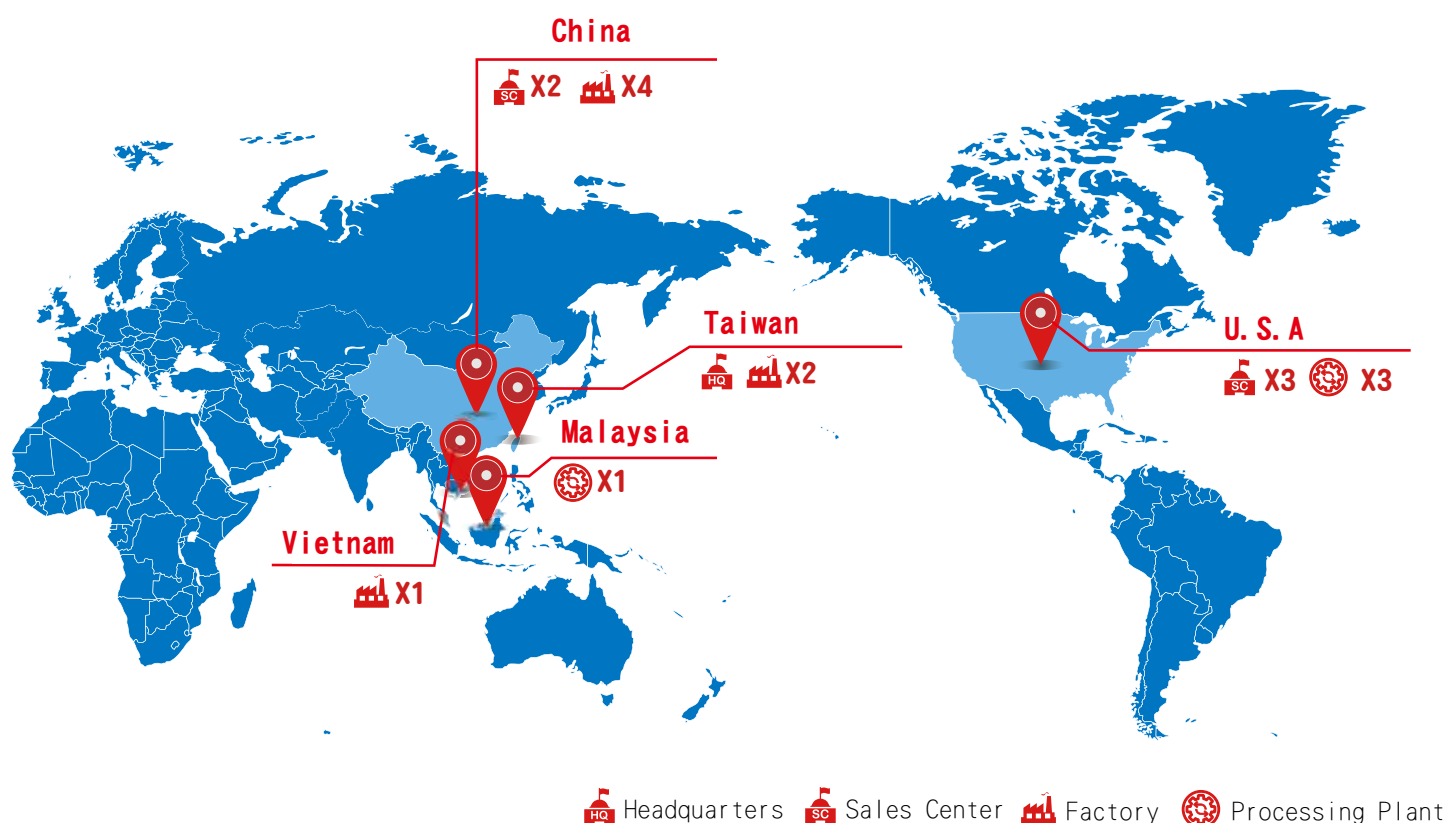
In 2015, the group established its headquarter in Neihu.

In 2023, the company expanded its specialized business by establishing a new plant in the Central Taiwan Science Park.

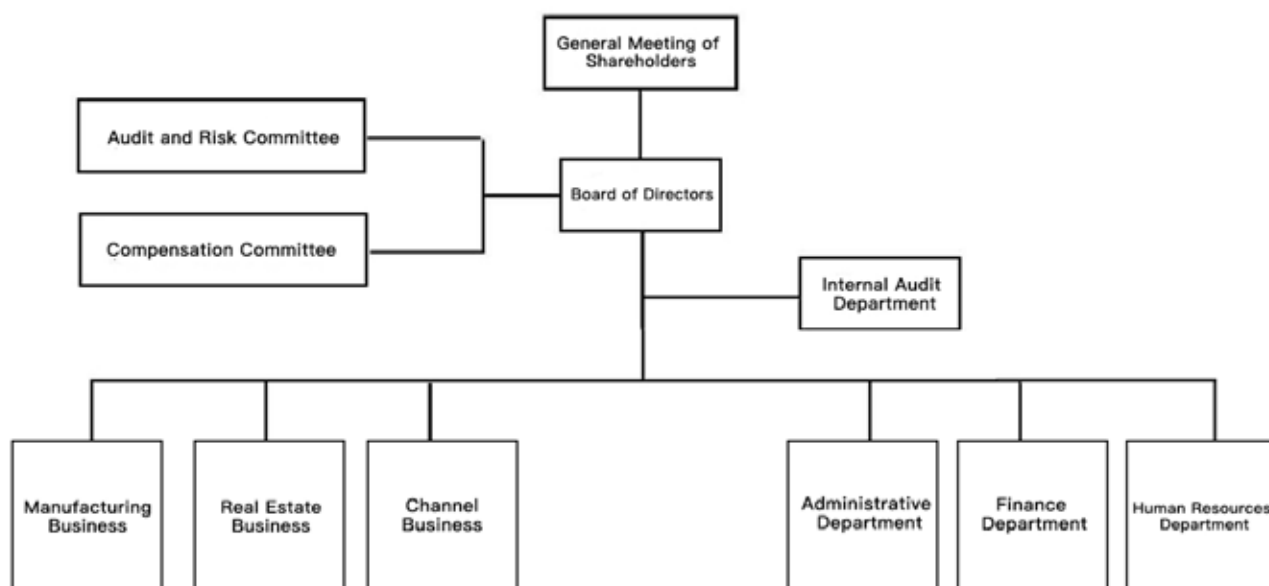
In 2024, Xin Chio Global CO., LTD. changed its name to Yem Chio Distribution CO., LTD..

In 2024, enter the solar energy industry and acquire 66% of the shares of KING SUN NEW TECH CO., LTD..

2-1-3 YC Group Global Locations



2-2 Management Team Organization Chart



Business Operations of Major Departments

Department	Main Business
Audit and Risk Committee	<p>The main purpose is to supervise the following matters:</p> <ol style="list-style-type: none"> 1.Appropriate presentation of the company' s financial statements. 2.The selection (dismissal) and independence and performance of certified public accountants. 3.Effective implementation of the company' s internal control. 4.The company complies with relevant laws and regulations. 5.Control of existing or potential risks of the company.
Remuneration Committee	<p>Establish and regularly review the policies, systems, standards and structures for performance evaluation and remuneration of directors, supervisors and managers, and regularly evaluate and determine their remuneration.Establish and regularly review the policies, systems, standards and structures for performance evaluation and remuneration of directors, supervisors and managers, and regularly evaluate and determine their remuneration.</p>
Chairman' s Office	<p>Formulate the company' s long-term business development strategy. Responsible for the overall management of the company. Coordinate the overall business of each unit organization. Shaping the company' s corporate image and establishing external relations.</p>
Audit Office	<p>Establishment, revision and implementation of internal audit system.</p>
Manufacturing Business	<p>Responsible for the production, sales and operation management of the group' s tape, film and other manufacturing businesses. Planning and management of operational strategies. Establishment of operating locations, customer development and management.</p>
Real Estate Business	<p>Responsible for the operation and management of the group' s construction, hotel and other real estate businesses. Planning and management of operational strategies. Real estate development and management.</p>
Channel Division	<p>Responsible for the development and operation management of the group' s packaging material distribution channels. Planning and management of operational strategies. Establishment of operating locations, customer development and management.</p>
Administrative Department	<p>Responsible for administrative, legal, information, energy and other related businesses, and providing support and assistance for overseas legal affairs.</p>
Finance Department	<p>Responsible for finance, accounting and other related businesses, and directly manages financial and accounting units at home and abroad.</p>
Human Resources Department	<p>Responsible for personnel selection, training, employment and retention, and providing support and assistance for overseas related affairs.</p>

2-3 Corporate Governance

We firmly believe that in pursuing business growth and creating corporate value, implementing a sound corporate governance structure and effective internal control systems is essential for enhancing business quality and competitiveness. The board of directors of our company operates with the long-term interests of the company and all shareholders in mind, performing their duties objectively and independently.

Increasingly, both domestic and international investors and major stakeholders view corporate governance and the presence of

independent directors as critical indicators for investment decisions. Therefore, we continue to adhere to the principles of corporate governance. Board members are elected by all shareholders through a voting process, as required by the company's articles of association and regulations. Additionally, various functional committees are established under the board to enhance its functions, safeguard the interests of shareholders and stakeholders, and improve information transparency, thereby actively implementing corporate governance policies and social commitments.

2-3-1 Improvement of the Board of Directors' Function

In 2024, the board of directors had a total of seven seats, with three of these being held by independent directors, accounting for 43% of the board. Among the board members, six are male and one is female. All directors are over 40 years old and possess extensive industry expertise and management backgrounds, significantly enhancing the board's independence and diversity, and enabling it to fully execute strategy and provide guidance. The board meetings are held at least once per quarter, and in 2024, a total of five board meetings were conducted, each with a 100% attendance rate. The Chairman, Lee, CHIH HSIEH, utilizes his extensive professional capabilities to make strategic business decisions, improve operational performance, and oversee the normal functioning of the board.

In accordance with company regulations and the "Regulations Governing the Establishment of Independent Directors and Compliance Matters for Public Companies," the selection of directors considers the overall composition of the board, including operational judgment and management capabilities, accounting and

financial analysis skills, crisis management ability, industry knowledge, international market perspective, leadership, and decision-making skills. Additionally, the board follows the "Guidelines for Continuing Education of Directors and Supervisors of Listed and Over-the-Counter Companies" and arranges for directors to attend external training, such as courses on board operations and sound corporate governance, to strengthen governance capabilities.

The board reviews business performance and discusses significant strategic issues, including economic, environmental, and social impacts, as well as risks and opportunities. Important board resolutions are published on the Taiwan Stock Exchange's public information observatory. Information such as the company's articles of association, board meeting rules, director remuneration, operational conditions, and the implementation of conflict-of-interest procedures are made available to domestic and international investors in a fair, honest, and transparent manner for timely access.

Board of Directors

No.	Title	Name	Key Educational and Professional Experience
1	Chairman	Ying Quan International Co., Ltd. (Authorized Representative: Lee, CHIH-HSIEH)	The 23rd Youth Entrepreneurship Model of the Republic of China, Chairman of YEM CHIO Corporation, Master of Business Administration from , Barrington University, USA.
2	Board Director	Asia Shuo Co., Ltd. (Authorized Representative: LIN, SIH-SHAN)	Mingdao High School, Taichung, General Manager of Hao Jun Construction Co., Ltd., Chairman and General Manager of Hao Sen Construction Co., Ltd.
3	Board Director	Ying Quan International Co., Ltd. (Authorized Representative : Lee, SHU-WEI)	Master's Degree in International Business, Ming Chuan University, CEO of WONG CHIO CO., LTD.
4	Board Director	Asia Shuo Co., Ltd. (Authorized Representative: FANG, SHU-FEN)	Master' s Degree in Accounting, Northern Illinois University, General Manager of YEM CHIO Co., Ltd.
5	Independent Director	CHEN, YEN-CHUN	Institute of International Business, National Taiwan University, Chairman and General Manager of Canxing Network Communications Co., Ltd., Chairman of Canxing International Travel Service Co., Ltd., Chief Risk Officer of Can Kuan Industrial Co., Ltd., Group Financial Manager of Can Kuan Industrial Co., Ltd., Vice Chairman of Tally Weijl Co., Ltd., Group Chief Financial Officer of Tally Co., Ltd.
6	Independent Director	CHEN, SHUN-FA	Department of Accounting, National Chung Hsing University , Partner PWC Taiwan
7	Independent Director	WANG, CHIEN-CHUAN	Ph.D. in Economics, Purdue University, Advisor, Ministry of Economic Affairs Member, Industrial Advisory Committee, Ministry of Economic Affairs.

2-3-2 Financial Performance

Market Analysis

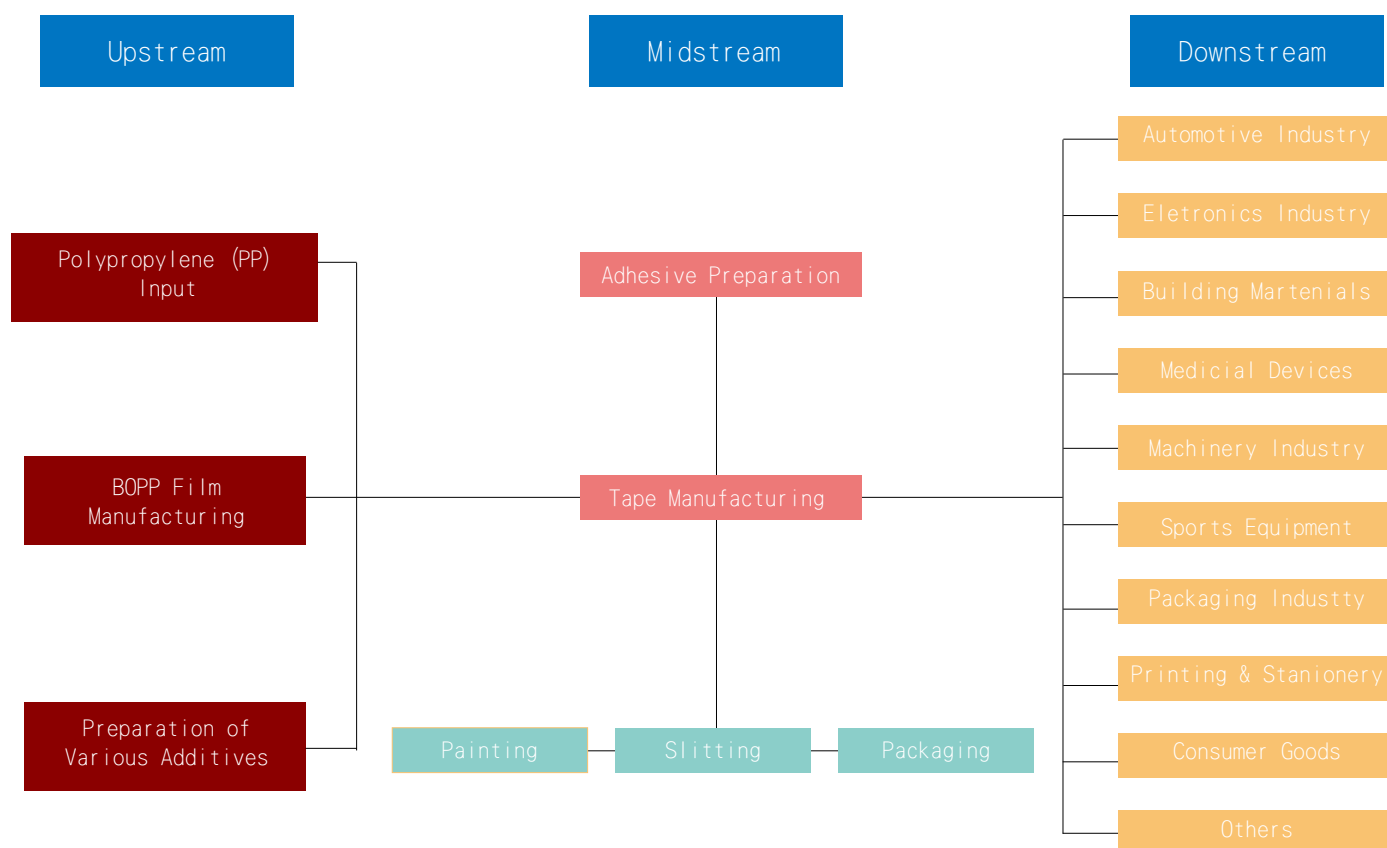
(1) Current Status and Development of the Packaging Materials Industry

The BOPP film industry is part of the upstream sector of the packaging materials industry and represents a very important type of flexible packaging material. It is widely used due to its high tensile strength, impact resistance, rigidity, toughness, and good transparency. After corona treatment, BOPP films exhibit good printability , allowing for high-quality color printing and an attractive appearance, which makes it a common choice for composite films.

Adhesive tapes belong to the

midstream sector of the packaging materials industry. These tapes involve applying an adhesive to a substrate to create an adhesive effect through the flow of the adhesive and its bonding with the adherent surface. There are numerous types of adhesive tapes, categorized into solvent-activated, heat-activated, and pressure-sensitive tapes. Currently, there are over ten thousand types of commercial adhesive tapes. Their convenience, excellent functionality, and low cost make them indispensable in daily life and work.

In recent years, as the demand for packaging materials has increased, the demand for films has been rising annually,



▲ Packaging Materials Industry Upstream, Midstream, and Downstream Relationships Diagram.

with applications expanding into various industries. For example, pearl films for masks and labels, anti-fog films for fresh vegetable packaging, glossy films for posters and printing, and bag-making films for various consumer products. As for adhesive tapes, with the rapid growth of the domestic electronics and information industry, there is increasing demand for tapes used in transformer coil insulation, printed circuit board plating protection, semiconductor wafer cutting, grinding, and demagnetization. Among these, the OPP tape series, driven by environmental requirements, is becoming a market mainstream. Additionally, with continuous development of new products and technologies in adhesive tapes, no other products can fully replace their auxiliary role across industries. Consequently, film and tape products are not significantly affected by fluctuations in the economic climate of any single industry, but rather experience steady demand in line with

overall economic growth both domestically and internationally.

(2) Industry Upstream, Midstream, and Downstream Relationships

In the film industry, upstream raw materials include polypropylene (PP) and various additives. Downstream sectors encompass various types of tape manufacturing companies, as well as printing and food packaging industries. Films are widely used for packaging bread, fruits and vegetables, cigarettes, cookies, and other food products, as well as for packaging clothing, shoes and socks, books, and cosmetics.

In the adhesive tape industry, upstream raw materials include substrates such as paper, fabric, rubber, plastic films, or metal foils, as well as resin manufacturers that produce various adhesives. The midstream sector involves

tape processing and manufacturing companies, which focus on operations such as mixing adhesives, coating, drying, cutting, slitting, and packaging. Finished tapes find applications across a broad range of industries including automotive, electronics, machinery, building materials, printing and stationery, medical equipment, and general household use. Due to their extensive use in packaging, adhesive tapes are integral to nearly all industries.

Our company operates as a manufacturer of films and adhesive tapes in the upstream and midstream sectors of the packaging materials industry. The industry's upstream, midstream, and downstream structure is illustrated in the diagram above.

(3) Product Development Trend

The trend of film product development is toward environmental protection, product diversification and

differentiation. Since BOPP film is environmentally friendly and non-toxic, BOPP film has high substitutability for other types of packaging materials, and its application in new fields and industries is gradually expanding. In addition to differentiation, film products are also toward the trend of lighter and thinner thickness, which can effectively reduce the downstream costs, but also to establish the threshold of the industry. Tape product development trend toward functional applications and environmental protection and other directions. With the rapid growth and upgrading of the global industry and the ever-changing demands, the tape manufacturers are developing various special tapes or adjusting the glue formulas to meet the customers' expectations for their products. In summary, the future development trend of packaging materials is to meet the environmental standards and to differentiate their products.

Market Share, Future Market Supply and Demand Conditions, and Growth Potential

Although the tape industry is facing a large capacity and supply in developing countries such as Mainland China and Southeast Asia, the demand for tapes is still growing steadily due to the fact that tapes are constantly being updated and have been widely used in various industries. The film industry has emerged from the bottom of the industry boom. The Changbin film plant has increased investment in new product inspection equipment, CCD, cutting machines, and plant compartments to strengthen quality management and increase production of high value-added food packaging film to create product differentiation. Since 2011, we have

started to sell BOPP to international tape brands, and in 2016, we will adjust our product mix to increase sales of consumer packaging film. In 2024, based on sales volume and sales categories, production of machines #2 and #3 has been discontinued, and we are actively working to optimize the planning and utilization of the factory premises.



Competitive Niche

Research and Development

The Film Division continues to develop higher value-added films.

Sales Strategy

- 1.The Film Division and Adhesive Tape Division plan and participate in international trade shows annually, and strategically position themselves in the semi-finished product market.
- 2.Adjust the product portfolio to maximize profitability.
- 3.Strengthen retail revenue share for the packaging business under the brand "Master Package" (currently, revenue primarily comes from wholesale to businesses).

Production

Advance with full commitment towards vertical integration across the upstream, midstream, and downstream segments of the adhesive tape industry. Coordinate and integrate raw material procurement and production sales between Yem Chio and Achem, aiming to become the largest adhesive tape manufacturer globally.

Management

- 1.Integrate global resources to establish a structure with Taiwan as the operational center.
- 2.Consolidate the Group's internal Enterprise Resource Planning (ERP) system to enhance decision-making and management performance.

Product Sales Regional Distribution

The primary products of our company and its subsidiaries are various types of adhesive tapes and films, with a market distribution primarily focused on exports. In 2024, exports accounted for approximately 60% of total sales, with the Americas and Asia being the largest markets. Currently, the estimated domestic and international sales ratio for our company and its subsidiaries' main products is as follows:

Products	Sales Revenue (Thousands NTD)	Domestic Sales Proportion	Export Sales Proportion
Tapes	9,362,212	7%	93%
Packaging Materials	1,436,198	97%	3%
Films	1,247,916	38%	62%
Construction	2,901,957	100%	—
Other	942,799	100%	—
Total	15,891,082	40%	60%

2024 Annual Production Value

Main Products	Production Capacity (k m ² / Ton)	Output (k m ² / Ton)	Output Value (Thousands NTD)
Tape	2, 068, 221	1, 296, 267	7, 013, 923
Film	109, 200	83, 679	3, 809, 279
Total	2, 177, 421	1, 379, 946	10, 823, 202

Sales Volume in 2024

Main Products	Domestic Sales		Export	
	Quantity (Thousands m ² / Ton)	Value (Thousand NTD)	Quantity (Thousands m ² / Ton)	Value (Thousand NTD)
Tape	114, 713	633, 718	1, 245, 756	8, 728, 494
Packaging Materials	–	1, 397, 488	–	38, 710
Film	10, 907	474, 099	14, 574	773, 817
Construction	–	2, 901, 957	–	–
Other	–	942, 799	–	–
Total	125, 620	6, 350, 061	1, 260, 330	9, 541, 021

Key Financial Indicators (Group Consolidated Financial Statements)

Unit: NT\$ million

	2022	2023	2024
Consolidated Operating Income	14,671.3	13,223.7	15,891.08
Net Profit After Tax	1,037.8	801.2	816.9
Earnings Per Share (NTD)	1.72	1.30	1.27
Total Assets	29,518	31,141	35,187

Short-Term Business Development Plan

Target	Strategy
Expanding Global Presence Deepen the market in North America, Europe and Japan to promote the sale of recycled products and raise awareness of environmental protection to cope with climate change and resource scarcity.	Promoting environmentally friendly recycled products Focusing on North America, Europe and Japan to increase global market share and assist customers in green transformation, sales are expected to grow 30% by 2025.
Developing Green Packaging Promote biodegradable, recyclable and zero-waste packaging materials to reduce reliance on plastics	Environmentally Friendly Packaging Plan to convert 40% of materials to environmentally friendly and promote new packaging to 70% of market demand.
Enhancing Energy Efficiency Enhance production efficiency, use renewable energy, reduce carbon emissions, and lessen the burden on the environment.	Digital and Intelligent Production Adopting smart technology and digital management to reduce resource waste and carbon emissions.
Strengthening Supply Chain Management To establish a transparent and traceable supply chain, ensure that raw materials meet environmental and social responsibility standards, and promote the sustainable development of suppliers.	Quality Improvement and Recycling Certification Strengthening quality management, obtaining international recycling certificates, and continuously improving the environmental performance of our products are the highlights of our sales.

