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Message from the Chairman

GRI 102-14、GRI 102-26



Message from the Chairman and CEO

In 2021 COVID-19 continued to affect our daily life, and climate became more severe, such as the Texas ice storm in February and the hit of hurricane Ida in August in the USA and China's implementation of the energy consumption and intensity dual control system in October. All brought direct impact to business operations. Based on the Glasgow Climate Pact at COP26, coal use reduction has become a global consensus, and the government of Taiwan also proposed the goal: net zero emissions by 2050, making ESG (Note 1) the representation of resilience for businesses to address the rapidly changing environment. Based on the vision to "create and cohere sustainable value for a sustainable society", in March 2022, we set the Group's 2030 carbon reduction target at 27% less based on 2017 to address the government's goal and our determination.

Enhancing ESG

Each listed company within the Group has established and operated its own CSR committee under the Board for some years. Chaired by independent directors, these CSR committees reviewed the company's ESG half-yearly performance twice a year. To extend the scope of ESG management, these listed companies renamed their CSR committees the ESG committee in March 2022 to pursue sustainable development through the deep involvement of directors.

Increasing renewable energy investment

We concern ourselves with the global net zero development and the domestic energy transformation policy. In March 2020, we established the group's Green Power Working Group to plan and implement green power strategies. In 2021 we completed the investment of the 5MW solar plant with a projected output of 6 GWh of green power. Additionally, through the continuous review of the risks and opportunities related to climate change based on the TCFD-recommended

(Note 2) framework, we adopted corresponding strategies and actions and implemented projects including old equipment replacement and production efficiency enhancement. To ensure the accuracy of carbon emission data, all plants in Taiwan of the Group's listed companies will complete 100% carbon inventory and verification according to ISO 14064-1 in 2022.

Innovation, R&D, and safe production

We are committed to developing products that make human life more convenient and reducing environmental burden, including the development of eco-friendly water-based sunshield coatings, cooling PVC (Note 3) vinyl fabrics, low-VOCs (Note 4) EPS (Note 5), and SiC (Note 6) market application development. We also devote to promoting the goal of safety and environmental five zeros: zero pollution, zero emissions, zero occupational hazards, zero accidents, and zero failures and implementing the process management system (PSM) to lower the probability of accident occurrence through system establishment and optimization, data quantitative analysis, and plant cross-audit.

In the past year, we maintained steady operations and were awarded ESG awards. We will continue to concern ourselves with the net-zero policy, maintain close communication with stakeholders, and set ESG goals and programs for a better society. Lastly, I need to thank all employees for your concerted efforts to achieve steady operations for the Group. While there will be more challenges ahead, we must make advanced preparations to keep going at a steady pace.

Note 1: Environmental, social, and governance, abbreviated as ESG.

Note 2: Task Force on Climate-related Financial Disclosures, abbreviated as TCFD.

Note 3: Polyvinyl chloride, abbreviated as PVC.

Note 4: Volatile Organic Compounds, abbreviated as VOCs.

Note 5: Expandable Polystyrene, abbreviated as EPS.

Note 6: Silicon carbide, carborundum, chemically SiC.

Chairman & CEO: Quintin Wu