

Everlight Chemical Industrial Corporation 2023 Sustainability Report

About This Report

Reporting Scope and Standards (GRI 2-1)

The 2023 Sustainability Report is Everlight Chemical's the 12th report disclosing non-financial information. It communicates to stakeholders our achievements in economic, environmental, and human/human rights, as well as sustainability, such as green chemistry and circular economy.

Reporting Period : January 1, 2023, to December 31, 2023 (GRI 2-3)

Reporting Boundaries (GRI 2-2)

The reporting boundaries of this report cover non-environmental and economic indicators across the entire group, aligned with the scope disclosed in Everlight Chemical's consolidated annual report. The environmental indicators primarily focus on manufacturing sites and subsidiaries, including the Taipei Headquarter, four factories in Taoyuan area, Trend Tone Imaging in Hsinchu, and Everlight (Suzhou) Advanced Chemicals in mainland China.

Reporting Principles

This report is prepared following the "Regulations on the Preparation and Submission of Sustainability Reports by Listed Companies." The content structure is prepared in accordance with the Global Reporting Initiative's (GRI) Standards 2021 edition and incorporates indicators relevant to the chemical industry from the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) framework. The financial data and content are consistent with that of annual report, whereas environmental, safety, and health performance are benchmarked against international standards. Specific notes will be provided if other quantitative data have special significance.

Report management process and the role of the highest governance body (GRI 2-14)

The Board of Directors is our highest governance and decision-making body. The collection, preparation and verification of information for this report are controlled in accordance with the "Sustainability Report Preparation and Verification Procedures". The process involves methodological guidance from external consultants and the Sustainability Office coordinating the submission of ESG data across departments. Upon approval by the respective department heads and the Sustainability Committee' s subgroups (Environmental, Social, and Governance), the ESG secretary consolidates and edits the submissions, which are then verified by externally verifiers. And finally published and released after approval by the Board of Directors.

External Assurance/Verification (GRI 2-5)

This report entrusts BSI Taiwan to carry out independent assurance of "Type 1 Moderate Assurance Level" in accordance with GRI guidelines and AA1000 AS v3 assurance standards; and KPMG United Accounting Firm, according to The Accounting Research and Development Foundation of the R.O.C promulgated the Assurance Standard No. 3000, which implements limited assurance procedures for the information content of the seven assurance subjects required by the competent authority to ensure that the content quality meets the requirements by the competent authority.

Report Publication (GRI 2-3)

This report is issued annually, with this edition published in June 2024. The next report is scheduled to be released in June 2025.

Restatements of Information (GRI 2-4)

The Greenhouse gas (GHG) inventory data in 2022 were corrected following verification by external auditors in August 2023. These updates are detailed in Chapter 5, Environmental Sustainability, under the Greenhouse Gas (GHG) and Energy Management section, annotations 6 and 7.

Distribution and Contact Information (GRI 2-3)

In line with our commitment to resource conservation, this report is primarily available online on our company' s website. Stakeholders are encouraged to access and download the report as needed. Updates or corrections to the report content are reflected in the electronic files on our website. For any comments, suggestions, or inquiries, please feel free to contact us using the following contact information.

Contact Information (GRI 2-3)

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Message from Chairman (GRI 2-22)

Dear stakeholders,

In 2023, despite overcoming the challenges posed by the COVID-19 pandemic, the global environment continued to confront various crises and challenges. Notable among these were extreme weather events across the globe, geopolitical conflicts including the Russia-Ukraine war, the Israel-Hamas conflict, and the crisis in the Red Sea, etc. These factors contributed to ongoing global instability and a downturn in market demand, which particularly affected the chemical industry, weak market demand and a recession further exacerbating operational challenges for businesses.

Everlight Chemical experienced significant impacts on its financial performance, with a 12% decrease in revenue and a 76% reduction in profits compared to the previous year. The revenue stood at NT\$7.861 billion, while post-tax profits totaling NT\$95.07 million.

Despite these challenges, all colleagues remained committed to excellence, achieving significant results across various aspects.

A highlight to share is that Everlight Chemical's sustainable products the Eversorb® AQ series, a waterborne paint stabilizer, received the "Taiwan Excellence Silver Award," marking the first B2B industrial chemical has won this award.

In terms of sustainable environmental efforts

Everlight Chemical's Plant I, Plant II and Plant III obtained ISO 50001 energy management system certification in 2023. Plant IV received the "National Enterprise Environmental Protection Award." Last year, parent company also completed an organizational carbon audit, verified by a third party. The factories collectively saved 1,231 kWh of electricity and reduced about 609 tCO₂e of carbon emissions. The total energy consumption for the group decreased by 21% from the previous year. The greenhouse gas emissions in 2023 were 17% lower than in 2022, and the greenhouse gas emission intensity reaching 8.6 tCO₂e/million NTD in production value, achieving the target (goal 8.7). Regarding water conservation, the total annual water intake and consumption decreased by 18% and 13% respectively, and the water recycling rate of R2 reached 95% (93% in 2022). Last year, the Board of Directors approved a carbon reduction target for 2030, aiming for a 25% reduction from the baseline year of 2021, in alignment with the national goal of achieving carbon neutrality by 2050.

In terms of a diverse, inclusive and friendly workplace

Dr. Huang Hui-Ching, Head of Product Stewardship Division, won the second "Taoyuan City Powerful Women Award." Last year, the proportion of female managers at Everlight Chemical grew by 5%, and women in STEM roles accounted for 30%, notable achievements in the chemical industry. Everlight Chemical continues to invest in talent development. In 2023, the company introduced the eHRD training system, totaling 125,486 hours of internal employee training for the year, averaging 69 hours per person. The company also collaborated with the School of Continuing Education at Taiwan National University



to offer a two-year "Refined Executive and Practical Studies Class" for more than 40 senior executives within the group and introduced management capability evaluation tools from consulting firms to develop personal growth plans and establish a succession planning talent pool. Last year, six employees pursued master's and doctoral degrees while working.

In terms of social engagement

the company continued to advocate for the importance of research and promotion of "Economic Ethics." For the 15th consecutive year, Everlight Chemical sponsored the "Economic Ethics Forum" organized by the Department of International Business at Tamkang University and supported the Jubilee Economy Ethics Research and Education Foundation's "Jubilee Economy Ethics Seminar" for the 23rd consecutive year. Everlight Chemical continues to promote Character First Education. Besides implementing character education for all employees, the company has supported character leadership education courses at Taipei Business University's Department of International Business for 13 consecutive years as part of an industry-academic cooperation. Everlight Chemical has also been committed to education in the communities where its factories are located. Since 2014, responding to the "Sowing the Seeds of Reading: A Big Future for Children" public welfare project by the Common Wealth Magazine Education Foundation, Everlight Chemical has consistently subscribed to "Future Children" and "Future Teen" magazines monthly for each class in nearly 30 underprivileged schools in Taoyuan City and Hsinchu County where Everlight and Trend Tone Imaging facilities are located.

In terms of corporate governance

last year, Everlight Chemical was rated in the top 6-20% in corporate governance assessments; its "Corporate Sustainability Report" won the TCSA Sustainability Report Gold Award for the second consecutive year and was listed among the "Top 100 Carbon Competitive Companies" by Business Weekly in 2023.

This year, we will continue to enhance the disclosure of climate-related financial indicators under the TCFD framework. We will also continue to assess finance related to natural capital, low-carbon transition, and biodiversity, and gradually present the results.

In conclusion, I extend my sincere wishes for the health and well-being of all stakeholders and their families.

Sincerely,

Chen, Chien-Hsin
Chairman of Everlight Chemical

2023 Sustainability Achievements

Governance



2023 Corporate Governance Evaluation Results is
Top **6%~20%**
among listed companies



With a market capitalization over NT\$10 billion
for non-financial electronics companies publicly listed
Top **21%~40%**



All production sites achieved **100%** certification under
ISO 9001
ISO 14001
ISO 45001



Eversorb® AQ series a waterborne paint stabilizer received the
Taiwan Excellence Silver Award
in December 2023



Won the "16th TCSA Taiwan Corporate Sustainability Award"
in the traditional manufacturing category
Gold Award



FTSE Russell ESG rating 3.4



Maintained a rating for **ESG risk of below 30 points**
from international rating agency-Sustainalytics



Environment



A carbon reduction target
25% for 2030
net-zero carbon emissions by 2050



Achieved **↓17%**
compared to 2022
in greenhouse gas emissions
met internal control targets for carbon intensity



Total energy consumption of Everlight Group
↓21%
compared to 2022



Total water consumption of Everlight Group
↓13%
compared to 2022



Achieved a waste recycling and utilization rate
71%
A hazardous waste recycling treatment ratio of 10.3%



Listed among the Business Weekly in 2023
Top 100 Carbon Competitive Enterprises



Plant IV received the "**Green Factory**" mark
Passing the Industrial Development Bureau's clean production evaluation
Nominated for the National Enterprise Environmental Protection Award



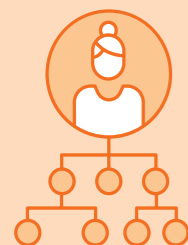
River adoption projects the Guanyin coast and Dahu River



Honored as "Taoyuan City Flood Prevention Champion"
for 5 consecutive year



Social



Woman in STEM roles
Comprising **30%** of workforce
Achieved a 5% growth in female managers



The Director of Product Stewardship Division
won the Second Annual Taoyuan City Powerful Women Award in 2023



Conducted **37** sessions Sustainable Development Training for all employees



Everlight Chemical's Plant II participated in the **National Workplace Safety and Health Week** campaign organized by the Ministry of Labor



Beach/dune cleaning activities
Collecting **550kg** of waste
Hosted the first sustainable tourism combining ecological education



Donated NT\$5.44 million to charity representing 6.3% of net profits



Continuously provide 29 schools in rural areas of Taoyuan City and Hsinchu County with "Future Children" and "Future Youth" magazines
Totalling 24,230 copies until 2023



Everlight Chemistry Thesis Award in Green Chemistry

Awarded to **3** distinguished scholars

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I. About Everlight Chemical (GRI 2-1)

In 2022, Everlight Chemical celebrated its 50th anniversary, adhering to its brand promise of "Better Chemistry, Better Life.", the company aspires to enhance the quality of life through its products in the specialty chemicals supply chain.

Ever since the founder, Honorary Chairman Chen Ding-Chuan, established our operating philosophy of "pursuing progress and innovation, promoting human dignity, and enhancing human welfare," Everlight Chemical has committed to "Ethical management and compassionate governance" as its core culture. Our mission is sustainable operation, focused on developing and producing high-technology chemicals that provide positive value to mankind and create value with our customers, aiming to contribute significantly to the global community.

Legal Name	Everlight Chemical Industrial Corporation
Established	1972
Stock Market Listing Date	1988
Total Capital	NT\$5.5 billion
Total Capital	NT\$6.1 billion(Individual); NT\$7.86 billion (Group)
Location of the Headquarter	5-6F, No. 77, Section 2, Dunhua South Road, Da'an District, Taipei City.
Number of Employees (GRI 2-7)	The total includes 1,325 employees at Company (including operating headquarter and four factories in Taoyuan). 505 employees at subsidiaries (including Trend Tone Imaging, Everlight (Suzhou), and other overseas subsidiaries). 1,830 employees at the whole group.
Ownership and Legal Form	Everlight Chemical was listed on the stock market in 1988, and the legal form is a "company limited by shares", and the ownership of the company belongs to all shareholders.

Everlight Chemical's production bases include four sites (six production locations) in Taoyuan, Taiwan, as well as Suzhou Everlight in mainland China and the subsidiary Quantec Co., Ltd. Globally, Everlight Chemical has 20 operational locations, with a marketing network spanning five continents and over 100 countries. For the latest updates on operational locations, please visit the Everlight Chemical website.



Production bases of Everlight include

4 sites in Taoyuan City (6 production points)
Trend Tone Imaging in Hsinch /
Everlight (Suzhou) Advanced Chemicals

Around the world

20 operational sites

Our sales and marketing network spans across

100 countries
on **5** continents

The addresses and telephone numbers of each production base are as follows : (GRI 2-2)



Everlight Plant I

Mainly produces dye chemicals
 No. 271, Zhongshan North Road,
Dayuan District, Taoyuan City
 (03)386-8081



Everlight Plant II

Produces dye chemicals, electronic chemicals, and active pharmaceutical ingredients
 No. 12, Industrial 3rd Road,
Guanyin District, Taoyuan City
 (03)483-8088



Everlight Plant III

Mainly produces specialty chemicals
 No. 937, Section 2, Chenggong
Road, Guanyin District, Taoyuan City
 (03)483-7682



Everlight Plant IV

Primarily produces electronic chemicals
 No. 399, Datan North Road,
Guanyin District, Taoyuan City
 (03)473-7366



Active Pharmaceutical Ingredient (API) Factory

Produces active pharmaceutical ingredients
 No. 12, Industrial 3rd Road,
Guanyin District, Taoyuan City
 (03)483-8088



Electronic Chemicals Factory

Produces electronic chemicals
 No. 12, Industrial 3rd Road,
Guanyin District, Taoyuan City
 (03)483-8088



Trend Tone Imaging, Inc.

Mainly manufactures and sells toner and cartridges for laser printers, photocopiers, and fax machines.
 No. 1-3, Industrial East 1st Road,
East District, Hsinchu City
 (03)578-3620



Everlight (Suzhou) Advanced Chemicals Ltd.

Primarily produces and sells toner and high-tech chemicals for electronics.
 No. 33, Pingsheng Road,
Suzhou Industrial Park.



About Our Plants



Our History



Global Locations

II. Operational Performance

In 2023, the global economic situation was impacted by the Russia-Ukraine war, leading to a persistent weak market performance in the first half of the year, which affected Everlight's operations. Everlight Group's total revenue in 2023 was NT\$7.861 billion, a decrease of 11.5% from 2022. Business units experienced fluctuations due to market demand. For example, the performance of dye products and electronic chemicals improved in the second half of the year due to sustainability themes. In the electronic chemicals segment, MiniLED photoresists have been steadily supplied to leading domestic LED manufacturers, with plans to expand into markets in Mainland China and South Korea. IC photoresists continued to be supplied for testing and verification by top-tier brand customers. Looking ahead, Everlight aims to focus on expanding applications in automotive ICs foldable mobile phones for future development.

Revenue and Earnings Per Share from 2021 to 2023, Individual and Consolidated:

Individual (in thousand NT\$)

Items	2021	2022	2023
Revenue	7,509,370	6,782,782	6,108,600
Operating Costs	5,847,516	5,413,588	5,008,425
Operating Profit	450,009	265,176	115,031
Net Profit after Taxes	472,970	374,432	85,866
Earnings Per Share	0.86	0.68	0.16

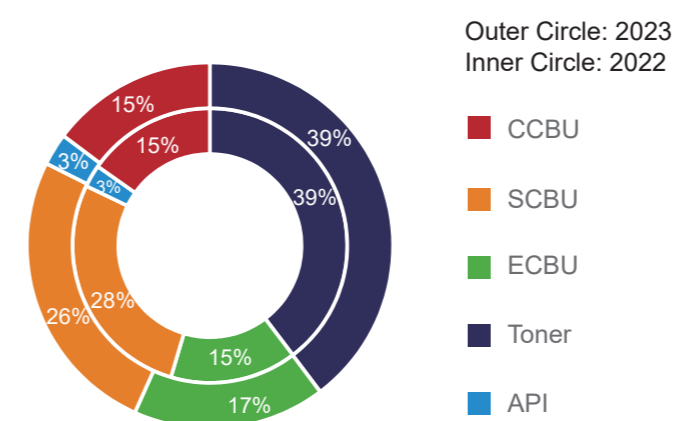
Consolidated (in thousand NT\$)

Items	2021	2022	2023
Revenue	9,200,988	8,891,702	7,861,424
Operating Costs	6,987,506	6,896,531	6,261,590
Operating Profit	552,776	380,756	83,420
Net Profit after Taxes	481,829	392,540	95,077
Earnings Per Share	0.86	0.68	0.16

(SASB RT-CH-410.a)

Everlight continues to count the proportion of sustainable products every year. In 2023, the proportion of sustainable products in total turnover also continued to grow steadily, **exceeding the expected target, and the proportion of turnover increased from 58% to 70% in 2022.**

Revenue Share by Business Unit for 2022 and 2023

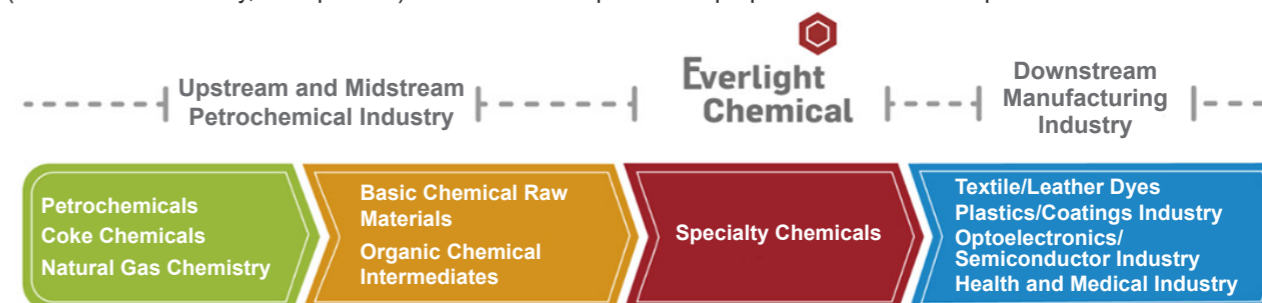


Product Category	Description
Color Chemicals, CCBU	Textile dyes, leather dyes, high-purity dyes for inkjet applications, high-purity dyes for digital textile printing, digital textile printing inks, metal dyes, paper dyes, functional chemicals for textiles, solar dyes.
Electronic Chemicals, ECBU	Photoresists, developers, polishing liquids, photosensitive polyimides, functional inks, and adhesives.
Specialty Chemicals, SCBU	UV absorbers, Hindered Amine Light Stabilizers (HALS), formulated products, functional masterbatches, antioxidants, polymerizable dyes.
Pharmaceutical Chemicals, API	Prostaglandin, other active pharmaceutical ingredients
Toner	Toners and cartridges used in printers and photocopiers, carriers and developers, ceramic toner.

III. Operational activities and value chain (GRI 2-6)

Everlight belongs to the specialty chemicals industry. The raw materials of our products come from domestic and foreign suppliers. The direct upstream suppliers include basic chemical raw materials and organic chemical intermediates and the more upstream are petrochemistry, coal coke chemistry and natural gas chemistry. The downstream suppliers include textile and leather, plastics/coatings, optoelectronics/semiconductors and health and medical industries.

The performance growth of electronic chemicals in 2023 reflects the increasing demand in application fields such as automotive and green energy. In the future, Everlight will continue to invest in products that meet customer benefits (User-Phase Efficiency, UPE product) and increase the production proportion of sustainable products.

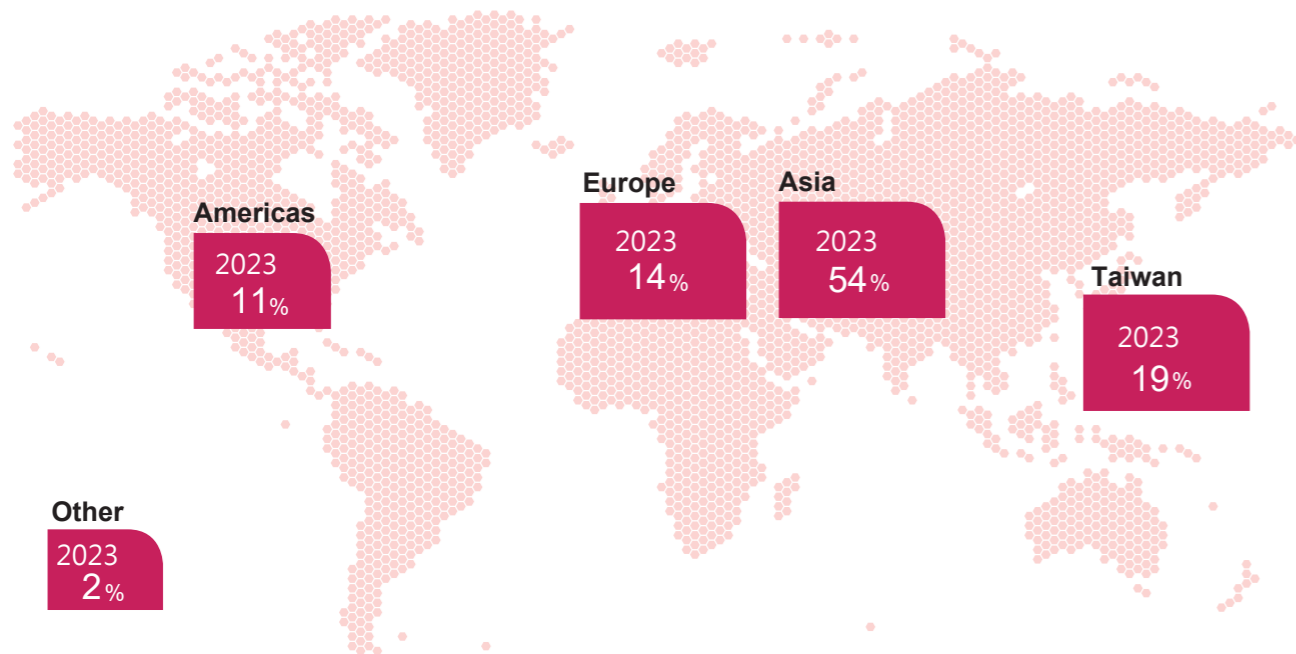


IV. Customers and Markets

Everlight's products are mainly exported, and main customers of the entire group are from Asia, accounting for more than half. The customers from European and American account for about 25%.

2022			2023		
Individual	Sales (in million NT\$)	Proportion	Consolidated	Sales (in million NT\$)	Proportion
Taiwan	1,415,789	23%	Taiwan	1,448	19%
Asia	3,155,052	51%	Asia	4,258	54%
Europe	845,246	14%	Europe	1,101	14%
Americas	522,785	9%	Americas	867	11%
Other	169,728	3%	Other	188	2%
Total	6,108,600	100%	Total	7,861	100%

Everlight Group's Sales Across Various Markets in 2023



Better Chemistry Better Life

Better Chemistry, Better Life sits at the heart of our commitment at Everlight Chemical

We aim to be a powerhouse that facilitates circular economy via our specialty chemical product offerings and solutions

We will continue to fulfill our corporate social responsibilities and enable a sustainable environment and a better future for all human beings

Vision

Become a high-tech specialty chemicals provider that contributes to better life for mankind
 We dedicate ourselves to the R&D and production of visionary specialty chemical products, which we believe will contribute to all mankind and help improve the quality of life of all stakeholders. As we deliver on this mission, we are also committed to supporting our employees, raising the bar for the chemical industry, improving the well-being of the society and facilitating a sustainable future.

Unique Positioning

Continue to raise the quality bar of our products and services, and by doing so, further create added value to share with our customers
 Our mission is to help every client succeed. By offering high-quality products, services and solutions, we help clients move toward a sustainable future together.



I. Management Philosophy and Sustainable Development Policy (GRI 2-23)(GRI 2-24)

Management Philosophy

Everlight is guided by the philosophy of "pursuing progress and innovation, promoting human dignity, and enhancing human welfare" as its sustainable business ideology.

Sustainable Development Policy

Since the Honorary Chairman established our management philosophy, corporate social responsibility and sustainable development have been our focal points. Due to the nature of the specialty chemicals industry, environmental protection and pollution prevention are daily priorities.

In November 2022, the Board of Directors discussed and established Everlight's sustainable development goals, which are to "fulfill our global citizenship responsibilities and participate in protecting the planet."

Through our specific actions ("Better Chemistry"), we aim to positively and significantly contribute to the economy, the environment, and society ("Better Life"). Based on these goals, we have established teams for sustainable environment, social responsibility, and corporate governance to perform their respective duties and will continually assist Everlight in the long term to move towards the industry of a high-tech chemical enterprise that contributes to humanity.



We recognize that the chemical industry must minimize its negative impacts and respond to the net-zero emissions target by 2050. We have set a 25% reduction target in 2030, referencing the reduction targets proposed by the National Development Council at the end of 2022. We conducted climate change-related financial disclosures to plan various carbon reduction plans to address climate change.

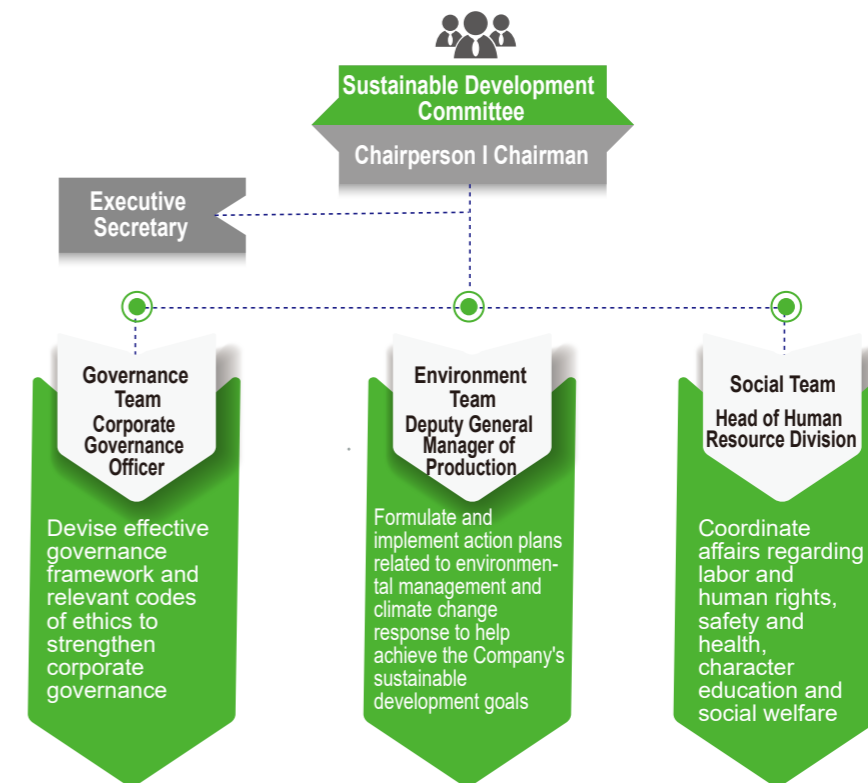


Sustainable Development Goals: Fulfill our responsibilities as global citizens and participate in protecting the earth

II. ESG Implementation Organization (GRI 2-14)

In response to corporate governance regulations, as of January 4, 2022, the previously established "Corporate Social Responsibility Committee" was renamed as the "Sustainable Development Committee" (referred to as the ESG Committee). This change was made to enhance the promotion of Everlight's corporate social responsibilities affairs. The highest governing body at Everlight is the Board of Directors, which has authorized the Chairman to serve as the Chairman of the Sustainable Development Committee, coordinates the company's sustainable development directions and goals, and gradually realizing the vision of "becoming a high-tech chemical enterprise group that contributes to humanity."

The Sustainable Development Committee oversees several groups, including the Governance Group, Environmental Group, and Social Group, and senior executives at the level of "factory/department head" (or above) are appointed as leaders of each group. The organization and responsibilities of the Sustainable Development Committee are illustrated in the diagram below.



The Sustainable Development Committee holds two meetings annually. The team leaders and Executive Secretary report on the ESG work plans, management performance, and goal achievement status. The Committee's Executive Secretary reports to the Board of Directors at least once a year on the annual work plans and execution results. The most recent report to the Board of Directors was made on August 10, 2023, covering the execution status of the 2022 ESG tasks, improvement outcomes, an internal self-assessment by Everlight's managers of the ranking of the material topics for 2024, progress on carbon auditing and carbon reduction projects, and important initiatives such as the 2023 ESG information collection platform and participation in biodiversity ect.. Additionally, to continually enhance our ESG actions and information disclosures, and to effectively respond to the "2021 GRI Standard," legal regulations, and supervisory authorities demands, we are committed to advancing in the direction of "Enhancing ESG." and comply with the requirements of IFRS S1 and S2.

In response to the requirements of the Financial Supervisory Commission, starting from 2023, the sustainability report will be reviewed and approved by the Board of Directors before being issued.

III. Stakeholders and Material Topics

Identification of material topics (GRI 3-1, 3-2, 3-3)

We refer to material topics identification process of the latest version of the GRI standards (2021) to evaluate the impacts of the environment, economy, people/human rights and other issues on Everlight and manage them based on actual and potential impacts.

Impact management mechanism (GRI 2-12, 2-13)

In terms of impact management on material topics, the Board of Directors is the highest governance body responsible for supervision and decision-making. Everlight has also established a risk management committee and an audit committee to prevent and improve potential or actual risks. After compiling various possible topics, the ESG Committee conducts impact assessment and topic ranking with the heads of departments through questionnaires and interviews.

Communicate key significant incidents (GRI 2-16)

Everlight defines the threshold of key significant incidents (such as the amount of property losses and casualties, etc.) in accordance with the standards set by the Risk Management Committee. The executive secretary of the Risk Management Committee, on May 11, 2023 and December 14, 2023, and the executive secretary of the ESG Committee, on August 10, 2023, will report to the Board of Directors on various risk management results in 2023. No key significant incidents occurred in 2023.

Process for determining material topics (GRI 3-1, 3-2, 3-3) (GRI 2-12, 2-20, 2-29)

We take the following four steps to identify material topics and assess impact significance:

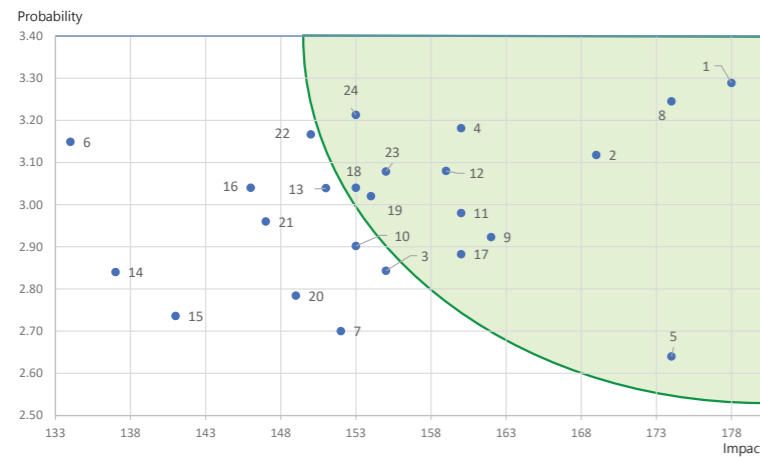
Step 1	Step 2	Step 3	Step 4
<p>Understand the organization's context Stakeholder identify and compile a list of ESG issues</p>	<p>Identify actual and potential impacts Impact assessment of material topics completed by internal management team</p>	<p>Assess the significance of impacts Identify six material topics and define KPIs to align with SDGs indicators</p>	<p>Determine material topics for reporting Determine material topics with relevant performance indicators for reporting</p>
<ul style="list-style-type: none"> Stakeholder Identification Source of potential material topics Survey on stakeholder concerns 	<ul style="list-style-type: none"> Assess the impact of Everlight's operational activities on the economy, environment and human/human rights Assess the impact of various topics on Everlight's operations 	<ul style="list-style-type: none"> Identify material topics Classify six material topics according to the United Nations Sustainable Development Goals (SDGs) 	<ul style="list-style-type: none"> Determine material topics, management approaches and performance indicators for reporting.

Step	Content	Description
Understand the Organization's Context	Stakeholder identify and compile a list of ESG issues	<p>Stakeholder Identification: In 2022, Everlight followed the five principles of the AA1000 Stakeholder Engagement Standard (SES) to identify eight categories of main stakeholders. These include customers/brand owners, shareholders/investors, employees, suppliers/contractors, local communities, government agencies, financial institutions, and external public associations. Considering there were no significant changes in the overall environment and industrial chain in 2023, we continued to engage with these stakeholder groups for subsequent collaboration processes.</p> <p>Source of potential material topics We referred to international ESG trends, GRI standards, SASB chemical industry standards and TCFD guidelines for climate-related financial disclosures, international rating agency requirements, and the Financial Supervisory Commission's requirements for corporate governance evaluation to select 24 sustainability topics. These topics are: 1. Product Strategy and R&D Innovation, 2. Customer Relationship Management, 3. Digital Transformation and Development, 4. Product Responsibility, 5. Greenhouse Gas and Energy Management, 6. Information Security Management, 7. Corporate Governance and Integrity, 8. Occupational Health and Safety, 9. Risk Management, 10. Chemical Safety, 11. Climate Change Mitigation and Adaptation, 12. Community Engagement and Communication, 13. Handling and Response of Significant incidents, 14. Talent Attraction and Development, 15. Diversity and Inclusion in the Workplace, 16. Employee Welfare and Care, 17. Operational Performance, 18. Air Pollution Emission Management, 19. Sustainable Development Strategy, 20. Labor Rights and Employment Relations, 21. Waste Management, 22. Regulatory Compliance, 23. Water Resource Management, 24. Supply Chain Management.</p> <p>Survey on stakeholder concerns To understand stakeholders' assessments of various issues, we conducted surveys among the eight categories of stakeholders, sending invitations through various channels and online questionnaires. A total of 185 questionnaires were distributed, and 113 were returned, achieving a response rate of 61.08%.</p>
Identify Actual and Potential Impacts	Impact Assessment of Material Topics Completed by Internal Management Team	<p>Assess the Impact of Everlight's Operational Activities on the Economy, Environment and Human/Human Rights For the identified sustainability issues, we conducted interviews with the heads of departments and distributed 40 survey questionnaires to assess the actual positive and negative impacts of these issues for 2023, as well as the extent of involvement and the probability of occurrence for each issue. In addition to understanding the negative impacts and probabilities of occurrence, we also conducted follow-up due diligence based on the topics to determine if current performance indicators and approaches are needed to be adjusted and improved. (For a detailed assessment of both positive and negative impacts, see the diagram below).</p>
Assess the significance of impacts	Identify Six Material Topics and define KPIs to align with SDGs Indicators	<p>Identify Material Topics Based on stakeholders' concerns and the impact of various topics on Everlight's operations, a material topic matrix was completed. After assessing the actual and potential impacts and probabilities of occurrence in 2023, six material topics were selected for management and disclosure, including: 1. Organizational Resilience (including handling and response of significant incidents, digital transformation and development) 2. Talent Attraction and Development 3. Water Resource Management 4. Pollution Prevention 5. Product Strategy and R&D Innovation 6. Climate Change Response - Mitigation and Adaptation These six material topics are defined to align with the United Nations Sustainable Development Goals (SDGs): SDG #6: Clean Water and Sanitation SDG #7: Affordable and Clean Energy SDG #8: Decent Work and Economic Growth SDG #9: Industry, Innovation and Infrastructure SDG #12: Responsible Consumption and Production SDG #13: Climate Action.</p>

Step	Content	Description
Determine Material Topics for Reporting	Determine Material Topics with relevant performance indicators for Reporting	Determine Material Topics, Management Approaches and Performance Indicators for Reporting Settle Performance Indicators: Continuing from the sustainability management objectives in 2022. After re-evaluating and cross-referencing them based on Everlight's sustainability strategy and stakeholder feedback, we have established 15 performance indicators for 2023.

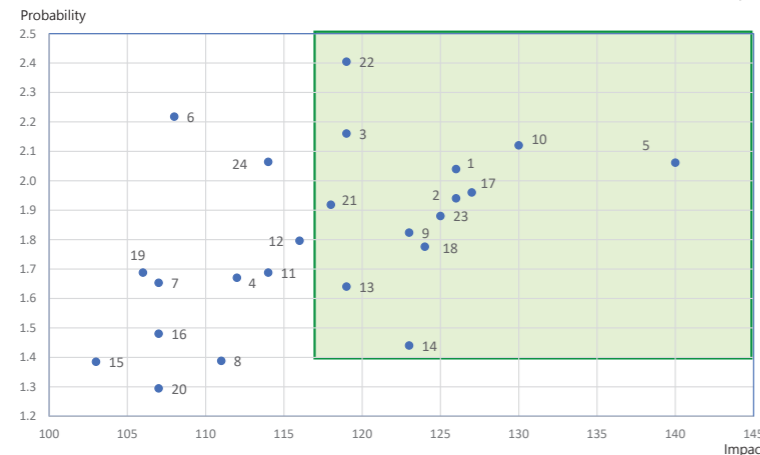
Code of Topics					
1	Product Strategy and R&D Innovation	6	Greenhouse Gas and Energy Management	11	Risk Management
2	Customer Relationship Management	7	Information Security Management	12	Chemical Safety
3	Digital Transformation and Development	8	Corporate Governance and Integrity Management	13	Climate Change Mitigation and Adaptation
4	Product Responsibility	9	Occupational Health and Safety	14	Community Engagement and Communication
5	Handling and Response of Significant Incidents	10	Talent Attraction and Development	15	Diversity and Inclusion in the Workplace
				16	Employee Welfare and Care
				17	Operational Performance
				18	Air Pollution Emission Management
				19	Sustainable Development Strategy
				20	Labor Rights and Employment Relations
				21	Waste Management
				22	Regulatory Compliance
				23	Water Resource Management
				24	Supply Chain Management

Assessment of and Negative Impacts



Assessment of Positive Impacts

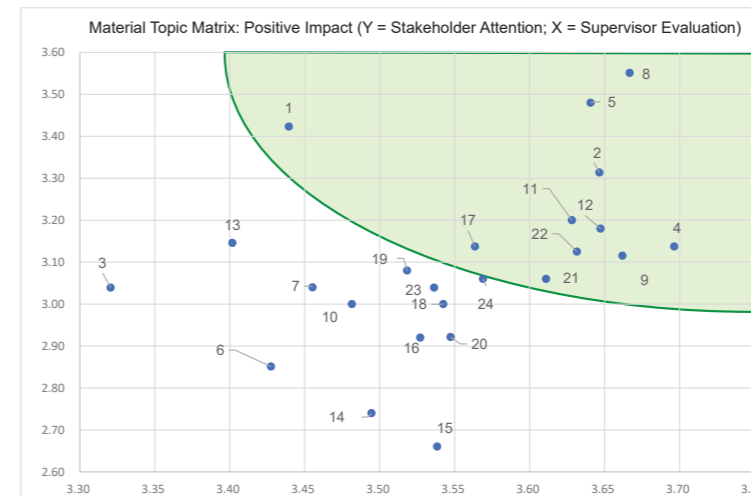
Product strategy and R&D innovation, corporate governance and integrity management, handling and response of significant incidents, and customer relationship management were the topics that Everlight would demonstrate positive impacts and exert significant influences in 2023.



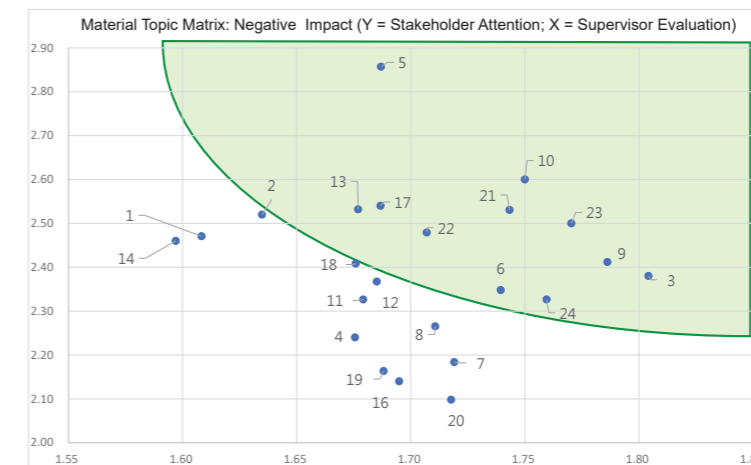
Assessment of Negative Impacts

In 2022, a fire incident took place in Everlight. Due to immediate management, no business losses occurred; however, it still resulted in negative environmental impacts and fines in 2023. Additionally, in the area of talent attraction and development, there is a need to enhance the diversity of the talent pool through various methods.

Material Topic Matrix



Priority	category	Stakeholder *Supervisor Assessment Matrix (Positive)
1	G	Corporate Governance and Integrity Management
2	G	Handling and Response of Significant
3	G	Customer Relationship Management
4	G	Product Strategy and R&D Innovation
5	G	Risk Management
6	G	Chemical Safety
7	G	Product Responsibility
8	S	Occupational Health and Safety
9	G	Regulatory Compliance
10	G	Operational Performance
11	E	Waste Management



Priority	category	Stakeholder *Supervisor Assessment Matrix (Negative)
1	G	Handling and Response of Significant Incidents
2	S	Talent Attraction and Development
3	E	Water Resource Management
4	E	Waste Management
5	S	Occupational Health and Safety
6	G	Digital Transformation and Development
7	G	Operational Performance
8	E	Climate Change Mitigation and Adaptation
9	G	Regulatory Compliance
10	G	Customer Relationship Management
11	G	Supply Chain Management
12	E	Greenhouse Gas and Energy Management

After considering the results of the positive and negative impact assessments, as well as the opinions of stakeholders, the management team of Everlight has determined the ranking of material topics as follows:

List of Material Topics for 2023 ^[Note1] (GRI 3-2)

2023 Material Topics	Description of Issues Covered by Material Topic	The significance of Material Topics for Everlight	Was it a Material Topic in 2022 ?	Explanation of Changes
Organizational Resilience	Generally, refers to the company's emergency response, risk management and operational continuity capabilities. In addition to the original evaluation indicators for this material topic in 2022, handling and response of significant incidents and digital transformation were also considered.	Organizational resilience is crucial for businesses. By predicting risks and taking countermeasures, companies can accelerate transformation. Moreover, through emergency response training, they can mitigate the impact of major incidents. Innovation helps establish a differentiated brand image, enhancing consumer awareness and loyalty, which enables businesses to maintain a competitive edge.	The original evaluation indicators for this material topic included turnover rate, risk management and supplier management in 2022.	Adjusted tracking indicators
Talent Attraction and Development	Due to the requirements of sustainable transformation and digital transformation development, this issue was managed independently.	Everlight values talent attraction and development, dedicating efforts to building a diverse and competitive talent pool. We emphasize talent selection and retention, creating value together. Our well-structured training and assessment systems continuously enhance employee capabilities, promoting mutual growth of the organization and its employees. This, in turn, boosts the company's social impact and fulfills corporate social responsibility.	This topic was included in organizational resilience (turnover rate) in 2022.	New material topic
Water Resource Management	The management of water withdrawal, discharge, and consumption, as well as the reuse of water resources was involved. This included preparations for potential droughts due to climate change and the management of recycled water reuse issues.	Effective use of water resources, recycling of process water, and proper wastewater treatment are among the best management practices. If water reduction measures are inadequate or if there are issues in wastewater treatment, it could lead to water pollution at the discharge end, potentially impacting the environment.	Yes	No change
Pollution Prevention	Air pollution control and waste management were included.	Everlight strategically manages waste, actively reducing waste and increasing resource recycling to achieve waste reduction goals. Simultaneously, the company is committed to improving air pollution, creating a better living environment for people to enjoy a healthy environment.	Yes	No change
Product Strategy and R&D Innovation	In response to sustainable transformation, we extend our product responsibility from 2022, focusing on the momentum of R&D and innovation.	The formulation of strategies for customer management, product operations, and market deployment, along with the introduction of R&D technologies and innovative practices, are the core keys to the company's competitiveness.	Extended based on the 2022 product responsibility concept	New material topic, with an increased emphasis on R&D innovation.
Climate Action Mitigation and Adaptation	In response to transition risks (such as carbon taxes and carbon fees) and physical risks associated with climate change, along with corresponding adaptation strategies.	Facing the diverse and complex impacts of climate change, it is essential to implement appropriate mitigation and adaptation measures, consider lifecycle management, and identify risks and opportunities.	No	New material topic

According to various performance indicators, in addition to clearly assigning responsible units for easier management, preventive mechanisms such as existing risk management operations and appeal channels are utilized, along with subsequent internal controls and improvement plans. A procedure to remedy negative impacts is established to effectively respond to potential and unexpected impacts.