Long-Term Business Development Plan

Target	Strategy
Build a sustainable sales service system to enhance long-term customer value.	Establish a customer cooperation model centered on environmental and social responsibility, provide green solutions and carbon footprint transparency reports, and strengthen long-term partnerships with international customers on sustainability issues.
Train and develop professional talent to continuously promote corporate green transformation.	The group company strengthens employees' understanding and practical capabilities in core issues such as ESG, carbon management, and circular economy. Encourage cross-departmental participation in sustainable innovation projects.
Create a smart and low-carbon manufacturing platform to reduce reliance on human resources.	Promote digital production and carbon emission management systems, combining energy management, resource reuse, and waste reduction technologies to achieve carbon reduction goals and production optimization. Build a smart circular manufacturing ecosystem.

2-3-3 Operation of the Audit and Risk Management / Compensation Committee

The beneficiary bank's city-state, Yem Chio, established an Audit Committee in accordance with the Securities Exchange Act in 2019 (renamed the Audit and Risk Committee in 2023) and a Compensation Committee in 2011. In 2024, the Audit and Risk Committee held five meetings, and the Compensation Committee held two meetings. Both committees are composed

of three independent directors, each serving a three-year term. The Compensation Committee evaluates the Company's directors and managers regarding salary and compensation policies and systems, as well as the Company's operational performance. It provides recommendations on dividend distribution ratios, manager compensation, and the Company's

compensation policies from an objective and professional standpoint. Additionally, it makes suggestions based on the competitive environment of the industry and the Company's short-term, medium-term, and long-term business objectives. Additionally, the Company regularly participates in industry-wide or consultant-conducted

salary surveys to review whether salary and welfare measures align with market standards. It also designs incentive-based welfare systems. Employee compensation and director compensation are proposed and reported to the shareholders' meeting. For detailed information, please refer to the annual report of Yem Chio.

2-3-4 Commitment to Ethical Business Practices and Protection of Shareholder Rights

In compliance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the "Self-Assessment Indicators for Corporate Governance Evaluation" of the Corporate Governance Center of the Taiwan Stock Exchange Corporation, the Company has formulated the following rules and regulations: (1) Corporate Governance Best Practice Principles, (2) Ethical Corporate Management Best Practice Principles of the Yem Chio Group, (3) the Regulations for the Prevention of Insider Trading of the Yem Chio Group, and (4) Implementation Management Status of the Yem Chio Group.... The Board of Directors and the management have been working closely with each other to ensure that the Group is able to fulfill its obligations under the Code. The Board of Directors and the management thoroughly supervise and

implement the business policy of integrity, as well as internal management and business activities, and uphold the principle of integrity management. 2024, the Company did not have any complaints or reports on violations of ethical integrity or wrongdoing by its operations or any of its employees, and the 2024 shareholders' meeting has been fully audio-recorded, and the video file has been posted on the Company's website for reference.



2-3-5 Internal Risk Control Management System

YC strives to adhere to a steady and practical business strategy and the concept of sustainable management. In light of the various operational, financial, environmental, and information security risks that are inherent to all enterprises, YC has established a risk management framework to address the potential impact of these risks on our operations. We believe that this will greatly reduce the operational risks and hazardous impacts of YC, enabling us to quickly respond to risks and develop response strategies and emergency measures to minimize losses and continuously protect the interests of our stakeholders. The Company has put in place a risk management mechanism with the aim of managing various potential risks that may have an impact on its operations and profits. It is hoped that this will significantly reduce the impact of operational risks and hazards, enabling a quick response to risks and the formulation of countermeasure strategies and emergency response measures to minimize losses and continuously safeguard the interests of stakeholders.

Risk Aspects	Main Risk Points	Our Response Measures
Financial Risks	Exchange Rate Interest Rate Credit Risk	<p>1. Exchange rate: The increase in foreign currency receivables through U.S. dollar transactions is offset due to purchases of goods. Foreign currency payables and bank short-term foreign currency borrowings generated to achieve natural The effectiveness of risk aversion. The company also actively pays attention to information such as exchange rate changes and makes timely adjustments. Foreign currency positions, and initiate foreign currency hedging strategies in a timely manner.</p> <p>2. Interest rates: Risks that may arise due to changes in interest rates, in addition to market capital Loose policies, negotiate preferential borrowing interest rates with various banks, and actively reduce operating costs</p> <p>3. Credit risk: According to the company's internal credit assessment standards, we review and control customers' credit Use quota.</p>
	Competition Industry Development Trade Barriers	<p>1. The company has been deeply involved in the packaging materials industry for many years and has established its own brand, "Baodashi" It maintains good communication with customers, keeps abreast of industry trends, and, together with the Yem Chio Group's comprehensive upstream, midstream, and downstream supply chain, which is rare worldwide, provides customers with the best products and solutions through its professional R&D and customer service teams.</p> <p>2. Stage-by-stage increases in production equipment investment projects in the RCEP leading country, China, will facilitate entry into the RCEP common prosperity zone. At the same time, the company will deepen its presence in Southeast Asian markets such as Vietnam and Myanmar, which are part of RCEP.</p>

Risk Aspects	Main Risk Points	Our Response Measures
Information Security Risks	Robust Information Systems Good Information Environment Protection and Network Security Information Security Management	<ol style="list-style-type: none"> 1. Plan to create a secure and effective information security platform through the establishment of a robust information management system. 2. Establish a good information environment: Implement backup mechanisms for main systems; regularly test the restoration of critical systems and data to reduce the risk of data loss, and develop emergency response plans and personnel training. 3. Protect and control network security: Enhance network security protection and manage internet access mechanisms; deploy endpoint antivirus and USB blocking; filter viruses and phishing emails; encrypt and protect confidential documents and R&D assets, respect intellectual property rights, and regularly promote and audit software usage.
Occupational Safety Risks	Occupational Safety Risks and Accidents	<ol style="list-style-type: none"> 1. Each factory plans to establish or upgrade to a new Occupational Safety Management System (ISO-45001). This involves identifying and assessing workplace hazards and risks across the entire plant based on the likelihood of occurrence and severity. Risk levels are determined, and relevant control standards are developed to strengthen the implementation of occupational safety measures. 2. Comply with local regulatory requirements and legal standards by managing contractor construction work effectively and strictly implementing employee training to prevent occupational accidents. This helps avoid work stoppages and potential operational interruptions for the company. 3. Purchase regulatory compliance and chemical management software to establish an electronic occupational safety and health management system for effective safety and health management.
Environmental Risks	Climate Change Energy Crisis	The company saves energy and reduces greenhouse gas emissions. The specific measures are mainly through promote labor education and formulate improvement plans every year to save costs and effectively reduce greenhouse gas emissions. In the face of increasingly serious global warming, in order to avoid carbon emissions. The continuous increase in greenhouse gas emissions has helped us understand the main energy sources consumption through greenhouse gas inventory. sources, thereby controlling and reducing resource consumption to avoid global warming caused by climate change. The global market operation risks and the huge energy consumption required.
	Waste Disposal Costs High and Difficult to Manage	<ol style="list-style-type: none"> 1. Promote waste reduction from the source and strengthen internal waste management controls. 2. Sign agreements with multiple qualified waste disposal vendors to enhance the company's waste disposal efficiency.
	Environmental regulations are becoming progressively stricter in various countries.	Currently, environmental regulations for products are becoming increasingly stringent in various countries, leading to difficulties in product manufacturing and development.

Risk Aspects	Main Risk Point	Our Response Measures
Regulatory Compliance Risks	Contractual Risk Product Liability Risk Intellectual Property Risk	<p>1. The Legal Department has significantly strengthened the company's contract review mechanism and requires assistance from various departments to address issues related to product liability and relevant legal litigation.</p> <p>2. Actively assist the R&D department with applying for patents, trademarks, and other intellectual property matters. Special emphasis is placed on enhancing and increasing legal knowledge among company staff to raise compliance awareness and avoid risks.</p>
Supplier Risks	Supplier concentration and poor-quality raw materials leading to shortages and work stoppages.	<p>1. Audit High-Quality Suppliers: The company adopts a balanced procurement strategy to collaborate with suppliers. Suppliers are selected based on their technical capabilities, quality, pricing, and delivery terms to mitigate risks by diversifying the supplier base.</p> <p>2. Qualified Supplier Evaluation (Twice a Year): The company conducts performance evaluations of all suppliers in collaboration with the quality assurance department every six months. Suppliers scoring 60 points or above are considered qualified. Suppliers scoring below 60 points are categorized as "monitored suppliers" and must address deficiencies within six months. If their performance does not improve after this period, the procurement and quality assurance departments will assess whether the supplier should have their qualified status revoked.</p> <p>3. Establish Good Relationships with Suppliers: The company maintains good relationships with core and exclusive suppliers, especially those that are "irreplaceable in the short term." For these suppliers, the company aims to build a partnership rather than viewing them merely as competitors during negotiations. The goal is to establish a concept of mutual benefit and achieve a win-win outcome. Prior to procurement, thorough preparation is essential, including evaluating "advantageous items" and "risk items" to set higher targets and maintain a "low-risk procurement" status with core suppliers.</p>
Recruitment Risks	Talent Recruitment Changes in Regulations Technological Gaps.	<p>1. Elite Talent Recruitment: As the company's business expands annually and the demand for specialized professionals increases, traditional recruitment methods through platforms alone are no longer sufficient. The company's response strategies are as follows: A. Actively establish campus collaboration mechanisms to broaden recruitment channels B. Engage in industry-academia cooperation to attract top talent to the company early.</p> <p>2. Changes in Regulations: Recent amendments to the Labor Standards Act include the implementation of the "one day off per week" system, adjustments to overtime pay calculation standards, and specific vacation regulations, including the strict enforcement of a rule prohibiting consecutive work for seven days. These regulations impact the company's overtime wages and work hour arrangements, increasing related labor costs and expenses.</p>

Risk Aspects	Main Risk Point	Our Response Measures
Disaster Risks	Fire, flood, land, Earthquake, water and power outages.	1. Risk Assessment – Analyze potential hazards in advance and, based on the likelihood and severity of their consequences, develop critical control points to effectively prevent the occurrence of these hazards. Every 2 to 3 years, commission a property insurance company to conduct a comprehensive risk assessment of the entire facility and recommend improvements for deficiencies. 2. Risk Response – In the event of a hazard occurring, promptly activate crisis management and emergency response measures to eliminate the hazard and ensure the safety of the facility.
New Product Development Risks	Customer needs are constantly changing. New environmental laws and regulations.	1. Continuously research and develop, improve product manufacturing processes, and comply with various green regulations. 2. Continuously invest in research and development and innovation to meet the needs and expectations of customers in the industry, strengthen the efficiency of operational processes and improve quality control, and enhance product competitiveness.

2-3-6 Participation of Public Associations

YC actively participates in the activities of industry associations and societies, and through the specific action of joining the association or becoming a member of the association, we can communicate with the industry for mutual benefit. We look forward to contributing to the packaging materials and tapes industry. (The following is a list of the associations that YC joined in 2024)

Company	Association Name	Job Title
YC & AICHEM	Taiwan Adhesive Tape Industry Association	Executive Director
	Taiwan Synthetic Resin Adhesive Industry Association	Member
	Industrial Safety and Health Association of the Republic of China	Member
	Quality Society of the Republic of China	Member
	Taoyuan City Industrial Association	Member
	National Chamber of Commerce of the Republic of China	Member
	Chinese National Federation of Industries	Member
	Taipei Import and Export Association	Member
	Taipei Real Estate Development Business Association	Member
Wong Chio	Taiwan General Construction Industry Association	Member

2-3-7 Legal Compliance and Intellectual Property

“Integrity” is the primary business philosophy of YEM CHIO CO., LTD., and corporate governance and compliance with laws and regulations is the principle of integrity and law-abiding practice; good corporate governance must be underpinned by a sound system of compliance with laws and regulations in order to operate in a sustainable manner. In order to ensure that we comply with the relevant laws and regulations, we have implemented a series of laws and policies to determine, educate and train our employees, as well as an open reporting channel, with the aim of strengthening their awareness of compliance, maintaining our corporate image, and minimizing our business risks and liabilities. In order to ensure compliance with the latest relevant laws and regulations, the Legal Affairs Department and the various organizational departments of the Company pay close attention to the latest developments in the revision of major laws and regulations and, based on this, carry out identification of laws and regulations and analysis of operations in order to revise the Company’s internal standards and procedures. The Company’s Legal Affairs Department also tracks new information on laws and regulations from time to time and notifies all business-related departments, management and executes internal audits in order to assist the Company’s internal organizations in implementing the requirements of the laws and regulations. All legal documents signed or concluded within the Group are reviewed and confirmed by a dedicated legal department to minimize possible risks or to achieve a win-win situation, ensure that every operation is carried out in accordance with Comply with domestic and international laws

and regulations as a basis for sustainable operations. In 2024, Yem Chio will have 0 incidents with Achem 2 related violations in total. (List and improvement measures The instructions are as follows)

Achem

Violation of Regulations	Description of The Law	Improvement Plan and Explanation
Article 32, item 2 of the Labor Foundation Law Article 34, item 2 of the Labor Foundation Law	Extended working hours in excess of legal requirements. Failure to provide workers with at least 11 consecutive hours of rest time when changing shifts.	The working hours and shift system have been reviewed and improved.
Regulations for the Occupational Safety and Health Equipments and Measures, Article 108, Item 1, Subitem 04, and Occupational Safety and Health Act, Article 6, Paragraph 1 Regulations for the Occupational Safety and Health Equipments and Measures, Article 108, Item 1, Subitem 05, and Occupational Safety and Health Act, Article 6, Paragraph 1 Crane and Elevator Safety Regulation Article 018, Item 1 and Occupational Safety and Health Act Article 6, Item 1 Occupational Safety and Health Equipments and Measures Article 177, Item 1, Sub-item 03 and Occupational Safety and Health Act Article 6, Item 1	For the storage of high-pressure gases, flammable gases, toxic gases, and oxygen cylinders, they must be stored separately. For the storage of high-pressure gases, they must be securely placed, fixed in position, and equipped with proper protective covers. In workplaces where flammable liquid vapors, flammable gases, or explosive dust other than flammable dust are present, and there is a risk of explosion or fire, in addition to taking ventilation, air exchange, and dust removal measures based on the hazardous characteristics, electrical machinery, equipment, or devices used must have explosion-proof construction suitable for the hazardous area classification of the installation location. Employers must clearly mark the rated load capacity of fixed cranes in a conspicuous location on the machine body and ensure that operators and personnel involved in lifting operations are fully informed.	The Company has improved the storage and labeling of high-pressure gases and implemented safety measures in accordance with laws and regulations to ensure worker safety.

2-4 Sustainable Development Organization

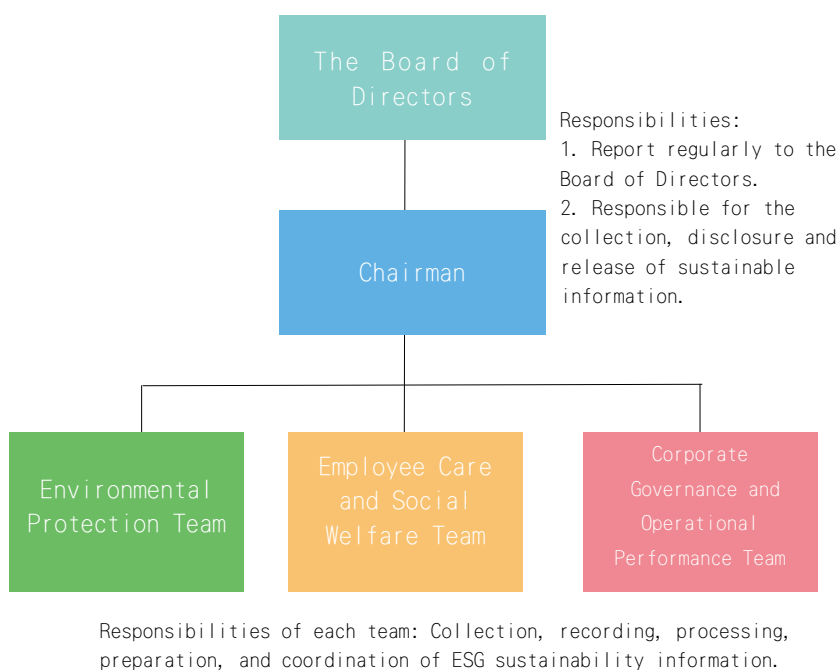
Sustainable Development Organization and Business Strategy

In the fourth quarter of 2017, YC Group formally established the “CSR Committee” (Renamed the Sustainable Development Group in January 2025), with the Chairman of the Board of Directors as the highest person in charge, instructing the heads of each organization in the Group to lead the relevant departments in the planning and execution of various corporate sustainable development strategies and projects. Through occasional discussion meetings, we have strengthened the communication mechanism among all departments. In addition, we mobilize internal and external resources to carry out project planning and management in order to continuously improve and achieve the principle of sustainable development. At the same time, the Company publishes the “Code of Practice on Corporate Social Responsibility” to fully demonstrate the Company’s dedication to social responsibility-related work. In order to achieve sustainable development and to keep abreast of domestic and international trends in the development of social responsibility, the Company provides employees with opportunities to participate in internal and external educational training and seminars in order to continually improve the Company’s internal ESG sustainability concepts.

In addition, in order to encourage the Company to actively fulfill its corporate social responsibility while engaging in business operations, in order to comply with the international trend of balancing the development of the environment, society, and corporate

governance, as well as to assume the responsibility of corporate citizenship, enhance the contribution to the national economy, improve the quality of life of employees, communities, and society, and to promote the competitive advantage based on corporate responsibility. In order to fulfill our corporate social responsibility, we respect social ethics and pay attention to the rights and interests of other stakeholders, and while pursuing sustainable management and profitability, we emphasize environmental, social, and corporate governance factors and incorporate them into our management and operations.

Sustainability Team Organization Chart



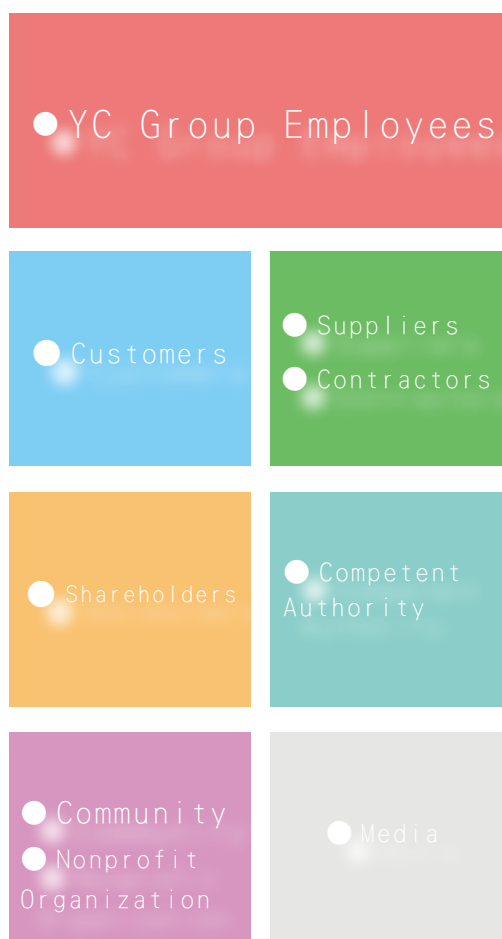
Revision date : 2025.01.15

2-4-1 Stakeholder Engagement and Materiality Analysis

In order to fulfill its social responsibility, YEM CHIO CO.,LTD. must first accurately identify and understand the needs and expectations of its stakeholders, therefore, the principles of this report are based on the process of identifying the major themes in the GRI Guidelines. The 2024 Annual Report of Yem Chio Group was prepared by the Corporate Social Responsibility Committee based on the five principles of AA 1000 Stakeholder Engagement and discussed at the ESG Committee meeting to identify the key stakeholders for the 2024 ESG Sustainability Report. (The seven major stakeholders of YC Group after the identification by all members of the ESG Committee are shown in the figure on the right.)

The Company believes that building a bridge of communication with the society through communication with them is an important part of the Company's fulfillment of its corporate social responsibility. Therefore, we adopt an open and diversified attitude in accepting the opinions of all parties, obtaining valuable suggestions and guidance through the process of communication with stakeholders, understanding the actual needs and expectations of the

stakeholders, and identifying potential risks and management opportunities that the Company may face through the Social Responsibility Report. Through the social responsibility report, we identify the potential risks and management opportunities that the enterprise may face, and make continuous improvement in order to comply with the enterprise's sustainable management concept.



2-4-2 Stakeholder Communication and Negotiation Mechanism

Through internal communication and coordination and effective integration and assessment by management, we conducted a matrix analysis of the level of concern of different types of stakeholders and the level of immediate

or potential impact on the company, in order to understand the level of concern of stakeholders on each issue and the level of impact of each issue on the company's operations.

The Communication Channels and Issues for Stakeholders are as Follows:

Stakeholders	Communication Target	Communication Channels and Frequency	Focus on Issues
Employees	All Employees	Labor-management Meeting/Quarterly Performance Evaluation/Regular Department Meeting/Irregular Education and Training/Irregular Employee Welfare Committee/Irregular Employee Mailbox/Irregular YC Newsletter/Quarterly	Corporate Governance Operating Performance Operational Risk Management Integrity management and legal Compliance Labor-Management Relations and Employee Benefits Talent Cultivation and Education Training
Customers	Customer Contact Window	YC Group Official Website/Irregular updates Customer Satisfaction Survey/Regular Customer Service Hotline, Email/Irregular	Product Quality Operating Performance Customer Service Integrity Management and legal Compliance Environmental Management and Energy Conservation and Carbon Reduction Green Product Development
Suppliers/Contractors	Suppliers and contractors of the Group's organizations	Supplier Assessment/Annually Manufacturer/Regular Interview/Irregular	Operating Performance Operational Risk Management Supplier Management
Shareholders	Shareholders/Directors	Board of Directors/Regular Annual Report and Financial Report/Periodic Official Website Information/Irregular Shareholders Meeting/Yearly Corporate Briefing session/Every year	Corporate Governance Operating Performance Operational Risk Management Integrity Management and Legal Compliance
Competent Authority	Government Organization	Hotline, Email and Meeting/Irregular Official letter/Irregular Visit/Irregular	Operating Performance Integrity Management and Legal Compliance Environmental Management and Energy Conservation and Carbon Reduction Wastewater and Waste Management
Community/Nonprofit Organization	Local Community Resident Foundation	Community Activities and Care/Irregular Activities held and Irregular Volunteer service/Irregular Community Operated by Residents/Irregular	Environmental Management and Energy Conservation and Carbon Reduction Wastewater and Waste Management
Media	Print and Electronic Media	Hotline, Email and Social Networking Site/Irregularly Press Conference/Irregular	Corporate Governance Operating Performance Environmental Management and Energy Conservation and Carbon Reduction

2024 Communication Channels, Engagement Issues, and Stakeholder Categories Report(1)

Category of Stakeholder	Issues of Concern	Communication Channels, Response Methods and Frequency of Communication	2024 Communication Performance
Competent authority	1. Compliance 2. ESG Sustainability 3. Communication with Competent Authorities	Cooperating with the competent authority in supervision and inspection. Participating in seminars, briefings, and other events organized by the competent authority on an irregular basis. Responding to letters or emails from the competent authority on an irregular basis. Establishing a contact window.	Corporate Governance Operational Performance Operational Risk Management Integrity and Legal Compliance Labor Relations and Employee Welfare Talent Development and Training
Employees	1. Employee Benefits 2. Key Talent 3. Childcare Allowance	Internal website and email announcements. Announcement changes or adjustments to employee benefits on an irregular basis. Conducting training courses. Holding labor-management meetings on an irregular basis. Holding information sessions on an irregular basis.	<p>Provide corresponding training programs for new employees, general staff, mid-level, and senior management to achieve career development.</p> <p>The Group's Succession Planning Program for Key Positions took effect last year. This year, in addition to continuing to cultivate key talent through internal training, job rotation, and promotions, the company is also actively seeking relevant mid-to-senior level talent from external sources.</p> <p>Additionally, in August, the company conducted a 360-degree performance review and assessment through management feedback surveys to continue its talent development and cultivation efforts.</p> <p>The Childcare Subsidy Program took effect in July 2023. The company held four information sessions in northern, central, and southern Taiwan, providing subsidies to 52 employees and 69 children in 2023. As of the end of September 2024, subsidies have been provided to 41 employees and 54 children.</p> <p>The Group's Taiwan-based employee and children's education scholarship subsidy program has been launched. To encourage employees and their children to continue their education, employees and their children who achieved an average grade of A (80 points) and above in both academics and conduct during the 2023 academic year are eligible to apply for the subsidy. A total of 139 employees and 182 children received subsidies.</p>

2024 Communication Channels, Engagement Issues, and Stakeholder Categories Report(2)

Category of Stakeholder	Issues of Concern	Communication Channels, Response Methods and Frequency of Communication	2024 Communication Performance
Shareholders	1. Corporate Governance 2. Operational Performance 3. Sustainable Development	Real-time News Coverage / Major Announcements Annual Shareholders' Meeting	June 21, 2024 Shareholders' Meeting: The company communicated thoroughly with shareholders during the meeting and included the opinions of shareholders who spoke in the minutes. All material announcements were made within the required time frame.
Investors	1. Corporate Governance 2. Operating Performance	Holding at least one investor conference per year.	2024/08/28 Invited to participate in the online investor conference hosted by Cathay Securities. 2024/12/19 Invited to participate in the online investor conference hosted by SinoPac Securities.
Customers	1. Information Security 2. Customer Protection and Communication 3. Information Transparency	Providing customers with diverse communication channels. Providing customer service related to sales products.	Continuously conduct video conferences and online meetings with clients. Group client complaint cases from January to August 2024 totaled 99, an increase of 19 cases compared to the same period in 2023. In August 2024, the company successfully passed the third-party RESA factory audit conducted by H client. Clients commissioned third-party audit companies to conduct on-site audits at our factories, and all factories have passed Sedex audits in 2024.. In August 2024, we achieved the target score of 5 out of 5 (0-5) in the annual evaluation by N client, with zero customer complaints. In October 2024, we completed the annual customer satisfaction survey. In March 2024, we commenced the second phase of the electronic data exchange project with Client A. In 2024, we collaborated with Client A on supplier cybersecurity risk management, continuing to identify and monitor risks.
Suppliers	1. Information Security 2. Suppliers Protection and Communication 3. Information Transparency	Actively invite suppliers to sign integrity commitment letters. Establishing supplier communication channels.	Outsourced supplier information security audits were implemented in September 2024. All information for outsourced services in 2024 has been signed under information security, confidentiality, information security audit authority, and intellectual property rights contracts.

