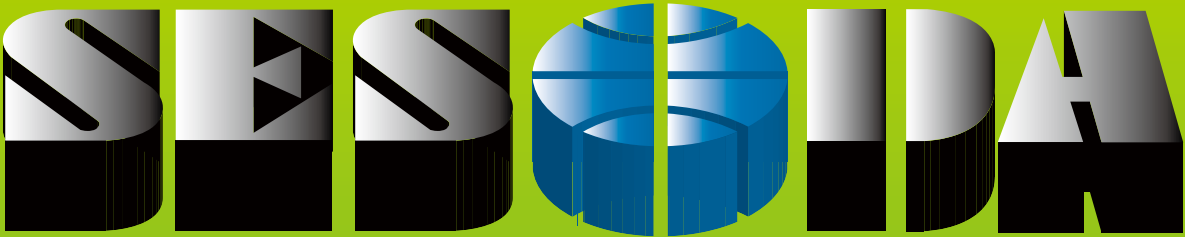


2023 ESG Sustainability Report  
SESODA CORPORATION



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## About this report

This is the corporate sustainability report (hereinafter referred to as ESG report or this report) issued by SESODA CORPORATION (hereinafter referred to as "Sesoda", "We" or "the Company"). We hope to explain to the stakeholders who care about Sesoda by issuing ESG report that under the goal of corporate sustainability in 2023, We have made efforts and achievements in maintaining corporate governance integrity, improving environmental sustainability, strengthening occupational accident protection, improving employees' salary and benefits, and promoting community relations, especially focusing on improving environmental sustainability. We also hope that stakeholders from all walks of life will continue to care about Sesoda, so that we can fulfill our social responsibilities as corporate citizens.

### Disclosure period and scope

- Disclosure period: from January 1 to December 31, 2023, in order to disclose the integrity of information, if some information spans different years, it will be explained separately in the report.
- Disclosure scope: SESODA CORPORATION is the main body of this report, and the disclosure bases include Taipei Head Office, Suao Main Plant, Taichung Factory and Changhua Factory, in which the financial data refer to the public information of consolidated financial statements, including the financial performance of subsidiaries, and have been checked and certified by external accountants according to International Financial Reporting Standards (IFRS), and the calculation unit of financial data is NTD; As for the environmental and social data, only Sesoda's individual data are disclosed, excluding the subsidiary data, and the statistics are compiled by Sesoda's responsible department and presented by the internationally accepted index calculation method. In the future, depending on the overall operation scale of the company, we will include subsidiaries in the complete disclosure of the sustainable development of the company. During this reporting period, the Company didn't disclose the adjustment of the sites, but according to the update of the topics concerned by the Company and the explanation of the GRI 304 biodiversity index, the sites of the Company are not within the control scope of conservation animals, so it has no impact.

### Writing basis

The content structure of this report follows the new edition of GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Reporting Initiative (GRI) in 2021. It was edited with reference to the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD), as well as the "Code of Practice for Corporate Social Responsibility of Listed Companies" formulated by Taiwan Stock Exchange Corporation and Taipei Exchange. At the end of the report, an index of GRI standards is provided in the appendix for the reference of stakeholders.

The Company is led by the sustainable development Committee composed of the senior management, including Chairman, Independent Directors, President, to promote ESG affairs. The ESG implementation team is responsible for coordinating the formulation of corporate social responsibility and sustainable development strategies and objectives of the whole company, compiling the sustainability report and submitting it to the Sustainable Development Committee for review and issuance, regularly reviewing the progress in achieving performance and objectives, and implementing process transformation; In addition to organizing internal discussions, report the sustainable promotion plan to the board of directors on a regular basis, and the board of directors will supervise all the plans; Regular meetings are held at least once every six months and major issues are discussed irregularly.

The information and data in this report are provided by the relevant departments and factories of the head office, compiled by Sesoda units themselves, reviewed and confirmed by the heads of responsible departments, submitted to the Sustainable Development Committee for review and reported to the board of directors. The report was independently and limited by Ernst & Young Accountants according to the Assurance Standard No.3000 "Assured Cases of Non-historical Financial Information Auditing or Review", and the assurance report is attached to the appendix of this report for reference.

### Publishing frequency

We publish an ESG report once a year. In order to improve the transparency and accessibility of the information disclosed in the report, we also provide an electronic file download of the ESG report on the official website.

- Last Report: June 2023
- The Report: August 2024
- Next Report: August 2025

### Feedback

Sustainability is a process of continuous progress. We welcome stakeholders to contact us or complain, including issues such as environment, legal compliance, anti-corruption, labor, human rights, customers and products, and have independent investigation mechanisms according to different topics. If you have any questions or suggestions about this report, please contact us through the following channels.



Contact unit: SESODA CORPORATION  
Sustainable Development Committee

Address : 23rd Floor, No. 99, Section 2, Dunhua  
South Road, Taipei

Tel : 02-2704-7272

E-mail : sesodaesg@sesoda.com.tw



官網 ESG 專區



# A Message from the Management

In recent years, the frequent occurrence of global epidemic and extreme weather events highlights the importance of sustainable development. Under this background, Sesoda is deeply aware of the necessity of sustainable development and integrates it into the enterprise development strategy. SESODA is committed to the international standards and actively combines the sustainable development strategy with the industry. In recent years, we have focused on industrial transformation, green investment, strengthening industrial safety, cultivating talents and community connection, so as to continuously explore the industrial market.

In order to achieve the goal of carbon neutrality in 2050, we introduce technologies such as automation and big data to promote energy transformation, develop low-carbon processes, and look for green energy investment opportunities. In 2023, the Company also successfully obtained the subsidy from the Ministry of Economic Affairs for the low-carbon and intelligent upgrading and transformation of "Large Corporations Leading Small Business Projects" with the development of green process technology of carbon capture baking soda in calcium loop. We actively responded to the initiative of Climate Action 100+ and took actions against the objectives proposed by the Committee, including strengthening climate change governance, greenhouse gas emission actions in the value chain, and introducing the writing of the Task Force on Climate-related Financial Disclosures (TCFD).

It is our commitment to provide employees with a safe and healthy workplace environment. In addition to strengthening the responsibility of all employees for work safety and implementing management, it also promotes hazard prevention and risk control, shapes a safety and health culture through education and training and emergency response activities, implements the responsibility care system, and continuously improves to achieve the goal of "zero disaster".

The Company has always been committed to promoting good neighborliness, participating in various festivals and folk activities in the village, and cooperating with civil welfare organizations to sponsor activities or prizes. We carry out the demolition of old factories and the rectification of the factory environment, and plant trees in the cleared open space as a whole to create the goal of "park-oriented" factories, so that the working environment can be truly integrated into the community environment and combined with it.

Sesoda is well aware of the challenges on the road to sustainable development. We will continue to work hard to integrate internal and external resources and cooperation from all parties to realize a carbon-reducing economy, work hand in hand towards sustainability and create a better future for the next generation.

SESODA CORPORATION

Chairman 陳榮元

President 黃志成



# Identification of stakeholders and major topics

Stakeholders is a group that affects or is influenced by the company. Sesoda routinely carried out the ninth identification project of stakeholders and material issues in 2023 to ensure that the business direction of the company and the contents of the sustainability report meet the expectations and requirements of all walks of life. In the future, Sesoda will collect and respond to stakeholders' opinions through various channels from time to time and adjust Sesoda's sustainability strategy in a timely manner.

## Identification Process of Stakeholders and Material Issues in 2023

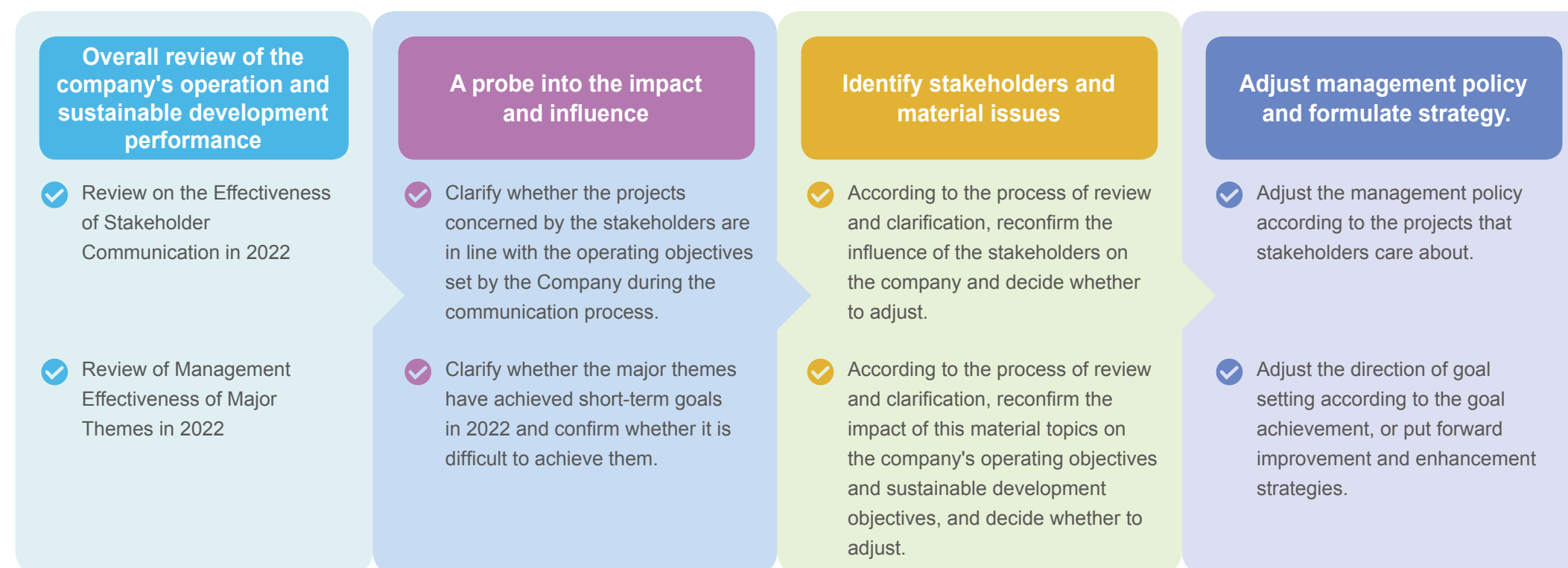
### Stakeholders identification

In view of the fact that the identification and communication of stakeholders is the basis for implementing the enterprise's sustainability, Sesoda adopts the five principles of "dependence, responsibility, influence, multiple viewpoints and attention tension" of AA1000 SES stakeholders Engagement Standards for identification. It is also discussed in the kick-off meeting with reference to GRI criteria, the identification results of other peers and Stakeholders of the Company's sustainability report in 2022, and the communication between various departments and units during this reporting period. Finally, six categories of stakeholders were discussed, namely: shareholders and other investors, employees and other workers, government agencies, local communities, customers and suppliers, etc., which were the same as the previous year, and were regarded as the stakeholders for continuous attention in 2023.

### Material issues identification

With reference to GRI theme standards, Sustainability Accounting Standards Board (SASB) and the identification results of material issues in 2022, the Company representatives, department heads and external experts will discuss the actual or potential negative impacts and positive impacts on the economy, environment, society (people and human rights), the company's operating activities, business relations and sustainable context according to the company's theme.

Finally, in the 2023 sustainability report, the Company identified material issues, namely: economic performance, waste, occupational safety and health, energy and emissions, water and drainage. And manage the related actions in material issues, and effectively respond to the concerns of various stakeholders.



## Stakeholder communication

Stakeholders	The significance of stakeholders to the Company	Communication channel	Frequency	Communication effectiveness
Shareholders and other investors	Shareholders/investors are the shareholders of Sesoda, and we must be responsible for them.	<ul style="list-style-type: none"> <li>Shareholders' regular meeting</li> <li>Issue financial reports</li> <li>Open information observatory</li> <li>Building a shareholder zone on official website</li> </ul>	<ul style="list-style-type: none"> <li>✓ Every year</li> <li>✓ Regular</li> <li>✓ Irregular</li> <li>✓ Irregular</li> </ul>	<p>Voluntarily publish the consolidated revenue and issue the English version of the shareholders' meeting handbook and annual report for investors' reference every month.</p> <ol style="list-style-type: none"> <li>The financial report is handled four times.</li> <li>The regular meeting of shareholders shall be held once a year.</li> </ol>
Employees and other workers	Employees are the mainstay of Sesoda's sustainable operation and the driving force of our sustainable growth.	<ul style="list-style-type: none"> <li>The general meeting of the trade union</li> <li>Pension supervisory committee</li> <li>Staff welfare committee</li> <li>Employee internal websites and announcements</li> <li>Staff training</li> </ul>	<ul style="list-style-type: none"> <li>✓ Regular</li> <li>✓ Regular</li> <li>✓ Regular</li> <li>✓ Irregular</li> <li>✓ Irregular</li> </ul>	<p>Plan personal development plans according to employees' personal work needs, performance evaluation results and career development needs, and hold education and training from time to time to improve functional training.</p> <p>Hold communication meetings between employers and employees from time to time to protect employees' rights and interests, and the company has obtained ISO 45001 certification of safety management system to implement safety and hygiene.</p> <ol style="list-style-type: none"> <li>A trade union staff meeting in 2023.</li> <li>The average number of training hours per employee is 1.7 hours.</li> <li>Four labor conferences in 2023.</li> </ol>
Government agency	Our products, services and related marketing activities are subject to the inspection and supervision of the competent authorities.	<ul style="list-style-type: none"> <li>A seminar/public hearing</li> <li>Official document</li> <li>Telephone</li> <li>Labor inspection</li> </ul>	<ul style="list-style-type: none"> <li>✓ Irregular</li> <li>✓ Immediately</li> </ul>	<p>Sesoda is based on the spirit of taking from society and applying it to society, and strives to comply with government decrees such as environmental protection and industrial safety. Sesoda hopes that its efforts will be recognized by society.</p>
Local community	As a big neighbor of the local community, we expect to give back to the society and create a better future.	<ul style="list-style-type: none"> <li>Community visit</li> <li>Official website</li> <li>Sponsorship of local activities</li> </ul>	<ul style="list-style-type: none"> <li>✓ Irregular</li> <li>✓ Immediately</li> </ul>	<p>Establish a complete identification and registration mechanism and evaluation for environmental protection laws and regulations, and take immediate improvement and preventive measures in case of non-compliance. The Company actively participates in and sponsors local social and charitable activities to achieve harmonious coexistence among communities and neighbors and create local economic performance. In 2023, the community donated NT\$ 2,260,000.</p>
Customers	Customers like our products and services, which is the key to business development.	<ul style="list-style-type: none"> <li>Pay a visit</li> <li>Meeting</li> <li>Satisfaction survey</li> <li>E-mail/fax</li> <li>Official website</li> </ul>	<ul style="list-style-type: none"> <li>✓ Regular</li> <li>✓ Irregular</li> <li>✓ Immediately</li> </ul>	<p>Conduct customer satisfaction surveys regularly every year, and put forward improvement plans and suggestions for substandard projects. Sesoda will create a win-win belief, maintain customers' trust in us, improve customer satisfaction and create brand value.</p> <p>In 2023, 55 satisfaction questionnaires were sent to domestic customers, and 50 were recovered, with a recovery rate of 91%; A total of 34 questionnaires were sent out by foreign customers, and 27 questionnaires were recovered, with a recovery rate of 79%. According to the results of this year's customer satisfaction survey, the total score of domestic customer satisfaction is 4.75, and the total score of foreign customer satisfaction is 4.6, which shows that customers are satisfied with the Company's products and services.</p>
Supplier	Our huge product and service chain depends on the stable support of many suppliers.	<ul style="list-style-type: none"> <li>Contract</li> <li>Manufacturer evaluation</li> <li>Safety education and training</li> </ul>	<ul style="list-style-type: none"> <li>✓ Regular</li> <li>✓ Irregular</li> <li>✓ Immediately</li> </ul>	<p>Comply with the quality management system and environmental safety system, and reduce and reuse the supply chain packaging materials (pallets) to reduce the negative impact on the environment. Maintaining a cooperative relationship of mutual trust and mutual benefit with domestic and foreign suppliers, Sesoda not only attaches importance to the stable supply of raw materials, but also attaches importance to the performance of suppliers in environment, labor human rights and occupational safety, and works together to fulfill the social corporate responsibility.</p> <p>In 2023, a total of 20 contractors received education and training, including pre-factory education and work-at-height training, totaling 20 hours, with 82 employees.</p>

The enterprise's sustainable journey requires numerous communication with different stakeholders to confirm that the business direction meets stakeholders' expectations for the enterprise. Sesoda communicates with stakeholders through multiple channels, strengthens the connection with stakeholders, and immediately adjusts the company policy to respond to stakeholders' expectations, and regularly reports the communication with stakeholders to the board of directors.



## Material issues list

Material issues list	Describe the organization's policies or commitments related to material issues.	Describe the impact	Actual/potential Positive/negative	Main affected objects	Corresponding chapter
Economic performance	Sesoda adheres to the concept of sustainable management, takes the chemical industry as the development foundation and has diversified operations such as trade, shipping and catering, and continues high-quality products and services. Sesoda creates multiple values for stakeholders, shoulders relevant economic performance, and strives to achieve a value model of environmental, social and corporate governance.	<ul style="list-style-type: none"> <li>●Economy: continuous growth and operation, promoting the development of the upstream and downstream of the industrial chain, and indirectly making it a force for industrial stability.</li> <li>●Human rights: the company makes stable profits, allowing employees to have stable cash flow and indirectly achieving overall sense of social satisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>●Positive: Steady company growth fosters continuous operation and expansion, solidifying its position within the industry.</li> <li>●Negative: Poor economic performance hinders not only the company's own operations and development but also impacts the stability of upstream and downstream industries, creating job insecurity for employees.</li> </ul>	Employees (causing), shareholders and other investors (contributing), suppliers (contributing)	01 Steady corporate governance
Waste	The Company implements source management for waste reduction. This approach categorizes waste into two streams: employee domestic waste and business waste. Through employee education and training programs, we aim to improve waste management practices at the source. This includes encouraging proper waste segregation, reducing overall waste generation, and promoting resource recovery and reuse. For business waste, we focus on reduction management by simplifying packaging materials and minimizing waste generation. This allows us to optimize resource utilization and prioritize recycling efforts.	<ul style="list-style-type: none"> <li>●Environment: Suao Main Plant is located at the bank of Xincheng River in Yilan County, with beautiful scenery. While enjoying the beautiful scenery, Sesoda is still on the road of waste reduction, and it is expected to carry out terminal treatment with newer technology to reduce the environmental burden.</li> <li>●Environment: As the company's business activities increase, the amount of waste will also increase, indirectly causing environmental burden.</li> <li>●Human rights: the living environment is affected, and the potential opportunity of exposure to a high-risk environment is increased.</li> </ul>	<ul style="list-style-type: none"> <li>●Positive: formulate and implement waste management strategies, develop the good habit of reducing employees, and reduce the waste management cost of the company.</li> <li>●Negative: environmental laws and regulations are becoming stricter, increasing operating costs and limiting company profits.</li> </ul>	Employees (contributing), shareholders and other investors (contributing), suppliers (contributing) and government agencies (contributing)	03 Pilotage Green Century
Occupational safety and health	It is particularly important to shape a healthy workplace culture and implement safety and health management. Through the operation and publicity of the occupational safety and health management system, the potential hazards can be effectively reduced, accidents can be prevented, workers' physical and mental health can be protected, and the company's assets and operations can be guaranteed.	<ul style="list-style-type: none"> <li>●Human Rights: Sesoda prioritizes environmental safety during production by implementing ISO 14001 standards. This ensures responsible practices towards the environment and society.</li> <li>●Economy: Sesoda fosters a positive work environment that retains employees, indirectly benefiting the local economy.</li> <li>●Human Rights: A safe workplace environment, as ensured by ISO 45001 standards, minimizes employee injuries and boosts employee morale.</li> </ul>	<ul style="list-style-type: none"> <li>●Positive: Providing a safe and healthy workplace promotes the physical and mental health of employees, creating a friendly work environment.</li> <li>●Negative: Neglecting workplace safety makes it difficult for employees to work with peace of mind, potentially leading to a high turnover rate. Workplace accidents could also result in penalties from regulatory authorities.</li> </ul>	Employees (causing)	04 Practice living together

Material issues list	Describe the organization's policies or commitments related to material issues.	Describe the impact	Actual/potential Positive/negative	Main affected objects	Corresponding chapter
Energy and emissions	In order to alleviate the global climate change crisis, Sesoda carries out climate change risk assessment, comprehensively checks greenhouse gas emissions, sets emission reduction targets according to local conditions, and gradually increases the use of renewable energy. the Company is a traditional chemical raw material (fertilizer) manufacturing industry, which is based on the concept of "taking it from the land and using it on the land". The management and implementation of environmental protection, safety and health-related activities have always been based on compliance with relevant national laws and regulations, and actively integrates the factory environment with the community environment.	<p>Process improvement: in response to the net zero emission policy of 2050, adjust Sesoda energy policy to improve the way of saving oil and electricity, reduce environmental impact, fulfill the ethics and responsibilities of enterprises, and build a new baking soda plant to recover carbon dioxide generated in the process, reduce greenhouse gas emissions, and make a contribution to global warming.</p> <ul style="list-style-type: none"> <li>●Economy: The Company is a high energy-consuming industry. In order to develop its business activities, it will increase the energy consumption and affect the global energy inventory.</li> <li>●Economy: continuous emission of air pollution gas affects climate change and indirectly affects the development of economic activities.</li> <li>●Environment: The company's operating activities are rising, and greenhouse gas emissions are rising, which affects the changes of the natural environment.</li> <li>●Environment: High energy consumption leads to the emission of greenhouse gases and air pollution, which causes the air pollution index to rise.</li> <li>●Human rights: indirectly affected by the environment and endangered by health factors.</li> <li>●Human rights: daily life is affected by extreme climate, and the safety of living is worrying.</li> </ul>	<ul style="list-style-type: none"> <li>●Positive: Promote the company to accelerate energy transformation and reduce the use of traditional energy.</li> <li>●Negative: environmental laws and regulations are becoming stricter, increasing operating costs and compressing company profits.</li> </ul>	Employees (causing), shareholders and other investors (contributing), suppliers (contributing) and government agencies (contributing)	03 Pilotage Green Century
Water and discharge water	The Company Suao Main Plant still uses groundwater for its process water. Although there are abundant groundwater resources in Yilan, Suao Main Plant still actively saves and makes good use of water resources.	<ul style="list-style-type: none"> <li>●Environment: In response to global climate change, Sesoda Suao Main Plant is located in Yilan County, which is not short of water, but still carries out relevant water-saving projects, hoping to achieve a better balance between company costs and social obligations.</li> <li>●Economy: Operating activities need to use a lot of water. If the cost of water increases, the operating cost will increase.</li> <li>●Environment: In recent years, extreme weather affects rainfall, and the use of operational activities affects the content of groundwater.</li> </ul>	<ul style="list-style-type: none"> <li>●Positive: A large amount of water is used, prompting the company to actively develop circulating water or other energy-saving schemes.</li> <li>●Negative: the rising cost of water bodies increases the operating cost of the company.</li> </ul>	Employees (causing), shareholders and other investors (contributing), government agencies (causing)	03 Pilotage Green Century



## Respond to the goal of sustainable development

Sesoda integrates the sustainable development goal promulgated by the United Nations into the company's operating policy, and changes the thinking mode that only focuses on revenue performance in the past into a business model that gives consideration to employees' salary and benefits, ensures workplace safety, reduces manufacturing emissions and pollution, and reduces waste water and waste. Specifically, it strives to eliminate all kinds of discrimination in the workplace and promote gender equality. Provide long-term and stable jobs for colleagues, and share profits with colleagues in a timely manner, so that colleagues can improve their economic living standards; The company implements an energy efficiency management plan for factory manufacturing, and is committed to reducing waste and sewage discharge. The company analyzes the types and quantities generated by daily records, and then controls them from the source to implement waste reduction and pollution reduction.

