

Chapter 4. Corporate Governance

Material Topic #1	Organizational Resilience (including Incident response and emergency, Information security and Digital transformation)
Impact Assessment	<p>Positive: Mitigates economic, environmental, and social risks while advancing digital transformation, growth, and talent development.</p> <p>Negative: Weak risk or digital management may disrupt operations, cause community unemployment, and lead to harm customer experience, and impact employment, revenue, and growth.</p>
Management Policies & Commitments (GRI 2-23) (GRI 2-24) (RT-CH-530a.1)	<p>Establish a solid financial foundation and proactively manage environmental and operational risks to ensure stable development, enhance resilience, and achieve sustainable operations.</p>
Governance Structure	<ul style="list-style-type: none"> • Finance Division • BCMS Executive Secretary • IT Division
Management Actions	<p>Finance Division</p> <ul style="list-style-type: none"> • Monitor quarterly changes in the equity-to-total assets ratio. Investigate any unusual decline and provide recommendations to governance units for improvement. ° <p>BCMS Executive Secretary</p> <ul style="list-style-type: none"> • Establish a Business Continuity Management System (BCMS) in line with ISO 22301, conduct Business Impact Analysis (BIA) and risk assessments, implement preventive measures for medium-to-high risks, develop continuity plans, and conduct drills. <p>IT Division</p> <ul style="list-style-type: none"> • Established an ISO 27001-compliant Information Security Management System (ISMS) to prevent information leakage, tampering, and service disruption. Identifies threats and vulnerabilities, manages risks, and ensures data confidentiality, integrity, and availability.
Resource Allocation	<p>Finance Division</p> <ul style="list-style-type: none"> • Financial personnel and senior management decision-making. <p>BCMS Executive Secretary</p> <ul style="list-style-type: none"> • All managers at the supervisor level and above across all company plants and offices, as well as key personnel from each department. • To enhance risk response capabilities and organizational resilience, the Company invests tens of millions annually in risk prevention and management measures, including equipment and facility upgrades/additions, and the establishment of backup plans. <p>IT Division</p> <ul style="list-style-type: none"> • IT personnel and members of the "Information Security and Personal Data Protection Management Review Committee". • Regular risk assessments, vulnerability scans, social engineering drills, and disaster recovery exercises. • Enhanced cybersecurity infrastructure, backup systems, and employee awareness training.

Material Topic #1	Organizational Resilience (including Incident response and emergency, Information security and Digital transformation)	
Indicators & Targets (RT-CH-150a.1)	Management Indicators	
	Equity-to-Total Assets Ratio	> 50%
	Critical IT Equipment Downtime/Incidents ^[Note 1]	≤ 240 min / month, once
	Critical IT System Downtime/Incidents ^[Note 1]	≤ 120 min / month, once
	Completion Rate of Medium-High Risk Improvements in BCM ^[Note 2]	100%
Evaluation Mechanism	<p>Finance Division</p> <ul style="list-style-type: none"> Quarterly evaluations are conducted through the review or audit of financial statements by certified public accountants. <p>BCMS Executive Secretary</p> <ul style="list-style-type: none"> An annual third-party audit is conducted to verify the effectiveness of the BCMS. <p>IT Division</p> <ul style="list-style-type: none"> An annual third-party certification audit is conducted to verify the effectiveness of the Information Security Management System. 	
Methods to Ensure Effective Actions	<ul style="list-style-type: none"> Equity-to-Total Assets Ratio, BCM High/Medium-Risk Improvement Completion Rate, and Downtime/Incident Records of Critical IT Equipment and Systems are designated as key performance indicators (KPIs) for material topics and are regularly reported to senior management. Dedicated units are assigned to manage each respective item. 	
2024 Execution Results	<ul style="list-style-type: none"> Equity-to-Total Assets Ratio: 74% (standalone financial statements); 67% (consolidated financial statements) Critical IT Equipment and Systems: Zero downtime/incidents recorded monthly (original indicator: monthly availability rate ≥ 99.5%) BCM: 5 high/medium risk items identified, with a 100% completion rate. 	
Communication with Stakeholders	Engaged stakeholders via multiple channels to share updates on resilience and digital transformation, and gather feedback to align understanding and support.	

Note 1: The original indicator, system/network availability (actual ≥ 99.9%), was revised to focus on allowable downtime and incident frequency of critical IT systems to strengthen management standards.

Note 2: The original indicator, number of BCM risk improvements, only tracked reported cases. To enhance relevance and effectiveness, it was updated to the completion rate of medium-to-high BCM risk improvements.

I. Corporate Governance Structure

1. Organizational Structure of the Highest Decision-Making & Governance Body | (GRI 2-9)(GRI 2-10)

The Board of Directors serves as the Company's highest governance body, responsible for setting sustainability strategies and overseeing management. Its authority, nomination, and performance evaluation follow national regulations and internal policies such as the "Director Selection Procedures" and "Corporate Governance Best Practice Principles."

The nomination and selection of board and committee members follow legal requirements and consider company development needs, diversity, independence, stakeholder perspectives, and risk management capabilities. The process is transparent, fair, and aligned with the Company's strategy to ensure members can effectively fulfill their duties.

2. Board of Directors and Corporate Governance Structure |

Board Composition: The Board consists of 11 directors, including 3 independent directors.

Board Selection: Directors are elected through a candidate nomination system, in which nominees are reviewed by the Board and submitted for election at the shareholders' meeting.

Board Term: The 19th Board was elected at the 2024 Annual General Meeting in accordance with legal procedures. The term runs from May 30, 2024, to May 29, 2027. In 2024, the Board convened 7 meetings with a 99% attendance rate.

Functional Committees: The Board has established the "Audit Committee," "Nomination Committee," "Remuneration Committee," "Strategy Committee," "Risk Management Committee," and "Sustainability Development Committee" to assist in fulfilling its oversight responsibilities. All committee charters are approved by the Board.

Executive Units: The organization includes 4 business units, 6 sales units, 6 production units, and 10 functional departments.



3. Board Diversity and Independence | (GRI 2-11)(GRI 405-1)

The Company has adopted a Board Diversity Policy and ensures members bring diverse expertise and independence to support business and industry development. Details are provided in the table below.