2-4-3 Stakeholder Engagement and Materiality Assessment Methodology

● Stakeholder Inclusiveness

Identify stakeholders and explain how to respond to them, their reasonable expectations and interests.

● Materiality

Are the issues selected for this report sufficient to cause economic, The impacts are significant on the economy, environment and society.

● Sustainability Context

Reveal how companies affect the local or global economy and environment and social development trends to effectively improve and reduce damage.

● Completeness

The organization fully understands the perspectives of stakeholders and understands Their perspectives, needs, and expectations for organizational performance Expectations and ideas.

1. Identification of Stakeholders
Identification of Stakeholders: In accordance with the AA 1000 Stakeholder Consensus Principles, the ESG Committee discussed at the ESG Committee meeting and identified the seven major stakeholders for the 2024 ESG Sustainability Report.

2. Collection of sustainability issues:
Members of the Company's Sustainable Development Group collected and summarized a total of approximately 12 relevant issues by referring to the reference indicators issued by the GRI Standards, internal discussions among the members of the ESG Committee, and analysis of domestic and

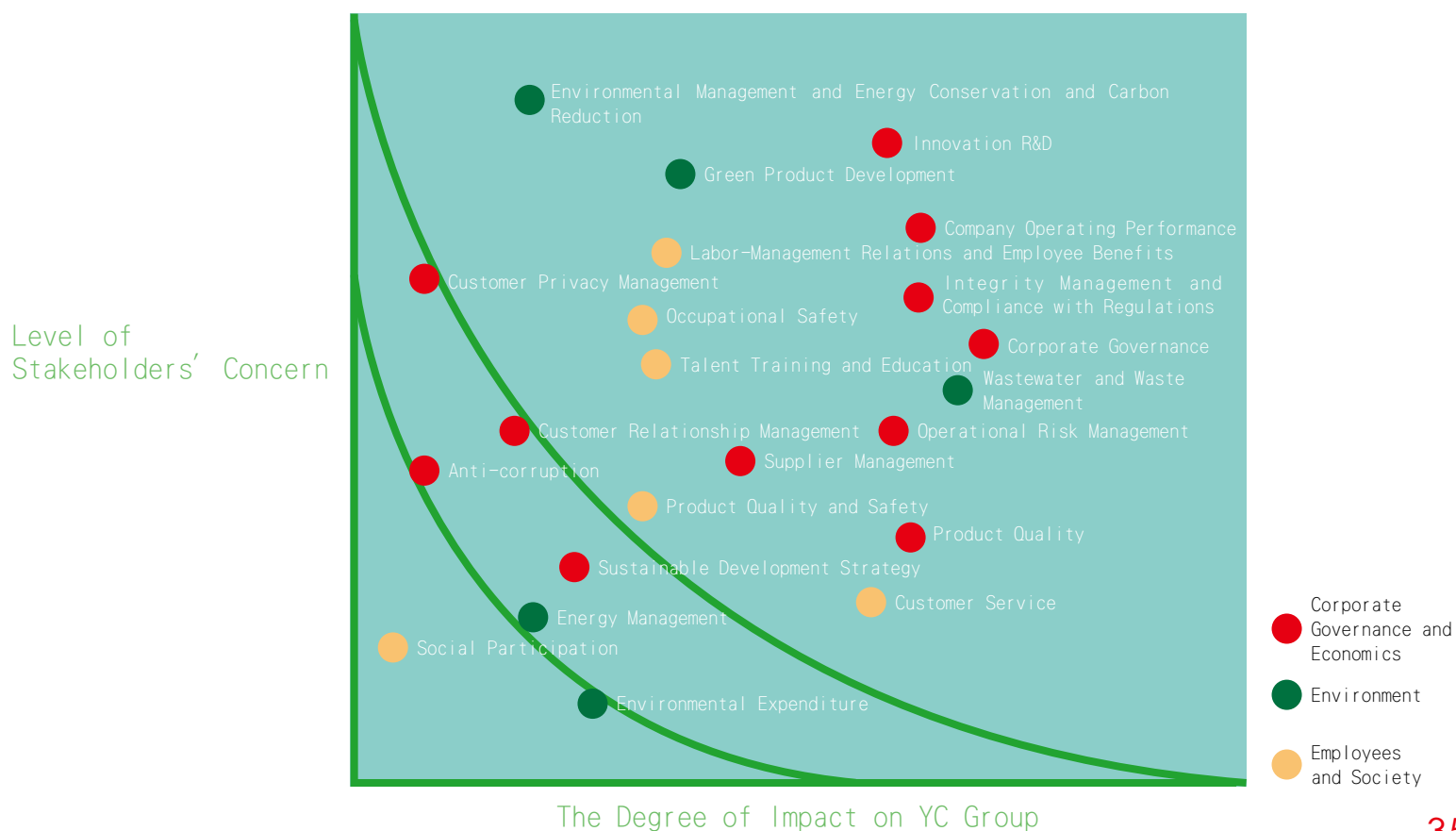
overseas industry data as the source of the Company's major sustainability issues. The Company collects and analyzes issues of interest to stakeholders of each group organization and summarizes the major issues of the YC Group for 2024.

Discussion and review: After analyzing the sustainability issues from economic, environmental, and social perspectives, the Sustainable Development Group discusses and decides on the extent of their impact on the Company, and then decides on the 12 major issues that the Company will prioritize for disclosure.

2-4-4 Important Issues List and Important Issues Matrix

Item	Category	Important Issues
1	Economy	Operating Performance
2	Society	Occupational Safety
3	Corporate Governance	Operational Risk Management
4	Corporate Governance	Corporate Governance
5	Economy	Integrity Management and Compliance with Regulations
6	Economy	Customer Service
7	Society	Labor-Management Relations and Employee Benefits
8	Society	Talent Cultivation and Education Training
9	Economy/Society	Supplier Management
10	Society	Environmental Management and Emission Reduction
11	Environment	Green Product Development
12	Environment	Waste Water and Waste Management

Important Issues Matrix



2-4-5 YC Group's Principles and Strategies for Sustainable Management

	For	Development Principles	Development Strategy
Economy	<ul style="list-style-type: none"> ● Corporate Governance ● Integrity in Operations and Compliance With laws and Regulations ● Operational Risk Management 	All members must abide by all laws and regulations Code of Conduct.	<ul style="list-style-type: none"> ● Publish various business codes of conduct ● Improve the company's internal audit and control mechanisms. ● Comprehensive risk thinking to ensure the company's stable operation.
	<ul style="list-style-type: none"> ● Operational Performance 	Continuous innovation and progress to create company growth Kinetic energy.	<ul style="list-style-type: none"> ● Cater to market trends, continue to innovate products, and provide Diversified and environmentally friendly products. ● Develop other business groups to strengthen the group's revenue sources and overall competitiveness.
	<ul style="list-style-type: none"> ● Customer Service 	Quality first, customers first.	<ul style="list-style-type: none"> ● Provide complete and comprehensive products and high-quality services. ● Actively respond to customer needs and exceed customer expectations.
	<ul style="list-style-type: none"> ● Supplier Management 	Strengthen supply chain quality and environmental protection, etc.	<ul style="list-style-type: none"> ● Develop a comprehensive supply chain management mechanism covering There are aspects such as quality, environment, and social responsibility. Comply with industry standards.
Society	<ul style="list-style-type: none"> ● Labor-Capital Relations and Employee Benefits. ● Talent Development and Training. 	Providing a friendly workplace and creating employee safety Healthy working environment.	<ul style="list-style-type: none"> ● Provide employees with good benefits and implement and comply with labor Regulations. ● Properly plan good internal and external employee education and training.
	<ul style="list-style-type: none"> ● Social Participation and Charity Activities. 	Actively participate in charity activities and care for Socially disadvantaged groups.	<ul style="list-style-type: none"> ● Led by YC headquarters and motivated by employees Provide public welfare services to the society and care for disadvantaged groups. ● Provide community assistance and maintain sustainable local relations.
	<ul style="list-style-type: none"> ● Occupational Safety at Work. 	Strengthen occupational safety management and comprehensively improve work environment and employee safety.	<ul style="list-style-type: none"> ● By establishing regulatory cloud and chemical cloud computer software, Establish an e-system for occupational safety and internal control. ● Strengthen internal employee awareness and internal control, create Highly secure workflow and environment.
Environment	<ul style="list-style-type: none"> ● Environmental Management and Energy Efficiency & Carbon Reduction 	We are committed to promoting energy conservation and carbon reduction, and promoting green environmental protection.	<ul style="list-style-type: none"> ● Through various energy-saving measures in factories and office buildings energy conservation and carbon reduction measures to reduce environmental impact.
	<ul style="list-style-type: none"> ● Green Product Development 	In response to global regulations on hazardous substances and reduce environmental impact, actively Invest in green research and development.	<ul style="list-style-type: none"> ● Continue to develop and inspect products that comply with RoHS and other green products in various countries Products that meet product standards and meet user needs.
	<ul style="list-style-type: none"> ● Wastewater and Waste Management 	Reduce wastewater and waste generation, increase Add recovery rate.	<ul style="list-style-type: none"> ● Add wastewater recycling equipment or improve the process within the factory. Reduce water demand and waste generation.

2-4-6 Explanation of the Substantive Impact of High-Concern Topics on YC Group

Details on the relevant GRI topics, management approach, and internal and external impact boundaries are provided in the table below:

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Operational Performance	1. YEM CHIO Company operates with the principles of integrity, stability, innovation, and sustainability, becoming the most vertically integrated tape production and sales enterprise in the packaging materials industry. 2. By institutionalizing and enhancing transparency in various management mechanisms, the company ensures that important information is fully disclosed and communicated to all stakeholders. 3. Sustainable management, profit growth, and stable dividends.	For the full year of 2024, consolidated operating revenue was TWD 15.9 billion, a increase of approximately TWD 2.676 billion compared to TWD 13.224 billion in 2023. The EPS after tax was TWD 1.27.	1. We are pursuing profitable growth and sustainable operations, and are promoting the upgrading of equipment and automation to increase the production efficiency of our existing plants. 2. To develop the core product of various types of adhesive tapes for upstream and downstream vertical integration, from upstream raw material production, midstream tape manufacturing and processing, downstream branding, sales channels and processing and distribution centers, to establish YEM CHIO as the world's only vertically integrated and the most complete production and sales of packaging materials, to create product and service differentiation, and to drive the growth of the industry.
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
		Internal (Company Employees)	External
Business Performance	Corporate Governance	◎	Shareholders Customers Suppliers and Contractors Regulatory Authorities

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Occupational Safety at Work	Implement the occupational safety management system across all facilities, fully establish a functional committee system, and enhance overall staff awareness of occupational safety. Promote participation in occupational safety and health management courses and obtain professional certifications. Strengthen employees' safety awareness, reduce workplace accidents, and create a safe working environment.	1. Yem Chio had zero cases of occupational diseases and major occupational fatalities in 2024. 2. AICHEM Chemical's lost time injury frequency rate was 0.74.	1. Continuously promote zero occupational diseases and occupational accidents. 2. Regular training and drills on disaster prevention and emergency response are conducted with full participation of all employees.
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
		Internal (Company Employees)	External
Occupational Safety	Comprehensive Occupational Safety Management	◎	Shareholders Regulatory Authorities

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Operational Risk Management	<ol style="list-style-type: none"> Through effective and accurate operational risk analysis by each department, we can help enterprises operate and grow in a sustainable and stable manner, reduce operational losses caused by various risks, and thus increase the operational efficiency and effectiveness of enterprises. Continuous attention and compliance with legal and regulatory requirements. We emphasize on the application of various technology patents to protect the privacy of our customers and safeguard intellectual property rights. 	<ol style="list-style-type: none"> To implement operational risk management and cooperate with the regulations of the competent authorities to fully utilize the company's resources to reduce or prevent potential risks. Setting up a risk management team, standardizing the underwriting process and testing solvency through capital adequacy analysis. 	<p>We have established a Risk Management Committee to conduct a rigorous analysis of business risks and to strengthen the Group's operational structure to create opportunities for sustainable operations and development.</p>
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
		Internal (Company Employees)	External
No Applicable GRI Material Topics	Corporate Governance	◎	Shareholders Customers Suppliers and Contractors Regulatory Authorities

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Corporate Governance	<ol style="list-style-type: none"> Actively improving the effectiveness of corporate governance Energy, perfect corporate governance mechanism. Enhance the stability and transparency of corporate operations, protect shareholders' rights and interests, and strengthen the functions of the Board of Directors and various committees. 	<p>To enhance the company's corporate image and align with international standards, we regularly disclose information related to corporate governance to advance our vision of sustainable development.</p>	<ol style="list-style-type: none"> Provides compliance counseling services. Assist with compliance training/inspections. Establishment of other compliance policies and codes of practice. The supervisory unit completed the internal audit and external inspection to improve the compliance deficiencies.
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
		Internal (Company Employees)	External
No Applicable GRI Material Topics	—	◎	Shareholders Regulatory Authorities

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Integrity in Operations and Compliance with Laws and Regulations	<p>1. "Integrity and Compliance" is a core value of YEM CHIO. Corporate governance and regulatory compliance are the practical guidelines for upholding this value. Strong corporate governance relies on a sound regulatory compliance system to ensure sustainable operations. To ensure adherence to relevant laws and regulations, we implement a series of legal and policy determinations, conduct training, and provide open reporting channels. These measures aim to enhance employees' compliance awareness, protect the company's reputation, and reduce operational risks and liabilities.</p> <p>2. By adhering to a principle of integrity and honesty in management, we earn the trust and respect of consumers, partners, and the wider community.</p>	The YEM CHIO Group has not encountered any major legal violations. In the event of a crisis, the management team has a robust reporting mechanism and effectively resolves issues through efficient cross-departmental communication.	<p>1. Ensure compliance with legal requirements and the appropriateness of internal supervision procedures through ongoing confirmation, evaluation, recommendations, supervision, and reporting. Utilize risk management strategies to identify, assess, control, and monitor risks.</p> <p>2. Enhance awareness of regulatory compliance by reviewing and monitoring the implementation of compliance measures.</p> <p>3. Provides compliance counseling services.</p> <p>4. Assist with compliance training/inspections.</p> <p>5. Establishment of other compliance policies and codes of practice.</p> <p>6. The supervisory unit completed the internal audit and external inspection to improve the compliance deficiencies.</p>
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
		Internal (Company Employees)	External
Anti-Corruption / Socio-Economic Compliance / Environmental Protection Compliance	Corporate Governance	◎	Shareholders Customers Regulatory Authorities

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Customer Service	<p>1. Through the most comprehensive upstream, midstream and downstream cooperation, YEM CHIO provides complete and innovative products according to customer attributes and industry development to fully satisfy the diversified needs of customers.</p> <p>2. We conduct regular customer satisfaction surveys in each of our group companies and continue to innovate our services to provide complete solutions to our customers.</p> <p>3. Protecting customers' rights and data security in the strictest manner to gain customers' trust.</p>	YEM CHIO Distribution CO., LTD conducts regular telephone or in-person visits by its sales supervisors or personnel to understand and collect customers' opinions and satisfaction with products, transaction processes, staff services, etc., and conducts customer satisfaction surveys, all of which are in excellent condition.	<p>1. Strengthen market development to increase the ratio of consumer packaging (food packaging) in ASEAN/Japan and flame film in Europe and the US, and continue to operate under the "BDSPACK" brand in Taiwan and China to enhance the company's image and visibility.</p> <p>2. Continuing to promote projects that have not been traded for a long time.</p> <p>3. Newly promote the deep cultivation (existing customers) project, with process optimization and new product introduction, to maintain and deepen the existing customer base.</p> <p>4. Enhance customer service efficiency and reduce customer complaint incidents.</p>
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
		Internal (Company Employees)	External
Marketing and Labeling	Listening to Customer Feedback	◎	Customers



Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Labor-Capital Relations and Employee Benefits	<ol style="list-style-type: none"> 1. We prioritize fair treatment and benefits for employees, as talent is a valuable asset worth cherishing. 2. We are committed to caring for our employees, listening to their various needs, creating a positive work environment, and focusing on their well-being and safety. 3. We offer comprehensive and diverse benefits to create a thriving and happy workplace. 	We conduct QCDS audits of our major suppliers twice a year and require them to sign a commitment to not use hazardous substances and prohibit the use of conflict minerals. Strengthen the supplier management mechanism and establish a comprehensive supplier evaluation and improvement mechanism.	<ol style="list-style-type: none"> 1. We will increase the number of items to be purchased and continue to improve our bargaining power by utilizing our purchasing strengths. 2. Continuously strengthen supply chain management and cooperation, promote local procurement and compliance with green regulations, promote the implementation of social responsibility management systems in the supply chain, and promote the sustainable development of the industrial chain.
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
		Internal (Company Employees)	External
Labor Relations/ Employment Relations/ Employee Diversity and Equal Opportunity	Employee Care	◎	-

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Talent Development and Training	<ol style="list-style-type: none"> 1. Through cultivating professional talent and improving quality, we enhance employee expertise, promote the acquisition of professional skills and certifications, and boost both employee and company market competitiveness. 2. Through long-term commitment to talent development and attentive care of employee needs, we establish strong training and development programs to enhance skills, foster employee loyalty and recognition, and increase productivity and innovation, ultimately improving company operational effectiveness. 	To formulate and improve the training mechanism, to enhance the professionalism and service awareness of employees, to promote the acquisition of professional skills and professional certificates, and to enhance the skills and market competitiveness of employees and the company.	-
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
		Internal (Company Employees)	External
Education and Training	Employee Care	◎	-

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Supplier Management	<p>1. The supply chain is a crucial partner. To advance corporate social responsibility and sustainability, our group requires suppliers to adhere to various international standards, including those related to the environment and labor safety.</p> <p>2. Effective supplier management is essential; by demanding quality at every stage from suppliers, we ensure the production of high-quality adhesive products.</p>	<p>We conduct QCDS audits of our major suppliers twice a year and require them to sign a commitment to not use hazardous substances and prohibit the use of conflict minerals. Strengthen the supplier management mechanism and establish a comprehensive supplier evaluation and improvement mechanism.</p>	<p>1. We will increase the number of items to be purchased and continue to improve our bargaining power by utilizing our purchasing strengths.</p> <p>2. Continuously strengthen supply chain management and cooperation, promote local procurement and compliance with green regulations, promote the implementation of social responsibility management systems in the supply chain, and promote the sustainable development of the industrial chain.</p>
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
		Internal (Company Employees)	External
No Applicable GRI Material Topics	Supply Chain Management	◎	Suppliers and Contractors

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Environmental Management and Energy Efficiency & Carbon Reduction	<p>1. To protect the environment, the YEM CHIO Group's Changhua and Yangmei factories have implemented ISO 14001 Environmental Management Systems and ISO 50001 Energy Management Systems, adhering to key environmental considerations and environmental regulations.</p> <p>2. E-continuously improve plant processes and equipment each year to reduce per-unit carbon emissions.</p>	<p>1. Implementation of ISO 14001 Environmental Management System and ISO 50001 Energy Management System.</p> <p>2. Continuous improvement in resource utilization recovery rate.</p>	<p>1. In addition to complying with legal and regulatory requirements for environmental management systems, the factory also identifies environmental considerations based on a life-cycle approach. Internal processes adhere to company pollution control standards and measures to proactively reduce environmental impact.</p> <p>2. Planning for the introduction of an energy management system to enhance energy efficiency and improve production processes to minimize environmental impact.</p>
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
		Internal (Company Employees)	External
No Applicable Energy/Emissions	Environment Protection	◎	Community and Nonprofit Organizations

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Green Product Development	<p>1. Focusing on the development of emerging green industries, we actively invest in research and development to provide customers with complete and diversified solutions, and become a leader in the industry.</p> <p>2. Encourage employees to develop and innovate, formulate and improve the patent application system, and protect intellectual property rights.</p>	<p>1. About \$35 million has been invested in research and development (R&D).</p> <p>2. To proactively understand and address the risks posed by climate change and to provide innovative green products.</p> <p>3. Depending on the needs of industrial customers, we develop products for the electronics industry, cultural and creative industries, and cushioning packaging materials to generate revenue.</p>	<p>1. To proactively understand and address the risks posed by climate change and to provide innovative green products.</p> <p>2. We will continue to develop our own products in the hope that we can continue to reduce greenhouse gas emissions for the planet.</p>
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
		Internal (Company Employees)	External
Products and Services	Innovation and Green Design	◎	Customers Suppliers and Contractors

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Wastewater and Waste Management	<p>Due to the nature of the industry, our processes generate a significant amount of wastewater and waste. Our manufacturing facilities are committed to rigorous wastewater treatment and waste management practices, ensuring full compliance with environmental regulations. Through a resource recycling system, we aim to reduce wastewater and waste generation. We also promote internal initiatives to strengthen source reduction efforts, thereby minimizing environmental impact.</p>	<p>100% of wastewater discharges comply with regulations, with no instances of non-compliance.</p>	<p>1. Enhancing waste reduction at source.</p> <p>2. Implementing waste separation.</p> <p>3. Strengthening education and publicity for all staff.</p> <p>4. Implement penalties for non-compliance and merit unit recognition.</p>
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
		Internal (Company Employees)	External
Waste/Products and Services	Environmental Protection	◎	Community and Nonprofit Organizations Regulatory Authorities Customers

2-5 Sustainable Development Goals(UN)












In 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs) and 169 targets, establishing a clear vision and priorities for sustainable development and mobilizing global efforts to achieve goals such as ending poverty, addressing inequality, and responding to climate change by 2030. In response to the United Nations' 2030 Sustainable Development Goals, YC Group has aligned its operations with the "United Nations Sustainable Development Goals Business Action Guide (SDGs Compass)." We have assessed the risks and opportunities associated with our operational activities across the value

chain in relation to the SDGs, and have incorporated both positive and negative impacts into the scope of our operational goals and outlook. We have identified 17 SDG targets and listed 11 sustainability indicators relevant to Yem Chio, which serve as the vision for our sustainability strategy. We aim to substantively embody the spirit of the SDGs by integrating them into our actual operational processes, setting related targets, and regularly tracking SDG performance through our ESG Committee, with the goal of improving global sustainability issues.