Additionally, regarding the material topics of 2022, we continue to track their performance in 2023, as detailed below:

Material Topic	KPIs	2022 Results	2023 Targets	2023 Results	Achieved Goals ?
Regulatory Compliance	Fine Incurred (in ten thousand units)	45.5	0	27.2	X
Occupational Safety & Health	Frequency-Severity Indicator (FSI)	0.01	0	Company 0.03 Whole Group 0.29	X
Pollution Prevention	Water Recovery Rate (R2) (%)	93	≥ 84	95	V
	Air Pollution Emission reduction rate per unit output (%)	-3	≥ 2	-6	X
	Waste Recycling and Utilization Rate (%)	72	≥ 70	71	V
	Proper Disposal Rate of Hazardous Industrial Waste (%)	100	100	100	V
Product Responsibility	Recycling Rate of Hazardous Industrial Waste (%)	4.3	≥ 3.1	10.3	V
	Atom Efficiency (%)	70.9	≥ 69.0	71.1	V
	Share of Revenue from Sustainable Products (%)	56	≥ 58	70	V
Customer Relations & Marketing Development	Process on Establishing Process Safety Management Systems	Fulfill	Trial	Implementation and optimization	V
	Product Quality Level (σ)	2.9	≥ 3.2	3.2	V
Organizational Resilience	Percentage of Sales Revenue from New Products (%)	14	≥ 13	15	V
	Customer Satisfaction (Score)	90	≥ 88	92	V
	Annual turnover rate (%)	14	≤ 18	14	V
	Monthly Availability Rate of Critical Information Systems and Network Services (%)	99.9	≥ 99.5	99.9	V
Product Strategy and R&D Innovation	On-time Delivery Rate (%)	85	≥ 85	92%	V
	Share of Med/High Risk Suppliers (%)	3	≤ 3	1.2	V
Climate Action Mitigation and Adaptation	Number of Improvements for BCM Med/High-Risk Events	7	6	8	V

In 2023, among the 18 performance indicators set for the material topics in 2022, three indicators failed to reach the targets. The reasons were as follows:

- (1) Failure to comply with labor inspection and fire safety regulations. Improvement measures included re-implementing environmental considerations and safety and health risk assessments, as well as enhancing staff training and updating equipment to meet safety standards.
- (2) Frequency-Severity Indicator (FSI) was affected by various injuries and common causes. We will revise standards, enhance training, and improve equipment, such as adding safety warning signs to increase operational safety.
- (3) Air Pollution Emission Reduction Rate Per Unit Output (%) was primarily due to high demand for certain products. We will continue to carry out self- and outsourced testing, as well as ongoing equipment maintenance to reduce emissions. Our company will continually improve and ensure compliance with regulations while minimizing adverse impacts on the environment and employee health.

KPIs	2023		Explanation of Main Incident Causes	Improvement Measures
	Targets	Results		
Fine Incurred (in ten thousand units)	0	27.2	<p>Already explained in the Corporate Governance - Regulatory Compliance section. During a labor inspection conducted by the Taoyuan City Government Labor Inspection Office at Plant II (Electrochemical Department), A colleague was found to be using a hand-held grinding wheel to cut scrap iron without the provision of protective gear, resulting in an injury to his left arm, in violation of Article 280 of the Occupational Safety and Health Facilities Regulations.</p> <p>The Taoyuan City Fire Department conducted its annual inspection of hazardous materials at Plant III and found deficiencies violating Article 15 of the Fire Services Act due to the lack of exhaust equipment.</p> <p>The Science and Technology Bureau conducted a labor inspection at the Quanton Company and discovered that foreign colleagues were working overtime excessively.</p>	<p>As explained in the corporate governance section:</p> <ol style="list-style-type: none"> 1. Implement environmental considerations and safety risk assessments and adjust the original risk levels accordingly. 2. Provide handheld grinder training for electrochemical engineering colleagues. 3. Switch to battery-operated handheld grinders (with lower torque) and wear cut-resistant protective gear. <p>Plant III has completed the installation of exhaust equipment on the second floor of Building B and has comprehensively reviewed the compliance of the third plant with relevant fire safety regulations.</p> <ol style="list-style-type: none"> 1. The IT department has developed new software to automatically notify the factory manager and department-level supervisors of overtime hours. The factory manager is enhancing assistance in coordinating cross-departmental task assignments. 2. Legitimate overtime hours are reported in advance to the competent authority (Bureau of Labor Affairs) for record-keeping.
Frequency-Severity Indicator (FSI)	0	Company 0.03 Whole Group 0.29	<p>Types of Injuries:</p> <ol style="list-style-type: none"> 1. Cuts and abrasions: 2 incidents. 2. Being pinched or entangled: 4 incidents. <p>Common Causes:</p> <p>Defective equipment. Lack of or flawed safety and health operational standards. Insufficient personnel training and capabilities. Personnel not adhering to relevant standards.</p>	<ol style="list-style-type: none"> 1. Amend operational or safety operation standards. 2. Implement educational training or occupational hazard notifications. 3. Conduct safety observations or discussions. 4. Increase operational safety warning signs. 5. Implement equipment safety improvements.
Air Pollution Emission Reduction Rate Per Unit Output (%)	≥2	-6	<p>The primary reason is that products with higher air pollution emission factors had a disproportionately high customer demand in 2023.</p>	<p>Due to the nature of our products, we have increased the frequency of activated carbon replacement in our prevention equipment. We continue to conduct self-inspections and outsourced testing, actively maintaining equipment components.</p>



Impact assessment results of Material topics (GRI 2-12/2-13, GRI 2-25/2-26, GRI 3-3)

Based on Everlight's specific actions in 2023, the management team evaluate positive/negative impacts and the degree of stakeholders' involvement. Results are as follows:

Material Topics	Positive/Negative Impact Assessment (1-4 points) ^[Note1]			Magnitude ^[Note2]				
	Impact Level	Probability of Occurrence	Description	Shareholders	Customers	Employees	Suppliers	Community
Organizational Resilience (including handling and response of significant incidents, digital transformation and development)	P: 3.05 N: 2.40	P: 2.74 N: 2.11	<p>Positive: Effectively prevents/reduces negative impacts on the economy, environment, and society. Additionally, the company is committed to digital transformation, introducing new management systems to promote economic growth and provide more development opportunities for employees.</p> <p>Negative: Neglecting digital development, failing to effectively identify risks, and poor subsequent management could not only lead to losses for the company but also hinder development or prevent the utilization of advantages from digital transformation.</p>	●	○	●	□	○
Talent Attraction and Development	P: 2.83 N: 2.41	P: 2.90 N: 2.12	<p>Positive: The company places a high priority on talent, with comprehensive development plans that stabilize employee work and productivity, enhance corporate image, and make stable contributions to the economy and society.</p> <p>Negative: If the company places less emphasis on attracting and developing talent, it can lead to high employee turnover, which hampers effective economic development and the fulfillment of social responsibilities, or damages the corporate image, thereby negatively affecting the industry's reputation.</p>	□		●		○
Water Resource Management	P: 2.87 N: 2.31	P: 3.08 N: 1.88	<p>Positive: The company practices effective water stewardship, including process water recycling, efficient water usage, and good water-saving measures. It ensures that wastewater discharge complies with regulations, effectively protecting aquatic environments.</p> <p>Negative: If the company's water reduction measures are ineffective, or if there is a failure in wastewater treatment that is not promptly addressed, it could potentially lead to pollution at the discharge points, possibly extending to coastal areas and even affecting nearby marine environments and marine ecology.</p>			●		●
Pollution Prevention	P: 2.78 N: 2.24	P: 3.00 N: 1.85	<p>Air Pollution Control</p> <p>Positive: A company conducts air pollution management and control in accordance with the law, reducing harm and negative impacts on the environment and community/colleagues.</p> <p>Negative: A company fails to properly manage air pollution, violating relevant regulations, posing a risk to the environment, or affecting the safety of the community/people.</p> <p>Waste Management</p> <p>Positive: A company has good waste management practices: waste recycling and reusing in manufacturing process, effectively supervising the compliance of waste disposal and gradually reducing the amount of waste output. This has a positive impact on the environment without causing harm to people.</p> <p>Negative: A company fails to properly manage waste, causing a burden on the environment or people in the community.</p>			●		●
Product Strategy and R&D Innovation	P: 3.29 N: 2.33	P: 3.29 N: 2.04	<p>Positive: Possessing the design and innovation capabilities to develop high-quality chemicals and services, along with rigorous health and safety management mechanisms for products and services, which earns customer trust and is environmentally friendly.</p> <p>Negative: During product R&D innovation, overtime work for R&D and various department personnel may occur, leading to increase product prices and economic burden on customers. Additionally, the inability to find suitable R&D talents may hinder the development of competitive products.</p>	○	●	●	□	
Climate Action - Mitigation and Adaptation	P: 2.79 N: 2.20	P: 3.04 N: 1.64	<p>Positive: A company develops and implements carbon reduction plans, even assists stakeholders in reducing carbon emissions, thereby contributing to climate action and mitigating climate change.</p> <p>Negative: A company either fails to develop carbon reduction plans or does not effectively implement it, leading to continued increases in carbon emissions/water consumption and resulting in adverse environmental impacts.</p>	○		●	□	●

Note 1: Impact Assessment Score: 1 = No impact, 2 = Slight impact, 3 = Moderate impact, 4 = High impact;
Probability Assessment Score: 1 = Highly unlikely, 2 = Occasional, 3 = Frequent, 4 = Always/Actual occurrence.
Note 2: Represents: ● Organization directly causes this impact ○ Organization (indirectly) facilitates this impact □ Organization's business relationship is directly related to this impact

Material Topics and Correspondence with SDGs

In response to the material topics identified by Everlight in 2023, and in alignment with international ESG trends and SASB Chemicals industry benchmarks, we have selected core Sustainable Development Goals (SDGs) that are responsive to Everlight's strategic development direction. We have also established specific targets and corresponding indicators, and pragmatically adjusted and defined concrete performance indicators.

Based on the corresponding SDGs outlined above, we have also established performance indicators as follows (refer to the table below).

Material Topics	United Nations Sustainable Development Goals (SDGs)						KPIs	2023		Achieved Goals	2024 Targets	Responsible Units
	6	7	8	9	12	13		Targets	Results			
Organizational Resilience (including handling and response of significant incidents, digital transformation and development)			V				Ratio of Own Capital to Total Assets	-	Individual: 73% Consolidated: 67%	-	>50%	Finance Department
				V			Monthly Availability Rate of Key Information Systems and Network Services (%)	≥99.5	99.9	V	≥99.5	IT Department
Talent Attraction and Development			V		V		Number of Improvements for BCM Med/High-Risk Events	6	8	V	5	Executive Secretary of the Risk Management Committee
			V				PR value in the 104 Employer Brand Survey	-	PR97	-	PR ≥90	HR Department
		V				Annual turnover rate (%)	≤18%	14	V	≤14%		
			V				TTQS system construction and functional training system construction completed	-	-	-	construction completed	
Water Resource Management	V						Water Recovery Rate R2 (%)	≥84	95	V	≥94	Environmental Resources Department
	V						Total Water Consumption (ML)	≤872	593.9	V	≤872	
	V						Compliance Rate of Wastewater Treatment	100	100	V	100	
Pollution Prevention					V		Emission Reduction Rate per Unit of Production (%)	≥2	-6	X	≥2	Environmental Resources Department
					V		Waste Recycling and Utilization Rate (%)	≥71	71	V	≥71	
					V		Recycling Rate of Hazardous Industrial Waste (%)	≥3.1	10.3	V	≥6.3	
Product Strategy and R&D Innovation				V	V	V	Share of Revenue from Sustainable Products (%)	58%	70%	V	≥73%	Group R&D Division
				V	V	V	Percentage of Sales Revenue from New Products (%)	≥13%	15%	V	10%	
Climate Action - Mitigation and Adaptation		V				V	GHG Emission Intensity (tCO ₂ e/million NTD in production value)	≤8.7	8.6	V	≤8.3	Environmental Resources Department

Communication with Stakeholders (GRI 2-16, 2-29)

Everlight communicates with various stakeholders through diverse channels and continuously seeks improvement suggestions, facilitating interaction with stakeholders. The communication status with various stakeholders in 2023 is as follows:



Category	The significance for Everlight	ESG Issues	Communication Channels and Frequency	Actions Taken in 2023	Our Responses
Shareholders/Investors	Shareholders and investors play crucial roles at Everlight. As providers of capital, they have the right to company information to safeguard their interests. Their evaluations also impact stock prices, thereby influencing the company's image and position.	<ul style="list-style-type: none"> Operations and Profitability Corporate Governance Business Policies Investment Plans 	<ol style="list-style-type: none"> Annual Report and Annual Shareholders' Meeting (once a year) Corporate Website and Public Information Disclosure Platform (all year round) Investor Hotline and Email (all year round) Corporate Briefing Sessions (twice a year) 	<ul style="list-style-type: none"> Achieve communication frequency and goals. Comply with regulatory requirements: issuing annual reports, convening shareholder meetings, and holding briefing sessions. 	<ul style="list-style-type: none"> Continuously establish proactive and effective communication with investors, providing them with information on the company's financial and operational status. Continuously share updates on the company's ESG (Environmental, Social, and Governance) development and future goals with investors, and timely feedback investor opinions and expectations, such as the company's carbon reduction goals, corporate governance, etc., to the company's management, creating a good two-way communication. The electronic notification contract for stock affairs has been completed with CHEP. Investors can get electronic notifications of dividends and rights issues on eNotice platform through the CHEP e-handheld app or email.
Customers/Brand Partners	Customers and brand partners are key to Everlight's sustainable development. Establishing highly satisfactory cooperative relationships is crucial. Under a dual-axis transformation strategy, Everlight continues to provide high-value-added products and solutions, aiming for mutual growth.	<ul style="list-style-type: none"> Operations and Profitability Green Innovation and Green Products Environmental Responsibility Labor Relations 	<ol style="list-style-type: none"> Customer Satisfaction Survey (once a year) Customer Visits or Site Audits and Certification Audits (irregular) Agent Conference (once a year) Corporate Website, Telephone, or Email (all year round) 	<ul style="list-style-type: none"> Successfully passed all customer/brand audits and verifications in 2023. Customer satisfaction reached 92 points, exceeding the annual target (> 88 points). 	<ul style="list-style-type: none"> Held the annual distributor conference and arranged customer visits. Provided various ESG supporting documents to customers and accepted on-site verification by customers. Continuously met customer needs to create value together.
Employees	Everlight recognizes employees as vital partners in sustainable development. In addition to offering competitive compensation and benefits, the company emphasizes respect and care, fostering a friendly work environment that prioritizes the physical and mental well-being of its employees. This approach attracts top talent and enables collaboration towards achieving operational goals together.	<ul style="list-style-type: none"> Operations and Profitability Employee Welfare and Benefits Labor Conditions Labor Relations 	<ol style="list-style-type: none"> Internal Meetings/Forums (Labor-Management Meeting, Management Meeting, Monthly Meeting, etc.) Committees (Environmental Health and Safety, Catering, Sexual Harassment Prevention) Interviews or Satisfaction Surveys (once a year) Suggestion Box and Bulletin Board (all year round) Welfare Committee (quarterly) 	<ul style="list-style-type: none"> Organized internal company meetings (including monthly meetings, monthly environmental health and safety committee meetings, management meetings, and quarterly labor-management meetings) to communicate important messages. Managers also conducted biannual performance appraisal interviews to care for employees' career development and provide necessary assistance. 	<ul style="list-style-type: none"> Provided diverse communication channels for employees, with designated personnel handling employee feedback promptly and taking relevant actions immediately, while ensuring strict confidentiality for whistleblowing information.
Suppliers/Contractors	Suppliers and contractors are crucial to Everlight's sustainable development, influencing aspects such as production, services, social responsibility, and reputation. By communicating and understanding their concerns, Everlight aims to mitigate risks and costs while ensuring the delivery of high-quality services.	<ul style="list-style-type: none"> Supplier Management Environmental Management Corporate Integrity 	<ol style="list-style-type: none"> Supplier Visits or Tours and Certification Audits (irregular) Supplier Education and Training Corporate Website/Telephone/Email Communication (all year round) 	<ul style="list-style-type: none"> Conducted annual supplier questionnaire surveys based on risk level (high, medium, low), supplier category (raw materials, equipment), and collaboration relationship with suppliers (critical, major, new). 	<ul style="list-style-type: none"> Please refer to the Supplier Management section and Everlight's official website for the survey results.
Local Community	By actively engaging with the local community through regular communication and dialogues with community representatives, Everlight aims to reduce uncertainties and build trust. At the same time, focusing on enhancing corporate social responsibility, the company develops initiatives for social contribution to enhance its positive social impact.	<ul style="list-style-type: none"> Environmental Responsibility Social Welfare 	<ol style="list-style-type: none"> Personal Visits (irregular) Attendance at Community Meetings Participation in Community Events 	<ul style="list-style-type: none"> Actively participate in community events and visits; Representatives from each plant visit local community leaders regularly (approximately once every quarter) to conduct community impact assessments. They also actively participate in or assist with community disaster prevention, donate epidemic prevention materials, adopt rivers, organize beach cleaning activities, and sponsor nearby primary and secondary schools. Conduct satisfaction surveys in nearby communities. 	<ul style="list-style-type: none"> In 2023, there were a total of 87 communications between each plant and nearby communities. Communication topics included industrial safety (fire prevention), air quality, waste management, sponsorship of community activities/school clubs, safety joint defense drills, and participation in tree planting initiatives. Each unit earnestly communicated and has pragmatically addressed the relevant issues raised. In the first quarter of 2024, each of our company's plants conducted a "Nearby Community Satisfaction Survey" for the year 2023, sampling 21 respondents, resulting in a satisfaction score of 97.7 points.
Government Agencies	By maintaining close communication with banks, Everlight not only secures funding but also obtains stable operational capital and competitive interest rates, ensuring the company's stable and robust operation.	<ul style="list-style-type: none"> Corporate Governance Environmental Responsibility Labor Relations 	<ol style="list-style-type: none"> Attendance at Seminars, Workshops, Roundtable Discussions, and Conferences Submission Reviews and On-Site Audits Correspondence and Telephone Communication 	<ul style="list-style-type: none"> Representatives from Everlight attended all government-led advocacy activities to understand the company's obligations and areas for collaboration. 	<ul style="list-style-type: none"> In addition to fulfilling all legal reporting requirements and cooperating with audits, we also engage in proactive telephone communication and on-site visits.
Banks	By maintaining close communication with banks, Everlight not only secures funding but also obtains stable operational capital and competitive interest rates, ensuring the company's stable and robust operation.	<ul style="list-style-type: none"> Operations and Profitability Corporate Governance 	<ol style="list-style-type: none"> Personal Visits (Ad Hoc) Corporate Website (Ad Hoc) Telephone Communication (Ad Hoc) 	<ul style="list-style-type: none"> Regular participation in economic-related briefing sessions organized by banks. 	<ul style="list-style-type: none"> Frequent interaction and communication with banking institutions; smooth communication via phone on weekdays.
External Public Associations	Through various networking activities, Everlight actively engages with industry associations to gather market insights and sustainable development trends, collectively enhancing industry competitiveness.	<ul style="list-style-type: none"> Corporate Governance Environmental Responsibility Employee Welfare and Protection 	<ol style="list-style-type: none"> Association Websites Regular Meetings Attendance at Briefings/Seminars/Workshops and Conferences Correspondence and Telephone Communication 	<ul style="list-style-type: none"> Proactively participating in advocacy activities promoted by industry associations. 	<ul style="list-style-type: none"> Frequent interaction with various industry associations to maintain smooth information exchange and communication.

In terms of product and R&D strategy, Everlight produces high-quality and environmentally friendly chemicals. Starting from the selection of raw materials, we implement various process management and establish compliant Safety Data Sheets (SDS) and labeling in accordance with the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) requirements. Additionally, we adhere to the 12 principles of green chemistry, to maximize the resources utility of each raw material through raw material reduction and process optimization (whether it's waterless dyeing technology or reducing solvent usage and saving water). We design products with the goal of creating user phase efficiency (UPE) and integrate this into our R&D strategy to minimize negative environmental impacts.

Material Topic #5	Product Strategy and R&D Innovation
Impact Assessment	<p>Positive: Possessing the design and innovation capabilities to develop high-quality chemicals and service, a rigorous health and safety management mechanism for products and services, gaining customer trust and demonstrates environmental friendliness.</p> <p>Negative: During product research and development, may lead to overwork for R&D and department personnel, resulting in increased product prices and economic burden on customers. Additionally, challenges in finding suitable R&D talent may hinder the development of competitive products.</p>
Management Policies and Commitment (GRI 2-23) (GRI 2-24) (RT-CH530a.1)	<ul style="list-style-type: none"> Providing high-quality chemicals and services is an important principle for Everlight. We uphold a spirit of progress and innovation, tailoring innovative products and technologies to meet the diverse needs of various industries. By doing so, we create more user phase efficiency and enhance the Company's economic performance. Everlight places great importance on the health and safety issues arising throughout the lifecycle of its products or services. We adhere to relevant health and safety regulations and voluntary agreements concerning our products and services
Governance Structure	The Group Research and Development Center, as well as the research and technical units of various business divisions
Management Actions	<ul style="list-style-type: none"> "Industry Upgrading and Innovation Platform Guidance Program" (e.g., Development project for ultra-fine diamond powder for silicon carbide wafer grinding and polishing) Connecting upstream material suppliers and downstream application end-users, fostering collaboration among industry, academia, and research institutes. Implementing product development operations based on the "Seven Sustainable Product Indicators" to create value.
Resource Allocation	Investing in research and development funds and manpower, collaborating with external research institutions.
Indicators and Targets	<p>Indicators</p> <ul style="list-style-type: none"> Sales revenue of sustainable products (%) Contribution of new products (%) ^[Note 1] <p>2024 Targets</p> <ul style="list-style-type: none"> Sales revenue of sustainable products (%) ≥ 73% Contribution of new products (%) ≥ 10%
Assessment Mechanisms	Product design and review are conducted through the product development process
Ensuring Effective Actions	"Sales revenue of sustainable products" and "contribution of new products" are included as key performance indicators under major material topic management. They are reported to the management team regularly on an annual basis.
Implementation Results in 2023	<ul style="list-style-type: none"> Sales revenue of sustainable products is 70% The contribution of new products is 15%.
Stakeholder Engagement	The proportion of sustainable products is regularly disclosed through channels such as sustainability reports and the official website.

Note 1: The definition of "New Product Contribution Rate (%)" is (Revenue from New Products / Total Revenue) x 100%.

I. Implementation of Product Stewardship Management (GRI 416-1, 416-2, SASB RT-CH-410b.1)

Everlight places great emphasis on the management of each stage of product production process.

In addition to strengthening process safety, we have established a Product Stewardship Division to manage each product for compliance and ensure compliance with regulatory requirements for product labeling. The implementation results of Product Stewardship management in 2023 are as follows:

Management Strategy	Results of Implementation in 2023
Not using raw materials tested on animals	Complying with international regulatory requirements, not using raw materials tested on animals, and ensuring that neither the raw materials nor the resulting chemicals contain components derived from animal slaughter.
Not using conflict minerals	Materials are sourced in full compliance with international regulations and no conflict minerals are used.
Establishing a process for managing hazardous substances	Follow the IECQ QC 080000 Hazardous Substance Process Management (HSPM) system. This involves establishing operating processes for hazardous substances management at each stage, such as conducting hazardous substance identification during the R&D phase, procuring compliant raw materials to implement green supply chain management, investing in high-precision chemical analysis equipment, and establishing capabilities for hazardous substance and product quality inspection. Together with supply chain partners, we are committed to realizing the vision and goal of "zero emissions of hazardous chemicals" and moving towards 100% compliance with international regulations and customer requirements.
Implementing the "Green Screen List Translator"™ tool	<ol style="list-style-type: none"> Continue to use the GSLT tool to conduct hazard screening of chemical substances and products and implement corresponding measures to reduce the health and environmental impacts of raw materials and products on stakeholders. Move towards the use of safer chemicals. Completed screening operations for over one ton of sales in 2023, totaling 525 product items (CCBU 240, SCBU 92, ECBU 15, Toner 178). Completed GS screening score assessment for new chemical substances composed of the aforementioned products, totaling 112 items (CCBU 1, SCBU 1, ECBU 106, Toner 4). Completed GS screening score assessment for new raw materials used for factory synthesis in 2023. In accordance with brand requirements, a total of 9 colorant products obtained Screened Chemistry certification by 2023, including completion of chemical hazard assessments (vCHA) for 9 substances.
Compliance with Product Safety Data Sheets (SDS), labeling, and safety communication	<ol style="list-style-type: none"> Established procedures for creating Safety Data Sheets (SDS) and labels in multiple languages and compliance with regulatory requirements. SDS and labels are produced accordingly. Developed operating procedures for chemical registration, completing hazard and risk assessments, as well as national registration for chemical substances and related products. Completed classification of GHS Category 1 and Category 2 chemical products with health and environmental hazards. These products generated revenue of NTD 483 million in 2023, accounting for 61% of consolidated revenue. All such products underwent confirmation following the hazard risk assessment requirements mandated by the Company. Issued a total of 1,288 safety certificates in 2023 (compared to 1,062 in 2022) as per the requirements of industry clients. There were no product safety complaints reported.
Product health index	<ol style="list-style-type: none"> Self-Assessment <ul style="list-style-type: none"> All Products: RoHS Directive Compliance 100% / SVHCs 99% Textile and Leather Products: REACH Annex XVII Compliance 100% / OEKO-TEX Standard 100 Compliance Over 98% Third-Party and Brand Certifications in 2023: <ul style="list-style-type: none"> Global Organic Textile Standard (GOTS): 231 items certified bluesign® Certification: 468 items certified Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List (ZDHC MRSL): 685 items certified The List by Inditex V: 798 items certified

Product Marketing and Labeling

Everlight requires raw materials to be free from harmful substances from the source. According to the GHS regulations of the country where the chemical product is ultimately sold, labeling is carried out. The product labeling includes the product's Chinese and English name, production batch number, net weight of the product, manufacturer information, CAS numbers and chemical names of hazardous chemical ingredients, hazard information, hazard symbols, and precautionary measures.



In 2023, there were no product recall incidents in any business unit.

II. Practices for Product Innovation and Research and Development

Everlight is committed to investing in annual research and development (R&D) expenditure. In 2023, the R&D expenditure is 352.4 billion NT dollars.

In 2023, UPE sustainable products generated a total revenue of 54.74 billion NT dollars for the entire group, accounting for 70% of the total operating income.

Methods employed by Everlight for innovative research and development include:

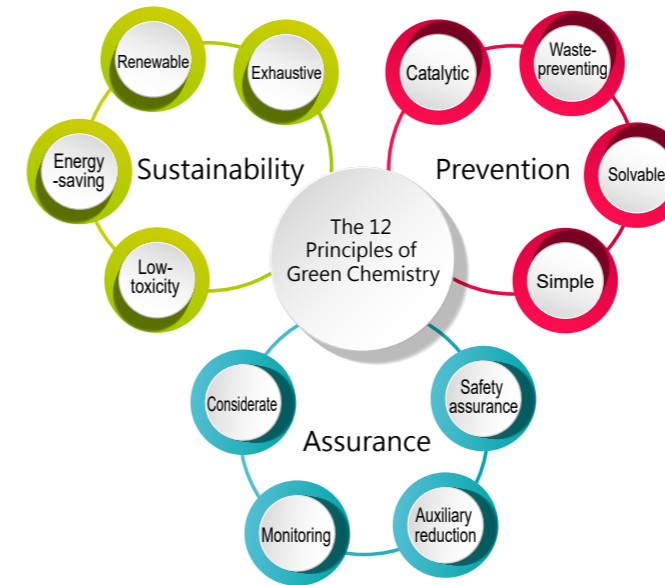
1. Establishing management policies for product technology and patents.
2. In the key work of annual policy plan, projects including process improvement, new product development, forward-looking technology assessment, and patent applications are formulated to continuously enhance products and technologies, develop series of products, or apply for structural and process patents.
3. Establishing management indicators such as contributions from new products and the percentage of revenue from sustainable products.
4. Utilizing internal and external resources with the goal of enhancing product development capabilities.

Number of Patents

In 2023, Everlight applied for a total of 5 patent technologies in Taiwan, with 3 patents granted. By the end of 2023, a total of 198 patent technologies had been accumulated in various countries.

In 2023, Everlight obtained a total of 971 patents in various countries, an increase of 14 from 2022.

III. Amplifying the Benefits of Sustainable Products



Everlight defines sustainable products based on the 12 Principles of Green Chemistry and the seven indicators of Use-Phase Efficiency (UPE) outlined in the SASB standards for Chemicals Industry. Sustainable products must adhere to the following principles:

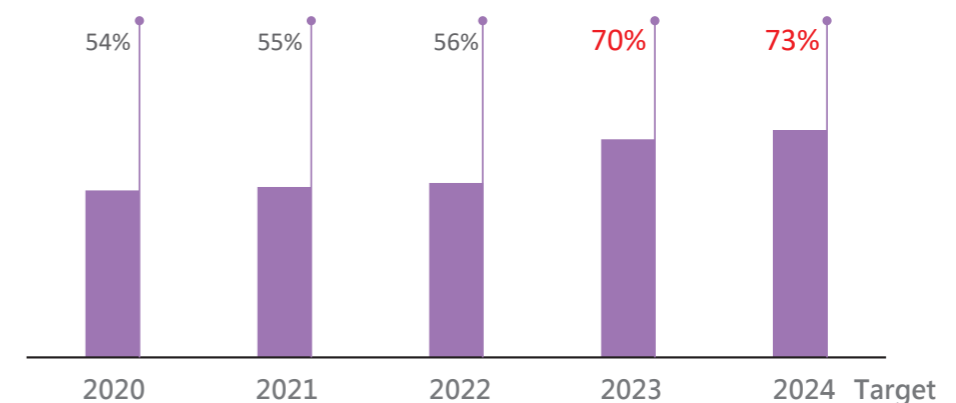
- Water conservation
- Energy conservation (reducing carbon emissions/greenhouse gas emissions)
- Chemical reduction
- VOC reduction (volatile organic compound reduction)
- Reduction of environmental hazardous substances
- Extension of product lifetime
- Use of bio-based raw materials

Everlight has been increasing the proportion of UPE products year by year. In 2023, the proportion of UPE products increased to 70% compared to 2022. Everlight aims to continue expanding the proportion of UPE products in the future.(RT-CH-410a.1)

UPE Product Sale		2022	2023	2024
Percentage of UPE Products in Business Unit and Total Group Revenue	Target	56%	58%	73%
	Actual	56%	70%	
UPE Product Revenue (NT\$ million)	Actual	4,980	5,474	

Note 1: In 2023, the group re-evaluated the UPE product screening criteria, hence the actual achievement was 70%, exceeding the originally set target.

Proportion of Everlight UPE products in turnover



Applying green chemistry throughout the entire product lifecycle (RT-CH-410b.2)

Raw Materials Usage

- Do not use environmentally harmful substances and seek bio-based and recyclable materials as much as possible: All raw materials comply with the Hazardous Substance Free (HSF) specifications of various industries, and also comply with the RoHS 2.0 directive and other regulations. We manage all substances in a database and continuously monitor domestic and international regulations to ensure compliance and the absence of harmful substances.
- Choosing packaging materials that are recyclable and comply with Classification, Labelling, and Packaging (CLP) regulations, or selecting environmentally certified paper products.

Manufacturing Process

- Using atom efficiency as a benchmark to improve product utility, reduce waste, and maximize efficiency.

Customer Use

- Our Use-Phase Efficiency (UPE) concept aims to enhance customer use efficiency. For instance, our dye products assist customers in reducing water and energy consumption during usage.



Example: Replacing petrochemical solvents with bio-based environmentally friendly solvents in our photoresist products to reduce environmental impact.



Example: Developing dye products like Everzol ED and Everzol ERC series, which can potentially save 60,975,930 kWh of electricity for dyeing factories compared to traditional reactive dyes under standard dyeing conditions.

End-of-Life Management

- Emphasizing the selection of materials that reduce environmental impact, opting for recyclable organic solvents, reducing waste, and designing chemicals with high utility and durability.



Example: the sustainable toner product E628-1 can extend lifespan, save energy, and reduce toner waste by nearly 40%, thus minimizing environmental impact.

Promoting green chemistry throughout the supply chain

Everlight extends the practice of green chemistry throughout the entire supply chain, implementing various management schemes such as green procurement and green supply chain. We assess and select suppliers based on the 12 principles of green chemistry, ensuring compliance with legal and regulatory requirements. We conduct regular visits to suppliers each year to assess their compliance with environmental and social indicators and provide ESG training course to enhance awareness of chemical safety among supply chain partners. Our goal is to enhance the awareness of chemical safety among our supply chain partners.



Special Report

Dual-axis Transformation: Innovative Journey of Everlight Chemical

We have long been committed to sustainable development, investing significant resources in technological innovation and product safety, and striving to achieve dual-axis transformation. Among them, the latest achievement in 2023—Eversorb® AQ, not only represents a technological breakthrough but also embodies our steadfast commitment to product responsibility.

Conquering Challenges, Leading the Sustainable Revolution: The Remarkable Achievement of Eversorb® AQ

During the development process of Eversorb® AQ technology, we faced numerous challenges and difficulties. However, we persevered and overcame various obstacles from conception to final launch. Eversorb® AQ became the only B2B industrial chemical product to enter the finals in over 30 years and received the Taiwan Excellence Silver Award, demonstrating our outstanding performance in technological research and quality control.



Guardians of the Environment: The Positive Impact and Wide Application of Eversorb® AQ

Eversorb® AQ not only represents a technological innovation but also makes a positive contribution to environmental protection. Through the use of environmentally friendly materials and production processes, it reduces adverse environmental impacts, helps reducing the use of solvent-based coatings and VOCs, and achieves environmentally friendly production. Eversorb® AQ is not only a technological innovation but also a highly versatile product. It is used not only in coatings but also in various polymer materials, enhancing long-term weather resistance and stability, and increasing the added value of customer products.

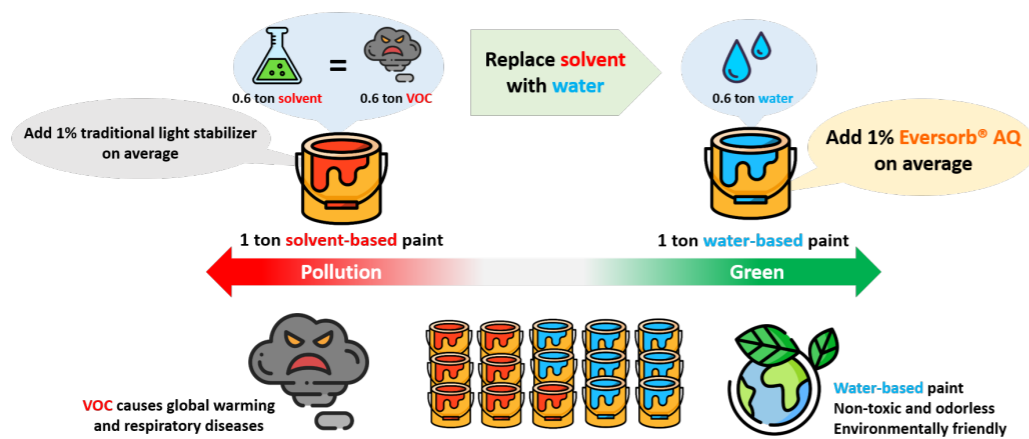


Promoters of Sustainable Transformation, a Firm Leader in Green Chemistry: Everlight Chemical

We are fully confident in the future and will continue to uphold our mission as a leader in green chemistry, continuously promoting industry transformation to provide low-pollution, high-quality chemical products. We aspire to contribute to Taiwan's industry and sustainability and realize the vision of "Better Chemistry, Better Life".



Eversorb® AQ does its part for environmental protection!



Material Topic #1	Organizational Resilience (including major incident handling and response, digital transformation and development)
Impact Assessment	<p>Positive: Effectively prevent/reduce negative impacts on the economy, environment, and society. Additionally, the Company is committed to digital transformation, introducing new management systems to promote economic growth and provide more development opportunities for employees.</p> <p>Negative: Neglecting digital development, failing to effectively identify risks, and poor follow-up management could not only lead to losses for the Company but also hinder development or fail to take advantages of digital transformation.</p>
Management Policies and Commitments (GRI 2-23) (GRI 2-24) (RT-CH530a.1)	Maintain financial stability and guard against various environmental risks to ensure sustainable business operation.
Governance Structure	Finance Department Executive Secretary of BCMS IT Department
Management Actions	<p>Finance Department</p> <ul style="list-style-type: none"> Focuses on the quarterly changes in the ratio of equity to total assets. If there is an unreasonable decrease, identify the causes and provide management recommendations for governance units to make improvements. <p>Executive Secretary of BCMS</p> <ul style="list-style-type: none"> Establishes a Business Continuity Management System (BCMS) in accordance with ISO 22301, conducts operational impact analysis and risk assessment, and implements risk prevention measures for medium to high risks. Develops operational continuity plans and conducts drills. <p>IT Department</p> <ul style="list-style-type: none"> Establishes an Information Security Management System (ISMS) in accordance with ISO 27001. The goal is to prevent corporate operations or information services from being leaked, altered, or interrupted during operation. Identifies potential threats, vulnerabilities and their impact on business operations, manages risks effectively, and establishes information security controls to ensure the confidentiality, integrity and availability of information.
Resource Allocation	<p>Finance Department</p> <ul style="list-style-type: none"> Personnel and senior management decision-making. <p>Executive Secretary of BCMS</p> <ul style="list-style-type: none"> Involves supervisors at the manager level (inclusive) and above throughout the Company, and key personnel from each unit. To strengthen risk response capabilities and enhance organizational resilience, the Company annually invests tens of millions in risk prevention and management measures (including improvements/additions of equipment and facilities, establishment of backup plans, etc.). <p>IT Department</p> <ul style="list-style-type: none"> Personnel from IT Department, and members of the Information Security and Personal Information Management Review Committee. Regular risk assessments, vulnerability scanning, social attack drills and disaster drills. Strengthening information security equipment and backup measures and enhancing staff awareness of information security.

Material Topic #1	Organizational Resilience (including major incident handling and response, digital transformation and development)
Indicators and Targets	<p>Indicators</p> <ul style="list-style-type: none"> Ratio of Own Capital to Total Assets Monthly availability rate (%) of key information systems and network services Number of improvements for BCM med/high- risk events <p>2024 Targets</p> <ul style="list-style-type: none"> Ratio of Own Capital to Total Assets >50% Monthly availability rate (%) of key information systems and network services ≥ 99.5% Number of improvements for BCM med/high- risk events: 5
Assessment Mechanism	<p>Finance Department</p> <ul style="list-style-type: none"> Quarterly evaluates through financial reports reviewed or audited by accountants. <p>Executive Secretary of BCMS</p> <ul style="list-style-type: none"> Annually undergoes third-party audits to verify the effectiveness of Business Continuity Management System. <p>IT Department</p> <ul style="list-style-type: none"> Annually undergoes third-party audits to verify the effectiveness of Information Security Management System.
Ensuring Effective Actions	<ul style="list-style-type: none"> The 'Ratio of Own Capital to Total Assets', 'Number of improvements for BCM med/high- risk events', and 'Monthly Availability Rate (%) of Key Information Systems and Network Services' are included in the key indicators for material topics. These are reported to the management team regularly each year. Set up relevant responsible units to manage these indicators.
Implementation Results in 2023	<ul style="list-style-type: none"> Ratio of Own Capital to Total Assets: Individual: 73%; Consolidated: 67% Number of improvements for BCM med/high- risk events: 8 Monthly availability rate of key information systems and network services: 99.9%
Communication with Stakeholders	We will communicate occasionally through various forms to provide stakeholders with the latest information on organizational resilience and digital transformation, while listening to their feedback and suggestions, to ensure they have a clear understanding and support for Everlight's strategies and actions.

I. Corporate Governance Structure

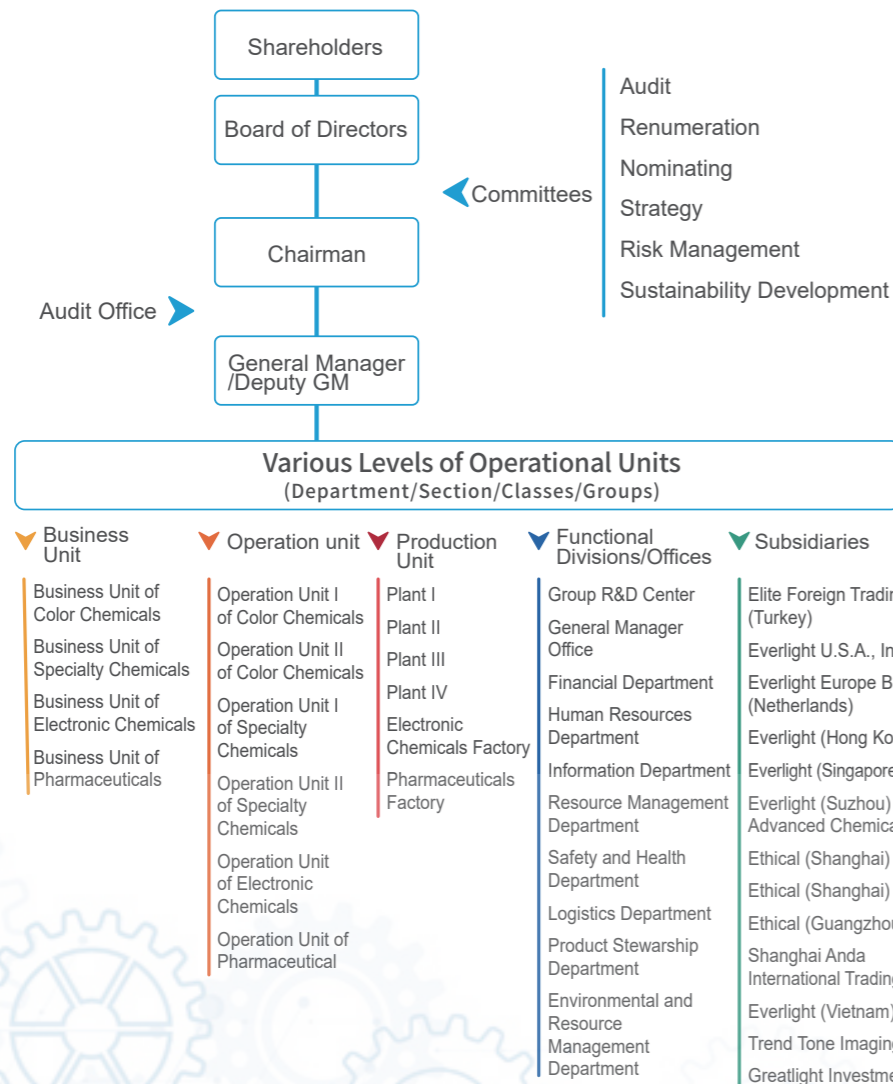
Structure of the Highest Decision-Making and Governance Body (GRI 2-9, 2-10)

Everlight's highest decision-making and governance body is the Board of Directors, which is responsible for formulating the Company's sustainability development strategy and overseeing the management team. The exercise of authority, governance codes, director appointment, and performance evaluation procedures are conducted in accordance with national regulations and company norms such as the "Director Appointment Procedures" and "Corporate Governance Best-Practice Principles."

The nomination and selection of members of Everlight's board of directors and committees not only comply with regulations but also consider the Company's development needs, diversity and independence, stakeholder perspectives, and the ability to manage risks that might impact the organization. The nomination and selection processes are transparent, fair, and reasonable, and are conducted according to the Company's development and strategies to ensure that the members of the governance body and committees can fulfill their responsibilities.

Structure of the Board of Directors and Corporate Governance

- (1) Board Members: 11 directors (including 3 independent directors).
- (2) Board Selection: Uses a candidate nomination system, where directors review qualifications before nominating candidates for election at the shareholder meeting.
- (3) Term of Office: The Company completed the election of the 18th Board of Directors at the annual general meeting of shareholders in 2021. The directors will hold office from July 29, 2021, to July 28, 2024. Five board meetings were convened in 2022.
- (4) Functional Committees: There are six functional committees under the board, including Audit Committee, Remuneration Committee, Nomination Committee, Strategy Committee, Risk Management Committee and Sustainable Development Committee, each assisting the Board in fulfilling its supervisory responsibilities. The organizational charters of these committees are implemented after approval by the Board. For more details, please visit <https://www.everlight.com/corporate-governance/committee/>.
- (5) Operational Units: Strategic Business Units (4), Sales Units (6), Production Units (6), Functional Divisions/Offices (10).