Name	Position	Gender	Industry Knowledge & 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	M	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 Director	None
Chen, Ding-Chi	Director	M	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 Director	None
Chen, Wei-Wang	Director	M	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 Director	General Manager

Name	Position	Gender	Industry Knowledge & 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-Ming	Director	M	V	V	V	V	V	Mechanical Engineering	General Manager at Trend Tone Imaging, Inc.	Senior Project Engineer at General Motors, Deputy Director of Materials Dept, General Manager at Everlight USA, Inc.	Over 51	Non-Independent Director	General Manager at Trend Tone Imaging, Inc.
Chen, Ru-ai	Director	F	V		V	V	V	Law	Senior Specialist at Everlight Chemical Industrial Corporation	Specialist, Hong Sheng Law Firm Assistant Vice President, Everlight (Suzhou) Advanced Chemicals Ltd.	Over 51	Non-Independent Director	None
Lee, Yung-Long	Director	M	V		V	V	V	Public Administration, Technology	-	Chairman of Jedi Technology Co., Ltd.	Over 51	Non-Independent Director	None
Ken, Wen-Yuen	Director	M	V	V	V	V	V	Information Technology	Chairman at Chung Hwa Chemical Industrial Works, Ltd.	General Manager at Chung Hwa Chemical Industrial Works, Ltd.	Over 51	Non-Independent Director	None
Lin, Zhao-yuan	Director	M	V	V	V	V	V	Chemical Engineering	Assistant to Chairman at Everlight Chemical Industrial Corporation	Assistant Vice President, Electrochemical Division & Deputy General Manager at Everlight Chemical Industrial Corporation	Over 51	Non-Independent Director	Assistant to Chairman
Yang, Way-Wen	Independent Director	M	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	4-6 years	None
Chang, Yuan-Jan	Independent Director	M	V	V	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	4-6 years	None
Lin, Xiu-yu	Independent Director	F	V		V	V	V	Accounting, Audit, Financial Analysis, Internal Control & Audit	CPA, Joy Certified Public Accountants	Certified Public Accountant, KPMG Taiwan; ISACA Taiwan & Taiwan Corporate Governance Association; Finance & Accounting Director, Aurora; Chief Auditor & Special Assistant to the Board, Aurora Group	Over 51	1-3 years	None

The Company has established a Corporate Governance Best Practice Principles, which includes a clear Board Diversity Policy. The diversity guidelines are formulated based on the Company's operational model and development needs, recommending that female directors comprise one-third of the Board. The Board is also expected to include members with diverse professional backgrounds, such as law, accounting, industry, finance, marketing, and technology, as well as relevant skills and industry experience.

Among the 11 directors serving the 2024 term, there are 2 female directors (18%) and 3 independent directors (27%), close to one-third, ensuring board independence. All independent directors have served no more than three consecutive terms. Additionally, 3 directors (27%) also hold senior management positions within the Company, a proportion below one-third.

Disclosure of Board Composition	2021	2022	2023	2024
Total number of board seats	11	11	11	11
Number of independent director seats	3	3	3	3
Number of female director seats	1	1	1	2
Number of director seats with spouse or second-degree relatives	5	5	5	5
Number of director seats concurrently serving as Company executives	2	2	2	3

4. Operation of Each Committee and Impact Management Mechanism | (GRI 2-12)(GRI 2-13)

The Board of Directors has established the "Audit Committee," "Nomination Committee," "Remuneration Committee," "Strategy Committee," "Risk Management Committee," and "Sustainability Development Committee" to assist in fulfilling its supervisory responsibilities. The charters of each committee have been approved by the Board and are duly implemented.

Functional Committees	Audit Committee	Remuneration Committee	Nomination Committee	Strategy Committee	Risk Management Committee	Sustainability Committee
Prescribed Number of Meetings	At least once per quarter	More than twice per year	More than twice per year	More than twice per year	Twice per year	Twice per year
Actual Number of Meetings Held(2024)	7	5	6	5	4	2
Attendance Rate	100%	100%	100%	98%	100%	100%

The Board of Directors oversees the management of material topic impacts, while the "Risk Management Committee" ensures effective risk control across operations. The "Sustainability Development Committee" assesses and prioritizes issues through surveys and interviews with department heads.

5. Board Performance Evaluation | (GRI 2-18)

On Mar 26, 2015, the Board approved the "Board Performance Evaluation Procedures." The Company conducts annual Board, director, and committee self-assessments, with external evaluations every 3 years. Results are reviewed by the "Nomination Committee" and submitted to the Board for action.

Though the Board was re-elected in 2024, there were no significant changes in the composition or operations. Detailed procedures are available on the Company's website. The latest external evaluation, commissioned to the Taiwan Corporate Governance Association, covered 2023 and included a document review, on-site visits, and recommendations for improvement. For more details, visit the Company's official website.

2024 Self-assessment results (Full score: 5)

Board of Directors: 4.93 **Remuneration Committee: 4.91**
Individual Board Members: 4.79 **Strategy Committee: 4.88**
Audit Committee: 4.98 **Risk Management Committee: 4.98**
Nomination Committee: 4.98

6. Board Training & Collective Knowledge | (GRI 2-17)



All members of the Board comply with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE- and TPEX-Listed Companies," completing at least 6 hours of continuing education annually, with newly appointed directors required to complete 12 hours in their first year of service. Directors actively participate to strengthen competencies and enhance understanding of sustainability and climate change. In 2024, the total training hours completed by directors reached 98, fully meeting regulatory requirements.

Additionally, ESG topics are regularly addressed through the "Sustainability Development Committee" meetings and reports to the Board, fostering collective knowledge and consensus on economic, environmental, and social issues.

For details on director training, refer to the MOPS and the Company's website under "2024 Board Training Information."

7. Disclosure of Conflicts of Interest to Stakeholders | (GRI 2-15)

The Company has established the "Related Party Financial and Business Operations Management Guidelines" in accordance with the "Corporate Governance Code of Practice" to prevent irregular transactions or improper benefit transfers between related parties (including board members) concerning transactions such as sales and purchases, asset acquisitions and disposals, endorsements and guarantees, and financial loans. Additionally, according to the Company's "Board Meeting Rules," directors who have a conflict of interest with a particular agenda item, whether personally or through a representative entity, should recuse themselves from the discussion and voting if such a situation could harm the interests of the Company. The execution of directors' recusal from related-party matters can be referenced in the Company's annual report, which discloses relevant information under the section on "Board Operations."

8. Communication of Critical Concerns | (GRI 2-16)

The Audit Office submits monthly internal audit reports and quarterly follow-up reports to the Board. All financial reports are disclosed on MOPS and the Company's official website after being audited by certified public accountants. The ESG Executive Secretary reports major sustainability topics and execution results to the Board, while the Risk Management Committee's Executive Secretary also reports prioritized material risks items (with a risk score ≥ 12) to the Board and proposes risk mitigation plans for those identified key risks.

In 2024, the Company did not encounter any key events that caused actual or potential negative impacts on stakeholders, such as regulatory fines over NT\$1 million or major occupational accidents.

II. Business Integrity

1. Business Integrity & Ethics

The Company's "Everlight Chemical Group Business Philosophy and Principles" White Paper articulates our commitment to operating with integrity and in compliance with the law, establishing a corporate image founded on ethical business practices. The Company adheres to both domestic and international legal requirements and aligns with global standards of corporate ethics.

Category	Highest Level of Approval	Applicable Activities and Scope	Communication Method (Publication Location)
Code of Integrity Management	Board of Directors	Directors & all employees	Company Website Monthly Meeting Email Notification
Corporate Governance Best Practice Principles			Company Website Email Notifications
Sustainability (ESG) Policy			Company Website

2. Policies & Commitments (GRI 2-23)

The Company has promulgated the "Code of Integrity Management" and the "Procedures for Ethical Business Practices and Code of Conduct", formulating integrity-based policies grounded in the principles of honesty, transparency, and accountability. The Board and management are committed to implementing these policies, ensuring all employees follow clear rules that prohibit offering or accepting improper benefits. The English and Chinese versions of the "Code of Ethical Conduct" and the "Whistleblower Policy for Violations of Ethical Conduct" have been published on the Company's website for both internal and external access.