SUSTAINABLE DEVELOPMENT GOALS



YC Group's 11 SDGs Sustainable Development Indicators:

SDGs Indicators	Important Issues Related to YC	The company's Actual Actions in 2024 and the Corresponding Chapters in the Report
	<ul style="list-style-type: none"> ● Labor-Capital Relations and Employee Benefits 	<ul style="list-style-type: none"> ◎ Employee Care
	<ul style="list-style-type: none"> ● Talent Cultivation and Education Training 	<ul style="list-style-type: none"> ◎ Employee Care
	<ul style="list-style-type: none"> ● Labor-Capital Relations and Employee Benefits 	<ul style="list-style-type: none"> ◎ Employee Care
	<ul style="list-style-type: none"> ● Green Product Development 	<ul style="list-style-type: none"> ◎ Innovative R&D and Green Design
	<ul style="list-style-type: none"> ● Corporate Governance ● Operational Performance 	<ul style="list-style-type: none"> ◎ Corporate Governance
	<ul style="list-style-type: none"> ● Innovative R&D ● Green Product Development 	<ul style="list-style-type: none"> ◎ Innovative R&D and Green Design
	<ul style="list-style-type: none"> ● Customer Relationship Management ● Innovative R&D ● Green Product Development 	<ul style="list-style-type: none"> ◎ Corporate Governance ◎ Innovative R&D and Green Design ◎ Energy saving and Reduction
	<ul style="list-style-type: none"> ● Green Product Development 	<ul style="list-style-type: none"> ◎ Innovative R&D and Green Design
	<ul style="list-style-type: none"> ● Energy Saving, Carbon Reduction and Environmental Protection 	<ul style="list-style-type: none"> ◎ Environmental Protection ◎ Innovative R&D and Green Design ◎ Energy Saving and Reduction
	<ul style="list-style-type: none"> ● Operational Risks 	<ul style="list-style-type: none"> ◎ Corporate Governance
	<ul style="list-style-type: none"> ● Social Care and Public Welfare 	<ul style="list-style-type: none"> ◎ Social Engagement

2-6 Customer Service

Corresponding "Important Issues"	Customer Service
Significance to YC	To meet customer needs, we not only provide products, but also provide a full range of services to enhance customer satisfaction.
Specific Plans for 2024	We provide a full range of customer service experience through our own channels and our own brand "Bao Da Shi". We provide customers with one-stop purchasing services through group production and extensive external supplier management.
2024 Fiscal Year Goals	<ul style="list-style-type: none"> ◎ Overall satisfaction must be maintained above the standard. ◎ No major customer complaints. (Note 1)
Invest Resources	<ul style="list-style-type: none"> ◎ Conduct satisfaction surveys on four aspects: quality, delivery time, service, and hazardous substances. ◎ Integrate and analyze customer responses.
Evaluation Mechanism	<ul style="list-style-type: none"> ◎ Evaluated by the number of customer complaints. ◎ Sales personnel report development results regularly every week, and the headquarters assigns a dedicated person to track and summarize the project execution status.
Specific Performance in 2024	<ul style="list-style-type: none"> ◎ The average customer satisfaction survey score for the year was higher than the annual target. ◎ Customer opinions and feedback were handled immediately. ◎ No major customer complaints occurred. (Note 1)
Medium and Long Term Goals	<ul style="list-style-type: none"> ◎ Maintain overall satisfaction at a high standard, provide proactive customer care actions, understand customers' potential needs and expectations, and actively improve them. ◎ Strengthen the service expertise of sales personnel and the efficiency of service processes. ◎ Business objectives and future prospects.

(Note 1): Definition of major customer complaints: Cases where a customer complains and returns a product with a value of more than NT\$1 million.

YC has always held the view that the formation of a world-class enterprise requires the mastery of the three spirits of "mastering core technology, creating own brands, and globalization". We believe that the satisfaction survey is an invaluable tool for us to gain a deeper understanding of our customers' satisfaction with the company's performance in various aspects. This survey is intended to serve as a basic guideline for future performance enhancement and improvement, with the aim

of jointly creating the company's overall competitiveness and operational efficiency. The survey was conducted by business units through e-mails, telephone interviews or other means. In order to ensure the most representative sample, customers who have reached a certain amount of transaction amount in 2024 were selected. In addition, customer satisfaction surveys were conducted on four major topics: quality, delivery, service, and environmental regulations.

Compared with the previous year, the scores of all items are mostly the same or higher. The highest level of satisfaction was for sales staff and after-sales service. Customers suggested implementing regular customer visits and providing complete product descriptions or educational training. Many customers indicated that they would like to see more information on new products and product demonstrations in the future. In the future, the company will move toward increasing the number of product seminars and experiential marketing as a way to bring customers closer together and pass on information about new products.

All suggestions for improvement made by customers will be tracked and adjusted by the responsible sales staff on a regular basis. In addition to the highest principle of confidentiality of confidential information related to business dealings with our customers, in addition to the employee code of conduct, which stipulates that all confidential information related to the company must be kept confidential, the ethical and moral code of the factory is also stipulated that confidentiality mechanisms must be implemented to ensure that all confidential information is not leaked out.

WONG CHIO Development ,Providing High Quality Living Environment, Warm Service and Customer-Oriented.

‘A home with peace of mind’ is an important part of maintaining the emotional and living relationship of each resident. Under the YemChio Group, the core value and goal of the customer service team is to provide customers with proactive, comprehensive, and excellent quality customer service. Although it is difficult to set up standardised SOP processes for human communication and interaction, our customer service team has been recognised and appreciated by our customers for its sincerity, thoughtfulness, flexibility, flexibility and efficiency in designing, constructing, delivering and after-sales services, as well as solving all kinds of problems according to customers’ needs.

We are committed to providing the highest quality products, and at the same time, we also strive to provide comprehensive, thoughtful, diversified and customised services. We hope that through our considerate and professional

service staff, supplemented by warm and understanding hearts, we can help each customer find the right product for him or her and build their dreams. In addition, Wang Chio Construction will also provide after-sales service with a sincere attitude, hoping to be the best support behind every dream.



3. Green Manufacturing

Corresponding "Important Issues"	Environmental Management and Energy Conservation and Carbon Reduction, Air Pollution and Waste Management
Significance to YC	To protect the environment, Yem Chio continues to implement various environmental management regulations based on key environmental considerations and regulatory requirements, and continuously improves the factory's environmental management system and culture every year.
Specific Plans for 2024	<ul style="list-style-type: none"> ● Reduce volatile organic compound emissions ● Continue to implement it every year and announce the environmental safety and health policy to the outside world. ● Continue to improve waste recovery rates.
2024 Fiscal Year Goals	<ul style="list-style-type: none"> ● VOC emissions comply with regulations and no escape incidents occur. ● Improve the efficiency of air pollution control equipment. ● Continue to improve the amount of waste generated by the process and increase the recycling rate.
Invest Resources	<ul style="list-style-type: none"> ● Continue to improve and update factory equipment. ● Add boiler equipment and increase steam supply
Evaluation Mechanism	<ul style="list-style-type: none"> ● Collect monthly waste removal statistics. ● Continue to undergo external ISO certification. ● Daily operation report. ● Regular inspection of flues.
Specific Performance in 2024	<ul style="list-style-type: none"> ● No VOC emissions occurred in 2024. ● Yem Chio Company, including its factory premises, has completed ISO 14064 verification. ● Waste generated at the factory premises is recycled, with a reuse rate maintained at over 90%. ● The total amount of recycled materials was 1,190.68 tons, accounting for 67% of the total waste generated at the Yangmei plant in 2024.
Medium and Long Term Goals	<ul style="list-style-type: none"> ● Continue to reduce VOCs in air pollution. ● Waste classification and reduction. ● Greenhouse gas organization inventory. ● Reduce waste incineration and increase resource recycling and reuse. ● Through the establishment of an environmental management system, we thoroughly implement environmental impact considerations. In addition to complying with laws and regulations, we also introduce a life cycle perspective to conduct environmental control. The factory processes cooperate with the company's various pollution prevention and control regulations and measures to proactively reduce the impact on the environment.

3-1 Environmental Protection

Environmental Protection Policy and Commitment

In addition to continuous innovation and R&D, YC is also committed to reducing the impact of its products on the environment. In the research and development of new products, the concept of green design is introduced from the beginning of the customer's product demand, and the related R&D units work together to develop designs that enhance product quality, reduce production energy demand, and comply with chemical and hazardous substance laws and regulations, as well as to use renewable and recyclable materials as much as possible, and through continuous improvement and evaluation, YC's products are moving towards the direction of sustainable management. Currently, the Company and its subsidiaries are also actively involved in activities related to the green industry, actively introducing and developing more environmentally friendly operations and products from processes, products, services and concepts to satisfy the laws and requirements of customers and countries of sales on Rohs and toxic chemicals as a guideline for continuous improvement and sustainable management, with a view to achieving the ultimate goal of a green industry.

YC promises to continue to improve the promotion of energy conservation and carbon reduction in its factories, to actively invest in the design and

development of green industries, to produce green products, to reduce the energy demand of products and services, to reduce greenhouse gas emissions, to strengthen the environmental and green management of suppliers, and to reduce the impact of its products on the earth. Both YC Changhua Factory and ACHEM Co., Ltd. Yangmei Factory strictly implement environmental management. YC's environmental policy is based on 'compliance with laws and regulations, resource conservation, energy saving and waste reduction, proactive monitoring and prevention, continuous improvement and sustainable management, green design and environmentally friendly products', which is the highest principle of the company's environmental protection policy, and we adopt the concept of the whole life cycle, starting from designing at the source, to reduce wastage and continuous monitoring at the back-end. To strengthen the performance of management, no major environmental hazards or leakage incidents occurred in 2024. Our Changhua and Yangmei plants are not located in environmentally sensitive areas and have no significant impact on the biodiversity of the surrounding environment, and we are committed to minimising the impact of our daily operations on the surrounding ecosystems and doing our part to protect the earth.

Total Wastewater Treatment Capacity (Tons):

Factory Area	2024
YC Changhua Plant	18,733
Achem Yangmei Plant	174,652.96

Our company's Achem Yangmei Plant has been using groundwater for many years, with an average daily usage of a large amount. To ensure sufficient groundwater quality and quantity, we will work towards water recycling within the plant to reduce groundwater use and reduce The Taipei headquarters uses tap water, which has less impact on the local environment. As the fluctuations in water abundance and drought become increasingly extreme, the risks of water shortage and floods are becoming increasingly apparent. Therefore, water resource management and water conservation measures have become more important. It is important to implement water conservation measures in the future.

Project	2024		
	YC Changhua Plant	Achem Yangmei Factory	Taipei Headquarters
Water Consumption (Tons)/Water Source	Plant 1 18,329/Tap Water Plant 2 15,663/Tap Water	736,855/Industrial Water (Groundwater) 18,175/Tap Water	3,865/Tap Water
Total Water Consumption (Tons)	33,992	755,030	3,865

3-1-1 Pollution Control

Air Pollution Prevention(Tons)

Factory Area	Year	Sulfur Oxides	Nitrogen Oxides	Granular	Volatile Organic Matter	Total
YC Changhua Plant	2024	0	5.98	0.62	21.07	27.67
Achem Yangmei Factory	2024	0.09	25.66	0.8	1828.66	1855.21

The main air pollutants generated during the production process of the Company's YC Changhua Plant and AChem Yangmei Plant are volatile organic compounds (VOCs), sulphur oxides (SOx), nitrogen oxides (NOx), and particulate matter (Pare), with VOCs accounting for the majority of the air pollutants. For each pollutant, the Company adopts the best practicable control technology in accordance with the Air Pollution Prevention and Control Act in the spirit of lawfulness, and uses activated carbon adsorption and desorption system for solvent recovery to reduce the emission of volatile organic compounds (VOCs), and the total emissions from stationary sources of the two group manufacturing plants in 2024 are shown in the table above.

The sources of VOC air pollution in the production process of the AChem Yangmei Factory include the plastic manufacturing section and tape manufacturing. We have

installed air collection facilities in the coating and drying area of the plastic manufacturing unit and tape manufacturing, and the organic solvent vapour is collected through the air collection equipment, connected to the preventive equipment for treatment, and then discharged to the atmosphere through the pipeline to avoid the escape of VOCs. In addition, organic solvents are an important chemical substance used in large quantities in the oily tape industry, however, organic solvents also have a certain degree of pollution and hazards to the environment and living organisms. Therefore, each of our factories has a comprehensive recycling system for the different organic solvents used, through which the organic solvent waste generated from coating is recycled and reused. The increase in recycling efficiency helps to reduce air pollution and the amount of waste gas to be disposed of.

◎ Air Pollution Reduction Measures

The Yem chio Changhua Plant has achieved the goal of reducing the impact of air pollution by reducing the amount of raw materials, switching to cleaner gas boilers, cooperating with the government's Environmental Protection Bureau in downgrading and reducing emissions from related processes, and upgrading and improving sewage equipment. The Achem Yangmei Plant, on the other hand, has

promoted energy conservation and carbon reduction, as well as the development of the green energy industry, by installing recharging facilities in the plant and purchasing electric bicycles.

In addition, the Achem Yangmei Factory has installed charging facilities and purchased electric bicycles in order to minimize the production of exhaust gas.

◎ Water Pollution Prevention

In order to facilitate solvent recycling, the company has invested in a large number of wastewater treatment facilities at the Yangmei plant of Achem Technology Corporation to enhance its treatment efficiency through the process wastewater diversion strategy. The source of wastewater in the plant mainly comes from the organic wastewater generated from the distillation and recovery of volatile organic compounds (VOCs) from the air pollution prevention and activated carbon adsorption and desorption system, which is treated by an anaerobic and aerobic system to meet the discharge standard and then

discharged after careful operation and maintenance by the wastewater operation team. Since there is no process wastewater in the Changhua plant, there is only general domestic wastewater in the plant. The process wastewater of Changhua Plant No. 2 is properly collected and treated, and the wastewater of both plants is piped to the wastewater treatment plant in the Changbin Industrial Park for centralized treatment, which is in full compliance with laws and regulations. In 2024, there were no leakage incidents at either of the two plants of Yem chio Changhua Plant or at the Yangmei Plant of AChem Co., Ltd.

3-1-2 Properly Handle Factory Waste and Increase Resource Recycling Rate

Wastes generated from the Company's manufacturing processes mainly consist of waste plastics, waste paper, and waste iron from the Changhua Plant, while the industrial wastes from the AChem Yangmei Plant mainly consist of waste plastics, waste activated carbon, and sludge, which are properly disposed of or treated by incineration, landfill, thermal treatment, and physical treatment depending on the nature of the wastes.

In recent years, the Company's manufacturing plants have been actively improving their manufacturing processes and internal procedures, continuously striving to enhance the efficiency of resource utilization, and using recycled materials that have a low impact on the environment. The Company has achieved excellent results in promoting in-plant recycling and out-of-plant recycling and has developed an in-plant awareness of the importance of recycling.

Waste Disposal								Total
Processing Method	Incineration		Heat Treatment	Physical Treatment		Reuse		
Factory	YC Changhua	Achem Yangmei	Achem Yangmei	YC Changhua	Achem Yangmei	YC Changhua	Achem Yangmei	
2024 Non-Hazardous (Metric Tons)	88.67	519.17	20.17	13.11	57.24	7020.3	1190.68	8909.347
2024 Hazardous (Metric Tons)	3.134	–	–	0	–	0	–	3.134
Total	91.804	519.17	20.17	13.11	57.24	7020.307	1190.68	8912.481
Proportion (%)	1.0%	5.8%	0.2%	0.1%	0.6%	78.8%	13.4%	100.0%

Amount of resources recycled within the factory							Total
Year	Waste Plastic		Waste Paper		Scrap Iron		
Factory	YC Changhua	Achem Yangmei	YC Changhua	Achem Yangmei	YC Changhua	Achem Yangmei	
2024 (Metric Tons)	437.01	1030.81	346	582.716	15.72	67.86	2480.116
Proportion (%)	55	61.3	43	34.7	2	4	100.0%

3-1-3 Environmental Protection Expenditure

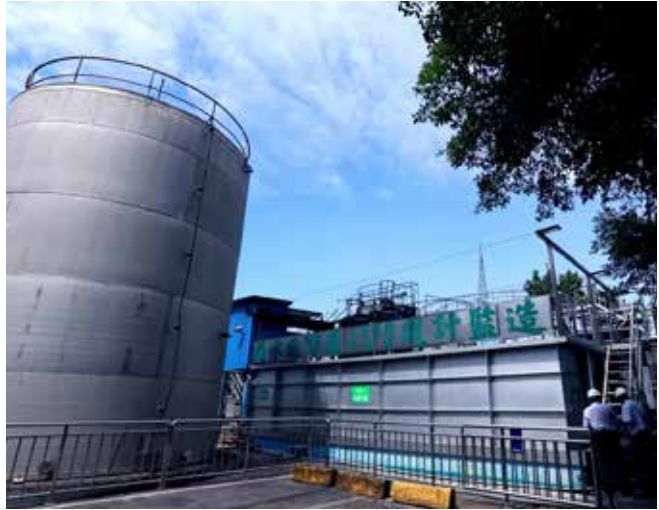
YC Group's manufacturing plants continue to adhere to their original maintenance schedules for air, water, and exhaust gas systems, while also optimizing system performance. In recent years, the company has further enhanced its efforts to improve systems and reduce environmental impact. In 2024, the Changhua plant invested approximately 4.609 million NTD, while the Yangmei plant invested 118.59 million NTD in environmental protection equipment expansion and maintenance. The total environmental protection expenditure for 2024 reached 123.2 million NTD.



Item	Expenditure Items	2024 (10,000 NTD.)	
	Factory Area	Yem Chio Changhua Plant	Achem Yangmei Plant
1	Pollution Control Equipment Operation and Maintenance	35.2	3,794
2	Environmental Testing	148.6	455
3	Payment of Pollution Prevention (control) Expenses	111.6	6,690
4	Other Environmental Improvement Costs	165.5	920
Annual Total (10,000 NTD.)		460.9	11,859

3-1-4 Compliance with Environmental Regulations

The Yem Chio Changhua Plant and AICHEM Yangmei Plant continue to invest in and improve process air pollution prevention equipment and wastewater treatment facilities, strengthen self-audits, and meet the needs of laws and regulations as well as continue to promote the revision of related operational standards to confirm compliance with environmental management system regulations. 2024 saw no violation of environmental protection laws and regulations and no fines, which demonstrates the Company's commitment to and attention to environmental protection.



3-1-5 Response to Climate Change and Energy Conservation and Carbon Reduction Management

◎ Energy Saving and Carbon Reduction, Electricity Consumption Statistics and Greenhouse Gas Emissions Disclosure

YC is committed to being an environmentally friendly company through the promotion and implementation of improvement programs such as upgrading energy-saving facilities, office energy-saving measures, and waste reduction. YC has fully implemented the four major energy efficiency actions for green living in its Taipei head office and each of its factories, which include water saving, electricity saving, energy saving, and green purchasing. Through continuous improvement of energy efficiency and experimentation of various energy saving and carbon reduction methods, YC hopes to save natural energy in its operations. Examples of specific implementation projects include practicing green purchasing, building a cloud-based office,

improving LED lighting systems, long-term statistics on electricity consumption and carbon emissions, and precise control of water usage data, etc. We are striving to become a leader in best practices for environmental responsibility and to serve the public while loving the earth.

Region	Electricity (Kwh Meters)	Natural Gas (m ³)
Taipei Headquarters (Including Management Committee)	452, 292	0
YC Changhua Plant	40, 230, 200	3, 242, 710
Achem Yangmei Plant	39, 610, 111	16, 747, 407

▲ Energy Use Statistics for Fiscal Year 2024 for Taipei Headquarters, YC Changhua Plant, and AICHEM Yangmei Plant

Estimated Environmental Capital Expenditures and the Impact of Improvements

Project	2024	2025-2026
Pollution control (treatment) to be purchased equipment or expenditure content.	1. Air pollution control equipment vapor pipe warming project.	1. Air pollution control equipment operating parameter connection.
	2. New air pollution control equipment and carbon adsorption and desorption beds.	2. Buy activated carbon.
	3. Added a steam boiler.	3. Add wastewater treatment facilities.
	4. Increase and maintain recycling facilities, Changes to the scrap book.	4. Maintenance costs and licenses for prevention and control equipment Change.
	5. Maintenance costs for prevention and control equipment, license changes have been extended.	5. Resource recycling facility maintenance, waste clearance changes.
	6. Payment of sewage treatment fees.	6. Installation of continuous automatic parameter monitoring system for prevention and control equipment.
Expected Improvement	1. Reduce steam loss and natural gas usage quantity.	1. Maintain normal operation of air pollution control equipment.
	2. Reduce volatile organic compound emissions.	2. Increase and maintain air pollution control equipment Management efficiency.
	3. Increase steam supply and reduce VOC emissions Emissions of organic matter.	3. Improve solvent recovery efficiency and reduce volatile organic compounds in wastewater.
	4. Carry out resource recycling and sustainable recycling use.	4. Immediately detect whether the control equipment operating instruments are damaged and repair them promptly.
Capital Expenditure Amount	40.00 million	Estimated to be approximately NT \$70.00 million.
Impact of Improvement on Net Profit	Reduce solvent usage, lower operational costs for pollution control equipment and mentand production costs, reduce pollutionrelated expenses, and avoid fines.	Reduce solvent usage, increase raw material recovery rates, lower manufacturing costs, reduce pollution emissions, reduce pollution-related expenses, and avoid fines.
Impact of improvements on Competitive Position	1. Exceeding environmental regulations and sustainable management.	1. Comply with environmental regulations.
	2. Fulfill corporate social responsibility.	2. Fulfill corporate social responsibility.
	3. Enhance corporate image and increase shareholders and Customer. confidence.	Enhance corporate image and increase shareholders and Customer confidence.

© Disclosure of Greenhouse Gas Information

Greenhouse gas emissions can be categorized into Scope 1, Scope 2 and Scope 3, with Scope 1 being direct emission sources owned or controlled by the Company, such as emission pipelines, manufacturing processes, and transportation owned by the Company; Scope 2 being indirect emission sources, such as purchased electricity; and Scope 3 being indirect emissions from sources not under the Company's ownership or control, which are not included in the calculation of emissions because of difficulties in quantifying and verifying them.

In 2024, the greenhouse gas emission statistics of each plant and the proportion of emissions in each area are summarized in the table below. For

the Taipei Headquarters, since the main source of greenhouse gas emissions is the electricity consumed by Taipower, the total kilowatt hours of electricity consumption was used as the basis for calculation.



Taipei Headquarters

Total Electricity Consumption (kWh)	Greenhouse Gas Emission Coefficient (KG CO2e/Degree)	Total Emissions (kg)
453,766	0.494 kgCO2e/Degree	224,160

Yem Chio Changhua Plant

Emission Ratio of Each Category	Category 1	Category 2
Greenhouse Gas Emissions (Metric Tons CO2e/Year)	6,357.38	19,657.06
Proportion of Total Emissions (%)	24%	76%

Achem Yangmei Plant

Emission Ratio of Each Category	Category 1	Category 2
Greenhouse Gas Emissions (Metric Tons CO2e/Year))	38017.18	18,910.27
Proportion of Total Emissions (%)	67%	33%

3-2 Supply Chain Management

Corresponding "Important Issues"	Supplier Management
Significance to YC	Our company attaches great importance to the cooperative relationship with suppliers. In order to promote corporate social responsibility and sustainable development, our company has established quality, environmental, occupational safety and social management mechanisms based on a number of international standards and specifications, so that partners can better meet the expectations of customers and society for social responsibility and achieve the goal of stable supply chain quality, and work together to contribute to society.
Specific Plans for 2024	◎ Suppliers sign corporate social responsibility commitment. ◎ Suppliers sign environmental safety notice. ◎ Suppliers sign the environmental information survey form. ◎ Suppliers sign anti-terrorism statement and commitment.
2024 Fiscal Year Goals	Supplier Anti-Terrorism Statement, requiring suppliers to work together to fight terrorism in order to promote economic and social security and sustainable development
Invest Resources	Our company has R&D/Purchasing/Quality Assurance and other departments responsible for evaluating and managing suppliers.
Evaluation Mechanism	Supplier assessments are carried out regularly every year, and on-site audits are conducted on major manufacturers.
Actual Performance in 2024	◎ Supplier Corporate Social Responsibility Commitment Letter signed completion rate: 91.0% ◎ Supplier Environmental Safety Notice signed completion rate: 85.5% ◎ Supplier Environmental Information Survey Form signed completion rate: 85.5% ◎ Supplier Anti-Terrorism Statement Commitment Letter signed completion rate: 86.7%
Medium and Long Term Goals	◎ The quality of supplied goods continues to meet the requirements ◎ Suppliers have signed more than 95% of their commitment documents on the environment, corporate social responsibility, anti-terrorism statements, etc.

◎ Major Domestic and Overseas Procurement Suppliers and Procurement Ratios in 2024 (Based on Total Procurement Amount)

To promote the development of local industries and the local economy in Taiwan, our company gives absolute priority to local suppliers in all procurement activities. By leveraging the more economical supply conditions and delivery efficiency of local suppliers, we aim to contribute to the economic development of Taoyuan and Changhua. (The table on the right shows the proportion of domestic and international procurement.)

Region	Domestic Procurement Ratio	Foreign Procurement Ratio
YC Changhua Plant 1	71%	29%
YC Changhua Plant 2	100%	0%
Achem Yangnei Plant	75%	25%

3-2-1 Evaluation and Introduction of Suppliers

Suppliers must comply with the investigation and evaluation criteria in all aspects, including material selection, incoming material management, equipment scale, supply capacity, quality assurance systems, and related inspection equipment, to ensure that the quality, delivery schedule, and service of the supplied products meet the requirements of Restriction of Hazardous Substances (ROHS), thereby ensuring smooth production operations and procuring materials at reasonable prices to actively create company profits.