Diversity and Independence of the Board of Directors (GRI 2-11) (GRI 405-1)

Everlight has clearly defined a well-defined policy regarding the diversity of the Board members, actively implementing diversity and independence among them. All directors possess a wealth of professional backgrounds and experiences to meet the Company's operational and industry development needs. The details are as shown in the table below:

Name	Position	Gender	Nationality	Industry Knowledge and Experience					Professional Background	Current Role	Previous Roles	Age	Term as Independent Director	Other Company Roles
				Operational Management	Chemical	Risk Management	Crisis Handling	Decision Making						
Chen, Chien-Hsin	Chairman	Male	Taiwan	V	V	V	V	V	Pharmaceuticals	Chairman at Everlight Chemical Industrial Corporation	Assistant to Chairman, Vice Chairman at Everlight Chemical Industrial Corporation	Over 51	Non-independent	None
Chen, Ding-Chuan	Director	Male	Taiwan	V	V	V	V	V	Financial Analysis	Chairman at Everlight Chemical Industrial Corporation	Supervisor at Chung Hwa Chemical Industrial Works, Ltd.	Over 51	Non-independent	None
Chen, Ding-Chi	Director	Male	Taiwan	V	V	V	V	V	Education	General Manager, Vice Chairman at Everlight Chemical Industrial Corporation	Director at Good TV Broadcasting Corp.	Over 51	Non-independent	None
Chen, Wei-Wang	Director	Male	Taiwan	V	V	V	V	V	Industrial Engineering, Technology	General Manager at Everlight Chemical Industrial Corporation	Assistant Manager of R&D, Vice General Manager at Everlight Chemical Industrial Corporation	Over 51	Non-independent	General Manager
Chen, Chien-Ming	Director	Male	Taiwan	V	V	V	V	V	Mechanical Engineering	General Manager at Quantong Technology Company	Senior Project Engineer at General Motors, Deputy Director of Materials Dept, General Manager at Everlight USA	Over 51	Non-independent	General Manager at Quantong Technology
Lee, Yung-Long	Director	Male	Taiwan	V	V	V	V	V	Public Administration, Technology	Chairman at Hangzhou Yuda Technology Co.	Chairman of Jedi Technology Co., Ltd.	Over 51	Non-independent	None
Ken, Wen-Yuen	Director	Male	Taiwan	V	V	V	V	V	Information Technology	Chairman at Taiwan Chemie Corporation	General Manager at Chung Hwa Chemical Industrial Works, Ltd.	Over 51	Non-independent	None
Chao, Rong-Shiang	Director	Male	Taiwan	V	V	V	V	V	Financial Analysis	Deputy General Manager at Taiwan Victory High Tech Co.	Vice President at Formosa Sumco Technology Corporation	Over 51	Non-independent	None
Wu, Chung-Fern	Independent Director	Female	Taiwan	V		V		V	Accounting, Financial Analysis, M&A, Business Management	Professor at National Taiwan University	Commissioner at Financial Supervisory Commission, Director at Cooperative Bank Financial Holding, Independent Director at Chunghua Telecom, Director at TWSE	Over 51	7-9 years	None
Yang, Way-Wen	Independent Director	Male	Taiwan	V		V		V	Law, M&A, Strategic Management	Associate Professor at Kainan University	Chairman at Star Buck Power Co., Independent and Executive Director at Agricultural Bank of Taiwan	Over 51	1-3 years	None
Chang, Yuan-Jan	Independent Director	Male	Taiwan	V		V		V	Engineering Economy, Civil Environmental, Mechanical Engineering, Technology, M&A	Senior Vice President at Innovative Industrial Technology Transfer Co.	Independent Director at Iron Force Industrial Co., Ltd., Senior Strategic Investment Consultant at Lite-On IT Co., Senior Vice President at DelSolar Co., Ltd., Development Manager at AES USA	Over 51	1-3 years	None

Everlight has established corporate governance practices that specify a clear policy on diversity of Board members and formulate diversified policies based on the Company's operating model and development needs. The diversity policy includes a guideline that the proportion of female directors should reach one-third. Additionally, backgrounds of the Board members include the following majors, such as law, accounting, industry, finance, marketing, or technology, encompassing a broad range of skills and industry experiences.



Corporate Governance Best-Practice Principles



For 2023, Everlight's board of directors comprises 11 members, among which there is one female director, representing 9% of the board of directors. Additionally, there are three independent directors, making up 27% of the board of directors, nearly one-third, thus ensuring a level of independence. All independent directors have served no more than three consecutive terms. Among all board members, two of them are also senior executives of the Company, accounting for 18% of the board of directors, which is less than one-third.

Board Seat Disclosure	2020	2021	2022	2023
Total Board Seats	11	11	11	11
Independent Director Seats	3	3	3	3
Female Director Seats	1	1	1	1
Director Seats with Spousal or Second-Degree Relative Relationship	5	5	5	5
Director Seats Held by Company Executives	3	2	2	2

Overview of Functional Committees

The board of directors has established the Audit Committee, Nomination Committee, Remuneration Committee, Strategy Committee, Risk Management Committee, and Sustainability Development Committee. These committees assist the board in fulfilling its oversight duties. The articles of association for all committees are implemented after approval by the board of directors.



Overview of Functional Committees

Committee ^[Note1]	Audit Committee	Remuneration Committee	Nomination Committee	Strategy Committee
Required Meeting Frequency	More than once per quarter	More than twice per year	More than twice per year	More than twice per year
Number of Meetings Convened in 2023	5	5	4	4
Attendance rate	100%	100%	100%	100%

Note 1: For the operation of the Sustainability Development Committee, please refer to "Chapter 2: Sustainability Value, Section 2, ESG Implementation Organization". For the operation of the Risk Committee, please see "Chapter 4: Corporate Governance, Section 4, Risk Management"

Evaluation of the Performance of Board Director (GRI 2-18)

Everlight's board of directors approved the "Guidelines for Performance Evaluation of Board of Directors " on March 26, 2015. Each year in the first quarter, a self-assessment of the previous year's performance is conducted for the entire board of directors, individual members, and functional committees. Additionally, an assessment by an external agency is conducted at least every three years. The results of the self- and external assessments are evaluated and discussed by the Nomination Committee, which then presents the conclusions to the board of directors for consideration and improvement of recommended items. There were no changes in the composition or organizational practices of the highest governance body in 2023, with elections scheduled for 2024. Detailed evaluation methods can be viewed on the Company's official website.

The most recent performance evaluation of the board was conducted at the end of 2023 by the Taiwan Cheng-Zheng Business Association. The evaluation covered the period from January 1, 2023 to December 31, 2023. In addition to document review, an assessment team visited the Company to conduct an on-site evaluation and provide suggestions for improvement.



Self-assessment results of the board and its committees for the year 2023 (out of a maximum of 5 points):

- Self-Assessment Score of the Board: 4.84 points.
- Self-Assessment Score of Directors: 4.85 points.
- Self-Assessment Score of Audit Committee: 4.98 points.
- Self-Assessment Score of Nomination Committee: 4.96 points.
- Self-Assessment Score of Remuneration Committee: 4.91 points.
- Self-Assessment Score of Strategy Committee: 4.90 points.



Evaluation of Board Performance

Collective Knowledge of the Board Director (GRI 2-17)

The board members of Everlight are in accordance with the provisions of "Principles for the Implementation of Continuing Education for Directors and Supervisors of TWSE/GTSM Listed Companies" to complete at least 6 hours of continuing education annually. They actively participate in these sessions to enhance their professional expertise, as well as their understanding of sustainable development and climate change issues. In 2023, the total continuing education hours for our directors amounted to 80 hours, complying with the regulatory requirements.



The total number of training hours for the company's directors in 2023 was 80 hours, which complies with the regulatory requirements for training hours.

In addition, through the annual reports of the Sustainability Development Committee, discussions on ESG-related issues are facilitated among the committee members and/or external consultants and the board members. This is aimed at enhancing the collective intelligence and consensus of the board members on economic, environmental, and social issues. For detailed information on the board's learning situation, please refer to the Market Observation Post System and the annual report (2023 Board Education Details).



Board Education and Collective Intelligence

Disclosing Conflicts of Interest to Stakeholders (GRI 2-15)

In accordance with the "Corporate Governance Best-Practice Principles," the Company has formulated "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises." This policy aims to prevent irregular transactions and inappropriate transfers of benefits among related parties, including transactions, asset acquisitions or disposals, endorsements, guarantees, and loans involving members of the board of directors. Additionally, according to our "Rules of Procedure for Board of Directors," directors who have a personal or representational interest in the matters discussed at meetings, and where such interest may harm the Company's interests, must be recused from the discussion and voting. Details on the enforcement of recusal by directors in related matters are available in the section "Status of Corporate Governance" of the Company's annual report, which provides relevant information.

II. Business Integrity and Insider Trading Prevention

Business Integrity and Corporate Ethics

Everlight has formulated a white paper on business philosophy and operating principles. It reveals our business philosophy of integrity and law-abiding, establishes a corporate image of upright management, and complies with domestic and foreign regulatory requirements and international corporate ethics standards.

Category	Highest Level of Approval	Applicable Activities and Scope	Communication Method (Publication Location/URL)
Ethical Corporate Management Principles	Board of Directors	Directors and All Employees	Company Website PDF Monthly Meetings Email Notification
Corporate Governance Best-Practice Principles	Board of Directors	Directors and All Employees	Company Website PDF Email Notification
Sustainability Development (ESG) Best-Practice Principles	Board of Directors	Directors and All Employees	Company Website

Policies and Commitments (GRI 2-23)

Everlight has implemented an "Ethical Corporate Management Principles" and "Procedures for Ethical Management and Guidelines for Conduct." With the business philosophy of integrity, transparency and responsibility, the Company developed a policy based on honesty and establish a good corporate governance and risk control mechanism to create an operating environment of sustainable development; the board of directors and the management level actively implement the commitment of ethical corporate management policies, and require all employees of the whole group to adhere to the prohibition against accepting or offering any improper benefits. This ensures that the actions of all employees are guided by clear rules.

Preventing Conflicts of Interest (GRI 2-15)(GRI 2-24)

Everlight has established regulations to ensure that the behavior of its directors and managers (including the CEO, equivalent senior executives, vice-presidents, assistant vice-presidents, heads of finance, heads of accounting, and others who manage corporate affairs and have signing authority) meets ethical standards. These standards are set to help stakeholders understand the Company's ethical commitments better. The Company has codified these guidelines to be adhered to and discloses its ethical conduct guidelines on the corporate website, annual reports, prospectuses, and through the Market Observation Post System (MOPS). Any amendments to these guidelines are also disclosed in the same manner.



Everlight has legally established procedures that cover how its highest governance body avoids and manages conflicts of interest, ensuring transparent and ethical management across all levels of the organization.



Director Code of Ethical Conduct

Prevention Measures for Insider Trading and Conflict of Interest (GRI 2-24)

Everlight has implemented the "Operating Procedures for Preventing Insider Trading" to protect the rights and interests of both investors and the Company. The Company carry out educational propaganda on related laws for current directors, managers and employees once a year. Newly appointed directors and managers are scheduled to receive the same training within three months of taking office, and new hires receive the training during orientation training.

Whistleblower System/Complaint Mechanism (GRI 2-26)

Everlight has issued a "Reporting System for Violation of Ethical Corporate Management Regulations," and the accepting unit is the Audit Office. It specifies the details of the reporting hotline and mailbox. The Audit Committee mailbox is also set up. Upon receiving a report, the accepting unit should register the case, check whether it is a reported incident, and within three working days from the date of acceptance, request instructions whether to file the case and initiate an investigation. The system strictly adheres to confidentiality principles of the identity of the whistleblower and the content of the report, allows anonymous reporting, and protects whistleblowers from retaliation. A "Violations and Appeal System" is also in place to ensure that if there are any violations, once verified, penalties will be imposed in accordance with company regulations.

Whistleblowing Channels:
Hotline: +886-2-2326-3502
Audit Office Email: informant@ecic.com.tw
Audit Committee Email: AuditCommittee@ecic.com.tw



In 2023, the whistleblower system was promoted in Traditional Chinese, Simplified Chinese, and English to ensure wide understanding among employees across regions.

Anti-Corruption, Anti-Competitive, Antitrust, and Monopoly Practices

Everlight strictly adheres to anti-corruption and anti-bribery policies, with clear guidelines on Business Integrity and conducts relevant employee training and education on a regular basis. In 2023, anti-corruption, anti-bribery, and anti-trust/anti-competitive training was conducted for employees and directors of the whole group.

24 factories/divisions and 13 subsidiaries of the Company conducted assessments on corruption-related risks in their internal control system and no business activity involving corruption risk had been identified. No incidents of anti-corruption, anti-competitive, antitrust, and monopoly practices occurred in 2023.

Business Integrity Performance in 2023

- Whistleblower Cases: There was one report received concerning a former salesperson from a subsidiary. After investigation, no credible evidence was found suggesting any dishonest or unethical behavior.
- Internal Control Audits: Pay attention to unreasonable business practices or suspicious transaction patterns. No fraud were found.
- Propaganda for Anti-corruption and Business Integrity: The Chinese and English electronic file of "Ethical Corporate Management Principles" and "Reporting System for Violation of Ethical Corporate Management Regulations" are provided on the official website for internal and external review.
- Prevention Measures for Insider Trading and Conflict of Interest: A five-minute educational video was shown to current directors (On August 10, 2023) and managers and employees (at monthly meetings in August 2023), reaching 1,158 attendees and a total of 96.5 hours with a 100% completion rate. The Company also has other regulations and practices in place to prevent and manage conflicts of interest at the highest governance levels.
- Training on Whistleblowing System for Reporting Unethical Behavior: Training for all directors was completed on August 10, 2023. An educational video was shown to employees of the whole group (at 20 monthly meetings in August 2023), reaching 1,707 attendees for a total of 142.2 hours with a 100% completion rate.

Category	Number Completed	Number Required	Completion Rate (%)
Executives	562	562	100.0%
Non-executives	1,134	1,143	99.2%
Board Members	11	11	100.0%
Total	1,707	1,716	99.5%

- The Company communicated its integrity and anti-corruption policies to 406 contractors and suppliers in 2023, which accounts for 98% of all vendors (413 in total). They are committed to striving towards the goal of reaching 100% communication to ensure all external partners are aligned with their ethical standards.

Category	Supplier ^[Note 1]			Contractor			Total		
	Total Number of Entities	Number of Entities Communicated With	Proportion	Total Number of Entities	Number of Entities Communicated With	Proportion	Total Number of Entities	Number of Entities Communicated With	Proportion
Headquarter	35	28	80%	24	24	100%	59	52	88%
Plant I	25	25	100%	28	28	100%	53	53	100%
Plant II	16	16	100%	136	136	100%	152	152	100%
Plant III	33	33	100%	92	92	100%	125	125	100%
Plant IV	3	3	100%	21	21	100%	24	24	100%
Total	112	105	94%	301	301	100%	413	406	98%

Note 1: The surveyed suppliers are those with an annual procurement amount exceeding NT\$500,000.

Internal Audit System and Operations

To assist the board of directors and managers in implementing corporate governance and enhancing internal control and audit operations, the Company's Audit Office reports directly to the board of directors. It is headed by a Chief Auditor, with two full-time auditors under his jurisdiction. The scope of work includes auditing the design and execution of internal controls and reviewing the self-assessment of internal controls. The operation of audit tasks is as follows:

- Risk Assessment of Internal Audit Plan: Identify potential risk factors using the "Risk Assessment Form for Internal Audit Plan" before the end of each year, assess the level of impact, consider the effectiveness of control measures, and determine the terminal level of risk. Formulate an annual audit plan based on the evaluation results, submit it to the Audit Committee and the board of directors for approval, and then declare it in accordance with the law.
- Planned and Project-Based Audit Work: Convene pre-audit meetings, perform audit tasks, write internal audit recommendations, hold closing meetings, and submit audit reports.
- Internal Audit Work: Monthly Reports and Quarterly Tracking Reports are reviewed by independent directors. The Chief Auditor attends meetings of Audit Committee and the board of directors and reports on the execution results of internal audit work.
- Internal Control Self-Assessment for 2023: The supervisors of each unit use an electronic platform to conduct internal control design and execution effectiveness assessments. These are reviewed by senior supervisors and diagnostic recommendations are issued. The Audit Office then reviews and compiles these into a "Self-Assessment of Internal Control and Review of Diagnostic Report," which serves as the main basis for the board of directors and the general manager to evaluate the effectiveness of the internal control system and issue a "Proposal for Management's Reports on Internal Control."
- Internal audit work has been completed as planned. The key points of the internal audit in 2023 are as follows:

Audit Items	Key Points and Descriptio
Compliance with Laws and Regulations	Monitoring and adherence to applicable laws across units
Procurement and Payment Cycle	Inquiry, negotiation processes, and supplier management
Production Cycle	Chemical and production safety management
Sales and Collection Cycle	Quoting processes, receivables management, and bad debt recovery
Payroll Cycle	Recruitment and retention, and salary payment operations
Computer Operations Management	Implementation of SAP ERP, firewall policies, and access control
Supervision and Management of Subsidiaries	Quoting processes and seal management

III. Remuneration Policies (GRI 2-19)

As a high-tech chemical company, we are committed to enhancing the highest quality and services for our clients. We also follow the philosophy of "loving management" to manage the company, providing reasonable benefits and welfare for our employees and maintaining harmonious labor relations.

The Company adopts practices that exceed the requirements of the Labor Standards Act, offering employees a stable work environment for growth and remuneration. We regularly review our remuneration levels against industry standards to ensure competitiveness and sound internal management. In addition to this, we also offer variable remuneration such as bonuses, determined based on individual performance and achievement of organizational goals (or profitability), to reward employees for their outstanding performance and share the fruits of business success with employees.

For the remuneration policy of our highest governance body, please refer to "3. Board Remuneration" (including fixed and variable salary). The remuneration policy for senior supervisors is handled in accordance with the Labor Standards Act, similar to that for all employees at Everlight. The senior supervisor's participation in a retirement plan in accordance with the Labor Pension Act.

Board Governance of Remuneration Management (GRI 2-19)

The Board of Directors is Everlight's highest governance body, which has legally established a Remuneration Committee. The responsibilities of this committee include: :

- Regular review the Company's remuneration measures and provide recommendations for amendments.
- Formulate and regularly review the policy, system, standards and structure of performance assessment and remuneration of directors and managers.
- Regularly review the remuneration for directors and managers.

Remuneration Decision Process (GRI 2-20)

Article 27 of the Company's Articles of Incorporation stipulates that 5% of the Company's annual profits shall be allocated as employee remuneration if the company is profitable for the year. The salaries and bonuses of managers are determined based on the Company's standards for remuneration, taking into account their roles, contributions, performance outcomes, and responsibilities. Remuneration decisions are reviewed individually by the Remuneration Committee on a regular basis and submitted to the board for approval. Performance evaluation includes criteria such as professional competence, interpersonal skills, philosophical skills and leadership abilities and integrated into the calculation of annual bonuses and employee remuneration. The remuneration of the Board of Directors (including independent directors) shall be reviewed and approved at the second meeting of each session of the board of directors.

Board Remuneration

In accordance with the Company's articles of association, the remuneration for Board of Directors is determined regardless of the Company's profit or loss. The Board of Directors is authorized to set the remuneration based on the directors' involvement in the Company's operations and their contributions, taking into consideration the remuneration n level of industry peers. The reasonableness of the remuneration is approved by the Remuneration Committee and the Board of Directors. The remuneration package for directors includes fixed remuneration and director bonuses but does not include variable pay. Independent directors receive only fixed salaries. The Company's articles of association stipulate that up to 2% of the annual profits may be allocated as director's remuneration, which is linked to the company's annual profitability.

Tax Policy

Everlight operates with integrity and complies with the law, and always aims to accurately reflect facts and adhere to contracts and commitments. Our tax policy is designed to comply with the tax laws and regulations of each country where we operate. Over the years, we have avoided negative incidents or penalties due to tax risks. This commitment to lawful and honest tax practices reflects our dedication to responsible corporate conduct and supports our reputation for reliability and ethical business conduct.

The income tax paid by Everlight from 2020 to 2023 is as follows. Since the Company's consolidated revenue has not yet reached the revenue threshold of NT\$27 billion, country-by-country reports was not disclosed.

Company Name	Everlight Chemical Industrial Corporation, Taiwan
Revenue (2020-2023)	NT\$33,723,180 ^[Note 1]
Pre-tax Profit (Loss) (2020-2023)	NT\$1,455,007
Accrued Income Tax (2020-2023)	NT\$280,539
Income Tax Paid (2020-2023)	NT\$255,128

Note 1: This is the consolidated amount for the whole group.

IV. Risk Management (GRI 2-12)

The Company implements the "9-AA-05 Risk Evaluation Procedure". Annually we conduct discussions based on changes in the macro-environment (e.g., considering resources such as the Horizon Scan Report and Global Risks Report, etc.), select priority issues, and decide on appropriate responses. Each plant also carries out risk assessments and adopts preventative measures in accordance with various management systems (ISO 9001, IATF 16949, ISO 14001, ISO 45001, ISO 22301, TIPS, GMP, etc.).

To adequately address risks from pandemics and climate change, we aim to achieve organizational resilience within risk management objectives. We include human resource management, information security management, supply chain management, and operational continuity of critical business activities into the scope of assessments to ensure that the Company has proper risk management mechanisms to maintain operations.

Risk impact assessment and identification

The Company refers to the COSO framework "Enterprise Risk Management—Integrating with Strategy and Performance," particularly its application to environmental, social, and governance (ESG) risks. We categorize enterprise risks into five major types. The definitions of each risk type are as follows:

Risk Category	Description	Assessment Result	Follow-up Action
Strategic Risk	Risks due to insufficient internal and external information or misjudgment of situations, affecting normal operations or causing financial loss.	Low probability	Regular monitoring
Compliance Risk	Risks of penalties for operations not complying with regulations, or reputational/financial damage from external litigation.	Possible	Regular monitoring
Financial Risk	Risks of losses during financial activities.	Low probability	Regular monitoring
Operational Risk	Risks during operational processes due to internal control/management factors leading to personal, asset, liability, and net profit losses.	Low probability	Regular monitoring
Other Risks	Risks not covered above but could cause significant losses to the company.	Possible	Strengthen risk management and emergency response

After assessing the impact of various risks, we have more detailed management strategies of operational risks, including responses to climate risks within environmental risks. For more details on our approach to climate change—both mitigation and adaptation—please refer to Section 5.6, "Climate Action: Mitigation and Adaptation." This chapter will also describe our management practices for handling operational risks.



Risk Management Process

The Company has formulated the "Risk Management Process" based on "ISO 31000:2018 Risk Management - Guidelines", "Best Practice Principles on Risk Management for TWSE/TPEX Listed Companies", and "Enterprise Risk Management: Integrating". We categorize risks into five major types: strategic risk, compliance risk, financial risk, operational risk and other risks. Each responsible unit shall conduct assessments (including risk identification, risk analysis and risk assessment), report and implement response/preventive measures within its business scope in accordance with the risk management process detailed in the "Risk Management Process" to mitigate the impact of potential risks. See below:



Risk Management Policy (GRI 2-23)(GRI 2-24)

In view of the rapid changes in the global environment, the Company has implemented a "Risk Management Policy" to reduce overall operational risks and protect shareholder interests. This policy aims to keep abreast of changes in the business environment and enhance risk awareness among all employees to ensure sustainable operations. Each operating unit, according to its short, medium, and long-term goals and responsibilities, conducts risk identification and management at least annually and whenever significant changes occur in the internal or external operational environment.



Risk Management Committee and Decision-Making Management Levels

The Company's Risk Management Committee is chaired by the Chairman of the Board and its members include the General Manager and heads of departments such as Production and Finance.

The responsibilities of the Risk Management Committee are as follows:

- (1) Review risk management policies, procedures, and frameworks, and regularly assess their suitability and effectiveness of implementation.
- (2) Approve risk appetite (risk tolerance) and guide resource allocation.
- (3) Ensure that the risk management mechanisms are capable of adequately addressing the risks faced by the Company and integrate them into daily operating processes.
- (4) Approve the priorities and levels of risk control.
- (5) Review the execution of risk management, make necessary suggestions for improvement, and report to the board of directors regularly (at least annually).
- (6) Implement the risk management decisions of the board of directors.

2023 Implementation Results

2022 Target	2022 Actual	2023 Risk Management Target	2023 Performance Execution
ESG Risk Score ≤ 30	ESG Risk Score 26.4	ESG Risk Score ≤ 30	ESG Risk Score to be announced in December 2024
Supply Chain Management Delivery Accuracy ≥ 85% Med/High- Risk Suppliers ≤ 3%	Supply Chain Management Delivery Accuracy 85% Med/High- Risk Suppliers 3%	Supply Chain Management Delivery Accuracy ≥ 85% Med/High- Risk Suppliers ≤ 3%	Supply Chain Management Delivery Accuracy 92% Med/High- Risk Suppliers 1.2%
Information and communication management monthly availability rate of critical information systems and network services ≥ 99.5%	Information and communication management monthly availability rate of critical information systems and network services 99.9%	Information and communication management monthly availability rate of critical information systems and network services ≥ 99.5%	Information and communication management monthly availability rate of critical information systems and network services 99.9%
Number of Improvements for Med/High- Risk Events 6	Number of Improvements for Med/High- Risk Events 7	Number of Improvements for Med/High- Risk Events 6	Number of Improvements for Med/High- Risk Events 8
Human resources management Annual turnover rate ≤ 18%	Human resources management Annual turnover rate 15%	Human resources management Annual turnover rate ≤ 18%	Human resources management Annual turnover rate 14%



- Communication Channels and Frequency**
1. Customer satisfaction survey (once a year)
 2. Customer visits or audits (irregular)
 3. Agent Conference (once a year)
 4. Company website, phone or email communications (year-round)



2023 Implementation Results and Specific Actions

Implementation Results

1. Implementation Status in 2023: Achieved communication frequency and targets.
2. Customer Satisfaction: Passed audit verifications by customers/brands in 2023, with an overall customer satisfaction score of 92, meeting the annual target (> 88).

Specific Actions

1. Agency Conferences: Each business unit holds an annual agent meeting every year to arrange customer visits.
2. Audit Verifications: Successfully passed various client audits in 2023, including providing ESG supporting data, and accepting factory inspections by third-party verification agencies like TUV & DNV.
3. Meet Customer Needs: We will continue to strive to meet customer demands and create shared value.

V. Quality Management/Customer Relationship Management

Customers are crucial stakeholders for our company and are direct buyers or users of Everlight products, which are widely used in various fields including textiles, leather, plastics, coatings, optoelectronics, semiconductors, healthcare, automotive and electronics. 'Customer First' is one of the core values of our brand. We support our customers by providing high-quality products, services and technical support to help them succeed.

Since the establishment of a new subsidiary in Vietnam in 1994, all our products at each operational site have consistently maintained 100% ISO 9001 certification, integrating quality requirements into daily management practices. Additionally, locations serving the automotive supply chain are 100% certified under the IATF 16949 international quality management system. Everlight adheres to a quality policy of 'Caring for Customers, Creating Value' and implements PDCA management cycle, internal audits and management reviews to ensure the effective use of the quality management system.

We establish and operate a "Customer Relationship Management Process," and identify "Customer Satisfaction" as a key management indicator. We strive to enhance "Customer Satisfaction" through the following measures:

1. Contact and visit customers regularly and frequently to maintain a warm relationship.
2. Share company status, breakthrough product developments, and awards with customers to strengthen their confidence.
3. Arrange senior executives to visit as needed to make customers feel valued.
4. Listen to customer feedback, promptly identify and resolve their issues and needs.
5. Provide competitive products and services to help customers transform and upgrade, and increase profit opportunities.
6. Offer customized solutions to meet customer needs and achieve for a win-win situation.



VI. Information Security Management

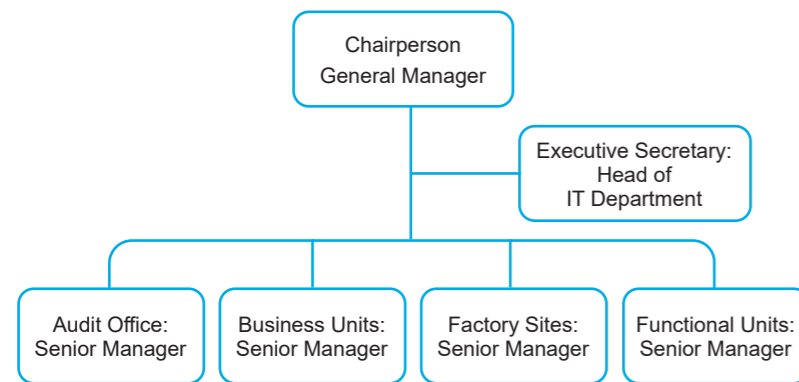
Everlight recognizes information security as a crucial issue for sustainable corporate development. We established the "Information Security and Personal Data Management Committee" in 2016, and appointed a Chief Information Security Officer in 2023, responsible for guarding against external threats and internal management lapses.

Responsible Units

The "Information Security and Personal Data Management Committee" is chaired by the General Manager, with the head of the IT department serving as the executive secretary. Key managers from various departments are appointed as information security representatives, convening regularly for information security review meetings.

Management Policy (GRI 2-23, 2-24)

In order to ensure the confidentiality, integrity and availability of information, an information security management policy has been formulated: implement protective measures to ensure information security.



Information Security Notification

If an information security or personal information incident is reported, it will be handled according to the Company's reporting procedures.

Specific Practices

In July 2019, the Information Security and Personal Data Management Committee decided to introduce external consultancy resources. In December of the same year, the "Information Security Management System Implementation and Verification Project" was launched; it successfully passed the ISO 27001 Information Security Management System certification in 2021. The main tasks include external threat prevention and internal management, as follows:

External Threat Prevention Measures

- 1.Regular conduct vulnerability scanning, system updates, and social engineering attack drills to reduce hacker intrusions.
- 2.Use a firewalls to filter malicious websites and programs.
- 3.Use email filtering software to filter out email viruses and spam.
- 4.Update antivirus software to prevent infection from various viruses.
- 5.Conduct audits on software and hardware suppliers and sign a "Non-disclosure Agreement" with outsourcing vendor personnel.
- 6.Join the "Taiwan CERT/CSIRT Alliance" for sharing cybersecurity intelligence and coordinating responses to cybersecurity incidents.

Internal Management Tasks

- 1.Strengthen network security awareness and training.
- 2.Implement encryption systems for securing confidential documents to prevent data leakage.
- 3.Regular back up critical servers and sign contracts for backup services, along with annual disaster recovery drills.
- 4.Regular review privileged and general accounts to manage account control.
- 5.Set up system development and testing environments to minimize human errors.
- 6.External personnel must apply for access to internal network resources (WiFi).
- 7.Collect system logs to prevent unauthorized system access.
- 8.USB flash drives must be registered before they can be used on company computers.



Remedial Measures for Security Incidents

According to the operational principles for handling information security and personal data incidents. If a major information security incident occurs, the Company will promptly follow the established procedures to address the incident and minimize the impacts.



Performance Outcomes in 2023

1. The "Information Security and Personal Data Management Committee" regularly holds meetings, and the head of the IT department reports the results of information security implementation to the board of directors annually. The most recent report was made on November 9, 2023.
- 2.The Company continued to maintain ISO 27001 information security management system certification in 2023.
- 3.In 2023, there were no information security incidents that affected the Company's operations.

Number and description of information security incidents and from 2021 to 2023

Definitions		Annual Incident Frequency		
		2021	2022	2023
Minor	Company's general documents and business data are leaked or altered; general business operations are affected, or system efficiency is reduced, but normal operations can be restored within 72 hours.	8	10	8
Moderate	Restricted-access documents and business data are leaked; important business systems or restricted data are severely altered; key business operations are affected, with normal operations restored within 4 hours, or non-critical business services are disrupted and cannot be restored within 72 hours; one to two internal personal computers are subjected to ransomware attacks and encrypted.	4	2	0
Major	Customer data, company secrets, and highly confidential documents are leaked or altered; critical business services are interrupted and cannot be restored within 4 hours; three or more internal personal computers or one server are subjected to a ransomware attack.	0	0	0

VII. Intellectual Property Management

Facing the fiercely competitive business environment, Everlight continuously strengthens its technological foundation and develops high-tech new products, recognizing "intellectual property" as a very important asset. The Company has devised a business model that combines company operational goals with an intellectual property strategy to create company value, ensuring a competitive advantage.

Management System, Policies, and Practices

The Company is oriented towards "high-tech knowledge industry" and "green economy industry," focusing on its core competencies in R&D, technology applications, and manufacturing capabilities, and promoting environmentally friendly high-tech chemicals. The Company recognizes that intellectual property is an extremely important part of its competitiveness. To comply with government regulations, respect others' rights, and protect the Company's proprietary key technologies, the "Intellectual Property Management Policy" was formulated, which clearly stipulates: "Comply with intellectual property regulations and protect intellectual property." This includes three strategies: (1) Establish and continuously improve the intellectual property management system. (2) Integrate intellectual property resources and capture intellectual property opportunities. (3) Strengthen training and communication to enhance awareness of intellectual property rights.

Responsible Units

The Patent Management Committee is responsible for managing and protecting intellectual property rights and patents.

Intellectual Property Management System

Through an E-management platform and intellectual property rights management manual: through daily management and continuous improvement, internal and external audits, and management reviews, relevant details are reviewed and revised to ensure the effectiveness of the management system, thereby enhancing the company's intellectual property management capabilities.

Patent Protection Measures

Patent Management Committee: Through the implementation of the review mechanisms, incentive systems, and educational programs at the executive level, Everlight encourages colleagues to actively participate in invention activities and protects the company's R&D results; certified patents are evaluated annually for maintenance to ensure effective management and protection of the company's patents.

Taiwan Intellectual Property Management System (TIPS): Everlight passed the "Taiwan Intellectual Property Management Standards (TIPS)" A-level re-verification at the end of 2022, with the certificate valid until 12/31/2024.



Execution Results and Specific Actions

1. No significant intellectual property violation incidents.
2. In 2023, the Patent Management Committee reviewed 7 new patent applications, 8 journal articles or conference papers were published, and held 6 patent-related educational training sessions.
3. As of December 2023, the company had obtained 198 invention patents and 211 domestic and international trademarks.
4. Sharing Patent Category Cases in 2023

Patent Category	Description and Examples
Utility model Patent	<ul style="list-style-type: none"> Formed foamed polyurethane dyeing solution and method and dyeing solution usage: A novel dyeing solution specifically for colored molded polyurethane materials, its uses and a dyeing method designed to achieve uniform coloring of the performance of molded polyurethane material. UV-Curable Composition: This composition maintains good adhesion or stability after curing, ensuring that the items using it exhibit good weatherability and reliability.
Invention Patent	<ul style="list-style-type: none"> Regeneration Method for Silicon Carbide Substrate Grinding Fluid: This method involves recycling and reuse to significantly reduce water consumption and waste disposal costs, effectively implementing the principles of the circular economy and green chemistry.

VIII. Compliance with laws and regulations (GRI 2-27)

Regulatory compliance is a topic that Everlight attaches great importance to. Through a series of measures, the company ensures that all business operations are conducted within the legal and regulatory frameworks, protecting the rights and interests of employees and customers, and fulfilling its responsibilities in economic, social, and environmental aspects. During the reporting period, there were no major legal violations (fines exceeding NT\$1 million), including non-monetary penalties.

During the reporting period, the Company encountered the following environmental and social-related penalties. After examining the causes of various matters, we have also re-examined the overall management system and have adopted specific improvement plans.

Unit: NTD

Category	Items	2022 Fines / Penalties (NTD)	2023 Fines / Penalties		Explanation of Reasons	Actions	Progress of Improvement
			Amount (NTD)	Non-Monetary Sanctions			
Corporate Governance	Income Tax Related	NT\$750	None	None	Late declaration	Immediate Filing	Closed
Environment	Air	NT\$120,000	None	None	Fire at Plant Three	Equipment management improvements implemented	Closed
	Toxic and chemical	NT\$120,000	None	None	Violation of Toxic Substances Law	Prevention measures taken	Closed
Social Related	Occupational Safety	NT\$60,000	NT\$100,000	None	Violation of Occupational Safety Law Article 280	Reinforced safety training and education. Implemented various safety measures	Improved; completed
	Fire Law	None	NT\$22,000	None	Violation of Fire Law Article 15	Installation of exhaust systems and overall compliance check with fire laws	Improved; completed
	Labor Law	NT\$150,000	NT\$150,000	None	Violation of Labor Law Article 32 on overtime for foreign workers	Developed new software to track and warn about overtime hours automatically	Improved; completed
	Customs Regulations	NT\$4,410	None	None	Failure to mark ingredients as per Customs Regulations	Immediate corrections made	Closed

Note: Everlight defines significant events according to relevant regulations from the Taiwan Stock Exchange's Market Observation Post System. Events resulting in fines of over 1 million NTD are considered significant.

IX. Supplier Management

To provide safe, reliable, high-quality, and sustainable green chemical products, Everlight collaborates with all partners in the raw material supply chain to jointly undertake corresponding responsibilities for sustainable development, with integrity as the cornerstone of our partnerships. We promote green procurement, implement supplier management policies, supervise suppliers to fulfill corporate social responsibilities, adhere to labor and human rights standards, and ensure safety and health, stable quality, on-time delivery, competitive prices, and high-quality products and services of raw materials, and create a win-win situation.

Supplier Evaluation and Selection Mechanism

We require all suppliers to understand the relevant standards set for controlled substances in raw materials and restricted substances restricted by regulations worldwide, and to use these criteria to select suppliers who meet environmental protection and social responsibility standards.



Supplier Environmental Protection Regulations and Social Responsibility Standards

Supplier Reporting Channel and Process

Suppliers interacting with Everlight must adhere strictly to the boundaries of business dealings. In the event of any instances of private bribery, acceptance of kickbacks, improper benefits, conflicts of interest, unauthorized subcontracting, or similar circumstances, it is mandatory to immediately report through Everlight's reporting channels.

Reporting Channels:

Hotline: +886-2-2326-3502

Audit Department Reporting Email: informant@ecic.com.tw

Audit Committee Email: AuditCommittee@ecic.com.tw

Proportion of local procurement

Procurement Policy: Comply with regulations, promote green procurement, and establish partnerships with suppliers based on integrity principles.

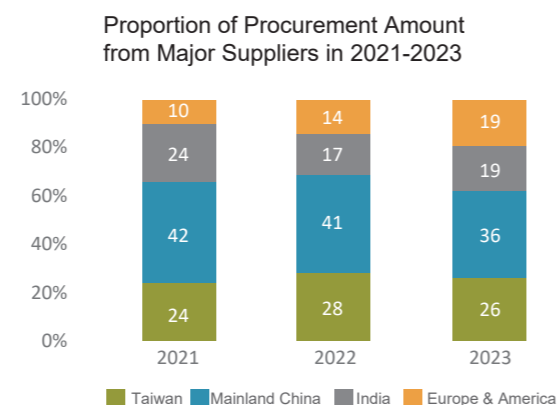
Due to the nature of the industry, most of Everlight's raw materials come from mainland China. After the pandemic, with the global economic downturn and falling raw material prices, the proportion of procurement expenses from local suppliers has slightly decreased.

The proportion of local procurement is 26% in 2023. In the future, we will also give priority to local procurement if the product requirements are met.

Proportion of raw material procurement from Everlight Chemical's main suppliers

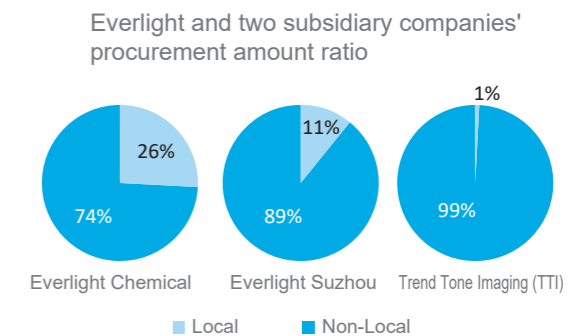
in 2021-2023 (GRI 204-1)

Procurement Source	2021	2022	2023	
Local	Taiwan (%)	24	28	26
	Mainland China (%)	42	41	36
Non-local	India (%)	24	17	19
	Europe & America (%)	10	14	19



Proportion of local and overseas raw material procurement amount of Everlight Chemical and its two production-type subsidiaries in 2023

Category	Region	Proportion of Procurement Amount(%)
Local	Everlight Chemical	26%
	Everlight Suzhou	11%
	Trend Tone Imaging (TTI)	1%
Non-Local	Everlight Chemical	74%
	Everlight Suzhou	89%
	Trend Tone Imaging (TTI) ^[Note]	99%



Note:Trend Tone Imaging belongs to the toner industry and cooperates with key domestic and foreign supply chain manufacturers of upstream resin, iron powder and colorants to ensure the stability of material supply sources.

Risk Management of Supply Chain

Procurement Policy: Comply with regulations, promote green procurement, and establish partnerships with suppliers based on integrity principles.

Supplier Management Policy: Supervise suppliers to fulfill corporate social responsibilities, adhere to labor and human rights standards, and supply raw materials with implemented safety and environmental practices, stable quality, on-time delivery, competitive prices, and excellent service, to create win-win situations.

To ensure the supply of raw materials and align with the Company's management policy of improving organizational resilience and consolidating the supply of raw materials, the scope of supplier risk assessment has been expanded to cover "all categories" of suppliers.

The results of the supplier risk assessment in 2023 showed that 98.8% were classified as low risk (96.9% in 2022).

Year	2021		2022		2023	
	Number of Suppliers	Percentage (%)	Number of Suppliers	Percentage (%)	Number of Suppliers	Percentage (%)
Low	529	96.7	505	96.9	494	98.8
Medium	14	2.6	14	2.7	6	1.2
High	4	0.7	2	0.4	0	0
Total	547	100	521	100	500	100

The Materials Procurement Department tracks the inventory status of medium, high risk and single-source suppliers on a monthly basis. Additionally, they also engage in activities such as developing additional supply sources, increasing inventory levels, procuring in advance, and monitoring consumption and logistics through weekly reports to mitigate supply interruption risks. For suppliers categorized as high or medium risk, a "Supplier Evaluation Form" will be sent to enhance management intensity. The department continuously evaluates suppliers' performance in areas such as quality, process management, environmental protection systems, occupational health and safety systems, and operational continuity.

Green Supply Chain Management Performance (GRI 308-2) (GRI 414-2)

In promoting a green supply chain, we categorize suppliers into three groups: primary, important, and new. For important and new suppliers, we send "Supplier Evaluation Forms" to assess whether they have ESG/CSR policies and guidelines, as well as related performance in environmental and social aspects. We also require important suppliers to fill out a "Regulatory Compliance Questionnaire," which includes inquiries about (a) the improvement rate of wastewater output and discharge improvement rate per ton of finished product, (b) compliance with occupational health and safety regulations in operations, and (c) compliance with relevant regulations regarding the employment of employees by local governments. For suppliers that do not meet the criteria, we continue to communicate and promote the concept of green chemistry with our suppliers.

Supplier Category	Primary Suppliers (Procurement value >NTD 5 Million)		Key Suppliers (Procurement value > NTD 30 Million)						New Suppliers
	ESG Report / CSR Report or Statement		Supplier Evaluation Form		Environmental Compliance Questionnaire		Social Compliance Questionnaire		
Survey Method	2022	2023	2022	2023	2022	2023	2022	2023	2023
Year	2022	2023	2022	2023	2022	2023	2022	2023	2023
Number of Suppliers	171	128	32	19	32	19	32	19	10
Response Rate	58%	61%	78%	100%	84%	95%	100%	100%	100%
Number of Completed Surveys	99	78	25	19	27	18	32	19	10
Compliance Rate	100% ^[Note 1]		100%		Wastewater output Improvement Rate: 89% ^[Note 12.1] Improved :12 Same: 4 Regressed: 2 Confidential: 1		Occupational Health and Safety Regulatory Compliance Rate: 100% Labor Law Regulatory Compliance Rate: 100%		A total of 10 new suppliers were added in 2023. Their environmental and social performance were reviewed through the Supplier Evaluation Form.
					Wastewater Discharge Improvement Rate: 94% ^[Note 2.2] Improved: 13 Same: 4 Regressed: 1 Confidential: 1				

Note 1: Criteria for "Compliance" on Environmental and Social Indicators:
The criteria for "compliance" on the Supplier Evaluation Form: each score of environmental and social indicators must be >50%. (For the 2020 version, with a total score of 3 points, a score >2 points is considered qualified. For the 2022 version, with a total score of 5 points, a score >3 points is considered qualified.)

Note 2: Explanation of Environmental Regulatory Compliance Questionnaire Results:
(Note 2.1) Improvement Rate of Wastewater Output: Among 18 suppliers, 2 regressed. One supplier increased wastewater output due to improving product quality, resulting in increased water usage and wastewater volume. However, the wastewater is treated and recyclable, leading to an improvement in wastewater discharge rate compared to the previous year. Another supplier adjusted its product plans according to market demands, with some products requiring large amounts of water, leading to a corresponding increase in wastewater discharge.
(Note 2.2) Improvement Rate of Wastewater Discharge: Among 18 suppliers, 1 regressed. Due to adjustments in product plans according to market demands, some products require large amounts of water, resulting in a corresponding increase in wastewater discharge.



Everlight will collaborate with the supply chain to promote Green Partner and implement E-ESG certification

Develop Green/Sustainable Supplier Behavior Guidelines (Promote Green Partner)	Issue Everlight Supplier Code of Conduct in 2024
Conduct Green/Sustainable Supplier Risk Assessment	Implement the E-ESG certification for Everlight suppliers in 2024. In 2023, there are a total of 23 original EGP suppliers, which will be recognized as Everlight Chemical E-E Award (Environmental Protection Category) in 2024 ^[Note 1] .
Conduct Green/Sustainable Supplier On-site Audits	Implement the E-ESG certification for suppliers in 2024
Provide Guidance on Green/Sustainability to Suppliers	Implement the E-ESG certification for suppliers in 2024
Provide Rewards for Excellent Suppliers	Statistics for Excellent Suppliers in 2023: Sustainable Supplier Award: 3 occurrences. Excellent Quality Supplier Award: 1 occurrence. On-time Delivery Supplier Award: 1 occurrence.
Suppliers are required to follow Human Rights Policy (comply with social indicators such as no forced labor, no child labor, etc.)	These clauses are included in every purchase contract. (2,697 contracts in 2023).
Each raw material purchase contract requires suppliers not to use conflict minerals.	

Note 1: The Green/Sustainable Supplier Risk Assessment includes four categories of awards: E-ESG Sustainability, E-E Environmental Protection, E-S Social Responsibility, and E-G Corporate Governance.