3. Actions Taken to Prevent Conflicts of Interest (GRI 2-15)(GRI 2-24)

To ensure that the Company's directors and managers (including the General Manager, Deputy General Manager, Associate Manager, heads of finance and accounting, and other personnel with management and signing authority) act in accordance with ethical standards, the Company has established a Code of Ethical Conduct. This Code is publicly available on the Company's website, annual reports, prospectuses, and the Market Observation Post System (MOPS), with updates disclosed as necessary.



The Company also complies with legal requirements by implementing procedures to prevent and manage conflicts of interest at the highest governance level.

4. Measures to Prevent Insider Trading and Conflicts of Interest (GRI 2-24)

The Company has established the "Insider Trading Prevention Management Procedures" to protect investors and safeguard the Company's interests. Educational sessions on relevant regulations are conducted at least once a year for all current directors, managerial officers, and employees. Additionally, training is provided to newly appointed directors and managerial officers within three months of assuming office, and to new employees during pre-employment orientation. In 2024, a total of 8 sessions were held for all directors, managerial officers, and employees of Everlight Chemical.

5. Whistleblowing & Complaint Handling Mechanism (GRI 2-25)(GRI 2-26)

The Company has implemented a "Whistleblower Policy for Violations of Ethical Conduct," with the Audit Office designated as the responsible unit. Dedicated hotlines and email addresses have been established, including a separate mailbox for the Audit Committee. Upon receiving a report, the responsible unit must register the case, verify its relevance, and within 3 working days, seek approval

to file the case and initiate an investigation. The identity of the whistleblower and the content of the report will be kept confidential, and anonymous reporting is allowed to protect the whistleblower from any improper treatment. A "Disciplinary and Appeal Mechanism" is also in place, under which confirmed violations are handled in accordance with company regulations.

In 2024, the whistleblower policy was promoted among employees across regions through the distribution of Traditional Chinese, Simplified Chinese, and English electronic versions.

Whistleblowing Channels:

Hotline: +886-2-2326-3502

Audit Office Whistleblowing Mailbox: informant@ecic.com.tw

Audit Committee Mailbox: AuditCommittee@ecic.com.tw

6. Anti-Corruption, Anti-Trust, and Fair Competition Commitments

The Company enforces anti-corruption and anti-bribery policies through its Code of Ethical Conduct and regular training. In 2024, training on anti-corruption, bribery, and anti-competitive conduct was provided to all employees and Board members. Reported misconduct related to operations or business relationships - including corruption, bribery, insider trading, and conflicts of interest - is addressed in accordance with the whistleblower procedures.

7. 2024 Business Integrity Implementation Results

Items	Result
Prevention and Reporting of Unethical Conduct	No reported cases.
Internal Control Audit	No incidents of fraud, anti-competitive, anti-trust, or monopolistic practices were identified.
Insider Trading & Conflict of Interest Prevention Measures	On Aug 8, 2024, all 11 Board members completed a dedicated training session. Additionally, 7 sessions were held for Everlight Chemical managers and staff, with 1,157 total participants, 96.4 hours of training, and a 98.2% completion rate.
Integrity Management Code & Whistleblowing System Promotion	On Aug 8, 2024, all 11 Board members received training. Additionally, 22 sessions on the "Code of Ethical Conduct and Whistleblower Policy" were held across the Group, with 1,718 total participants, 143.2 training hours, and a 98.6% completion rate.

2024 Execution Results of Integrity and Anti-Bribery Policy Communication to External Parties (Suppliers/Contractors)

Category	Suppliers ^[Note 1]			Contractors			Total			
	Surveyed Unit	Total Number of Companies	Number of Companies Communicated With	Percentage	Total Number of Companies	Number of Companies Communicated With	Percentage	Total Number of Companies	Number of Companies Communicated With	Percentage
Headquarters		35	31	89%	25	25	100%	60	56	93%
Plant I		27	27	100%	58	58	100%	85	85	100%
Plant II		37	26	70%	135	135	100%	172	161	94%
Plant III		42	42	100%	108	108	100%	150	150	100%
Plant IV		3	3	100%	23	23	100%	26	26	100%
Trend Tone Imaging, Inc.		21	21	100%	12	12	100%	33	33	100%
Everlight (Suzhou)		5	5	100%	6	6	100%	11	11	100%
Total		170	155	91%	367	367	100%	537	522	97%

Note 1: The suppliers surveyed refer to those with an annual procurement amount of NT\$500,000 or more.

8. Internal Audit Organization & Operations

To support the Board of Directors and management in corporate governance and enhancing internal controls, the Company's Audit Office reports directly to the Board. Led by the Chief Auditor and staffed with two full-time internal auditors, the office audits the design and implementation of internal control systems and reviews the results of internal control self-assessments.

- (1) At the end of each year, potential risk factors are identified using the "Internal Audit Risk Assessment Table," with impact levels assessed and final risk levels determined after evaluating control measures. Based on this evaluation, the annual audit plan is created and submitted to the "Audit Committee" and the Board of Directors for approval. The audit covers major cycles such as sales, legal compliance, sustainability information management, and key internal controls. The goal is to ensure operational effectiveness, reliability, transparency, and compliance with applicable laws and regulations.
- (2) The execution of both planned and special project audits involves convening pre-audit meetings, performing audit tasks, drafting internal audit recommendation reports, holding closing meetings, and submitting final audit reports.
- (3) Monthly audit reports and quarterly follow-up reports are submitted to Independent Directors for review. The Chief Auditor attends "Audit Committee" and Board meetings to report on audit performance and findings.
- (4) In 2024, 63 audit items from the annual plan and 3 special project audits were completed as scheduled. No significant deficiencies were found, but 21 minor deficiencies were identified. By the end of 2024, 18 had been rectified, and the remaining 3 are being addressed through corrective actions and will be tracked until completion.

The following items have been identified as key audit areas for 2024:

Audit Items	Key Focus Areas & Description
Compliance with Laws & Regulations	<ul style="list-style-type: none"> Mastery and compliance status of applicable environmental, health, and safety regulations
Procurement and Payment Cycle	<ul style="list-style-type: none"> Tendering and price comparison operations, supplier management
Production Cycle	<ul style="list-style-type: none"> Chemical management, production safety, and smart manufacturing
Sales & Collection Cycle	<ul style="list-style-type: none"> Quotation and pricing operations, accounts receivable management, and customer complaints handling
Payroll Cycle	<ul style="list-style-type: none"> Payroll calculation operations and new system implementation
Computer Operations Management	<ul style="list-style-type: none"> Firewall policy, access rights management, and OT (Operational Technology) cybersecurity management
Sustainability Information Management	<ul style="list-style-type: none"> Quality and accuracy of information, compliance with international trends and regulatory requirements
Supervision & Management of Subsidiaries	<ul style="list-style-type: none"> SAP ERP implementation and quotation & pricing operations

- (5) In 2024, internal control self-assessments were conducted by group unit heads using a digital platform to evaluate internal control design and effectiveness. After review by senior management, audit diagnostic recommendations were issued. The Audit Office consolidated these into the "Internal Control Self-Assessment and Audit Diagnostic Report," which serves as the primary basis for the Board of Directors and President to assess the internal control system's effectiveness and issue the "Internal Control System Statement."
- (6) Management systems such as ISO 9001, ISO/IATF 16949, ISO 14001, ISO 45001, ISO 50001, ISO 22301 (BCMS), ISO 27001, and TIPS undergo regular internal audits conducted by qualified auditors, as well as external audits performed by certification bodies.