(1) Conduct monthly performance evaluations of primary raw material suppliers to assess delivery quality, timeliness, and coordination. Suppliers failing to meet requirements will be notified to implement improvements. If improvements are not made, the second backup supplier will be substituted.

(2) For critical raw material suppliers, actively require them to obtain ISO 9001 quality management system certification.

(3) Through the procurement and quality assurance departments, arrange annual on-site audits of suppliers.

Item	Supplier Category	Assessment Sessions
1	PVC Outsourcing	2
2	Paper	33
3	Solvents	14
4	Resins	53
5	Rubber	30
6	Monomer	21
7	Original Fabric	19
8	Additives	64

1 . IQC incoming material inspection defect rate

2 . IQC material inspection lot return rate.

3 . Number of rejections of defective batches

4 . Amount of deduction for defective quality

5 . Actual delivery and promised delivery rate.

6 . Supplier service efficiency, etc.

3-2-2 Signing of The Corporate Social Responsibility and Integrity Commitment

Since 2015, Yem Chio and AICHEM have been gradually requesting our major suppliers to sign a CSR commitment with us to fully comply with the relevant governmental legal requirements when operating their business, and to follow the latest social responsibility standards issued by overseas public/private organizations, which should cover five major aspects, including labor, health and safety, environmental protection, ethical norms and management systems. We will do our best to fulfill our social responsibility in order to promote the balanced and sustainable development of economy, society, environment and ecology; if any non-compliance occurs, we will try our best to complete the improvement in accordance with the customer's requirements in order to eliminate the risk and to avoid the loss of the company and the customer due to the non-compliance.

In addition, in order to prevent the relevant personnel from violating the integrity, honesty and confidentiality of suppliers in the course of their business activities, since the end of 2015, we have been requiring important suppliers with large purchase amounts to sign an undertaking on honesty and confidentiality. We also continue to require new suppliers to sign the pledge.



S

Social Responsibility
(Sustainable Development)

Employee Care, Social Participation, Environmental Protection,
Energy Conservation and Carbon Reduction

Q Quality

Focus on
Quality and
Continuous
Improvement

C Cost

Competitive
Pricing Cost
Control

D Delivery
Date

On-time
Delivery
Quick
Response

S Service

Service
Efficiency
Business
Partners

3-2-3 Contractor Management

1. Safety and health: Before construction, the contractor is required to enter the factory and hold a “Safety and Health Agreement Organization Meeting” to inform the contractor of the hazards in the factory and the construction regulations, etc., and to confirm what related operations will be carried out by the contractor in the construction and to remind the contractor of possible hazards, and to sign a contract on project safety and health management, a commitment to safety and health for the construction of the contractor, a notification form for the contractor to designate a safety and health manager, a form for the

notification of hazards for the contracted operations, and a record of the Safety and Health Agreement Organization Meeting. Safety and Health Agreement Organization Meeting Minutes.

2. Education and training: Every year, we regularly invite contractors to implement education and training on environmental safety and health laws and regulations, as well as awareness training and two-way communication.

3. Management Achievements: In the past two years (2023, 2024), no accidents have occurred on-site for both the contractor and the outsourced contractor.



3-3 Innovative R&D and Green Design

Corresponding "Important Issues"	Green Product Development
Significance to YC	<ul style="list-style-type: none"> ◎ Focusing on the development of emerging green industries, such as electric vehicles and semiconductors, we actively invest in R&D to provide customers with complete and diversified solutions, and become a leader in the industry. We actively invest in R&D to provide customers with complete and diversified solutions and to become a leader in the industry. ◎ Encourage employees to innovate and develop a perfect patent application system to protect intellectual property rights.
Specific Plans for 2024	<ul style="list-style-type: none"> ◎ Obtained PIR DIN CERTCO certification ◎ Development of environmentally friendly products ◎ Development of high-solid content adhesives ◎ Development and promotion of PAS9017-compliant products and PIR products ◎ Development of bio-based tapes, PCR & PIR-related tapes, expansion of water-based adhesives, solvent-free acrylic adhesives, and process development, as well as development of solvent-free electrical tapes
2024 Fiscal Year Goals	<ul style="list-style-type: none"> ◎ PIR products account for 30% of annual new product production capacity ◎ Reduction in solvent usage by 8% ◎ Carbon-reducing product volume of 40,000 sm annually ◎ New product capacity share of 2% ◎ Development of bio-based tapes, PCR & PIR-related tapes, expansion of water-based adhesives, solvent-free acrylic adhesives, and process development, as well as the development of solvent-free electrical tapes.
Invest Resources	<ul style="list-style-type: none"> ◎ Invested more than 50 million yuan in research and development. ◎ Communicate and collaborate with ITRI and academia.
Evaluation Mechanism	<ul style="list-style-type: none"> ◎ Conduct new product meetings every month to track the progress and performance of related projects.
Specific Performance in 2024	<ul style="list-style-type: none"> ◎ Kraft paper tape has obtained FSC, USDA, and CNS certifications ◎ PIR products account for 65% of annual new product production capacity ◎ Development of recycled BOPP tape, with PIR content in the base film at 30%, 60%, and 90% ◎ Development of recycled PET tape, with PCR content in the base film reaching 100% ◎ Development of solvent-free acrylic adhesive formulations ◎ Development of solvent-free PVC electrical tape
Medium and Long Term goals	<ul style="list-style-type: none"> ◎ Expectation: Increase the proportion of PIR products in annual new product production capacity to 75% ◎ Expectation: Develop solvent-free adhesives and processes to reduce VOC emissions and discharge

3-3-1 Environmental Protection Policy and Commitment

“Continuous innovation to satisfy customer needs” is the company’s most important core value of innovation, and is also the driving force for the continuous growth of enterprise technology and sustainable operation. In order to meet the public’s demand for “environmentally and socially sustainable” management, the company continues to research, develop, and innovate toward the goal of sustainable development in the economic, environmental, and social dimensions. We emphasize the protection of the earth’s environment, energy resource management, and personal health and safety during the entire life cycle from raw materials, production, to recycling, and care for the earth through green design, enhanced process efficiency, and improvements to minimize the impact on the environment. In addition to continuous self-research and development, YC Group also combines external forces and cooperates with upstream and downstream to minimize the impact of products on the environment. In the research and development of new products, the concept of green design is introduced from the beginning of the customer’s product demand, and the R&D unit invests in R&D resources to improve product quality, reduce production energy demand, and comply with chemical and hazardous substance laws and regulations, etc. The use of renewable and recyclable materials is also introduced. Through continuous evaluation and improvement, we ensure that the quality of products and environmental requirements after mass production comply with the relevant management rules and regulations to ensure that products continue to comply with the relevant requirements and regulations



after mass production, so that Yem Chio’s products can move forward in the direction of sustainable management. Currently, the Company and its subsidiaries are actively involved in activities related to the green industry, actively introducing and developing more environmentally friendly operations and products from processes, products, services, and concepts to satisfy the laws and requirements of customers and countries of sale regarding Rohs and toxic chemicals, as a guideline for continuous improvement and sustainable management, with the goal of achieving the ultimate green industry. YC promises to continue to improve the promotion of energy saving and carbon reduction in the factory, actively invest in the design and development of the green industry, green production, reduce greenhouse gas emissions, strengthen the environmental and green management of suppliers, and minimize the impact of products on the earth.

3-3-2 Research and Development of Green Products

Achem under YC Group specializes in “coating technology” as the company’s core competitiveness, through professional research and development and production of pressure-sensitive adhesive tapes, depending on the type and system of substrate, adhesive and surface treatment, the products are mainly oily acrylic BOPP packaging tapes, oily acrylic double-sided tapes, rubber PVC tapes, release papers, release films, rubber PE protective tapes and hot melt BOPP packaging tapes. OPPP Packaging packaging tapes.

In order to reduce the environmental impact of volatile organic gases (VOC) escaping from the manufacturing process, solvent recovery and pollution prevention equipment has been introduced since

the 1980s, and solvent recovery is now available for ethyl acetate, toluene, and hexane. While continuing to innovate in product development and increase profit growth, Achem Technology Corporation also strives to develop environmentally friendly green products and continue to improve and reduce the environmental impact of its existing products. The following is a description of each green product.



© BOPP Packaging Tape

Achem Technology Corporation Yangmei Factory’s BOPP packaging tape is mainly coated with oily acrylic adhesive, acrylic oily adhesive, although the use of ethyl acetate as a solvent, but by the efficient solvent recovery system to recover the solvent in the process to avoid pollution of the environment, and at the same time, the recovered solvent purity is high with a low water content, can be recycled and reused directly, all the products comply with the European Union’s Rohs and REACH highly relevant substances (SV HC) and other regulations. All products comply with the European Union’s ROHS and REACH highly relevant substances (SVHC) regulations. In terms of the composition of the raw material of the product, the polypropylene biaxial extension film accounts for 46 to 60%, while the other parts are acrylic adhesive, and the amount

of residual solvent in the final product is controlled to be less than 0.5%, and we have also been actively developing the oil-based acrylic adhesive with high solids content in recent years, which is more environmentally friendly and reduces the solvent content.

In recent years, we have been actively developing oil-based acrylic adhesive with high solid content, which is



more environmentally friendly and reduces the amount of solvent used.

In recent years, international environmental regulations have become increasingly stringent. In response to the trend of environmental protection, low VOC and low odor, the Group began planning for a solvent-free hot melt adhesive system in 2012, and since 2014, the Group has been formally engaged in the production of BOPP adhesive tapes for hot melt adhesive systems. Hot melt adhesive is an anhydrous, solvent-free and non-volatile organic matter (VOC) 100 % solid composition of the adhesive, compared with the general adhesive has the advantages of environmental friendliness, health and safety, and has the advantages of easy storage, highly automated production, etc.; in the composition of the raw material of the product, polypropylene biaxial extension film accounted for 46 ~ 51%, the pressure-sensitive part of the adhesive consists of synthetic rubber, tackifying resin, processing oils and additives, such as antioxidants. The pressure sensitive adhesive is composed of synthetic rubber, tackifier resin, processing oil, and antioxidant additives, etc. The raw materials are in compliance with FDA 21 C FR1755. In addition, kraft paper products are also a key carbon reduction product item. In 2023, we obtained the certification of 47% bio-carbon content from the U.S.D.A., and the FSC tape product certification, with the relevant labels shown on the right, and we will deepen our green product development and related carbon footprint verification in the future.

In 2024, we have introduced PCR and PIR recycled BOPP & PET film materials for carbon-reducing and environmentally friendly

products, paired with eco-friendly water-based acrylic and solvent-free hot melt adhesives. Additionally, we have developed solvent-free kraft paper hot melt adhesive packaging tape. This product has obtained FSC certification and USDA bio-based content certification at 47%.



▲ USDA Biosourced Product Seal



▲ Hot melt Kraft Paper Tape FSC Mark

© PVC Tape

PVC tape is made of soft polyvinyl chloride (PVC) film and coated with rubber-based compression adhesive on one side. According to the needs of different customers, it can be categorized into electrical, insulating, protective, piping, and packaging tapes, which are marketed globally. Therefore, Wan Chau's tapes have been certified by VDE (Germany), UL (U.S.A.), CSA (Canada), and JIS (Japan), among others. In addition, in order to reduce the harm of volatile organic compounds (VOC) to the environment, we have a solvent recycling system and have been selected as the Taiwan Environmental Protection Agency's VOCs improvement demonstration plant, with the overall recycling efficiency reaching 85.5% on average in 2014. In 2014, the overall recycling efficiency reached 85.55% on average, and the residual toluene solvent content in the finished products was less than 0.5%. The

residual toluene solvent content in finished products was less than 0.5%. Due to the global awareness of environmental protection and the concern for substances that pose a risk to human health, the development of green products for flexible PVC tapes that comply with the EU's Rohs (Control of Heavy Metallic Substances) and RECAH Highly Concerned Substances (SVHC - Organic Solvents) regulations has been one of the focuses of the company's efforts. Currently, all products comply with RoHS 1.0 (heavy metals), and 42 products comply with RoHS 2.0. In recent years, we have also been actively developing solvent-free environmentally friendly water-based primers and top coatings. Environmentally friendly water-based primers have been used in most of our

products, and our self-manufactured water-based top coatings were completed in 2017, with a small number of orders placed for shipment to the domestic market. We expect to make further contributions to environmental protection and VOC reduction. Development of a solvent-free system is underway for 2024, with commercialization expected in 2025.



◎ PE Protective Tape

PE protective tape is a finished product after PE film is coated with pressure-sensitive adhesive. The thickness of PE film and pressure-sensitive adhesive can be provided in different combinations according to the products, which is mainly used for the protection of laminated materials to avoid the damage caused in the process of manufacturing or transportation. Generally, PE is transparent, and if there is a requirement for other colors, color will be added to the film; while the main components of the pressure sensitive adhesive are rubber and tackifying resin, and the ratio can be adjusted according to the application and physical properties of the needs of the same use of well-designed solvent recycling system for recycling, and its recycling efficiency

is as high as 98%. In addition, we are also actively developing environmentally friendly water-based compression force protective tapes and water-based ink printing.



© Double Sided Tape

Double-sided adhesive tape is made by coating both sides of the substrate with a high adhesive pressure-sensitive adhesive and adding a layer of easy-to-peel release material, which is used to connect two objects, and can be used instead of adhesives such as adhesive, paste, etc. It is suitable for a variety of special applications such as racket ball, tennis ball, and other sports activities. Suitable for various special applications such as racket handles, automobile trim, footwear, telephone line fixing, hooks and so on.

It has the advantages of strong adhesion, uniform thickness, odorless, easy to control the adhesive surface, soft adhesive film and instantaneous adhesion.



© Green Tape

In response to recent environmental issues, we have developed a variety of environmentally friendly tapes, including recyclable kraft tape, OPP/PET hot melt adhesive tape, etc., which are suitable for a variety of packaging applications. With environmentally friendly acrylic glue, hot melt adhesive or solvent-free rubber, they are environmentally friendly and recyclable, with good adhesion and RoHS/REACH, GRS and FDA tests.



3-4 Energy Saving and Reduction

3-4-1 Establish an Energy Conservation & Carbon Reduction Team

More and more companies and manufacturers are willing to disclose information about the carbon footprint and carbon neutrality of their products. A carbon footprint is the total amount of greenhouse gas emissions (measured in terms of carbon dioxide impact) caused by a person, event, organization, service or product, and is used to measure the impact of human activities on the ecosystem. Carbon neutrality refers to the total amount of carbon dioxide or greenhouse gas emissions produced directly or indirectly by a country, enterprise, product, activity or individual within a certain period of time. By using low-carbon energy to replace fossil fuels, planting trees and forests, saving energy and reducing emissions, etc., we can offset the carbon dioxide or greenhouse gas emissions produced by ourselves and realize positive and negative offsets, so that we can achieve relative “zero emissions”. In our daily life, we can choose products with smaller carbon footprints to urge manufacturers to reduce the carbon emissions required for the production of goods. We can also walk more, drive less, and consume local seasonal fruits and vegetables or products to reduce the carbon emissions generated by our own habits. Certainly, personal behaviors can help reduce carbon emissions.

Of course, although individual actions can also reduce the burden on the earth, it is most important for all industries to work together to reduce carbon emissions in order to maximize

the effect. With this in mind, the Group set up an Energy Conservation and Carbon Reduction Team on May 19, 2021, with the goal of reducing resource consumption by 30% within five years from the beginning of 2021, and we hope that each and every one of us will contribute to the reduction of carbon emissions. We hope that each and every one of our staff members can contribute to the improvement of the environment with their own efforts and small actions.

In addition to setting up an energy saving and carbon reduction team to systematically promote energy saving and carbon reduction, we have also invited consultants to give lectures to the company. At the same time, we have inventoried the more energy-consuming electrical appliances and equipments in our factories and replaced them, and the energy-saving and carbon reduction supervisors in each factory have also actively promoted energy-saving and carbon reduction in their areas of responsibility. For more information, please refer to the website of YC Group / ESG page / E (Environment).



▲ Consultant Course Class Status

3-4-2 Organization Chart and Executive Instructions of the Energy Conservation & Carbon Reduction Team

The Energy Saving and Carbon Reduction Team is convened by the Chairman of the Board of Directors, Mr. Chih-Hsien Lee. With the support of the energy-saving supervisors of each business group and plant, we hope to promote the spirit of energy saving and carbon reduction to the daily behavior of each employee from top to bottom, and then achieve the goal of reducing energy consumption by 30% within five years. The duties and responsibilities of each member of the Energy Saving and Carbon Reduction Team are listed below:

Convener / Vice Convener:

1. Chair energy management.
2. Convene regular meetings to track progress and performance.

Executive Secretary:

1. Assist departments in promoting energy management (information, management and technology).
2. Arranging meetings, tracking and

analyzing progress and performance and reporting.

3. Analyze energy usage and daily inspections, and report abnormalities in a timely manner.

report in a timely manner.

Business Group Energy Program Supervisor:

1. Planning energy management and resource provision.
2. Supervise the implementation of energy management in each department.
3. Supervision of daily inspection and timely response.

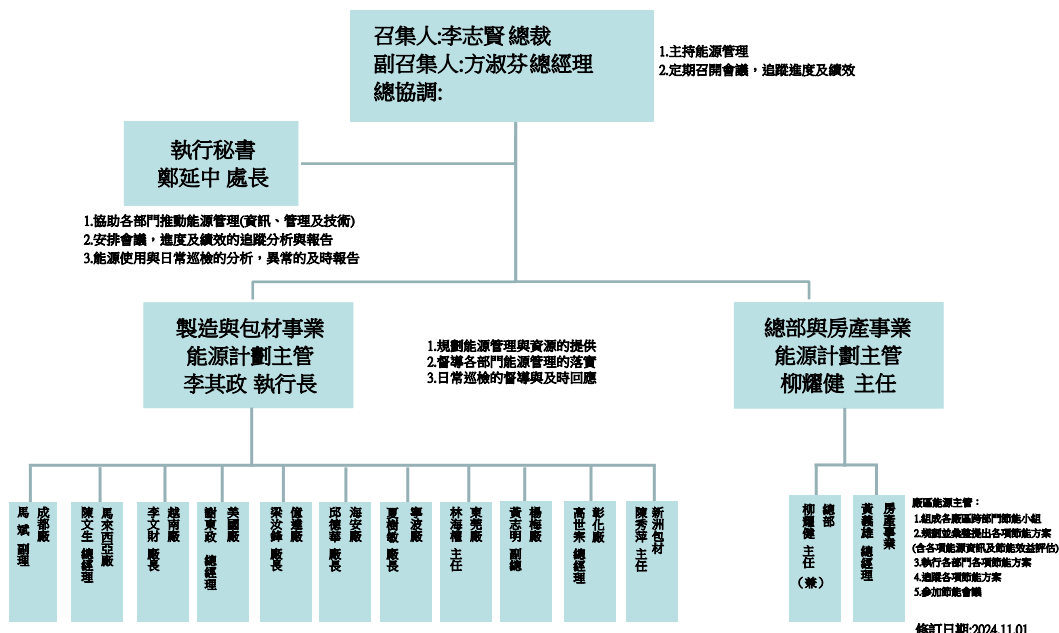
Plant Energy Supervisor:

1. Organize cross-departmental energy saving teams in each plant.
2. Plan and propose energy saving programs. (including energy information and energy efficiency evaluation).
3. Execute the energy saving programs of each department.
4. Tracking of energy saving programs.
5. Attend energy conservation meetings.

集團節約能源減碳小組

目標:5 年內減少 30%耗用(2021.5-2026.5)

起始點: 2020 年集團電費年支出 4.1 億



▲ Organization Chart of the Group's Energy Saving and Carbon Reduction Team

3-4-3 Install Carbon Reduction and Water Purification Equipment at Headquarters

The human body is composed of 70% water, water can promote metabolism, keep joints and skin smooth and elastic, and will be the body's waste discharge.

Healthy drinking water should not be underestimated, to drink water should also drink good water, we drink from the tap water plant to the household end of the purification process of chemical and other disinfection and other agents added to the water will remain in the water, in addition to the cleaning of water towers can not be achieved every day clean water, will over time produce sediment rust and other impurities, etc., the above unsafe factors will lead to the human body caused by the water.

In order to provide employees with safe and healthy water and achieve the goal of carbon reduction, the company installed an ultrafiltration membrane water purification equipment developed by the Industrial Technology Research Institute (ITRI) in front of the water tank on the 4th floor of the headquarter in October 2023. This water purification equipment does not require replacement of filters, as long as they are cleaned on a regular basis, it is able to remove harmful substances such as bacteria,

coliform bacteria, and plastic particles, etc. As it no longer produces filter garbage, it can reduce the amount of garbage and the consumption of the earth's resources.

The ultrafiltration membrane used in this water purification equipment has a higher pore density and connectivity, which not only enhances the water flux, but also does not need to rely on any power or energy in the filtration process, relying on the difference between the height of the potential energy and gravity as the driving force of filtration, which is a zero-energy-consuming filtration product. In addition to filtration of impurities, such as rust, heavy metals, colloids, algae, and sediments, it also reduces the hazards of microorganisms, bacteria, and viruses on the human body. The ultrafiltration membrane also extends the life of household water equipment, water pipes, water heaters, etc. It ensures that the water is pure and free of rust and pollutants, and improves cleaning, bathing, skin infections and allergies.

Carbon reduction with good water, everyone's health together!

Benefit

The introduction of ultrafiltration modules to reduce carbon and water consumption, realizing the ESG concept and helping the company to secure carbon rights.

Differentiated water purification design with no replacement of filters to ensure safe water for company employees.

The installation of low carbon water purification modules can save about 3.5 million tons of carbon per year, which is one of the three main sources of carbon emissions from water use in buildings.

3-4-4 Greenhouse Gas Inventory and Certification

In accordance with the “Sustainable Development Roadmap for TWSE/TPEX Listed Companies” issued by the Financial Supervisory Commission in March 2022, our company falls under the category of companies with paid-in capital between 50 and 100 billion New Taiwan Dollars. As such, we are required to implement greenhouse gas inventory in the second phase (i.e., complete the inventory by 2025 and verification by 2027). In accordance with the reference guidelines and relevant regulations issued by the competent authority, the Company is required to continue and submit quarterly reports to the Board of Directors.

1. Changbin Plant (Yem Chio) and Taipei Neihsu Headquarters underwent external verification of greenhouse gas emissions in accordance with ISO 14064-1 in September 2024.

The verification report is titled “THGHG14133-00,” with the verification statement number TH18-178 (dated September 9, 2024).

2. Yangmei Plant (ACHEM Technology)):

a. Yangmei Plant 1: Verification Statement Number: C710271-2023-AP-TWN-TAF (September 2, 2024) Yangmei Plant 1: Statement

Number: C617767-2022-AP-TWN-TAF (July 31, 2023)

b. Yangmei Plant 2: Verification Opinion Letter No.: C710250-2023-AP-TWN-TAF (September 26, 2024)

Yangmei Plant 2: Declaration Letter No.: C634405-2022-AP-TWN-TAF (September 28, 2023)

c. Yangmei Plant 3: Verification Opinion Letter No.: C710257-2023-AP-TWN-TAF (September 26, 2024)

Yangmei Plant 3: Declaration Letter No.: C634409-2022-AP-TWN-TAF (August 24, 2024)

Group Energy Greenhouse Gas Inventory Statistics Table

Factory	ISO 50001 (Energy Management System)	ISO 14001 (Environmental Management System)	Scope	ISO 14064-1 (Greenhouse Gas Inventory)	
				2023	2024
Changhua Plant No. 1 (Film)	ISO50001 certification for Film 2 and validity period 2023/01/13-2026/01/12		Scope I	6,344.5618	4,435.8380
			Scope II	23,219.7083	17,846.3547
			Scope III	106,123.9808	-
			Total	135,688.2509	22,282.1927
Changhua No. 2 Factory (Tape)		ISO14001 certification and validity period 2023/08/30-2026/08/30	Scope I	1,696.8935	1,921.5453
			Scope II	1,683.1568	1,810.7076
			Scope III	10,374.5288	-
			Total	13,754.5791	3,732.2529
Taipei Headquarters			Scope II	143.3603	126.0352
			Scope III	80.9429	-
			Total	224.3032	126.0352
Yangmei Factory (OPP+PE+ Specialization)		ISO14001 certification and validity period 2024/02/7-2027/01/09	Scope I	26,950.4942	35,523.9053
			Scope II	12,803.8273	13,335.3882
			Scope III	-	-
			Total	39,754.3215	48,859.2935
Yangmei No. 2 Factory (PVC)	Obtain ISO50001 certification and validity period 2023/01/18- 2026/01/17	(without specialization plant) Specialized plants ISO14001 validity period Limit :2022/12/21~2025/12/20	Scope I	12,577.7640	1,858.7875
			Scope II	5,130.7468	4,431.6863
			Scope III	-	-
			Total	17,708.5108	6,290.4738
Yangmei No. 3 Factory (Release Factory)			Scope I	592.0896	634.4828
			Scope II	1,143.0799	1,143.0200
			Scope III	-	-
			Total	1,735.1695	1,777.5028

4. Friendly Workplace and a Better Society

Corresponding "Important Issues"	Occupational Safety
Significance to YC	YC focuses on corporate sustainable development and is committed to enhancing employee loyalty and creating a safe and comfortable working environment. Through annual regular occupational safety risk identification and the implementation of a safety inspection mechanism before new equipment goes online, we avoid accidents that impact employee health and safety and affect the company's continued operations.
Specific Plans for 2024	◎ Strengthened management and revalidation of ISO 45001 occupational safety management system. ◎ Strengthen chemical management and classification. ◎ Establish a complete safety and health license management system. ◎ Establish and implement the four major health hazard prevention plans stipulated in Article 6 and 5 of the Occupational Safety Law.
2024 Fiscal Year Goals	0 occupational diseases and major occupational safety accidents.
Invest Resources	The Company has established an occupational accident reporting mechanism and an online education and training system, which are reviewed and managed by responsible personnel.
Evaluation Mechanism	Monthly statistics of occupational injury cases.
Actual Situation in 2024	There were 0 cases of occupational diseases and major occupational safety accidents at the YC Changhua Plant and 1 cases of occupational diseases and major occupational safety accidents at the Achem Yangmei Plant.
Medium and Long Term Goals	◎ Continue to promote the elimination of occupational diseases and major occupational safety deaths. ◎ In the direction of full participation, regularly carry out disaster prevention and emergency response education, training and drills. ◎ Establishment of safety and health management information system and revalidation of occupational safety management system.