Supplier Satisfaction Surveys

(1) Raw Material Suppliers:

- Through the "Raw Material Supplier Satisfaction Survey," the company aims to understand the interaction between employees and suppliers and identify areas for improvement in the procurement process. Through mutual agreement and concrete communication, cooperation and mutual benefit are promoted and create a win-win situation.
- In 2023, a total of 23 suppliers (excluding OEM suppliers) with annual procurement amounts exceeding NTD 30 Million were surveyed, achieving a questionnaire response rate of 100% with a satisfaction score of 95.7 points.
- The highest satisfaction score was for the ethics and integrity of purchasing personnel (98.3 points), followed by the professionalism of purchasing personnel and contract performance, both scoring 97.4 points. Compared to 2022, there were no items scoring below 90 points in 2023. The two lowest scoring items were handling of non-compliant raw materials from suppliers (93 points) and purchasing webpage operations (93.9 points). These two items are due to the supplier's own factors. We will communicate more with the supplier and provide necessary assistance.

(2) Contractors at Plant Sites

- In 2023, hazard briefings were conducted for 1,425 contractors when entering the production site. Additionally, 58 training sessions were organized for 369 contractors to enhance work safety awareness.
- In the first quarter of 2024, satisfaction surveys were conducted for 59 contractors across various plant sites, achieving a satisfaction score of 97.0 points. "Ethical conduct of purchasing personnel" scored close to the maximum (9.9 points), while "communication process regarding contract scope and project objectives" and "safety protection at the operation site" scored slightly lower at 9.6 points. We will continue to communicate and improve with the contractors on various issues of concern.

This chapter covers four plants in the Taoyuan area, Trend Tone Imaging in Hsinchu, and Everlight Suzhou in mainland China, all of which have obtained ISO 14001 certification for production plants and subsidiaries.

I. Sustainable Environmental Management System

Environmental protection is a significant focus for Everlight, including water resource management, pollution prevention and control, and climate change response and adaptation. From investment in environmental costs to various management indicators, our efforts in environmental protection are reflected. For detailed information, please refer to three major thematic chapters: 5.2 Water Resource Management, 5.3 Pollution Prevention and Control, and 5.6 Climate Change Response and Adaptation.

Environmental Management Policy (GRI 2-23)(GRI 2-24)(SASB RT-CH-530a.1)

We recognize the limited resources of the earth and the importance of sustainable development, and has specifically formulated the environmental policy as "Prepare for environmental risks and move towards environmental sustainability" and abide by its commitments



Environmental Management Organizational Structure and Responsibilities

To strengthen sustainable environmental performance, our company has established a comprehensive environmental management organizational structure (as shown below) and assigned respective rights and responsibilities according to hierarchical authority. The Chairman serves as the Director of the Sustainable Development Committee to achieve environmental-related performance indicators.



Frequency of environmental management meetings

The "Environmental Management Review Meeting" is held regularly annually.

The "Annual Policy Review Meeting" is held quarterly to continuously improve the company's environmental management performance within the PDCA management cycle.



Environmental Management System and Processes

Our company implements the ISO 14001 Environmental Management System to align environmental management practices with international standards. Everlight Plant I, II, III, IV, Trend Tone Imaging, and Everlight Suzhou have all obtained ISO 14001 certification.



Each plant regularly convenes "Environmental Management Review Meetings" through the PDCA management cycle to continuously review and improve environmental objectives and their targets. The environmental management process includes the following steps:

1 Operational Review

Management team issues management policies based on environmental issues of concern to stakeholders and assesses their "significant risks and opportunities".

2 Environmental Consideration Assessment

Each plant refers to the established management policies and combines them with environmental considerations and regulatory obligations to identify products, activities, and services with significant environmental impacts, and formulate relevant environmental goals/objectives.

3

Risks and Opportunities Identification

Analyze and identify relevant risks and opportunities and formulate significant risks and opportunities.

4

Planning and Implementation

Plan formulation and implementation.

5

Regular Auditing and Continuous Improvement

Conduct management reviews annually and internal and external audits once a year.

Commitment goals and Communication Responses on Environmental Issues

Since 2021, the scope of communication channels on environmental issues in the sustainability report had expanded to include subsidiary companies. The company has redefined various pollution prevention management items, policies, and goals based on its ability to respond to SDGs #6. Clean Water and Sanitation, #7. Affordable and Clean Energy, #12. Responsible Consumption and Production, and #13. Climate Action. These are implemented after discussion in the Sustainable Development Committee meeting. Additionally, data on water usage, carbon emissions, and waste generation of plants and offices locations for the year 2023 were investigated and analyzed. (as shown in the table below). It was found that the Group environmental impact caused by office locations is small, and therefore statistical disclosure can be omitted. Consequently, subsequent environmental indicator information will be collected and presented based on plant locations.

SDGs	6 CLEAN WATER AND SANITATION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Location	Water usage(ML)	Waste(ton)	Greenhouse Gas Carbon Emissions(tCO ₂ e)
Office (a)	6.0	6.3	818.9
Plant (b) ^[Note1]	590.0	8,620.4	64,315.9
Environmental impact ratio of the Group based on office locations (%) ^[Note2]	1.0%	0.1%	1.3%

Note 1: Plant locations include Everlight Plant I, II, III, IV, Trend Tone Imaging, and Everlight Suzhou. For other office locations, please refer to the official website.

Note 2: The environmental impact ratio of the Group based on office locations (%) is calculated as follows: [(a) / (a + b)] x 100%

Setting Environmental Issues and Management Indicators of Everlight Group

For each management item, we refer to GRI, SASB standards, as well as local regulations and customer requirements to establish the following management indicators:

Management Issues	Management Indicators	2021		2022		2023		2024		Mid Term Target (2025) ^[Note1]	Long Term Target (2030)
		Actual	Target	Actual	Target	Actual	Target	Actual	Target		
Water Resource Management	Water Recycling Rate R2 (%)	86	≥83	93	≥84	95	≥94	≥95	≥96		
	Compliance Rate of Wastewater Treatment (%)	100	100	100	100	100	100	100	100		
	Total Water Intake (ML)	824.5	≤872	721.5	≤872	593.9	≤872	≤872	≤872		
Pollution Prevention	Air Pollution Emission Reduction Rate Per Unit Output (%) ^[Note2]	6	≥5	-3	≥2	-6	≥2	≥3	≥4		
	Waste Recycling and Utilization Rate (%)	71	≥70	72	≥71	71	≥71	≥72	≥73		
	Recycling Rate of Hazardous Industrial Waste (%)	3.3	≥3.1	4.3	≥3.1	10.3	≥6.3	≥7.3	≥8.3		
Climate Action-Mitigation and adaptation ^[Note3]	GHG Emission Intensity tCO ₂ e/million NTD in production value) ^[Note 4,5]	8.8	≤8.6	8.6	≤8.7	8.6	≤8.3	≤8.1	≤6.8		

Note 1: The middle and long-term goals of energy intensity, water recycling rate R2 (%), and recycling rate of hazardous industrial waste (%) have been adjusted in consideration of the significant differences in product combination/process characteristics compared to 2021.

Note 2: Air emissions reduction rate per unit output = $[1 - ((\text{total emissions of air pollutants per ton of output (kg/ton)} / \text{baseline (1.93)}) \times 100)] \times 100$. 1.93 kg/ton of product was the baseline of the average number for Y2018-2020. However, due to differences in air pollutant emissions from recent product combination /process compared to the baseline, the average number 1.98 for 2022-2023 is used for calculation, which will be more consistent with the current situation of air pollution emission reduction per unit output and will be continuously reviewed. and will continue to be reviewed.

Note 3: In 2022, external expert was invited to assist in short, medium and long-term reduction targets for energy saving and carbon reduction plan and adjustment of energy intensity and greenhouse gas emission intensity.

Note 4: Greenhouse gas emission intensity: The 2024 target is slightly adjusted based on the 25% carbon reduction target of the "2030 Carbon Reduction Target and Strategy" and recent performance.

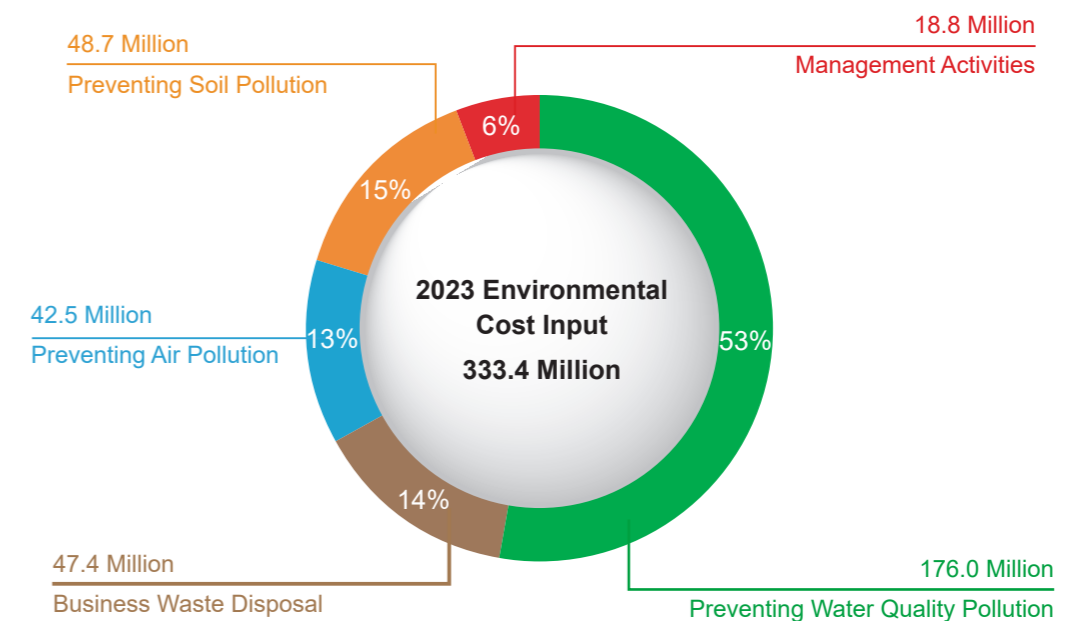
Note 5: The inventory method of the refrigerant emission verification information in 2022 is equipment refrigerant emissions, which is different from the previous independent inventory disclosure method of refrigerant purchase replenishment, thus reverting to verified equipment refrigerant emissions for verification. While there may be slight differences in historical carbon emission revisions due to this change, it does not affect previously established medium and long-term goals.

II. Environmental Management Cost Investment

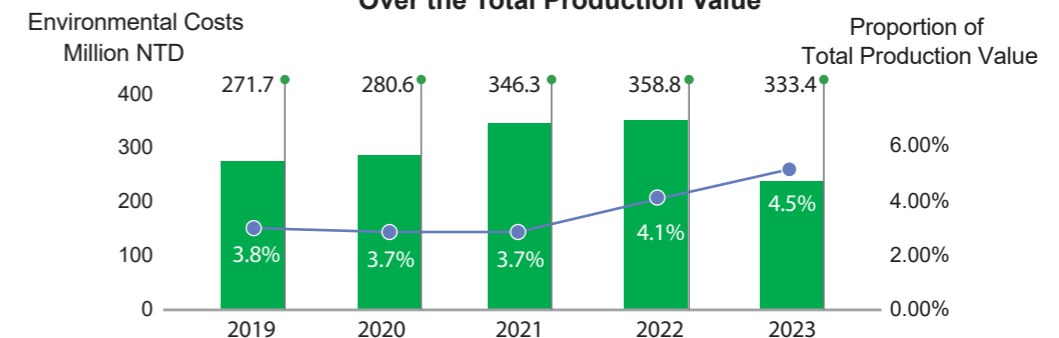
In 2023, the expenditure on environmental costs amounted to 333.4 million NTD, accounting for approximately 4.5% of the total revenue. The highest allocation of environmental cost expenditure was directed towards preventing water pollution and ensuring compliance with wastewater treatment standards across all production sites, with a wastewater treatment compliance rate reaching 100%.

Unit: Million NTD

Items / Year	2021	2022	2023
Prevention of Water Pollution	179.7	178.3	176.0
Business Waste Disposal	94.3	99.8	47.4
Prevention of Air Pollution	43.9	41.1	42.5
Prevention of Soil Pollution	13.6	20.7	48.7
Management Activities	14.8	18.9	18.8
Total	346.3	358.8	333.4



Percentage of Historical Environmental Costs Over the Total Production Value



III. Water Stewardship*(Material Topic) (GRI 2-23)(GRI 2-24)(GRI 303-1)(GRI 303-2)(GRI 303-3)(GRI 303-4)(GRI 303-5)

Water Stewardship mainly includes water intake and recovery management, as well as water pollution prevention and control. In addition, we use the Aqueduct Water Risk Atlas analysis tool developed by the World Resources Institute to identify water resource risks at major production sites of Everlight. Everlight Suzhou is identified as a water-stressed area, so we have enhanced management and made preparations accordingly. The impact assessment and management guidelines for this issue are outlined as follows:

Material Topic #3	Water Stewardship
Impact Assessment	<p>Positive: The company demonstrates effective water resource management practices, including water recovery in processes, efficient water resource utilization, and effective measures for water conservation. It ensures that wastewater discharge complies with regulations, thereby can effectively protect water, etc.</p> <p>Negative: Ineffective water reduction measures by the company or failure to promptly respond to abnormalities in wastewater treatment may potentially lead to water pollution at discharge end, and even extend to coastal areas and affecting nearby marine ecosystems.</p>
Management Policies and Commitments (GRI 2-23) (GRI 2-24) (RT-CH530a.1)	The company recognizes the limitation of water resources and is committed to increasing the water recovery rate (R2) while continuously enhancing the efficiency of wastewater treatment to reduce environmental burdens.
Governance Structure	<ul style="list-style-type: none"> • Head Office: Environmental Management Committee • Factory: Environmental Management Team and Environmental Protection Unit
Management Actions	<ul style="list-style-type: none"> • Water Intake: Installing water recovery measures, conducting water usage surveys • Drainage: Enhancing wastewater treatment efficiency, regular monitoring of treated water quality • Regular assessment of operating sites which are located in water-stressed areas
Resource Allocation	<ul style="list-style-type: none"> • Establishing water recovery systems, ozone catalytic technology, MD technology, etc. • Utilizing the Aqueduct Water Risk Atlas analysis tool from the World Resources Institute to assess water resource impacts
Indicators and Targets	<p>There are three management indicators: namely Water recovery rate R2 (%), Total drainage volume (ML), and Wastewater treatment compliance rate.</p> <ul style="list-style-type: none"> • Water Intake: Total water intake (ML) = Sum of all water intake items (tap water, groundwater, industrial water). • Drainage: Wastewater treatment compliance rate (%) = (Volume of discharged wastewater in compliance with regulatory standards / Total volume of discharged wastewater) x 100%. • Recycling: Water recovery rate R2 (%) = [(Total recycled water volume + Total circulating water volume) / (Total water intake + Total recycled water volume + Total circulating water volume)] x 100%. <p>Targets</p> <ul style="list-style-type: none"> • Water intake: Total water intake (ML) ≤ 872 (by 2025, 2030). • Drainage: Wastewater treatment compliance rate (%) = 100% (by 2025, 2030). • Recycling: Water recovery rate R2 (%) ≥ 95% (by 2025), ≥ 96% (by 2030).
Assessment Mechanisms	<ul style="list-style-type: none"> • Environmental management review (once a year) • Sustainable Development Committee (twice a year) • Plant policy plan review (once a quarter) • Internal environmental management system audit (once a year) • External verification unit (DNV) audit of environmental management system (once a year)

Material Topic #3	Water Stewardship
Ensuring Effective Actions	<ul style="list-style-type: none"> • Tracked process: Regularly convene "Environmental Safety and Health Management Review Meetings" through the "PDCA management cycle" method to continuously review and improve the status of various environmental goals and their achievement status. • Effectiveness of previous actions: Annually check whether the set goals have been achieved. • Lessons learned: Everlight has been effective in implementing green chemistry and circular economy practices, continuously promoting environmental sustainability, such as increasing atom utilization and process improvements to reduce the carbon footprint of its products. Additionally, Everlight actively participates in community and educational projects to promote environmental awareness.
Implementation Results in 2023	<ul style="list-style-type: none"> • Water Intake: Total water Intake (ML) = 593.9 ML • Drainage: Wastewater treatment compliance rate (%) = 100% • Recycling: Water recovery rate R2 (%) = 95%
Stakeholder Engagement	Stakeholders include shareholders/investors, customers/brands, suppliers/contractors, neighboring communities, and government agencies. Through regular/irregular communication in various forms.

Water Intake Management

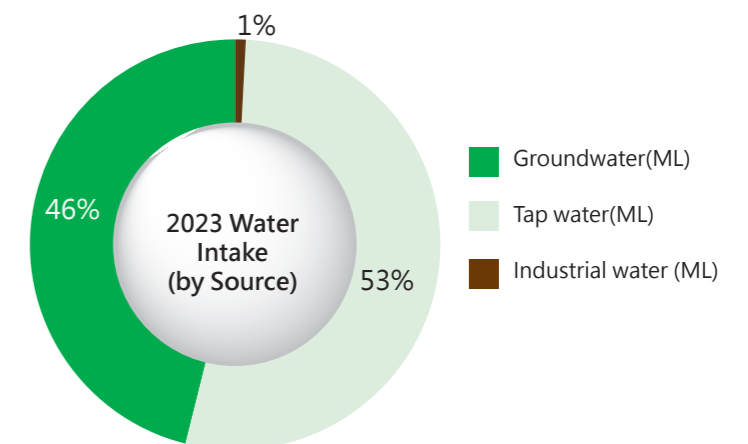
Assessing the Need for Enhanced Water Management at Each Site

Water is a shared resource, and we conduct an inventory of water usage at each site and evaluate those located in water-stressed areas. Specifically, for Everlight Suzhou in 2023, the main measures for water resource management are: collecting and recycling concentrated water from the pure water machine in Building C for daily washing and toilet flushing, totaling 5,270 tons.

Water Sources

The primary sources of water for each factory include groundwater, tap water, and industrial water. When planning the intake of water resources, we consider government policies, company development, industry changes, and the water resource needs of surrounding residents. For example, we collaborate with regulatory authorities to establish groundwater intake points for factory use, ensuring that water is available to the public during droughts. This ensures the rational and efficient management, scheduling, and distribution of water resources. Additionally, the volume and method of water intake are carefully managed to minimize any significant negative impacts on the ecological balance of water sources and nearby residents.

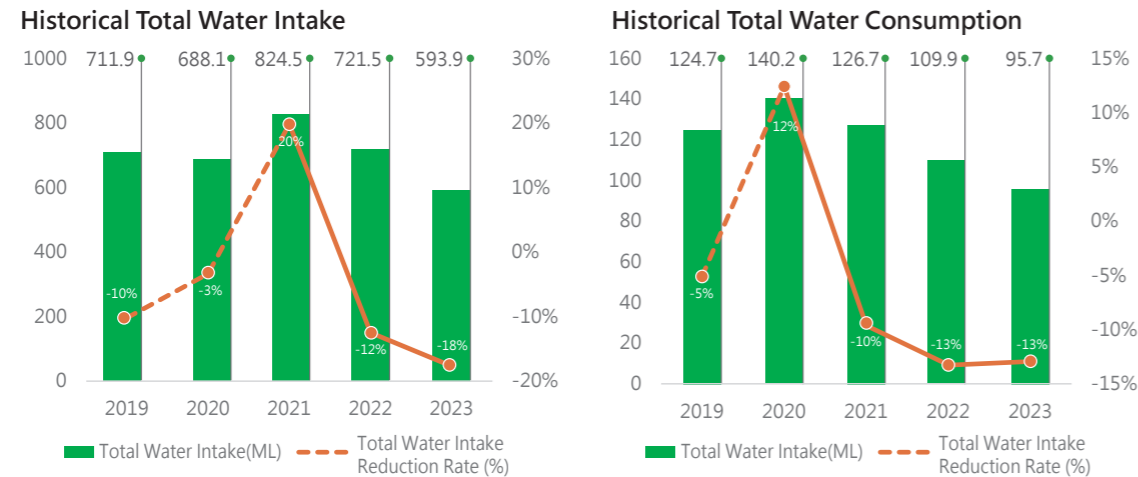
To assess water resource risks at each factory, Everlight relies on the Water Risk Assessment Tool developed by the World Resources Institute to identify the water risk in each factory area. After assessment, only Everlight Suzhou is identified as being in a high risk of water resource shortage area. The primary use of water resources at this factory are domestic and industrial water. In 2023, the water management statistics for this facility are as follows: water intake of 63.3ML, wastewater discharge of 29.8ML, and water consumption of 33.5ML.



Detailed statistics of water Intake and water consumption from 2019 to 2023

In 2023, Everlight's total water Intake is 593.9ML, with groundwater accounting for approximately 52.7% and tap water accounting for 46.6%. The total water consumption is 95.7ML.

Compared to 2022, there was an 18% reduction in total water Intake and a 13% reduction in total water consumption in 2023. This improvement can be attributed to increased demand for liquid products related to customer needs, leading to higher water demand in the manufacturing process (such as digital textile inks, developer, cleaning agents, etc.).



Historical Water Intake and Consumption

Plant / Items	Year	Tap water (ML)	Underground Water (ML)	Industrial water (ML)	Total Water Intake (ML)	Total Water Consumption (ML) ^[Note1]
Everlight Plant I, II, III, IV	2019	203.9	439.5	2.0	645.4	95.9
	2020	215.8	407.9	2.6	626.3	114.5
	2021	229.3	514.9	3.8	748.0	86.1
	2022	200.2	435.5	5.5	641.2	65.4
	2023	198.7	313.0	4.0	515.7	59.2
Trend Tone Imaging	2019	19.3	-	-	19.3	3.9
	2020	17.3	-	-	17.3	3.4
	2021	18.5	-	-	18.5	3.7
	2022	18.7	-	-	18.7	3.8
	2023	14.9	-	-	14.9	3.0
Everlight Suzhou	2019	47.2	-	-	47.2	24.9
	2020	44.5	-	-	44.5	22.3
	2021	58.0	-	-	58.0	36.9
	2022	61.6	-	-	61.6	40.7
	2023	63.3	-	-	63.3	33.5
Total	2019	270.4	439.5	2.0	711.9	124.7
	2020	277.6	407.9	2.6	688.1	140.2
	2021	305.8	514.9	3.8	824.5	126.7
	2022	280.5	435.5	5.5	721.5	109.9
	2023	276.9	313.0	4.0	593.9 ^[Note2]	95.7

Note 1: Total Water consumption = Total water intake - Discharge volume.

Note 2: 1 ML (million liters) = 1,000 cubic meters. Therefore, the total water intake for the Group in 2023 is 593.9 thousand cubic meters.

Note 3: The statistical information in the table above is presented by rounding to 1 decimal place.

Note 4: The water intake from each source category is fresh water with a total dissolved solids (TDS) content equal to or less than 1,000 mg/L, expressed in million liters.



Waste Water Discharge Management (GRI 303-4)

Compliance with Regulatory Requirements for Wastewater Discharge Management

Our company manages the industrial wastewater that requires discharge by properly planning wastewater treatment facilities based on the characteristics of the process wastewater source. We implement pollution reduction at the source for each process, classifying and matching with appropriate treatment equipment and technologies. This ensures our wastewater treatment systems effectively reduce pollutants. We also regularly test the quality of the discharged wastewater (e.g., commissioning external organizations for water sampling tests or conducting tests by ourselves according to the standard methods announced by the regulatory authorities) to ensure compliance with regulatory standards. All operational sites obtain the necessary permits from local authorities before discharging, aiming to prevent water pollution and ensure cleanliness of water resource, and maintain the ecological environment system.

Each plant incorporates its domestic sewage and industrial wastewater into industrial park effluent management system, sewage system, or municipal wastewater network (Everlight Plant I is included in the Dayuan Industrial Park effluent management system, Everlight Plant II, III are included in the Guanyin Industrial Park wastewater treatment plant, Everlight Plant IV is included in the Taoyuan Science Park wastewater treatment plant, Trend Tone Imaging is included in the Hsinchu Science Park Wastewater Treatment Plant, and Everlight Suzhou is included in the Suzhou Industrial Park Wastewater Treatment Plant). The discharge quality meets the control standards of the wastewater treatment facilities in each area.

2023 Industrial Effluent Discharge Information for Each Plant

Plant	Wastewater Treatment Method and Discharge Location
Everlight Plant I	After being treated by on-site wastewater treatment facilities, discharged into the Da-Yuan Phase I Industrial Zone Effluent Management System under the Ministry of Economic Affairs, then enter into the Laojie Creek. ^[Note1]
Everlight Plant II	After being treated by on-site wastewater treatment facilities, then discharged into the wastewater sewer system of the Guanyin Industrial District Service Center under the Ministry of Economic Affairs, where it is treated at the wastewater plant and finally discharged into Fu-Lin Creek.
Everlight Plant III	After being treated by on-site wastewater treatment facilities, then discharged into the wastewater sewer system of the Guanyin Industrial District Service Center under the Ministry of Economic Affairs, where it is treated at the wastewater plant and finally discharged into Da-Ho Creek.
Everlight Plant IV	After being treated by on-site wastewater treatment facilities, then discharged into the exclusive wastewater sewer system of the Taoyuan Technology Industrial Park, where it is treated at the wastewater plant and finally discharged into Guanyin Creek.
Trend Tone Imaging	All domestic wastewater ^[Note 2] is collected via the sewage sewers and transferred to the sewage treatment plant in the Hsinchu Science Park for treatment, and then discharged into the Ke-Ya Creek through a dedicated pipe.
Everlight Suzhou	After being treated by on-site wastewater treatment facilities, then discharged into the municipal sewage pipe network for treatment at the Suzhou Industrial Park Wastewater Plant, and finally discharged into the Wusong River.

Note 1: To align with the Da-Yuan Industrial Zone's initiative to adopt the inter-gravel zone treatment method in its effluent management system and to aid the government to improve the water quality management of Laojie Creek, Everlight Plant I has been discharging its effluent into the Da-Yuan Industrial Zone Effluent Management System before entering Laojie Creek since November 2021.

Note 2: Trend Tone Imaging only stores a small portion of its wastewater for off-site waste treatment; the rest are domestic wastewaters processed through the sewer system of the Science Park.

Note 3: Each production site sets its water quality discharge standards according to local regulatory requirements and industry characteristics.

Note 4: The effluent discharges from each production site have no significant impact on aquatic environments or related habitats.

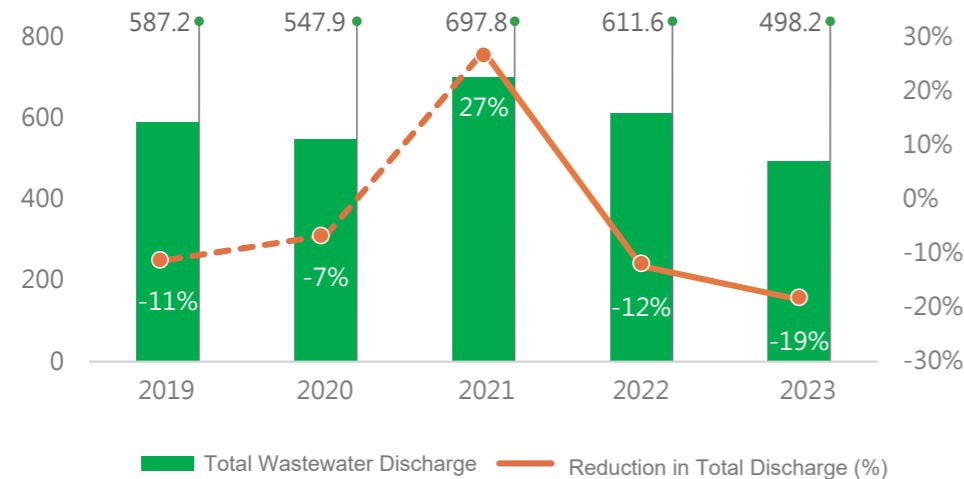
Wastewater Discharge Management Indicators

Wastewater Discharge Compliance Index: The wastewater treatment compliance rate (%) = Discharge Compliance Rate (%) = (Volume of wastewater discharged compliant with regulatory standards/Total volume of wastewater discharged) × 100%

In 2023, the total volume of wastewater discharged is 19% lower compared to 2022. The main reason is that the digital textile inks products have implemented an optimization plan for the purification process. The process included the recycling of permeate back into the desalination stage, significantly reducing the volume of water required for purification in 2023. Additionally, the production volume of this product increased by 56% in 2023. Everlight plans to continue enhancing water recycling measures (such as increasing the use of recirculated water in scrubbing towers), which further contributed to the overall reduction in wastewater output. These actions collectively led to a decrease in wastewater discharge.

The increase in water usage at Everlight Suzhou was due to the addition of a desalination treatment section for recycled liquids, an expansion of the desalination process for reactive inks, and a 12% increase in the production of BOP-DYE compared to 2022.

2019-2023 Discharge Volume Details

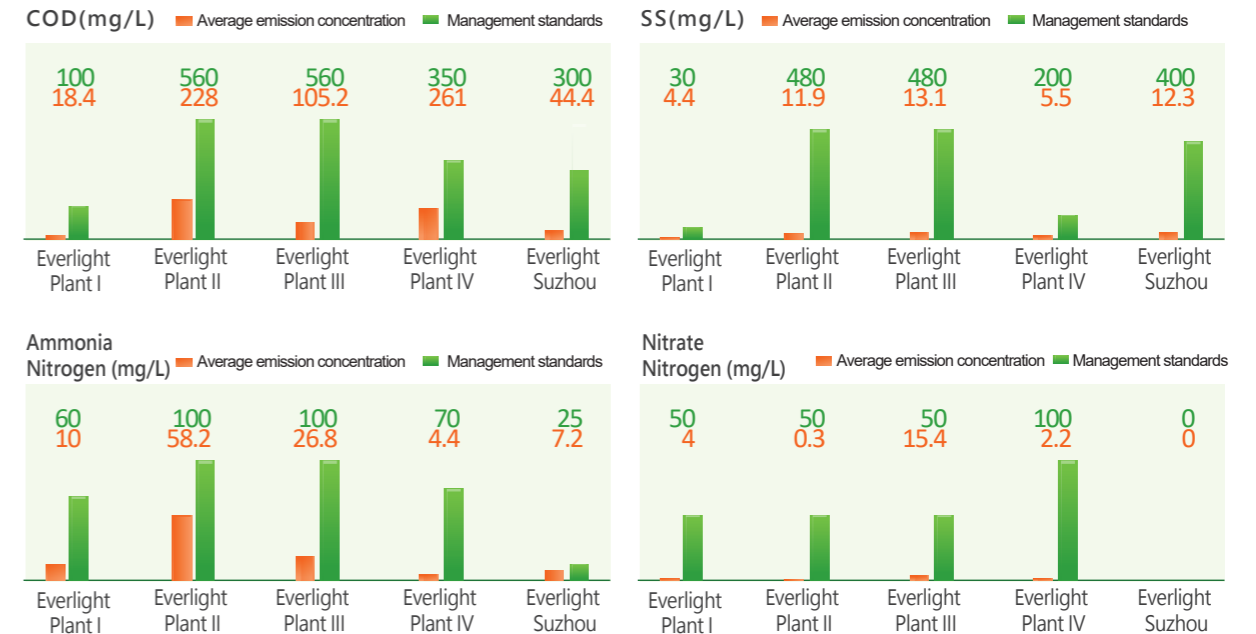


2019-2023 Discharge Volume Details (Unit:ML)

Plant/Year	2019	2020	2021	2022	2023
Everlight Plant I, II, III, IV	549.5	511.8	661.9	575.8	456.5
Trend Tone Imaging	15.4	13.9	14.8	14.9	11.9
Everlight Suzhou	22.3	22.2	21.1	20.9	29.8
Total	587.2	547.9	697.8	611.6	498.2

We selected COD, SS, Ammonia Nitrogen, and Nitrate Nitrogen as the priority discharge items for monitoring, focusing on the disclosure of these key substances. We then compare the results against local regulatory standards to concretely demonstrate and manage the outcomes of our wastewater treatment processes. In 2023, the test results for all these indicators were lower than the regulatory control standards.

Key Emission Disclosure Indicators



Water Recycling and Reuse

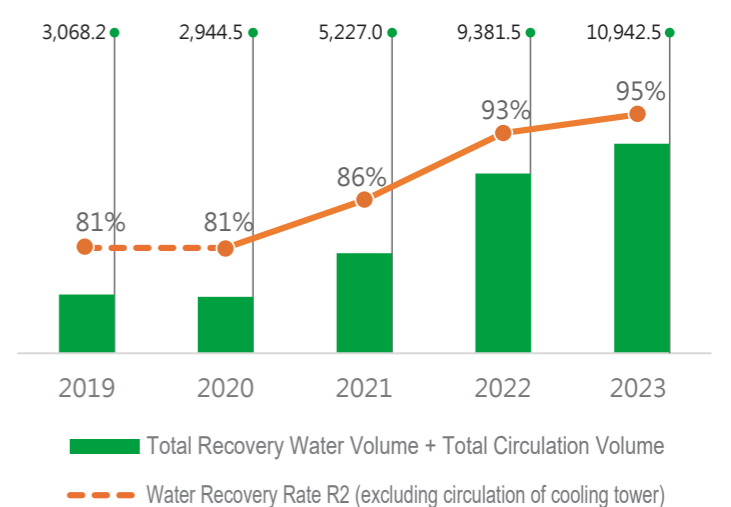
To reduce water consumption, we have previously implemented various water-saving strategies and measures, ranging from daily water use in daily life by staffs to water recycling and reuse equipment, all of which have been effective. However, to further improve the implementation of water recovery, we have established a water recovery rate R2 (excluding cooling tower circulation), which has been listed as a key point for annual management. This allows us to monitor the current water usage, assess the effectiveness of water-saving/recycling programs, and conduct reviews and analysis.

Achievements in 2023

In 2023, the total recycled water plus total circulating water reached 10,942.5 million liters, equivalent to saving the water of 4,377 standard swimming pools ^[Note 1]. The annual water recovery rate R2 was 95%, an increase of 2% from last year (2022: 93%). This increase was primarily due to a 19% rise in the circulation water volume of the scrubbers compared to the previous year.

Note 1: According to the standard swimming pool size, 50 meters x 25 meters x 2 meters, announced by the Chinese Taipei Swimming Association. This is equivalent to approximately 2.5 million liters of water storage capacity. Thus, the amount of water saved is converted to 10,942.5 million liters divided by 2.5 million liters.

Water Stewardship Recycling Volume & Reuse Rate



In 2022, the digital textile ink product was conducted an optimized water purification process, the recycled permeate was back to the desalination stage to reduce the amount of purification water used and achieve positive results. In 2023, in addition to continuing the measures adopted in 2022, the company further increased the circulating water used in scrubbers and the reuse of concentrate from water purifiers.

Statistical details of total recycled water volume and total circulation volume from 2019 to 2023

(Unit: Million Liters)

Items	Methods	2019	2020	2021	2022	2023
Total Recovery Water Volume	Condensate/Rainwater Recovery Volume	38.7	45.2	54.6	49.1	20.5
	Process Wastewater Recovery Volume	361.1	353.3	392.1	334.4	249.9
	Total Secondary Use Recovery Water Volume	17.3	11.5	27.8	30.1	12.8
Total Circulation Water Volume	Circulation Water Volume of Scrubber Tower	2,651.5	2,534.5	4,752.5	8,967.9	10,659.3
Total Recovery Water Volume + Total Circulation Volume		3,068.2	2,944.5	5,227	9,381.5	10,942.5
Water Recovery Rate R2 (excluding circulation of cooling tower)		81%	81%	86%	93%	95%

Historical Water Resource Management Indicators and Mid-term Target Achievement

In 2023, all performance indicators of water resource management and water pollution prevention/control were met the annual goals and effectively implemented the water resource management practices.

Management Indicators/Year	Achievements					Target 2024	Mid -Term Tagget 2025 ^[Note2]
	2019	2020	2021	2022	2023		
Water Recovery Rate R2 (%) ^[Note1]	81	81	86	93	95	≥84	≥95
Total Water Intake (ML)	711.9	688.1	824.5	721.5	593.9	≤872	≤872
Wastewater Treatment Compliance Rate (%)	100	100	100	100	100	100	100

Note 1: Given the significant differences in product combination /process characteristics over the last two years compared to 2021, the medium to long-term target for the water recovery rate R2 (%) has been adjusted.

Note 2: For 2021, the scope was expanded to include subsidiaries. Therefore, the Group's feasible medium to long-term goals were formulated based on the Group's performance from 2018 to 2020 and future plans..

IV. Pollution Prevention*(Material Topic) (GRI 2-23)(GRI 2-24)(GRI 305-7)

Prevention and control of Pollution is an extremely important and urgent issue for the manufacturing industry. Waste management and air pollution management are of particular concern due to their increasingly severe impacts on the environment, health, and sustainable development. We must take proactive measures to prevent pollution in order to protect our planet and the environment for future generations. This chapter highlights air pollution and waste management as a Material topic and proposes feasible solutions to promote continued progress in pollution prevention and control efforts.

Material Topic #4	Pollution Prevention
Impact Assessment	<p>Air Pollution Prevention and Control Positive: Company complies with air pollution management and control laws to reduce harm and negative impacts on the environment, community and workers. Negative: Company fails to manage air pollution appropriately, violating regulations, causes hazards to the environment, or affects the safety of the community and people.</p> <p>Waste Management Positive: Company implements effective waste management practices, recycling and reusing process waste, ensuring compliance in waste disposal, gradually reducing waste output, positively impacting the environment without causing harm to people. Negative: Improper management of waste leads to burdens on the natural environment and the community.</p>
Management Policies and Commitment (GRI 2-23) (GRI 2-24) (RT-CH530a.1)	<p>Air Pollution Prevention Control: Our company is committed to maintaining the air quality around our production facilities, continuously employing the best available control technologies to reduce air pollutant emissions. Waste Management: Our company values natural resources and actively promotes waste reduction and the recycling of resources.</p>
Governance Structure	<ul style="list-style-type: none"> • Headquarter: Environmental Management Committee. • Plant Facilities: Environmental Management Teams and dedicated Environmental Protection Units.
Management Actions	<ul style="list-style-type: none"> • Everlight has established the Circular Economy Promotion Committee focused on waste reduction and waste resource utilization, aiming towards the ultimate goals of zero emissions and zero waste. • In alignment with government regulations on air pollution prevention management, Everlight rigorously implements air pollution control measures to comply with legal requirements. • Everlight endeavors to utilize low-pollution clean energy sources and improve processes to reduce the output and emission of sulfur oxides (SOx) and nitrogen oxides (NOx). • Everlight continuously enhances its air pollution management by adhering to the "Emission Standards for Harmful Air Pollutants from Stationary Sources," aiming to improve air quality.
Resource Allocation	<ul style="list-style-type: none"> • Adoption of Clean Fuels • Installation of Control Equipment • Enhancement of the adequacy rate of Prevention and Control Equipment Efficiency • Development of Circular Economy and Green Chemistry

Material Topic #4	Pollution Prevention
Indicators and Targets	<ul style="list-style-type: none"> The three key management indicators are Air Pollution Emission Reduction Rate Per Unit Output (%), Waste Recycling and Utilization Rate (%), and Recycling Rate of Hazardous Industrial Waste (%). <p>Air Pollution</p> <ul style="list-style-type: none"> Air Pollution Emission Reduction Rate Per Unit Output (%) = $1 - (\text{Total air pollutant emission (kg) / output (tons)} / \text{baseline}) \times 100\%$ <p>Waste Management</p> <ul style="list-style-type: none"> Waste Recycling and Utilization Rate (%) = $[\text{Amount of recycled industrial waste} / \text{Total amount of industrial waste produced}] \times 100\%$ Recycling Rate of Hazardous Industrial Waste (%) = $[\text{Amount of hazardous industrial waste recycled volume} / \text{Total hazardous industrial waste produced volume}] \times 100\%$ <p>Targets</p> <ul style="list-style-type: none"> Air Pollution Emission Reduction Rate Per Unit Output (%) ≥ 3 by 2025. Waste Recycling and Utilization Rate (%) ≥ 72 by 2025. Recycling Rate of Hazardous Industrial Waste (%) ≥ 7.3 by 2025.
Assessment Mechanisms	<ul style="list-style-type: none"> Environmental Management Review (once a year). Sustainability Development Committee (twice a year). Factory Policy and Planning Review (once a quarter). Internal Environmental Management System Audit (once a year). External Audit by DNV on Environmental Management System (once a year).
Ensuring Effective Actions	<ul style="list-style-type: none"> Tracking process: "Environmental Safety and Health Management Review Meetings" are regularly convened through the "PDCA Management Cycle" to continuously review and improve the status of achieving various environmental targets. Effectiveness of previous actions: Annually assess whether the set targets have been achieved. Lessons learned: Everlight has successfully implemented green chemistry and circular economy practices, and continues to promote environmental sustainability, such as increasing atomic utilization and process improvements to reduce the carbon footprint of its products. Additionally, Everlight actively participates in community and educational programs to promote environmental awareness.
Implementation Results in 2023	<ul style="list-style-type: none"> Air Pollution Emission Reduction Rate Per Unit Output (%) = -6% Waste Recycling and Utilization Rate (%) = 71% Recycling Rate of Hazardous Industrial Waste (%) = 10.3%
Communication with Stakeholders	<p>Related stakeholders include shareholders/investors, customers/brands, suppliers/contractors, neighboring communities, and government agencies. Communication is conducted through regular and irregular meetings in various formats.</p>

Air Pollution

Everlight complies with government-imposed air pollution emission regulations and adopts management practices that exceed legal requirements to control air pollution. We endeavor to use "low pollution clean energy" and implement process improvement programs to reduce SOx and NOx emissions, and we closely monitor domestic emission regulations, such as the "Emission Standards for Hazardous Air Pollutants from Stationary Sources," as additional reference standards for improving air emissions.

According to the company's detailed statistics on air pollution emissions from 2019 to 2023, the unit output of air pollution emission reduction rate for the Group's factories in 2023 was -6%, compared with -3% in 2022, an overall decrease of 9%. This was due to the higher demand in 2023 for products with higher VOC emission coefficients, such as solvent-based products (strippers). The factories will continue to strengthen related management measures, such as increasing the frequency of activated carbon replacement in control equipment, conducting internal and external inspections, and actively maintaining equipment to reduce leakage rates, aiming to demonstrate efforts in emission reduction and control.

Air Pollution Emissions Statistics 2019-2023 (in tons)

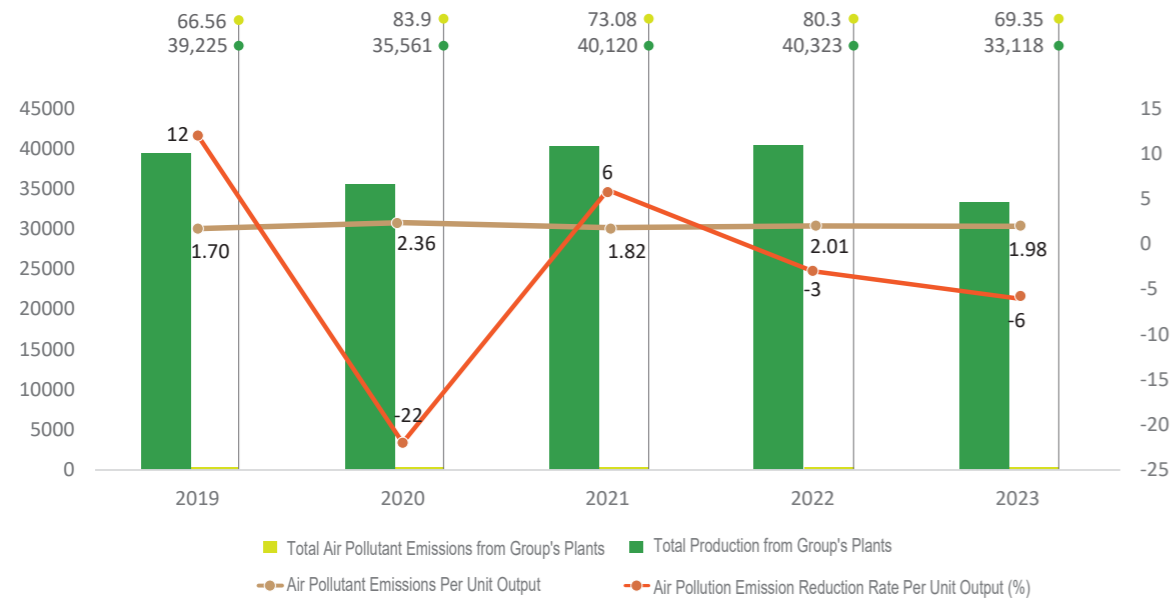
Plant ^[Note1]	Year	(1) particulate pollutants	(2) Sulfur oxides	(3) Nitrogen oxides	(4) Organic VOC	(1)+(2)+(3)+(4)
Everlight Plant I, II, III, IV ^[Note2]	2019	0.58	0.47	12.04	49.95	63.04
	2020	0.78	3.06	13.78	63.14	80.76
	2021	0.86	3.05	16.55	49.94	70.40
	2022	0.75	2.25	11.54	62.89	77.43
	2023	0.59	2.03	9.90	54.90	67.42
Trend Tone Imaging	2019	-	-	-	2.07	2.07
	2020	-	-	-	1.42	1.42
	2021	-	-	-	1.95	1.95
	2022	-	-	-	1.37	1.37
	2023	-	-	-	1.10	1.10
Everlight Suzhou	2019	0.78	-	-	0.67	1.45
	2020	1.15	-	-	0.57	1.72
	2021	0.46	-	-	0.27	0.73
	2022	0.54	-	-	0.96	1.50
	2023	0.46	-	-	0.37	0.83

Note 1: The units of above information are all metric tons. The emission statistics are derived from annual reporting data and rounded to 2 decimal places.