III. Remuneration Policy (GRI 2-19)

As a high-tech chemical company, Everlight Chemical Group is dedicated to improving product quality and services. The Company values compassionate management, offering fair employee benefits and fostering harmonious labor relations.

The Company regularly reviews industry salary levels, ensuring competitiveness while adopting measures exceeding the "Labor Standards Act." Bonuses and variable pay are tied to individual and organizational performance. To align compensation with sustainability strategies, the Company plans to incorporate ESG targets (e.g., reducing carbon emissions, improving diversity, promoting employee health) into management and reward mechanisms by 2026. Director compensation details can be found in "3. Director Compensation" (including fixed and variable salaries). Senior management compensation follows the same policy, in line with the "Labor Standards Act," and includes participation in the retirement plan under the Labor Pension Act. The Board of Directors conducts evaluations based on 5 key areas: participation in Company operations, decision-making quality, board composition, director appointment and training, and internal controls. These evaluations include managing the Sustainability Development Committee's performance to assess the economic, environmental, and social impacts, supporting sustainable governance.

1. Responsibilities of the Board of Directors for Compensation Management (GRI 2-19)

The Board of Directors is the highest governance body of the Company and, in accordance with regulations, has established the "Remuneration Committee". Its responsibilities are as follows:

- (1) Regularly review the Company's compensation policies and propose revisions as needed.
- (2) Establish and periodically review the policies, systems, standards, and structures for the performance evaluation and compensation of the Company's directors and managerial officers.
- (3) Regularly assess the compensation of the Company's directors and managerial officers.

2. Remuneration Determination Process (GRI 2-20)

According to Article 27 of the Company's Articles of Incorporation, if the Company makes a profit, 5% is allocated for employee compensation. Managerial salaries and bonuses are determined based on a salary scale, taking into account their roles, contributions, performance, and responsibilities. These are reviewed by the Compensation Committee and submitted to the Board for approval. Performance assessments consider factors such as professional, interpersonal, ideological, and leadership capabilities, and are included in the criteria for year-end bonuses and employee compensation. Director (including independent director) compensation is approved by the second board meeting of each term.

3. Directors' Remuneration

According to the Company's Articles of Incorporation, the compensation for the Board of Directors, regardless of the Company's profits or losses, is determined by the Board based on the directors' participation in Company operations and their contributions, considering industry standards. The compensation's reasonableness is approved by the Compensation Committee and the Board. Director compensation includes fixed remuneration and director fees, with no variable compensation. Independent directors only receive fixed salaries. The Articles of Incorporation stipulate that no more than 2% of annual profits will be allocated for director compensation, linking it to the Company's yearly profitability.

4. Tax Policy

Everlight Group upholds integrity and legal compliance, honoring contracts and commitments while truthfully disclosing information. We comply with tax laws in all countries of operation and have had no tax-related incidents or penalties in recent years.

From 2021 to 2024, Everlight Chemical has paid income taxes as required.

Company Entity Name	Everlight Chemical Industrial Corporation, Taiwan
Revenue from 2021 to 2024	NT\$34,122,334 thousand ^[Note 1]
Profit (Loss) Before Tax from 2021 to 2024	NT\$1,476,444 thousand
Income Tax Accrued from 2021 to 2024	NT\$253,736 thousand
Income Tax Paid from 2021 to 2024	NT\$255,326 thousand

Note 1: Consolidated amount for the Group.

As the Company's consolidated revenue does not exceed NT\$27 billion, it is not required to disclose country-by-country reporting.

IV. Risk Management (GRI 2-12)

To ensure sustainable operations, the Company has established a Group-wide risk management system through the implementation of the Risk Management Best Practice Principles. Risk management processes are conducted annually, focusing on external environmental changes (e.g., the Horizon Scanning Report and Global Risks Report) to identify priority issues and formulate responses. Each plant conducts risk reviews and adopts preventive measures in line with various management systems, such as ISO 9001, IATF 16949, ISO 14001, ISO 45001, ISO 22301, ISO 27001, ISO 50001, TIPS, and GMP, to enhance organizational resilience.



In response to the Taiwan Stock Exchange's issuance of the Practical Guidelines for Risk Management of TWSE/TPEX Listed Companies on Aug 8, 2022, the Company, on Aug 8, 2024, resolved by the Board of Directors to elevate the "Risk Management Committee" to a functional committee under the Board. The committee consists of five directors, three of whom are independent directors

1. Risk Management Organizational Structure & Responsibilities

Board of Directors

The Board of Directors is the highest governing body for risk management within the Company. In accordance with the Company's Risk Management Best Practice Principles, the responsibilities of the Board are as follows:

- (1) Approve risk management policies, procedures, and frameworks.
- (2) Ensure alignment between business strategy and risk management policy.
- (3) Ensure the establishment of appropriate risk management mechanisms and foster a risk management culture.
- (4) Supervise and ensure the overall effectiveness of the risk management framework.
- (5) Ensure the allocation and assignment of sufficient and appropriate resources to enable effective risk management operations.



Operations Units

The operations units, including the Operations Headquarters, business unit management teams, and heads of functional departments, serve as the executing bodies for risk management. Their responsibilities include:

- (1) Identifying, analyzing, assessing, and responding to risks within their respective units, and establishing necessary crisis management mechanisms.
- (2) Regularly reporting risk management information to the Risk Management Office.
- (3) Ensuring the effective implementation of risk management and related control procedures within their units to comply with the risk management policy.

Internal Audit

The Company's Audit Office is an independent unit under the Board of Directors. In accordance with the internal control system and related procedures, it formulates an annual audit plan and conducts unscheduled audits based on changes in internal and external environments. The Audit Office independently reviews the effectiveness of risk management activities, provides concrete improvement recommendations, and regularly reports audit results to the Board of Directors to help ensure that key operational risks are properly managed and that the internal control system remains effective.

Three Lines of Defense Framework for Risk Management



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



Risk Management Policy

The Company recognizes the rapidly changing global environment and, in order to mitigate operational risks and safeguard shareholder interests, has implemented a Risk Management Policy. This policy is designed to anticipate trends in the business environment, enhance company-wide risk awareness, and ensure sustainable business operations.

Risk Management Objectives

Through a comprehensive risk management framework, the Company manages various risks that may affect the achievement of corporate objectives. By integrating risk management into operational activities and daily management processes, the Company aims to achieve the following goals: (1) Achieve corporate objectives, (2) Enhance management effectiveness, (3) Provide reliable information, (4) Effectively allocate resources.

3. Scope of Risk Management

The Company adopts the COSO "Enterprise Risk Management - Applying Enterprise Risk Management to Environmental, Social, and Governance-Related Risks" framework. Risk management encompasses major categories such as strategic, compliance, financial, operational, and other risks. In compliance with relevant laws, regulations, and ISO standards, the risk management process follows a cyclical approach of identification, analysis, assessment, response, monitoring, and review for continuous improvement.