4-1 Comprehensive Occupational Safety Management

In order to protect the safety of our employees, to provide a safe and healthy working environment and to avoid adverse impacts on the environment caused by loss of property or equipment, the company strictly controls all operations. In terms of industrial characteristics, YC does not have high-risk or high incidence of specific diseases, in addition, the Company has also launched an occupational safety management system introduction

program. Through this management system, we carry out risk assessment and identification of the working environment to eliminate and reduce occupational hazards. Through the P (P l a n) - D (D o) - C (C h e c k) - A (A c t i o n) framework for continuous improvement, to reduce the occurrence of occupational hazards, to protect the health and safety of employees.

4-1-1 Environmental Safety and Health Organization Structure

In order to strengthen the environmental protection and industrial safety management functions and to promote environmental safety and hygiene, the Company has established the “Safety and Hygiene Section”, “Environmental Protection Section” and “Occupational Safety and Health Section” in Wanzhou and Yezhou, respectively, to co-ordinate the safety, hygiene and environmental protection management of the plants and to organize dedicated personnel to be

responsible for auditing, abnormalities tracking and improvement of the entire plant, and to deploy environmental safety and hygiene management personnel in the factories to supervise and co-ordinate the environmental safety and hygiene business. In addition, there are also environmental safety and health management personnel in each plant to supervise and coordinate various environmental safety and health services.

4-1-2 Environmental & Safety Policies and Quantitative Targets

In 2019, our company successfully passed the certification of Environmental Protection Management System (EPMS) ISO-14001:2015 Edition. We have been developing and producing various kinds of adhesives, adhesive tapes and release materials in response to customers’ needs and environmental changes. Since the factory is a chemical factory, organic solvents and toxic chemicals are used in the production process, causing air pollution and hazardous waste. The factory is a chemical factory, which uses organic

solvents and toxic chemical substances in the production process, causing air pollution, producing hazardous waste and affecting the safety and health of the employees.

In order to implement environmental and safety and health management and fulfill the corporate environmental protection and safety and health responsibilities, we will continue to improve the performance requirements of environmental protection, safety and

health, and prevent the impact on the environment and the injuries and diseases of the personnel, so as to achieve safety and health.

In order to achieve the concepts of safety first, disaster zero and pollution prevention, we provide appropriate protective equipment. We provide appropriate protective facilities, equipment and operational controls. We provide appropriate protective facilities, equipment and operation control and strengthen contracting management to minimize noise, entrapment, fall, fire, explosion, leakage and chemical hazards. chemical hazards. Based on the concept of sustainable development of the enterprise, all colleagues of the organization will work together to commit to and implement the following policies.

The following policies are the commitments and practices of the organization:

1. Compliance with laws and regulations and other requirements: Maintaining labor safety and health, and preventing environmental pollution. To maintain the safety and health of laborers and to prevent environmental pollution.

2. Cherish resources, save energy and reduce waste: Reduce the consumption of raw materials and energy, and enhance the recycling of end-of-pipe. We will minimize the consumption of raw materials and energy, and enhance end-of-pipe recycling.

3. Proactive supervision and prevention: Pay attention to abnormal

changes in environmental safety and implement corrective prevention. We will take the initiative to monitor and proactively prevent environmental safety anomalies and implement corrective measures.

4. Continuous Improvement and Sustainable Management: Cooperate with the trend of sustainable development to demonstrate management performance. We will continue to improve and operate in a sustainable manner to meet the trend of sustainable development and demonstrate management performance.

5. Green design and environmentally friendly products: Environmentally friendly controlled substances to meet global trends. We are in line with the world trend of environmentally restricted substances.

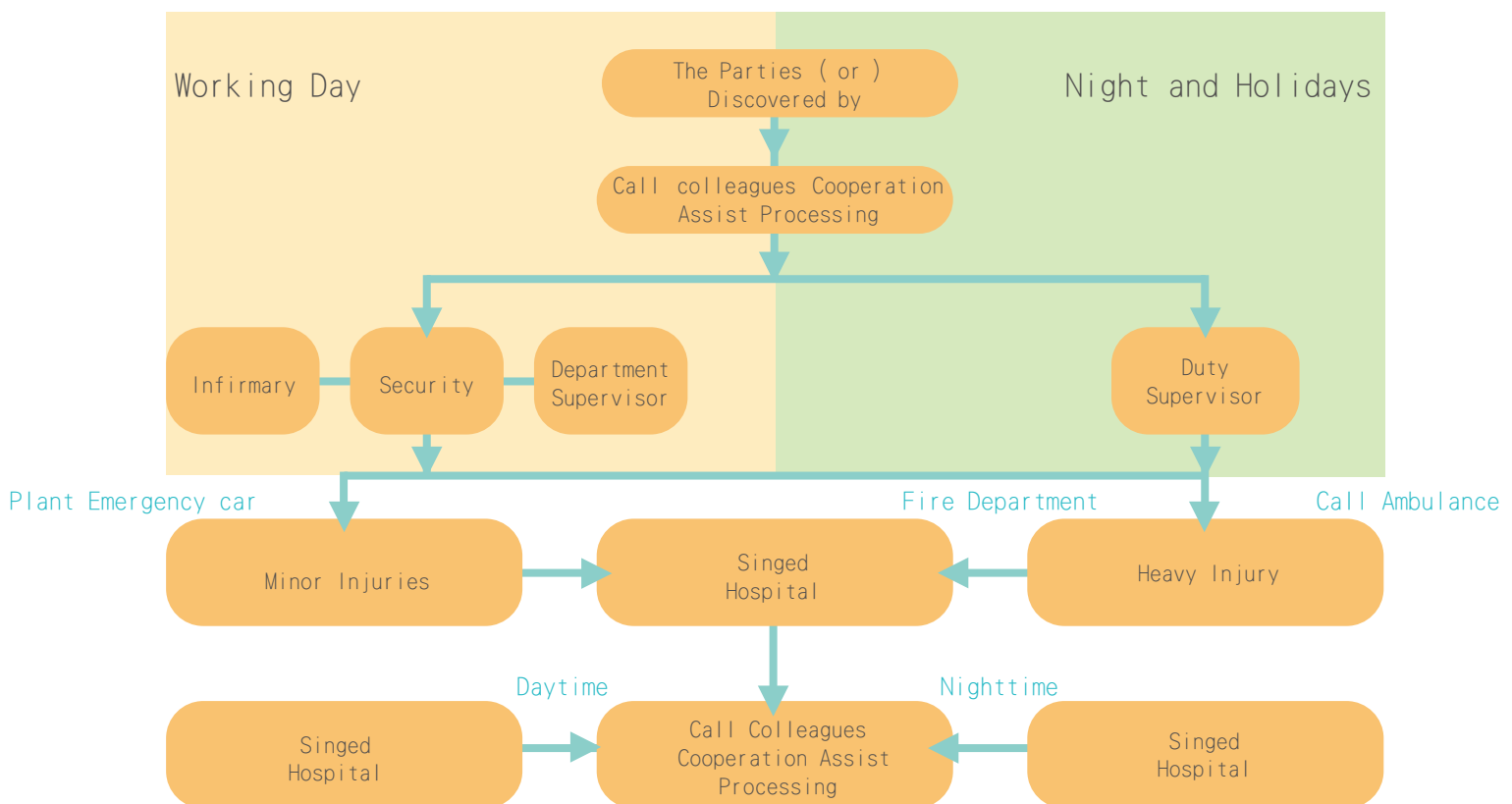


2024 Annual Management Objectives

Item	Management Objectives	Management Plan	Item	Management Objectives	Management Plan
1	Maintenance of fire fighting equipment to ensure the safety of employees at work.	Ensure availability of firefighting equipment.	6	Repacking of damaged insulation to prevent steam line burns during inspections.	Steam tower insulation works.
2	To assist in the maintenance of the plant to avoid falling and causing disaster.	Replacement of plant rusted skeleton.	7	VIC11*12 The feet are corroded and the carbon bed is damaged and at risk of collapsing and leaking.	Recycling of carbon bed support frame (including carbon bed repair).
3	Assist in the maintenance of electrical equipment to ensure the safety of the plant.	Inspect and repair related electrical equipment.	8	Rust repair of hot kerosene support in furnace area and large cooling water tower support.	Due to the humid environment, there is a risk of insufficient support by rusting the base of the building over the years.
4	Conduct safety awareness campaigns to enhance hazard awareness.	Full participation	9	The filling of drums after the production of release agent will cause volatilization of solvents, resulting in air pollution and health hazards for human inhalation.	Solvent isolation to avoid air pollution in the working environment.
5	Maintenance of fire fighting equipment to ensure the safety of employees at work.	Ensure availability of firefighting equipment.			

Emergency Response

To enhance employees' safety awareness and prevent occupational hazards, our company regularly conducts hazard identification and risk assessments throughout its plants. Implement risk control measures to eliminate potential hazards, prevent occupational accidents, continue to promote safety and health prevention within the factory, and publicize workplace safety incidents. We will follow the standard operating procedures to prevent accidents in advance and minimize the occurrence of workplace safety incidents. If a major abnormal incident occurs, we will Activate the reporting system immediately to report and respond to relevant units and group headquarters



Disaster Prevention and Response Drill Performance

Our core value is "People First," and we operate under the following principles to achieve our goals of zero incidents and zero injuries:

1. **Self-Defense Training and Unannounced Toxic Disaster Drills:** At the YC Changhua and Achem Chemical plants, we conduct self-defense fire drills and unannounced toxic disaster tests every six months in compliance with fire safety and hazardous materials regulations. These drills are personally supervised and commanded by plant managers. Each year, we select a high-risk hazard theme (such as static electricity, leaks, fires, explosions, etc.) based on hazard assessments, and plan comprehensive fire and toxic disaster response exercises to enhance overall disaster response capabilities. Post-training or drill debriefing meetings are held to review performance and identify areas for improvement, with records submitted to regulatory authorities and archived for reference.

2. **Environmental Bureau Inspections:** The Environmental Bureau conducts 1 to 2 unscheduled inspections and unannounced toxic disaster tests annually. To date, no violations of regulations have been recorded.

3. **Joint Disaster Drills:** Every 2 to 3 years, we organize joint disaster response drills with the local fire department. These exercises train senior management in initial response command and the transition of command authority. They also help the fire department become familiar with plant layouts, the locations of

hazardous chemicals, and proper vehicle positioning. Regular interactions foster strong relationships with the fire department.

4. **Review and Update of Disaster Response Equipment:** We review the adequacy and functionality of disaster response equipment annually, making necessary purchases or updates to replace outdated items.

● Technology

Develop management based on personnel health and safety Strategy and production technology.

● Safety& Health Culture

Through setting goals and motivating everyone, everyone can participate in safety organize activities to continuously improve safety and health management performance protection

● Responsibility

Comply with applicable safety and health regulations and other requirements to prevent disasters (injuries) and occupational diseases It is not only the social responsibility of enterprises, but also the responsibility of every Employee responsibilities and obligations.

● Communication

Through education and training, safety and health meetings and management, Let all employees deeply understand and implement safety Comprehensive health work.

4-1-3 Occupational Safety and Health Management and Training

Our company is dedicated to providing a safe working environment for employees. Each facility adheres to occupational safety and health regulations by establishing Safety and Health Committees or dedicated personnel (departments). These committees hold quarterly meetings with labor representatives accounting for more than one-third of the members. The primary focus of these meetings is to review the execution and improvement performance of safety and health initiatives, enhancing communication and supervision between labor and management.

To strengthen our management system's execution and internal audit capabilities, we maintain a robust internal audit management system. This ensures the effectiveness of our ISO management systems and provides opportunities for continuous improvement (PDCA) for those being audited. Consequently, we conduct internal audits at least twice annually. The first audit must be completed by the end of May, and the second (or additional) audits must be completed before the annual management review meeting.

Given that our primary processes involve the chemical and manufacturing industries, our occupational safety and health system addresses the hazards of raw materials, the safety of work environments, the prevention and tracking of occupational diseases, and community health risks. We expand our focus to core areas such as safety, health, environmental protection, and greening, in compliance with industry standards and

community/societal expectations.

In 2019, we successfully passed the verification of the ISO 14001:2015 Environmental Management System and integrated it with the OHSAS 18001:2007 Occupational Health and Safety Management System. To achieve our goal of zero accidents and zero injuries, we continuously seek project support from government, industry, and academia, with experts providing free consulting on process hazards and chemical safety.

For high-risk operations, we monitor the work environment and assess exposure according to legal requirements. We engage government-approved environmental monitoring agencies for sampling, measurement, and analysis each quarter and semi-annually, ensuring effective environmental hazard prevention and improvement after detecting deficiencies. Based on hazard identification and risk assessment, we provide appropriate personal protective equipment (e.g., earplugs, masks, safety shoes, protective glasses) and conduct training to enhance safety and health protection.

Given the industry's use and storage of various flammable organic solvents and monomer chemicals, we implement chemical management and disaster prevention according to our "Chemical Management Procedure," complying with regulations. We submit data on priority and controlled chemicals to authorities by the end of September each year.

Key accomplishments in 2024 include:

(1) Application submitted to deregister the Class A hazardous workplace designation for Plant 1, and exempted from annual labor inspection reviews.

(2) Completed the establishment and reporting of chemical classification management across the entire factory.

(3) Conducted annual health examinations for all employees.

(4) Implemented the four major health hazard prevention plans and records in accordance with Articles 6-2 and 31 of the Occupational Safety and Health Act.

(5) Assisted all factories in installing additional surveillance systems, enhancing real-time safety monitoring effectiveness;

(6) Completed the new requirements and reviews under the Fire Safety Act in advance (including chemical substance layout diagrams, mechanical equipment layout diagrams, and hazardous materials layout diagrams for the entire factory);

(7) Implemented the automatic inspection plan.

Our company values the enhancement of hazard awareness for all employees. We provide pre-employment safety and health training for new hires to familiarize them with the plant environment and potential hazards. For current employees, we conduct various specialized safety and health training sessions to strengthen their safety awareness. Additionally, employees engaged in high-risk operations receive external training to obtain relevant certification (e.g., forklift operators, lifting and hoisting, organic solvent supervisors).

4-1-4 Occupational Injury Statistics and Analysis

Aiming to reduce workplace injury rates and achieve a zero-accident environment is a primary goal for our company. We conduct quarterly statistics and analysis of occupational injuries, implementing preventive and corrective measures as needed. The indices have shown a significant decrease, reflecting our commitment to corporate social responsibility.

In 2024, the main types of occupational injuries included cuts, traffic accidents, and being caught or rolled. In response to these incidents, each unit has strengthened related communication efforts and enhanced the safety protection and upgrading of machinery and equipment. Additionally, continuous employee safety training and awareness programs within the plant have significantly improved employee safety consciousness.



▼ 2024 Occupational Accident Statistics (YC Changhua Plant and Achem Yangmei Plant)

Year	Factory	Work Injury Report (cases)	Lost Days	Frequency Rate of Disabling Injuries (FR)	Severity Rate of Disabling Injuries (SR)	Frequency Severity Index (FSI)
2024	YC Changhua (Film)	14	97	30.92	21	0.8
	YC Changhua (Tape)	2	0	0	0	0
	Achem Yangmei	1	30	0.74	22	0.13

▼ Number of Work-Related Injuries in 2024 – by Injury Type (YC Changhua Plant and Achem Yangmei Plant)

Year	Factory	Cutting	Accident	Electric	Being hit	Sprain Pull	Trapped	Impact
2024	YC Changhua (Film)	3	3	0	1	2	1	1
	YC Changhua (Tape)	1	0	0	0	1	0	0
	Achem Yangmei	2	2	0	0	0	2	1

Year	Factory	Fall	Object Flying	Collapse	Burns	Chemistry	Fall Over	Other	Total
2024	YC Changhua (Film)	0	1	0	0	0	1	1	14
	YC Changhua (Tape)	0	0	0	0	0	0	0	2
	Achem Yangmei	2	0	0	1	1	0	0	11

Achem Yangmei Factory

Item	Course Title	Hours	Number of people
1	New Employee Safety and Health Training	6	19
2	Forklift Operation On-the-Job Training (Refresher)	3	106
3	General Safety and Health Training + Hazard Awareness (Foreign Nationals, Refresher)	3	216

YC Changhua Plant

Item	Course Title	Hours	Number of people
1	New Employee Safety and Health Training	3	15
2	Forklift Operator On-the-Job Training	3	10
3	Fixed Crane Operator On-the-Job Training	3	9
4	Boiler Operator On-the-Job Training	3	2
5	Operator Radiation Safety Training	6	4
6	Class B Boiler Operator Training	50	1
7	Fixed Crane Operator (Foreign Nationals)	49	15
8	First Aid Personnel On-the-Job Training	3	1
9	Class A Business Supervisor On-the-Job Training	6	1
10	Hazardous Work Supervisor On-the-Job Training	6	2
11	Fire Safety Officer Training	12	1
12	New Employee Training	6	13
13	Security Inspector On-the-Job Training	6	1
14	Waste Disposal and Treatment Technician On-the-Job Training	7	1
15	Forklift Operator On-the-Job Training	3	1
16	Class B Boiler Operator On-the-Job Training	6	1
17	Specific Chemical Substance Supervisor On-the-Job Training	3	1
18	On-the-Job Training for Supervisors of Oxygen-Deficient Work	6	1
19	On-the-Job Training for Fire Safety Managers	6	1
20	On-the-Job Training for Technical-Level Emergency Response Personnel for Toxic and Hazardous Chemical Substances	8	2
21	On-the-Job Training for Operational-Level Emergency Response Personnel for Toxic and Hazardous Chemical Substances	4	1
22	On-the-Job Training for Occupational Safety and Health Managers	12	1
23	On-the-Job Training for Supervisors of Oxygen-Deficient Work	6	1

4-2 Employee Care

Corresponding "Important Issues"	Labor-Employment Relations and Employee Benefits, Talent Development and Education and Training
Significance to YC	<p>◎ The company is committed to establishing a harmonious labor-employment relationship to improve the company's overall operating performance.</p> <p>◎ Innovation and speed are the company's main strategies. We are well aware that only through comprehensive education and training, and employee development, can we improve the company's overall innovation and speed.</p> <p>◎ YC regards its employees as the company's greatest asset and provides them with compensation and benefits that exceed legal and market standards.</p>
Specific Plans for 2024	<p>◎ The company communicates internal policies and important information to employees promptly through emails, bulletin boards, the internal EIP system, and departmental meetings, ensuring that employees' thoughts and actions are aligned with the company's objectives.</p> <p>◎ New employees are supported with an employee handbook and an onboarding program to help them quickly become familiar with the company's culture and operational procedures.</p> <p>◎ To maintain harmonious labor relations, the company assists employees in addressing any dissatisfaction or issues related to their work. An employee mailbox and a complaint mailbox are available for this purpose. Additionally, a designated team investigates and addresses complaints in a timely manner to fully protect employee rights.</p> <p>◎ The company continuously promotes a variety of welfare measures to comprehensively care for employees' physical, mental, and emotional well-being. These measures include:</p> <ol style="list-style-type: none"> 1. The Employee Welfare Committee actively develops and implements various welfare programs, such as travel subsidies, holiday and birthday bonuses, wedding gifts, childcare subsidies, and condolence payments. Facilities include a library, KTV singing area, fitness and rhythm area, billiards recreation area, and a coffee and snacks corner for creative thinking. A cafeteria and affiliated stores offer affordable dining and goods, and various employee social activities are organized periodically. 2. Compliance with all labor, employment, and health insurance requirements, with additional group insurance for employees to ensure job security. 3. Conducting safety and fire drills, health checks, health promotion activities, and providing free registration at designated clinics to maintain a healthy and safe working environment. 4. Recognizing that employee growth and development are crucial to the company's sustainable success, the company continuously enhances employees' professional knowledge and skills in line with talent development principles and long-term business needs. Career development plans are made with employees to improve business operations and support mutual growth. 5. Organized a company family day, which included hiking, barbecuing outdoors, renting a movie theater and outdoor pottery activities, actively creating a positive atmosphere and fostering a sense of unity, accelerating the realization of our vision of a people-oriented, happy company.

Corresponding "Important Issues"	Labor-Employment Relations and Employee Benefits, Talent Development and Education and Training
2024 Fiscal Year Goals	<ul style="list-style-type: none"> ◎ Simplify processes and utilize e-tools/AI skills to enhance the group's overall integration and effectiveness. ◎ Enhance professional and management capabilities through a series of specialized, technical, and managerial training programs, expand perspectives, and increase organizational competitiveness. ◎ Establish and revise relevant management systems, and integrate these systems and plans to enhance the group's overall effectiveness and talent development.
Invest Resources	Human resources and various business units.
Evaluation Mechanism	<ul style="list-style-type: none"> ◎ Number of employee complaints. ◎ Number of classes offered and completion rate. ◎ Training course satisfaction survey and activity satisfaction survey. ◎ Training course attendance rate and activity attendance rate.
Specific Performance in 2024	<ul style="list-style-type: none"> ◎ Established a new HR system ◎ Held 12 training courses with a total attendance of 553 people. ◎ Held 4 family day events with a total attendance of 695 people.
Medium and Long Term goals	<ul style="list-style-type: none"> ◎ Short-term: Revise the internal instructor management regulations. Long-term: Have at least five permanent internal instructors. ◎ Continuously refine systems to enhance management effectiveness. ◎ Continuously expand the forward-looking vision, strategic planning, and leadership skills of mid-to-senior executives; leverage practical training exercises to improve training effectiveness. ◎ Build a professional and highly efficient operational team.

4-2-1 Human Resources Structure

YC Group's 2024 Human Resources Structure

Category	Group	Male		Female		Group Subtotals and Ratios
		884		344		
Position	Supervisor	88	82%	19	18%	107
	R&D Position	14	78%	4	22%	18
	Marketing	26	43%	34	57%	60
	Technical Positions	693	84%	129	16%	822
	Administrative/Other	63	29%	158	71%	221
	Subtotal	884	72%	344	28%	1228
Age Structure	Under 30 Years old	127	79%	34	21%	161
	30-50 Years old	608	73%	224	27%	832
	50 Years Old and Above	149	63%	86	37%	235
Employee Education	PhD	4	100%	0	0%	4
	Master	48	76%	15	24%	63
	College	311	59%	220	41%	531
	High School or Vocational School (inclusive) or Below	521	83%	109	17%	630
Employment Type	General Employees	884	72%	344	28%	1228
	Temporary Employees (Remark)	0	0%	0	0%	0
Disabilities	People With Disabilities	8	62%	5	38%	13
Nationality of Employees	Taiwanese	576	63%	344	37%	920
	Non-Taiwanese	308	100%	0	0%	308

Note: The Group's temporary employees are mainly on-site workers in the Yangmei and Changhua plants.

YC Group is Classified by Company Personnel Structure

Company	Male	Female	Total
YEM CHIO	236	91	327
Achem	520	132	652
YEM CHIO Distribution	86	77	163
Wong Chio	13	9	22
Yem Chio Hotel	15	13	28
KING SUN NEW TECH CO., LTD.	14	22	36

Employee Compensation

We view our employees as the company's most important business partners and are committed to offering competitive compensation and benefits to attract and retain top talent. All employees receive salaries that exceed the statutory minimum wage and adhere strictly to gender equality, ensuring no gender-based discrepancies in basic compensation.