SDGs	Precision in Goals	Sesoda's specific actions
	1.4 Before 2030, ensure that all men and women, especially the poor and disadvantaged groups, have fair rights and access to economic resources.	<ul style="list-style-type: none"> <li>The average and median annual salaries of employees not in managerial positions are both higher than the industry average.</li> <li>The salaries of non-managerial employees have increased compared to the previous year.</li> <li>Employee salaries are adjusted appropriately based on the company's profitability, which enhances employees' loyalty to the company.</li> </ul>
	4.5 Before 2030, eliminate the education gap and ensure that the disadvantaged groups have access to education and vocational training at all levels, including the physically and mentally handicapped, indigenous people and disadvantaged children.	<ul style="list-style-type: none"> <li>Arrange functional training for employees with different business attributes to ensure that every colleague can receive vocational training opportunities.</li> </ul>
	5.1 Eliminate all forms of discrimination against women. 5.2 Eliminate all forms of violence against women.	<ul style="list-style-type: none"> <li>Establish a reporting channel for workplace violence or sexual harassment and implement the protection of female employees.</li> <li>Encourage colleagues, regardless of gender, to apply for parental leave.</li> </ul>
	6.4 By 2030, the efficiency of water use will be greatly increased.	<ul style="list-style-type: none"> <li>Due to the continuous cooling water recovery operation of Suao Main Plant, the groundwater consumption in 2023 was 603.77 million liters, which was 99.04 million liters less than that in 2022, which was about 14.09% less.</li> </ul>
	7.3 Double the improvement of global energy efficiency by 2030.	<ul style="list-style-type: none"> <li>In 2023, the direct greenhouse gas emission was 46,962.5543 metric tons of CO<sub>2</sub>, which was 3,971.5793 metric tons of CO<sub>2</sub>, a decrease of about 8% compared with the emission of 50,934.1336 metric tons of CO<sub>2</sub> in the base year of 2022.</li> <li>In response to the national policy of zero net emission in 2050, a baking soda plant was newly built in the site of Suao Main Plant. The main business of this plant is baking soda, and at the same time, CO<sub>2</sub> was recovered in the process. In 2023, the indirect greenhouse gas emission (electricity consumption) was 8,928.9892 metric tons of CO<sub>2</sub>e, an increase of 1,801.3654 metric tons, about 25% compared with the base year of 7,127.6238 metric tons in 2022.</li> </ul>
	8.5 Let all employees have stable jobs and realize equal pay for equal work for women and men.	<ul style="list-style-type: none"> <li>Gender is not regarded as an item of employee performance appraisal, but seniority, work attitude and professional ability are regarded as salary standards.</li> <li>Female employees should properly adjust their job contents according to law, reduce the workload and substantially protect female employees.</li> <li>The standard salary of grass-roots staff, female and male employees in each operating base is the same.</li> </ul>
	10.2 Promote social and economic integration, regardless of age, gender, physical and mental disabilities, nationality, religion or other status. 10.3 Ensure equal opportunities and reduce inequalities.	<ul style="list-style-type: none"> <li>Female supervisors account for 42%</li> </ul>
	13.3 Improve education, raise awareness and enhance the company's ability to cope with climate change in terms of risk reduction, adaptation, impact reduction and early warning.	<ul style="list-style-type: none"> <li>Follow the Task Force on Climate-Related Financial Disclosures (TCFD) to carry out the impact of climate risks and opportunities on the company's finances, and respond to the requirements of laws, policies and customers for greenhouse gas emissions in advance and make preparations.</li> </ul>





# 01

## STEADY CORPORATE GOVERNANCE

- 1.1 PRESENT SITUATION OF SESODA
- 1.2 STEADY GOVERNANCE
- 1.3 OPERATIONAL PERFORMANCE AND STRATEGY
- 1.4 RISK MANAGEMENT
- 1.5 INTERNAL CONTROL



# Steady Corporate Governance

## Material issues: Economic performance

### Main Motivation

Sesoda adheres to the concept of sustainable management, takes the chemical industry as the development foundation and has diversified operations such as trade, shipping and catering, and continues high-quality products and services. Create multiple values for stakeholders, shoulder relevant economic performance, and strive to achieve a value model of environmental, social and corporate governance.

### Influence and Impact

Economy : Continuous growth and operation, promoting the development of the upstream and downstream of the industrial chain, and indirectly making it a force for industrial stability.

Human rights : The company makes stable profits, allowing employees to have stable cash flow and indirectly achieving overall sense of social satisfaction.

Positive : Steady company growth fosters continuous operation and expansion, solidifying its position within the industry.

Negative : Poor economic performance hinders not only the company's own operations and development but also impacts the stability of upstream and downstream industries, creating job insecurity for employees.

### Policy & Strategy

The Company's economic policy is to continuously pursue social responsibility and sustainable development, and create multiple values for stakeholders.

### Goals & Objectives

Short-term : Maintain profitability and maximize shareholders' rights and interests.

Mid-term : Adjust the production equipment in the factory to improve production efficiency and reduce production costs.

Long-term : Research and develop products that can be recycled in the process, provide low-carbon products, meet market demand and increase profitability.

### Management Evaluation Mechanism

1. Confirm the growth rate of operating income, and adjust products according to customer satisfaction, so as to increase customers' dependence on the Company products.
2. Discuss the marketing management mechanism in the management meeting, appropriately adjust the marketing strategy according to customer needs, or obtain relevant certificates (such as greenhouse gas inventory and carbon footprint).
3. Regular meetings and discussions, timely search for cooperation resources to facilitate the success of R&D projects and open up new business.

### Performance and Adjustment

The net consolidated operating income in 2023 decreased by 26.7% compared with the previous year, and the net profit for the current period decreased by 102.4% compared with the previous year. Due to the fall of global potassium chloride price, the profit margin of potassium sulfate export is severely reduced due to the high-priced raw material inventory. Therefore, although the sales volume of potassium sulfate in 2023 is similar to that in 2022, the operating income and profit are far less than that in 2022.

### Preventive or Remedial Measures

In order to improve this situation, in 2024, the sales of basic chemical raw materials will not only continue to maintain and strengthen the deep-rooted customer relationship, but also strive to win the support of upstream suppliers, actively seize competitors' customers, effectively increase sales volume and consolidate market share.



## 1.1 Present situation of Sesoda

### Introduction of Sesoda

Name of the company	SESODA CORPORATION
Founding time	March 2, 1957
Company type	Listed company
Stock code	1708
Main products	Sales of potash fertilizer and basic chemicals
Chairman of the board	Chen Jung-Yuan
Number of employees	188
Paid-in capital	NT\$ 2,490,016,510
The location of the company headquarters	23rd Floor, No. 99, Section 2, Dunhua South Road, Taipei City TEL: +886-2-2704-7272 / FAX : +886-2-2704-338

### Operating stronghold

Suao Main Plant: No.120, Xincheng No.1 Road, Suao Town, Yilan County

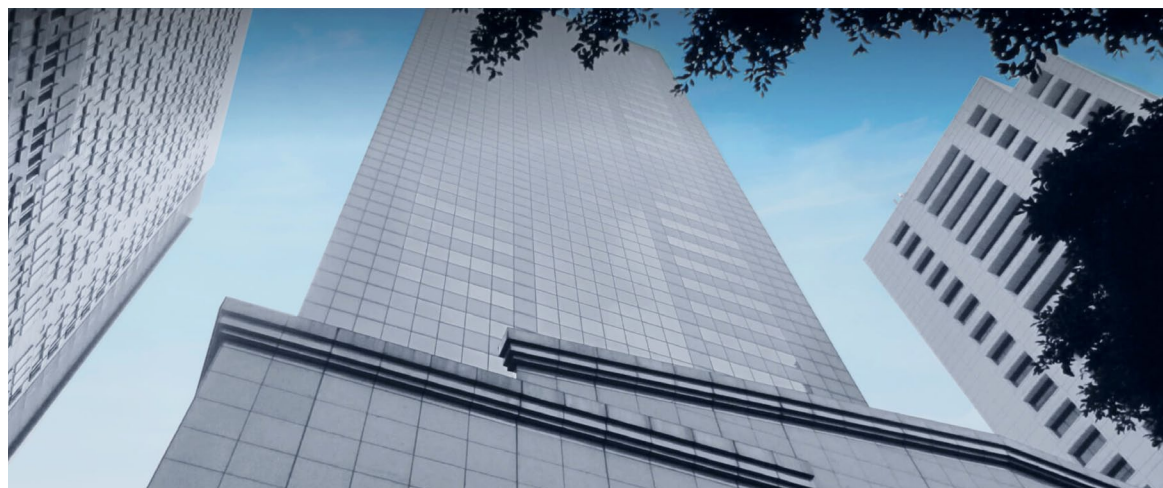
Tel: (03)990-5121, Fax: (03)990-3235.

Changhua Factory: No.1-6 Gongxi 1st Road, Quanxing Industrial Zone, Shengang Township, Changhua County.

Tel: (04)798-8931, Fax: (04)798-8933.

Taichung Factory: No.12 Gongshi Road, Young Lion Industrial Zone, Dajia District, Taichung City

Tel: (04)2681-6685, Fax: (04)2681-6686.



### Shareholder structure

Shareholder	Shareholding ratio (%)
Other legal persons	21.38
Foreign institutions and foreigners	6.19
Individual	72.43
treasury stock	0.00

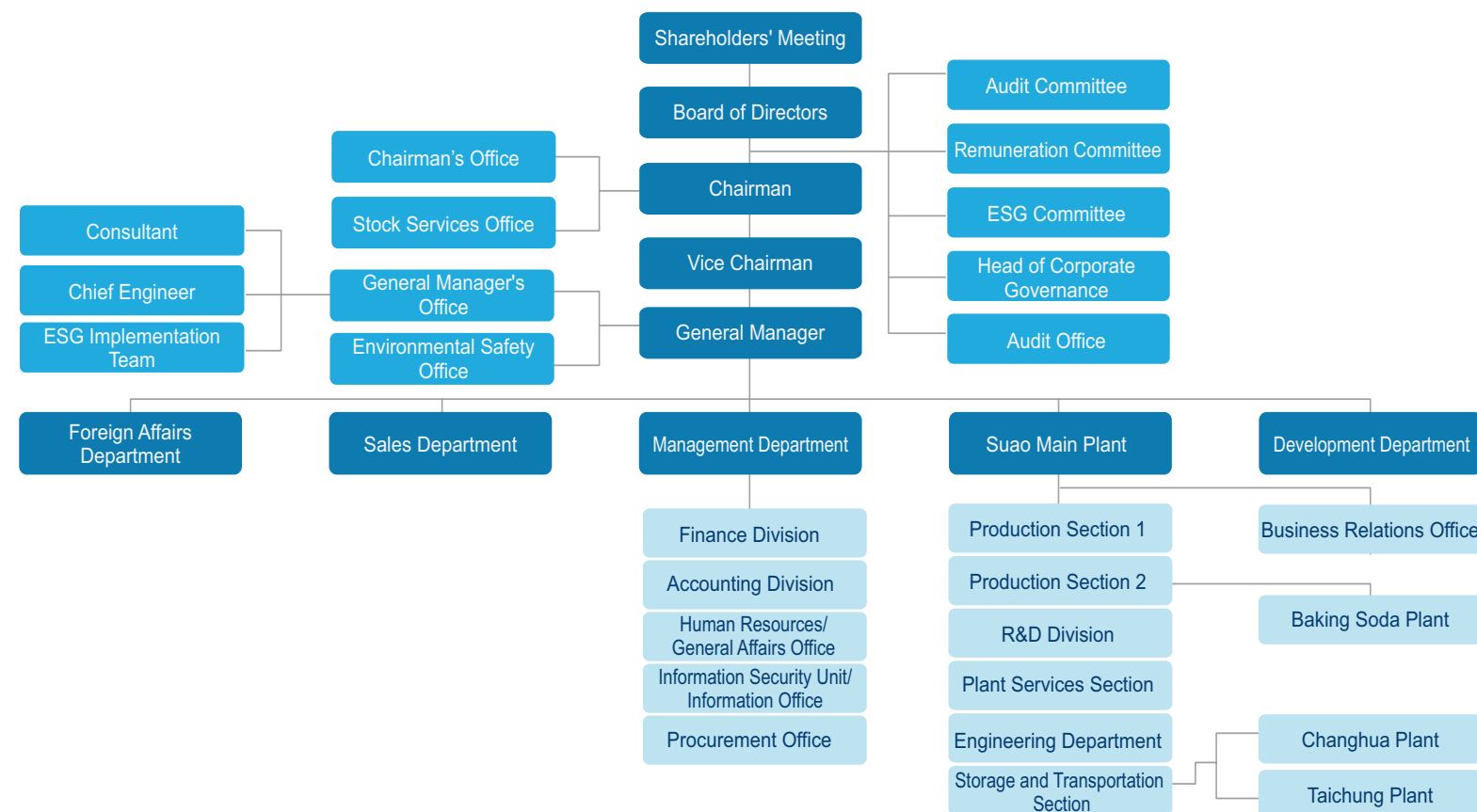
Note: The final confirmation time of shareholder structure is March 23, 2024.

## 1.2 Steady governance

In order to achieve the Company's business objectives, the unity and cooperation among various departments and organizations can not be ignored. Sesoda establishes administrative departments according to business needs. At the same time, in order to establish a good corporate governance system and formulate a code of practice for corporate governance, functional committees have also been established, including: Audit committee, Remuneration Committee and Sustainable Development Committee.

In order to emphasize the importance our company attaches to the development of sustainability issues, apart from setting up a Sustainable Development Committee and inviting experts to explore the sustainable development strategy of the Company, an ESG implementation team was specially set up, with the President leading the heads of all departments of the company to explore the feasible sustainable development strategy of the company in view of the trend changes of the company's practice and environment.

### Corporate Governance Organization





## 1.2.1 Board of Directors

The board of directors of the Company attaches importance to high efficiency, transparency, diversification and professionalism to strengthen corporate governance. The Board of Directors shall consider the professional abilities of business execution such as operational judgment, accounting and financial analysis, business management, crisis management, industrial knowledge, international market outlook, leadership and decision-making to avoid blind spots in decision-making. In order to let the directors exercise their duties without worries, the company takes out liability insurance for the directors. The members of the Board of Directors during this reporting period are as follows:

Board member information

Title	Name	Age	Date of first appointment (election)	Main academic experience	Concurrently holds positions in the company and other companies
Chairman of the board	Chen Jung-Yuan	Over 50 years old	2015/05/14	Master of Florida Institute of Technology, USA	EAST TENDER TRADING CO., LTD. Chairman / QINGDAO SODA ASH INDUSTRIAL POTASSIC FERTILIZER TE., Director
Vice chairman	Chen Cheng-Te	30~50 years old	2009/05/22	Master of Business Administration, University of New York, USA	SINCERE INDUSTRIAL CORPORATION, Director/ SANTOS INTERNATIONAL INCORPORATED, General Manager/YUN SHENG INVESTMENT CO., LTD., Chairman/ Chairman of Funan Industrial Social Welfare Foundation of Yilan County
Director	Chen Kai-Yuan	Over 50 years old	1979/03/30	Bachelor of Industrial Engineering, Chung Yuan Christian University	SINCERE INDUSTRIAL CORPORATION, Director / Zhengbang investment co., Ltd, Chairman/Sesoda Steamship Corporation President
Director	Chen Li-Te	Over 50 years old	2006/05/12	Bachelor of Business Administration, University of Southern California, USA	SINCERE INDUSTRIAL CORPORATION, Director
Director	Wu Chung-Li	Over 50 years old	1982/03/31	Department of Business Administration, Zhuhai College, Hong Kong	Teh-Hu Cargocean Management Co., Ltd.
Director	Chen Yi-De	30~50 years old	2012/05/28	Bachelor of Management, Hofstra University, USA	YUKARI GROUP CO., LTD., Chairman/ SINCERE INDUSTRIAL CORPORATION, Director /Zhengbang investment co., Ltd, General Manager/SESODA CORPORATION, Senior Deputy General Manager
Director	Chu Yuan-Hua	Over 50 years old	2018/06/08	MBA, Holy Names University, USA	Junhui International (Longan) Co., Ltd., Chairman/ Junhui corporation textile garments (Kunshan) Co., Ltd., Executive Director /Junhui Holdings (Singapore) Co., Ltd., Director/TAI HING COTTON MILL (DEVELOPMENT) LIMITED, Director / FORBSON INTERNATIONAL CO., LTD., Supervisor
Independent director	Wang Po-Hsin	Over 50 years old	2018/06/08	Master of Business Administration, Michigan State University, USA	FCC Partners Inc., Vice Chairman/How Securities Inc., Director/MAPECT, Director/ CardinalRain Inc., Chairman
Independent director	Tsao Ming	Over 50 years old	2015/05/14	Master of Advanced Management, Sun Yat-Sen University	FORMOSA PETROCHEMICAL CORPORATION, Managing Director/FORMOSA OIL (ASIA PACIFIC) CORPORATION., Chairman /Idemitsu Formosa Specialty Chemicals Corporation., Chairman /Kraton Formosa Polymers Corporation., Chairman /MAI-LIAO POWER CORPORATION, General Manager
Independent director	Chu Jih-Chuan	30~50 years old	2021/07/05	Master of Laws, Northwestern University, USA	Liu, Chang & Partners, Partner lawyer

Note: All board members are male.

Board member specialty

projects Name	Diversified core	Operational judgment ability	Accounting and financial analysis ability	Management ability	Crisis handling ability	Industrial knowledge	International market view	leadership	Decision making ability	Law
Chen Jung-Yuan	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Chen Cheng-Te	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Chen Kai-Yuan	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Chen Li-Te	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Wu Chung-Li	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Chen Yi-De	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Chu Yuan-Hua	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Wang Po-Hsin	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Tsao Ming	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Chu Jih-Chuan	✓			✓	✓		✓	✓	✓	✓



## Board operation

The directors of the Company are all nominated by candidates according to the articles of association. At present, there are 10 members of the board of directors, including 3 independent directors. We hope to introduce external stakeholders' views and improve the management quality through outstanding industry expertise. The board members are all men. The chairman of the board is not concurrently the President of the company. In 2023, the board of directors convened 9 meetings, and the average attendance rate of directors was 86.87%. All members of the Board of Directors uphold a high degree of self-discipline and avoid conflicts of interest, which are clearly stipulated in the Rules of Procedure of the Board of Directors. The term of office of the Board of Directors is from July 5, 2021 to July 4, 2024. When a director or manager engages in activities within the business scope of the company for himself or others, he shall obtain the approval of the shareholders' meeting in advance according to the requirements of laws and regulations.

The board of directors is the highest governance unit of Sesoda Company. In order to give full play to the functions of the board of directors and improve the decision-making quality of the board of directors, an audit committee, a remuneration committee, a strategy committee and a Sustainable Development Committee are set up under the board of directors according to their functions and powers.