Risk Category	Description
Strategic Risk	The risk that decisions made based on insufficient internal and external information, or misjudgment of the situation, may affect the Company's normal operations or cause financial losses.
Compliance Risk	The risk arising from operational activities failing to comply with regulations, resulting in penalties, or from external litigation incidents that could damage the Company's reputation or cause financial losses.
Financial Risk	The risk of the Company incurring losses in various financial activities.
Operational Risk	The risk of losses in personnel safety, assets, liabilities, and net income arising from internal control or internal management factors during the Company's business operations.
Other Risks	Risks not covered by the above categories but that may still result in significant losses for the Company.

In regard to operational risks, the Company's response to climate-related risks is detailed in Chapter 5: Climate Change Response - Mitigation and Adaptation.

4. Risk Management Process



Risk Management Process

The Company has established its "Risk Management Best Practice Principles" with reference to ISO 31000:2018, the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and Applying Enterprise Risk Management to Environmental, Social, and Governance-Related Risks. Each business unit is responsible for regularly (at least once a year) and upon significant changes in internal or external operational environments, assessing risks within their scope of business and short-, medium-, and long-term objectives according to the risk management procedures outlined in the Principles. The process includes risk identification, analysis, evaluation, reporting, response planning, documentation, and ongoing monitoring to minimize potential impacts.

5. Risk Management Operations |

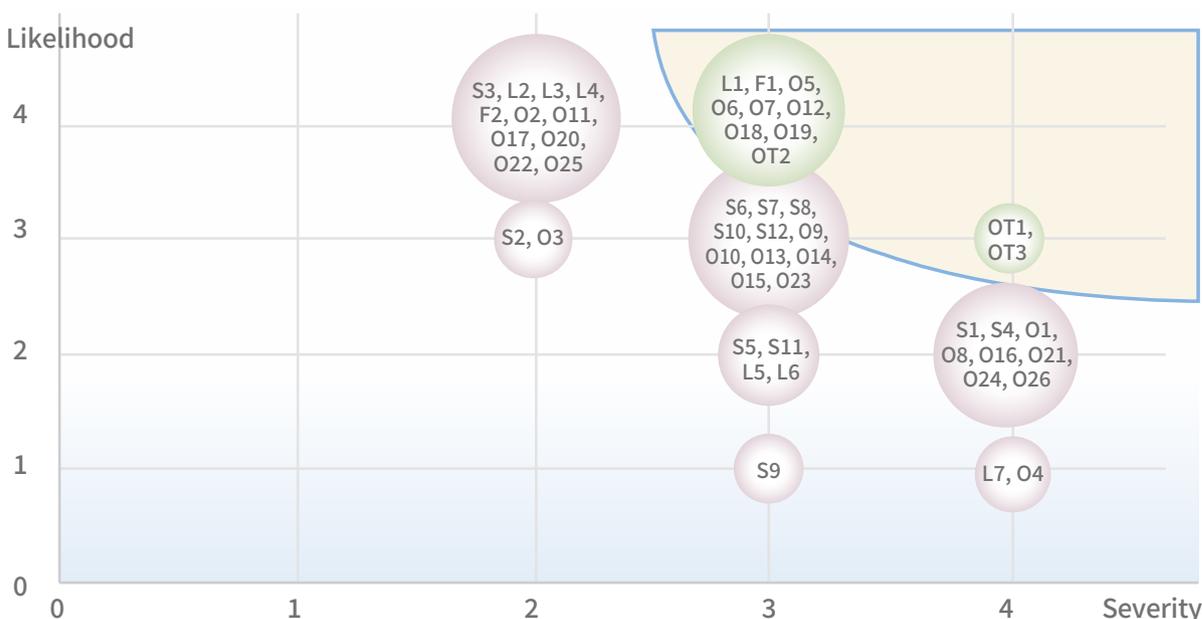
2024 Execution Status & Concrete Results

Each year, the business units and the "Risk Management Office" conduct comprehensive assessments of internal and external operational environments, identifying and analyzing potential risks based on risk categories using both quantitative and qualitative criteria. These risks are compared against the Company's risk appetite, and prioritized material risks are reported to the "Risk Management Committee" for review and approval. In 2024, 50 material risks were approved by the committee.

For each approved material risk, operating units select appropriate response strategies (e.g., Avoid & Stop, Share/Transfer, Reduce/Minimize, Retain/Accept) based on the Company's objectives, stakeholder perspectives, and available resources. Specific measures are proposed for implementation.

2024 Risk Matrix of Material Risk Items

Risks are ranked based on Severity and Likelihood. The higher the value on the horizontal axis, the more severe the risk; the higher the value on the vertical axis, the greater the likelihood of occurrence.



Note 1: Risk item codes: S - Strategic Risk, L - Legal Compliance Risk, F - Financial Risk, O - Operational Risk, OT - Other Risk. The numbers represent the registration sequence within each risk category and are not related to the risk level.

Note 2: The larger the bubble, the more major risk items are included within that specific risk level.

Note 3: The upper-right light yellow area represents the major risk items of priority concern (Severity × Likelihood = Total Risk Score ≥ 12 points).

2024 Priority Major Risk Response Measures

Risk Items Code	Risk Description	Severity Level	Likelihood Level	Response Measures
OT1	Geopolitical Risk – Cross-Strait Relations Deterioration	4	3	The Company has developed a Business Continuity Management (BCM) Plan for risk scenarios that may impact operations, encompassing emergency response, crisis management, and business continuity strategies.
OT3	Geopolitical Risk – U.S.-China-Taiwan Relations	4	3	<ol style="list-style-type: none"> Each business unit conducts a systematic analysis using the "Objectives and Strategy Formulation Table" to form annual business strategies and key action plans. Business units regularly evaluate and assess potential operational impacts on markets, with outcomes discussed in Group Management Meetings. Executive Diagnosis: The Company performs external environmental scanning and internal operational assessments, followed by providing improvement recommendations.
L1	Factory Soil and Groundwater Contamination	3	4	<ol style="list-style-type: none"> The Company has appointed a professional environmental consulting firm to handle soil and groundwater remediation projects. The Company implements the "3-A3-28 Soil and Groundwater Management Procedure" to ensure regulatory compliance and effective environmental management.
F1	Global Financial Crisis	3	4	The Company has established emergency response plans, incorporating both revenue enhancement and cost control measures. Response strategies are formulated for various risk scenarios to ensure business continuity and organizational resilience.
O5	Carbon Emissions, Carbon Tax, and Carbon Fee Regulations	3	4	<ol style="list-style-type: none"> Implement the "ISO 50001 Energy Management System" to strengthen energy-saving initiatives and improve energy efficiency measures. Utilize renewable energy and invest in renewable energy projects. Develop low-carbon products and sustainable solutions to support customers in reducing their carbon footprint. Implement the "Carbon Management System". Establish carbon reduction targets.
O6	Extreme Weather Risks (Heavy Rainfall, Drought, Typhoons, etc.)	3	4	<ol style="list-style-type: none"> Establish emergency response plans. Enhance employee response training and awareness of extreme weather events.
O7	Insufficient Power Supply	3	4	<ol style="list-style-type: none"> Enhance energy efficiency to reduce energy dependency. Develop Business Continuity Management (BCM) plans.
O12	Single Source or Region for Raw Materials	3	4	<ol style="list-style-type: none"> Review inventory availability days on a monthly basis. Develop multiple suppliers and alternative sourcing from other countries. Implement Original Design Manufacturing (ODM) for raw materials.
O18	Insufficient Human Resource Supply	3	4	Develop multiple talent recruitment channels and establish strategic partnership networks.
O19	Loss of Key Talent	3	4	Conduct regular evaluations and improvements of remuneration and benefits.
OT2	Trade Barriers	3	4	<ol style="list-style-type: none"> Each business unit conducts systematic analysis using the "Objectives and Strategy Formulation Table" as part of policy management to develop annual business strategies and key initiatives. Business units review goal achievement, progress on key initiatives, and environmental changes affecting policy execution on a monthly basis. Abnormal issues and items requiring support are reported during the monthly Group management meetings. Executive-Level Diagnostics: External environmental scanning and internal operational assessments are conducted to identify areas for improvement and provide recommendations.