YEM CHIO Group conducts annual salary adjustments based on market compensation surveys to continuously maintain competitive pay levels. At the same time, the company values employees' hard work and contributions and is dedicated to creating a high-quality work environment where every member can fully engage in their work and enjoy life.

Yem Chio Group 2024 Annual Statistics on New Employees and Departed Employees

Year	Classification	By Age	Male		Female		Total
			People	Rate	People	Rate	People
2024	New Employees	30	53	77%	16	23%	69
		31 ~ 50	76	59%	53	41%	129
		Over 51	15	68%	7	32%	22
	Departed Employees	30	39	64%	22	36%	61
		31 ~ 50	95	65%	51	35%	146
		Over 51	24	67%	12	33%	36

Information About Salary of Full-time Employees Who Are Not In a Managerial Position Yem Chio (Unit: Year)

Average Amount of Employee Salary (NTD '000/ person)			Median Amount of Employee Salary (NTD '000/ person)		
2022	2023	2024	2022	2023	2024
574	558	593	530	517	541

4-2-2 Supportive Parenting Environment and Parenting Policies

We encourage female employees to breastfeed after childbirth. Our Taipei headquarters features a dedicated breastfeeding room for female employees, which includes specialized refrigeration for breast milk and strict access controls, ensuring a private, secure, and comfortable space that safeguards privacy and safety.

Employees who have been with the company for at least six months are eligible to apply for unpaid parental leave under the "Gender Equality in Employment Act" and the "Parental Leave Policy" before their child turns three, for a maximum period of two years. Upon

completion of the parental leave, the company will facilitate their return to their original department and position. We aim to help employees achieve a balanced approach to their physical and mental well-being, work, and family life. In compliance with current regulations, we strive to create a warmer, more harmonious, and high-quality work environment. YC Group's Taiwan Region Childcare Assistance Program took effect in July 2023. The company held four information sessions in northern, central, and southern Taiwan. As of December 31, 2024, 42 employees and 55 children have received assistance payments.

2024 Parental Leave Application Statistics

Project	2024 (Male)	2024 (Female)
Number of Employees Utilizing Parental Leave	According to the Labor Law	According to the Labor Law
Number of Applicants For Parental Leave	2	6
Number of People Who Applied For Parental Leave and Returned to Work	2	4
Retention Rate of Employees Returning to Work in the Current Year	100%	66%
Retention Rate after Returning to Work for More Than 12 Months	100%	40%
Number of Employees who Have Applied for Parental Leave and Have Been Reinstated for More Than 12 Months.	2(Reinstated in 2023)	2(Reinstated in 2023)

Remarks:

1.Reemployment Rate Calculation = Number of employees who actually return from parental leave in the current year / Number of employees projected to return from parental leave in the current year (2024) * 100%.

2.Retention Rate Calculation = Number of employees who continued working for one year after returning from parental leave in the previous year / Number of employees who actually returned from parental leave in the previous year * 100%.

Workplace Diversity, Gender Equality Policies, and Implementation

YEM CHIO success is built on the mutual trust and respect established between employers and employees. The company fully respects the dignity of every employee, listens openly to concerns and suggestions, and embraces differing viewpoints with an open mind.

We strive to provide employees with high-quality welfare benefits, adhering to corporate ethics, fulfilling our social responsibilities, and ensuring transparency.

YEM CHIO complies with the labor laws established by the Republic of China (Taiwan) and aligns with the United Nations Sustainable Development Goal 5, which aims to achieve gender equality and empower all women and girls. We also adhere to the principles of the United Nations Universal Declaration of Human Rights, the European Convention on Human Rights, the Charter of Fundamental Rights of the European Union, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Our human rights policy is designed to promote equality and fairness.

In 2024, the total number of employees across YEM CHIO, ACHEM, WONG CHIO, YEM CHIO Distribution, and Yem Chio Hotel was 1,228. The workforce composition includes 72% male and 28% female employees. Due to the nature of our manufacturing and intensive industry, there is a notable gender disparity. All senior management positions are held by nationals.

Our key principle is to create a

non-discriminatory work environment and maintain high cultural standards. We do not discriminate against employees based on race, politics, faction, religion, sexual orientation, ethnicity, skin color, disability, pregnancy, political affiliation, association membership, or marital status in our recruitment and employment practices, including promotions, rewards, or training.

All management policies are in compliance with local regulations, with timely updates and adjustments as needed. We provide equal and diverse employment opportunities for individuals with disabilities. Support from senior management to departmental supervisors ensures that job roles and assistance for disabled employees are appropriately designed to create a friendly working environment. This allows disadvantaged groups to apply their skills effectively and build confidence. Additionally, to give back to the community, YEM CHIO Group actively recruits local employees, contributing to local development.



4-2-3 Employee Care: Providing Comprehensive Employee Benefits

We place great importance on ensuring that our employees receive adequate care and support at YEM CHIO. Through various communication channels, recognition and motivation programs, assistance and support, diverse activities, and updates on regulations, we strive to offer not only high-quality facilities but also fulfillment and engagement in both personal well-being and team interactions. Our goal is to ensure that employees work with peace of mind under the motto "Healthy and Happy Work, Blissful and Fulfilling Life." We aim to provide comprehensive employee care and support,

allowing employees to balance their hard work with health and a happy family life. In addition to legally mandated labor and health insurance, maternity benefits/parental leave, and retirement fund contributions under both the new and old labor pension systems, we offer comprehensive group insurance coverage for all employees. YEM CHIO strictly adheres to and provides internal welfare policies that exceed the standards of the Labor Standards Act, ensuring the safety and well-being of employees in their work and personal lives, and allowing for timely and appropriate relaxation and rest.

Employee Benefits

- Healthy Dining Employee Cafeteria

To ensure the health of our employees' diets, our Taipei headquarters, as well as our Yangmei and Changhua factories, are equipped with employee cafeterias. These cafeterias offer a diverse range of dining options at preferential prices. To maintain a healthy eating environment, we conduct regular quarterly audits of the cafeteria's conditions and address any issues to ensure that employees can eat healthily and with confidence.

- Fitness Center

Excellent performance stems from both a positive work attitude and a healthy physique. We value not only our company's operational performance but also the physical and mental well-being of our employees. We believe that healthy employees contribute to the strong performance of YEM CHIO. In our corporate family, we advocate for a healthy and active lifestyle. Our Taipei headquarters features a high-standard indoor fitness center in the building's basement. Facilities include a pool

table, treadmills, stationary bikes, weight training machines, and a recreational area. Regular fitness programs are held, including yoga classes, aerobic exercise classes, and various sports competitions. Every employee is an important partner, working together to exercise and build a healthy workplace culture at Yem Chio. In addition, family days are held annually to provide employees with opportunities for internal communication and physical fitness.





- Bonuses and Benefits

In addition to offering competitive salaries, the company provides various bonuses and allowances. Besides year-end bonuses, holiday bonuses, and gifts, we also offer birthday gifts, marriage allowances, maternity gifts, and bereavement subsidies. For retired employees, we provide retirement appreciation bonuses to thank them for their hard work and contributions to the group.

- Employee Insurance Plan

We comply with the law by providing labor insurance, national health insurance, and comprehensive group insurance for each employee. The cost of the comprehensive group insurance, which includes regular life insurance, accident insurance, severe burn insurance, injury medical limit insurance, hospitalization medical insurance, cancer medical insurance, occupational hazard insurance, and critical illness advance payment, is fully covered by the company. This plan ensures extensive protection for employees' health.

- Employee Travel Allowance

Based on length of service, we offer travel subsidies for domestic and international trips to employees.

- Commuting and Parking Benefits

To reduce commuting time, Achem Technology Corporation provides shuttle services in the Taoyuan area, addressing the challenges of commuting and enhancing employee safety. This also helps to reduce carbon emissions from personal vehicles, contributing to energy conservation and environmental protection. Employees can benefit from discounted motorcycle parking and low-cost indoor/outdoor car parking facilities. Special parking spaces are also provided for pregnant employees and those with disabilities.

- Safe and Comfortable Employee Dormitories

The group's factories provide dedicated employee dormitories, offering a comfortable and safe living environment for expatriate employees and local employees from outside the area.

• Encouraging Employee-Led Clubs

The company supports employees in forming their own leisure clubs, allowing all staff members to apply for the establishment of various types of clubs, such as aerobics, calligraphy, hiking, karaoke, and softball. An increase in club participation not only indicates that employees maintain good physical health but also enhances work performance and strengthens their sense of belonging to the company.

• Employee Club Activities

1. Karaoke Room: Our karaoke room is an excellent venue for departmental gatherings and inter-departmental social events. It provides a space for singing competitions, and we have also established a Karaoke Club to allow singing enthusiasts to enjoy themselves fully.
2. Aerobics Class: We offer weekly aerobics classes after work, led by professional instructors in the B1 rhythm classroom. These sessions provide enjoyment through fat-burning movements, improve cardiovascular health and metabolism, and enhance muscle endurance and body toning.
3. On July 6, 2024, a hiking and mountain climbing event was held at the headquarters in Neihu Daguoxi. This activity allowed employees to enjoy the beauty of nature outside of work hours, sweat it out, detoxify their bodies, and build up their stamina for the upcoming workweek.
4. On November 10, 2024, a family day barbecue outdoor activity was held at the Yangmei factory, where employees brought their families to participate, enhancing team cohesion and unity.
5. On November 15, 2024, a private movie screening was organized at the Neihu headquarters, open to employees and their family members, to enhance employee well-being.
6. November 30, 2024: The Changhua Plant has already hosted a clay oven activity, where employees and their families worked together to build the fire and control the oven, enhancing parent-child interaction and promoting communication among plant employees.



4-2-4 Talent Development and Human Resource Management

Talent is the most critical asset for any organization. In today's rapidly changing international environment and with the Group's swift expansion, talent training and development are fundamental to building corporate assets and enhancing organizational competitiveness and adaptability. At YC, we focus on employee education and balanced development, guided by our philosophy of "learning and growing together through mutual support and innovation." We offer a diverse range of development channels and excellent internal and external training resources for employees to choose from. Additionally, we collaborate with upstream and downstream partners through joint training programs, addressing the needs of both management and front-line staff to implement comprehensive talent development and skill enhancement plans. From the first day of employment, new hires are assisted by the Human Resources department to become familiar with company policies, procedures, and the work environment. In addition, our manufacturing plants utilize a mentor system to help new employees understand the entire product line process and the complete

development cycle. This approach enables new hires to quickly grasp the company's R&D processes, production procedures, and quality verification, facilitating their rapid integration into the company culture and reducing the adjustment period to maximize their potential. The 2024 Annual Training Plan has adopted a focused training approach, designing a series of courses tailored for senior management and management trainees within the Group. Emphasis has been placed on the progressive and continuous nature of the training programs, with ongoing tracking of feedback and outcomes post-training. In 2024, we have prioritized communicating with various departments within the group to identify their training needs and develop tailored courses. The goal is to enhance the alignment between training programs and departmental professional development and performance improvement. This initiative has been implemented through a manager-led training program, which has been approved and supported by department heads. We have established clear links between training activities and departmental work processes and communication channels.



Comprehensively Promote Internal Training Across the Group

Define the Required Managerial and Functional Competencies According to the Responsibilities of Each Organizational Level

Tier Layer	Capacity Development	Planning Highlights	Demand Capacity
Executive Director	<ul style="list-style-type: none"> ★ Vision ★ Concept ★ Organization ★ Decision-making ★ Delegation 	<ul style="list-style-type: none"> ★ Enhance Integration Skills for Business Environment Analysis ★ Build Consensus on Leadership in Business Strategy ★ Improve Organizational Effectiveness ★ Increase Decision-Making Quality 	<ul style="list-style-type: none"> ★ Global Vision and International Perspective ★ Strategic Planning ★ Leadership and Management ★ Decision-Making Ability ★ Organizational and Team Development ★ Business Environment Analysis Capability ★ Human Resource Development
Middle Stage Supervisor	<ul style="list-style-type: none"> ★ Plan ★ Coordination ★ Tracking control ★ Authorization 	<ul style="list-style-type: none"> ★ Enhance Management Practices to Ensure Task Completion ★ Strengthen Information Integration and Analytical Skills ★ Improve Change Management to Enhance Team Efficiency and Effectiveness 	<ul style="list-style-type: none"> ★ Leadership ★ Process Improvement ★ Goal Management ★ Meeting Management ★ Performance Evaluation ★ Communication and Coordination ★ Counseling and Coaching ★ Mentoring
Primary Supervisor	<ul style="list-style-type: none"> ★ Plan ★ Execution ★ Tracking control ★ Improvement 	<ul style="list-style-type: none"> ★ Enhance the efficiency and effectiveness of managing people and things ★ Enhance the ability to train subordinates ★ Improve work quality 	<ul style="list-style-type: none"> ★ Project management capabilities ★ Project planning ★ Problem analysis and problem solving ★ Tracking and control capabilities ★ Communication and coordination ★ Ability to assign tasks ★ Meeting management ★ Work improvement ★ Presentation ★ Interview ★ Leadership
Technical Support Staff	<ul style="list-style-type: none"> ★ Improvement ★ Communication ★ Teamwork 	<ul style="list-style-type: none"> ★ Take the initiative to complete the tasks assigned by superiors ★ Ability to work with others to complete tasks ★ Ability to manage and improve oneself 	<ul style="list-style-type: none"> ★ Problem Identification ★ Improvement ★ Team Consensus Building ★ Interpersonal Communication ★ Self-Awareness ★ Task Delegation and Reporting ★ File Management ★ Professional Competence

Goals of the Group's Internal Education and Training Program

By consolidating internal resources within the group and integrating the competitive advantages of various units within the industry, we aim to establish benchmark learning practices. Through a training-sharing mechanism, our goal is to enhance the industry and create a more competitive environment.

With YC Group as the core, and recognizing the importance of industry integration, the “Unified Training Program” will guide upstream, midstream, and downstream vendors towards “Innovation and Sharing.” This initiative aims to disseminate internal knowledge across

the industry, from internal improvements to broader industry competitiveness. The goal is to achieve mutual prosperity and growth within a well-structured training program, enabling employees to advance professionally and foster a learning environment.



▲ Group Strategy Meeting, featuring lectures by external speakers in July, 2024

Key Focus Areas for Talent Development and Corporate Management Talent Management

1. Equip managers with the ability to guide employees and discuss future development plans.
2. Provide leadership and management courses to enhance the leadership capabilities of managers and prepare future leaders.
3. Implement key talent training to continuously attract, develop, and retain the talent needed for the organization's current and future requirements.
4. Offer management development training programs to improve leadership skills among senior employees.
5. Support medium- and long-term talent development plans to achieve phased goals, enabling talent to contribute their strengths in an equitable and visionary work environment.

Strengthen Professional Exchanges Across Upstream, Midstream, and Downstream Sectors

With a mission to “Develop Professional Technical Exchange” and “Knowledge Innovation,” we aim to increase the international competitiveness of the plastic manufacturing, packaging, and construction industries. Through the Unified Training Program, management and relevant personnel from participating units will have opportunities to engage in joint learning mechanisms, share experiences, and observe each other. This will enhance industry management skills, improve relationship marketing effectiveness, and elevate the quality of operations across the supply chain.

1. Share critical technical capabilities.
2. Enhance professional skills to boost industry competitiveness.
3. Establish foundational industry knowledge.
4. Strengthen industry-specific knowledge and skills.
5. Address and resolve industry technical issues.
6. Foster ongoing willingness and capability for professional technical learning.

Professional Internal Trainer Development and Seed Trainer Team

Sustainable business operations rely on a group of professional core talents. Through lifelong learning and education, these key talents continuously develop their skills, enhancing their personal competitiveness while becoming internal coaches (trainers) who impart practical experience and elevate employee performance, thereby reducing performance gaps.

1. After receiving professional training, trainers can impart practical knowledge more comprehensively. This

facilitates easier absorption and understanding by learners, helps them break free from outdated thinking patterns, improves inter-departmental communication and coordination, and assists in creating a shared vision within the organization.

2. Successful project implementation and quality enhancement: Internal trainers can assist in advancing projects, ensuring smooth team operations.

Expected Internal Benefits and Quantitative/Qualitative Indicators

Through the talent development program for participating units, combined with employee recruitment, evaluation, competency, and career advancement within the organization, we aim to achieve a consolidated human resource education and training system, enhancing professional knowledge and technical skills.

1. Promote technological policies for the plastic manufacturing industry, fostering innovative talent in plastic manufacturing and sales.

2. Enhance Taiwan's international plastic manufacturing industry to improve overall industry competitiveness.

3. Ensure the transfer of critical technologies and the continued development of talent within the plastic manufacturing industry.

4. Develop cross-departmental knowledge and innovative capabilities.

5. Understand practical expertise across departments, transform organizational administrative processes, streamline operations, and reduce costs.

6. Foster continuous professional technical learning willingness and capability.

7. Establish foundational knowledge and concepts for international plastic manufacturing industries.

8. Enhance international competitiveness of trainees through specialized international business learning.

2024 Education and Training Implementation Data

● Annual Education and Training Hours Statistics

Category	Male			Female			Total		
	Number	Hours	Average Hours	Number	Hours	Average Hours	Number	Hours	Average Hours
Management	322	1,314	4	117	465	3.9	439	1,779	4
General colleagues	1,020	4,088	4	175	587	3.3	1,195	4,675	3.9
Subtotal	1,073	4,522	4.2	152	651	4.2	1,225	5,173	4.2

※Average Training Hours: Total training hours for the category / Number of employees in the category at the end of February of the current year.

Statistics on Training Related to Labor, Human Rights, and Ethical Business Practices

To uphold labor and human rights and ensure that employees understand their various rights, our company planned and executed multiple labor and human rights training programs in 2023. The proportion of personnel who received human rights-related training reached 100%. The course statistics are listed below:

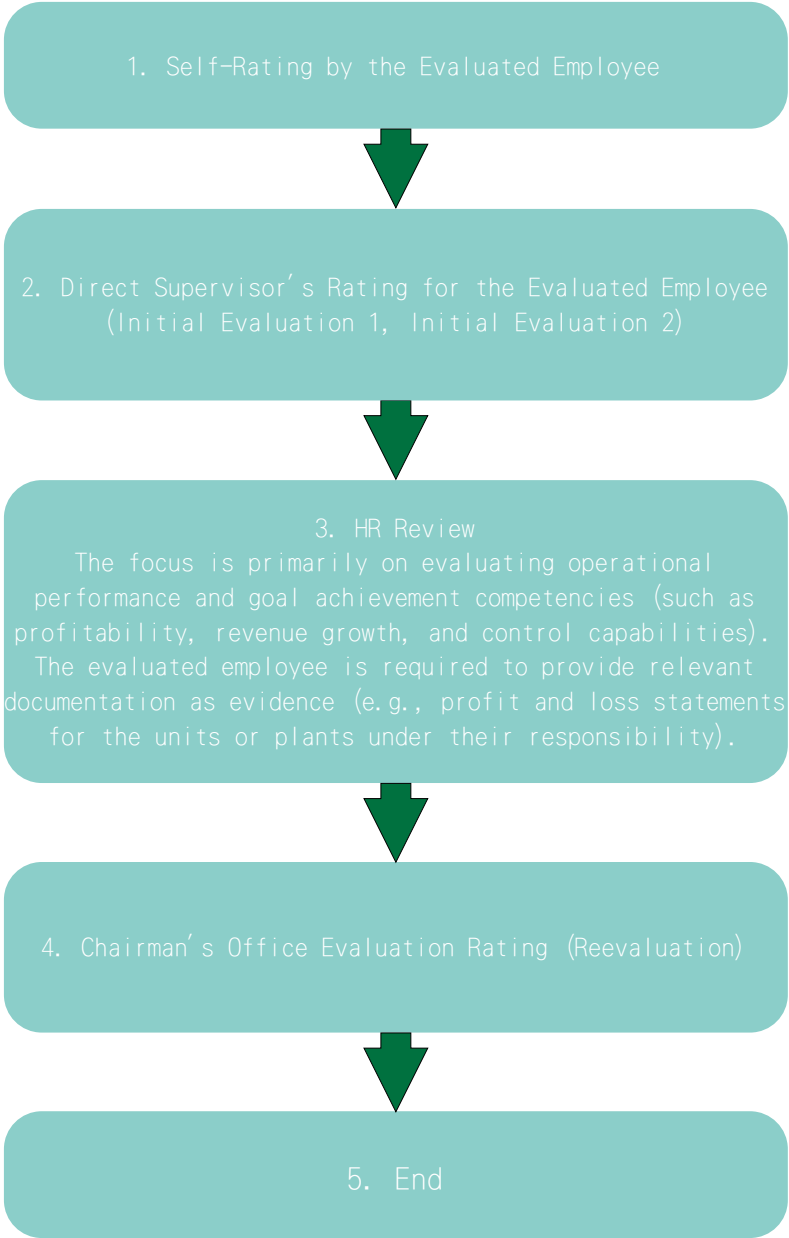
Course Title
New employees' information includes human rights education and training
New Employee Learning Guide
Integrity management and anti-corruption training
Explanation of the amendment to the Labor Law and its response

Complete Performance Evaluation System

YC integrates the company's vision and strategic goals with individual employee objectives through the goal performance management feature in its HR system. The purpose of performance evaluations is to review and improve past performance while developing future goals and performance outcomes. For

employees with suboptimal performance, we use coaching and communication to collaboratively address and improve the situation. Supervisors assist in creating improvement plans, working together to enhance employee performance and, consequently, boost overall company productivity and competitiveness.

Assessment Process



Proportion of Employees Subject to Goal Performance Evaluation, Classified by Gender and Employee Category

The results of the performance management system are integrated into the promotion and reward systems, ensuring that performance evaluations are effectively utilized in human resources management. All local employees, except for division-level managers and expatriates, are required to undergo performance evaluations after completing a three-month probationary period. In 2024, 878 employees underwent performance evaluations, representing 100% of the employees eligible for evaluation across the company.

Project	Number	Proportion
Conduct Performance Appraisal	878	100%
No Performance Appraisal	0	0%
Total	878	100%

4-2-5 Employee Communication and Care



In addition to caring about employee rights, YC also emphasizes providing proper care and attention to employees. The company offers multiple communication channels to enhance internal communication efficiency, establish positive labor-management relations, and encourage employees to submit various suggestions. While addressing complaints, we strive to meet reasonable demands and trace the root causes of issues to reduce the recurrence of similar problems, thereby increasing employees' sense of recognition and engagement with the company.

For example, communication channels include an employee communication email, a dedicated hotline, and a physical suggestion box in the cafeteria. Additionally, we use employee bulletin boards and HR systems to provide the most timely information and responses to employees, ensuring that

they have access to support and guidance. Employees are a crucial asset to the company. By enabling them to be more engaged in their work and enjoy a balanced life, we aim to provide greater care and support, thereby fostering employee loyalty and commitment.

Regular labor-management meetings are held to discuss and coordinate labor relations, promoting harmonious labor-management relationships. In the event of significant operational changes that may affect employees' job rights and changes in labor conditions, we fully comply with Article 16 of the Labor Standards Act, ensuring that the shortest notice period for terminating labor contracts is adhered to, and employees are informed promptly and thoroughly.

Employee Complaints:

While caring for our employees, YEM CHIO not only strives to address the reasonable demands of complainants but also traces the root causes of issues to reduce the recurrence of similar problems. In 2024, there were no human rights-related complaints formally filed, processed, or resolved through the formal complaint mechanism. To protect employees from workplace sexual harassment, the company is committed to implementing various measures. In addition to enhancing awareness during new employee training, we also periodically post workplace protection posters explaining sexual harassment prevention, reporting channels, and case examples to ensure a friendly and safe working environment.

4-2-6 Comprehensive Employee Health Management

Employee Health Care

Providing a safe and healthy work environment is the company's responsibility, and offering high-quality medical services is part of our commitment to employee care. At the ACHEM Yangmei Plant, we have set up a well-equipped medical room to provide employees with extensive medical resources and diverse, professional services. This ensures that employees can work comfortably within a comprehensive healthcare environment. The medical room not only offers basic wound care and simple medical consultations but also provides a comfortable space for employees to relax and relieve stress. Employees can also interact with healthcare staff to share and receive the latest health information. The medical room is equipped with a health journal area, a healthcare bulletin board,

and facilities for wound care, blood pressure and blood sugar measurements, consultations, and rest areas.

Additionally, the company maintains a long-term collaboration with a local hospital's Family Medicine Department to provide regular on-site services. This comprehensive health management includes health consultations not only for employees but also for their family members and friends. Services include medical consultations, injury and illness prevention, assessments and recommendations for job placement and return-to-work, support for health promotion activities, assistance with health management operations and follow-up, medical referral assistance, and factory inspections for hazard identification and assessment.