The board of directors of the Company shall meet once every two months to review the matters submitted by the management department to the board of directors, and the management department shall attend the board of directors as a non-voting member according to the contents of the proposal, so that the board of directors and the management department have sufficient time to communicate. In 2023, the Board of Directors reviewed 45 cases. The board of directors authorizes the senior management to deal with the economic, environmental and social issues arising from operational activities, and report the handling situation to the board of directors when necessary. Every time the board of directors tracks the implementation of the resolutions of the last meeting. The relevant departments of the company's major proposals have explained in detail to the directors in advance, and the directors communicate with each other, which can really understand the contents of the proposals in depth.

### Attendance at board meetings

Title	Name	Actual attendance	Number of entrusted attendance	Actual attendance rate (%)
Chairman	Chen Jung-Yuan	9	0	100
Vice Chairman	Chen Cheng-Te	8	1	89
Director	Chen Kai-Yuan	8	1	89
Director	Chen Li-Te	8	1	89
Director	Wu Chung-Li	7	2	78
Director	Chen Yi-De	6	3	67
Director	Chu Yuan-Hua	5	4	56
Independent Director	Wang Po-Hsin	9	0	100
Independent Director	Tsao Ming	9	0	100
Independent Director	Chu Jih-Chuan	9	0	100

### Classification of matters discussed by the board of directors

Major event orientation	Number of major events	Overview of communication proposal
Environmental aspect	1	Discussion on energy saving scheme
Economic aspect	20	Sign a credit line contract with a financial institution, which will be verified by an accountant and confirmed by the statement.
Social aspect	2	Confirmation of employee benefits, including: special bonus, three festival bonuses and year-end bonus.
Corporate governance aspect	14	Confirmation of business objectives in 2023 and 2024, confirmation of articles of association and administrative rules, discussion of proposals of functional committees, confirmation of time and contents of shareholders' meeting, and confirmation of audit plan. Confirmation of attendance fee for members of the Sustainable Development Committee



## Board members' further education

Members of the board of directors are actively studying to improve their knowledge of management and corporate governance, such as participating in courses organized by the Financial Supervisory Commission (FSC) and Taiwan Corporate Governance Association, which is of positive help to strengthen the board's ability of corporate governance and enterprise management.

### A list of further education of board of directors

Title	Name	Date	Unit	Course	Hours	Total hours
Chairman	Chen Jung-Yuan	2023/09/04	FSC	The 14th Taipei Corporate Governance Forum	6	12
		2023/11/27	Taiwan Corporate Governance Association	Compulsory course of enterprise sustainable governance: external influence diversification management, creating positive value of enterprises	3	
		2023/11/27	Taiwan Corporate Governance Association	Big Data Analysis and Corporate Fraud Detection and Prevention	3	
Vice Chairman	Chen Cheng-Te	2023/07/26	Taiwan Corporate Governance Association	Looking forward to green business opportunities: zero-carbon energy production and its application with green electricity	3	6
		2023/11/27	Taiwan Corporate Governance Association	Big Data Analysis and Corporate Fraud Detection and Prevention	3	
Director	Chen Kai-Yuan	2023/11/27	Taiwan Corporate Governance Association	Compulsory course of enterprise sustainable governance: external influence diversification management, creating positive value of enterprises	3	6
		2023/11/27	Taiwan Corporate Governance Association	Big Data Analysis and Corporate Fraud Detection and Prevention	3	
Director	Chen Li-Te	2023/11/27	Taiwan Corporate Governance Association	Compulsory course of enterprise sustainable governance: external influence diversification management, creating positive value of enterprises	3	6
		2023/11/27	Taiwan Corporate Governance Association	Big Data Analysis and Corporate Fraud Detection and Prevention	3	
Director	Chen Yi-De	2023/11/27	Taiwan Corporate Governance Association	Compulsory course of enterprise sustainable governance: external influence diversification management, creating positive value of enterprises	3	6
		2023/11/27	Taiwan Corporate Governance Association	Big Data Analysis and Corporate Fraud Detection and Prevention	3	
Director	Wu Chung-Li	2023/11/27	Taiwan Corporate Governance Association	Compulsory course of enterprise sustainable governance: external influence diversification management, creating positive value of enterprises	3	6
		2023/11/27	Taiwan Corporate Governance Association	Big Data Analysis and Corporate Fraud Detection and Prevention	3	
Director	Chu Yuan-Hua	2023/04/25	Institute of Internal Auditors-Chinese Taiwan	Discussion on insider trading and false financial report and its countermeasures	6	6
Independent Director	Tsao Ming	2023/09/23	Securities & Futures Institute	Carbon Rights Trading Mechanism and Application of Carbon Management	3	6
		2023/09/23	Securities & Futures Institute	Global prosperity prospect and industrial trend in 2024	3	
Independent Director	Wang Po-Hsin	2023/11/27	Taiwan Corporate Governance Association	Compulsory course of enterprise sustainable governance: external influence diversification management, creating positive value of enterprises	3	6
		2023/11/27	Taiwan Corporate Governance Association	Big Data Analysis and Corporate Fraud Detection and Prevention	3	
Independent Director	Chu Jih-Chuan	2023/11/27	Taiwan Corporate Governance Association	Compulsory course of enterprise sustainable governance: external influence diversification management, creating positive value of enterprises	3	6
		2023/11/27	Taiwan Corporate Governance Association	Big Data Analysis and Corporate Fraud Detection and Prevention	3	

## 1.2.2 Audit committee

Sesoda has set up an "Audit committee", which operates in accordance with the Company's "Organizational Rules of Audit Committee", and its members are all independent directors. The Committee shall meet at least once every quarter and may meet at any time as necessary. The purpose of the Committee's operation is to supervise the proper expression of the company's financial statements, the effective implementation of the company's internal control, the compliance with the company's laws and regulations, the company's control over existing or potential risks, the selection (dismissal) of certified accountants, and the independence and performance of certified accountants. Independent directors regularly communicate with internal audit supervisors and certified accountants, and the communication situation is good.

### Member of the Audit Committee

Convener	Wang Po-Hsin Independent Director Wang Po-Hsin		
Committee member	Tsao Ming Independent Director	Committee member	Chu Jih-Chuan Independent Director

### Attendance at Audit Committee Meetings

Title	Name	Actual attendance	Number of entrusted attendance	Actual attendance rate (%)
Convener	Wang Po-Hsin	5	0	100
Committee member	Tsao Ming	5	0	100
Committee member	Chu Jih-Chuan	5	0	100

## 1.2.3 Remuneration Committee

In order to improve corporate governance, strengthen the compensation management function of the board of directors, and protect the rights and interests of investors, the board of directors adopted the Organizational Rules of the Company's Remuneration Committee in October 2011, and formally established the Remuneration Committee on October 31, 2011.

Sesoda regularly evaluates and reviews the performance appraisal, salary, bonus and payment method of employees, managers and directors through the salary compensation committee, and compares it with the peers' standards, and submits the suggestions to the board of directors for discussion. The operation mode is handled in accordance with the Company's "Organizational Rules of Remuneration Committee", and regular meetings are held at least twice a year.

### Remuneration Committee member

Convener	Wang Po-Hsin Independent Director		
Committee member	Chu Jih-Chuan , Independent Director	Committee member	Liang Ji-yan, Independent Director

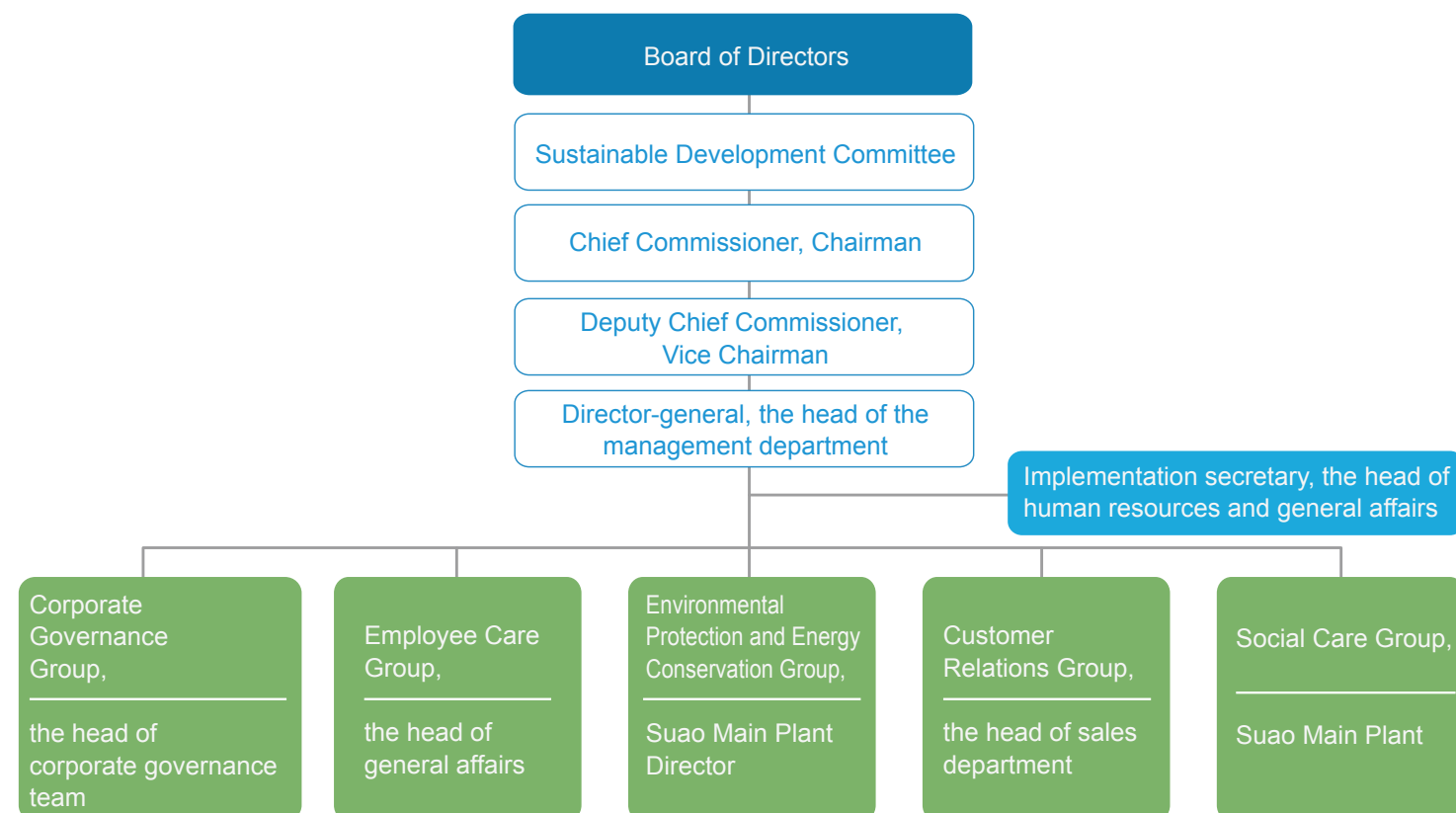
Title	Name	Actual attendance	Number of entrusted attendance	Actual attendance rate (%)
Convener	Wang Po-Hsin	2	0	100
Committee member	Chu Jih-Chuan	2	0	100
Committee member	Liang Ji-yan	2	0	100

Directors' remuneration shall be handled in accordance with the Measures for the Administration of Directors' and Managers' Remuneration, which shall be reviewed by the Remuneration Committee and submitted to the Board of Directors for resolution. Directors' remuneration is combined with the company's operating performance and the annual decision to pay directors' remuneration, and the amount, payment method and future risks of the company are comprehensively considered.



## 1.2.4 Sustainable Development Committee

### 組織與權責



In 2022, the Company established a dedicated unit for sustainable development: Sustainable Development Committee (hereinafter referred to as the "Committee"). The members of this Committee are composed of Chairman, Vice Chairman, President, Head of Management Department and two independent directors, with the Chairman serves as the Chief Commissioner, the President serves as the Deputy Chief Commissioner, and the Head of the Administration Department serves as the Secretary-General. The Committee grasps the pulse of global sustainable development, analyzes sustainable issues such as governance, environment and society, and combines operational core, product innovation and service to formulate strategic sustainable direction and project promotion. There is a sustainability manager as the unit management representative, who is responsible for mastering and analyzing the global sustainability pulse, managing the sustainability policy objectives and specific actions.

Under this Committee, there are five task groups: Corporate Governance Group, Employee Care Group, Environmental Protection and Energy Conservation Group, Customer Relations Group and Social Care Group, with one director-general and one implementation secretary. The director-general is the head of the management department, the promotion secretary is the head of human resources and general affairs, and the Deputy Chief Commissioner (President) designates the heads of each work promotion team; The Director-General is responsible for the overall management of the Committee's business, integrating the annual plans and implementation results of the work implementation teams and reporting them to the Committee, and coordinating and tracking the implementation of the annual plans agreed by the work implementation teams. The annual plan and implementation results mentioned in the preceding paragraph shall be discussed by this Committee and submitted to the board of directors.

The term of office of this member is from December 30, 2022 to July 4, 2024. During the reporting period, the Sustainable Development Committee met three times. Matters discussed at the meeting included: the 2022 Sustainability Report (ESG), the deliberation proposal of Task Force on Climate-Related Financial Disclosures (TCFD) and the sustainability goals of the management of each group of the Committee, so as to ensure that the sustainable development goals of the Company include human rights (employees, customers), economic, social and environmental directions.

The attendance of members is as follows:

### Statistics on meeting attendance of the Sustainable Development Committee

Title	Name	Actual attendance ( B )	Number of entrusted attendance	Actual attendance (%)( B / A )
Chief Commissioner	Chen Jung-Yuan	3	0	100%
Deputy Chief Commissioner	Huang Zhi-Cheng	3	0	100%
Director-General	Liu Chih-Yung	3	0	100%
Committee member	Chen Cheng-Te	2	1	67%
Committee member	Tsao Ming	3	0	100%
Committee member	Chu Jih-Chuan	3	0	100%

### 1.2.5 Performance evaluation of board of directors

The Company carries out the annual performance evaluation procedure for the board of directors. We determine the units, periods and scope to be evaluated, including the overall board of directors, individual directors and functional committees, and then determine the evaluation methods, including internal self-evaluation of the board of directors, self-evaluation of directors, peer evaluation, entrusting external professional organizations and experts to evaluate, and then select appropriate evaluation execution units. The executive units collect information related to the activities of the board of directors, and distribute and fill in the self-evaluation questionnaires such as "Self-evaluation Questionnaire of the Board of Directors", "Self-evaluation Questionnaire of Directors" and "Self-evaluation Questionnaire of Functional Committees". Finally, the corporate governance unit collects the data in a unified way, records the evaluation result report according to the scoring standard of Article 8 evaluation indicators, and submits it to the board of directors for review and improvement.

#### Measurement items of performance evaluation of the board of directors

Core professional competence	Properly implement the rights and obligations of directors, including the mastery of the company's goals and tasks, the awareness of directors' responsibilities, the degree of participation in the company's operation, the operation and communication of internal relations, and the professional and continuous learning of directors.
Environment	Set and supervise environmental objectives, including energy and resource management, greenhouse gas emission reporting, pollution prevention and the establishment of sustainable production processes.
Society	Set and supervise social goals, including community assistance, social welfare, supply chain management, occupational safety and health, human resources, employee competitiveness and well-being.
Governance	Set and supervise the management-related objectives, including reviewing the operating budget and plan, reviewing the company's accounting, finance, product research and development, production and sales, honest management, risk management, internal control system and related reports.

The performance evaluation results of the Board of Directors, Audit Committee, Remuneration Committee and Sustainable Development Committee in 2023 were reported by the Board of Directors on February 19, 2024.

### 1.2.6 Interest avoidance

At present, the Company has three independent directors, accounting for 30% of the total. All external directors are independent. In addition, for the needs of business development and practical operation, one director is the manager of the Company. The Company has formulated the Rules on the Duties of Independent Directors, which clearly stipulates that "if an independent director has any objection or reservation, it shall be stated in the minutes of the board of directors", "the Company shall not hinder, refuse or evade the business of independent directors" and "when it is necessary for independent directors to carry out business, they may ask the board of directors to appoint relevant personnel or hire experts to assist them", so as to ensure that independent directors can perform their duties properly and effectively enhance the operation of the board of directors and the performance of the company. During this reporting period, there were two situations in which directors evaded their interests, which are explained as follows:

Board date	January 3, 2023
Brief	According to the resolution of the 9th meeting of the 5th Session of the Remuneration Committee, it is proposed to agree that the attendance fee for each member of the 1st Sustainable Development Committee, Cao Ming and Zhu Riquan, is NT\$ 30,000.
Resolution	Directors Cao Ming and Zhu Riquan abstained from participating in the discussion and voting, and the other directors present unanimously passed the bill without objection.
Board date	March 27, 2023
Brief	In the 10th meeting of the 5th Remuneration Committee, it was resolved that directors Chen Jung-Yuan, Chen Li-Te, Wu Chung-Li, and Chen Cheng-Te, who receive salaries for their executive roles, will be compensated similarly to general staff with 15 days' bonus for Dragon Boat Festival and Mid-Autumn Festival each, and a 30-day year-end bonus for 2023.
Resolution	Directors Chen Jung-Yuan, Chen Kai-Yuan, Chen Li-Te, and Wu Chung-Li-Te excused themselves and did not take part in the discussion and voting. The remaining directors present unanimously approved the proposal.



## 1.3 Operational Performance and Strategy

Good financial performance can ensure that the company can smoothly promote various sustainable projects, which is the key to the company's sustainable operation. Sesoda sets the annual operating budget and capital expenditure budget every year, and after it is passed by the resolution of the board of directors, the management department reports the financial performance at each board meeting; Each enterprise reports its operation status at the board meeting and the monthly operation review meeting, so that the top management can fully grasp the operation and monitor the progress of budget achievement. The annual operating income of this report decreased by 26.7% compared with that of 2022, which was due to the increase of raw material prices and sea freight due to the reaction of supply and demand markets.

### Sesoda financial statement information

Currency: NT thousand dollars

Project/year	2021	2022	2023
Operating income	4,795,266	8,025,189	5,879,183
Operating gross profit	1,566,204	2,848,124	859,259
Operating profit and loss	813,900	1,748,524	210,151
Non-operating income and expenditure	5,234	(146,859)	(196,899)
Net profit before tax	819,134	1,601,665	13,252
Net profit after tax for the current period	670,871	1,204,422	(28,458)
Total comprehensive profit and loss of this period	442,110	1,594,555	(18,348)
Earnings per share (dollars)	2.69	4.84	(0.11)

### Tax law compliance

SESODA CORPORATION strictly abides by relevant tax laws such as the income tax law of profit-making enterprises, business tax law, securities trading tax law, stamp tax law, etc.

#### SESODA CORPORATION formulates tax policies.

Principle of law compliance	Follow the tax laws and regulations and the legislative spirit, correctly declare and pay the tax burden and prepare the supporting documents.
Principle of comprehensive decision-making	Pay attention to the reform of local tax law, evaluate its impact and formulate countermeasures.
Positive communication principle	Maintain open and honest communication with tax collection authorities to help improve the tax environment and system.
Principle of reasonable tax saving	Use legal and transparent tax incentives, and do not save taxes in a way that violates the spirit of the law.
Principle of rational structure	The enterprise structure and transaction arrangements are in line with the economic essence, and no special arrangements are used for tax evasion.
Risk control principle	When making and implementing tax decisions, assess relevant risks and adopt appropriate strategies.
Conventional trading principle	The price and terms of related party transactions should be similar to those of non-related parties in similar transactions, and experts should be invited to issue appraisal reports on major transactions.

The Company handles tax matters by the accounting department, and the tax information obtained through the accounting firm and the National Taxation Bureau is transmitted to the corporate governance unit from time to time, so as to help it grasp the internal risks and tax trends. The financial statements are based on the visa of the accounting firm, and the tax visa report is issued.

## 1.4 Risk management

In the face of global climate change, the Company followed the Task Force on Climate-related Financial Disclosure (TCFD) in 2023, identified the major risks and opportunities that may be caused to the operation, put forward relevant coping strategies, and set climate-related indicators and targets for sustainable management, thus creating greater benefits and values for the company.

The Company issued the second TCFD report in August, 2024, paying close attention to the global climate change trend and the international response direction, in order to achieve the goal of sustainable operation of the enterprise, and at the same time exposing the report on the official website for the reference of stakeholders.