The Company recognizes the Business Continuity Management System (BCMS), established under ISO 22301, a core component of risk management. Its effectiveness is verified through annual third-party audits. The Risk Management Office and operating units conduct annual risk reviews, identify high-risk areas, and develop the BCM Plan to enhance organizational resilience.

The Executive Secretary of the "Risk Management Committee" reported to the Board on May 9 and Dec 12, 2024. The first report addressed 2024 key plans and climate-related risks, while the second focused on risks scoring ≥ 12 points, related mitigation measures, and BCM risks for 2024-2025.

V. Information Security Management

The Company recognizes information security as vital to sustainable development. In 2016, it established the "Information and Personal Data Security Management Committee," and in 2023 appointed a Chief Information Security Officer (CISO) to address external threats and internal vulnerabilities.

1. Responsible Unit

The "Information and Personal Data Security Management Committee" is chaired by the President, with the Head of the IT Department serving as Executive Secretary. Senior executives from various departments are appointed as Information Security Representatives, and regular information security review meetings are convened.

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

Information Security Policy	Implement protective measures to ensure information security.
Qualitative Objectives	Ensure the confidentiality, integrity, and availability of the Group's information.
Quantitative Objectives	Complete OT cybersecurity protection implementation for Plants I to IV by 2030.



3. Specific Measures

In Jul 2019, the "Information Security and Personal Data Protection Committee" decided to engage external consultants and launched the "Information Security Management System Implementation and Certification Project" in Dec 2019. The project achieved ISO 27001 certification in 2021 and was recertified to ISO 27001:2022 by DNV in 2024.



The Committee holds annual management review meetings. The Head of the IT Department reports annually to the Board of Directors; in 2024, the report on Nov 14 covered risk mitigation efforts and key security initiatives.

The Committee focuses on reviewing information security policies and objectives, ensuring system effectiveness through regular reviews and audits, and continuously enhancing defenses against external threats and internal risks.

To further strengthen cybersecurity, the Company plans to implement protective measures for Operational Technology (OT) networks across its facilities.

4. Remedial Measures for Information Security Incidents

In the event of a major information security incident, the Company will respond promptly in accordance with the Information Security and Personal Data Incident Management Procedures to minimize impact.

5. Information Security Incident Reporting

Any reported information security or personal data incident will be managed in accordance with the Company's reporting and response procedures.



6. 2024 Number of Information Security Incidents and description

In 2024, the Company recorded 7 minor and 1 moderate information security incident, with no major incidents. All were resolved within the required timeframe and operations returned to normal.

7. 2024 Execution Results

Items	Content
Information Security Education and Awareness	Through online training and monthly information security briefings, each employee received an average of 0.5 hours of training.
Emergency Response Drills	Conducted an emergency response drill simulating a headquarters fire and data center damage.
System Security Testing and Protection	<ul style="list-style-type: none"> System Vulnerability Scan : An external cybersecurity firm conducted a system scan, with follow-up actions based on risk levels. 2024 scan results were as follows: <ul style="list-style-type: none"> - Critical Risks: 19 cases (10 resolved, 3 pending, 6 no action required) - High Risks: 25 cases (21 resolved, 1 pending, 3 no action required) - Medium Risks: 112 cases (46 resolved, 50 pending, 16 no action required) Social Engineering Drill: 2 phishing email simulations were carried out for all Everlight Chemical employees. Issues identified were addressed through company-wide briefings and training.
Operational Safety	Zero operational impacts from information security incidents in 2024.

VI. Intellectual Property Management

Facing intense market competition, the Company continues to strengthen its technological foundation and develop high-tech products. Recognizing intellectual property as a critical asset, it has adopted an IP strategy aligned with business goals to create value and maintain a competitive edge.

1. Management System, Policy, and Practices

The Company is advancing toward a high-tech and green economy industry by leveraging strengths in R&D, technology, and manufacturing to develop eco-friendly, high-tech chemical products. Recognizing intellectual property (IP) as vital to competitiveness, the Company has established the "Intellectual Property Management Policy," emphasizing compliance with IP regulations and the protection of critical proprietary technologies. The policy is guided by 3 strategies: (1) establish and continuously improve the IP management system, (2) integrate IP resources to seize business opportunities, and (3) strengthen training and communication to raise IP awareness.



IP Management Policy

2. Responsible Unit | The "Patent Management Committee" is responsible for managing and protecting intellectual property rights and patents.

3. Intellectual Property Management System

The Company utilizes a digital management platform and the IP Management Manual to continuously review and update processes through daily operations, audits, and management reviews, ensuring system effectiveness and strengthening IP management capabilities.

4. Patent Protection Measures

Patent Management Committee

The Company promotes employee participation in innovation through evaluation, incentives, and training, while safeguarding R&D achievements. Patents are reviewed annually to ensure effective maintenance and protection of intellectual property.

Taiwan Intellectual Property Management System (TIPS)

The Company renewed its "Taiwan Intellectual Property Management Standards (TIPS)" A-level certification in 2024, valid until Dec 31, 2026.



TIPS Certificate

5. Execution Results and Specific Actions

- 1 No major intellectual property violations occurred.
- 2 In 2024, the "Patent Management Committee" reviewed 3 new patent applications, published 8 journal articles or conference papers, and conducted 6 intellectual property-related training sessions.
- 3 As of Dec 2024, the Company had obtained 207 invention patents and 197 domestic and international trademarks.
- 4 Examples of patent categories in 2024 are as follows:

Patent Category	Technology Name	Technology Description	Application Objective
Invention Patent	High Solid Content White Slurry	Used anionic polyelectrolytes to address TiO ₂ sedimentation, producing a water-based white paste with improved dispersibility and storage stability.	Enhance product dispersibility & storage stability.
	Negative-type Photosensitive Composition & Its Use	Enhanced adhesion and reliability of LED photosensor passivation layers using nitrogen-containing silane compounds.	Improve the performance of LED photosensitive elements.
	Device & Process for Regeneration of Silicon Carbide Substrate Slurry	Developed a regenerated polishing slurry by leveraging differences in particle sedimentation and electrophoretic timing, reducing wastewater and waste output.	Promote circular economy & green chemistry goals by reducing waste & environmental pollution.