Note 2: Since 2016, Everlight's plants I to IV have gradually replaced fuel oil boilers with "low-pollution clean energy boilers," achieving significant reductions in SOx and NOx emissions (SOx reduction of 90-98%; NOx reduction of 52-59%. For detailed statistics on plant air pollution emissions from 2018-2020, please refer to the ESG reports).

We have established the " Air Pollution Emission Reduction Rate Per Unit Output (%)" as a key management indicator. Additionally, the key management indicators of the Group from 2019 to 2023 have been compiled below. This will enable all stakeholders to directly monitor current performance and the implementation status of the mid-term target (2025).

Historical Air Pollution Emissions and Emissions Quantity Per Unit Output



Historical Air Pollution Emission Reduction Rate Per Unit Output

(Unit: Metric Tons)

Year	2019	2020	2021	2022	2023	Short-term Target 2024	Mid-term Target 2025 ^[Note1]
Total Air Pollutant Emissions from Group's Plants	66.56	83.90	73.08	80.30	69.35	-	-
Total Production from Group's Plants	39,225	35,561	40,120	40,323	33,118	-	-
Air Pollutant Emissions Per Unit Output ^[Note2]	1.70	2.36	1.82	2.01	1.98	-	-
Air Pollution Emission Reduction Rate Per Unit Output ^[Note3]	12	-22 ^[Note4]	6	-3	-6 ^[Note5]	≥ 2	≥ 3

Note 1: Subsidiaries were included in the scope starting in 2021. Therefore, the mid-to-long-term targets for the Group are derived based on the actual performance from 2018 to 2020 and future plans

Note 2: The calculation of air pollutant emissions per unit of output is the total air pollutant emissions (kg) of particulate pollutants, sulfur oxides, nitrogen oxides, and volatile organic compounds divided by the production volume (tons).

Note 3: The calculation of the emission reduction rate per unit output is $[1 - (\text{Air Pollutant Emissions per Unit of output} / \text{Baseline (1.93)})] \times 100$
 Note 4: The emission reduction rate per unit output for 2020 was -22%. This was primarily due to reduced production capacity caused by the COVID-19 pandemic and an increase in the production of certain high-coefficient products (e.g., cleaning agents, photoresists). The surge in solvent-based product lines in response to market demand (e.g., cleaning agents, photoresists) led to a 24% increase in volatile organic compounds.
 Note 5: In recent years, due to variations in air pollutant emissions associated with product combination /processes compared to the baseline, the average air pollutant emissions per unit of output from 2022-2023 (1.98) is used as the baseline for calculations. This reflects the current status of emission reductions per unit output and will be continually reviewed.

Waste Management (GRI 306-1)(GRI 306-2)(GRI 306-3) (GRI 306-4) (GRI 306-5) (RT-CH-150a.1)

Our company recycles the reusable materials generated in raw material procurement, product supply, production processes, environmental pollution prevention, and daily operational activities (including reverse recycling and refilling by suppliers and customers).

Additionally, we enhance process recycling and technological innovations (e.g., dilute acid solutions and iron sludge in different processes into ferrous sulfate for wastewater treatment; phosphoric acid solutions are converted into monosodium phosphate/disodium phosphate for process use; introducing thin film membrane concentration to improve solvent recovery rate, etc.). We also strengthen external recycling with the shortest path of external circulation (e.g., delivering by-products like zinc sulfate directly to customers to produce zinc oxide), reducing waste from the source, and actively promoting waste classification and recycling to achieve resource circularity and promote the development of the circular economy.

In accordance with government waste management regulations and our company's "Waste Management Procedures," we handle industrial waste through outsourced recycling, incineration, or landfill disposal. Some hazardous industrial waste (mainly waste solvents) is incinerated on-site to recover the steam for internal use and through reverse recycling with suppliers. All waste disposal processes have all been entrusted to nationally certified professional disposal agencies (with no import, export or transit disposal actions) and properly managed, including:

- On-site classification, storage, and labeling of waste.
- Online reporting and verification of waste disposal declaration and confirmation.
- Evaluation and contracting of disposal vendors.
- Regular audits and random inspections of disposal vendors to ensure proper waste handling (Irregular tracking to ensure that outsourced manufacturers properly handle all types of waste).
- Weighing waste and managing vehicle tracking for waste transportation.
- Emergency response actions to prevent additional environmental burdens and pollution risks caused by waste.

On-Site Management: Some hazardous industrial waste (mainly treated waste solvents processed by Everlight Plant III) is processed on-site and recover the steam for internal use.

Off-Site Management: Waste is handled through reverse recycling by suppliers and outsourcing incineration. All outsourced disposal is entrusted to nationally certified professional disposal agencies (no import-export or transit clean-up activities).

The scope of waste management indicators and results includes subsidiaries (Everlight Suzhou and Trend Tone Imaging). In 2023, the total industrial waste output was 8,616.0 tons (hazardous industrial waste: 1,761.3 tons; general industrial waste: 6,854.7 tons), which is an 18% reduction compared to the total industrial waste output in 2022 (10,497.4 tons). The amount of waste that was recycled and reused was 6,125.2 tons, achieving a waste recycling rate of 71%. Among the total amount of waste of hazardous waste recovered and processed was 181.3 tons (the rate of hazardous waste recovered and processed was 10.3%).

The performance of waste recycling rates and the recycling rate of hazardous industrial waste has improved year by year due to the implementation of various packaging material recycling measures (such as space bags, one-way drums, plastic bags, etc.) and the reuse of hazardous waste solvents (PGMEA) by a pass-through case.

Detailed Information on Waste Disposal and Output from 2019 to 2023 (Unit: Metric Tons) [Note1]

Everlight Plant	Year	Waste Type	Disposal Methods				Total Statistics Amount by Waste Type [Note 2]	Total Amount of Waste Generation [Note 3]
			Reuse and Recycling	Incineration	Landfill	Temporary Storage Changes		
Everlight Plant I, II, III, IV	2019	Hazardous	30.8	1,709.1	0	-30.1	1,709.8	10,854.0
		Non-Hazardous	6,864.5	498.5	1,805.1	-32.9	9,144.2	
	2020	Hazardous	46.9	1,372.0	0	34.4	1,453.3	8,634.8
		Non-Hazardous	6,184.1	416.5	531.4	49.5	7,181.5	
	2021	Hazardous	64.4	1,727.2	0	61.6	1,853.2	10,874.4
		Non-Hazardous	7,892.6	391.7	660.6	76.3	9,021.2	
2022	Hazardous	60.2	1,598.4	0	-44.3	1,614.3	10,102.9	
	Non-Hazardous	7,403.5	557.3	662.0	-134.2	8,488.6		
2023	Hazardous	123.6	1,591.2	0	-32.4	1,682.4	8,175.1	
	Non-Hazardous	5,757.40	367.4	402.3	-34.4	6,492.70		
Trend Tone Imaging	2019	Hazardous	0	0.2	0	0	0.2	224.7
		Non-Hazardous	48.1	176.4	0	0	224.5	
	2020	Hazardous	0	0.4	0	0	0.4	246.0
		Non-Hazardous	62.8	167.9	14.9	0	245.6	
	2021	Hazardous	0	0.2	0	0	0.2	306.8
		Non-Hazardous	35.3	146.7	63.3	61.3	306.6	
2022	Hazardous	0	0	0	0	0	289.8	
	Non-Hazardous	47.7	126.8	176.6	-61.3	289.8		
2023	Hazardous	0	0	0	0	0	253.9	
	Non-Hazardous	95.3	104.5	54.1	0	253.9		
Everlight Suzhou	2019	Hazardous	0	101.9	0	0	101.9	120.8
		Non-Hazardous	18.9	0	0	0	18.9	
	2020	Hazardous	0	192.8	0	0	192.8	213.3
		Non-Hazardous	20.5	0	0	0	20.5	
	2021	Hazardous	0	117.4	0	0.4	117.8	134.3
		Non-Hazardous	15.4	0	0	1.1	16.5	
2022	Hazardous	12.9	65.6	0	0.6	79.1	104.7	
	Non-Hazardous	10.5	16.2	0	-1.1	25.6		
2023	Hazardous	57.7	22.2	0	-1.0	78.9	187.0	
	Non-Hazardous	91.2	16.9	0	0	108.1		

Note 1: The above data includes both reported and exempted waste (such as scrap iron, scrap plastic, and waste paper, recorded based on weighing data). The unit of measurement is tons.
 Note 2: The current location stores the information on the final temporary storage volume of waste for the year. The remaining disposal information is the sum of the quantity statistics for each month and is presented by rounding to 1 decimal place.
 Note 3: Total amount of waste generation = total amount of waste disposed of in the current year + the amount of the changes in temporary storage.
 Note 4: To more accurately reflect the annual total waste output, this year's report includes a special statistic on the changes in annual on-site waste storage volume.
 Note 5: For the 2023 waste information mentioned above, on-site processing quantities include hazardous waste incinerated by self incinerator at Plant III (987.75 tons) and the recycling of permeate from the ink process at Everlight Suzhou (57.7 tons of hazardous waste). All other quantities refer to off-site disposal.

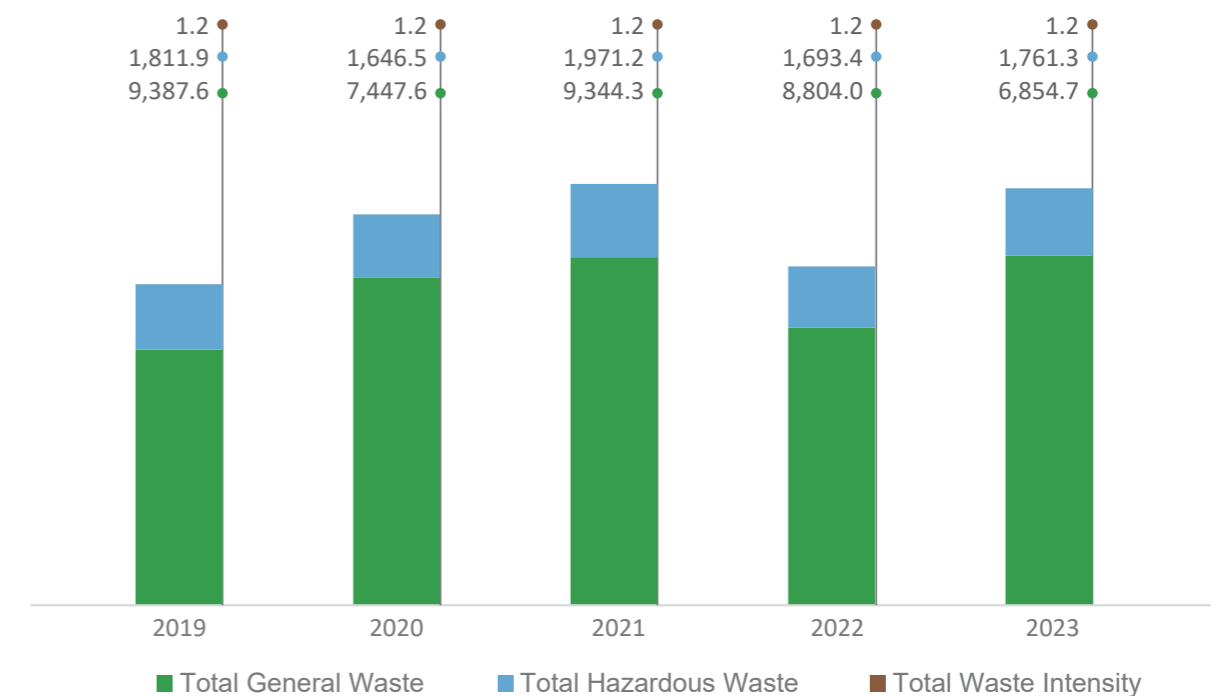
Waste Disposal from 2019 to 2023 (Unit: Tons)

Items / Year	2019	2020	2021	2022	2023
Amount of Recovery Utilization (1)	6,962.30	6,314.30	8,007.70	7,534.80	6,125.20
Directly Disposed Quantity (2)	4,291.20	2,695.90	3,107.10	3,202.90	2,568.60
Temporary Storage (3)	-63.0	83.9	200.7	-240.3	-67.8
Total Waste Generation (1) + (2) + (3)	11,199.50	9,094.10	11,315.50	10,497.40	8,616.00

Waste Intensity from 2019 to 2023 (Unit: Tons)

Management Indicators / Year	2019	2020	2021	2022	2023
Total General Waste	9,387.6	7,447.6	9,344.3	8,804.0	6,854.7
Total Hazardous Waste	1,811.9	1,646.5	1,971.2	1,693.4	1,761.3
Annual Amount of Waste	11,199.5	9,094.1	11,315.5	10,497.4	8,616.0
Total Waste Intensity (divided by production value in millions)	1.2	1.2	1.2	1.2	1.2

Waste Intensity from 2019 to 2023



Historical Waste Management Indicators and Mid-term Target

Management Indicators	2019	2020	2021	2022	2023	Mid-term 2025 ^[Note1]
Waste Recycling and Utilization Rate (%)	62	69	71	72	71	≥72
Proper Disposal Rate of Hazardous Industrial Waste(%)	100	100	100	100	100	100
Recycling Rate of Hazardous Industrial Waste(%)	1.7	2.8	3.3	4.3	10.3	≥7.3 ^[Note2]

Note 1: In 2021, subsidiaries were included in the scope. Therefore, the mid-to-long-term targets for the Group are derived based on the actual performance from 2018 to 2020 and future plans.

Note 2: The recycling rate of hazardous industrial waste (%) has been adjusted due to significant differences in product combination/process characteristics in the past two years compared to 2021, leading to a revision of the medium and long-term targets.

V. Greenhouse Gas and Energy Management (GRI 2-23)(GRI 2-24)(GRI 305-1)(GRI 305-2)(GRI 305-4)

Everlight is committed to addressing international climate change and greenhouse gas reduction trends. We continuously implement energy use management and energy efficiency improvement measures to maximize energy usage efficiency and achieve "GHG reduction" goals. Additionally, to mitigate the impacts of climate change, we promote greenhouse gas inventory and emission reduction, and actively introduce various energy management systems and innovative technological equipment to advance energy-saving and carbon reduction measures.

Impact Assessment	<p>Positive: The company effectively uses energy and manages greenhouse gas emissions, reducing negative environmental impacts.</p> <p>Negative: Energy-saving plans that are not specific or poorly executed can increase production costs and the burden on natural resources.</p>
Management Policies and Commitments (GRI 2-23) (GRI 2-24) (RT-CH530a.1)	<p>Everlight's energy management policy is to Enhance energy performance and move towards net-zero sustainability.</p>
Governance Structure	<ul style="list-style-type: none"> • Headquarter: Environmental Management Committee • Plants: Environmental Management Team and Environmental Protection Units
Management Actions	<p>We adopt the following practices to provide methods for greenhouse gas reduction and control:</p> <ul style="list-style-type: none"> • Process and equipment optimization • Introduction of innovative management methods • Conducting greenhouse gas inventory following ISO 14064-1 or regulatory standards • Continuously promoting greenhouse gas reduction measures
Resources Allocation	<p>Since 2022, we have adopted the latest version ISO 14064-1 standards and conducted verifications at all operational sites, as well as implemented ISO 50001 energy management system and conducted verifications. In 2023, we completed the carbon inventory for the parent company (including the operating headquarter, Taichung and Tainan offices, and Everlight Plant I, II, III, IV) according to the ISO 14064-1 and passed third-party verification. Additionally, Everlight Plant I, II, III also achieved ISO 50001 energy management system certification.</p> <ul style="list-style-type: none"> • Adoption of energy-saving equipment • Systematization of energy management • Investment in renewable energy infrastructure • Establishment of a Climate Change Working Group • Enhancement of product energy use efficiency
Indicators and Targets	<ul style="list-style-type: none"> • Power Saving Percentage (%) = (Power Saved/Total Power Consumption + Power Saved) × 100% • Greenhouse Gas Emission Intensity = Total Greenhouse Gas Emissions (Scope 1 + Scope 2) (tCO₂e/million NTD in production value) • Energy Intensity = Total Energy Consumption (GJ/million NTD in production value)
Assessment Mechanisms	<ul style="list-style-type: none"> • Environmental Management Review (once per year) • Sustainability Development Committee (twice per year) • Review policies and plans for plants (once per quarter) • Internal Environmental Management System Audit (once per year) • External Verification Unit (DNV) Environmental Management System Audit (once per year)
Implementation Results in 2023	<ul style="list-style-type: none"> • Power Saving Percentage: 1.5% • GHG Emission Intensity: 8.6 (tCO₂e/million NTD in production value) • Energy Intensity: 68 (GJ/million NTD in production value)
Communication with Stakeholders	<p>Relevant stakeholders include shareholders/investors, customers/brand owners, suppliers/contractors, neighboring communities and government agencies. Communication regularly/irregularly through various methods.</p>



Energy Management (Control of Energy Intensity) (GRI 302-1)(GRI 302-3)(GRI 302-4)(GRI 305-1)(GRI 305-2)

In 2023, the Company's total energy consumption is approximately 498.33×10^3 GJ, of which purchased electricity accounts for 55%. Compared with 2022 (626.93×10^3 GJ), the total energy consumption was reduced by 128.60×10^3 GJ (21%). This was mainly due to the replacement of outdated equipment (such as chillers, air compressors, ice makers) and the implementation of various energy-saving improvement measures, with an investment of around NTD 30 million. As a result, the consumption of electricity, diesel, natural gas and steam decreased by 17%, 12%, 21% and 30%, respectively, compared to the previous year. Overall energy intensity also decreased by 4% (68 and 72 GJ/million NTD in production value in 2023 and 2022, respectively). Everlight Plant II obtained self-generated solar power usage on March 1st, 2023, with an installation cost of 21.4 million NTD. By the end of 2023, our utilization rate (renewable energy/total energy) is 0.26%, with an estimated annual generation of 450,000 kWh, reducing carbon emissions by approximately 229 tCO₂e.



Everlight planned to implement ISO 50001 in Plant I, II, III in 2022 and achieved certification in 2023. Some unplanned plants also sent seed members to participate in this study to gradually expanded to the subsidiaries. This is expected to help identify areas for improvement related to energy supply risks, continuously enhance overall performance, reduce energy consumption and costs. The Company also plans to obtain ISO 50001 certification for Everlight Plant IV and Trend Tone Imaging in 2024.

Detailed Energy Consumption Statistics (2019-2023) (Unit: 10³ GJ) [Note1]

Plant	Year	Electricity	Steam	Natural Gas	Diesel	Gasoline	Liquefied Petroleum Gas (LPG)	Renewable Energy (Self-Generated Electricity)	Total
Everlight Plant I, II, III, IV	2019	207.50	192.85	163.07	3.19	1.41	0.75	0.00	568.77
	2020	195.30	169.56	154.45	2.85	1.29	0.82	0.00	524.27
	2021	223.28	197.36	198.25	3.14	1.20	0.72	0.00	623.95
	2022	188.05	146.17	148.58	2.68	1.23	0.78	0.00	487.49
	2023	167.26	102.01	117.28	2.39	1.12	0.84	1.32	392.22
Trend Tone Imaging	2019	80.55	0.00	0.00	0.00	0.24	0.00	0.00	80.79
	2020	60.27	0.00	0.00	0.00	0.20	0.00	0.00	60.47
	2021	71.40	0.00	0.00	0.00	0.12	0.00	0.00	71.52
	2022	71.49	0.00	0.00	0.00	0.18	0.00	0.00	71.67
	2023	59.77	0.00	0.00	0.00	0.00	0.00	0.00	59.77
Everlight Suzhou	2019	65.87	0.00	0.00	0.19	0.36	0.00	0.00	66.42
	2020	57.75	0.00	0.00	0.10	0.23	0.00	0.00	58.08
	2021	50.17	0.00	0.00	0.05	0.14	0.00	0.00	50.36
	2022	67.39	0.00	0.00	0.16	0.22	0.00	0.00	67.77
	2023	45.92	0.00	0.00	0.12	0.30	0.00	0.00	46.34
Total	2022	326.93	146.17	148.58	2.84	1.63	0.78	0.00	626.93
	2023	272.95	102.01	117.28	2.51	1.42	0.84	1.32	498.33

Note 1: The unit for purchased energy mentioned above is 10³ GJ.

Note 2: Calculations are based on the latest calorific values announced by the Energy Administration, Ministry of Economic Affairs, such as the calorific value of electricity: 860 kcal/kWh, and the calorific value of natural gas: 8,000 kcal/m³.

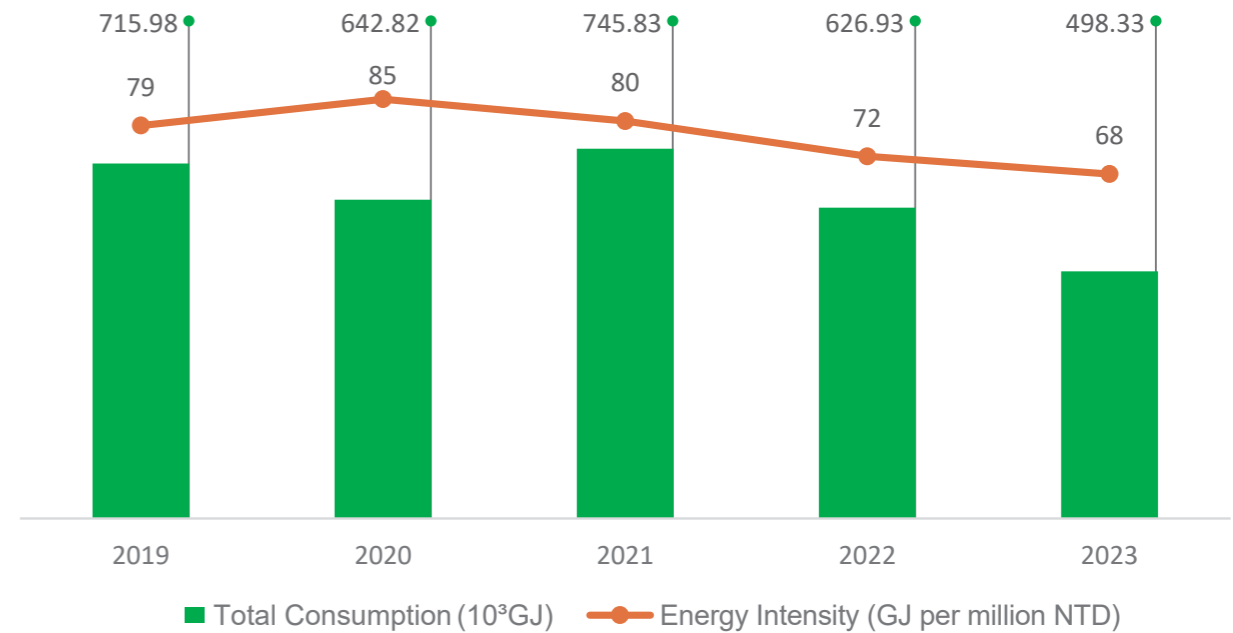
Note 3: Energy consumption conversion (GJ) = [Energy Usage (units) x Calorific Value of Each Energy (kcal/unit) x (109)]

Note 4: All statistics in the table are rounded to two decimal places.

Note 5: The reduction in energy consumption is calculated using 2022 as the base year to explore the year-over-year changes in energy consumption.

Note 6: Upon reviewing the monthly electricity data for Trend Tone Imaging in 2021, a minor discrepancy was found in one month. The corrected value is 71.40×10^3 GJ, with the total corrected to 71.52×10^3 GJ.

Historical Energy Intensity Information

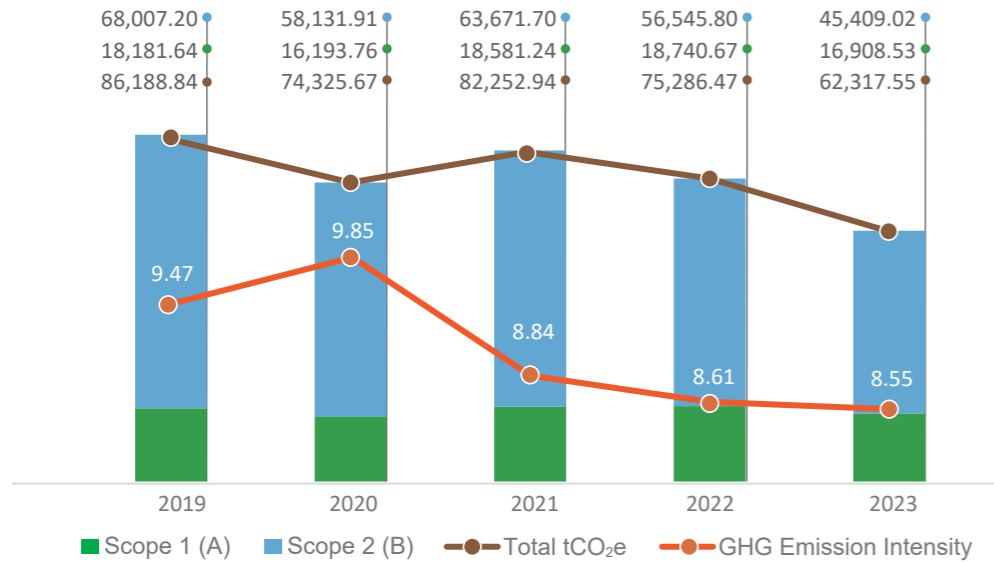


Year	2019	2020	2021	2022	2023
Total Energy Consumption (10 ³ GJ)	715.98	642.82	745.83	626.93	498.33
Production Value (million NTD)	9,106	7,543	9,311	8,744	7,283
Energy Intensity (GJ per million NTD)	79	85	80	72	68



With the implementation of various energy consumption improvement measures, the greenhouse gas emission intensity in 2023 was 8.55, rounded to 8.6 tCO₂e/million NTD in production value. Although there was no significant decrease compared to 2022 (8.6 tCO₂e per million NTD in production value), it still met the 2023 target (8.7 tCO₂e/million NTD in production value). Thanks to the efforts of all employees, the total greenhouse gas emissions for the year were 62,318 tCO₂e, a decrease of approximately 17% from 2022 (75,286 tCO₂e). Overall, we continue to work diligently according to the Group's carbon reduction plan, including replacing high-energy-consuming equipment and continuously improving processes.

Historical Greenhouse Gas Emission Intensity Information



Year	Items	Everlight Plant I, II, III, IV	Trend Tone Imaging	Everlight Suzhou	Total tCO ₂ e (1)	Production Value (million NTD)	GHG Emission Intensity (1)÷(2)
2019	Scope 1 (A)	17,905.92	126.59	149.13	18,181.64		2.00
	Scope 2 (B)	49,070.06	11,923.72	7,013.42	68,007.20	9,106.00	7.47
	Total(A)+(B)	66,975.98	12,050.31	7,162.55	86,188.84		9.47
2020	Scope 1 (A)	15,921.83	122.27	149.66	16,193.76		2.15
	Scope 2 (B)	43,405.64	8,519.64	6,206.63	58,131.91	7,543.00	7.70
	Total(A)+(B)	59,327.47	8,641.91	6,356.29	74,325.67		9.85
2021	Scope 1 (A)	18,341.41	113.62	126.21	18,581.24		2.00
	Scope 2 (B)	48,306.65	9,973.10	5,391.95	63,671.70	9,311.00	6.84
	Total(A)+(B)	66,648.06	10,086.72	5,518.16	82,252.94		8.84
2022	Scope 1 (A)	18,488.90	119.25	132.52	18,740.67		2.14
	Scope 2 (B)	39,196.81	10,105.84	7,243.15	56,545.80	8,744.00	6.47
	Total(A)+(B)	57,685.71	10,225.09	7,375.67	75,286.47		8.61
2023	Scope 1 (A)	16,659.01	106.39	143.13	16,908.53		2.32
	Scope 2 (B)	32,257.18	8,216.95	4,934.89	45,409.02	7,283.00	6.23
	Total(A)+(B)	48,916.19	8,323.34	5,078.02	62,317.55		8.55

Note 1: The greenhouse gas emission factors used for the inventory are primarily based on the "Greenhouse Gas Emission Factor Management Table Version 6.0.4" announced by the Ministry of Environmental Resources, Executive Yuan.
 Note 2: The global warming potential data from the Fifth Assessment Report (2013) of the United Nations Intergovernmental Panel on Climate Change (IPCC) is used as the basis for calculations.
 Note 3: Our company uses the operational control method to aggregate Scope 1 and Scope 2 greenhouse gas emissions across all production locations. The greenhouse gases included in the inventory are carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and nitrogen trifluoride.
 Note 4: Since Scope 3 emissions are not from "owned or controlled sources," it is more challenging to aggregate and obtain relevant emission data. Therefore, they are currently exempted from the inventory scope.
 Note 5: All carbon emission data in the table is rounded to two decimal places for intensity calculations.
 Note 6: Since 2005, Everlight has consecutively passed the ISO 14064-1:2006 version verification for six years (for Plants I, II, III). Therefore, the data from 2019-2022 was calculated using the same methodology. According to the company's scheduled timeline, an external verification body verified the data in August 2023. The 2022 carbon emissions for Plants I, II, III, IV have been updated with the verified information. This information is also included in the data revision explanation.
 Note 7: The verification method for refrigerant emissions in 2022 involved equipment refrigerant leakage, which differs from the previous self-inventory method that used refrigerant purchase and replenishment amounts. Therefore, the inventory was standardized to the verified equipment refrigerant leakage method, and the historical Scope 1 disclosure information was revised accordingly. This results in slight differences from previously disclosed carbon emission data. This information is also included in the data revision explanation.
 Note 8: The 2023 greenhouse gas emissions will be verified in Q3 of 2024, and the updated information will be disclosed in next year's report.

Special Report

Energy Saving and Carbon Reduction Results (GRI 302-4 · GRI305-5)

Through continuous efforts and innovation, we have made significant progress in reducing greenhouse gas emissions and improving energy management efficiency. We have not only achieved excellent results in reducing energy consumption and greenhouse gas emissions, but also improved overall operational efficiency and made positive contributions to achieving our sustainable development goals.

Climate Action and Energy Management

Climate change and issues posed by climate policy, emerging technologies and carbon pricing are all bringing changes and impacts to operations. Everlight has set a 25% emission reduction target by 2030 with reference to the 2030 emission reduction target proposed by the National Development Council at the end of 2022. We also conduct climate change-related financial disclosures (TCFD) and promote various carbon reduction plans and initiatives to support the 2050 net-zero carbon emission target.

Climate Action and Energy Management Measures

Firstly, we optimized processes and equipment, and implemented ISO 50001 energy management system to more effectively monitor and control energy consumption. We also followed the ISO 14064-1 standards and continuously promoted greenhouse gas reduction measures to reduce emissions. Additionally, we actively adopted energy-saving equipments, systematized energy management, and invested in renewable energy infrastructure to reduce dependence on traditional energy sources.

Promotion of Energy-Saving and Carbon Reduction Projects

Starting in 2021, we promoted energy-saving and carbon reduction projects, including the replacement of outdated equipment (such as chillers, air compressors and ice makers) and the implementation of various energy-saving measures and process and equipment improvements. The target of these energy-saving and carbon reduction measures is to save at least 1% of electricity annually^[Note 1]. In 2023, we saved a total of 1,231,000 kWh of electricity, reducing carbon emissions by approximately 609 tCO₂e, which is equivalent to the annual carbon absorption of 50,750 trees^[Note 2]. This equates to approximately 4,435 GJ of energy saved, a total electricity savings of 1.5%.



Note 1: The calculation of electricity savings and carbon reduction in 2023 is based on the latest "2022 Electricity Carbon Emission Factor = 0.495 kg CO₂e/kWh" and the relevant energy coefficient values from the 2022 Energy Statistics Handbook announced by Energy Administration, Ministry of Economic Affairs.
 Note 2: According to the article "Contribution of trees to the environment" published by Environmental Quality Protection Foundation (<http://www.eqpf.org/sf/3-1.htm>), each tree absorbs approximately 12 kg CO₂e annually. Therefore, 609 tons divided by 0.012 tons CO₂e per tree is approximately equivalent to the annual carbon absorption of 50,750 trees.

Historical Energy Saving Information

Plant	Energy Saving and Carbon Reduction Measures	Electricity Saved (thousand kWh)	Heat Value Saved (10 ⁶ kcal) [Note1]	Carbon Emissions Saved (tCO ₂ e) [Note2]	Energy Saved (GJ) [Note3]
Everlight Plant I	Replacement of Ice Maker in Building A (A03)	161	138	80	580
	Replacement of Chiller in Building G (G06)	128	110	63	461
Everlight Plant II	Replacement of 1 Chiller (RIW02)	261	225	129	941
	Replacement of 1 Ice Maker (GI01)	112	96	55	403
	Replacement of Air Compressor System in Building M	32	28	16	115
	Installation of Heat Recovery Adsorption Dryer	18	15	9	65
	Replacement of Adsorption Dryer	7	6	4	26
Everlight Plant III	Installation of Variable Frequency Energy Saving in Cooling Tower in Building P	11	9	5	39
	Replacement of Environmental Blower (RD05)	90	77	45	324
Trend Tone Imaging	Replacement of Air Compressor in Building A (200 HP)	20	17	10	72
Everlight Suzhou	Modification of Air Compressor with Permanent Magnet Motor	309	266	153	1,113
	Replacement of Cooling Tower	45	39	22	162
	Replacement of Permanent Magnet High-Efficiency Water Pump	26	22	13	94
	Replacement of Permanent Magnet Blower	11	9	5	40
Total		1,231	1,057	609	4,435

Note 1: Heat Value Saved (kcal) = [Electricity Saved (thousand kWh) × Electricity Heat Value (8.6 × 10⁶ kcal/thousand kWh)]
 Note 2: Carbon Emissions Saved (tCO₂e) = [Electricity Saved (thousand kWh) × Latest Annual Electricity Carbon Emission Factor (0.495 tCO₂e/thousand kWh)]
 Note 3: Energy Saved (GJ) = [Heat Value Saved (kcal) × Heat Value Coefficient (4.187 × 10³ joules (J)/kcal)] × 10⁹
 Note 4: All statistics in the table are rounded to the nearest integer.
 Note 5: The scope of the above carbon emission reduction performance conversion is Scope 2.

Historical Ozone-Depleting Substances (ODS) Emission Information (GRI 305-6)

Everlight has gradually reduced the use of ozone-depleting substances (ODS) refrigerants over the years, with the following performance:

Year	2019	2020	2021	2022	2023
R22 Refrigerant Usage (tons) [Note1]	2.27	3.71	1.97	1.60	0.2
CFC-11 Equivalent (tons)	0.12	0.20	0.11	0.09	0.01

Note 1: The ODP value of R22 refrigerant is 0.055 (according to the Montreal Protocol), and the ODP value of CFC-11 is 1. The usage of R22 refrigerant is converted to CFC-11 equivalent (tons) as shown in the above data.
 Note 2: The ODS emissions are calculated based on the Ozone Depletion Potential (ODP) coefficients listed in the annex of the Montreal Protocol.

Greenhouse Gas Management Performance

Regarding greenhouse gas inventory and energy use management, Everlight has established three management indicators: (1) Power Saving Percentage, (2) Greenhouse Gas Emission Intensity (tCO₂e/million NTD in production value), and (3) Energy Intensity (GJ/million NTD in production value). In 2023, Everlight Group continued to demonstrate progress towards the Net-Zero mid-term target set for 2025, as declared in 2022.

Historical Management Indicators and Mid-term Target Achievement

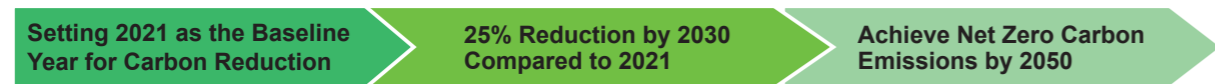
Management Indicators	2019	2020	2021	2022	2023	Mid-term Target 2025 [Note1]
Energy Saving Percentage (%)	1.5	0.8 [Note2]	1.2	1.1	1.5	≥ 1
Greenhouse Gas Emission Intensity (tCO ₂ e/million NTD in production value)	9.5	9.9	8.8	8.6	8.6	≤ 8.1 [Note3]
Energy Intensity (GJ/million NTD in production value)	79	85	80	72	68	≤ 70 [Note4]

Note 1: In 2022, external consultants assisted in planning energy saving and carbon reduction, and adjustments were made to the short, medium, and long-term reduction targets for energy intensity and greenhouse gas emission intensity.
 Note 2: The reduction in production capacity due to the COVID-19 pandemic and the increase in the production of some energy-intensive products are the main reasons.
 Note 3: The verification method for refrigerant emissions in 2022 was based on equipment refrigerant leakage, differing from the previous self-inventory method that used refrigerant purchase and replenishment amounts. Therefore, the inventory was standardized to the verified equipment refrigerant leakage method. Although the revised historical carbon emission data differ slightly from previously disclosed figures, they do not affect the previously set medium and long-term targets.
 Note 4: Considering the significant differences in product combination/process characteristics over the past two years compared to 2021, the medium and long-term targets for energy intensity have been adjusted.

VI. Climate Change Response - Mitigation and Adaptation*(Material Topic) (GRI 2-23)(GRI 2-24)(GRI 201-2)

In the face of global climate change, businesses encounter severe challenges. Everlight, following the requirements of the Financial Supervisory Commission (FSC) and referencing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), discloses the risks and opportunities brought by climate change based on four core elements: governance, strategy, risk management, and indicators and targets.

To align with the national net-zero carbon policy and the "Sustainable Development Action Plan for Listed Companies" released by the FSC in 2023, Everlight's board of directors has approved the Group's carbon reduction target for 2030, aiming for a 25% reduction based on 2021 carbon emissions levels. Everlight is committed to addressing mitigation and adaptation to climate change and believes that Everlight can jointly create a sustainable future through communication and collaboration with stakeholders.

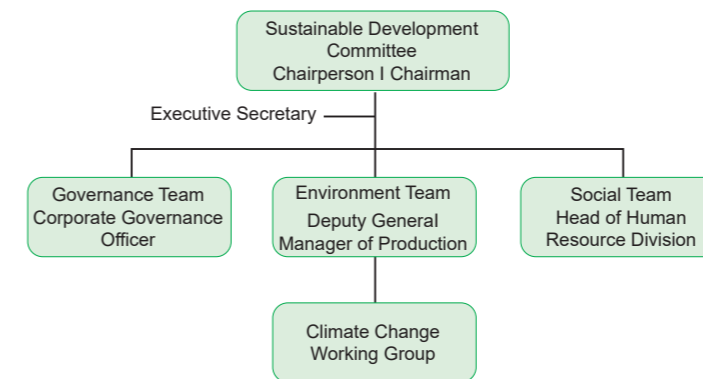


Material Topic #6	Climate Change Response - Mitigation and Adaptation
Impact Assessment	<p>Positive: The company formulates and implements carbon reduction plans, which can help stakeholders reduce carbon emissions, support climate action, and mitigate climate change.</p> <p>Negative: The company does not formulate carbon reduction plans or fails to implement them effectively, or continues to increase carbon emissions/water consumption, causing negative environmental impacts.</p>
Management Policies and Commitments (GRI 2-23) (GRI 2-24) (RT-CH530a.1)	The company has set targets to reduce carbon emissions by 25% in 2030 and achieve net zero carbon emissions by 2050, while also signing the "Net Zero Emissions Declaration."
Governance Structure	<ul style="list-style-type: none"> Headquarter: Sustainability Development Committee. Subdivided into three groups: Governance, Social, and Environmental Groups.
Management Actions	<ul style="list-style-type: none"> Everlight's board of directors is the highest-level oversight organization for climate-related risks and opportunities. The Risk Management Committee and the Sustainability Development Committee are responsible for assessing climate change impact-related matters. The subgroups under the Sustainability Development Committee execute daily actions.
Resource Allocation	<ul style="list-style-type: none"> Analyze risks and opportunities based on the TCFD framework, WBCSD chemical industry case guidance, and CDP questionnaire. Introduce risk management processes referencing "ISO 31000:2018 Risk Management - Principles and Guidelines."
Indicators and Targets	<ul style="list-style-type: none"> Greenhouse Gas Emission Intensity (tCO₂e/million NTD in production value): ≤ 8.7 (2023 management target).
Assessment Mechanisms	<ul style="list-style-type: none"> Sustainability Development Committee: twice per year Risk Management Committee: twice per year Governance Group, Environmental Group, Social Group: irregularly
Ensuring Effective Actions	<ul style="list-style-type: none"> Tracking Process: Referencing "ISO 31000:2018 Risk Management - Principles and Guidelines" to identify risk attributes and categories, as well as the probability and severity of risks, and to develop risk management strategies. Through the "Risk Assessment Process": Identify risks → Risk ranking → Risk impact assessment → Risk adaptation and pre-emptive planning. These processes are integrated into the existing risk management system, with continuous review and improvement of the status of achieving various targets and objectives. Effectiveness of Previous Actions: Annually review whether the set targets have been achieved.
Implementation Results in 2023	Greenhouse Gas Emission Intensity (tCO ₂ e/million NTD in production value): 8.55
Communication with Stakeholders	Relevant stakeholders include: shareholders/investors, customers/brand owners, suppliers/contractors, neighboring communities, and government agencies. Communication is conducted through various forms, both regularly and irregularly.

Governance

Everlight's board of directors is the highest-level oversight organization for climate-related risks and opportunities. The Board and the Audit Committee are responsible for overseeing the effectiveness of risk control. The Board has established the Risk Management Committee and the Sustainability Development Committee, which are responsible for assessing climate change impact-related matters. Board members have a thorough understanding of the importance and impact of climate change, and they consider the impact of climate change issues in major investment decisions. The governance structure of Everlight is as follows:

To enhance senior executives' understanding of the TCFD, the Group will hold a TCFD workshop in January 2024. Participants will include members of the Sustainability Development Committee and its Climate Change Task Force, members of the Risk Management Committee, and senior executives from various operating units of the Group. Management is required to consider climate-related risks and opportunities when managing various tasks, set specific goals to implement into various policies and programs, and build consensus on the Group's climate-related mitigation and adaptation issues.



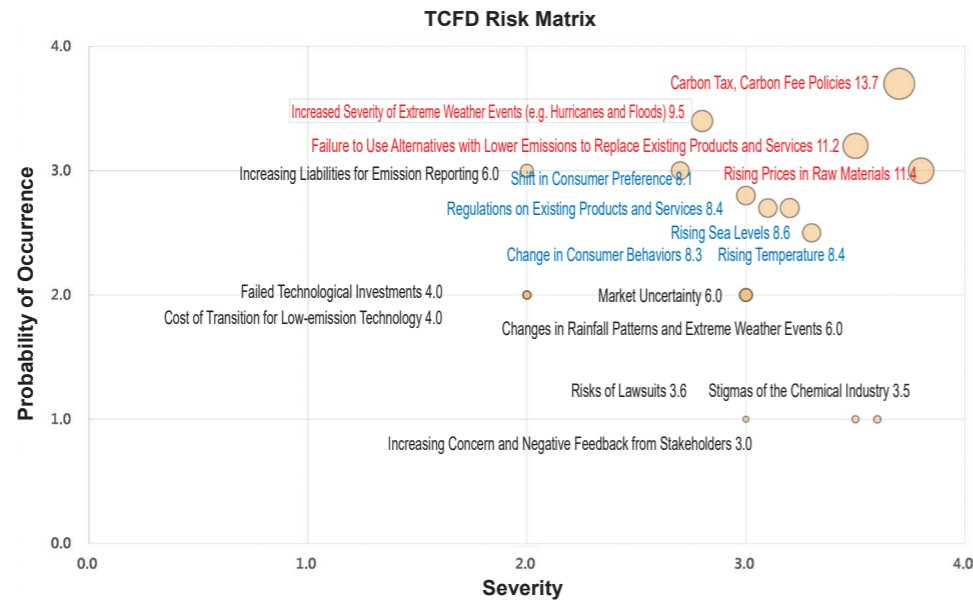
Strategy

Everlight has set targets to reduce carbon emissions by 25% by 2030 and achieve net zero carbon emissions by 2050. To achieve the vision of low-carbon transformation, the Group's operational strategies are as follows:

Year	2021	2030	2050
Emissions (Ten Thousand Tons)	8.2 Base Year	6.2 25% Reduction Compared to 2021	Net Zero Carbon Emissions
Strategies	<ul style="list-style-type: none"> Develop sustainable products Develop green chemical production technologies and promote the circular economy Implement energy management systems Initiate the replacement of high-energy-consuming equipment Carbon inventory and carbon reduction roadmap 	<ul style="list-style-type: none"> Continuously develop sustainable products Utilize green chemical production technologies and promote the circular economy Process improvements (reduce by 10,000 tons) Continuously improve the energy management system <ul style="list-style-type: none"> Replace high-energy-consuming equipment (reduce by 40,000 tons) Use renewable energy (reduce by 10,000 tons) Purchase green electricity and certificates (reduce by 20,000 tons) Decrease in power carbon emission factor (reduce by 130,000 tons) Implement a carbon risk management system 	<ul style="list-style-type: none"> Evaluate energy transition Use low-carbon energy Assess the adoption of carbon capture, utilization, and storage (CCUS) technologies Carbon sinks and negative carbon technologies

The Climate Change Working Group identifies climate-related risks based on the TCFD framework, the World Business Council for Sustainable Development (WBCSD) chemical industry case guidance, the CDP questionnaire, and the specific nature of the chemical industry. Using a risk matrix, climate-related risk issues are prioritized. Based on the company's risk management system, countermeasures are developed to control these risks.