Governance unit	In order to reduce the impact of climate change on Sesoda, the Company was co-ordinated by Sustainable Development Committee to set up an inter-departmental task force, which called senior executives of all units to communicate with each other, and identified various risks and opportunities related to climate change with reference to the framework of TCFD. Furthermore, the possible development scenarios of risks and opportunities are discussed, and the coping strategies and management methods to avoid risks are worked out according to risks and opportunities respectively. At the same time, the establishment of target inspection points can help the company grasp the time schedule and progress.	Risk management	<p><b>Risk identification:</b> From the perspective of enterprise's sustainable operation, identify the risks that the company may face, including strategic operation, finance, information, self-evaluation and compliance with laws and regulations, and evaluate its possible impact and impact on the company.</p> <p><b>Risk assessment:</b> With reference to the global climate trends, the issues related to the chemical industry are evaluated, and the importance of climate and financial-related risks and opportunities is ranked according to the possibility and impact degree analysis.</p> <p><b>Risk management:</b> Formulate risk response measures and annual audit objectives, and the Sustainable Development Committee executive team will carry out relevant operations, and the heads of each group will be responsible for management and supervision, which will be discussed at regular meetings and finally reported to the board of directors for implementation of sustainable business objectives.</p>
Risk category	<p><b>Transformation risk:</b></p> <ul style="list-style-type: none"> <li>■ Policies and regulations-Strengthening the obligation of emission reporting: In response to laws and regulations such as the Renewable Energy Law and the Climate Change Response Law, the Company was urged to make an estimate and financial evaluation on carbon emissions.</li> <li>■ Policies and regulations-requirements and supervision of existing products and services: In response to the global management of carbon emissions, the Company should pay attention to the calculation and management of carbon emissions of products, and confirm that it meets the national standards and market demand.</li> <li>■ Market-increase in raw material cost: In response to the increase in global carbon charges and transportation costs, the cost of raw materials will increase, which will have an impact on the Company.</li> <li>■ Market-customer behavior changes: in response to global carbon emission management, customers may choose low-carbon products or require suppliers to implement carbon reduction plans. If the company fails to implement relevant management measures, it may cause the risk of customers transferring orders.</li> </ul> <p><b>Physical risk:</b></p> <ul style="list-style-type: none"> <li>■ Immediate risk-flooding: According to the experience of Suao Main Plant, in case of severe weather such as typhoons and heavy rain, the local area will be flooded due to the difficulty of immediate flood relief. It has an urgent impact on the company's operations.</li> <li>■ Long-term risk-water shortage: the Company is short of water due to the influence of abnormal rainfall caused by climate change. Have an impact on the company's operations.</li> </ul>	Indicators and goals	<ul style="list-style-type: none"> <li>■ Increase the production proportion of environmentally friendly products to reduce the carbon emissions of the Company.</li> <li>■ Adjust the production process, pay attention to energy utilization and water consumption, and reduce carbon emissions and resource use.</li> </ul>
Opportunity category	<p><b>Climate opportunity</b></p> <ul style="list-style-type: none"> <li>■ Market &amp; Products and Services-Develop low-carbon products and services: This will increase market competitiveness and let more customers choose to use the Company's products.</li> <li>■ Resource efficiency-recycling: reduce the overall carbon emissions, develop new exhibits through recycling process, expand new business and market, and further increase turnover.</li> </ul>	Financial impact	<p><b>Transformation risk:</b></p> <ul style="list-style-type: none"> <li>■ Policies and regulations-Requirements and supervision of existing products and services: In the future, due to the influence of CBAM EU carbon border tariff or the influence of other regions requiring fertilizers to pay carbon tax, if they are not implemented, they may be fined up to NT\$ 1.5 million.</li> <li>■ Market-raw material cost increase: the risk of rising raw material cost due to the risk of political geography and the increase of transportation cost. If purchased from Southeast Asia, it is estimated that the raw materials will increase by NT\$ 100 per ton from 2024; The electricity bill is rising, which is expected to increase by 2.15% every year.</li> <li>■ Market-customer behavior change: because the product has not much substitution in the short term, the risk of transferring orders is estimated to be 5% annual turnover.</li> </ul> <p><b>Physical risk:</b></p> <ul style="list-style-type: none"> <li>■ Immediate risk-flooding: SESODA spend in property insurance premium and the cost of disaster prevention facilities every year to reduce the impact of flooding.</li> <li>■ Long-term risk water shortage: There' s groundwater in Suao Main Plant groundwater to decrease the risk of water shortage.</li> </ul> <p><b>Climate opportunities:</b></p> <ul style="list-style-type: none"> <li>■ Market &amp; Products and Services-Developing low-carbon products and services: It is estimated that the capital expenditure will reach NT\$ 230 million, and the estimated income will increase by NT\$ 270 million every year.</li> <li>■ Resource Efficiency-Recovery and Reuse: The estimated capital expenditure is NT\$ 44 million, which can reduce the cost of carbon excess.</li> </ul>
Strategy	In order to improve energy efficiency and expand the use of renewable energy, the Company will gradually push the whole value chain towards zero carbon emission by investing in innovative carbon detection technology, developing low carbon products, and converting residual carbon emissions. In 2022, ISO 14064-1 greenhouse gas inventory will be introduced, and the annual standard value of energy use will be set, the current situation of energy use will be improved and reviewed every month, and the budget for process improvement and equipment renewal will be compiled every year to continuously reduce the energy use, and the annual average energy saving rate should reach more than 1%.	Carbon pricing basis	Currently, internal carbon pricing is not used.
		Greenhouse gas inventory plan	The Company started greenhouse gas inventory in 2022 and implemented it every year. In 2023, the Company's emissions totaled 55,891.5435 metric tons of CO <sub>2</sub> e.
		External guarantee or assurance	In 2022-2023, the Company conducted inventory in accordance with ISO 14064-1, the standard specification for organized greenhouse gas inventory. Among them, the emission of Suao Main Plant was verified by the third party: AFNOR ASIA LTD according to ISO 14064-3:2006 standard.



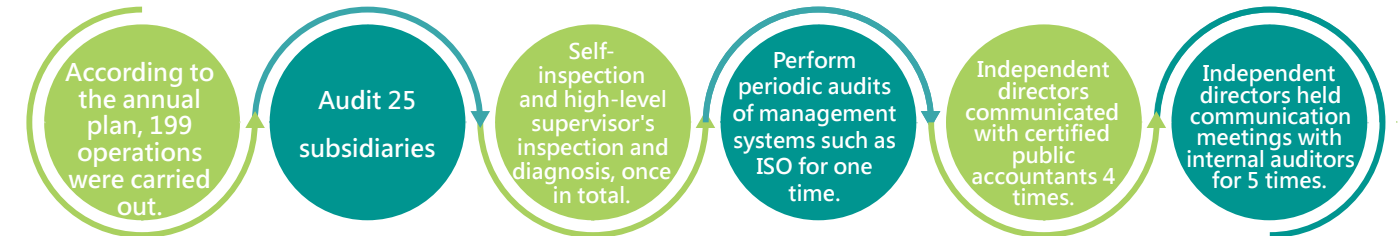
## 1.5 Internal control

In order to ensure the implementation of corporate governance and strengthen internal control and audit operations, an independent internal audit unit is set up and directly subordinate to the board of directors. The audit office arranges an annual audit plan every year, and after it is approved by the board of directors, it carries out business in an objective and honest manner according to the planned schedule, examines the company's various operation processes, and supplemented by adding operating system control points to prevent violations of the code of conduct. In the implementation of internal audit, in addition to the annual audit plan, the audit room carries out on-the-spot audit or book audit with risk in mind, and cooperates with irregular and special-purpose audits of various factories and regular audits of ISO and other management systems.

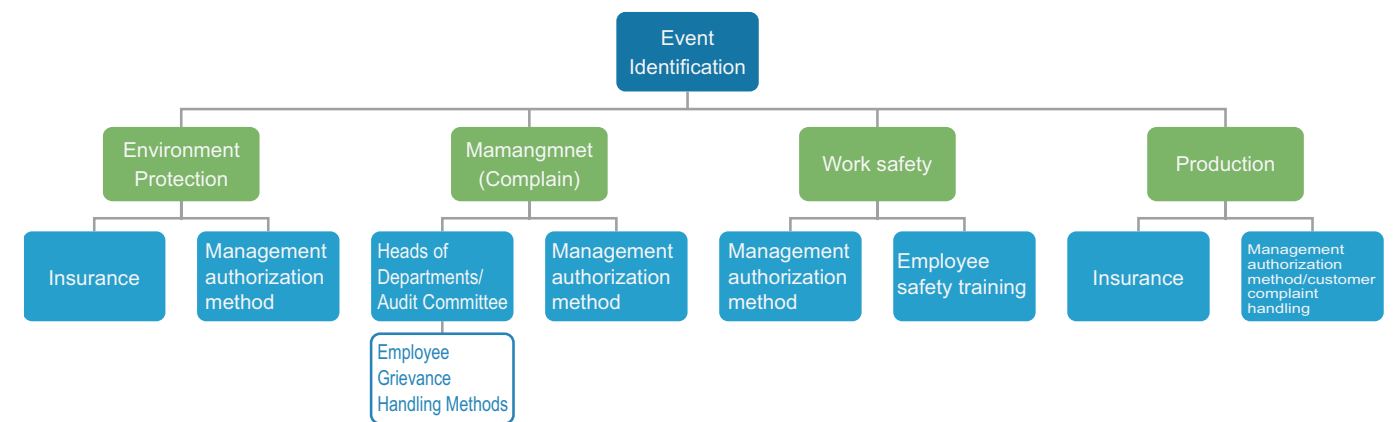
Every year, the Audit Office assists all departments in self-inspection of the internal control system, and provides suggestions for improvement in a timely manner, so as to assist the board of directors and managers in inspecting and reviewing the deficiencies of the internal control system, and to measure the effectiveness and efficiency of the operation, so as to reasonably ensure the continuous and effective implementation of the operational effect, legal compliance and financial reporting, and to serve as a basis for reviewing and revising the internal control system. In addition, the audit supervisor attends the audit committee and the board of directors to make audit business reports, and the monthly internal audit report and quarterly audit follow-up report are submitted to the independent directors for review. If major violations are found or the company is in danger of major damage, the audit office will immediately make a report and notify the independent directors. In 2023, the parent company and subsidiary company executed a total of 199 audit reports according to the annual audit plan.



## Implementation Results of Internal Audit in 2023



At present, the Company does not have a human rights policy, and it is expected that it will formulate a human rights policy and carry out relevant education and training in the future, but the management procedures for remedial measures will be drawn up after the problems occur, as follows. After that, we will do more comprehensive management in the fields of environment, labor human rights, business ethics, sustainable procurement, etc. in order to have better evaluation results in EcoVadis in the future.



### Code of Ethical Conduct

Honesty and justice, Law-abiding and trustworthy, Conflict prevention, Confidentiality, Fair exchange, Fompliance with the law, Development of a sustainable environment, Maintenance of public interests and Disclosure of information.

- 1 Event occurrence: The relevant department level judges the event status according to its specialty, handles it according to its specialty and reports it to the corresponding authority management unit.
- 2 All management levels: take over the incident and deal with it in accordance with various measures and authorized levels, and develop solutions and improvement plans. The plans will be implemented after being approved by the authorities and responsibilities, and the implementation results will be re-evaluated.
- 3 All companies have corresponding supporting mechanisms, such as various insurances (including workers' group insurance, property insurance, disaster prevention insurance and liability insurance) to meet the financial needs of various events.
- 4 Vocational ability training: internal and external vocational ability training (including occupational safety training), according to the needs of each department, the employees of each department apply, and adopt internal experience inheritance or external professional training to improve the skills corresponding to various affairs.
- 5 Internal and external audit: the internal audit regularly checks the compliance degree of the package according to its plan, and puts forward appropriate improvement plans. External competent units shall conduct audits on compliance with laws and regulations from time to time.
- 6 All codes of conduct: under the code of practice for sustainable development and ethics as the norm, there are such standard behaviors as honesty and justice, law-abiding and trustworthiness, conflict prevention, confidentiality, fair exchange, compliance with laws, development of a sustainable environment, maintenance of social publicity and proper disclosure of information.

## 1.5.1 Anti-corruption system

Sesoda ensures the implementation of honest management and prevents corruption through the Code of Integrity Management and the Code of Ethical Conduct, and cooperates with relevant management norms and internal audit operations. The company plans to promote new employees in 2023 and train all on-the-job colleagues; New employees are required to sign the "Letter of Integrity/Commitment" when they arrive at their posts. There was no corruption incident in Sesoda in 2023.

Code of integrity management	Code of moral conduct
<ul style="list-style-type: none"> <li>Directors, managers, employees, appointees or persons with substantial control ability shall not directly or indirectly offer, promise, demand or accept any illegitimate interests, or engage in other dishonest acts such as violating honesty, illegality or fiduciary duty in order to obtain or maintain interests.</li> <li>Before business dealings, we should consider the legality of agents, suppliers, customers or other business dealings and whether there is a record of dishonest behavior, and avoid trading with those who have a record of dishonest behavior. The contract signed by Sesoda with agents, suppliers, customers or other business transaction objects should include the terms of abiding by the honest management policy and the termination or rescission of the contract at any time if the counterparty is involved in dishonest behavior.</li> <li>Directors, managers, employees, appointees and substantive controllers should fulfill the duty of care of good managers, urge the company to prevent dishonest behavior, and review its implementation effect and continuous improvement at any time to ensure the implementation of honest management policies.</li> </ul>	<ul style="list-style-type: none"> <li>Sesoda personnel should abide by the provisions of the law and this code when performing their duties, and should be proactive, conscientious and responsible, abandon departmentalism, pay attention to the team, abide by the principle of honesty and credit, and pursue high morality as the standard.</li> <li>When the company has the opportunity, the company personnel have the responsibility to increase the legitimacy that the company can obtain. In addition to the items prohibited by the non-competition clause, company personnel may also have the opportunity to seek personal gain or acquire personal gain through the use of company property and information or through their positions.</li> <li>Company personnel should treat the company's customers, competitors and employees fairly, and they can get it by manipulating, hiding, using the information they have learned based on their duties, making truthful statements on important matters or other fair ways; Company personnel should abide by the ethical standards and the principle of fair dealing required by the company in their daily work and business, and avoid accepting gifts or entertainment from manufacturers related to the company.</li> <li>If directors and company personnel are confirmed to have violated the Code, they can be prosecuted and dealt with according to the civil, criminal and relevant laws and regulations according to the seriousness of the case, and they can be punished appropriately according to the working rules. After the disciplinary measures of directors and managers violating the Code are confirmed, they can disclose the information of the date of violation, violation of the Code and the handling of the personnel in the public information observation station.</li> </ul>

In order to ensure that the Company can adhere to the business philosophy, The Company has formulated relevant regulations such as corporate governance code, integrity management code, etc. centering on anti-corruption, malpractice prevention and strict discipline, and cooperated with education and training, signed self-discipline documents and provided complaint channels, etc., which were revealed in the ESG special area of the company in official website.

If directors and company personnel are confirmed to have violated the Code, they can be prosecuted and dealt with according to the civil, criminal and relevant laws and regulations according to the seriousness of the case, and they can be punished appropriately according to the working rules. After the disciplinary measures of directors and managers violating the Code are confirmed, they can disclose the information of the date of violation, violation of the Code and the handling of the personnel who violate the code of ethical conduct in the public information observation station.

## Complaint channel

The Company promises to engage in all business activities in integrity. In order to implement the spirit of integrity management and ethical code of conduct, it has set up a reporting channel and anonymous protection for informants. Clear the channels for reporting complaints, ensure that the problems of reporting complaints are handled in time, and take anonymous protection for informants. If the accusation is verified, the company will reward the prosecutor and give corresponding bonuses to the prosecutor who has made significant contributions.

Please let us know when you find that Sesoda Group employees or any related person representing Sesoda are engaged in suspicious behavior or may violate the company's code of ethical conduct. This report is a website for reporting misconduct of Sesoda-related personnel. All information submitted in this report will be kept confidential and directly handed over to SESODA CORPORATION 's senior management.

Corporate Governance: Professional  
Ethics and Reporting System



■ Sesoda official website → Stakeholders area → Corporate governance → Professional ethics and reporting system.

■ Email : whistleblower@sesoda.com.tw.

■ Address : 23rd floor, No.99, 2nd section of Dunhua South Road, Da 'an District, Taipei, 106. Management Department

■ During the reporting period this year, the number of environmental impact complaints filed, handled and resolved through the formal complaint mechanism: 0.

## 1.5.2 Penalty events

The Company's definition of major violations is based on the disclosure by the stock market open information observation station that the company's fines for a single incident totaled more than NT\$ 1 million, which is regarded as a major event, and all kinds of fines of the company, regardless of the amount, must be signed and approved by the President before payment.

During this reporting period, no major incidents were punished. One minor incident was fined: violation of Article 24, Item 1, of the Labor Standards Law, extension of working hours and failure to increase wages as required, with a fine of NT\$ 50,000. After facing the penalty, Sesoda has asked for payment and should declare within the time limit. In the future, the working hours of employees will be recorded according to their actual working conditions, and the corresponding remuneration will be given. There are no other persuasion orders for environmental and non-monetary penalties or improvement within a time limit.



A conceptual image showing a man in a white shirt and dark trousers running through a large, complex gear system. He is holding a brown briefcase. The gears are large and metallic, set against a textured, grey background. The man is running on a large gear, with other gears visible in the background and foreground.

# 02

## PRAGMATIC INTEGRITY MANAGEMENT

- 2.1 CUSTOMER RELATIONSHIP  
MANAGEMENT
- 2.2 PRODUCT MARKETING STRATEGY
- 2.3 RAW MATERIAL MANAGEMENT
- 2.4 PARTICIPATION OF EXTERNAL  
ASSOCIATIONS



# Pragmatic Integrity Management

The Company has always been committed to providing high-quality products to meet customers' needs and expectations for our products. Therefore, in the process of product production, we strictly control every detail to ensure the stability and continuous improvement of product quality, and expect to become the most trusted partner of customers.

## Product quality management policy

High quality

Provide customers with the most appropriate quality and meet their needs and expectations.

Efficiency-oriented

Implement full participation, publicize and teach employees about quality training.

Continuous improvement

Improve the process, strengthen the service, and continuously improve to continuously improve customer satisfaction.



## 2.1 Customer Relationship Management

Sesoda Company produces and manufactures excellent products to sell to customers, and manages customer relations, which is an important topic for us. It formulates product research and development strategies, shares information with customers all over the world, and creates higher added value. In order to make it easier for business units to grasp customers' suggestions on products, and provide a complete analysis for the next sales reference. The Company integrates the existing customer satisfaction survey methods, plans the customer satisfaction survey in a unified way, makes regular statistics every year, and strengthens customer relationship management. During the reporting period, we have not been fined for violating product and service safety information labeling and marketing regulations.

Sesoda sends out a "Customer Satisfaction Survey" at the end of each year to find out the customer's satisfaction with the Company's products and services, so as to collect information. In 2023, 55 satisfaction questionnaires were sent to domestic customers (that is, 55 domestic customers), and 50 were recovered, with a recovery rate of 91%; A total of 34 questionnaires were sent out by foreign customers (that is, 34 foreign customers), and 27 questionnaires were recovered, with a recovery rate of 79%.

### Results of domestic satisfaction survey in 2023

2023	Product quality			Service quality									Packaging quality			Satisfaction score (sum/total survey items)
Item	Product quality stability	Product satisfaction	Delivery limitation	Professional knowledge of business personnel	Service attitude of business personnel	Professional knowledge of technicians	Service attitude of technicians	Cooperation in handling customer complaints	Response efficiency	Service attitude of transport drivers	Cooperation of transport drivers	Satisfaction with the documents attached with the goods	Packaging quality	Packaging bag cleaning	Packaging bag stacking satisfaction	
Average scores of overall and individual satisfaction (sum/total number of copies)	4.65	4.65	4.65	4.75	4.80	4.65	4.65	4.70	4.65	4.60	4.60	4.75	4.55	4.50	4.55	4.75

### Results of foreign satisfaction survey in 2023

2023	Product			Service				Satisfaction score (sum/total survey items)
Item	Quality	Delivery	After Sales Services	Sales Attitude	Efficiency	Complaint follow-up	Technical Supports	
Average scores of overall and individual satisfaction (sum/total number of copies)	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6

According to the results of this year's customer satisfaction survey, the total score of domestic customer satisfaction is 4.75, and the total score of foreign customer satisfaction is 4.6, which shows that customers are satisfied with the Company's products and services. These feedbacks will be of great help to the subsequent company operation, marketing strategy and sustainable development planning.



## 2.2 Product marketing strategy

Through strict control, during the reporting period, there was no violation of the relevant laws and regulations on product and service information labeling, violation of the relevant laws and regulations on marketing and promotion, and no penalty incident occurred. The outer packaging of each product shall be marked with products and services in accordance with the provisions of the Food Hygiene Management Law and the Fertilizer Management Law. At present, imported food-grade goods include heavy alkali, light alkali, baking soda and ammonium powder. Taichung Factory set up a special food warehouse in 2011 to provide the best logistics service.