VII. Regulatory Compliance (GRI 2-27)

Everlight Chemical prioritizes regulatory compliance, ensuring all operations follow applicable laws to safeguard employee and customer rights while fulfilling economic, social, and environmental responsibilities. No major violations (fines over NT\$1 million) or non-monetary penalties occurred.

During the reporting period, the Company received some environment- and society-related penalties, which have been reviewed and addressed through targeted corrective actions.

Category	Items	2023 Fine Incidents		Cause Explanation	Improvement Measures	Improvement Progress
		Fine Amount (Unit: NT\$)	Non-monetary Sanction Incidents			
Social	Occupational Safety & Health Facility Regulations	100,000	None	Violation of Article 280	Promote workplace safety & enhance training.	Closed.
	Fire Services Act	22,000	None	Violation of Article 15	Exhaust equipment installed.	Closed.
	Labor Standards Act	150,000	None	Violation of Article 32	An automated tracking system has been established.	Closed.

Category	Items	2024 Fine Incidents		Cause Explanation	Improvement Measures	Improvement Progress
		Fine Amount (Unit: NT\$)	Non-monetary Sanction Incidents			
Environment	Air Pollution Control Act	500	None	The Taipei office missed the 2023 motorcycle emission inspection.	Fine fully paid	Motorcycle emissions will be inspected regularly as required.
Social	Building Act	60,000	None	Violation of Article 73, Paragraph 2	Construction was approved following submission of supplementary documents.	The project is on track to obtain an occupancy permit by end-2025.
		60,000	None	Violation of Article 77-2, Paragraph 1		
		68,000	None	Violation of Article 86, Item 1		
		712,835	None	Violation of Article 86	Fine has been paid in full.	Improvement project tendered according to schedule.

Note: The Company defines a "major event" in accordance with the relevant regulations of the Market Observation Post System (MOPS), treating any penalty of NT\$1 million or more as a major event.

VIII. Sustainable Procurement

To align supply chain activities with sustainability principles, the Company has adopted a new procurement policy based on integrity and shared responsibility with raw material suppliers. Through green procurement, supplier management, and oversight of CSR and labor standards, we ensure timely delivery, stable quality, competitive pricing, and excellent service, creating a win-win situation. Our aim is to provide safe, reliable, high-quality, and sustainable green chemical products.

The procurement policy focuses on integrity, legal compliance, cost optimization, risk control, and ESG promotion.

Supplier Management and Sustainable Development Goals

To strengthen sustainability, compliance, and transparency in the supply chain and foster long-term supplier collaboration, the Company has established a Supplier Management Policy. The policy aims to ensure procurement activities align with environmental, social, and economic sustainability principles, supported by the following actions:

- **Develop partnerships with suppliers based on integrity.**
- **Promote supplier responsibility and adherence to labor and human rights standards.**
- **Strengthen supply chain risk control and continuous improvement mechanisms.**
- **Ensure sustainable supply through strong safety, quality, punctual delivery, competitive pricing, and reliable service.**

2024 Execution Results and 2030 Quantitative Goals

No.	Execution Measures	2024 Execution Results	2030 Quantitative Goals
1	Promote E-ESG certification for suppliers.	37.5%	70% of key suppliers certified with E-ESG.
2	Issue the "Everlight Chemical Group Supplier Code of Conduct", requiring all new raw material suppliers of the Procurement Department to sign a commitment letter.	12.5%	80% signing rate of commitment letters from existing key suppliers.
3	Conduct supplier training programs (including environmental topics).	3 sessions / 38 suppliers / 55 participants	Continuously conduct supplier training sessions in 3 major raw material supply regions (Taiwan, China & India).
4	Ensure raw material procurement personnel receive training on sustainable procurement and environmental topics.	100%	100% of raw material procurement personnel to continuously receive training.

1. Supplier Evaluation and Selection Mechanism

"Become a high-tech chemical enterprise group contributing to humanity" is Everlight Group's vision. Guided by sustainable development principles, we emphasize environmental protection, social responsibility, corporate governance, and business ethics. We expect all suppliers to comply with this Code and applicable laws and regulations to ensure a sustainable supply chain. To promote compliance and accountability, we have established a "Supplier Management Policy" and "Supplier Code of Conduct," both available on our corporate website. Suppliers are required to understand relevant standards and regulations regarding restricted substances in raw materials and international chemical regulations, and to select materials that meet environmental and social responsibility criteria, supporting our ESG goals.



2. Supplier Whistleblowing Channels and Procedures

Suppliers must maintain professional conduct with Everlight Chemical. Any bribery, kickbacks, conflicts of interest, or unauthorized subcontracting must be reported immediately via the designated whistleblowing channels.

Hotline: +886-2-2326-3502
Audit Office Reporting Mailbox: informant@ecic.com.tw
Audit Committee Mailbox: AuditCommittee@ecic.com.tw

3. Local Procurement Ratio

Due to industry characteristics, most of Everlight Chemical's raw materials are sourced from China, India, Europe and the US. In 2024, procurement from Taiwan accounted for 27%, with local sourcing prioritized when product requirements are met.

4. Proportion of Raw Material Procurement Amount from Major Suppliers (2022-2024)

(GRI 204-1)

Procurement Sources of Everlight Chemical	Year	2022	2023	2024
Local	Taiwan (%)	28	26	27
Non-local	China (%)	41	36	33
	India (%)	17	19	17
	Europe & America (%)	14	19	23

5. Number of Local Raw Material Suppliers (2022-2024)

Everlight Chemical's local procurement rate remained stable at around 54%, reflecting a steady local sourcing strategy. Everlight (Suzhou) Advanced Chemicals Ltd. showed fluctuations, with the local procurement ratio decreasing from 86% in 2022 to 77% in 2024, though local sourcing still accounts for the majority of its procurement. Trend Tone Imaging, Inc. increased its local procurement from 9% in 2022 to 22% in 2024, demonstrating a steady effort to strengthen its local supply chain.

Site		Everlight Chemical			Everlight (Suzhou)			Trend Tone Imaging, Inc.		
Year		2022	2023	2024	2022	2023	2024	2022	2023	2024
Local Procurement	Number of Suppliers	208	226	214	59	31	34	6	14	15
	Percentage	53%	54%	54%	86%	76%	77%	9%	20%	22%
Non-local Procurement	Number of Suppliers	185	193	180	10	10	10	59	55	53
	Percentage	47%	46%	46%	14%	24%	23%	91%	80%	78%
Total		393	419	394	69	41	44	65	69	68

6. 2022-2024 Procurement Amount Proportions for Raw Materials by Everlight Chemical and Its Production Plants in Local and Overseas Regions

Category	Site	2022	2023	2024
Local Procurement	Everlight Chemical	28%	26%	27%
	Everlight (Suzhou)	11.9%	15.9%	18.9%
	Trend Tone Imaging, Inc.	0.2%	1%	10%
Non-local Procurement	Everlight Chemical	72%	74%	73%
	Everlight (Suzhou)	89.1%	84.1%	81.1%
	Trend Tone Imaging, Inc.	99.8%	99%	90%

Note: Trend Tone Imaging, Inc. belongs to the toner industry and collaborates with key domestic and international suppliers of upstream resin, iron powder, and pigments to ensure the stability of material supply sources.