Short, Medium, and Long-term Risks and Opportunities: Climate-related risks are identified based on their severity and probability of occurrence. A climate risk matrix is created, and the identification results of short, medium, and long-term climate risks and opportunities are organized as follows



Note 1: The above numbers represent climate risk scores and are for ranking purposes only. Red indicates major risks identified, blue indicates secondary risks, and black indicates minor risks.
 Note 2: Severity is divided into 4 levels: Level 1: Acceptable, Level 2: Minor, Level 3: Severe, Level 4: Very Severe.
 Note 3: Probability of occurrence is divided into 4 levels based on the frequency of occurrence: Level 1: >15 years, Level 2: 10-15 years, Level 3: 5-10 years, Level 4: 1-5 years.

Identification Results of Short, Medium, and Long-term Climate Risks and Opportunities

Period	Risk Identification Results	Opportunity Identification Results
Short-term	<p>Physical Risks Mainly the increased severity of extreme weather events (heavy rainfall, drought, extreme temperature changes, etc.).</p> <p>Transition Risks Due to changes in carbon policies, regulation of existing products and services, and market risks, the main impact is the increase in raw material costs and their logistics.</p>	<ul style="list-style-type: none"> Long-term development of BCM with flexible response capabilities. Possess the ability of advanced green chemistry research and development of circular economy processes.
Medium-term	<p>Physical Risks The severity of extreme weather events is increasing. Water resource shortages.</p> <p>Transition Risks Carbon management costs include capital expenditures or increased management costs resulting from reducing carbon emissions, such as carbon tax/carbon tariffs, high greenhouse gas emission pricing, and the use of renewable energy, all of which require additional costs. Changes in customer behavior and consumer preferences necessitate the introduction of low-carbon products to meet market demand, posing reputational risks. There are also technological risks associated with not replacing existing products and services with those that have lower emissions.</p>	<ul style="list-style-type: none"> Everlight emphasizes continuous improvement to develop comprehensive climate adaptation strategies and integrate them into the overall operating strategy. Possess the ability to develop low-carbon products and sustainable products to help customers reduce carbon emissions. Possess high-quality product standards and strong technical service capabilities.
Long-term	<p>Physical Risks Rising average temperatures leads to changes in lifestyles and consumption patterns, and the potential rise in sea levels could affect the actual operation of factories.</p>	<p>Actively cultivating R&D talents and capabilities will help develop and construct a value chain of low-carbon products and services that meet customer needs.</p>

2023 Process Improvement Cases and Performance, Summarized as Follows:

Specific Measures and Actions in Response to Climate-Related Risks and Opportunities

Specific Measures	Description	Specific Actions and Measures
Develop sustainable products	Develop green/sustainable products that enhance customer efficiency and save energy resources during production.	Eversorb® AQ Series Light Stabilizers for Water-Based Coatings were awarded the Taiwan Excellence Silver Award for their non-toxic, odorless, and weather-resistant environmental characteristics in 2024.
Develop green chemistry production technology	Design and produce products according to green chemistry principles.	Due to the introduction of the 12 principles of green chemistry in the process, we were awarded the Green Chemistry Application and Innovation Awards by Environment Protection Administration in 2019 and 2021.
Promote the circular economy	Enhance resource use efficiency through industry collaboration.	Awarded the TCIA Circular Economy Achievement Award in 2021.
Implement energy management	Improve energy performance.	Passed the external verification of ISO 50001 Energy Management System in 2023.
Carbon inventory projects	Implemented ISO 14064-1:2018 Inventory System. Implemented ISO 14067:2018 Inventory System.	Organizational Carbon Inventory and Verification: 1. Completed verification of the parent company scope in 2023. 2. Verification at all Group locations starting in 2024. Product Carbon Footprint Inventory: Conduct inventory starting in 2023.
Carbon reduction targets and pathway projects	Establish specific carbon reduction targets and pathways for 2030.	In 2023, the Board of Directors approved the 2030 carbon reduction target, aiming for a 25% reduction compared to 2021

2023 Process Improvement Cases and Carbon Reduction Performance (Integrated with Energy Inventory)

Strategy	Process summary description	Total amount of reduction (kg CO ₂ e)/year
Develop green chemical production technologies	Increase solid content to reduce drying time	93,738
	Additives to reduce gas consumption and drying time for spray drying	
	Improve wet label dissolution to reduce consumption of gas and time	
	Increase solid content to reduce drying time	
	Simplify process to reduce the use of raw materials and reaction time	
	Add cooling water to reduce electricity consumption during processing	
	Efficiency improvements to reduce electricity and steam consumption during processing	
Improve energy efficiency	Process improvements to reduce filtrate acidification and secondary extraction, shorten working hours, and reduce electricity consumption during processing	35,475
	Improve raw solution process to reduce electricity consumption during processing	
	Insulate jacket to reduce steam consumption	
Equipment Improvements	Optimize process, improve parameters and filter basket facilities to reduce electricity and nitrogen consumption during processing	35,475
	Optimize operating parameters to save energy consumption of air compressor during processing	
Total		129,213

Evaluating climate mitigation and adaptation strategies must also consider various aspects, including product research and development, manufacturing, supply chain management, and market operations. Carbon issues are managed based on the Group's five main product categories. The organization comprehensively assesses the likely financial impact of low carbon transition actions required for each issue based on an inventory of key risks and opportunities, as shown in the table below. This helps understand the overall financial impact and develop preventative measures and timelines.

Description of Climate Change Risks and Opportunity Impact and Financial Implications

Risks and Opportunities	Related Impacts	Financial Impact Before Action	Actions Taken	Cost of Actions Taken	
Risks	Increased Cost of Renewable Energy	Slow development of green energy may lead to price increases due to supply shortages.	Generate moderate to high negative impact	Implement ISO 50001 system to improve energy efficiency.	Starting from 2022, the energy management system was supported with approximately 1.2 million NTD; in 2023, the cost of replacing energy-saving equipment was about 30 million NTD.
	Carbon Tax/Carbon Fees	The expansion of EU CBAM regulations and the follow-up by other countries may affect the competitiveness of high-carbon products.	Generate moderate to high negative impact	Replace energy-saving equipment.	From August 2022 to July 2025, about 9.2 million NTD is planned to be invested in implementing an organizational greenhouse gas and product carbon footprint inventory system.
	Rising Costs of Raw Material	Climate change leading to increased demands and higher standards, various restrictions cause supply reductions and rising raw material prices.	Generate moderate negative impact	Implement energy management.	
	Market/Consumer Shift Towards Low-Carbon Products	Carbon pricing results in consumers strictly scrutinizing the carbon emissions of products or services, reducing the competitiveness of high-carbon products.	Generate moderate negative impact	Evaluate and implement carbon footprint and carbon risk management.	Please refer to the opportunity costs.
	Extreme Weather Events	Heavy rainfall, drought, and extreme temperature changes lead to operational disruptions.	Generate moderate negative impact	Evaluate and implement carbon footprint and carbon risk management.	An estimated 500,000 NTD will be invested in professional training of personnel in 2024.
Opportunities	Necessity of Developing Low-Carbon Transition Products	Market/consumers will shift towards low-carbon products, necessitating the development of low-carbon products at the production end.	Generate moderate to high positive impact	Develop low-carbon products and sustainable products with development blueprints.	About 4% of revenue is invested in R&D annually, all of which are used for low-carbon transition products.
	Development of Sustainable Products that Reduce User Carbon Emissions	Market/consumers will shift towards low-carbon products, necessitating the development of low-carbon products for customers.	Generate moderate to high positive impact	Enhance the adaptability of factory infrastructure and personnel.	

Climate Change Risk Management

Everlight refers to "ISO 31000:2018 Risk Management - Principles and Guidelines" to implement risk management processes. Based on different risk attributes and categories (market, political, environmental, legal, financial, operational, others) and the probability and severity of risks, we develop risk management principles and strategies.

- Climate change risk is part of environmental risk. In 2021, under the Environmental Group of the Sustainability Development Committee, a cross-departmental Climate Change Working Group was established to identify and assess climate change-related risks and opportunities.
- Climate risks are divided into two major categories: transition risks and physical risks. According to Everlight's current risk management system, assessments of transition and physical climate risks include policies and regulations, technology, market, corporate reputation, as well as immediate and long-term climate risks that may impact Everlight.
- The assessment process includes Identifying risks → Risk ranking → Risk impact assessment → Risk adaptation and preemptive planning, integrated into the existing risk management system.
- When a climate risk issue is evaluated as a major risk, specific countermeasures are proposed according to the risk handling procedure.
- Risk reporting, response, and monitoring: All responsible units should continuously monitor risks related to operations, track disposed risks to confirm that residual risks are effectively controlled, and review by the Risk Management Committee or through various management system. The status of risks and risk handling results are reported as a reference for adjusting risk control mechanisms and operating strategies.



Indicators and Targets

Since 2005, Everlight has consecutively passed third-party verification of greenhouse gas emissions under ISO 14064-1:2006 for six years (for Plants I, II and III). We continue to use this systematic approach to establish the Group's organizational carbon inventory data (including Everlight Plant IV, Trend Tone Imaging, and Everlight Suzhou) to ensure the accuracy of greenhouse gas emissions. Everlight's recent greenhouse gas emission intensity and 2030 targets are shown in the table below.

Greenhouse Gas Emission Intensity in Recent Years and 2030 Targets

Unit: tCO₂e/million NTD in production value

Year	2021			2022			2023			2024	2030
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Total	
Company	2.4	6.2	8.6	2.6	5.5	8.1	2.8	5.4	8.3	8.1	6.4
Whole Group	2.0	6.8	8.8	2.1	6.5	8.6	2.3	6.2	8.6	8.3	6.6

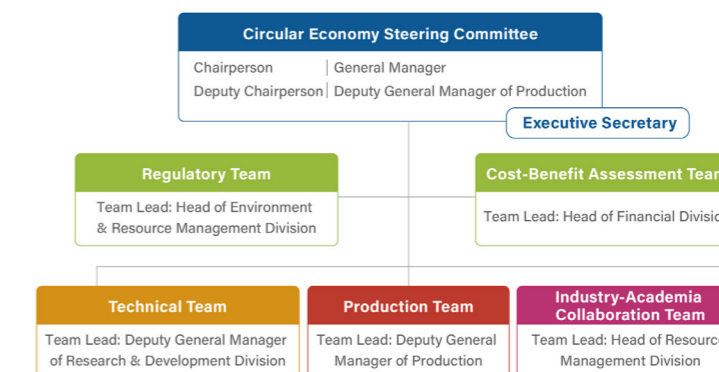
VII. Circular Economy

Purpose

Everlight adheres to the principles of "maintaining and enhancing natural resources, optimizing resource use, and promoting system effectiveness" to promote the construction of a circular system. Through circular economy methods, we address issues related to energy efficiency, recycling, waste management, water management, material and resource flows, transportation logistics, air pollution prevention, and noise prevention, aiming towards the goal of "zero emissions and zero waste."

Organizational Promotion and Operation

Everlight has established the "Circular Economy Promotion Committee." The committee is organized into three executive teams: technical, production, and industry cooperation, and two advisory teams: regulations and efficiency evaluation.



- The committee shall have a chairman who is responsible for promoting and achieving circular economy goals, and the general manager of the company serves as the chairman. A deputy chairman shall assist the chairman in promoting circular economy, and the deputy general manager of the factory serves as the deputy chairman.
- Committee members are the leaders of each executive team.
- An Executive Secretary is appointed, responsible for the relevant work and data collection and release of the Executive Committee's resolutions.
- Operation Method: The committee holds regular meetings in Q2 and Q4 each year to report and review implementation results, revise various circular economy goals and report upward.

From Product (Internal Circulation) to Industrial Chain (External Circulation) Product (Internal Circulation)

From Product (Internal Circulation)

- Internally, the Company treat used substances through various methods (e.g., filtration, distillation, purification, activation, regeneration) to make them reusable in the production process or for other purposes, achieving circular reuse.
- "Recycling dilute acid to produce ferrous sulfate": In the dye manufacturing process, approximately 950 tons of dilute sulfuric acid are produced annually, which need to be neutralized and treated at a wastewater treatment plant. After improvement, the dilute sulfuric acid is mixed with purchased iron slag to produce ferrous sulfate, used as an environmental wastewater additive. This change is estimated to save about 3.6 million NTD annually in environmental treatment costs for dilute sulfuric acid and reduce the cost of purchasing ferrous sulfate by about 3 million NTD, totaling savings of approximately 6.6 million NTD.

Industrial Chain (External Circulation)

- The Company collaborates with upstream suppliers and downstream customers to recycle packaging materials or regenerate used raw materials, reducing packaging costs and process waste.
- "Replacing raw material iron drum packaging with tank trucks": By coordinating with suppliers to import large quantities of raw materials using tank trucks, Everlight can receive shipments in batches as needed for production. This change reduces 8,000 waste iron drums annually (financial benefit of 7.5 million NTD per year) and alleviates storage space pressure in plants.
- "Recycling plastics for reuse": Collaborating with external companies, the plastic waste used within the plant is recycled and converted into pyrolysis oil, reducing plastic waste disposal costs and achieving circular reuse.



Sustainable Circulation, Outstanding Illumination Project

Everlight deeply understands the importance of Earth's resources and "sustainable development." From August 8 to December 20, 2023, the Company actively launched comprehensive circular economy experience courses across its 9 plants: Headquarter, Everlight Plant I, II, III (including Specialty Chemicals Division), IV, Group R&D, Electrochemicals Division, Pharmaceuticals Division, and Trend Tone Imaging. A total of 37 sessions were held, aiming to achieve the vision: "Behavioral change for all employees, continuously contributing to the company's circular economy performance."

In 2024, the "Circular Economy Competition" will be held, inviting experts from various plants to compete. This competition is expected to spark more creativity and wisdom. Through interaction and experience sharing among the plants, Everlight is committed to embarking on the path of sustainable development and creating a new future for the company.

2024 Circular Economy Competition Planning Schedule



Everlight operates the Company with love, providing employees with a safe and harmonious friendly workplace. We have established a human rights policy and advocate for a diversified workforce. Everlight also places great importance on talent development by hiring external experts to enhance employees' knowledge and intelligence. Additionally, we have promoted Character First education for many years, hoping that the relationship between supervisors and employees to be guided by character and fostering a positive communication model. Our aim is to provide employees with a safe, harmonious, and friendly workplace, fostering a sense of security, belonging, and honor, share business success together and enrich their lives.

I. Human Rights Policy (GRI 2-23, GRI 2-24, GRI 406, 407, 408, 409)

Everlight adheres to the Company's core corporate culture and business philosophy, taking into consideration the four core principles and rights of the International Labour Organization (ILO) and considering the local laws and regulations of each operating sites around the world, Everlight promulgated the "Everlight Human Rights Policy" on August 16, 2019. This policy explicitly states that it respects for employees' freedom of association and collective bargaining, prohibits forced labor, prohibits child labor, eliminates illegal discrimination, and continuously promotes Character First education. The policy was announced after being signed by the Chairman. The Human Rights Policy applies not only to employees but also to external providers working with Everlight (including suppliers, contractors, and subcontractors).



Human Rights Risk Assessment (GRI 2-24)

Everlight's global operating sites strictly adhere to local laws and regulations. All operating sites in Taiwan, Trend Tone Imaging, and Everlight Suzhou have implemented the Human Rights Policy and conducted relevant education and training to prevent human rights violations.

Additionally, each year more than 3,000 suppliers' procurement contracts have clearly stipulated various guarantees for both parties and their related companies to abide by and fulfill their corporate social responsibilities including, adhering to the rule of laws and international conventions, valuing ethics and character, respecting fundamental human rights, prohibiting the use of child labor, forced labor, or discrimination, and maintaining employees' health and safety. The supplier platform on the Company's official website has fully disclosed social responsibility standards, allowing suppliers to understand the Company's position and requirements on freedom of association and group consultation.

Practices to Avoid Negative Human Rights Impacts (GRI 2-24)

Everlight complies with the government's Labor Standards Act and Employment Service Act, not employing child labor under the age of 16. The Company ensures equal treatment for job applicants or employees regardless of race, language, ideology, religion, political affiliation, place of origin, gender, sexual orientation, age, or marital status. At the same time, in accordance with the laws and regulations, no person is forced or coerced into labor services, ensuring employees have reasonable working hours.

Furthermore, quarterly labor-management meetings are held by law, allowing full communication between employer and employee representatives. With a sincere attitude towards handling labor-management relations, Everlight values and appropriately responds to employee's feedback, effectively coordinating labor-management relations and promoting labor-management cooperation. An annual year-end employee forum is held, and a quarterly newsletter is published to ensure employees are well-informed about major company policies and developments, providing a timely platform for expressing opinions. This establishes clear communication channels, demonstrating Everlight's commitment to the business operation principle of "respecting employees" through an attitude of trust, respect, motivation, and care.

Human Rights Training

In 2023, the Company conducted a "Human Rights Policy Promotion" campaign. A total of 1,156 employees across Everlight's five plants in Taiwan had completed the course, achieving a 100% completion rate. The total training hours amounted to 57.8 hours, with a 100% training participation rate.

Grievance Mechanism

The Company has established a grievance system, and the grievance window is headed by the person in charge of each human resources unit. Should any related situations arise, they will be handled according to the grievance handling procedure. In 2023, no grievance cases were received.

Elimination of Unlawful Discrimination (GRI 406-1)

The Company's human rights policy explicitly states the elimination of unlawful discrimination, incorporating respect for employees as one of the core operating principles. The Company adheres to humane management, requiring employees to respect each other and prohibiting discrimination, harassment, verbal abuse, and physical violence. A "Sexual Harassment Complaint and Disciplinary Regulations" has been established, and a "Grievance Handling Committee" has been set up to handle such complaints. In 2023, there were no reported cases of discrimination.

Prevention and Treatment of Sexual Harassment

The Company has established "Workplace Sexual Harassment Complaint and Disciplinary Regulations," which include defining the scope of sexual harassment, setting up a Sexual Harassment Complaint Handling Committee, complaint and relief mechanisms, review procedures, confidentiality responsibilities, and referral services for counseling or medical care. A dedicated phone line, fax number, mailbox, or email address for sexual harassment complaints has been set up, and relevant information is prominently displayed in the workplace. Employees who encounter sexual harassment in the workplace can file complaints with the regional committee members. Additionally, regular training on sexual harassment prevention is conducted for employees to establish correct prevention concepts and eliminate sexual harassment incidents. In 2023, no sexual harassment incidents were reported.

II. Labor-Management Communication (GRI 2-30)

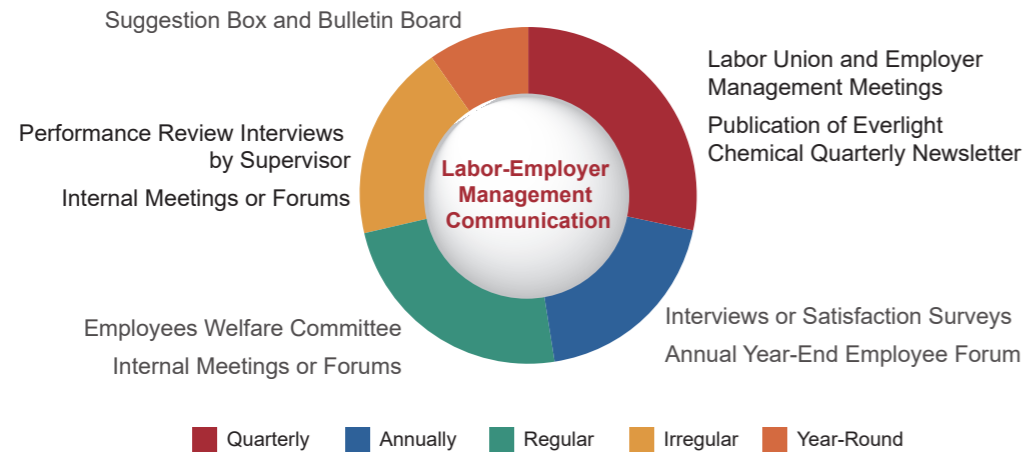
Labor Union [Note1]

The Company's labor union was established in 1987, and labor-management meeting procedures were formulated in accordance with the Labor Standards Act. Quarterly labor-employer management meetings are held to discuss labor-employer issues, strengthen labor relations, and protect workers' rights. With labor union's consent, the Company has filed the "Work Rules" with the Taipei City Government. In 2023, there were no labor disputes. Although the Company has established a labor union, it has not signed a group agreement because it has not been negotiated and evaluated.



Note 1: The labor union members include employees from Everlight Chemical (including Headquarter and Plant I, II, III, IV). The total number of employees is 1,325, excluding 135 fixed-term contract employees (foreign migrant workers + interns). Therefore, 1,325 - 135 = 1,190 (total number of Everlight Chemical employees), and 961/1,190 = 81%.

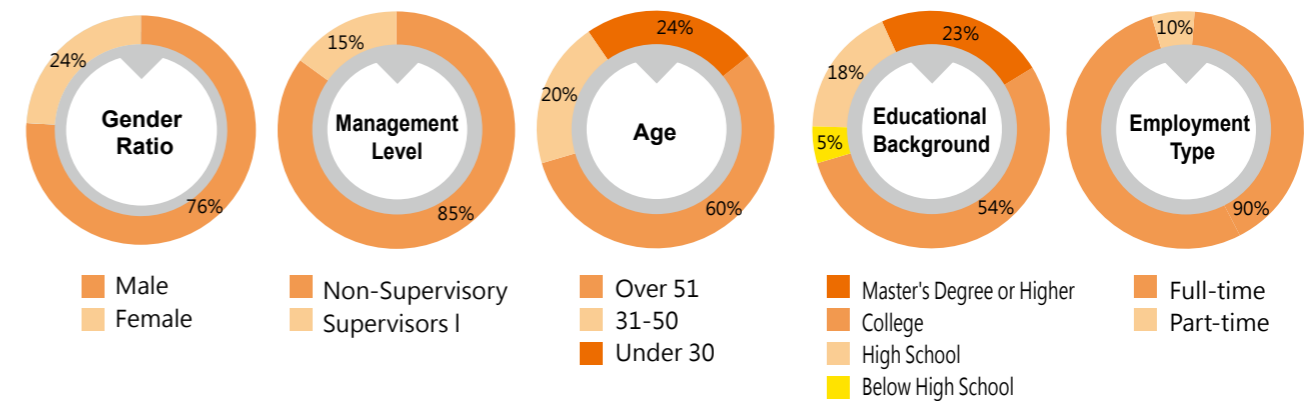
Everlight has established a "Employee Welfare Committee," which is operated and managed by employees on various matters which related to employee welfare, and provides multiple communication channels to encourage employees to express their opinions and participate together. Employees can enhance smooth labor-management communication through work reports and proposals. Additionally, monthly meetings are held to keep employees fully informed about the Company's operational status and future development. An annual year-end employee forum is also held every year, and quarterly newsletter of Everlight Chemical is published to ensure employees are well-informed about major company policies and development directions. This allows employees to express their opinions timely and establishes clear communication channels, embodying Everlight's operating principle of "respecting employees" through practical actions.



III. Diverse and Friendly Workplace

Employee Composition of Everlight (GRI 2-7, 2-8, 405-1)

In 2023, Everlight had a total of 1,830 full-time employees, with 76% male and 24% female employees. The average age of all employees was 39.99 years old, and the average length of service was 10.38 years. Supervisors accounted for 30% of the workforce, while non-Supervisory employees made up 70%. 56% of employees were aged from 31 to 50 years old, 24% were over 51 years old, and 20% were under 30 years old. The educational distribution of employees is as follows: 54% with a college degree, 22% with a master's degree or above, 18% with a high school diploma, and 5% with less than a high school diploma. Based on employment type, 90% of Everlight employees were full-time, while 10% were part-time. Please refer to Appendix 5 Social Data for the employment type classification of other subsidiaries.

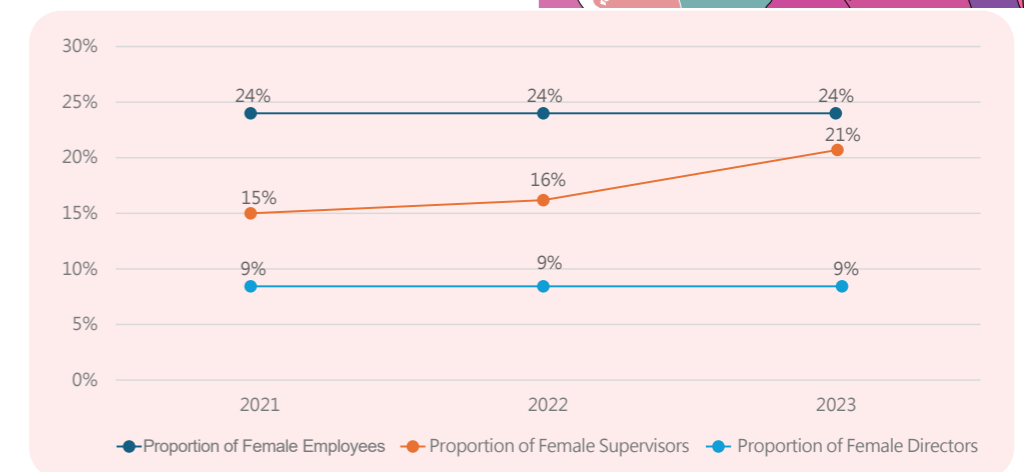


In addition to the personnel within the above-mentioned structure, the Company has 15 non-employee workers, referring to those stationed at Everlight's operating sites to provide services, but they are not employed by Everlight (i.e., on-site contractors). Their work includes maintenance and repairs, soil conservation, catering staff, and cleaning operations.

Diversity commitment and female employee ratio (GRI 405-1)

Everlight is committed to creating a diversified and friendly workplace environment. Recruitment and employment are not limited by nationality, race, or religious beliefs. The Company continuously promotes multi-skilled workers and positive job rotation, cultivating talents in various fields. Male and female employees receive equal pay for equal work, consistently advancing towards a culture of diversity.

Currently, the proportion of female employees at Everlight is 24%. Moving forward, the Company aims to benchmark itself against leading domestic and international companies to increase the proportion of female employees, supervisors, and directors, demonstrating the Company's efforts to gender equality.



Email Inbox

Every employee has a personal "email inbox," which they can use to convey their opinions to the relevant department supervisors. "Respecting employees" is one of our twelve operating principles, and we listen to and respect the opinions provided by employees.

Proposal System

The Company has established a "Proposal System," where employees can submit issues or observations they encounter in their daily work. Guided and assisted by their direct supervisors, employees can report specific improvement suggestions to the "Proposal Review Committee" for evaluation. Based on the review results, proposal grades and rewards are given. Three months after the proposal is implemented, a "Proposal Effectiveness Award" is re-evaluated. Adopting employee opinions through the "Proposal System" is a win-win approach. In 2023, a total of 620 proposals were submitted, with 536 being implemented, resulting in an implementation rate of approximately 86.5%.

Annual Year-End Employee Forum

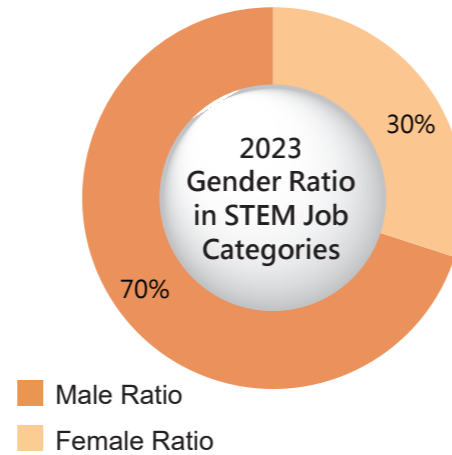
At the end of each year, an Annual Year-End Employee Forum is held, chaired by the Top supervisor of the respective plant or department. Employees can bring up issues that have yet to be resolved or take this opportunity to express their personal opinions. Through collective brainstorming, solutions are discussed collaboratively. Subsequently, specific responses to the matters raised during the forum are provided and announced to all employees.

Severance notice period (GRI 402-1)

The Company holds "labor-employer meetings" quarterly in accordance with the law. If the employment relationship with some employees needs to be suspended due to major operational changes, advance notice will be given according to the regulations of each operating site. We place great importance on understanding the reasons for employee resignation. Therefore, supervisors or relevant personnel conduct resignation interviews for each case and summarize the reasons, and make necessary improvements to provide a better workplace environment and system, thereby enhancing employee stability.

Gender Ratio in STEM Job Categories

In the field of innovation and research, the Company conducted a survey of STEM (Science, Technology, Engineering, Mathematics) related job-categories in 2023. Relevant departments include positions related to statistics, mathematics, and actuarial work, such as the materials purchasing department and information technology department. In 2023, women accounted for 30% of the total number of STEM employees, and the ration of STEM positions accounted for 28.2% of the total workforce, showing a slight increase compared to last year. Although the proportion of women in STEM is lower than that of men, Everlight continues to encourage all employees to improve regardless of gender.



Special Report

2023 Winner of Taoyuan Enterprise Women's Power Award – Product Stewardship Director Dr. Huang Hwei-Chin

We firmly believe that every employee should receive ample support and resources to realize their potential and achieve personal and professional goals. To foster an environment that promotes innovation and research, we are committed to providing diversified training and resources.

For female scientists, we focus on providing support and opportunities. We strive to eliminate gender disparities and establish an inclusive and equitable work environment. We offer support through mentorship programs and women's networks, helping them build relationships, share experiences, and support each other. Through these efforts, we aim to create an inspiring environment that encourages innovation and research. We believe that by providing sufficient resources and training to our employees, especially female scientists, we will achieve greater accomplishments and stay at the forefront of our industry.

Take action to promote the practice of Everlight's green chemistry

From the Department of Chemistry to Everlight, this was a journey full of perseverance and challenges. In her R&D work, she led the team through continuous trials and adjustments, cultivating an unparalleled resilient quality. Even when traveling abroad to convey the Company's philosophy to foreign clients, she remains enthusiastic.

After transitioning to the role of Director of Product Stewardship, she promotes the Company's sustainable development with a broader vision. She actively participates in international organizations, proposes ideas for sustainable chemical management and strives to drive change in the global chemical industry. Despite being one of the few women in the chemical industry, she has earned her place through professionalism and achievements.

"Women are certainly a minority in the chemical industry. Most women are good at listening, empathizing with others, and willing to communicate. If these are well utilized, they can facilitate collaboration with men. By continuously enhancing their professional skills and demonstrating confident expertise, women can also have an important positoin in the chemical industry."

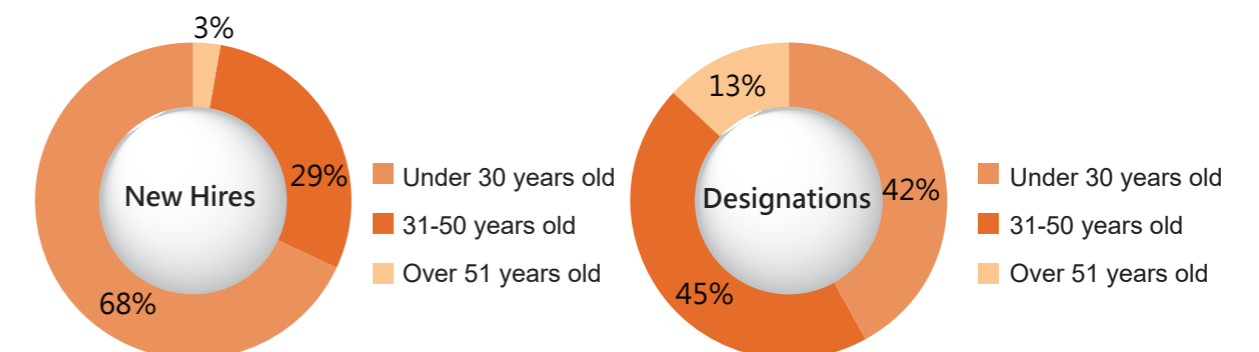


Awards and Achievements

- 1995: Successfully obtained the first patented product "Everzol Black GSP"
- 2018: Honored at the China Dyestuffs Centenary Award
- 2023: Taoyuan City Taoyuan Enterprise Women's Power Award

Ratio of New Hires and Designations

In 2023, Everlight hired a total of 270 new employees across the entire group, and 249 formal employees left. The majority of new hires were under the age of 30, while the proportion of resigned employees was slightly higher between 31 to 50 years old. The ratios of both new hires and designations are not much different from 2022.

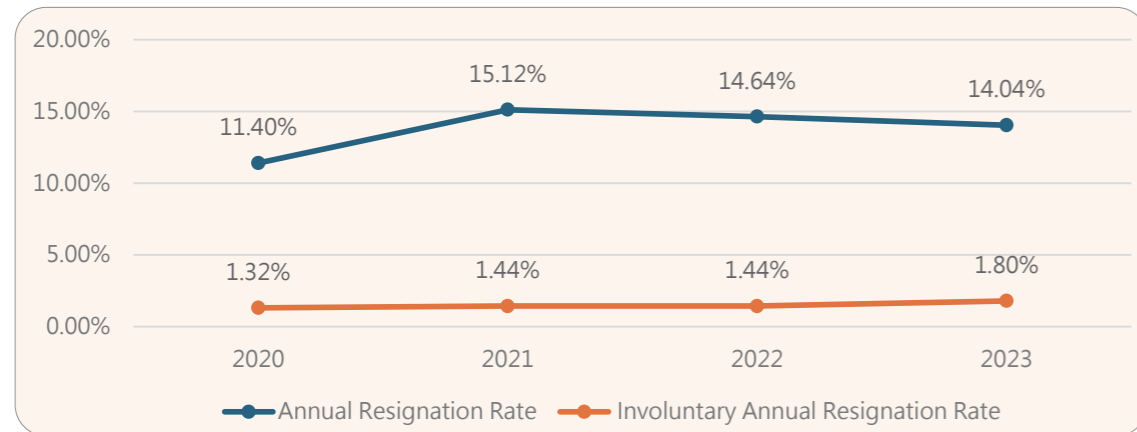


Counseling for Resigned Employees

We list the turnover rate as one of our management indicators and aim to reduce this rate as a management goal. Arrange counseling for resigned employees: the department supervisor or the HR supervisor actively reaches out to understand the direct reasons (family factors, health issues, continuing to study, seeking better opportunities, etc.) or indirect reasons (such as company policies, organizational culture, workplace atmosphere, interpersonal relationships, employee training, and career planning, etc.). This information serves as a reference for internal management review and improvement. In 2023, the turnover rate decreased compared to the previous year.



Annual Turnover Rate Over the Years



Note 1: Annual turnover rate (%) = [(Number of voluntary resignations in January/Number of people who have been employed in January) + ... + (Number of voluntary resignations in December/Number of people who have been employed in December)] x 100%
 Annual involuntary turnover rate (%) = [(Number of involuntary resignations in January/Number of people who have been employed in January) + ... + (Number of involuntary resignations in December/Number of people who have been employed in December)] x 100%
 ※ Number of people who have been employed in month N is equal to the number of people who were employed at the end of N-1 month + the number of new employees in month N (the number of people employed at the end of month is those who are employed and have not resigned or left without pay)
 ※ The number of new employees in the current month includes the number of people who left without pay and returned to work in the same month.

Ratio of Entry-Level Employee Wage to Local Minimum Wage (GRI 202-1)

In 2023, the ratio of Everlight's male and female employee wages to the local minimum wage was 1.14:1. All employees' wages were higher than the local minimum wage. Additionally, due to a decline in performance in 2023, which affected bonus distribution, the average salary for full-time employees who do not in supervisory positions was 718,000 NTD, a decrease of 8.7% compared to 2022. The median salary for full-time employees not in supervisory positions was 682,000 NTD, a decrease of 8.2% compared to 2022.

Full-Time Employee Salaries of Everlight

Items / Year	2019	2020	2021	2022	2023
Number of Full-Time Employees Not in Supervisory Positions ^[Note1]	1,310	1,257	1,175	1,174	1,213
Average Salary of Full-Time Employees Not in Supervisory Positions (thousand NTD/person)	713	676	741	786	718
Median Salary of Full-Time Employees Not in Supervisory Positions (thousand NTD/person)	680	647	707	743	682

Note 1: According to the definition provided by the Taiwan Stock Exchange, "full-time employees who do not in supervisory positions", which refers to all employed staff (or regular employees) of an enterprise minus those who hold supervisory positions (managers), employees of overseas subsidiaries, part-time employees, and personnel exempted from statistics. This count includes both Taiwanese and foreign employees. The disclosure is based on the regulations for general listed companies, excluding employees of overseas subsidiaries, and only includes individual data for Everlight.

Ratio of basic salary and remuneration of women to men (GRI 405-2)

In 2023, the ratio of basic salary and remuneration for female entry-level employees to male entry-level employees in the Company was 1:1.

Ratio of annual remuneration paid (GRI 2-21)

Annual total remuneration ratio ^[Note1]	4.4
Annual change rate of total remuneration ^[Note2]	0.43

Note 1: Annual total remuneration ratio = Annual total remuneration of the highest-paid individual in the organization / Median annual total remuneration of all employees (excluding the highest-paid individual)
 Note 2: Annual change rate of total remuneration = Percentage increase in annual total remuneration of the highest-paid individual in the organization / Percentage increase in median annual total remuneration of all employees (excluding the highest-paid individual)
 Note 3: The Company uses the "Salary Information Reporting of Full-Time Employee for Non-Supervisory Positions" as required by the Taiwan Stock Exchange as the statistical basis, disclosing the annual total remuneration of the highest-paid individual and the median salary of full-time employees.

IV. Employee Welfare and Care (GRI 201-3, 401-2, 401-3, 411)

Everlight upholds the belief in taking care of employees' lives and caring for their rights. The Company has established a Staff Welfare Committee to coordinate various welfare measures, extending the Company's care to employees and their families. Key disclosures are as follows:

Creating a Diverse and Gender-Friendly Workplace Environment

Care for Female Employees :

- (1) Establish lactation rooms and provide friendly parking spaces during pregnancy.
- (2) Provide relevant regulations for "Maternity Health Protection" before and after childbirth, ensuring that female employees feel convenient and valued in terms of "Maternity Health Protection."

Statistics on Return and Retention after Parental Leave in 2023 (Everlight and Trend Tone Imaging) (GRI 401-3)

Employees can freely apply for parental leave to achieve a balance between work and family, allowing them to take care of their children with peace of mind. Statistics in 2023 showed that the return-to-work rate for both female and male employees remain at 100%.

Items	Male	Female
Number of employees eligible to apply for parental leave in 2023	15	11
Number of employees who actually applied for parental leave in 2023	10	8
Total number of employees due to return to work in 2023 (A)	5	8
Total number of employees reinstated in 2023 (B)	5	8
Reinstatement rate in 2023 (B/A) x100 %	100%	100%
Total number of employees reinstated in 2022 (C)	2	8
Number of employees still employed 12 months after reinstatement in 2022 (D)	0	5
Retention rate in 2023 (D/C) x100%	0%	63%

Note 1: Statistics include employees who applied for maternity leave or paternity leave from January 1, 2023, to December 31, 2023, and were still employed as of December 31, 2023.
 Note 2: The definition and calculation method of parental leave for overseas subsidiaries differ, so they are not included in the statistics.

Employee Childbirth Allowance and Childcare Services

- To help employees having balance work and family life, the Company provides support for new parents. Employees in Taiwan receive a childbirth incentive of 20,000 NTD and an additional childbirth subsidy of 2,000 NTD per child provided by the Employee Welfare Committee. In 2023, 18 employees had benefited from this program and received bonuses, with a total of 360,000 NTD distributed.
- Since 2013, the Company had provided employees with contracted cooperative community kindergartens, including enrollment discounts, helping employees properly arrange childcare without worries.
- The Company provides childcare services through contracted community kindergartens, offering enrollment discounts to employees.



Providing Educational Scholarships and Bursaries for Employees' Children

In 2023, a total of 224 employees received subsidies, benefiting 575 children over two semesters. Additionally, for families of deceased employees, the Company provides children's living allowances and spring festival consolation funds for the family, along with regular phone calls to check on their well-being.

Encouraging Diverse Groups and Community Activities, and Providing Subsidies

- The Company has a total of 18 clubs, all of which are voluntarily established by employees and regularly hold activities to promote physical, mental and spiritual growth.
- In 2023, the total number of participations reached 770 people.
- The Library Committee of the Employee Welfare Committee is responsible for purchasing high-quality audiovisual books and magazines for employees to borrow, enriching their lives and knowledge after getting off work.
- The Company provides fitness equipment (such as treadmills) to encourage employees to exercise and maintain physical and mental health.

Organizing Annual Employee Travel Activities

- The Recreation Committee of the Employee Welfare Committee is responsible for planning and organizing the annual employee travel activities, offering a variety of itineraries to choose from.
- In 2023, 1,118 employees registered for the annual employee travel, with 94% of them using the travel subsidy.
- On October 21, 2023, Headquarters held the first-ever sustainable travel event. More than 30 employees and their families visited Plant IV and famous ecological sites.

New Sustainable "Reef" Point – Everlight Headquarters Holds the First Sustainable Trip

Treasures of the coastline: Guanxin algae reefs and grassy sand dunes

Everlight Plant IV is located in Taoyuan City, adjacent to the Guanxin Algal Reef and Caota Sand Dunes, two coastlines worth protecting in Taiwan. To promote environmental protection, the Company held its first sustainable trip for the first time. More than 30 employees visited Plant IV and ecological sites, initiating a beach cleanup activity.

Guanjin Algal Reef: A 7,000-Year-Old Ecological Miracle

The first stop was to visit the Guanjin Algal Reef, where employees participated in a beach cleanup to protect this 7,000-year-old ecological wonder. Everlight is committed to environmental protection, and this trip aimed to raise employees' awareness of natural ecology and encourage environmental conservation.

Visiting the Green Factory and Sustainable Resource Center

Everlight Plant IV is a representative of green factories. Our employees listened to the plant manager's introduction and gained an in-depth understanding of the Company's efforts in green chemistry. They also visited the Sustainable Resource Center, through interactive experiences to learn about the practice of the circular economy, including displays of eco-friendly dyeing and finishing solutions.

Guardians of the Caota Sand Dunes

Everlight Plant II has been adopted the Guanyin Coast for a long time, conducting beach and dune cleanups to protect this beautiful scenery. Volunteer tour guides explained the ecology of coral reef and coastal forest in the dunes, emphasizing the protection of this 8.1-kilometer stretch of coastline.



Feedback from participants : "The special exhibition at the Taoyuan Resource Center was very impressive. Not only we could see many vendors sharing products and processes related to the circular economy, but also we could interact directly with the manufacturers to ask questions and get immediate responses instead of just explaining with pictures and texts! This interactive approach can stimulate more creative ideas and was truly memorable! "

Looking Ahead (Participant Feedback)

In addition to the attractions visited this time, there are more ecological attractions waiting to be explored. Everlight calls on employees to actively participate and jointly protect the beautiful natural environment.



Assist employees with serious injuries and care for the families of deceased employees

- Provide special care and necessary assistance in daily life for employees who suffering from serious illnesses or injuries.
- Provide living subsidies for the children of deceased employees and spring festival consolation funds for the family, along with regular phone calls to check on their well-being.

Everlight Low-Carbon Healthy Kitchen

- Everlight takes care of employees' dietary needs. The canteen committee members of each plant are responsible for supervising meal quality and hold regularly meeting with the catering company to ensure a balance between cost and quality, guaranteeing nutritional balance, safety, and hygiene for employees' meals.
- The Company promotes the low-carbon healthy kitchen in the plants (taking care of employees in term of diets) and has received the Low-Carbon Healthy Kitchen Certification from Taoyuan City.

Caring for Aboriginal and Foreign Employees

- The Company respects the cultural traditions of Aboriginal employees and has provided "ceremonial leave" to 7 Aboriginal employees.
- In 2023, the Company employed a total of 134 foreign workers. Through the "Foreign Employee Management Regulations," regular evaluation of employment agencies, and the provision of relevant measures (as listed below), Everlight ensures that foreign employees can work comfortably in a warm, positive, and inclusive workplace environment.

- (1) Providing recreational and sports facilities.
- (2) Arranging counselors to visit the plant for care.
- (3) Holding year-end Thanksgiving services and dinners.
- (4) Organizing various competitions and recreational activities.
- (5) Subscribing to satellite channels.
- (6) Preparing hometown-style meals on weekends.

- Foreign employees are free to join church pastor's fellowship for spiritual support and comfort.
- Since 2022, to reduce the burden on foreign employees, the Company has subsidized employment fees for foreign migrant workers. By the end of 2023, 263 employees had benefited.



Plant I Foreign Employee Badminton Activity



Plant III Foreign Employee Basketball Tournament



Year-End Thanksgiving Activity of Foreign Employees



Plant II Foreign Employee Basketball Tournament



Plant I Foreign Employee Cycling Activity

Employee Transition Assistance Programs (GRI 404-2, GRI 2-25)

In 2023, the Company continued to provide the "Employee Assistance Program" (EAP), and employees can access the consultation hotline and individual interview offered by the "Chinese Psychotherapy Foundation". Employees can also use the Employee Assistance Program for consultations related to retirement or career transitions. In 2023, 32 employees applied for this program.