In order to maintain the company's product sales market image, the following

implementation points have been established:

**01** Clearly mark the purpose of the product.

**02** Provide product quality specifications according to customer requirements.

**03** Provide after-sales service and visit customers irregularly.

**04** Establish customer complaint service telephone and pipeline and record the tracking process.

**05** Regularly inspect product quality (third party)

**06** Pre-receipt inspection, in line with CNS or Ministry of Health and Welfare specifications.

Product category	Product labeling basis	Compliance degree	Product category	Product labeling basis	Compliance degree						
Domestic fertilizer products	Article 13 of the Fertilizer Management Law: 1.Number of fertilizer registration certificate. 2.Fertilizer items. 3.Register the ingredients, properties and package weight and capacity. 4.The name and address of the fertilizer manufacturer or importer. 5.Fertilizer manufacturing factory (field) name and address. 6.Usage and dosage. 7.Year, month, batch number and expiration date of manufacture. 8.Other items required to be marked as prescribed by the central competent authority.	100%	Bagged industrial products	Article 6 Measures for Additional Burden of Factory Establishment License or Approval Registration: 1.Factories manufacturing Class 19 chemical products shall mark the words "No use in food" in a conspicuous place on the outer packaging. 2.Imported industrial products shall be treated in the same way as above.	100%						
Export fertilizer products	1.Measures for the Administration of Goods Export Article 21: If the exported goods are made in our country, they shall be marked as made in the Republic of China, made in Republic of China (Taiwan) or made in Taiwan, or in a foreign language with the same meaning. 2.Measures for Additional Burden of Factory Establishment License or Approval Registration Article 6: Article 19 A chemical product manufacturing factory shall mark the words "Not for use in food" in a conspicuous place on the outer packaging.	100%	© Storage process According to Article 5 of the Rules for the Labeling and General Information of Hazardous Chemicals, the containers containing hazardous chemicals shall be clearly marked with the following items in Chinese, supplemented by foreign languages that workers can understand when necessary: 1. Hazard schema. 2. Contents: <table><tr><td>▪ Name</td><td>▪ Hazardous ingredients</td><td>▪ Warning words</td></tr><tr><td>▪ Hazard warning message</td><td>▪ Hazard prevention measures</td><td>▪ Name, address and telephone number of the manufacturer, importer or supplier</td></tr></table>			▪ Name	▪ Hazardous ingredients	▪ Warning words	▪ Hazard warning message	▪ Hazard prevention measures	▪ Name, address and telephone number of the manufacturer, importer or supplier
▪ Name	▪ Hazardous ingredients	▪ Warning words									
▪ Hazard warning message	▪ Hazard prevention measures	▪ Name, address and telephone number of the manufacturer, importer or supplier									
Bagged food additive products	Article 24 of the Food Safety and Hygiene Management Law: Article 24 The containers or packages of food additives and their raw materials shall be clearly marked with the following items in Chinese and common symbols: 1.Name of product. 2.The words "food additives" or "raw materials of food additives". 3.Name of food additive; When it is a mixture of two or more kinds, it should be marked separately. The label shall be named by the commodity name specified in Item 1 of Article 18 or by the common name announced by the central competent authority. 4.Net weight, capacity or quantity. 5.Name, telephone number and address of the manufacturer or domestic responsible manufacturer. 6.expiration date. 7.Scope of use, dosage standards and use restrictions. 8.Place of origin (country). 9.Raw materials containing genetically modified food additives. 10.Other matters announced by the central competent authority. The raw materials of food additives are not subject to the restrictions mentioned in the preceding paragraphs 3, 7 and 9. The central competent authority shall announce the flavor components of food additives mentioned in paragraph 3 of the preceding paragraph and the items to be observed in paragraph 9. If only the name of the domestic responsible manufacturer is indicated in Item 5 of Paragraph 1, the name, telephone number and address of the manufacturer, the entrusted manufacturer or the importing manufacturer shall be notified to the competent authority in the jurisdiction; The competent authority shall open to other competent authorities for joint inspection.	100%	Liquid dangerous goods	© Tank car transportation According to Article 84 of the Road Traffic Safety Rules: Danger signs with triangular red flags should be hung at the front and rear of the car; Vehicles should be marked with dangerous goods signs and signs.	100%						
		Liquid non-dangerous goods	The rear of the tank car is marked with "Non-hazardous substances-product name"								

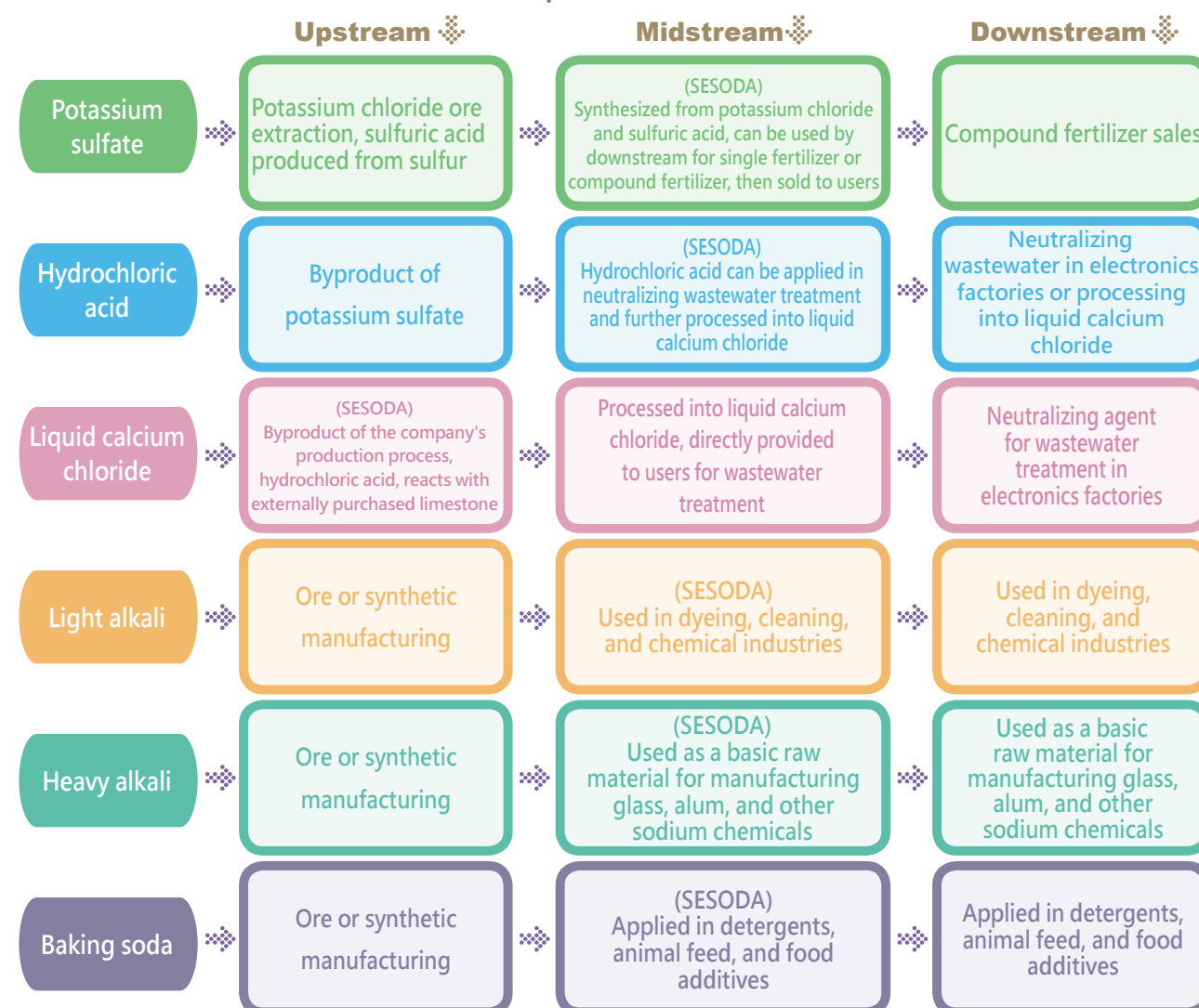
## Product output

The products produced by the Company in 2023 include: potassium sulfate, hydrochloric acid, liquid calcium chloride, calcium sulfate and baking soda. The output is as follows.

Sesoda output statistics in 2023

Product name	Output (metric tons)	Proportion of total output value (%)
Potassium sulfate	122,055.75	34.12
Liquid calcium chloride	202,759.73	56.68
Hydrochloric acid	27,839.09	7.78
Calcium sulfate	806.22	0.23
Baking soda	4,263.39	1.19
Total	357,724.18	100.00

Sesoda's main product industrial chain



## 2.3 Raw material management

In the past three years, Sesoda has maintained a steady trend in raw material procurement. Potassium chloride is still the largest raw material purchased by the company, followed by soda ash. Since most of the main suppliers are from abroad, it is Sesoda's consistent goal to maintain cooperative relations with major suppliers.

Raw material procurement in recent three years

Item Year	2021			2022			2023		
	Name	Amount	Percentage of annual net purchase (%)	Name	Amount	Percentage of annual net purchase (%)	Name	Amount	Percentage of annual net purchase (%)
1	Supplier C	1,128,129	57.06	Supplier C	2,335,624	59.56	Supplier C	1,115,937	51.48
2	Supplier A	227,683	11.52	Supplier A	581,931	14.84	Supplier A	373,644	17.24
3	Others (none reached 10%)	621,326	31.42	Others (none reached 10%)	1,003,722	25.60	Others (none reached 10%)	678,099	31.28
4	Net purchase amount	1,977,138	100	Net purchase amount	3,921,277	100	Net purchase amount	2,167,680	100

The purchase of raw materials and the control of incoming quality shall be handled in accordance with the ISO 9001 standard procedure of the Company. For the use of raw materials, the principle of optimization has been followed, and the use of raw materials is minimized to reduce the generation of waste and reduce production costs to achieve both economic and environmental benefits.

In order to maintain the sustainability of the environment, the Company chooses recycled materials for some packaging materials, and adds 5-10% recycled materials in the packaging material production process. Because the load of FIBC bags is more than 1000kg, the recycled materials are added in a fixed proportion.

## 2.4 Participation of external associations

Sesoda not only focuses on its own operation, but also attaches importance to maintaining good interaction with the outside world. Sesoda actively joins peers and other related associations, so that we can keep abreast of the latest development trends of the industry and improve the professional knowledge needed for the company's operation. At present, all the participating industrial associations are located in Taiwan.

Name of industrial association	Membership
Taiwan Acid and Alkali Industries Association	Member
Taipei Commercial Association of Feeds and Animal Health Products	Member
Overseas Chinese Enterprises Association of the Republic of China	Member
Taiwan Corporate Governance Association	Member
Institute of Internal Auditors-Chinese Taiwan	Member
Taipei Chemical Suppliers' Association	Member
Accounting Research and Development Foundation	Member





# 03

## PILOTAGE GREEN CENTURY

3.1 RESOURCE RECYCLING

3.2 IN RESPONSE TO CLIMATE CHANGE

3.3 PREVENTION AND CONTROL OF  
ENVIRONMENTAL POLLUTION

3.4 BIODIVERSITY CARE



# Pilotage Green Century

## Material issues:Energy and emissions

### Main Motivation

In order to alleviate the global climate change crisis, Sesoda carries out climate change risk assessment, comprehensively checks greenhouse gas emissions, sets emission reduction targets according to local conditions, and gradually increases the use of renewable energy. The Company is a traditional chemical raw material (fertilizer) manufacturing industry, which is based on the concept of "taking it from the land and using it on the land". Over the years, the management and implementation of environmental protection, safety and hygiene-related activities have all been based on compliance with relevant national laws and regulations, and actively integrate the factory environment with the community environment, and strive to win the recognition of the community.

### Influence and Impact

In response to the net zero emission policy in 2050, adjust Sesoda's energy policy, improve its fuel-saving and electricity-saving methods, reduce environmental impact, fulfill the ethics and responsibilities of enterprises, and build a new baking soda plant to recover carbon dioxide generated in the process, reduce greenhouse gas emissions, and make a contribution to global warming

- ◆Economy : The company is a high energy-consuming industry. In order to develop its business activities, it will increase the energy consumption and affect the global energy inventory.
- ◆Economy : Continuous emission of air pollution gas affects climate change and indirectly affects the development of economic activities.
- ◆Environment : The company's operating activities are rising, and greenhouse gas emissions are rising, which affects the changes of the natural environment.
- ◆Environment : High energy consumption leads to the emission of greenhouse gases and air pollution, which causes the air pollution index to rise.
- ◆Human rights : Indirectly affected by the environment and endangered by health factors.
- ◆Human rights : Daily life is affected by extreme climate, and the safety of living is worrying.
- ◆Positive : Promote the company to accelerate energy transformation and reduce the use of traditional energy.
- ◆Negative : Environmental laws and regulations are becoming stricter, increasing operating costs and compressing company profits.

### Policy & Strategy

The increase in greenhouse gas emissions leads to climate change, which not only directly impacts the global ecological environment, but also indirectly affects the acquisition of enterprise resources, and has become an environmental issue of common concern and attention all over the world. In order to fulfill the responsibility of the enterprise, the Company identifies the sources of greenhouse gas emissions, reduces greenhouse gas emissions by means of energy saving and emission reduction, and makes active efforts to move towards a low-carbon and sustainable home together by improving self-management ability, replacing high-energy-consuming process equipment and discussing greenhouse gas reduction schemes.

Energy consumption is the main factor causing climate change, because burning non-renewable fuels will produce greenhouse gases (GHG) and cause other environmental impacts. With the steady growth of the Company's operation, we are cautious in improving the efficiency of energy use, controlling greenhouse gas emissions, effectively reducing the per capita energy consumption intensity and avoiding the increase of oil and electricity consumption.

### Goals & Objectives

In line with the national net zero emission path, it is estimated that the total emission reduction will be 20% in 2030, and the goal of 100% emission reduction will be achieved by 2050.

- Short-term: in 2024, Suao Main Plant will reduce emissions by 5% in scope 1& scope 2.
- Mid-term: reduce CO2 emission from liquefied process by 20%.
- Long-term: in line with the national policy of 2050 net zero emission-zero carbon emission.

### Management Evaluation Mechanism

- In view of zero carbon emissions, the Company has established an ISO 14001 management system to control the energy use of each factory, and completed the ISO 14064-1 greenhouse gas inventory verification in August 2023.
- The Company also reported to the energy bureau to reduce the annual energy consumption, such as: saving electricity by 1%.

### Performance and Adjustment

- In 2023, the direct greenhouse gas emission was 46,962.5543 metric tons of CO2e, which was 3,971.5793 metric tons of CO2e, a decrease of about 8% compared with the emission of 50,934.1336 metric tons of CO2e in the base year of 2022.
- In response to the national policy of zero net emission in 2050, a baking soda plant was newly built in the factory site of Suao Main Plant. The main business of this plant is baking soda production, and CO2 in the process is recovered at the same time. In 2023, the indirect greenhouse gas emission (electricity consumption) was 8,928.9892 metric tons of CO2e, an increase of 1,801.3654 metric tons of CO2e, about 25%, compared with the base year of 7,127.6238 metric tons of CO2e in 2022. Although the increase in power consumption caused by the increase in the factory area has led to an increase in indirect greenhouse gas emissions. However, due to the improvement of the process, carbon dioxide emissions can be reduced.

### Preventive or Remedial Measures

- Prevention : Environmental Committee reviews the effectiveness of energy management, high-level executive meeting reviews the effectiveness of energy management, and greenhouse gas emission management.
- Remedial measures : there is a complaint mechanism, and the responsible window is the Environmental Safety Room.
- ✓Tel : 03-9905122#216
- ✓E-mail : whistleblower@sesoda.com.tw 、 alan@sesoda.com.tw



## Material issues: Water and discharge water

### Main Motivation

Up to now, Suao Main Plant still uses groundwater for processing water. Although there are abundant groundwater resources in Yilan, Suao Main Plant still actively saves and makes good use of water resources.

### Influence and Impact

In response to global climate change, although Suao Main Plant is located in Yilan County, which is not short of water, it still carries out relevant water-saving projects, hoping to achieve a better balance between company costs and social obligations.

- ◆Economy : Operating activities need to use a lot of water. If the cost of water increases, the operating cost will increase.
- ◆Environment : In recent years, extreme weather affects rainfall, and the use of operational activities affects the content of groundwater.
- ◆Positive : A lot of water, prompting the company to actively develop circulating water or other energy-saving programs.
- ◆Negative : The increase in water charges has increased the company's operating costs.

### Policy & Strategy

In addition to setting up a cooling water recovery system, the non-contact cooling water of the process is recovered, cooled and reused, and the improvement is actively evaluated to reduce the water consumption of the process.

### Goals & Objectives

Short-term: The water consumption in 2023 decreased by 13% compared with 2022.  
Medium-term: water consumption will be reduced by 15%  
Long-term: water consumption is reduced by 18%

### Management Evaluation Mechanism

The company cooperated with the national laws and regulations to set up the water pollution prevention license, and has established the ISO14001 management system, and cooperated with the industrial discharge water standard to carry out various tests. According to the standards of the management system, and comply with the requirements of laws and regulations.

### Performance and Adjustment

Due to the continuous cooling water recovery operation in Suao Main Plant, the groundwater consumption in 2023 was 603.77 million liters, which was 99.04 million liters lower than 702.81 million liters in 2022, which was about 14.09% lower.

### Preventive or Remedial Measures

- Prevention : The Environmental Committee reviews the sampling inspection of the discharge water.
- Remedial measures : There is a complaint mechanism, and the responsible window is the Environmental Safety Room.
- ✓Tel: 03-9905122#216
- ✓E-mail : whistleblower@sesoda.com.tw 、 alan@sesoda.com.tw

## Material issues: Waste

### Main Motivation

The Company's waste adopts the operation mode of source management, and the future source area is divided into two categories: employee domestic waste and business waste; Through employee education and training, domestic waste management can improve employee behavior norms, effectively promote reduction and classified management, and improve resource reuse and resource regeneration value; The management of enterprise waste takes the simplification of packaging materials, the reduction of the proportion of waste and the recycling of resources as the reduction management

### Influence and Impact

Suao Main Plant is located at the bank of Xincheng River in Yilan County, with beautiful scenery. While enjoying the beautiful scenery, Sesoda is still on the road of waste reduction, so that it can carry out terminal treatment with newer technology and reduce the environmental burden.

- ◆Environment : As the company's business activities increase, the amount of waste will also increase, indirectly causing environmental burden.
- ◆Human rights : the living environment is affected, and the potential opportunity of exposure to high-risk environment is increased.
- ◆Negative : environmental laws and regulations are becoming stricter, increasing operating costs and limiting company profits.

### Policy & Strategy

The waste in Suao Main Plant is treated according to the waste cleaning law, and it is stored and classified in a centralized way. The waste is classified in the most complete way. All units centralize the waste in the storage place, and set up special personnel for the management and planning of waste reduction and access control. The treatment process meets the requirements of relevant environmental protection laws and regulations.

### Goals & Objectives

The main raw materials of Suao Main Plant are transported by tank trucks, leaving only resource wastes such as scrap iron and domestic wastes, and the other general industrial wastes are basically the same as inorganic sludge. Therefore, taking the greenhouse gas inventory year (2022) as the base year, the waste density in 2024 should be less than 5.00 metric tons per person per year.

- ◆Short-term goal: waste density < 5.00 metric tons/person per year.
- ◆Medium-term goal: waste density < 3-year average.
- ◆Long-term goal: waste density < 10-year average.

### Management Evaluation Mechanism

The company cooperates with the national laws and regulations to set up a waste cleaning plan, which will be transported and processed by a legal removal company. General business wastes are temporarily stored without removal, while scrap iron and domestic garbage are not restricted by laws and regulations.

### Performance and Adjustment

In 2023, the waste produced was 669.02 metric tons, which was about 23.51% less than that of 874.62 metric tons in 2022. Part of the reduction rate came from the reduction due to the lack of scrap iron in 2023.

### Preventive or Remedial Measures

- Prevention : The Environmental Committee reviews the performance of waste management.
- Remedial measures : there is a complaint mechanism, and the responsible window is the Environmental Safety Room.
- ✓Tel : 03-9905122#216
- ✓E-mail : sesodaesg@sesoda.com.tw 、 alan@sesoda.com.tw



## 3.1 Resource recycling

### 3.1.1 Energy management

Energy consumption is the main factor causing climate change, because burning non-renewable fuels will produce greenhouse gases (GHG) and cause other environmental impacts. With the steady growth of the Company's operation, we are cautious in improving the efficiency of energy use, controlling greenhouse gas emissions, effectively reducing the per capita energy consumption intensity and avoiding the increase of oil and electricity consumption. In 2023, the power utilization ratio of the power grid will reach 100%.

Quantitative index	Factory	Unit	2021	2022	2023
Electricity consumption	Taipei Company	kwh	141,288	133,000	163,178.5
	Suao Main Plant	kwh	14,593,200	14,010,000	17,686,200
	Changhua Factory	kwh	169,100	195,100	160,300
	Taichung Factory	kwh	36,633	34,880	28,683.4
Total		kwh	14,940,221	14,372,980	18,038,361.9
		GJ	52,535.52	51,742.73	64,938.1028
Fuel oil consumption	Suao Main Plant	KL	7,554.61	7,187.60	6,464.62
		GJ	303,695.32	288,941.52	272,657.29
Diesel oil consumption	Suao Main Plant	KL	28.44	60.47	71.728
	Changhua Factory	KL	8.3	7.98	6.6883
	Taichung Factory	KL	2	2	1.0157
	Total	KL	7,593.35	7,258.05	6,544.054
		GJ	303,695.32	291,773.61	275,982.83
Total energy		GJ	356,230.84	343,516.34	340,920.93
Organization-specific measurement	Revenue	NT\$ million	4,795	8,025	5,879
Energy intensity		GJ/ NT\$ million	74.29	42.81	57.98

Note:

- 1.Organization-specific measurement is the denominator of emission intensity; here, the operating income in 2023 is NT\$ 5,879 million.
- 2.The calorific value of electric power is converted into 1kWh=0.0036GJ.
- 3.The source of conversion coefficient is the fuel calorific value, which is 7,800 kcal/L for gasoline, calculated by the EPA's gas emission coefficient management table 6.0.4; Diesel oil 8,400 kcal/l; Natural gas 8,000 kcal/m<sup>3</sup> ; Fuel oil 9,600 kcal/L
- 4.The unit conversion factor is quoted from the greenhouse gas emission inventory operation guideline: 1 kcal = 4.1868kJ.