7. Supply Chain Risk Management

To ensure raw material supply and strengthen organizational resilience, supplier risk assessments were expanded to cover all suppliers. The proportion of medium-to-high risk suppliers is capped at 2.5%. In 2024, 98.8% of suppliers were classified as low risk, consistent with 2023, while medium-to-high risk suppliers remained at 1.2%.

Year	2022		2023		2024	
	Number of Suppliers	Percentage (%)	Number of Suppliers	Percentage (%)	Number of Suppliers	Percentage (%)
Low Risk	505	96.9	494	98.8	507	98.8
Medium Risk	14	2.7	6	1.2	6	1.2
High Risk	2	0.4	0	0	0	0
Total	521	100	500	100	513	100

For medium-to-high-risk and single-source suppliers, the "Procurement Department" conducts monthly inventory tracking and implements risk-mitigation measures such as sourcing alternatives, increasing inventory, early purchasing, and monitoring usage and logistics through weekly reports. To enhance oversight, "Supplier Evaluation Forms" are issued to these suppliers to assess their performance in quality, process control, environmental and safety systems, green manufacturing, CSR (e.g., human rights, anti-discrimination, no child labor), and corporate governance (e.g., business continuity and ESG/CSR reporting).

8. Green Supply Chain Management Performance | (GRI 308-2)

To promote a green supply chain, suppliers are classified as key, critical, or new. Critical and new suppliers are asked to complete a "Supplier Evaluation Form" to assess their ESG/CSR policies and environmental and social performance. Critical suppliers must also complete a Regulatory Compliance Questionnaire covering environmental, labor, and ethical aspects, including:

- 1 Improvement rate of wastewater generation and discharge.
- 2 Compliance with occupational safety and health regulations.
- 3 Compliance with local government regulations on employee hiring.

For suppliers not yet in compliance, we will continue communication and guidance efforts, aiming to jointly advance the principles of green chemistry.

Questionnaire Implementation Results from 2022 to 2024

Supplier Category	Key Suppliers (Purchase Amount > NT\$ 5 million)			Important Suppliers (Purchase Amount > NT\$ 30 million)									New Suppliers
	Sustainability & CSR Reports / Declaration			Supplier Evaluation Form			Environmental Compliance Questionnaire			Social Compliance Questionnaire			Supplier Evaluation Form
Year	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2024
Number of Suppliers	171	128	111	32	19	16	32	19	16	32	19	16	11
Response Rate	58%	61%	70%	78%	100%	100%	84%	95%	100%	100%	100%	100%	100%
Number of Completed Surveys	99	78	78	25	19	16	27	18	16	32	19	16	11
Actual Performance / Results	Survey Coverage Rate: 78% Compliance Rate: 100% <small>[Note 1]</small>			Environmental Compliance Rate: 100% Social Compliance Rate: 100% <small>[Notes 2-3]</small>			Wastewater Generation Improvement (100%): 14 improved, 2 unchanged, 0 declined Wastewater Discharge Improvement (100%): 13 improved, 3 unchanged, 0 declined			Occupational Safety & Health Regulatory Compliance Rate: 100% Labor Regulatory Compliance Rate: 100%			In 2024, 11 new suppliers were evaluated for environmental and social performance using the Supplier Evaluation Form.

Note 1: In 2024, 111 supplier instances with purchases over NT\$5 million were reviewed; 78 had published sustainability or CSR reports, or disclosed ESG/CSR statements on their websites.

Note 2: Under the 2022 scoring system (total score: 5), a score above 3 is considered compliant for environmental and social indicators.

Note 3: In 2024, environmental and social criteria were newly added to the evaluation of key suppliers.

To promote sustainable development, the Company collaborates with supply chain partners to promote green and sustainable procurement through the implementation of the E-ESG Certification System. This system aims to assess supply chain risks and ensure that partners meet the Company's standards in environmental protection, social responsibility, and corporate governance. The system focuses on 4 key areas: E-E (Environmental Protection): Assesses performance in water management, pollution prevention, GHG reduction, and green technologies, E-S (Social Responsibility): Evaluates human rights, labor rights, occupational health, safety, and employee welfare, E-G (Corporate Governance): Focuses on business integrity and risk management, E-ESG (Sustainability Integration): Provides a comprehensive assessment of all aspects of sustainability.

In 2024, 22 suppliers were certified under E-E, 10 under E-S, 7 under E-G, and 6 under E-ESG. Suppliers certified under E-ESG will be given procurement priority. The certification is valid for 5 years.

The sustainable procurement performance for 2024 is shown in the table below:

Sustainable Procurement Action	2024 Implementation Results
1. Establish Green/Sustainable Supplier Code of Conduct	In Oct 2024, the "Everlight Chemical Group Supplier Code of Conduct" was enacted, and suppliers are gradually being required to sign a compliance commitment.
2. Conduct Green/Sustainable Supplier Risk Assessments	In Jul 2024, Everlight Chemical launched the Supplier E-ESG Certification and promoted supplier participation.
3. Implement E-ESG Certification / On-site Audits / Guidance / Incentives	Everlight Chemical launched the Supplier E-ESG Certification in 2024, with 6 suppliers certified - 4 of which are key suppliers, representing 25% of all key suppliers and 16% of total procurement value. 2024 Outstanding Supplier Awards: 2 Sustainable Supplier Awards, 1 Quality Excellence Award, and 1 On-Time Delivery Award.
4. Promote Supplier Certification of ISO 14001	In 2024, 81.3% of key suppliers were certified.
5. Require suppliers to comply with human rights policies, including social indicators such as the prohibition of forced labor and child labor.	This clause was included in all supply contracts, with 3,133 contracts completed in 2024.

9. Supplier Satisfaction Survey |

Raw Material Suppliers

- The Company conducts a "Raw Material Supplier Satisfaction Survey" to assess interactions with suppliers and identify areas for improvement in procurement. Open communication supports stronger partnerships and mutual success.
- In 2024, 20 suppliers (excluding contract manufacturers) with annual purchases over NT\$30 million were surveyed. The response rate was 100%, with an average satisfaction score of 97.2.
- The highest-rated item was the ethical conduct of procurement staff (100 points), followed by professionalism, contract fulfillment, and payment timeliness (98 points each). Compared to 2022, where two items scored below 90, no item scored below 90 in 2024. The lowest score was for handling of non-conforming raw materials (94 points), primarily due to supplier-side issues. The Company continues to provide support and strengthen communication.

Contractor

- In Q1 2025, satisfaction surveys were conducted for 65 contractors, based on their 2024 performance, yielding an overall score of 95.7. The highest-rated item was ethical conduct of procurement staff (9.7), followed by professionalism of procurement staff, clarity of contract communication (including timeline and acceptance criteria), staff cooperation, acceptance procedures and communication, and payment processing (9.6 each). Pre-construction training and safety briefings scored slightly lower (9.4).
- In response to one contractor's lower ethics rating, the Company will enhance internal communication to build stronger mutual trust and continue engaging with contractors to address and improve on key concerns.