Retirement System (GRI 201-3)

- All Everlight's employees (including senior managers) participate in retirement plans according to the Labor Standards Act or the Labor Pension Act.
- The Company also offers the "60 Project (Years of Service + Age)" for "Early Retirement" applications for employees in need.
- The Company presents retirees with trophies and souvenirs, and the top supervisor presents character certificates to acknowledge retirees' contributions and service to the Company.

For retired employees, the Company offers re-employment as consultants based on their expertise. Since 2022, a total of 4 consultants have been hired (3 of whom have been rehired for two consecutive years, and 1 was newly hired in 2023) to participate in projects/consultations, assist successors in their original positions, and help retired supervisors adapt to retirement life so their valuable workplace experience is effectively passed on.

V. Talent Attraction and Development*(Material Topic)

Attracting and developing talent is not only a key issue but also essential for achieving sustained progress of the industry. In the chemical industry, the selecting, cultivation, and retention of talents are crucial factors for ensuring long-term success. Facing increasingly complex and diverse challenges, we understand that only by having an outstanding talent team can we drive technological innovation, implement environmentally friendly production methods, and respond to social needs.

Material Topic #2	Talent Attraction and Development
Impact Assessment	<p>Positive: If the Company values talents and has comprehensive development plans and has a complete training plan to stabilize workforce and productivity, it will enhance corporate image, and make stable contributions to the economy and society.</p> <p>Negative: If the Company places less attention to talent attraction and development, it can lead to high employee turnover, hindering economic development and the fulfillment of social responsibilities, or a poor corporate image that negatively impacts the industry's reputation.</p>
Management Policies and Commitments (GRI 2-23) (GRI 2-24) (RT-CH530a.1)	The Company is committed to attracting and developing outstanding talent. We provide a good working environment, challenging positions, continuous professional training and development opportunities, and a fair salary and benefits system. We encourage employees to continue learning and innovating to achieve mutual growth as individuals and company.
Governance Structure	<ul style="list-style-type: none"> ● Headquarter: Human Resources Department
Management Actions	<ul style="list-style-type: none"> ● Pre-employment Training: Train new employees through a mentorship system to help them become familiar with the environment. ● On-the-job training: Through the digital learning platform, digital magazines and publications for self-study and growth are provided. Participate in physical education training and blended learning to enhance professional capabilities. ● Character Education: Promote character education to enhance employees' positive intrinsic qualities.

Material Topic #2	Talent Attraction and Development
Resource Allocation	<ul style="list-style-type: none"> Conduct annual training needs surveys based on general competency qualifications, specific competency qualifications, and the Business Continuity Management (BCM) key personnel list and competency confirmation table to strengthen the competencies of various employees. Implement "Management Capability Assessment Tools" for senior executives' personal development plans and develop personal development plans for middle and senior managers to establish a talent pool for succession planning. Key Talent Development Plan (planned in response to future development of organization): <ol style="list-style-type: none"> Provide development learning opportunities and reward measures for key talents, and conduct a group rotation and training plan based on personal characteristics and career development goals. Construct talent assessments for successors and plan a three-year development plan and leadership training for successors. Training for Middle and Senior Manager: focus on leadership, professional skills, business and communication capabilities. New Employee Training: Provide training and experience inheritance for new production process employees. Company-wide Sustainable Development and Transformation Training: A total of 37 sustainability-related training sessions were held, with 1,287 participants and a total of 1,921 hours.
Indicators and Targets	<p>There are three management indicators, namely PR value of 104 employer brand survey, Annual Turnover Rate (%), and introduction of Talent Quality-management System (TTQS) system to construct functional training system.</p> <ul style="list-style-type: none"> PR value of 104 employer brand survey: The "Employer Brand" considers the actual performance of the Company's internal and external talent management. Based on "Talent Attraction" and "Employee Retention," the two indicators are multiplied by weights and added together. The result is then ranked against the selected companies to produce a percentile ranking (PR value), which reflects the overall strength of the Company's employer brand. The higher PR value indicates the better employer brand. Annual turnover rate (%) = [(Number of voluntary resignations in January/Number of people who have been employed in January) + ... + (Number of voluntary resignations in December/Number of people who have been employed in December)] x 100% <ul style="list-style-type: none"> ※ Number of people who have been employed in month N is equal to the number of people who were employed at the end of N-1 month + the number of new employees in month N (the number of people employed at the end of month is those who are employed and have not resigned or left without pay) ※ The number of new employees in the current month includes the number of people who left without pay and returned to work in the same month. Introduction of TTQS system to construct functional training system <p>2024 Targets ^[Note1]</p> <ul style="list-style-type: none"> 104 Employer Brand Survey PR Value ≥ 90 Annual turnover rate (%) ≤ 14% TTQS system construction completed
Assessment Mechanisms	<ul style="list-style-type: none"> Employee performance appraisal is conducted in May and November each year.
Ensuring Effective Actions	<ul style="list-style-type: none"> Regular performance appraisal and career development reviews are used as the basis for competency training and job promotions.
Implementation Results in 2023	<ul style="list-style-type: none"> 104 Employer Brand Survey PR Value = 97 Annual turnover rate (%) = 14%
Communication with Stakeholders	<p>Relevant stakeholders include shareholders/investors, customers/brand partners, suppliers/contractors, neighboring communities, and government agencies. Communication with them is conducted through regular/irregular in various forms.</p>

Note 1: 104 Employer Brand Survey PR value and introduction of TTQS system to construct functional training system are newly set management indicators in 2024.


Employee Skills Enhancement, Training Opportunities, and Career Development (GRI 404-1, 404-2)

The Company conducts talent selection, training, employment, and performance management based on job competency structure. Employees submit an annual education and training needs survey based on general competency qualifications, specific competency qualifications, and the BCM critical manpower list and competency confirmation form to enhance the skills of various employees.


Further Training Opportunities and Career Development (GRI 404-1)

According to the annual training plan, the Company arranges and implements training courses within the education and training system for employees, such as pre-employment training (including general and professional subjects) and on-the-job training (including motivational education, hierarchical training, and professional training). The goal is to continuously enhance the abilities and qualities of talents in various fields such as production, research and development, marketing, and management, thereby enhancing the Company's competitiveness.

Employees may be assigned domestic or abroad training and study opportunities by the Company due to job requirements (including pursuing master's or doctoral degrees or professional technical studies) to improve their own performance, enabling them to achieve better results in the workplace. Satisfaction surveys are conducted after training courses, and feedback and suggestions from colleagues is used as a reference for future course.



- (1) To date, 39 employees have studied for master's or doctoral degrees and participated in on-the-job training programs.
- (2) In 2023, 6 colleagues are studying online (including 3 are still studying master's and doctoral degrees), focusing on business management and professional subject areas.
- (3) In 2023, the total number of employee training hours in 2023 is 125,486 hours, and the average training hours per employee is 69 hours.



The average training hours per employee of Everlight Group in 2023 (GRI 404-1)

	Male employees' training	Female employees' training Total Hours	Total	Male Average Training Hours	Female Average Training Hours
Supervisor	Total Hours	7,048	42,642	70	69
Non-Supervisor	63,316	19,528	82,844	76	53
Total	98,910	26,576	125,486	73	56

Note 1: The statistical number includes all colleagues who were employed during the year 2023, including those from Trend Tone Imaging, Suzhou, Ethical/Dehua, Shanghai Anli, Mingguang, Hong Kong, Netherlands, United States, Turkey, and Vietnam.

Pre-Employment Training

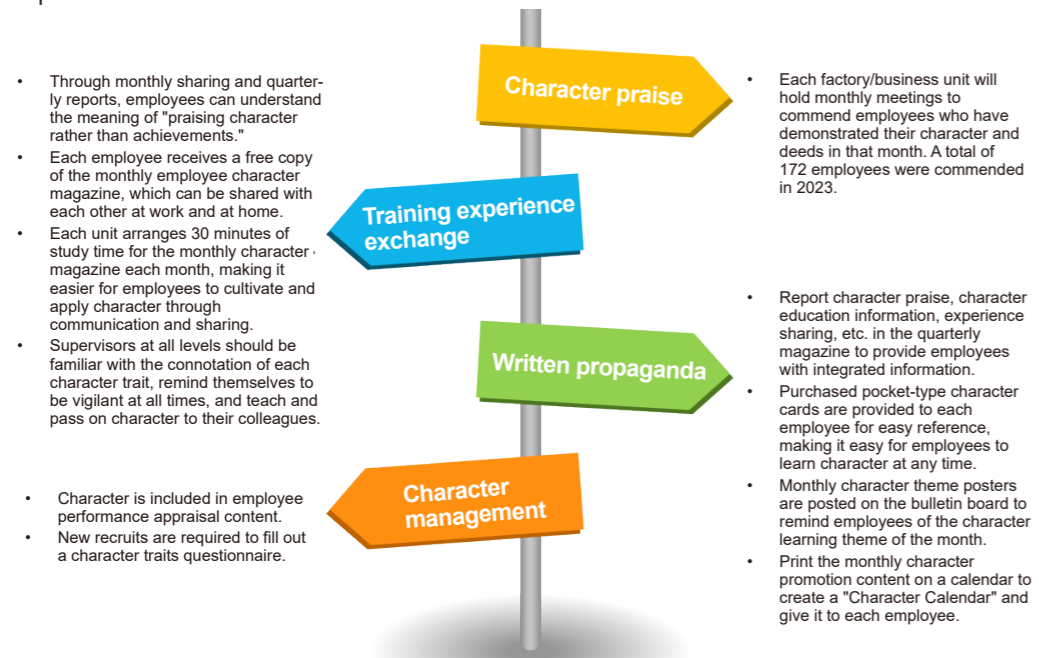
Training new employees through the "master-apprenticeship" system

New employees undergo pre-employment training, which includes browsing the Company's HR website and introducing various company policies and employee welfare measures upon their registration. In addition to implementing pre-employment training according to the "Implementation Measures for Education and Training,"

senior employees are assigned to teach new colleagues for training through a mentorship system. Senior colleagues teach professional knowledge and skills through personal instruction and supplementary audiovisual materials, enabling new employees to acquire the necessary competencies. Supervisors also engage in frequent discussions to help new employees become familiar with the work environment and increase their job involvement. The operating headquarter and each plant arrange "New Employee Dialogues/Meetings," where decision-makers or senior executives of each plant, along with HR managers, directly address and listen to the adaptation status of new employees.

Employee Character Building Education

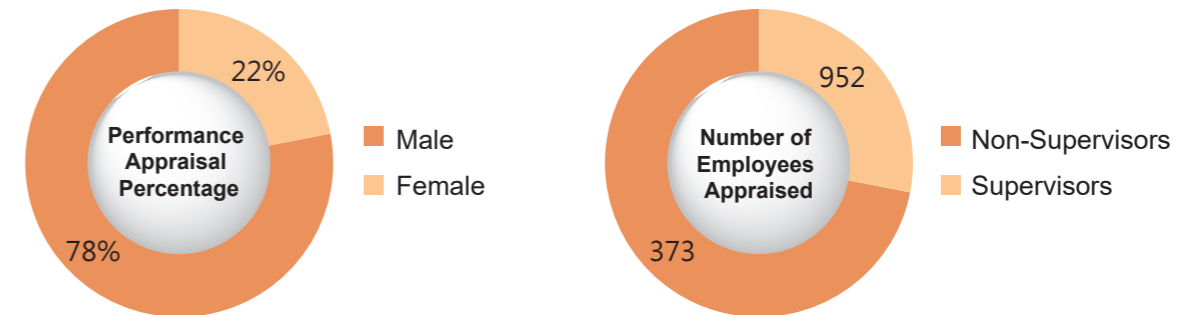
Everlight aims to enhance employees' sense of security at work, family, and personal lives by promoting positive intrinsic qualities through character education. Cultivating good character serves as motivation for individuals and is viewed character as a lifelong learning goal. We adhere to the "Implementation Measures for Character First" as the basis for continuous promotion. At all levels of management, a "Servant Leadership" mindset is embraced, leading by example and deepening employees' integration and alignment with the Company's business philosophy and corporate culture.



Regular Performance and Career Development Reviews (GRI 404-3)

- Everlight implements performance appraisals for employees, including the operating headquarter and Plant I, II, III, IV, through the establishment of a "Performance Appraisal Procedure." These assessments is implemented in May and November each year, based on annual key work and employee communication evaluations, as the basis for competency training and job promotion.
- By the end of 2023, 100% of Everlight's regular employees had been completed the performance assessments. Additionally, we are also considering planning and reviewing the career development of specific supervisors or individuals who meet talent development and cultivation plans.
- Each level of supervisors discusses with employees through performance appraisals annually based on organizational development and environmental changes, department needs and job requirements, aiming to enhance employees' qualities and cultivate necessary knowledge, attitudes, and skills for work.
- In 2022, Everlight introduced a personal development plan utilizing a "Management Capability Assessment Tool" for senior executives, which continued in 2023. Thirty-one senior executives have participated so far, aiming to strengthen the organization and enhance the Company's competitiveness.

Performance Appraisal of Everlight



Types of Performance Appraisal Related to Individual Performance and Categories of Applicable Employees

For managers' salaries and bonuses, they are based on the Company's salary standard, considering their duties, contributions, performance and responsibilities. These are reviewed individually by the Remuneration Committee on a regular basis and submitted to the Board of Directors for approval. Business bonuses are provided to sales staff based on their contributions.

Content of Performance Appraisal

The aspects considered in performance evaluation include professional skills, interpersonal skills, conceptual abilities, leadership abilities, and other assessment indicators. These factors are taken into account in the distribution of year-end bonuses and employee remuneration.



VI. Occupational Health and Safety

Everlight regards "safety first, quality second, and efficiency third" as the three priorities of its work. Following the framework of ISO 45001:2018 Occupational Health and Safety Management System, relevant management regulations have been established. The Board of Directors regularly reviews the effectiveness of the implementation of safety objectives, targets, and plans every year and provides guidance accordingly.



Occupational Health and Safety Management System: Policies and Management Practices (GRI 2-23, 2-24, 2-25, GRI 403-1, GRI 403-8, RT-CH-540a.1.)

Policy and Commitments	<p>Everlight Group has formulated the "Occupational Health and Safety Policy" as the highest guiding principle for occupational health and safety management. The following strategies are included:</p> <ol style="list-style-type: none"> 1. Implement ISO 45001 Occupational Health and Safety Management System. 2. Provide safe and healthy working conditions. 3. Comply with occupational health and safety laws and other requirements. 4. Eliminate hazards and reduce occupational health and safety risks. 5. Promote employee consultation and participate in occupational health and safety matters. 																																
Governance Structure	<ul style="list-style-type: none"> • Occupational Health and Safety Committees at headquarter and plant sites • Occupational Health and Safety Management Committee at Company and Occupational Health and Safety Management Teams at plant sites • Establish first level dedicated occupational health and safety units and personnel at headquarter and plant sites 																																
Management Actions	<ol style="list-style-type: none"> 1. Everlight's operational headquarter and Plant I, II, III, IV have established occupational health and safety management systems in accordance with the law. 2. Trend Tone Imaging voluntarily established occupational health and safety management systems at Plant I, II, and III, as well as at Everlight Suzhou. 3. All the above-mentioned plants had passed DNV's annual ISO 45001:2018 occupational health and safety management system verification in August 2023, ensuring that the system continues to be effective. 																																
Key Performance Indicators (KPIs)	<p>Management Indicator 1: Frequency-Severity Indicator (FSI)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>Short/ Mid/ Long Term</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Frequency-Severity Indicator [Note1]</td> <td>Company</td> <td>0.05</td> <td>0.01</td> <td>0.00</td> <td>0.00</td> <td>0.01</td> <td>0.00</td> <td>0.00</td> <td>0.03</td> <td>0.00</td> </tr> <tr> <td>Whole Group</td> <td>None</td> <td>None</td> <td>None</td> <td>None</td> <td>None</td> <td>0.08</td> <td>0.01</td> <td>0.29 [Note2]</td> <td>0.00</td> </tr> </tbody> </table> <p>Note 1: The Total Recordable Injury Index is calculated based on employee injuries. Note 2: Please refer to "Chapter Six: Occupational Health and Safety, 2. Occupational Health and Safety Management Actions and Effectiveness." Note 3: The Occupational Safety and Health Administration (OSHA) released an average value of 0.22 for the chemical manufacturing industry from 2021 to 2023.</p> <p>Management Indicator 2: Establish Process Safety Management</p> <p>In 2023, continuously engaged external experts to discuss and optimize the content of ISO documents. Each production plant also produces relevant records and reviews based on the guidance schedule.</p>	Year	2016	2017	2018	2019	2020	2021	2022	2023	Short/ Mid/ Long Term	Frequency-Severity Indicator [Note1]	Company	0.05	0.01	0.00	0.00	0.01	0.00	0.00	0.03	0.00	Whole Group	None	None	None	None	None	0.08	0.01	0.29 [Note2]	0.00	
Year	2016	2017	2018	2019	2020	2021	2022	2023	Short/ Mid/ Long Term																								
Frequency-Severity Indicator [Note1]	Company	0.05	0.01	0.00	0.00	0.01	0.00	0.00	0.03	0.00																							
	Whole Group	None	None	None	None	None	0.08	0.01	0.29 [Note2]	0.00																							

Assessment Mechanisms	<ol style="list-style-type: none"> (1) Occupational Health and Safety Management Review (once per year). (2) Sustainable Development Committee (twice per year). (3) Plant Policy and Plan Review (once per quarter). (4) Internal Occupational Health and Safety Management System Audit (once per year). Internal audits are conducted by a team of trained and qualified auditors and are conducted annually in accordance with the internal audit program. The internal audit completion dates for 2023 are as follows: 							
	Internal Audit Site	Operating Headquarter	Plant I	Plant II	Plant III	Plant IV	Trend Tone Imaging Plant I, II, III	Everlight Suzhou
	Internal Audit Dates	4/13 10/2	3/20 10/16	3/13 - 3/24 10/27	3/27 10/18	3/31 10/20	5/10~5/19	3/28~3/31
Complaint Mechanisms	<ol style="list-style-type: none"> (5) External Verification Unit (DNV) Verify Occupational Health and Safety Management System Audit (once per year). 							
	<p>We ensure procedures for remediating negative impacts and proposing improvement mechanisms based on the following approach:</p> <ol style="list-style-type: none"> 1. Notice of Appeal under Article 32 of the Labor Inspection Law (applicable in Taiwan). 2. Complaints about unlawful infringement in the workplace: A total of 0 complaints occurred in 2023. 3. Complaints against employee rights and interests. 4. Complaints of sexual harassment in the workplace. 							

Occupational Health and Safety Management Actions and Effectiveness

In 2023, there were a total of 6 cases of disablement injuries among the Group's employees, involving 6 injured individuals, which accounted for 0.32% of the total workforce of 1,824 people (rounded to the nearest hundredth). The total loss amounted to 187 days. The Frequency Rate (FR) for disablement injuries was 1.69, and the Severity Rate (SR) was 52. The Frequency-Severity Indicator (FSI) was 0.29. The types of employee injuries included 2 cases of lacerations and abrasions and 4 cases of caught or trapped injuries. Investigations into these incidents have been completed, and corrective and preventive measures have been implemented.

1. Implementation of Occupational Health and Safety Management Systems to Eliminate Occupational Hazards
2. Connecting Expert Resources to Enhance Professional Competence
3. Establishing Intelligent Management Systems to Improve Work Efficiency
4. Implementation of External Audit by Verification Units to Ensure System Effectiveness
5. Establishing Occupational Health and Safety Digital Learning to Promote Safety Awareness
6. Benchmarking Enterprise Exchange and Learning to Strengthen Management Measures



The Chairman and General Manager conducted high-level safety inspections 8 times.

Everlight's operating headquarter and all production sites (Everlight Plant I, II, III, IV, Trend Tone Imaging, and Everlight Suzhou) passed DNV's annual ISO 45001:2018 Occupational Health and Safety Management System verification in August 2023. There were 11 minor non-conformities and 14 observations identified, all of which have been rectified and addressed.



Hazard Identification

Each unit utilizes the Job Safety Analysis (JSA) method to identify hazards associated with each step of operating activities and manage them accordingly. The process includes:



The Company follows "3-A3-17 Safety and Health Hazard Identification, Risk, and Opportunity Assessment and Control Procedure" to review annually the high and moderate risks listed. Subsequently, according to "3-A3-04 Environmental, Safety, and Health Objectives, Targets, and Program Management Procedure," annual safety objectives and targets are formulated, and plans are developed for execution. The implementation results are as follows in the table below. Goals and targets not achieved in 2023 have been reviewed, corrected, and continued in implementation in 2024.



Results of High and Moderate Risk Review in 2023			Achievement of Safety and Health Objectives, Targets, and Program Implementation Results in 2023		
Classification	Quantity	Type of Hazard	Items	Quantity Set	Completion Rate
High Risk	0	None	Safety and Health Objectives	27 ^[Note1]	100%
Moderate Risk	45	Contact with hazardous substances, fire and explosion, falling objects, collisions, electric shock, collapsing objects, being caught or trapped, asphyxiation, falling, rolling objects, drowning	Safety and Health Targets	34	91.2%
			Safety and Health Programs	49	91.8%

Note 1: Only 27 out of 45 moderate-risk items were managed, considering resource allocation and urgency.

Workers can submit safety opinions using "3-A3-08 Environmental Safety Communication, Participation, and Consultation Management Procedure" to promptly report occupational hazards and risky situations. The Company promptly assigns responsibilities to address these issues and manages them through "3-A3-16 Environmental Safety Correction and Prevention Measures Handling Procedure," issuing corrective actions for non-compliance. Relevant information is also exchanged through the information system.

If workers encounter immediate danger while performing their duties, they may follow the "3-A3-17 Safety and Health Hazard Identification, Risk, and Opportunity Assessment and Control Procedure." They may stop operations on their own and evacuate to a safe place without endangering the safety of other workers. They should report immediately to their supervisor. It is guaranteed that those who reasonably exercise the right of retreat for the purpose of "temporary" and "hazard avoidance" will not be punished, and it is guaranteed that those who reasonably exercise the right of retreat for the purpose of "temporary" and "hazard avoidance" will not be punished, and relevant preventive measures and response actions are outlined in process operation manuals, safety and health operation standards, or emergency response plans.

Implementation of Occupational Health and Hazard Identification, Risk Assessment, and Prevention (GRI 3-3, GRI 2-25, GRI 403-2, 403-8) (RT-CH-320a.2)

At ISO 45001:2018 verified sites, hazard identification, risk assessment, and control procedures have been established. All employees from various units participate in these processes and have completed training and have evaluation capabilities. The coverage of the ISO 45001:2018 management system in each operational site is as follows (Employee coverage rate: 92.0%; non-employee coverage rate: 100%) :

Type	Sites Certified with ISO 45001:2018 Verification					Sites Not Certified with ISO 45001:2018 Verification				Total Number of Employees
	Operating Headquarter	Everlight Plant I, II, III, IV	Trend Tone Imaging Plant I, II, III	Everlight Suzhou	Sub-total	Business Offices (Taiwan)	Operating Subsidiaries (Mainland China)	Operating Subsidiaries (United States, Netherlands, Turkey, Vietnam)	Sub-total	
Employees	152	1,157	204	165	1,678	12	82	52	146	1,824 ^[Note1]
Non-Employees ^[Note2]	0	13	2	0	15	0	0	0	0	15

Note 1: The total number of employees in the Group does not include employers under the Occupational Safety and Health Act (referring to business owners or persons in charge of business operations).

Note 2: Non-employee roles in the Group involve on-site maintenance, soil remediation, cafeteria cooks, cleaning, etc.

In addition to ensuring the continued effectiveness of the ISO 45001:2018 management system, we also integrate good industrial safety practices in the industry, actively improve workplaces, mechanical equipment and working methods, train personnel to develop safe behaviors, carry out hazard source identification, and continue to implement occupational injury prevention control measures. Prevention and management to ensure the safety and health of employees and non-workers/contractors to achieve the goal of zero disasters.

Health and Safety Management, Cultivating a Safety Culture (GRI 403-5)(GRI 403-7) (RT-CH-540a.2)

Everlight Group is committed to applying the 12 principles of green chemistry, continuously developing low-hazard processes, phasing out high-hazard materials, and promoting related health and safety management activities to prevent and mitigate occupational health and safety impacts directly related to its operations. Various actions to promote safety and health management activities are as follows:

Chemical Management

- Implementation of hazard awareness training, establishment of a list of applicable regulations for hazardous substances, labeling of packaging containers with hazard information, provision of safety data sheets, exposure assessment and classification management, implementation of respiratory protection plans, and provision of sufficient and appropriate personal protective equipment for employees to wear.
- Regularly conduct occupational environment measurements in accordance with the law, and all the measurement results comply with legally permitted standards. The annual implementation items and frequencies at each relevant site are as follows:

Sites	Items	Carbon Dioxide	Organic Solvents	Specific Chemical Substances	Noise	Dust	Radition
Operational HQ		2 times	-	-	-	-	-
Everlight Plant I		2 times	2 times	2 times	1 time ^[Note1]	2 times	-
Everlight Plant II		2 times	2 times	2 times	2 times	2 times	-
Everlight Plant III		2 times	2 times	2 times	2 times	2 times	-
Everlight Plant IV		2 times	2 times	2 times	2 times	2 times	-
Trend Tone Imaging Plant I, II, III		2 times	2 times	-	2 times	2 times	-
Everlight Suzhou ^[Note2]		-	-	1 time	1 time	1 time	1 time

Note 1: Noisy operations not regulated by law are conducted through voluntary inspections and used as the basis for project improvements.

Note 2: Testing is conducted in accordance with local legal requirements.

Hazardous Equipment Management

Implement certificate management for dangerous machinery (such as boilers, first-class pressure vessels, high-pressure gas specific equipment) and type certification (such as forklifts, explosion-proof electrical equipment), and implement automatic inspections, key inspections, and operational checkpoints to ensure the performance and safety protection of the equipment are normal.

Procurement Management

Procurement cases involving safety and health regulations must be accompanied by proof or reports and undergo review and confirmation. For example, inspection certificate for dangerous machinery, type certification for forklifts, accreditation from environmental testing organizations, accreditation from health examination organizations, and the exclusion of products lacking production date, qualification certificate and manufacturer information. Safety and health procurement expenses in 2023 amounted to 40.49 million NTD (excluding Trend Tone Imaging, only for Everlight Headquarter, Plant I, II, III, IV, and Everlight Suzhou; the cost for Everlight Suzhou is converted from RMB to NTD using the annual average exchange rate of 4.3954), representing an increase from 2022 and contributing to enhancing the overall safety and health management capabilities.

Contract Management

Contractors must comply with occupational safety and health regulations and Everlight's relevant contract management requirements and provisions, including qualification review, safety and health commitments and contracts, agreement organization and hazard notification, control of personnel, vehicles, and equipment entering and exiting the site, inspection and audit, rewards and penalties, evaluation and classification, etc. In 2023, a total of 1,186 consultations on contracting business were conducted, 37 violations of contractors were reported, and 1 incident occurred.

Change Management

The timing of change applications includes temporary and permanent changes to products, services, and processes, changes in compliance obligation, or changes in knowledge or information regarding hazards and occupational safety and health risks, or developments in knowledge and technology. In 2023, there were 126 cases involving safety and health changes.

Permit Management

High-risk operations must obtain permits and complete relevant protective measures before they can be operated. The number of permits issued in 2023 is as follows:

Type	Open flame/hot work	High-altitude Operation	Confined space	Temporary electricity	Roofing work	Others
Number of Permits Issued	3,126	1,960	487	2,751	288	32

Non-conformity management

In 2023, a total of 162 cases were evaluated in collaboration with workers and other stakeholders to identify root causes and improvement measures. 160 rectification cases were completed, with a completion rate of 98.8% (Improvement measures are being implemented for the remaining 2 cases and are expected to be completed in 2024).

Occupational Health and Safety Related Education and Training (GRI 403-5)

To enhance employees' awareness of workplace safety and improve their occupational safety-related capabilities, we regularly arrange training sessions for employees. These include pre-job training, legal certification training, on-the-job training, and conducting 70 emergency response meetings and drills.

Number of Participants/Hour of Occupational Health and Safety Training in 2023

Type	Pre-job Training	Legal Certificate Training	On-the-Job Training
Target	New Hires and Transferred Employees	Certification Initial and Recurrent Training	Specific or General Personnel
Total Participants	289	142	1,481
Total Hours	2,775	339	8,964

Occupational Safety and Health Communication (GRI 403-4)

The Company's headquarter and each production site have established Occupational Safety and Health Committees, which make recommendations on safety and health policies, review and coordinate safety and health-related issues. The committees include more than one-third of labor representatives (except for Everlight Suzhou) and hold regular meetings quarterly. They are responsible for formulating, coordinating, and supervising safety, health, and environmental matters in each plant to implement safety and health management effectively.

In 2023, a total of 24 meetings were held, with an average labor representative ratio of 42%.

Location	Frequency of Meeting	Number of Committee Members	Number of Worker Representatives and Percentage		Additional Explanation
Headquarter (Taipei)	4 times	13	5	38%	Occupational Safety and Health Committee Review Items: 1. Recommendations for occupational safety and health policies. 2. Occupational safety and health management plans. 3. Implementation plans for safety and health education and training. 4. Work environment monitoring plans, monitoring results, and implementation measures. (Plans will be reviewed by labor representatives and monitoring results will be publicly disclosed). 5. Health management, occupational disease prevention, and health promotion matters. 6. Safety and health proposals. 7. Matters related to automatic inspections and safety and health audits. 8. Prevention measures for hazardous machinery or raw materials. 9. Occupational accident investigation reports. 10. On-site safety and health management performance. 11. Safety and health management matters for contracted services. 12. Other matters related to occupational safety and health management.
Everlight Plant I (Dayuan)	4 times	27	16	59%	
Everlight Plant II (Guanyin)	4 times	24	8	33%	
Everlight Plant III (Guanyin)	4 times	15	5	33%	
Trend Tone Imaging Plant I, II, III (Hsinchu)	4 times	16	10	62%	
Everlight Suzhou	4 times	23	6	26%	
Total ^[Note1]	24 times	118	50	42%	

Note 1: Everlight Plant IV and its regional business subsidiaries did not meet the requirements of the law to establish an "occupational safety and health committee", so they were not included in the calculation.

Other engagement, consultation and channel communications and frequency	External communication methods
(1) Labor-management consultation meeting	Once per quarter (4 times in total)
(2) Safety and Health Management Committee	once a year
(3) Safety and health management team	once a year
(4) Year-end symposium for employees	once a year
(5) Environmental satisfaction survey	once a year
(6) Safety and health opinion form	anytime
(7) Non-conformity review meeting	irregularly
(8) Accident investigation and review meeting	irregularly

Occupational Health Services and Health Promotion (GRI 403-3, 403-6) (RT-CH-320a.2)

Everlight pays to provide employees with annual health checkups. The health inspection items, and frequency implemented by Everlight are superior to regulations.

Implementation of Health Checkups

Targets	New Employees		Current Employees (annually)		Senior Employees Health Checkup
	General Physical Examination	Special Physical Examination	General Health Checkup	Special Health Checkup	
Number of People	292	176	1,447	385	145

Implementation of On-site Health Services in 2023

Targets	Operational HQ	Everlight Plant I	Everlight Plant II	Everlight Plant III	Everlight Plant IV	Trend Tone Imaging Plant I, II, III	Everlight Suzhou ^[Note1]
Number of On-site Physician Services	4	6	12	6	1	4	0
Number of On-site Nurse Services	48	72	Dedicated	72	12	24	0
Total Number of Employees Participating in Health Education Activities	71	96	15	33	43	110	0
Total Number of Employees Receiving Counseling and Guidance	0	14	61	60	29	32	0

Note 1: Everlight Suzhou cooperates with implementation in accordance with changes in local laws.

Implementation of health protection or prevention programs, including middle-aged and elderly workers, and night shift workers.

Maternal Health Protection			Abnormal workload notifications	Human factors engineering improvements
During Pregnancy	Within One Year After Delivery	Still Breastfeeding After One Year of Delivery		
9	7	1	2	1

Conduct health promotion activities



50th Anniversary Badminton Cup Competition (Plant I Championship)



50th Anniversary Badminton Cup Competition (Group Photo)



All employees of Everlight Plant I participated in 6 badminton events, 6 dart events, and 4 table tennis events.



Group employees participated in a total of 117 hiking, walking, and marathon events, with a total of 274 participants.

Workplace Accidents and Occupational Injuries (GRI 403-9) (GRI 403-10) (RT-CH-320a.1) (RT-CH-540a.1) (RT-CH-540a.2)

In 2023, the scope of Everlight's investigation into workplace accidents and occupation employees and non-employees at Everlight's operational bases.

(1) Depending on the region, the highest level of reporting is as follows:

Region Type	Everlight	Trend Tone Imaging	Everlight Suzhou
Fatal or Severe Occupational Injuries	General Manager	General Manager	Plant Manager
Recordable Occupational Injuries	Plant Manager	General Manager	Plant Manager

(2) The five-year mortality rate is 0%.

(3) The number of transportation accidents in the past five years is 0 (The ownership of transported goods belongs to Everlight Group).

(4) A total of 71 near-miss incidents and safety incidents, detailed classification is as follows:

Type	Near-Miss Incident ^[Note1]		Safety Incidents	
	Process False Alarm Incident	Non- Process False Alarm Incident	Process Safety Incident	Non-Process Safety Incident
Number of Incidents	4	31	9	27

Note 1: A near-miss incident refers to a work-related event that did not cause harm or illness to personnel but had the potential to result in injury. (GRI 403-1, ISO 45001:2018)



Everlight Plant II Participated in the National Workplace Safety and Health Week

(5) The total working hours of employees were 3,540,273 hours, with 6 disabling injuries, 6 injured persons and 187 lost days. The types of injuries included 2 cut injuries and 4 entrapment injuries. All incidents have been investigated and corrective preventive measures have been completed. There was one serious disabling injury where an operator was performing cleaning operations on a bag filter. While cleaning the pipeline with a cloth, the rotary valve was not closed, resulting in the first joint of the index finger being severed. According to the Taiwan Occupational Accident Disability Comparison Table, the number of loss days is calculated as 100 days. Improvements include safety talks, educational training and the installation of barriers to prevent hand entry.

Year / Items		2021	2022	2023
Death	cases	0	0	0
	Days	0	0	0
Permanent Total Disability	cases	0	0	0
	Days	0	0	0
Permanent Partial Total Disability	cases	0	0	1
	Days	0	0	100
Temporary Total Disability	cases	4	1	5
	Days	23	4	87
Absentee Rate (AR) %		1.07	5.21	1.14
Occupational Injury Fatality Rate		0	0	0
Occupational Disease Rate (ODR)		0	0	0
Injury Rate (IR)	Serious	0	0	0.28
	Recordable	5.04	4.27	5.36
Lost Day Rate (LDR)		6.44	1.14	52.82
Process Safety Incident Rate (PSTIR) ^[Note1]		0.22	0.28	0.50
Process Safety Event Severity Rate (PSES) ^[Note1]		No data	0.91	0.50

Note 1: Process Safety Incident Rate (PSTIR) and Process Safety Event Severity Rate (PSES) are calculated per 200,000 working hours, truncated to the third decimal place.

Note 2: Occupational Injury Fatality Rate, Occupational Disease Rate (ODR), Injury Rate (IR) including serious and recordable incidents, and Lost Day Rate (LDR) are calculated per 1,000,000 working hours, truncated to the third decimal place.

Note 3: Commuting traffic accidents are not included.

(6) The total working hours of non-employees were 29,769 hours, with 1 occupational injury incident resulting in 92 lost days. The type of injury was a fall caused by being struck. This occurred during the replacement of a deformed drive coupling rod, when the drive coupling rod was loosened and the cover plate shaft was opened, causing the closed filter platform cover plate to open and push the worker out, resulting in the worker landing on their back and hip, causing a fracture of the second vertebra. Improvement measures include training on the removal and installation of fixed parts, and the addition of standards for the removal and installation of fixed parts.

Year / Items		2021	2022	2023
Death	cases	0	0	0
	Days	0	0	0
Permanent Total Disability	cases	0	0	0
	Days	0	0	0
Permanent Partial Total Disability	cases	0	0	0
	Days	0	0	0
Temporary Total Disability	cases	4	0	1
	Days	0	0	92
Absentee Rate (AR) %		0	0	0
Occupational Injury Fatality Rate		0	0	0
Occupational Disease Rate (ODR)		0	0	0
Injury Rate (IR)	Serious	0	0	0
	Recordable	0	0	0.28
Lost Day Rate (LDR)		0	0	26.01
Process Safety Incident Rate (PSTIR) ^[Note1]		0	0	0
Process Safety Event Severity Rate (PSES) ^[Note1]		No data	0	0

Note 1: Process Safety Incident Rate (PSTIR) and Process Safety Event Severity Rate (PSES) are calculated per 200,000 working hours, truncated to the third decimal place.

Note 2: Occupational Injury Fatality Rate, Occupational Disease Rate (ODR), Injury Rate (IR) including serious and recordable incidents, and Lost Day Rate (LDR) are calculated per 1,000,000 working hours, truncated to the third decimal place.

Note 3: Non-employees refer to personnel stationed at Everlight operational sites during the year, for whom Everlight is not the employer.

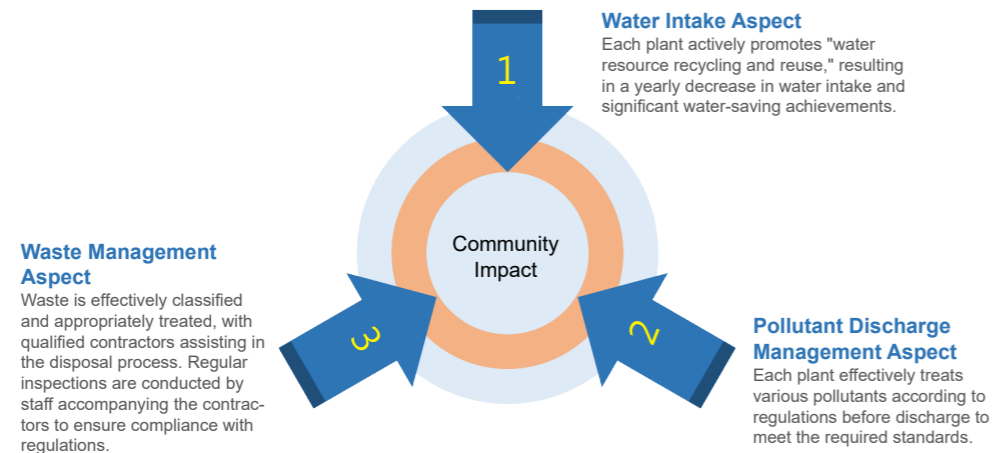
Note 4: Commuting traffic accidents are not included.

"Enhancing Human Well-being" is one of Everlight's core business philosophies. We believe that the meaning and value of an enterprise's existence lie in "contributing to human well-being." In terms of social engagement, our primary task is to ensure that our operational activities do not have a negative impact on the community. Additionally, the Company initiates or supports employee-initiated community engagement activities to give back to society every year.

I. Community Engagement

Community Impact Assessment and Management Policies

As a chemical industry company, Everlight promotes the concepts of safe chemicals and green chemistry. All our plants comply with government regulations in executing various environmental protection, safety, and health-related tasks, and upload and report relevant data to ensure full legal compliance. We strive to minimize any actual or potential negative impacts on the local community from our operational activities.



Community Communication (GRI 203-1) (GRI 203-2) (RT-CH-210a.1)

Community is one of the main stakeholders of Everlight, Everlight regularly communicates and cares with the community. In 2023, a satisfaction survey was conducted for the neighboring community, showing an improvement compared to 2022. Everlight's community communication mainly focuses on the following three aspects:



In 2023, the satisfaction survey results for the neighboring community reached 97.7 points, an improvement from 95.2 points in 2022.

Main Community Activities

- On April 22nd, 2023, a coastal adoption and beach cleanup activity were held at Guanyin Coastal Recreation Area, with 76 participants, resulting in 510 kilograms of waste cleaned.
- Adopted Guanyin Coast and Dahukou Creek, organized beach cleanups, creek cleanups, environmental education and ecological interpretation and other educational activities. With continuous dedication to protecting the earth and caring for the land, two river adoption and ecological interpretation events were held on May 13th and September 18th, 2023, and one creek cleanup event on September 24th, 2023, with a total of 120 participants.
- Due to the extreme weather caused by global climate change, leading to unprecedented typhoon intensity and rainfall during flood prevention periods, Everlight Plant II has signed a memorandum of cooperation on independent flood and disaster prevention with the neighboring Shulin Village every two years since 2019. They participated in experience sharing (June 25th, 2023), independent flood and disaster prevention pledge conference (July 1st, 2023) and on-site evaluation (November 23rd, 2023) to enhance community disaster prevention capabilities.
- On September 9th, 2023, participated in a dune cleanup activity organized by the Taoyuan City Government's Coastal Management Office at Caota Dunes, with 40 participants, resulting in 40 kilograms of waste cleaned.

Taoyuan City

- Adopt Kannon Coast and Obori Creek
- Signed a memorandum of understanding on cooperation in flood disaster prevention
- Awarded the "Light of Flood Control" by Taoyuan City
- Manage the dunes of Caoluo

Coastal adoption and beach cleanup activity

Dahukou Creek ecological interpretation

Dune cleanup activity

Shulin Village on-site evaluation

Neighborhood activities

Category	Activity Name	Action	Generated Benefits
Community Maintenance	Creative Spring Couplets Painting Activity	Collaborated with Shulin Village Community Development Association to organize the creative spring couplets painting activity for the New Year.	Sponsored NT\$10,000 to Shulin Village for the creative spring couplets painting activity.
	Mid-Autumn Festival Celebration and publicity event "Autumn and Winter Community Walking and Gender Equality & CEDAW Promotion" held by Neihai Village Community Development Association	Organized the "Autumn and Winter Community Walking and Gender Equality & CEDAW Promotion" activity.	Maintained good interaction with the community and sponsored the event. In 2023, a total of 500 community residents participated in the walking and gender equality promotion activity.
	Mid-Autumn Festival Evening Party held by Shulin Village and Tajia Village	Collaborated with the Shulin Village and Tajia Village Community Development Associations to organize Mid-Autumn Festival evening parties.	Sponsored NT\$3,000 to NT\$5,000 in raffle prizes for the Mid-Autumn Festival parties in Shulin Village and Tajia Village.
Sports Development	Annual training funds of Taekwondo for Dayuan Junior High School	Maintained good interaction with the community and sponsored the event.	A total of 450 community residents participated in the Coast Guard Team's advocacy activities.
Environmental Protection	Natural ecology and environmental protection, love the earth publicity and study activities held by Dayuan Neihai Community Coast Guard Team	Maintained good interaction with the community and sponsored the event.	A total of 400 community residents participated in the Coast Guard Team's advocacy activities.
	Annual Gender Equality Promotion Activities held by Dayuan Neihai Community Coast Guard Team in 2023	Maintained good interaction with the community and sponsored the event.	A total of 400 community residents participated in the Coast Guard Team's advocacy activities.
Educational Development	Summer Diverse Supplementary Activities for Dayuan Neihai Elementary School in 2023	ubsidized nutritious lunch for rural school children participating in summer activities.	A total of 50 students in grades 1 to 5 in the school participated in summer tutoring activities, and free nutritious lunches were provided to the students.
	Canopy Renovation of Walkway and Eco-House for Dayuan Neihai Elementary School	Subsidized rural schools to upgrade canopies of walkway and eco-houses	Created a safe learning environment.

Community activities play a very important role. Through activities, such as Creative Spring Couplets Painting Activity, Mid-Autumn Festival parties, and sponsoring Taekwondo training fees organized by the community since 2015, the community has not only enhanced neighborhood relations, but also promotes interaction and communication among residents. These activities are not just holiday celebrations; they are symbols of community cohesion, working together to build a warm community where neighbors care about and support each other.

Social Welfare Activities (GRI 413-1)

- Everlight allocates at least 1% of its after-tax profits annually to give back to society, primarily focusing on four major areas: community education, social education, industrial development and public welfare activities. The Company also takes practical actions to give back to the society through physical donations, corporate volunteer services, community services, participation and sponsorship of public welfare activities, provision of scholarships and research funds to schools.
- The donation amount in 2023 was 5.44 million NTD.

Statistical table of public welfare donation in recent years (2017-2023)

Year/Category	Community (Taoyuan) Education and Activities	University/Social Education	Industrial Development	Public Welfare Activities	Annual Total	Percentage of After-Tax Profits (%)
2017	156	278	68	198	700	1.9
2018	135	193	24	183	535	1.3
2019	175	135	38	129	477	1.3
2020	142	125	17	62	346	1.6
2021	123	130	87	183	523	1.0
2022	152	104	118	121	495	1.3
2023	155	45	94	250	544	6.3
Category total	1,038	1,010	446	1,126	3,620	-

Note 1: The donation amount refers to the account amount of Everlight, not group data, and does not include cash or physical donations from clubs such as the Love Club.