### 3.1.2 Water resources management

The Company factory is located in Suao Town, Yilan County, with an annual rainfall of more than 2,000 mm. According to the Aqueduct Water Risk Atlas of the World Resources Institute, it is located in a low-risk area of water resources. At present, the process water of Suao Main Plant still uses groundwater. Although there are abundant groundwater resources in Yilan, we continue to actively save and make good use of water resources. In addition to setting up a cooling water recovery system, the non-contact cooling water of the process is recovered, cooled and reused, and the improvement is actively evaluated to reduce the water consumption of the process. Make good use of the recovered cooling water to spray water on the dump, roads, turf and greening plants, so as to make the water resources multi-purpose. the Company's water consumption statistics and wastewater treatment methods are as follows:

Water consumption statistics and wastewater treatment table in 2023

Factory	Total water intake (million liters)		Total drainage (million liters)				Wastewater treatment mode
	Tap water	Underground water	Tap water+Underground water				
	Non-process water	Process water	Process water				
Taipei Company	1.76	0	0				General domestic sewage, into the sewage sewer system.  Discharges D-01 and D-02, which are discharged to Marseille drainage ditch, all meet the wastewater discharge standard  General domestic sewage, into the sewage sewer system.  General domestic sewage, into the sewage sewer system.
Suao Main Plant	0	603.77	D-01	5.47	D-02	87.64	
Changhua Factory	0.40	0	0				
Taichung Factory	0.23	0	0				
Total (million liters)	2.39	0	93.110				
	Total (million liters)		93.110				
Total water consumption (million liters)	513.050						
Organization-Specific Metrics (Units)	Revenue(in million NT\$)						
Organization specific measures	5,879						
Water intensity	0.087						
Note: Total water consumption = total water intake-total drainage.							

Note: Total water consumption = total water intake-total drainage.

### 3.1.3 Analysis of discharge water

Sesoda's water discharge strictly abides by the discharge water standard of the chemical industry. During this reporting period, the wastewater discharge situation is shown in the following table, and all the data are within the standard. Therefore, it can be seen that the Company monitors the discharge water properly.

2023		D01		D02	
Month	Temp °C	PH	us/cm T.D.S	Temp °C	us/cm T.D.S
1	15.3	6.53	13.74	18.4	6.66
2	18.9	7.28	20.88	21.9	8.09
3	23.5	7.94	25.87	26.8	8.98
4	21.9	6.89	21.29	25.0	7.64
5	26.9	7.84	18.19	29.3	8.54
6	29.9	7.20	20.30	31.0	8.60
7	30.0	7.70	19.10	31.8	8.50
8	31.0	7.40	22.50	31.9	8.40
9	29.3	7.40	16.90	29.8	8.50
10	26.6	7.30	15.10	28.1	8.40
11	25.2	6.90	24.10	26.0	8.40
12	20.9	7.60	12.80	22.0	8.40

Note: standard of industrial discharge water.

1. Water temperature < 38°C (for May-September) and water temperature < 35°C (for October-April).
2. Hydrogen ion concentration index (PH value) standard: 6.0~9.0

## 3.2 In response to climate change

In order to alleviate the global climate change crisis, Sesoda carries out climate change risk assessment, comprehensively checks greenhouse gas emissions, sets emission reduction targets according to local conditions, and gradually increases the use of renewable energy.

### 3.2.1 Greenhouse gas management

The increase in greenhouse gas emissions leads to climate change, which not only directly impacts the global ecological environment, but also indirectly affects the acquisition of enterprise resources, and has become an environmental issue of common concern and attention all over the world. In order to fulfill the responsibility of enterprises, the Company identifies the sources of greenhouse gas emissions, uses energy-saving and emission-reduction methods to reduce greenhouse gases, and makes active efforts to move towards a low-carbon and sustainable home by improving its self-management ability, replacing high-energy-consuming process equipment and discussing greenhouse gas reduction schemes.

#### Greenhouse gas emissions

Factory	Item	2022	2023
Taipei Head Company	Scope 1 (metric tons CO2e/year)	32.6496	26.7020
	Scope 2 (metric tons CO2e/year)	78.2744	80.7734
	Total emissions (metric tons CO2e/year)	110.9240	107.4754
Suao Main Plant	Scope 1 (metric tons CO2e/year)	50,887.3575	46,904.3481
	Scope 2 (metric tons CO2e/year)	6,934.9500	7,270.1442
	Total emissions (metric tons CO2e/year)	57,822.3075	54,174.4923
Taichung Factory	Scope 1 (metric tons CO2e/year)	10.2153	8.98
	Scope 2 (metric tons CO2e/year)	17.8249	14.1983
	Total emissions (metric tons CO2e/year)	28.0402	23.1783
Changhua Factory	Scope 1 (metric tons CO2e/year)	3.9112	20.6670
	Scope 2 (metric tons CO2e/year)	96.5745	79.3485
	Total emissions (metric tons CO2e/year)	100.4857	100.0155
Organization-specific measures (revenue (NT\$ million))		8,025	5,879
Greenhouse gas emission intensity (tonCO2e/ NT\$ million)		7.20	9.51

Note: coefficient and calculation source

1. Greenhouse gas emission coefficient management table 6.0.4 suggested emission coefficient, with diesel emission of 2.6060 KgCO2/L and fuel oil emission of 3.111 kg CO2/L.
2. The power emission coefficient of purchased power quoted by the Energy Bureau of the Ministry of Economic Affairs is 0.509 kg CO2e/ kWh in 2021, 0.495 kg CO2e/ kWh in 2022 and 0.494 kg CO2e/ kWh in 2023.
3. As the greenhouse gas inventory was completed in March 2024, the carbon emission coefficient of electricity consumption in 2023 was calculated by using the 0.495 kg CO2e/ kWh announced in 2022.

### 3.2.2 Continuous improvement of energy saving and carbon reduction.

In order to reduce the impact of the production process on the environment, improve the competitiveness of products, and better fulfill corporate social responsibilities, the Company clearly classifies and counts all kinds of environmental protection expenditures to control them, which is helpful to evaluate the implementation efficiency of environmental protection measures and internal cost-benefit analysis. For example, aiming at the oil consumption per unit product, an energy-saving scheme has been designed to reduce energy consumption. In 2023, the fuel consumption was 6,464.62kL (272, 657.29 GJ) Compared with the fuel consumption of 7,187.60kL (288,941.52 GJ) in 2022, the energy consumption is reduced by 16,284.23 GJ. The investment cost of environmental protection in Suao Main Plant in 2023 is detailed as follows:

#### List of environmental protection expenditure in recent three years

Item	2021	2022	2023
Total investment in newly purchased fixed equipment and plant.	82,796	153,133	91,267
Amount of newly purchased pollution prevention equipment	4,402	18,250	1,592
Air pollution prevention and control	6,185	7,652	9,050
Water pollution control	1,006	3,159	3,231
Waste disposal	3,733	2,499	624
Noise and vibration control	3,083	8,200	36,920
Fixed source air pollution prevention fee	1,128	1,039	875
Total	102,333	193,932	143,559

Unit: NT\$ thousand.

### Government subsidy

Sesoda is committed to cooperating with the carbon reduction plan promoted by the government and participates in the "Large Corporations Leading Small Business Projects Manufacturing and Intelligent Upgrading Transformation Subsidy Plan" held by Industrial Development Administration of the Ministry of Economic Affairs and Taiwan Small & Medium Enterprise Counseling Foundation (Taiwan SMECF), and awarded a certificate of appreciation by the Ministry of Economic Affairs in April, 2024, thanking the Company for responding to government policies to promote the upgrading and transformation of the supply chain and enhance the industrial competitiveness together. During the reporting period, the Company obtained a financial subsidy of NT\$ 21,000,000 from the Large Corporations Leading Small Business Projects of the Industrial Development Department of the Ministry of Economic Affairs.



### Sesoda's water-saving highlights in 2023: water-saving measures in Suao Factory

In order to make good use of the abundant underground water source in the Yilan area, the water consumption is saved by improving the water consumption mode in the process. The Company adopt that following strategy:

#### Strategy 1: Improvement of overflow of cooling water recovery tank

- ① Increase the cooling water tank level gauge and connecting line to control the pumping capacity of deep wells, improve the overflow situation and avoid the waste of water resources.
- ② Add cooling water curtain, cooling water tower and foundation seat to improve cooling efficiency.
- ③ The cooling water is recycled to the process for reuse.

#### Strategy 2: Process wastewater

- ① Equipment cleaning water reduces inefficient water consumption.
- ② The calcium chloride inorganic sludge washing equipment is equipped with a recovery tank.

#### Strategy 3: Water consumption other than process

- ① Improve the leakage situation.
- ② In 2023, the pipeline for pumping groundwater from deep well pump to cooling pool will be exposed.
- ③ The pipeline shall be inspected regularly and repaired immediately.
- ④ Educate employees to change their water use habits, and strengthen water conservation propaganda and non-process water substitution.

Year		2022	2023	Reduction (million liters)
Intake	Underground water	702.81	603.77	99.04
	Tap water	0.81	0	0.81
	Subtotal	703.62	603.77	99.85
Drainage	D-01 drainage	10.48	5.47	5.01
	D-02 drainage	158.56	87.64	70.92
	Subtotal	169.04	93.11	75.93
Total water consumption (total water intake-total drainage)		534.58	510.66	23.92

Note: In 2023, the baking soda plant was put into trial production after obtaining the operation license on August 15th, so the actual water consumption rate exceeded the normal value, but it has reached the standard since December 2023.



## 3.3 Prevention and control of environmental pollution

### 3.3.1 Prevention and control of air pollution

Setting and operation license of air pollution prevention/improvement: Sesoda Corporation Suao Main Plant (control number G3200527), which currently produces potassium sulfate, hydrochloric acid, calcium chloride and industrial salt. The Company did not use equipment containing R22 and R12 refrigerants, and did not emit gases that destroyed the ozone layer.

In-process potash fertilizer manufacturing procedure (M04): The 11th and 12th sets of main production potassium sulfate and hydrochloric acid were expanded and put into production in 2015, and the fixed pollution source operation license (Yilan County Government Environmental Operation Certificate No. G0842-01) was obtained on November 20th, 2019 in accordance with Article 24 of the Law on the Prevention and Control of Air Pollution and Article 9 of the Administrative Measures on the Installation and Operation License of Stationary Pollution Sources, which will be targeted at factories every year.

#### Total annual discharge of Suao Main Plant

Test item	2021	2022	2023
	Emissions (metric tons)		
TSP	15.253	15.931	14.615
SOx	71.769	61.110	49.683
NOx	49.805	45.154	37.530
VOCs	0.0014	0.0013	0.0013

Note: Go to the website of the Ministry of Environment to declare the results.

The Company abides by laws and regulations and carries out production according to the approved license, and the relevant approved licenses are as follows.

Category	Operation	Certificate number	Effective period
Air pollution	M01 Animal Feeds Manufacturing and Configuration Procedure	Yixian Fu Huan Cao Zheng zi No.G0966-00	2023.08.15~2028.08.14
	M04 Potash Fertilizer Manufacturing Procedure	Yixian Fu Huan Cao Zheng zi No.G0842-01	2019.11.20~2024.05.07
	M07 Chemical Manufacturing Procedure of Calcium Chloride	Yixian Fu Huan Cao Zheng zi No.G0408-12	2022.05.20~2027.05.19
	M12 Stacking Yard Operation Procedure	Yixian Fu Huan Cao Zheng zi No.G0409-10	2021.04.10~2025.04.09
Water pollution	Permit for discharge of waste (sewage) into surface water bodies	Yixian Huan Pai Xu Zi No.00002-14 Yixian Huan Pai Xu Zi No.00002-16	2020.10.20~2023.07.22 2023.07.14~2028.07.13
Waste	Waste cleaning plan	G09204300002	2024.12.16



### 3.3.2 Waste management

The Company's wastes are all non-hazardous wastes, and the operation mode of source management is adopted. The sources are divided into two categories: employees' domestic wastes and business wastes, which are entrusted to the legal removal company for departure disposal. Through employee education and training, improve employee behavior norms to achieve domestic waste management, effectively promote reduction and classification management, and improve resource reuse and resource regeneration value; The management of enterprise waste is to simplify the packaging materials, reduce the proportion of waste and recycle resources.

The waste generated by Suao Main Plant is mainly inorganic sludge, accounting for about 94.5% of the total. Then, according to the provisions of the Waste Cleaning Law, the purpose is to classify the waste in the collection, storage and classification, and all units centralize the waste in the storage place, and set up special personnel for the management and planning of waste reduction and access control, and the treatment process meets the requirements of relevant laws and regulations on environmental protection. During the reporting period, there was no serious leakage.

#### Suao Plant Waste Statistics Table

Composition of waste		2021		2022		2023	
Project		Generation of waste (ton)	Processing mode	Generation of waste (ton)	Processing mode	Generation of waste (ton)	Processing mode
Domestic waste		28.28	Incineration (excluding energy recovery)	31.96	Incineration (excluding energy recovery)	36.52	Incineration (excluding energy recovery)
	mud	637.10	Other disposal operations	664.12	Other disposal operations	632.50	Other disposal operations
General business waste		269.58	Other disposal operations	178.54	Other disposal operations	0	-
	scrap iron	269.58	Other disposal operations	178.54	Other disposal operations	0	-

Note:

- Sesoda wastes are all disposed off the site.
- In 2023, the amount of scrap iron removed was small, so there was no removal.

Thanks to the efforts of all Sesoda partners, the waste density has decreased year by year, as shown in the following table:

#### Suao Plant Waste Density Conversion Table

Project	Unit	2021	2022	2023
Total waste	Ton	934.96	874.62	669.02
Waste density	Ton/person/year	5.74	5.00	3.62

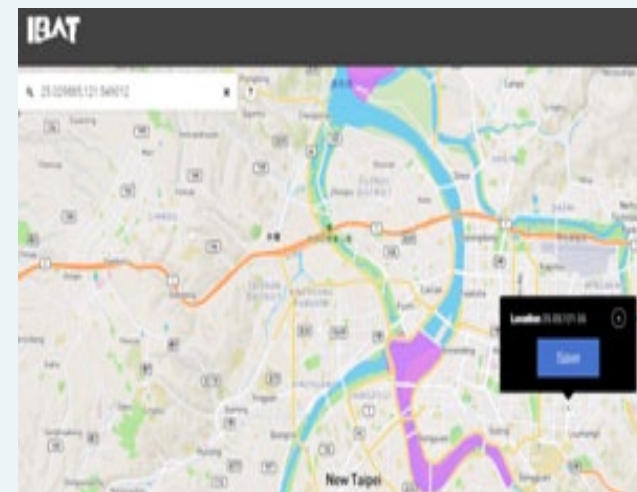
## 3.4 Biodiversity Care

Sesoda is a traditional chemical raw material (fertilizer) manufacturing industry. Based on the concept of "taking it from the land and using it on the land", Sesoda has always managed and implemented activities related to environmental protection, safety and hygiene on the premise of complying with relevant national laws and regulations, actively combining the factory environment with the community environment and striving for the recognition of the community people.

Suao Main Plant pays attention to the prevention of pollution and the conservation of natural resources in environmental protection. Since 2004, the old factory buildings have been demolished and the factory environment has been reorganized, and the whole cleared land has been afforested and planted with trees. Up to now, the land area of greening and beautification has been about 25,000 square meters, so as to create the goal of planting the factory, so that the working environment can be truly integrated into the community environment and combined with it.

The Company also attaches great importance to ecological conservation, so it will make every effort to prevent the office or factory of the Company from damaging the ecological environment when choosing the operating base. All the bases of the company, including Taipei Head Office, Suao Main Plant, Taichung Factory and Changhua Factory, are not within the scope of the biological reserve and the national ecological green network specification, and the company's operation will not affect biodiversity. The geographical relationship between each site and the biological reserve is shown in the following table.

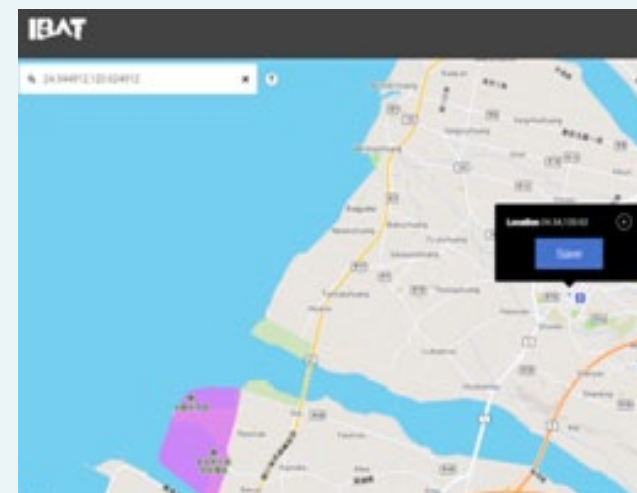
Biological protection area



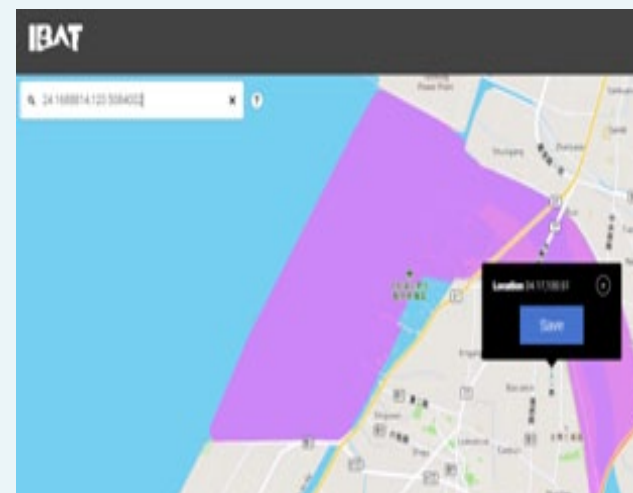
Taipei Head Office



Suao Main Plant



Taichung Factory



Changhua Factory

Note: Purple is an important bird and biodiversity area.

Land ecological green network



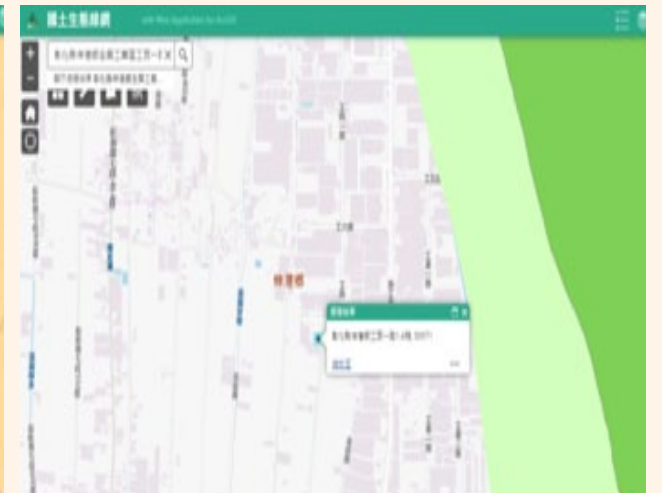
Taipei Head Office



Suao Main Plant



Taichung Factory



Changhua Factory

Note: The green range is the conservation axis of the national ecological green network, and the brown range is the concerned area of the national ecological green network.





# 04

## PRACTICING SHARED LIVING

- 4.1 CREATING A HAPPY WORKPLACE
- 4.2 EMPLOYEE CAREER PLANNING
- 4.3 OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT
- 4.4 SUPPLIER MANAGEMENT

# Practicing Shared Living

## Material Issues: Occupational safety and health

### Main Motivation

It is particularly important to shape a healthy workplace culture and implement safety and health management. Through the operation and publicity of the occupational safety and health management system, the potential hazards can be effectively reduced, accidents can be prevented, workers' physical and mental health can be protected, and the company's assets and operations can be guaranteed.

### Influence and Impact

Shaping a healthy workplace culture and implementing safety and health management is particularly important. Through the operation and promotion of the occupational safety and health management system, potential hazards are effectively reduced, accidents are prevented, the physical and mental health of workers is protected, and the company's assets and operations are safeguarded.

Sesoda pays attention to issues related to environmental safety while carrying out production, and establishes ISO 14001 and ISO 45001 to facilitate the management and promotion of the company's due responsibilities to the country and society.

- ◆Economy : A friendly employment environment makes employees willing to stay, which indirectly promotes local economic activities.
- ◆People : Whether the workplace safety is sound or not affects the frequency of employee injuries and can also stabilize the level of employee loyalty.
- ◆Positive : Provide a safe and healthy workplace space, promote the physical and mental health of employees, and create a friendly workplace.
- ◆Negative : Ignoring workplace safety makes employees unable to work with peace of mind, which may lead to high turnover rate. In the event of a work safety accident, you may be punished by the competent authority.

### Policy & Strategy

Reduce risks and prevent injuries.  
Prevent pollution and cherish resources

Comply with the law and manage effectively.  
Continuous improvement and sustainable management.

### Goals & Objectives

Short-term: less than 3 occupational accidents.  
Mid-term: no major occupational accidents.  
Long-term: zero occupational disaster

### Management Evaluation Mechanism

- Ensure the effective achievement of occupational safety and health objectives and performance through ISO 45001 internal audit and management review meeting every year.
- Every quarter, the Occupational Safety and Health Committee conducts a rolling review of occupational safety and health performance.

### Performance and Adjustment

There was a non-major occupational accident in 2023, and we will pay more attention to occupational safety propaganda.

### Preventive or Remedial Measures

The Company has set up an ISO45001 management system and has an occupational safety and health management plan. With regard to occupational accidents, the investigation and management shall be conducted in accordance with the H-28 accident notification and investigation management method in the Company ISO45001.