Employee Assistance Programs (EAPs)

To enhance the company's focus on employee mental health and emphasize the importance of workplace mental health for both the organization and employees, since 2014, ACHEM Technology has partnered with the Taoyuan City Lifeline Association to develop customized employee assistance programs tailored to the company's specific needs. Through EAPs and educational workshops, the company promotes awareness of the importance of workplace mental health and well-being among employees, and encouraging employees to recognize their own mental health needs and seek assistance proactively.

In 2024, the Yangmei Plant conducted psychological counseling for 37 employees. The statistical chart of the main issues raised during employee psychological consultations is shown in Figure 1, with the primary category being "personal issues." Personal physical and mental health often intertwine with work, leading employees to experience absenteeism and leave issues due to health concerns. The secondary category is "workplace interpersonal relationships," workplace issues that arise between colleagues and between superiors and subordinates, which can lead to management issues and workplace harassment.

- 『Health First』Let's Promote Health Together GO

The physical and mental health of our employees is a top priority for our company. To support our colleagues' well-being, we organize various health promotion activities aimed at preventing illness, enhancing personal and family quality of life, and boosting company productivity. This year's activities include Taoyuan-style lung cancer screening campaigns, cardiovascular disease prevention lectures, 12 sessions of the "Ultra-Inspiring Exercise Promotion" program, and a "Human Factors Prevention - Fascia Stretching Fun Lecture," as well as influenza and Moderna JN1 vaccination activities. These initiatives attracted a total of 1,056 participants, allowing employees to prioritize their physical and mental well-being while at work

- Special Health Hazard Assessment for High-Risk Work

Every year, special health hazard assessments are conducted for personnel working in high-risk workplaces. In 2024, a total of 119 employees at the Yangmei Plant underwent the assessment, achieving a 100% completion rate. Based on the health examination results, health management grading has been implemented. A total of 68 individuals were classified into the second-level management category and received personalized health education guidance. Among the 13 individuals classified into the third-level management category,

- To prevent musculoskeletal disorders induced by repetitive operations and related works (Occupational Safety and Health Act, Article 6-2)

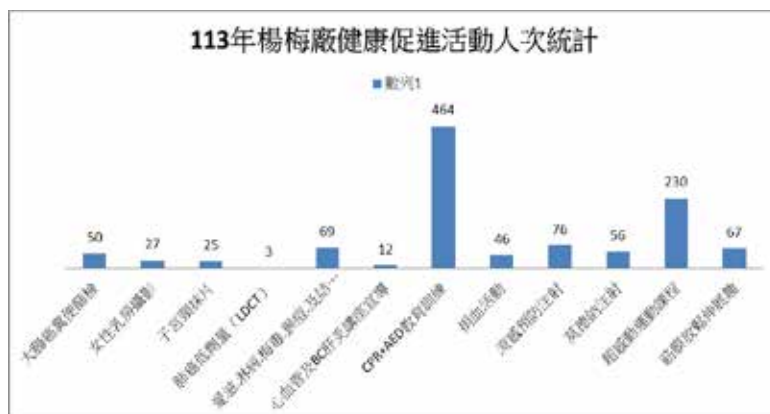
after follow-up examinations at the hospital, the re-grading results were 6 individuals in the second-level category and 7 individuals in the fourth-level category. All individuals were arranged for occupational physician visits and interviews, on-site hazard identification and assessment by occupational safety personnel, and engineering improvement recommendations related to the work environment were proposed.



▲ May 2024 Yangmei Factory Super Inspiring Exercise Class



▲ June 2024 Fascia Relaxation Stretching Exercises



▲ 2024 Health Promotion Activities Statistics

Conduct monthly proactive surveys of employees who visit the medical room to request muscle pain ointments, protective gear, or report musculoskeletal pain issues. Encourage employees to seek assistance and medical care.. In the 2024 musculoskeletal survey, employees diagnosed with musculoskeletal disorders or at risk were promptly arranged for on-site visits by factory doctors and public safety personnel. Human factors hazard assessments and improvement recommendations were conducted in the work areas.

• To Prevent Musculoskeletal Disorders Induced by Repetitive Operations and Related Works (Occupational Safety and Health Act, Article 6-2)

Conduct monthly proactive surveys of employees who visit the medical room to request muscle pain ointments, protective gear, or report musculoskeletal pain issues. Encourage employees to seek assistance and medical care. In the 2024 musculoskeletal survey, employees diagnosed with musculoskeletal disorders or at risk were promptly arranged for on-site visits by factory doctors and public safety personnel. Human factors hazard assessments and improvement recommendations were conducted in the work areas.

• Prevention of Diseases Triggered by Abnormal Workloads

Employers should properly plan safety and health measures for abnormal workloads such as shift work, night work, and prolonged working hours that may trigger diseases, ensure proper care for employee health, and maintain the physical and mental well-being of employees. In

2023, conduct overwork assessment tests during health checkups, and classify the statistical results into health management categories: low risk, medium risk (Levels 1 and 2), and high risk (Levels 3 and 4). Employees classified as high risk (Levels 3 and 4) should be statistically categorized by department and gender. For employees who did not complete the follow-up visit in 2023, on-site physician interviews with high-risk employees will be scheduled in 2024 to enable employees to identify their high-risk factors, seek medical referral, and initiate regular medication treatment to reduce the risk of other complications.

• Maternal Protection

Yangmei Plant conducts maternal protection interviews for female



▲ In February 2024, Factory Medical Visit Identified Employees Suspected of Being Exposed to Hazards.



▲ 2024 Special Health Hazardous Work Health Examination Hospitals Re-Evaluated and Re-Classified After Follow-Up Examination.

employees within the plant during pregnancy and within one year postpartum. The first interview is conducted by occupational safety personnel to assess on-site hazards and risks in the work environment and provide recommendations. The second interview is arranged by the plant physician for maternal health protection discussions and recommendations on work suitability. If working conditions are harmful to maternal health, temporary adjustments to work assignments are made to ensure that employees under maternal protection enjoy physical and mental health and workplace safety. (In 2024, a total of 3 employees were covered under the maternal protection management program, including 2 pregnant employees and 1 postpartum employee.)

• Worker Allocation and Health Management for Returning Workers

New employees undergo physical examinations and special health hazard assessments. Employees with abnormal results or those who have suffered occupational or non-occupational injuries or illnesses will receive health care and follow-up from occupational health professionals. Before returning to work, injured workers will undergo a return-to-work interview and workplace risk assessment conducted by a factory (occupational) physician. For migrant workers, translation assistance will be provided by the recruitment agency, as shown in the figure below. If injuries or illnesses prevent full recovery of physical functions, employees will be referred for rehabilitation assessment

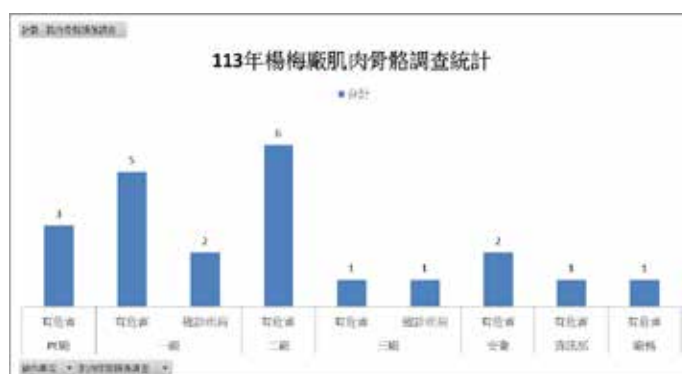
and treatment as necessary to assist them in gradually returning to work.

• Health Management for Middle-Aged and Older Workers

Yangmei Plant Middle-Aged and Older Worker Statistics (Age ≥ 45 years), accounting for 36.8%. Considering the suitability of middle-aged and older workers for workloads, employees who meet the age criteria completed a self-assessment questionnaire on work capability for middle-aged and older workers. The results were categorized into four management levels: Excellent (Level 1 Management: 30 people); Good (Level 2 Management: 70 people); Average (Level 3 Management: 77 people); and



▲ In January 2024, physicians conducted follow-up visits for high-risk employees.



▲ 2024 Musculoskeletal Survey Statistics

Weak (Level 4 Management: 16 people). Further departmental and gender-based statistical analyses were conducted for Level 4 employees, including on-site visits and interviews by the factory physician.

• Special Occupational Health Examinations

Occupational disease prevention measures for workers engaged in special hazardous work are implemented in accordance with relevant laws and regulations, requiring annual occupational disease health examinations.

• Prevention of Physical or Mental Harm Caused by Others While Performing Duties
To protect all employees from physical or mental harm that may lead to physical or mental illness while performing their duties, workplace violence prevention

seminars are conducted, featuring invited psychologists to discuss workplace bullying-related issues.

• Hearing Protection

This program covers the characteristics of sound, the structure of the ear, and the hazards of noise to physical and mental health, emphasizing the importance of hearing protection for employees working in noisy environments.



▲ In February 2024, interviews were conducted with migrant workers who had returned to work after workplace accidents, with the assistance of an interpreter.

AED Training and Number of Devices Installed



▲ To ensure that employees can effectively respond to emergencies and save lives in the event of an incident, the company has installed a total of 10 AEDs across all plant locations. These devices are regularly inspected by a company technician. We conducted 11 CPR+AED training sessions across all factories, with over 70% of employees participating in each session. We successfully renewed our “Safe Workplace” certification by the end of the year. We are committed to establishing emergency response awareness and providing skill training for employees to create a safe and secure work environment.

4-3 Social Engagement

To establish a healthy lifestyle for the general public and promote the physical and mental well-being of workers, AICHEM Technology has actively improved workplace environments and enhanced individual health. Since 2017, the company has consistently maintained the Healthy Workplace Certification and Health Promotion Label (valid until December 2025). The Health Promotion Label encompasses four key areas: “physical work environment,” “social and psychological work environment,” “personal health resources,” and “corporate community participation.” It also emphasizes “leadership commitment from the company/organization” and “employee participation” as core values of the program. The certification process follows eight steps: initiation, integration, needs assessment, prioritization, planning, implementation, evaluation, and improvement, continuously repeating the cycle. We hope to assist our company in promoting health in the workplace, providing comprehensive health resources for individuals, comprehensively assessing and improving the physical and social-psychological work environment, and extending corporate social participation to employees’ families and the community, thereby fulfilling

corporate social responsibility and working together to create a healthy workplace and establish a supportive work environment. This certification aims to assist the company in promoting workplace health, providing comprehensive personal health resources, and improving both the physical and social-psychological work environments. It also extends to corporate social engagement with employees’ families and the community, fulfilling corporate social responsibility, and creating a supportive and healthy work environment.



▲ Healthy Workplace Certification Certificate and Logo (2023–2025)



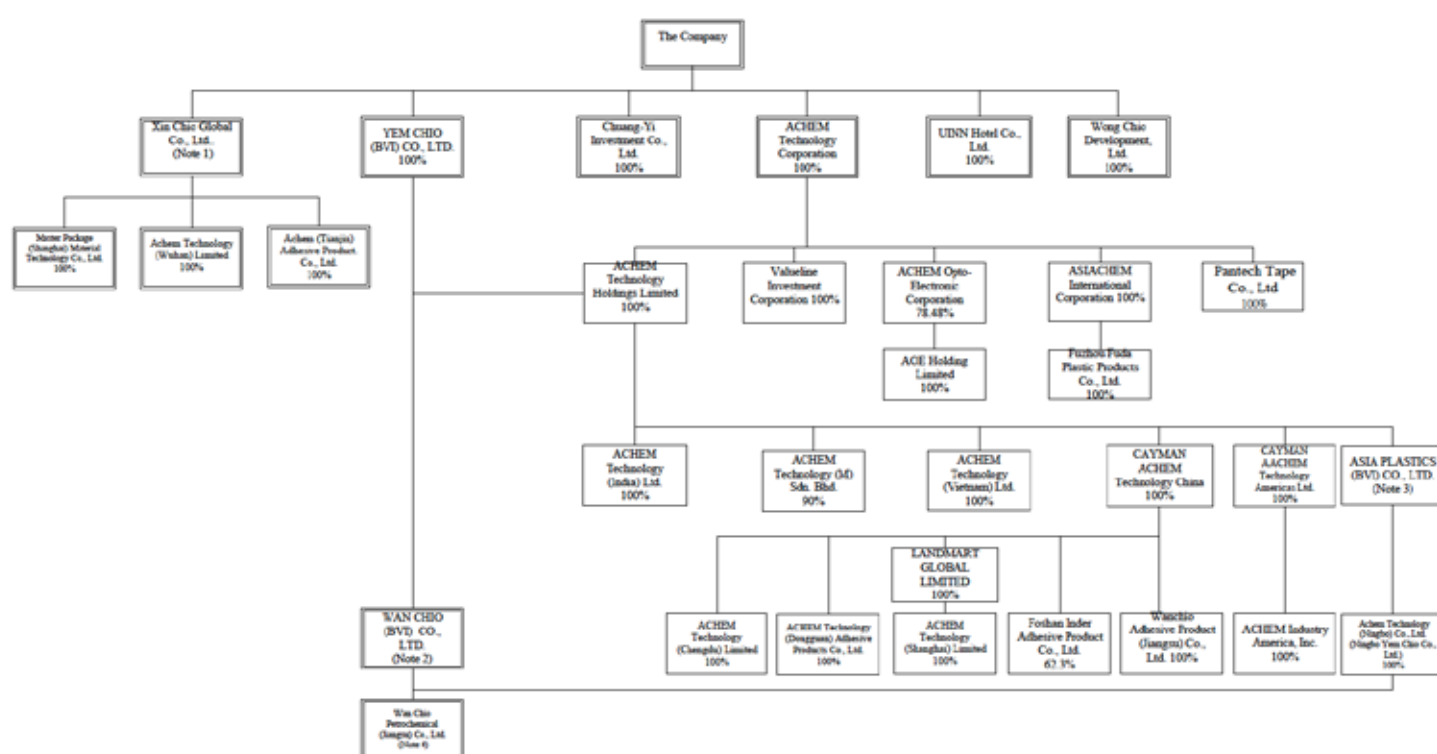
▲ Responding to the Taoyuan City Lifeline Association.



▲ Participating in the 2024 World Mental Health Day press conference and the 2024 Life Line Charity Fair “Shine Bright, Love Life” charity sale, with proceeds donated to the association to support suicide prevention promotion and prevention efforts.

5. Appendix

5-1 Organizational Chart of Affiliated Companies: Yem Chio Co., Ltd.



Note:

1. The company and Achem Technology Co., Ltd. hold 41.76% and 24.22% of shares in XinChio Global, respectively.
2. YEM CHIO (BVI) and Achem Technology Holdings Co., Ltd. hold 68.47% and 31.53% of WAN CHIO (BVI) shares, respectively.
3. YEM CHIO (BVI) and Achem Technology Holdings Co., Ltd. hold 45% and 55% of ASIA PLASTICS (BVI) shares, respectively.
4. WAN CHIO (BVI), Achem Adhesive Products (Jiangsu) and Ningbo YEM CHIO hold 50.06%, 23.78% and 26.16% shares in Achem Petrochemical (Jiangsu) Co., Ltd., respectively.
5. ACHEM Technology Corporation acquired 100% equity of Pantech Tape Co., Ltd. on May 1, 2023.

5-2 Comparative Table of Disclosure Items (GRI Standards)

Disclosure	GRI Standard Categories	Disclosure	Disclosure or Not	Additional Notes
General Standard Disclosures				
GRI-102 General Disclosure				
GRI-102-01	General Disclosure	Description Organization Name	V	
GRI-102-02	General Disclosure	Describe the main activities, brands, products and services	V	
GRI-102-03	General Disclosure	State the location of the organization's headquarters	V	
GRI-102-04	General Disclosure	Number and names of countries where the organization operates (including major countries of operation or countries related to the theme of sustainable development)	V	
GRI-102-05	General Disclosure	Ownership and legal form	V	
GRI-102-06	General Disclosure	Describe the market for services provided by the organization	V	
GRI-102-07	General Disclosure	State the size of the organization	V	
GRI-102-08	General Disclosure	Information about employees and other workers	V	
GRI-102-09	General Disclosure	Describe the organization's supply chain	V	
GRI-102-10	General Disclosure	Significant changes in the organization and supply chain during the reporting period	V	
GRI-102-11	General Disclosure	Describe the organization's prevention policy or principles	V	
GRI-102-12	General Disclosure	List the externally developed economic, environmental and social codes, principles or other initiatives to which the organization has endorsed	V	
GRI-102-13	General Disclosure	List the membership of the associations in which the organization participates	V	
GRI-102-14	General Disclosure	Provide a statement from the organization's top decision maker (e.g., CEO, chairman, or equivalent) that includes a statement of sustainability topics relevant to the organization and a statement of sustainability strategy	V	
GRI-102-15	General Disclosure	Describe key impacts, risks and opportunities	V	
GRI-102-16	General Disclosure	Describe the organization's values, principles, standards, and code of conduct	V	
GRI-102-18	General Disclosure	Describe the organization's governance structure, including the committees of the highest governance body. Identify which committees are responsible for decision-making on economic, environmental, and social impacts.	V	
GRI-102-40	General Disclosure	List the stakeholder groups with which the organization communicates	V	
GRI-102-41	General Disclosure	Group agreements, percentage of total employees covered	V	
GRI-102-42	General Disclosure	Identification and selection of stakeholders	V	
GRI-102-43	General Disclosure	Policy on communication with stakeholders	V	
GRI-102-44	General Disclosure	Describe the key themes and concerns raised through stakeholder communications and how the organization has responded to them, including through reporting. Describe the stakeholder groups that raised each key theme and concern	V	
GRI-102-45	General Disclosure	List all entities included in the organization's consolidated financial statements or equivalent. Indicate if there are any entities that appear in the organization's consolidated financial statements or equivalent that are not included in this report.	V	
GRI-102-46	General Disclosure	The process of defining report content and aspect boundaries. How organizations follow the "Principles for Defining Report Content"	V	
GRI-102-47	General Disclosure	List all significant themes identified in the process of defining the report content	V	
GRI-102-50	General Disclosure	The reporting period for which the information is provided (e.g., fiscal year or calendar year)	V	
GRI-102-51	General Disclosure	Date of last report (if any)	V	
GRI-102-52	General Disclosure	Reporting frequency (e.g. annually, biennially)	V	

Disclosure	GRI Standard Categories	Disclosure	Disclosure or Not	Additional Notes
GRI-102-53	General Disclosure	Provide a contact person for questions related to reports or content.	V	
GRI-102-54	General Disclosure	Declaration of reporting in accordance with GRI Standards	V	
GRI-102-55	General Disclosure	Explanation of the GRI content index for the selected options	V	
GRI-102-56	General Disclosure	If the report has undergone external assurance or verification, please cite the external assurance or verification report.	V	
GRI-103 Management Policy				
GRI-103-01	Management Policy	Explain the significant topics and boundaries	V	
GRI-103-02	Management Policy	Describe each management policy and its components	V	Detailed chapters
GRI-103-03	Management Policy	Evaluation of management policies	V	
Specific topic standard disclosure 200/300/400				
GRI-200 Economic				
GRI-201 Economic Performance				
GRI-201-01	Economic Performance	Direct economic value generated and distributed by the organization	V	
GRI-202 Market Position				
GRI-202-01	Market Position	Ratio of standard salaries for entry-level employees of different genders to the local minimum wage	V	
GRI-202-02	Market Position	Proportion of local residents employed in senior management positions	V	
GRI-204 Procurement Practices				
GRI-204-01	Purchasing practices	Percentage of procurement expenditure from local suppliers	V	
GRI-205 Anti-corruption				
GRI-205-02	Anti-Corruption	Communication and training related to anti-corruption policies and procedures	V	
GRI-300 Environment				
GRI-301 Materials				
GRI-301-03	Materials	Recycled products and their packaging materials	V	
GRI-302 Energy				
GRI-302-01	Energy	Internal energy consumption of the organization	V	
GRI-302-05	Energy	Reducing the energy demand of products and services	V	
GRI-303 Water				
GRI-303-01	Water	Water withdrawal by source	V	
GRI-303-02	Water	Water sources significantly affected by water withdrawal	V	
GRI-305 Emissions				
GRI-305-01	Emission	Direct greenhouse gas emissions (Scope 1)	V	
GRI-305-02	Emission	Energy indirect greenhouse gas emissions (Scope 2)	V	
GRI-306 Wastewater and Waste				
GRI-306-02	Wastewater and Waste	Waste categorized by type and disposal method	V	
GRI-306-03	Wastewater and Waste	Significant spills	V	No occurrence
GRI-307 Compliance with environmental regulations				

Disclosure	GRI Standard Categories	Disclosure	Disclosure or Not	Additional Notes
GRI-307-01	Compliance	Violation of environmental regulations	V	
GRI-400 Social				
GRI-401 Employment Relations				
GRI-401-01	Labor-Employment Relations	New and former employees	V	
GRI-401-02	Labor-Employment Relations	Benefits provided to full-time employees (not including temporary or part-time employees)	V	
GRI-401-03	Labor-Employment Relations	Parental Leave	V	
GRI-402 Labor/Capital Relations				
GRI-402-01	Labor-Management Relations	Minimum notice period for operational changes	V	
GRI-403 Occupational Safety and Health				
GRI-403-01	Occupational Safety and Health	Worker representatives on a formal safety and health committee jointly formed by labor and management	V	
GRI-403-02	Occupational Safety and Health	Types of injuries, rates of work-related injuries, occupational diseases, days off work and absenteeism, and total number of work-related fatalities by region and gender	V	
GRI-403-04	Occupational Safety and Health	Inclusion of health and safety related topics in formal union agreements	V	
GRI-404 Education and Training				
GRI-404-01	Education and Training	Average hours of training per employee per year	V	
GRI-404-02	Education and Training	Employee Capacity Enhancement and Transition Assistance Program	V	
GRI-404-03	Education and Training	Percentage of employees receiving regular performance and career development reviews	V	
GRI-405 Employee Diversity and Equal Opportunity				
GRI-405-01	Employee Diversity and Equal Opportunity	Diversity of governance units and staff	V	
GRI-405-02	Employee Diversity and Equal Opportunity	Ratio of basic salary plus compensation of women to men	V	
GRI-412 Human Rights Assessment				
GRI-412-02	Human Rights Assessment	Employee training on human rights policies or procedures	V	
GRI-414 Supplier Social Assessment				
GRI-414-01	Supplier Social Assessment	New suppliers are screened using social criteria	V	
GRI-417 Marketing and Labeling				
GRI-417-01	Marketing and Labeling	Product and service information and labeling requirements	V	
GRI-419 Compliance with social and economic regulations				
GRI-419-01	Compliance with Social-Economic Regulations	Violations of laws and regulations in the socio-economic field	V	

5-3 Comparative Table of Disclosure Items (SASB Standards)

Table 1. Sustainability Disclosure Topics & Metrics

Disclosure item	SASB TOPIC	CONTENT	Disclosure or Not	Additional Notes
CODE	TOPIC	ACCOUNTING METRIC		
RT-CH-110a.1	GHG Emissions	Gross global Scope 1 emissions, percentage covered under emissionslimiting regulations	V	
RT-CH-110a.2	GHG Emissions	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	V	
RT-CH-120a.1	Air Quality	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	V	
RT-CH-130a.1	Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy	V	
RT-CH-140a.1	Water & Wastewater Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	V	
RT-CH-140a.2	Water & Wastewater Management	Number of incidents of non-compliance associated with water quality permits, standards and regulations	V	Not Occured
RT-CH-140a.3	Water & Wastewater Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	V	
RT-CH-150a.1	Hazardous Waste Management	(1) Amount of hazardous waste generated, (2) percentage recycled	V	
RT-CH-210a.1	Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	V	
RT-CH-320a.1	Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	V	
RT-CH-320a.2	Workforce Health & Safety	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	V	
RT-CH-410b.2	Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	V	
RT-CH-410c.1	Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	V	Not Occured
RT-CH-530a.1	Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	V	
RT-CH-540a.1	Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR) 2	V	Not Occured
RT-CH-540a.2	Operational Safety, Emergency Preparedness & Response	Number of transport incidents	V	

Table 2. Activity Metrics

Disclosure item	SASB TOPIC	CONTENT	Disclosure or Not	Additional Notes
CODE	TOPIC	ACCOUNTING METRIC		
RT-CH-000.A	Activity Metrics	Production by reportable segment	V	

5-4 ISO14001, 50001 Certification



▲ YC's ISO 14001 certification, valid from Aug. 2023. ▲ Achem's ISO14001 certification, valid from Dec. 2023.



▲ YC's ISO 50001 certification, valid from Jan. 2023.

▲ Achem's ISO 50001 certification, valid from Jan. 2023.





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