In 2023, Everlight employees launched the Love Club to donate to various charitable organizations: World Vision Taiwan, Eden Social Welfare Foundation, Sunshine Social Welfare Foundation, Chinese Christian Relief Association, Chung Yi Social Welfare Foundation, Guanyin Loving Home, Honghua Tongxin Mutual-Aid Association, Ruth Society For Disability Services, Lundi Foundation, White Kite Garden Kindergarten, Ark Education and Nursing Institution, Taoyuan County Association for the Physically Disabled and Children Are Us Foundation, with a total donation amount of NT\$468,000.

II. Participation in External Associations and Organizations (GRI 2-28)

In addition to cooperating with upstream and downstream partners in the industry chain, Everlight also participates in external associations and organizations, responding to relevant initiatives.

- (1) The Chairman of the Company serves as the president of the Taiwan Dyestuffs and Pigments Industrial Association and the director of the Taiwan Business Council for Sustainable Development. The General Manager serves as the chairman of the Taiwan Chemical Industry Association. Other senior executives also hold positions as supervisors, directors, or executive directors in external associations or organizations such as the Chinese Corporate Governance Association, the Chinese International Economic Cooperation Association, the Taiwan Responsible Care Association, and the Taiwan Flat Panel Display Materials and Components Industry Association.
- (2) Our subsidiary, Trend Tone Imaging, is a member of the Taiwan Science Park Industrial Association and the Taiwan Dyestuffs and Pigments Industrial Association. The Hsinchu Science Park Industrial Association has 16 specialized committees that assist member companies in enhancing their management capabilities.
- (3) Our subsidiary, Everlight Suzhou, participates in local organizations such as the National Copier Machinery Standardization Technical Committee (SAC/TC147), the China Cultural Office Equipment Manufacturing Industry Association, and the Suzhou Taiwan Compatriots Investment Enterprises Association Park Branch, to grasp local political and economic trends and assess strategic development goals.



III. Character Education Promotion

In terms of social engagement, Everlight continues to advocate for the importance of "economic ethics" research and promotion. Everlight sponsored the "Economic Ethics Forum" organized by the Department of International Business at Tamkang University for 15th consecutive year in 2023. It also supported the Jubilee Economic Ethics Foundation's "Jubilee Economic Ethics Symposium" for 23rd consecutive year. Everlight is dedicated to promoting character education. In addition to implementing character education for all employees internally, Everlight has supported the "Character Leadership Education Development Program" organized by the Department of International Business at National Taipei University of Business for 13th consecutive years through industry-academia cooperation. Everlight has always placed great importance on education in the communities where its factories are located.

Character Development Starts from School (GRI 413-1)

For over twenty years, Everlight has not only successfully promoted character education within the Company but also organized long-term children's character camps and assisted more than ten elementary schools near its factories, as well as National Taipei University of Business, Chang Jung Christian University and Chung Hua University. The goal is to deeply embed the influence of character into various layers of society. Since 2016, Chung Hua University has actively promoted and implemented character education. To enhance students' character strengths, Everlight and Pei Chi Educational Foundation have jointly sponsored the "Character First" teaching materials, which are listed as a compulsory basic moral course for freshmen, creating a high-quality campus culture. In the 2023 academic year, 313 students participated in the "Character Education" courses (105 from Chung Hua University and 208 from National Taipei University of Business), with a cumulative total of 556 students since the 2022 academic year.



Pei Chi CEO Chen Baoguo teaching at National Taipei University of Business, promoting character education

Donate Books to Rural Schools, Giving Children a Bright Future

- (1) Everlight actively participates in social welfare and promotes character education. Since 2014, for ten consecutive years, we have supported the "Planting the Seeds of Reading for Children's Bright Future" plan. We provide free monthly subscriptions of "Future Children" and "Future Youth" magazines to 21 elementary schools in Taoyuan City, where Everlight plants are located, and 8 elementary schools in Hsinchu County, where Trend Tone Imaging is located. To date, we have donated over 34,230 copies.
- (2) Chairman Chen Chien-Hsin hopes that children can learn valuable life lessons through reading, enabling them to navigate the rapidly changing society with flexibility and resilience, leading honest and fulfilling lives.



Children's Education Promotion (GRI 413-1)

Organized children's character camp and sponsored morning life education activities for elementary schools in Guanyin District, Taoyuan City

- (1) Over the years, Everlight has not only promoted character education internally but also spread the seeds of character education to schools, helping children establish a lifelong foundation, develop correct values, be optimistic and proactive, diligent and studious, responsible, and willing to help others.
- (2) Everlight has been organizing children's character camps for many years, assisting children in laying the foundation for their lives and establishing correct values.
- (3) Despite the interruption of children's character camps due to the pandemic from 2020 to 2022, the Company continued to sponsor the "Morning Life Education Activities" at Shulin Elementary School and Caota Elementary School in Guanyin District. Volunteers taught children the definitions of various characters through storytelling, helping them understand and apply these qualities in practice to become outstanding future generations with excellent character.
- (4) In 2023, a total of 846 students participated in the "Morning Life Education Activities" (737 from Caota Elementary School and 109 from Shulin Elementary School). Compared to 2022, the number of participants increased by over 58 people, with a cumulative total of 2,322 students since 2021.



Sponsor the "Discover Taiwan's Little Warriors of Life" event

- (1) The Company has been a long-term sponsor of the "Discover Taiwan's Little Warriors of Life" event organized by Rainbow Family Life Education Association in Taiwan, encouraging children to face life challenges with positive thinking and cherish life while striving towards their dreams.
- (2) In 2023, 9 students were commended. To date, 322 little warriors have won the award, an increase of 9 compared to last year. The stories from "Little Warriors of Life" bring positive inspirations to our society and serve as role models for other students.
- (3) A donation of NT\$100,000 was made in 2023, and Rainbow Family Life presented a Certificate of Appreciation.



Appendix 1 GRI Content Index

Statement of Use	Everlight Chemical reports in accordance with GRI Standards for the period from January 1, 2023 to December 31, 2023.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard	Disclosure	Location	Page
General Disclosures			
GRI 2:General Disclosures 2021	2-1 Organizational details	Scope and Methodology of This Report 01 Overview of the Company: About Everlight Chemical	1 8
	2-2 Entities included in the organization's sustainability reporting	Scope and Methodology of This Report 01 Overview of the Company: About Everlight Chemical	1 8
	2-3 Reporting period, frequency and contact point	Scope and Methodology of This Report	1
	2-4 Restatements of information	Scope and Methodology of This Report	1
	2-5 External assurance	Scope and Methodology of This Report Appendix: Third-Party Independent Assurance Opinion Statement, Independent Auditor's Limited Assurance Report	1 122
	2-6 Activities, value chain and other business relationships	01 Overview of the Company: Operational Activities and Value Chain	11
	2-7 Employees	01 Overview of the Company: About Everlight Chemical 06 Workplace Wellbeing: Diverse and Friendly Workplace	8 93
	2-8 Workers who are not employees	06 Workplace Wellbeing: Diverse and Friendly Workplace	93
	2-9 governance structure and composition	04 Corporate Governance: Corporate Governance Structure	35
	2-10 Nomination and selection of the highest governance body	04 Corporate Governance: Corporate Governance Structure	35
	2-11 Chair of the highest governance body	04 Corporate Governance: Corporate Governance Structure	37
	2-12 Role of the highest governance body in overseeing the management of impacts	02 Sustainability Values: Stakeholders and Material Topics 04 Corporate Governance: Risk Management	16 44
	2-13 Delegation of responsibility for managing impacts	02 Sustainability Values: Stakeholders and Material Topics	16
	2-14 Role of the highest governance body in sustainability reporting	Scope and Methodology of This Report 02 Sustainability Values: ESG Implementation Organization	1 15
	2-15 Conflicts of interest	04 Corporate Governance: Corporate Governance Structure 04 Corporate Governance: Business Integrity and Insider Trading Prevention	39 40
	2-16 Communication of Critical concerns	02 Sustainability Values: Stakeholders and Material Topics	16 25
	2-17 Collective knowledge of the highest governance body	04 Corporate Governance: Corporate Governance Structure	39
	2-18 Evaluation of the performance of the highest governance body	04 Corporate Governance: Corporate Governance Structure	39
	2-19 Remuneration policies	04 Corporate Governance: Remuneration Policy	43
	2-20 Process to determine remuneration	04 Corporate Governance: Remuneration Policy	43
	2-21 Annual total remuneration ratio	06 Workplace Wellbeing: Diverse and Friendly Workplace	97
	2-22 Statement on sustainable development strategy	Message From the Chairman	2

GRI Standard	Disclosure	Location	Page
	2-23 Policy commitments	02 Sustainability Value: Management Philosophy and Sustainable Development Policy	14
		03 Product Strategy and R&D Innovation	26
		04 Corporate Governance: Business Integrity and Insider Trading Prevention	40
		04 Corporate Governance: Risk Management	45
		04 Corporate Governance: Information Security Management	48
		05 Sustainable Environment: Sustainable Environmental Management System	56
		05 Sustainable Environment: Water Stewardship	60
		05 Sustainable Environment: Pollution Prevention	67
		05 Sustainable Environment: Greenhouse Gas and Energy Management	75
		05 Sustainable Environment: Climate Change Response - Mitigation and Adaptation	82
	2-24 Embedding policy commitments	02 Sustainability Value: Management Philosophy and Sustainable Development Policy	14
		03 Product Strategy and R&D Innovation	26
		04 Corporate Governance: Business Integrity and Insider Trading Prevention	40
		04 Corporate Governance: Risk Management	45
		04 Corporate Governance: Information Security Management	48
		05 Sustainable Environment: Sustainable Environmental Management System	56
		05 Sustainable Environment: Water Stewardship	60
		05 Sustainable Environment: Pollution Prevention	67
		05 Sustainable Environment: Greenhouse Gas and Energy Management	75
2-25 Processes to remediate negative impacts	02 Sustainability Values: Stakeholders and Material Topics	23	
	04 Corporate Governance: Business Integrity and Insider Trading Prevention	41	
	06 Workplace Wellbeing: Human Rights Policy	90	
	06 Workplace Wellbeing: Employee Welfare and Care	101	
	06 Workplace Wellbeing: Occupational Health and Safety	106	
	06 Workplace Wellbeing: Occupational Health and Safety	108	
2-26 Mechanisms for seeking advice and raising concerns	02 Sustainability Values: Stakeholders and Material Topics	26	
	04 Corporate Governance: Business Integrity and Insider Trading Prevention	41	
2-27 Compliance with laws and regulations	04 Corporate Governance: Compliance with Laws and Regulations	51	
2-28 Membership associations	07 Social Engagement: Participation in External Associations and Organizations	119	
2-29 Approach to stakeholder engagement	02 Sustainability Values: Stakeholders and Material Topics	16	
	02 Sustainability Values: Stakeholders and Material Topics	25	
2-30 Collective bargaining agreements	06 Workplace Wellbeing: Labor-Management Communication	91	

GRI Standard	Disclosure	Location	Page
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	02 Sustainability Values: Stakeholders and Material Topics	16
	3-2 List of material topics	02 Sustainability Values: Stakeholders and Material Topics	16,20
	3-3 Management of material topics	02 Sustainability Values: Stakeholders and Material Topics	16,20
1. Custom Material Topic: Organizational Resilience (including major incident handling and response, digital transformation and development)			
GRI 3: Material Topics 2021	3-3 Management of material topics	02 Sustainability Values: Stakeholders and Material Topics	16,23
2. Talent Attraction and Development			
GRI 3: Material Topics 2021	3-3 Management of material topics	02 Sustainability Values: Stakeholders and Material Topics	16,23
GRI 404: Training and Education 2016	404-1 Average hours of training per year Per employee	06 Workplace Wellbeing: Talent Attraction and Development	103
	404-2 Programs for upgrading employee Skills and transition assistance programs	06 Workplace Wellbeing: Employee Welfare and Care	101 103
	404-3 Percentage of employees receiving Regular performance and career development reviews	06 Workplace Wellbeing: Talent Attraction and Development	104
3. Water Stewardship			
GRI 3: Material Topics 2021	3-3 Management of material topics	02 Sustainability Values: Stakeholders and Material Topics	16,23
GRI 303: Water and Effluents 2018	303-1~303-5 Water and Effluents	05 Sustainable Environment: Water Stewardship	60
4. Pollution Prevention			
GRI 3: Material Topics 2021	3-3 Management of material topics	02 Sustainability Values: Stakeholders and Material Topics	16,23
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	05 Sustainable Environment: Pollution Prevention	67
GRI 306: Waste 2020	306-1 ~ 306-5	05 Sustainable Environment: Pollution Prevention	71
5. Product Strategy and R&D Innovation			
GRI 3: Material Topics 2021	3-3 Management of material topics	02 Sustainability Values: Stakeholders and Material Topics	16,23
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety Impacts of product and service categories	03 Product Strategy and R&D Innovation GHS 100%	27
	416-2 Incidents of non-compliance Concerning the health and safety impacts of products And services	03 Product Strategy and R&D Innovation 0%	27
6. Climate Change Response - Mitigation and Adaptation			
GRI 3: Material Topics 2021	3-3 Management of material topics	02 Sustainability Values: Stakeholders and Material Topics	16,23
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks And opportunities due to climate change	05 Sustainable Environment: Climate Change Response - Mitigation and Adaptation	82
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	05 Sustainable Environment: Greenhouse Gas and Energy Management	75
	305-2 Energy indirect (Scope 2) GHG emissions	05 Sustainable Environment: Greenhouse Gas and Energy Management	75
	305-4 GHG emissions intensity	05 Sustainable Environment: Greenhouse Gas and Energy Management	75

Other Topic Standard Disclosure

GRI 302: Energy 2016	302-1 Energy consumption within the organization	05 Sustainable Environment: Greenhouse Gas and Energy Management	75
	302-4 Reduction of energy consumption	05 Sustainable Environment: Greenhouse Gas and Energy Management	75
	302-4 Reduction of energy consumption	05 Sustainable Environment: Greenhouse Gas and Energy Management	75
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	05 Sustainable Environment: Greenhouse Gas and Energy Management	75
	305-6 Emissions of ozone-depleting Substances (ODS)	05 Sustainable Environment: Greenhouse Gas and Energy Management	80

Appendix 2 SASB Index for Chemicals Industry

Code	Accounting Metric	Content of Report Description	Page
Greenhouse Gas Emissions			
RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under Emissions-limiting regulations	Direct (Scope 1) GHG emissions, energy indirect (Scope 2) GHG emissions indicator information	78
RT-CH-110a.2	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	Greenhouse gas inventory and energy use policies and commitments, management actions, management indicators, evaluation mechanisms, target values	75
Air Quality			
RT-CH-120a.1	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (vocs), and (4) hazardous air pollutants (haps)	Air pollutant emission statistics	69
Energy Management			
RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy	Energy intensity (GJ/million NTD in production value) indicator information Total energy consumption information	77
Water Management			
RT-CH-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of Each in regions with High or Extremely High Baseline Water Stress	Total Water Intake (ML) Total water consumption information	62
RT-CH-140a.2	Number of incidents of non-compliance associated with water Quality permits, standards and regulations	Wastewater discharge and treatment information Wastewater treatment compliance rate	66
RT-CH-140a.3	Description of water management risks and discussion of strategies And practices to mitigate those risks	Policies and commitments on water resources management and water pollution prevention and control, management actions, management indicators, and water intake management	60
Hazardous Waste Management			
RT-CH-150a.1	Amount of hazardous waste generated; percentage recycled	Waste generation and disposal The total amount of hazardous industrial waste was 1,761.3 tons, and the amount of recycling rate of hazardous industrial waste was 181.3 tons, reaching 10.3%.	68,71

Code	Accounting Metric	Content of Report Description	Page
Community Relations			
RT-CH-210a.1	Discussion of engagement processes to manage risks and Opportunities associated with community interests	Impact assessment and action as information (summarizing environmental impact assessments for local communities and supply chains) Community communication and maintenance, including promoting economic development, industrial safety, community development, etc.	116
Workforce Health & Safety			
RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) Direct employees and (b) contract employees	Total recordable incident rate (TRIR) Staff: Critical 0.28, Recordable 5.36 Non-employees: Critical 0, Recordable 0.28 Lethality: 0	115
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of Employees and contract workers to long-term (chronic) health risks	Implement hazard identification and risk assessment to eliminate hazards and reduce occupational safety and health risks	113
Product Design for Use-phase Efficiency			
RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	The UPE products account for 56% and 70% of revenue, respectively, in 2022 and 2023.	26,29
Safety & Environmental Stewardship of Chemicals			
RT-CH-410b.1	(1) Percentage of products that contain Globally Harmonised System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	Implement good chemical safety management and implement product responsibility.	27
RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Green Chemistry & Sustainable Products	30
Genetically Modified Organisms			
RT-CH-410c.1	Percentage of products by revenue that contain genetically Modified organisms (gmos)	Everlight does not produce such products	N/A
Management of the Legal & Regulatory Environment			
RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors Affecting the industry	Sustainable environmental management policy Social responsibility	56 67
Operational Safety, Emergency Preparedness & Response			
RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Event Statistics-Process Safety Incidents: 9 PSTIR: 0.50 PSESR: 0.50	115
RT-CH-540a.2	Number of transport incidents	The number of transport accidents in the past four years is 0	114

Appendix 3 Sustainable Disclosure Indicators – Chemical Industry

Items	Indicator items	Indicator category	Disclosure	Unit	Note, Location
1	Total energy consumption, percentage of purchased electricity, utilization rate(renewable energy/total energy), and total self-generated and self-use energy ^[Note1]	Quantitative	<ul style="list-style-type: none"> Total energy consumption: 498.33x10³ GJ Percentage of purchased electricity: 55% Utilization rate(renewable energy/total energy): 0.26% Total self-generated and self-use energy: 1.32 x10³ GJ 	Gigajoules (GJ), Percentage (%)	05 Sustainable Environment: Greenhouse Gas and Energy Management
2	Total water withdrawn, total water consumption, mandatorily or voluntarily disclosed total wastewater (sewage) discharged.	Quantitative	<ul style="list-style-type: none"> Total water Withdrawn: 593.9 thousand cubic meters Total water Consumption: 95.7 thousand cubic meters Total wastewater (sewage) discharged: 498.2 thousand cubic meters 	Thousand cubic meters (m ³), Percentage (%)	05 Sustainable Environment: Water Stewardship
3	Total amount of hazardous wastes generated during the production process of products and percentage of hazardous wastes recycled, as required to be disclosed under the law or to be disclosed voluntarily.	Quantitative	<ul style="list-style-type: none"> Total amount of hazardous wastes generated: 1,761.3 tons Recycling Rate of Hazardous Industrial Wastes: 10.3% 	Metric tons (t), percentage (%)	05 Sustainable Environment: Water Stewardship
4	Number of employees in and rate of occupational accidents.	Quantitative	<ul style="list-style-type: none"> Number of employees in occupational accidents: 6 Rate of occupational accidents: 0.32% (Rate of occupational accidents =Number of employees in occupational accidents/total number of employees at the end of the year; The third decimal place is rounded off unconditionally) 	Percentage(%), quantity	06 Workplace Wellbeing: Occupational Health and Safety
5	Operations with significant actual and potential negative impacts on local communities.	Qualitative Description	The impact on local communities is carried out in the following aspects: <ul style="list-style-type: none"> Water resources management Pollutant emission management Waste management Chemical safety management 	N/A	03 Product Strategy and R&D Innovation: Implementation of Product Stewardship Management 05 Sustainable Environment: Water Stewardship and Pollution Prevention
6	Concrete valid mechanisms and actions implemented by the company itself and its suppliers to mitigate negative environmental or social impact.	Qualitative Description	<ul style="list-style-type: none"> Water resources management Pollutant emission management Waste management Chemical safety management Supplier Management 	N/A	03 Product Strategy and R&D Innovation: Implementation of Product Stewardship Management 04 Corporate Governance: Supplier Management 05 Sustainable Environment: Water Stewardship and Pollution Prevention
7	Production by product category.	Quantitative	<ul style="list-style-type: none"> Color chemicals 14,321 tons ^[Note2] Electronic Chemicals <ul style="list-style-type: none"> Photoresists 611 tons Other 10,077 tons Specialty Chemicals 2,978 tons Pharmaceutical Chemicals <ul style="list-style-type: none"> Prostaglandin 20,015 g Other APIs 767 kg Toner 4,594 tons 	Varies by product category	Since the unit of apis is higher, the production volume of apis is calculated in grams.

Note 1: The total amount of energy generated and self-consumed shall be defined in the Regulations on the Development of Renewable Energy, the Measures for the Implementation of Renewable Energy Certificates or relevant sub-laws.

Note 2: The material type of [semi-finished products] sold by Everlight Suzhou (colorants) is defined as finished products, which need to be reversed, and 536 tons of colorant chemicals are not included in the calculation.

Appendix 4 Climate-related information of listed companies: the risks and opportunities caused by climate change to the company and the relevant response measures taken by the company

Items	Implementation																												
Description of the oversight and governance by the Board of Directors and the management on climate-related risks and opportunities	Implemented The Board of Directors of Everlight Chemical is the company's highest-level supervisory organization for climate-related risks and opportunities, and the Board of Directors has established a Risk Management Committee and a Sustainability Development Committee to be responsible for the management of climate-related risks and opportunities, such as the Sustainability Development Committee composed of various management levels, and its Environmental Team established a Climate Change Working Group in 2021, whose members include production, finance, materials, R&D, logistics, energy resources, risk management, and environmental safety and health, etc., which are responsible for the identification, assessment and management of climate-related risks and opportunities. The Executive Secretary of the Sustainable Development Committee will report to the Board of Directors on a regular basis on the promotion and effectiveness of relevant work.																												
Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term)	Implemented Short-, Medium-, and Long-term Risks and Opportunities: Identification of Climate-related Risks and Opportunities We categorize risks into short-, medium- and long-term risks based on the Likelihood and potential impact of each risk <ul style="list-style-type: none"> ● Short-Term (1-3 years) <ul style="list-style-type: none"> - Physical Risk - Acute: Increased severity of extreme weather events - Such as cyclones and floods - Transition Risk - Policy Risk: Regulation of existing products and services - Transition Risk - Market Risk: Increased cost of raw materials ● Medium-Term (4-10 years) <ul style="list-style-type: none"> - Transition Risk - Market Risk: Increased cost of carbon management (Increased capital expenditure or management costs incurred to reduce carbon emissions), including carbon taxes and carbon tariffs (raising GHG emissions pricing) and increased costs associated with the use of renewables - Transition Risk - Reputational Risk: Shifts in consumer preferences - Transition Risk - Technology Risk: Substitution of existing products and services with lower emissions options - Transition Risk - Market Risk: Changing customer behavior that compels the company to offer low-carbon products to meet market demand ● Long-Term (>10 years) <ul style="list-style-type: none"> - Physical Risk: Rising mean temperatures leading to changes in lifestyles and consumption patterns - Physical Risk: Rising sea levels impacting the operations of plants - And facilities <p>Based on the risk identification and assessment by the Climate Change Working Group, four major transition risks are identified:</p> <ul style="list-style-type: none"> - Increased cost associated with the use of renewable energy sources, - Carbon tax / carbon pricing, - Shortage and increased costs of raw materials due to climate change, - Market/Consumer shifts towards low-carbon products <p>We identified two transition opportunities, mainly the need to develop low-carbon transition commodities and the development of sustainable products that can help users reduce carbon emissions to promote user benefits. Here's how to capitalize on the opportunities:</p> <ul style="list-style-type: none"> ● Short-term: more efficient production and distribution, use of new technologies to develop low-carbon processes ● Medium-term: Accelerate the research and development of environmentally friendly products/sustainable products ● Long-term: Achieve net-zero carbon emissions targets 																												
Description of the financial impact arising from extreme weather events and transitional actions	Implemented Regarding physical risk in response to extreme weather events, such as heavy rainfall, hurricanes and floods, the financial impact of the production sites has been limited since they have long strengthened their drainage capacity and enhanced the resilience of important operational measures. The financial impact of the transformation actions is illustrated below																												
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Description of how the climate risk identification, assessment, and management processes are integrated into the overall risk management system	Implemented Everlight's climate-related risk management system integrates the following management mechanisms of different functional units and levels, such as the management policies we consider, the actual assessment practices, and the confirmation of contingency measures to reduce the impact on our operations.																																																		
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Description of the used scenarios, parameters, assumptions, analysis factors, and main financial impacts if scenario analysis is used to analyze or assess the resilience against climate change risks	Implemented <ul style="list-style-type: none"> ● BAU: Although the risk of low-carbon transition is not significant, it will face immediate physical risks, such as the impact of extreme weather on operations and long-term sea level rise due to temperature rise, and the adaptation strategy of the organization must be strengthened in this scenario. ● National medium-term and long-term target pathways: According to the 24% emission reduction by 2030 proposed by the National Development Council and the achievement of net-zero carbon emissions by 2050 as stipulated by the Climate Change Adaptation Law, there are moderate low-carbon transition risks and medium-low physical risks in this scenario. ● 1.5°C pathway (the most aggressive carbon reduction target): This scenario represents a 50% reduction in emissions by 2030 and a net-zero carbon emission by 2050, in which the implementation of carbon reduction strategies must be accelerated and strengthened, otherwise the organization will be exposed to a high level of low-carbon transition risk, and the physical risk of the organization in this scenario is less significant. The carbon reduction targets and pathways under different scenarios are described in the climate chapter. 																																																		
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Description of the basis for pricing if an internal carbon price is used	Not yet Planning -																																																		
Description of the activities covered, scope of greenhouse gas emissions, timeframes planned, annual progress and so on if climate-related targets are set; description of the sources and quantity of carbon credits or the quantity of renewable energy certificates (recs) for offset if carbon offset or recs are employed to achieve relevant targets	Included in Planning The carbon reduction target and pathway set by Everlight Chemical are in line with the national target, and the strategy to achieve the Group's 25% carbon reduction target by 2030 under this scenario.																																																		
	<p>25% Carbon reduction by 2030 (62KT) (Based on 2021)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Value (Kt CO₂e)</th> </tr> </thead> <tbody> <tr> <td>Carbon emission in 2021</td> <td>82.2</td> </tr> <tr> <td>Output Value increased to 125 in 2030</td> <td>24.0</td> </tr> <tr> <td>Taipower's carbon emission coefficient reduced</td> <td>-13.0</td> </tr> <tr> <td>Factory Independent Improvement</td> <td>-5.5</td> </tr> <tr> <td>Product Combination Adjustment</td> <td>-2.8</td> </tr> <tr> <td>Purchasing green electricity</td> <td>-23.5</td> </tr> <tr> <td>2030 Target</td> <td>62.0</td> </tr> </tbody> </table>	Category	Value (Kt CO ₂ e)	Carbon emission in 2021	82.2	Output Value increased to 125 in 2030	24.0	Taipower's carbon emission coefficient reduced	-13.0	Factory Independent Improvement	-5.5	Product Combination Adjustment	-2.8	Purchasing green electricity	-23.5	2030 Target	62.0																																		
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Basic information of the company	Minimum Required Disclosure under the Sustainable Development Roadmap for TWSE/tpex Listed Companies	
<input type="checkbox"/> Capital of NT\$10 billion or more, iron and steel industry, or cement industry	<input type="checkbox"/> Inventory for parent company only	<input type="checkbox"/> Inventory for all consolidated entities
<input checked="" type="checkbox"/> Capital of NT\$5 billion or more but less than NT\$10 billion	<input type="checkbox"/> Inventory for parent company only	<input type="checkbox"/> Inventory for all consolidated entities
<input type="checkbox"/> Capital of less than NT\$5 billion		

Scope 1	Total Emissions (tCO ₂ e)	Production Value (million NTD)	Intensity (tCO ₂ e/million NTD in production value)	Assurance Body	Description of Assurance Status
Parent Company (Everlight Plant I, II, III, IV)	16,659.01	7,283.00	2.32	DNV	Expected to be implemented in August 2024
Trend Tone Imaging	106.39				
Everlight Suzhou	143.13				
Total	16,908.53				
Scope 2	Production Value (million NTD)		Intensity (tCO ₂ e/million NTD in production value)		
Parent Company (Everlight Plant I, II, III, IV)	32,257.18	-	6.23	-	-
Trend Tone Imaging	8,216.95				
Everlight Suzhou	4,934.89				
Total	45,409.02				
Scope 3 (Voluntary Disclosure)	-	-	-	-	-

Appendix 5 Social data

Statistics on the number of labor unions

Age	Male	Female	Total
Under 30 years old	175	51	226
31-50 years old	367	114	481
Over 51 years old	215	39	254

Group-wide employee manpower structure (including subsidiaries: Trend Tone Imaging / Suzhou / Shanghai / Ming Guang / Hong Kong / Netherlands / United States / Turkey / Vietnam) (Unit: person)

Items	Everlight Taiwan	Trend Tone Imaging	Everlight Suzhou	Mingde / Dehua	Shanghai	Ming Guang	Hong Kong	Netherlands	United States	Turkey	Vietnam	Total
Male Employees	1,027	157	122	27	6	9	1	6	14	15	2	1,386 (76%)
Full-time	893	157	122	18	5	6	0	3	13	15	1	1,233 (67%)
Part-time	134	0	0	9	1	3	1	3	1	0	1	153 (8%)
Female Employees	298	47	47	16	10	7	1	8	4	5	1	444 (24%)
Full-time	297	47	47	5	4	4	0	8	4	5	0	421 (23%)
Part-time	1	0	0	11	6	3	1	0	0	0	1	23 (1%)
Job level												
Supervisor	373	57	61	24	9	9	1	6	8	2	2	552 (30%)
Non-supervisor	952	147	108	19	7	7	1	8	10	18	1	1,278 (70%)
Age												
Under 30	299	28	37	0	3	2	0	3	0	0	0	372 (20%)
31~50	662	151	126	27	12	12	1	7	5	11	2	1,016 (56%)
Over 51	364	25	6	16	1	2	1	4	13	9	1	442 (24%)

The total number of employees in the Everlight Group is 1,830, including 1,386 males and 444 females, 552 supervisors and 1,278 non-supervisors, 372 under 30 years old, 1,016 between 31 and 50 years old, and 442 over 51 years old. The average age of the Group's employees is 40 years old, and the average length of service is 10.38 years. In terms of academic qualifications, 409 have a master's degree or above, 989 have a college degree or above, 335 have a high school degree, and 97 have a high school degree or less. There are 1 contractor, 16 security personnel, 7 outsourcing personnel, 7 aborigines, and 134 foreign employees. There are 1,654 full-time employees and 176 part-time employees in the Group.

Items	Male	Female	Total
Number of employees	1,386	444	1,830
Job level			
Supervisor	456	96	552
Non-supervisor	930	348	1,278
Age			
Under 30	287	85	372
31~50	744	272	1,016
Over 51	355	87	442
Average age	-	-	40
Average length of service	-	-	10.38
Degree			
Master's degree or above	299	110	409
College	693	296	989
High school	303	32	335
Below high school	91	6	97
Other			
Contractors	1	0	1 (Everlight Group)
Security guards	16	0	16 ^[Note1]
Outsourced personnel	6	1	7
Aboriginal	6	1	7
Expatriate employees	134	0	134
Employment Typology			
All positions (non-fixed-term contracts)	1,233	421	1,654
Concurrent position (fixed-term contract)	153	23	176

Note 1: In 2023, a total of 16 (male) security personnel are hired internally, and a total of 16 (male) personnel who have completed human rights education and training 2-4 are outsourced personnel, aboriginal and foreign employees are all from Everlight Taiwan, excluding 1 from Elite Foreign Trading Inc. (Turkey).

2023 information of Everlight Chemical Company's manpower structure table (including: Headquarter and Plant I, II, III, IV) (unit: person).

Items	Male	Female	Total
Number of employees	1,027 (78%)	298 (22%)	1,325 (100%)
Job level			
Supervisor	319	54	373
Non-supervisor	708	244	952
Age			
Under 30	239	60	299
31~50	498	164	662
Over 51	290	74	364
Average age	41		
Average length of service	12.9		
Degree			
Master's degree or above	257	93	350
College	514	192	706
High school	197	11	208
Below high school	59	2	61
Other			
Contractors	0	0	0
Security guards	0	0	0
Outsourced personnel	0	0	0
Aboriginal	6	1	7
Expatriate employees	134	0	134
Employment Typology			
All positions (non-fixed-term contracts)	893	297	1190
Concurrent position (fixed-term contract)	134	1	135

Note 1: The statistics include all employees who were employed at any time during 2023.

Proportion of female employees

Proportion/year	2020	2021	2022	2023
Proportion of female employees	22%	24%	24%	24%
Proportion of female supervisors	13%	15%	16%	21%
Proportion of women in STEM	-	31%	31%	30%
Percentage of female directors	9%	9%	9%	9%

Number of female employees

Number of people/years	2020	2021	2022	2023
Number of female employees	281	427	440	444
Number of female supervisors	53	82	90	96
Number of women in STEM	-	147	159	157
Number of female directors	1	1	1	1

Number of female directors

Year/ STEM Position	Male		Female		Total number of people (Male + Female)	Percentage of total employees
	Number of people	Ratio	Number of people	Ratio		
2021	315	68%	147	32%	462	26.4%
2022	352	69%	159	31%	511	28.1%
2023	359	70%	157	30%	516	28.2%

Note: This is based on Everlight only, excluding overseas subsidiaries and Trend Tone.

Distribution of new and resigned employees of Everlight Group by age in 2023 (including subsidiaries: All Access / Suzhou / Shanghai / Mingguang / Hong Kong / Netherlands / United States / Turkey / Vietnam)

Category	Age	Male		Female		Total number of people (Male+Female)	Percentage of total employees
		Number of people	Ratio	Number of people	Ratio		
Percentage of new hires	Under 30	149	69%	34	64%	183	68%
	31-50	60	28%	19	36%	79	29%
	Over 51	8	4%	0	0%	8	3%
	Total	217	100%	53	100%	270	100%
Percentage of employees who leave company	Under 30	85	42%	20	44%	105	42%
	31-50	91	45%	21	47%	112	45%
	Over 51	28	14%	4	9%	32	13%
	Total	204	100%	45	100%	249	100%

Distribution of new and resigned employees of Everlight Chemical by age in 2023 (including: Headquarter and Plant I, II, III, IV)

Category	Age	Number of males	Percentage of new male employees	Number of women	Percentage of new female employees	Sum (Male+Female)
Age of new hire	Under 30	130	75%	28	74%	158
	31-50	38	22%	10	26%	48
	Over 51	6	3%	0	0%	6
	Total	174	100%	38	100%	260
Age of resigned employee	Under 30	68	45%	18	51%	86
	31-50	57	38%	13	37%	70
	Over 51	25	16%	4	12%	29
	Total	150	100%	35	100%	185

Annual Turnover rate over the years

Items/Year	2020	2021	2022	2023
Annual turnover rate%	11.40%	15.12%	14.64%	14.04%
Annual involuntary turnover rate%	1.32%	1.44%	1.44%	1.80%

Note: Annual turnover rate (%) = [(Number of voluntary resignations in January/Number of people who have been employed in January) + ... + (Number of voluntary resignations in December/Number of people who have been employed in December)] x 100%

Annual involuntary turnover rate (%) = [(Number of involuntary resignations in January/Number of people who have been employed in January) + ... + (Number of involuntary resignations in December/Number of people who have been employed in December)] x 100%

※ Number of people who have been employed in month N is equal to the number of people who were employed at the end of N-1 month + the number of new employees in month N (the number of people employed at the end of month is those who are employed and have not resigned or left without pay)

※ The number of new employees in the current month includes the number of people who left without pay and returned to work in the same month.

Group-wide average number of training hours per employee in 2023 (GRI 404-1)

	Male training Total hours	Women's training Total hours	Total	Male average Training time	Female average Training time
Supervisor	35,594	7,048	42,642	70	69
Non-supervisor	63,316	19,528	82,844	76	53
Total	98,910	26,576	125,486	73	56

Note 1: The number of employees in 2023 includes all employees who have worked in the current year, including all the operating offices, Suzhou, Shanghai, Mingguang, Hong Kong, the Netherlands, the United States and Turkey.

Performance appraisal

Category	Percentage
Male (A)	78%
Female (B)	22%
Total (A+B)	100%
Non-Supervisor (C)	952
Supervisor (D)	373
Total (C+D)	1,325

Note 1: 2023

Note 2: The number of people only includes: Headquarter and Plant I, II, III, IV

Note 3: If you have been in office for less than three months, you also need to conduct a probationary appraisal (also a performance appraisal) for new recruits



INDEPENDENT ASSURANCE OPINION STATEMENT

Everlight Chemical Industrial Corporation 2023 Sustainability Report

The British Standards Institution is independent to Everlight Chemical Industrial Corporation (hereafter referred to as ECIC in this statement) and has no financial interest in the operation of ECIC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of ECIC only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by ECIC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to ECIC only.

Scope

The scope of engagement agreed upon with ECIC includes the followings:

1. The assurance scope is consistent with the description of Everlight Chemical Industrial Corporation 2023 Sustainability Report.
2. The evaluation of the nature and extent of the ECIC's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Everlight Chemical Industrial Corporation 2023 Sustainability Report provides a fair view of the ECIC sustainability programmes and performances during 2023. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the ECIC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate ECIC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that ECIC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to ECIC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 12 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that ECIC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the ECIC's inclusivity issues.

Materiality

ECIC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of ECIC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the ECIC's management and performance. In our professional opinion the report covers the ECIC's material issues.

Responsiveness

ECIC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for ECIC is developed and continually provides the opportunity to further enhance ECIC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the ECIC's responsiveness issues.

Impact

ECIC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. ECIC has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the ECIC's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

ECIC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the ECIC's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the ECIC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-2023015
2024-04-28

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Independent Limited Assurance Report

To Everlight Chemical Industrial Corporation:

We were engaged by Everlight Chemical Industrial Corporation (“Everlight”) to provide limited assurance over the selected information (“the Subject Matter Information”) on the 2023 Sustainability Report of Everlight (“the Report”) for the year ended December 31, 2023.

Applicable Criteria of the Subject Matter Information

Everlight shall prepare the Subject Matter Information in accordance with applicable criteria required by Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (“the Regulation”) as set forth in Appendix I.

Management’s Responsibilities

Everlight is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. Everlight is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation in Taiwan and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.



Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of Everlight;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2023 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Everlight. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partner on the assurance resulting in this independent auditors' report is Yu-Ting Huang.

KPMG

Taipei, Taiwan (Republic of China)
Jun 17, 2024

Notes to readers

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.



Appendix I : Summary of the Subject Matter Information

No.	Corresponding Section	Subject Matter Information	Applicable Criteria
1	Appendix Table: Topic-Specific Sustainability Disclosures for the Chemical Industry	<ul style="list-style-type: none"> ■ Total energy consumption: 498.33x10³ GJ ■ Percentage of purchased electricity: 55% ■ Utilization rate(renewable energy/total energy): 0.26% ■ Total self-generated and self-use energy: 1.32 x10³ GJ 	<p>Taiwan Stock Exchange Corporation Rules Table 1-2 No.1</p> <p>Total energy consumption, percentage of purchased electricity, utilization rate(renewable energy/total energy), and total self-generated and self-use energy.</p>
2	Appendix Table: Topic-Specific Sustainability Disclosures for the Chemical Industry	<ul style="list-style-type: none"> ■ Total water withdrawn: 593.9 thousand cubic meters ■ Total water Consumption: 95.7 thousand cubic meters ■ Total wastewater (sewage) discharged: 498.2 thousand cubic meters <p>Note 1: Total Water consumption = Total water withdrawn - Total wastewater discharged.</p>	<p>Taiwan Stock Exchange Corporation Rules Table 1-2 No.2</p> <p>Total water withdrawn, total water consumption, mandatorily or voluntarily disclosed total wastewater (sewage) discharged.</p>
3	Appendix Table: Topic-Specific Sustainability Disclosures for the Chemical Industry	<ul style="list-style-type: none"> ■ Total amount of hazardous wastes generated: 1,761.3 tons ■ Recycling Rate of Hazardous Industrial Wastes: 10.3% 	<p>Taiwan Stock Exchange Corporation Rules Table 1-2 No.3</p> <p>Total amount of hazardous wastes generated during the production process of products and percentage of hazardous wastes recycled, as required to be disclosed under the law or to be disclosed voluntarily.</p>
4	Appendix Table: Topic-Specific Sustainability Disclosures for the Chemical Industry[<ul style="list-style-type: none"> ■ Number of employees in occupational accidents: 6 ■ Rate of occupational accidents: 0.32% (Rate of occupational accidents =Number of employees in occupational accidents/total number of employees at the end of the year; The third decimal place is rounded off unconditionally) 	<p>Taiwan Stock Exchange Corporation Rules Table 1-2 No.4</p> <p>Number of employees in and rate of occupational accidents.</p>



No.	Corresponding Section	Subject Matter Information	Applicable Criteria
5	Appendix Table: Topic-Specific Sustainability Disclosures for the Chemical Industry	<ul style="list-style-type: none"> The impact on local communities is carried out in the following aspects: <ul style="list-style-type: none"> Water resources management Pollutant emission management Waste management Chemical safety management 	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-2 No.5</p> <p>Operations with significant actual and potential negative impacts on local communities.</p>
6	Chapter 3 Product Strategy and R&D Innovation_ Implementation of Product Stewardship Management	<ul style="list-style-type: none"> Everlight have established a Product Stewardship Division to manage each product for compliance and ensure compliance with regulatory requirements for product labeling. Management Strategy: <ul style="list-style-type: none"> Not using raw materials tested on animals. Not using conflict minerals. Establishing a process for managing hazardous substances. Implementing the "Green Screen List Translator™" tool. Compliance with Product Safety Data Sheets (SDS), labeling, and safety communication. Product health index. 	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-2 No.6</p> <p>Concrete valid mechanisms and actions implemented by the company itself and its suppliers to mitigate negative environmental or social impact.</p>
	Chapter 4 Corporate Governance_ Supplier Management	<ul style="list-style-type: none"> Everlight promote green procurement, implement supplier management policies, supervise suppliers to fulfill corporate social responsibilities, adhere to labor and human rights standards. Everlight require all suppliers to understand the relevant standards set for controlled substances in raw materials and restricted substances restricted by regulations worldwide, and to use these criteria to select suppliers who meet environmental protection and social responsibility standards. Everlight assess whether suppliers have ESG/CSR policies and guidelines, as well as related performance in environmental and social aspects. We also require important suppliers to fill out a "Regulatory Compliance Questionnaire," which includes inquiries about (a) the improvement rate of wastewater output and discharge improvement rate per ton of finished product, (b) compliance with occupational health and safety regulations in operations, and (c) compliance with relevant regulations regarding the employment of employees by local governments. For suppliers that do not meet the criteria, we continue to communicate and promote the concept of green chemistry with our suppliers. 	



No.	Corresponding Section	Subject Matter Information	Applicable Criteria
6	Chapter 5 Sustainable Environment_ Water Stewardship	<ul style="list-style-type: none"> Water Intake: Installing water recovery measures, conducting water usage surveys. Drainage: Enhancing wastewater treatment efficiency, regular monitoring of treated water quality. Regular assessment of operating sites which are located in water-stressed areas. 	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-2 No.6</p> <p>Concrete valid mechanisms and actions implemented by the company itself and its suppliers to mitigate negative environmental or social impact.</p>
	Chapter 5 Sustainable Environment_ Pollution Prevention	<ul style="list-style-type: none"> Everlight has established the Circular Economy Promotion Committee focused on waste reduction and waste resource utilization, aiming towards the ultimate goals of zero emissions and zero waste. In alignment with government regulations on air pollution prevention management, Everlight rigorously implements air pollution control measures to comply with legal requirements. Everlight endeavors to utilize low-pollution clean energy sources and improve processes to reduce the output and emission of sulfur oxides (SOx) and nitrogen oxides (NOx). Everlight continuously enhances its air pollution management by adhering to the "Emission Standards for Harmful Air Pollutants from Stationary Sources," aiming to improve air quality. Waste management process: <ul style="list-style-type: none"> On-site classification, storage, and labeling of waste. Online reporting and verification of waste disposal declaration and confirmation. Evaluation and contracting of disposal vendors. Regular audits and random inspections of disposal vendors to ensure proper waste handling (Irregular tracking to ensure that outsourced manufacturers properly handle all types of waste). Weighing waste and managing vehicle tracking for waste transportation. Emergency response actions to prevent additional environmental burdens and pollution risks caused by waste. 	



No.	Corresponding Section	Subject Matter Information	Applicable Criteria
7	Appendix Table: Topic-Specific Sustainability Disclosures for the Chemical Industry	<ul style="list-style-type: none"> ■ Color chemicals: 14,321 tons ■ Electronic Chemicals <ul style="list-style-type: none"> - Photoresists: 611 tons - Other: 10,077 tons ■ Specialty Chemicals: 2,978 tons ■ Pharmaceutical Chemicals <ul style="list-style-type: none"> - Prostaglandin: 20,015 g - Other APIs: 767 kg ■ Toner: 4,594 tons <p>Note : The material type of [semi-finished products] sold by Everlight Suzhou (colorants) is defined as finished products, which need to be reversed, and 536 tons of colorant chemicals are not included in the calculation.</p>	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-2 No.7</p> <p>Production by product category.</p>