- Department in charge of prevention : Occupational Safety Office
- Remedial measures : there is a complaint mechanism, and the responsible window is the Environmental Safety Room.
- ✓Tel : 03-9905122#216
- ✓E-mail : whistleblower@sesoda.com.tw 、 alan@sesoda.com.tw



## 4.1 Creating a happy workplace

"People" is the most important asset of the company. How to make every employee work with peace of mind and be willing to give full play to it is the goal that everyone strives for. Effectively provide the manpower needed by the company's sustainable development through human resources policies to meet the needs of the company's organizational development. In order to carry out the concept of employees from each according to his ability and getting their value, the company adjusts the salary based on academic experience, expertise and license, and with reference to the usual salary level of the salary survey industry. It is expected that by providing a competitive salary system and perfect employee benefits, outstanding talents can be attracted; At the same time, improve employees' loyalty to the company, grow together with the company and create a win-win situation.

### Employee statistics

Employee statistics are based on those who are still working at the end of the current year, that is, December 31. Sesoda has not hired part-time employees or non-employee workers. The changes of employees in the past three years are as follows. There is no significant fluctuation in the number of people in our company

Year	2021			2022			2023		
Area/ Type	Female	Male	Total	Female	Male	Total	Female	Male	Total
Taipei head office	23	16	39	24	14	38	26	16	41
Suao Main Plant	4	110	114	6	120	126	5	130	136
Changhua Factory	1	4	5	1	5	6	1	5	6
Taichung Factory	2	3	5	2	3	5	2	3	5
total	30	133	163	33	142	175	34	154	188
Number of full-time employees	30	133	163	33	142	175	34	149	183
Number of temporary employees	0	0	0	0	0	0	0	5	5

1. Full-time: individuals who sign indefinite contracts.

2. Temporary: individuals who sign fixed-term contracts.

Diversified statistics/year			2021年		2022年		2023年	
			percentage	number of people	percentage	number of people	percentage	number of people
Directors	Sex	Male	10	100%	10	100%	10	100%
		Female	0	-	0	-	0	0%
	Age	Under 50	3	30%	3	30%	3	30%
		Above 50	7	70%	7	70%	7	70%
	Education	Grad. School	5	50%	5	50%	5	50%
		College	5	50%	5	50%	5	50%
Worker	Sex	Male	82	51%	92	53%	100	53%
		Female	3	2%	5	3%	3	2%
	Age	Under 50	13	8%	19	11%	20	11%
		30-49	42	26%	54	31%	59	31%
	Education	Above 50	30	19%	24	14%	24	13%
		Grad. School	0	-	0	-	0	-
Employee	Sex	Male	48	30%	50	29%	55	29%
		Female	27	17%	28	16%	30	16%
	Age	Under 50	6	4%	5	3%	3	2%
		30-49	42	26%	44	25%	47	25%
	Education	Above 50	27	17%	29	17%	35	19%
		Grad. School	15	9%	14	8%	15	8%
	Staff	College	52	33%	57	33%	63	34%
		Under High School	8	5%	7	4%	7	4%

Note:

1. Percentage of direct personnel under 30 years old = (total number of direct personnel under 30 years old/total number of employees at the end of the year) \* 100%

2. Workers represent the direct employees in the factory; Staff represents indirect employees in the office.

2023	Female supervisors	All supervisors	2023	Female employees	All employees
Total	5	12	Total	34	188
Proportion	42%	100%	Proportion	18%	100%

Statistics of new employees and employees leaving/year	2021		2022		2023	
	Total	Proportion	Total	Proportion	Total	Proportion

Total number of employees in the current year	160	-	175	-	188	-
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#### New employee

Sex	Male	14	11%	26	18%	16	10%
	Female	3	10%	6	18%	7	21%
	Under 30	4	21%	8	33%	8	35%
Education	30-49	13	15%	23	23%	11	10%
	Above 50	0	0%	0	0%	4	7%
	Grad. School	4	27%	1	7%	1	7%
Area	College	9	12%	12	14%	13	14%
	Under High School	4	67%	19	25%	9	11%
	Taipei	6	31%	3	8%	10	24%
Area	Suao	10	13%	27	21%	13	10%
	Taichung Changhua	1	20%	2	18%	0	0%

#### Resigned employee

Sex	Male	14	11%	15	10%	5	3%
	Female	2	7%	2	6%	6	18%
Age	Under 30	4	21%	1	4%	4	17%
	30-49	6	7%	9	9%	7	7%
	Above 50	6	11%	7	13%	0	0%
Education	Grad. School	1	7%	2	14%	0	0%
	College	9	12%	7	8%	9	10%
	Under High School	6	9%	8	10%	2	2%
Area	Taipei	4	10%	3	8%	6	14%
	Suao	12	11%	13	10%	5	4%
Area	Taichung Changhua	0	0%	1	9%	0	0%

Note:

1. Please refer to the total number of employees at the end of the year.

2. New recruitment rate = (the total number of new employees in this specific category in the current year/the total number of employees in this specific category at the end of the current year) \* 100%

3. Female new employee rate = (total number of female new employees in the current year/total number of female employees at the end of the current year) \* 100%

4. Resignation rate = (the total number of employees leaving the specific category in the current year/the total number of employees in the specific category at the end of the current year) \* 100%

5. Resignation rate of employees under 30 years old = (total number of employees under 30 years old in the current year/total number of employees under 30 years old at the end of the current year) \* 100%

### 4.1.1 Maintenance of human rights

In order to help employees balance career and family, the system of taking leave without pay for baby-care has been implemented since 2006. During the period of taking leave without pay for baby-care, employees can receive a leave allowance of 60% of their labor insurance salary according to the Employment Insurance Law, and also provide measures such as family care leave, paternity leave for men and menstrual leave for women. The principle of choosing and keeping children is to apply them according to their aptitudes, and there is no discrimination due to factors such as race, gender, marital status, age, political stance or religious belief.

We have laid down measures to prevent sexual harassment in the workplace, complaint and disciplinary measures. The complainant can lodge a complaint with the department head or the Human Resources Department. The accepting unit should set up an investigation team to conduct an investigation within five days, with more than half of the female members, and complete the investigation within two months. The relevant information is absolutely confidential and the respondent is provided with an opportunity to explain. Regular education and training should be carried out to prevent sexual harassment. During the reporting period, the Company did not have any human rights complaints, nor did it violate employees' human rights commitments.

### 4.1.2 Recruitment policy.

Sesoda is committed to creating a friendly workplace, attracting outstanding talents, following the employment policy formulated by the Company, and does not discriminate against employees because of any personal characteristics. The Company provides internship opportunities for production and study, and cooperates with colleges and universities in production bases, which can help students reduce the gap between learning and use and attract students to stay in the company after graduation. Sesoda's main positions are held by regular employees, and it provides opportunities for internal staff education, training and job rotation, and is committed to promoting talents from within, showing the perfect and diversified promotion system and opportunities within the Company.

### 4.1.3 Employment Benefits

For employees, in addition to providing good hardware and equipment and creating a friendly and safe working environment, the company also establishes a sound salary policy and welfare benefits, which is an important key to support employees' sustainable development in the company without worries.

### 4.1.4 Salary and treatment

Based on individual and organizational performance, the Company has formulated an incentive variable salary system, and stipulated in the articles of association that part of the company's net profit should be paid as employee compensation. The remuneration system of directors and managers shall be confirmed by the board of directors after discussion by the remuneration committee, and the convener of the committee shall be an independent director.

#### Employee salary-related expenses in recent three years

Item	2021	2022	2023
Salary expense	165,573	244,408	148,176
Labor and health insurance expenses	12,346	14,718	16,536
Pension expenses	4,391	6,263	4,804
Other employee welfare expenses	7,669	11,383	9,495
Total	189,979	276,772	179,011

Note: Unit: New Taiwan Dollars in thousands (This figure is taken from the individual financial report)

Sesoda is located in Taiwan. In order to ensure market competitiveness, the Company adjusts its salary according to the market level of each position and personal performance. The standard salary of male/female grass-roots staff in Taipei is 1.3 times higher than the local minimum salary. The standard salary of male/female grass-roots staff in Suao Main Plant is 1.2 times better than the local minimum salary; The standard salary of male/female grass-roots staff in Taichung and Changhua factories is 1.2 times better than the local minimum salary. And the Company employs 100% local residents as senior management.

Country/ Area	The ratio of the annual total salary of the highest paid individual in the company to the median annual total salary of employees (excluding the highest paid individual)	The increase ratio of the annual total salary of the highest paid individual in the company to the annual total salary of employees (excluding the highest paid individual)
Taiwan	5.19	1.52

Note:

1.The chairman is not the highest paid individual, unless he concurrently serves as President/ CEO.

2.Calculation formula of annual median salary ratio: the annual salary of the individual with the highest annual salary/the annual salary of the individual with the median annual salary.

3.Calculation formula of annual salary increase ratio: the annual salary increase percentage of the individual with the highest annual salary/the annual salary increase percentage of the individual with the median annual salary.



### 4.1.5 Employee benefits

The healthy life and stress relief of employees can not only balance their work and life, but also further improve their work efficiency. We organize employee activities in various places to take care of colleagues' lives in an all-round way through employee tours, family days, health checkups, birthday parties, etc., and continuously test the effectiveness, improve and continuously improve the company's management performance indicators.

Leave/vacation system	Two days off per week, annual leave/paid leave, paternity leave, menstrual leave
Insurance category	Labor insurance, health insurance and employee group insurance
Bonus	Year-end bonus, festival bonus, Labor Day bonus, employee birthday bonus
Subsidy class	Employees' marriage subsidy, maternity subsidy, children's education subsidy and travel subsidy.
Other	Health examination, employee on-the-job training

Parental Leave									
Year	2021			2022			2023		
Gender & Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
A: Number of employees eligible to apply for parental leave	1	0	1	0	1	1	0	0	0
B: Actual number of employees applied for parental leave in the specified year	1	0	1	0	1	1	0	0	0
C: Number of people to be reinstated after parental leave in specified year	1	0	1	0	0	0	0	1	1
D: Actual number of employees returning to work after parental leave in the specified year	0	0	0	0	0	0	0	1	1
E: Actual number of employees returning to work after parental leave in the previous year	0	0	0	0	0	0	0	0	0
F: Actual number of returnees from parental leave in previous year	0	0	0	0	0	0	0	0	0
Reinstatement rate (%) for parental leave in the current year (D/C)	-	-	-	-	-	-	-	100	100
Childcare retention rate (%) for parental leave in the current year (F/E)	-	-	-	-	-	-	-	-	-

Remarks:

1. Reinstatement rate (%) for parental leave in the current year = Actual number of employees returning to work after parental leave in the specified year / Number of people to be reinstated after parental leave in specified year (D/C)

2. Childcare retention rate (%) for parental leave in the current year = Actual number of returnees from parental leave in previous year / Actual number of employees returning to work after parental leave in the previous year (F/E).

3. One person was supposed to be reinstated in 2021, but failed to be reinstated due to family factors and other career plans.

### 4.1.6 Communication channels

Enterprises continue to communicate with employees through multiple channels, so as to unite the consensus of both sides, and then strengthen the work performance of employees. Conducting employee satisfaction surveys from time to time, with the assistance of external consultants, can help companies understand the labor market trends and grasp the needs of employees.

According to the Company's human rights policy, a labor-management meeting is held every quarter and the minutes of the meeting are announced. Directors of major decision-making units (Suao Main Plant Director) attend to fully communicate with the trade unions to ensure labor rights and interests. Employees can also express their opinions to the management through internal channels, such as comment mailboxes and supervisor meetings. We actively develop good relations of labor-management cooperation and avoid labor disputes.

### 4.1.7 Performance evaluation.

In order to help employees improve their work ability and performance, explore growth opportunities, and give full play to their potential, the Company has a clear assessment method. At least once a year, the performance of all employees is evaluated to check their work performance and competence, and then the salary, bonus, promotion and elimination are adjusted according to the assessment results.

### 4.1.8 Retirement planning

Sesoda formulated the retirement measures for employees according to the Labor Standards Law, and revised the retirement measures for employees on August 23rd, 2005 in coordination with the revision and implementation of the Labor Retirement Regulations. Since July 1st, 2005, employees who originally applied the old system have chosen the old system or the new system according to their own wishes. If the service years of employees who have chosen the new system or arrived after the implementation of the new system are changed to the fixed contribution system, the pension will be paid by the company at a monthly rate of not less than 6% of their monthly salary. For employees who choose the old system, the company will allocate employee pensions on a monthly basis according to the employee retirement method and deposit them in the special pension account of Taiwan Bank.

## 4.2 Employee career planning

### Improve employee career planning

To meet the needs of the Company's development and manpower planning, the company provides employees with complete training to achieve the above goals, so as to enhance the knowledge, attitude and skills needed by employees to obtain team and personal work goals, promote the productivity and work quality of employees, enhance the profit and brand image of enterprises and help employees strengthen their employability.

#### Middle and senior supervisor

In order to improve the leadership quality and decision-making ability of middle and senior supervisors, the Company concept is deeply applied to management practice through thematic discussions, practical drills and sharing, and on-site interaction and guidance by lecturers.

#### Non-managerial personnel

In 2023, the Company carried out functional evaluation to plan the education training courses that better meet the needs of colleagues. In the course of physical courses, live broadcast or online courses were added to help colleagues study in spare time. In the future, other diversified learning courses will be offered according to the opinions of colleagues, so that colleagues can have more learning opportunities, and the results will be tracked continuously according to the feedback of course satisfaction, which will help colleagues to live in their work.

Training program	Description of training program
Specialized training	Refers to the professional education and training provided by various units for on-the-job employees, which focuses on the improvement of professional knowledge and technical level.
Commonality training	In order to cultivate and improve the knowledge, attitude, skills and occupational safety courses that meet the core values, culture and goals of the enterprise.
Self-inspired training	Provide books, training materials, professional journals, magazines, etc. for employees' self-study and further study after work or leisure.
Class training	In order to cultivate and improve the functions required by employees at all levels, the main purpose is to improve the management ability, knowledge and skills of employees at all levels and broaden their future career horizons.
Pre-service training for new recruits	Common pre-service education and training, providing newcomers with an introduction to the company's organization, evolution, business philosophy, corporate culture, personnel welfare system, management regulations, environment and products.
Other training	Training courses required for the operation and development of the company.

### Implementation of employee advanced training

Sesoda Corporation has four working bases in Taiwan, including Taipei Headquarters, Suao Factory, Taichung Logistics Center and Changhua Logistics Center. The market positioning, services and work items of each base are different, and the types of training required by its employees are also different. The training items include: large-scale machine use training (stacker, boiler, industrial robot), product production training, personnel care and emergency rescue skills, and energy use records (greenhouse gas inventory) and food, financial management courses, etc.

Disclosure	Year	2023
Total cost of education and training		NT\$ 249,860
Total hours of education and training courses		2,558.5 hours
Number of people trained in education and training		298 person-times



## 4.3 Occupational Safety and Health Management

Sesoda abides by local laws and regulations and actively promotes the safety and health of workers. The factory imported the occupational safety and health management system and passed the third-party certification of ISO 45001:2018 and ISO 14001:2015. Workers covered by the occupational safety management system include all workers in the Suao Main Plant. The activities and scope of the occupational safety and health management system can be found in the certificate of the occupational safety and health management system.



### Labor and management collaboration for building a safe and healthy working environment.

Sesoda has passed ISO 45001 certification, and its main border is in Suao factory, the production base. It has an Occupational Safety and Health Committee, which consists of three workers' representatives and six members. Sesoda is the highest deliberation and discussion organization for safety and health management. It holds regular meetings every quarter, and is responsible for studying, coordinating and supervising safety and health-related matters in various factories to implement safety and health management. Occupational safety and health management is one of the key topics of communication between employers and employees, and the following safety and health items are included in the discussion at the meeting of employers and employees and the meeting of occupational safety and health committee. The committee is convened every three months, and is responsible for deliberating, coordinating and suggesting occupational safety and health-related matters, deciding the investigation results of occupational accidents, deliberating the results of monitoring the working environment, proposing proposals on health management and health promotion, and assessing the performance of on-site safety and health management, so as to prevent occupational accidents and ensure the safety and healthy working environment of employees.

#### Responsibilities of the Occupational Safety and Health Committee

- Provide personal protective equipment.
- Maintain labor-management and occupational safety and health committees.
- Involve worker representatives in health and safety inspections, reviews, and accident investigations.
- Offer work-related education and training to employees.
- Uphold the right to refuse unsafe work.
- Implement a mechanism for worker complains.



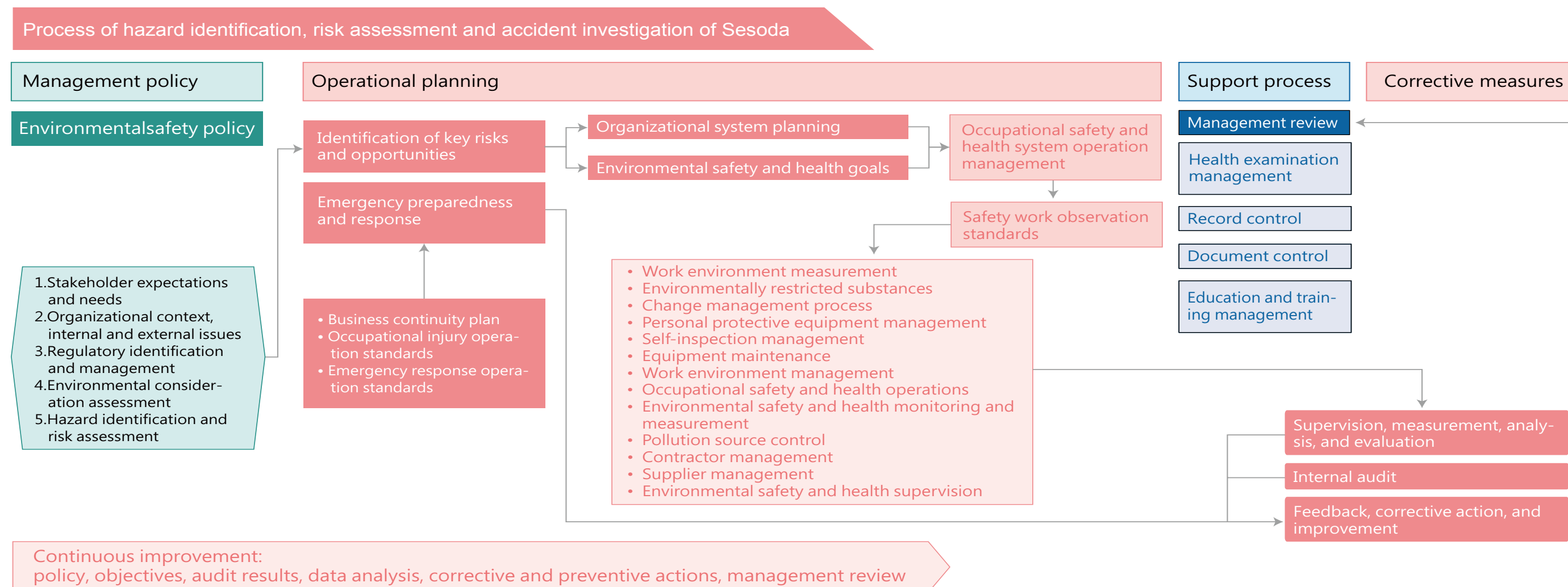
Occupational Health and Safety Management Committee meeting photos

Through education and training, we instill a strong sense of health and safety. To ensure that every colleague is well-versed in occupational safety and health regulations, as well as the company's safety and health management mechanisms, we regularly provide health and safety training courses to our staff.

## Hazard Identification, Risk Assessment, and Accident Investigation

The Company has established the "Hazard Identification and Risk Assessment Management Method" to ensure the effective operation of hazard identification and risk assessment. Process management includes responsible personnel from various relevant departments identifying and registering occupational health and safety hazards arising from company activities, facilities, processes, and services (including suppliers, subcontractors, contractors, etc.). Descriptions are provided for each operation process regarding energy, raw materials, machinery, causes of risk (unsafe behaviors, unsafe environments), and sources of danger to the health and safety of personnel within the workplace originating from nearby or external activities. Hazard identification considers the safety risks to workers from daily operations and changes derived from safety risks, assessing them as high-risk items. After approval by the Occupational Safety and Health Committee, occupational safety and health goals and programs are established for responsible units to implement. The results are tracked by the Occupational Safety and Health Committee each quarter. Common hazard types at the Company include electrocution, entanglement injuries, impact injuries, falls, and chemical spill injuries. In addition, for accident investigations, the Company has established the "Accident Notification and Investigation Management Method" to implement the investigation and management of accidents, including records of false alarms and policies and requirements for workers to leave work conditions they believe could cause injury or illness. Any work-related injury incident is notified and handled according to the process outlined in the "Accident Notification and Investigation Management Method." The effectiveness of work injury improvements is reviewed by the Occupational Safety and Health Committee each quarter.

If employees encounter immediate hazards while performing their work duties, they are required to immediately stop or leave the hazardous area. At Suao Main Plant, health management personnel have been introduced who consult on a scheduled basis to attend to employees' health. Additionally, there is a complaint mechanism in place, allowing employees to lodge complaints about illegal activities. To protect those who file complaints, the Company provides a whistleblower system.





## Strengthen the ability of self-defense fire fighting formation and disaster contingency drills

Suao Main Plant stores and piles various chemicals in response to the chemical workplace area. In order to prevent and avoid the loss of personnel and property and strengthen the resilience of factory personnel to emergency accidents and natural disasters, it can take appropriate emergency measures for emergency treatment, document them in writing, set up emergency response organizations in the general factory, and set up emergency response teams in various units to comprehensively evaluate and consider possible situations in advance. Set up emergency response procedures, and each unit shall conduct emergency response drills at least once a year, organize personnel to determine the correct handling procedures through regular education and training, and be proficient in the use of safety protection equipment to ensure the safety of personnel and the normal operation of the factory, and avoid the occurrence of environmental impact and pollution incidents, so as to minimize the disaster losses caused by accidents. Materials such as solid raw fuel (sun-dried salt, limestone, potassium chloride) and finished products, fuel oil (heavy oil, diesel oil), hydrochloric acid and sulfuric acid are equal to abnormal accidents during transportation inside and outside the factory, which shall be handled in accordance with the work instruction "Operation Instructions for Abnormal Emergency Response" of our factory.

Enforcement date	Exercise project	Content description
2023.01.13	Contractor education and training	<ol style="list-style-type: none"> <li>1. Summary of relevant laws and regulations on operation safety and health.</li> <li>2. Occupational safety and health and safety and health work rules.</li> <li>3. Automatic inspection before, during and after operation.</li> <li>4. Standard operating procedures.</li> <li>5. Emergency Response Department.</li> <li>6. Fire fighting and first aid are often performed concurrently.</li> <li>7. Other safety and health knowledge related to the work industry.</li> </ol>
2023.03.07	Working at heights	<ol style="list-style-type: none"> <li>1. Try to make workers finish their homework on the ground and reduce the number of high-altitude work items.</li> <li>2. Through the change of construction procedures, priority shall be given to the lifting equipment or anti-falling facilities for permanent structures.</li> <li>3. For aerial work with a height of more than 2 meters, proper use should be made of aerial work vehicles and construction racks.</li> <li>4. Set up safe lifting equipment.</li> <li>5. Set up a working platform.</li> <li>6. Erect various safety protection equipment, such as guardrails, cages, safety nets, safety buses, etc.</li> </ol>
2023.11.09	Employees	<ol style="list-style-type: none"> <li>1. Summary of relevant laws and regulations on operation safety and health.</li> <li>2. Occupational safety and health and safety and health work rules.</li> <li>3. Automatic inspection before, during and after operation.</li> <li>4. Standard operating procedures.</li> <li>5. Emergency Response Department.</li> <li>6. Fire fighting and first aid are often performed concurrently.</li> <li>7. Other safety and health knowledge related to the work industry.</li> </ol>

Contractor's education and training photos



Working-at-heights education and training photos



Employee education and training photos



### 4.3.2 Industrial injury statistics

Implement safety and health education and training every year to ensure that employees can carry out safe operations in a safe behavior and a safe environment. Formulate safety and health inspection operations, and patrol and inspect all operations at any time with practical actions to prevent disasters. Establish a series of disaster emergency response procedures to ensure the life safety of employees and manufacturers and the property interests of company investors, and avoid or reduce the impact on family, society or environment when accidents or disasters occur. The production process and transportation process are controlled according to the results of annual hazard identification and risk assessment. In 2023, the total working hours of female employees: 10,760 hours, male employees: 251,296 hours, and the total working hours: 262,056 hours. During the reporting period, there were no process safety or transportation incidents; however, there was one process safety accident where an employee's finger was injured, resulting in 22 days of occupational injury leave. The work injury incident rate was 3.82%.

Because Suao Main Plant is the Company's main product manufacturing base, Suao Main Plant is the main work injury statistics base at present. It is expected that the statistical scope will be included in Taichung, Changhua and the head office next year.

Statistical list of missed work rate and industrial injury rate of Suao Main Plant in recent three years

Item	Year		2021		2022		2023	
	Sex		Male	Female	Male	Female	Male	Female
IR			0	0	0	0	3.82	0
ODR			0	0	0	0	0	0
LDR			0	0	0	0	16.79	0
AR			0.01699	0	0	0	0.00840	0
Total number of work-related casualties			0	0	0	0	1	0

Note:

1. Injury rate IR= (total number of injuries/total working hours) \* 200,000.

2. Lost time rate LDR= (total days lost/total days worked) \* 200,000.

3. Absence rate AR= (absence days/total attendance days) \* 100%

4. The employee's off-site traffic accident in 2021 is not a work-related injury, but attendance days are still deducted.

### 4.3.3 Promotion of Healthy Workplace

With the social and economic changes, the International Labour Organization (ILO) and the World Health Organization (WHO) advocate that workplace safety and health services are basic rights. Sesoda actively plans, promotes and implements health issues according to the intentions of ILO and WHO and the provisions of laws and regulations, covering three aspects: health services, health education and healthy working environment. We regularly carry out disease prevention propaganda, health care propaganda, health special lectures, staff preventive health care consultation and staff health examination. Based on the standpoint of protecting employees' health, we will provide services such as health risk assessment, health management, health promotion, assessment and suggestions on hazards in the working environment, and provide employees with the concept of health education, hoping that health problems will not affect their work during work and that health care for workers in the workplace can be implemented. Sesoda, in order to implement the labor health service system and physical and mental health protection measures, and to improve the workers' knowledge about workplace health, from the perspective of care, actively plans and promotes correct health knowledge, expecting to build a healthy, friendly and happy workplace environment. We hope that employees will cultivate positive health concepts, maintain a healthy body and mind, integrate workplace health into daily life, and achieve a happy family and work life.

#### Health management

SESODA CORPORATION cares about the health of all employees, pays attention to health and safety culture, constructs a safe working environment, promotes the physical and mental health of employees and contractors, achieves a balance between work and life, and works with stakeholders to reduce workplace safety and health risks. A well-planned health examination that is superior to laws and regulations is conducted every year, and employees' health status is tracked regularly. In addition, environmental monitoring data are combined for statutory special operations to identify the possible risks of health hazards, and special operations such as noise and dust are arranged for health examination of special operations, so as to master employees' health status and provide self-health management basis, so as to achieve prevention is better than treatment and create a safe and secure working environment.

Suao Main Plant implements occupational health examinations every year and arranges health examinations for specific projects. According to the examination results, the abnormal classification management is carried out, and cooperative doctors and nurses in the workplace come to the factory for consultation, provide personal health guidance for employees and strengthen health management measures such as disease-related health education propaganda and re-examination tracking to take care of the health of all employees. the Company subsidizes the full cost of employees' health examination every two years, so the cost will vary every year. The statistical results of employee health examinations in 2023 are shown in the following table. No cases of occupational diseases or suspected occupational diseases were found.

Statistical summary of the number and expenses of employees' health examination

General health examination		Particular health examination	
Inspection item	Physical examination, vision examination, hearing examination, urine routine examination, blood routine examination, liver function examination, renal function examination, blood fat examination, metabolic system screening, chest X-ray, electrocardiogram, 2-4 precision ultrasound and tomography.	Inspection item	Physical examination, vision examination, hearing examination, urine routine examination, blood routine examination, liver function examination, renal function examination, blood fat examination, metabolic system screening, chest X-ray, electrocardiogram, 2-4 precision ultrasound and tomography.
Number of inspectors (person)	116	Number of inspectors (person)	49
Inspection fee (NT\$ thousand)	98.600	Inspection fee (NT\$ thousand)	30.680

In addition to the established health examination, we also provide health promotion related services, such as "physical and mental health consultation service": the physical and mental health consultation of employees is provided in a scheduled way, and the doctors provide on-site service four times a year, each time for 2 hours, and each time is about 15-20 minutes. All employees can make an appointment to use this service.



## 4.4 Supplier management

### Supplier evaluation

Sesoda will evaluate and confirm the supplier's quality, delivery, price, environmental protection and food safety according to the product characteristics, and the qualified suppliers will be listed in the supplier list for procurement, and will be supervised and managed according to the ISO 45001 management method for contractors' environmental safety and health.

In 2023, the supplier evaluation met the company's requirements, and no violation of environmental and social requirements was found, nor did any supplier's violation of environmental protection laws, occupational safety laws and labor law affect the company's operation.

#### Assessment process

Implement it regularly and irregularly.  
Procurement personnel conduct regular annual evaluation. After the procurement department summarizes the scores according to the data, it reports them to the supervisor for approval. After the assessment is completed, a written improvement proposal should be made for the defective items for the supplier's reference.

#### Assessment frequency

Once a year.

#### Assessment level

The assessment is divided into four grades (Grade A: above 86, Grade B: 76-85, Grade C: 60-75, and Grade D: below 59).  
The quality control unit of the assessment items of A-level suppliers may suggest that they be listed as the priority objects for reduction inspection or exemption inspection.  
B-level suppliers continue to purchase.  
C-level supplier procurement personnel adopt reduced procurement. (exclusive except).  
D-level supplier procurement personnel must be listed as the object of suspension; If it is an exclusive supplier, it will actively develop alternative manufacturers.

### Supplier integrity management

If the supplier's transaction amount exceeds NT\$ 1 million, it is necessary to sign a letter of good integrity business agreement to promote the transaction amount of customers and manufacturers from 2020 to September 2022 to NT\$ 1 million, and those who still have contacts in 2022 will sign a statement of good integrity business with the employees and directors of the group.

### Contractor education and training

Due to the production demand of the Suao factory, contractors are invited to enter the factory for cooperation, and relevant education and training will be carried out before admission. As shown below.

Training category	Number of training units	Training hours	Number of people trained
Contractor's factory training	18	18	77
Working at heights	2	2	5
Total	20	20	82

#### On-the-job training for contractors







# 05

## CREATING A BETTER SOCIETY TOGETHER

5.1 COMMUNITY DEVELOPMENT

5.2 COMMUNITY CARE

5.3 COMMUNITY SAFETY



# Creating a Better Society Together

SESODA CORPORATION adheres to the belief of developing a good interactive relationship with neighboring communities and the environment, abides by all laws and regulations, and fully communicates with stakeholders to reduce the impact of production behavior on the environment and communities.

## 5.1 Community development

The purpose is to deepen local cultivation, timely expand production, create employment opportunities, prosperity of the community and local (Yilan) economy, and strive for the sustainable development of community humanities and natural ecology. Constantly evaluate the possible impact on the economy of the Yilan area, so as to take appropriate countermeasures. In 2023, affected by the epidemic situation in COVID-19 in 2022, the handling of local large-scale activities was conservative, so there was no relevant interaction with local communities in that year.

## 5.2 Community Care

Sesoda has devoted herself to fostering good neighborly relations by participating for many years, participating in various festivals and folk activities in the village, and cooperating with folk welfare organizations to sponsor in-kind donations such as activities funds or prizes. To integrate into the village activities for a long time and live in harmony with the people in the village as the goal. In 2023, local institutions such as neighborhoods, schools and foundations will be funded by donations.

Project	2022(NT\$)	2023(NT\$)
Social welfare donation	2,030,000	2,000,000
Donation to Sesoda Social Welfare Foundation	11,000,000	-
Donation to the school	550,857	12,000
Donating to neighborhood activities	232,000	248,000

## 5.3 Community Safety

### Transportation

- Sesoda requires the freight company to implement the following precautions for environmental prevention and control, and carry out training for the employees of the transportation company from time to time:
  - 1.To supervise the transportation of dangerous goods by a freight company, it shall carry a temporary pass issued by the supervision authority on board the vehicle, hang or stick a dangerous goods sign board, and order the driver to drive according to the prescribed transportation route and time.
  - 2.Require freight companies to pay attention to driving safety and measures such as preventing leakage or capping during shipment.
  - 3.Freight companies should unload slowly when they enter the factory to reduce environmental pollution and noise.
  4. Vehicles shall be kept clean and tidy to ensure the quality of loading.
- For the supervision of soda ash import, the transportation company is required to do a good job in dust prevention and blocking, so as to reduce environmental pollution. Sesoda transport fleet can slow down the speed of vehicles when carrying goods into the residential area of an industrial zone, so as to safeguard the safety of passers-by and residents.
- Pay attention to the safety problems caused by the overtime work of drivers of freight companies carrying imported soda ash.
- There are many local temples in Taiwan, and every time there is a temple festival and Sesoda imported ships dock to unload, there are traffic jams on the transportation route, which has a substantial impact on the unloading process.
- Pay attention to the environmental impact and improvement mechanism during the unloading period, and ask the driver of the transportation company to implement it.

Appendix I: GRI Sustainability Reporting Standards (GRI Standards) Chart

Statement of use	Sesoda Corporation has reported in accordance with the GRI Standards for the period of January 1, 2023 through December 31, 2023. Data is referenced according to the GRI Content index.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.	Omissions & Remarks
1. The Organization and its Reporting Practices					
GRI 2: General Disclosures 2021	2-1	Organizational details	1.1 Present situation of Sesoda	11	
	2-2	Entities included in the organization's sustainability reporting	About this Report	2	
	2-3	Reporting period, frequency and contact point	About this Report	2	
	2-4	Restatements of information	About this Report		didn't happen
	2-5	External assurance / confirmation	About this Report	2	
2. Activities and Workers					
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	1.1 Present situation of Sesoda 2.2Product marketing strategy	11 24	
	2-7	Employees	4.1Creating a happy workplace	36	
	2-8	Workers who are not employees	4.1Creating a happy workplace	36	
3. Governance					
GRI 2: General Disclosures 2021	2-9	Governance Sstructure and composition	1.2 Steady governance	11	
	2-10	Nomination and selection of the highest governance body	1.2 Steady governance	11	
	2-11	Governance Sstructure and composition	1.2 Steady governance	11	
	2-12	Nomination and selection of the highest governance body	1.5 Internal control	20	
	2-13	Chair of the highest governance body	1.2 Steady governance	11	
	2-14	Role of the highest governance body in overseeing the management of impacts	About this Report	2	
	2-15	Delegation of responsibility for managing impacts	1.2 Steady governance	11	
	2-16	Role of the highest governance body in sustainability reporting	Identification of stakeholders and major topics 1.2 Steady governance	4 11	
	2-17	Conflicts of interest	1.2 Steady governance	11	
	2-18	Communication of critical concerns	1.2 Steady governance	11	
	2-19	Collective knowledge of the highest governance body	1.2 Steady governance	11	
	2-20	Evaluation of the performance of the highest governance body	1.2 Steady governance	11	
	2-21	Remuneration policies	4.1 Creating a happy workplace	36	
4. Strategy, Policies and Practices					
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	A message from the mangement	3	
	2-23	Policy commitments	1.5 Internal control	20	
	2-24	Embedding policy commitments	1.5 Internal control	20	
	2-25	Processes to remediate negative impacts	1.5 Internal control	20	
	2-26	Mechanisms for seeking advice and raising concerns	1.5 Internal control	20	
	2-27	Compliance with laws and regulations	1.5 Internal control	20	
	2-28	Membership associations	2.4 Participation of external associations	25	
5. Stakeholder Engagement					
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	Identification of stakeholders and major topics	4	
	2-30	Collective bargaining agreements	-		The company has not established a trade union and no group agreement.

GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.	Omissions & Remarks
Topic-specific disclosures: 200 Series (Economic Themes)					
Market Presence					
GRI 202: Market Presence 2016 Topic-specific disclosures	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.1Creating a happy workplace	36	
	202-2	Proportion of senior management hired from the local community	4.1Creating a happy workplace	36	
Indirect Economic Impacts					
GRI 203: Indirect Economic Impacts 2016 Topic-specific disclosures	203-1	Infrastructure investments and services supported	-		
	203-2	Significant indirect economic impacts	-		
Procurement Practices					
GRI 204: Procurement Practices 2016 Topic-specific disclosures	204-1	Proportion of spending on local suppliers	3.1Resource recycling	30	
Anti-corruption					
GRI 205: Anti-Corruption 2016 Topic-specific disclosures	205-1	Operations assessed for risks related to corruption	1.5 Internal control	20	
	205-2	Communication and training about anti-corruption policies and procedures	1.5 Internal control	20	
	205-3	Confirmed incidents of corruption and actions taken	1.5 Internal control	20	
Anti-competitive Behavior					
GRI 206: Anti-Competitive Behavior 2016 Topic-specific disclosures	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-		No such thing happened.
Tax					
GRI 207: Tax 2019 Management Approach Disclosures	207-1	Approach to tax	1.3 Operational Performance and Strategy	18	
	207-2	Tax governance, control and risk management	1.3 Operational Performance and Strategy	18	
	207-3	Stakeholder engagement and management of concerns related to tax	1.3 Operational Performance and Strategy	18	
	207-4	Country-by-country reporting	-		
Topic-specific Disclosures: 300 Series (Environmental Themes)					
Material					
GRI 301: Materials 2016 Topic-specific disclosures	301-1	Materials used by weight or volume	3.1Resource recycling	30	
	301-2	Recycled input materials used	3.1Resource recycling	30	
	301-3	Reclaimed products and their packaging materials	---		
Biodiversity					
GRI 304: Biodiversity 2016 Topic-specific disclosures	304-1	Operational sites owned, leased,managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.3Prevention and control of environmental pollution	32	
	304-2	Significant impacts of activities, products and services on biodiversity	3.3Prevention and control of environmental pollution	32	
	304-3	Habitats protected or restored	3.3Prevention and control of environmental pollution	32	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	3.3Prevention and control of environmental pollution	32	
Supplier Environmental Assessment					
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	---		
	308-2	Negative environmental impacts in the supply chain and actions taken	---		





GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.	Omissions & Remarks
Topic-specific Disclosures: 400 Series (Social Themes)					
Labor/Management Relations					
GRI 401 Labor/Management Relations 2016	401-1	New employee hires and employee turnover	4.1Creating a happy workplace	36	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1Creating a happy workplace	36	
	401-3	Parental leave	4.1Creating a happy workplace	36	
Labor/Management Relations					
GRI 402: Labor / Management Relations 2016	402-1	Minimum notice periods regarding operational changes	---		
Training and Education					
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	4.2Employee career planning	39	
	404-2	Programs for upgrading employee skills and transition assistance programs	---		
	404-3	Percentage of employees receiving regular performance and career development reviews	---		
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.1Creating a happy workplace	36	
	405-2	Ratio of basic salary and remuneration of women to men	---		
Non-discrimination					
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	---		
Freedom of Association and Group Consultation					
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	---		
Child Labor					
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	---		
Forced or Compulsory Labor					
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	---		
Security Practices					
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	---		
Rights of Indigenous Peoples					
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	---		
Local Communities					
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	05 Creating a Better Society Together	46	
	413-2	Operations with significant actual and potential negative impacts on local communities	05 Creating a Better Society Together	46	
Supplier Social Assessment					
GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	---		
	414-2	Negative social impacts in the supply chain and actions taken	---		
Public Policy					
GRI 415 Public Policy 2016	415-1	Political contributions	---		
Customer Health and Safety					
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	2.3Raw material management	25	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.1Customer Relationship Management	23	
Marketing and Labeling					
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	2.2Product marketing strategy	24	
	417-2	Incidents of non-compliance concerning product and service information and labeling	2.2Product marketing strategy	24	
	417-3	Incidents of non-compliance concerning marketing communications	2.2Product marketing strategy	24	
customer privacy					
GRI 418 customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	---		

Material topics disclosure

GRI Standard	Material Topic	Industry Code	GRI Code	GRI Disclosure	Corresponding Chapter	Page No.	Omissions & Remarks
GRI 3: Material Topics 2021	Management Policy	-	3-1	Process to determine material topics	Identification of stakeholders and major topics		
GRI 3: Material Topics 2021	Management Policy	-	3-2	List of material topics	Identification of stakeholders and major topics		
Material Topics: Economic Performance (GRI 201)							
GRI 3 : Material Topics 2021	Management Policy of Economic Performance	-	3-3	Management of material topics	01 Steady Corporate Governance		
GRI 201	Economic Performance 2016 Topic-specific disclosures	-	201-1	Direct economic value generated and distributed	1.3 Operational Performance and Strategy	18	
		-	201-2	Financial implications and other risks and opportunities due to climate change	1.4 Risk management	19	
		-	201-3	Defined benefit plan obligations and other retirement plans	4.1Creating a happy workplace	36	
		-	201-4	Financial assistance received from government	1.3 Operational Performance and Strategy	18	
Material: Emissions (greenhouse gas and air pollution emission control)*(GRI 305)							
GRI 3: Material Topics 2021	Energy Management Policy	-	3-3	Management of material topics	03 Pilotage Green Century		
GRI 302	Energy 2016	-	302-1	Energy consumption within the organization	3.1Resource recycling	30	
		-	302-2	Energy consumption outside of the organization	---		
		-	302-3	Energy intensity	3.1Resource recycling	30	
		-	302-4	Reduction of energy consumption	3.1Resource recycling	30	
		-	302-5	Reductions in energy requirements of products and services	3.2In response to climate change	31	
GRI 305	Emissions 2016	-	305-1	Direct (Scope 1) GHG emissions	3.2In response to climate change	31	
		-	305-2	Energy indirect (Scope 2) GHG emissions	3.2In response to climate change	31	
		-	305-3	Other indirect (Scope 3) GHG emissions	---		
		-	305-4	GHG emissions intensity	3.2In response to climate change	31	
		-	305-5	Reduction of GHG emissions	---		
		-	305-6	Emissions of ozone-depleting substances (ODS)	3.3Prevention and control of environmental pollution	32	
		-	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	3.3Prevention and control of environmental pollution	32	
Material Topic: Water resources management (water and sewage) (GRI 303)							
GRI 3: Material Topics 2021	water and sewage Management Policy	-	3-3	Management of material topics	03 Pilotage Green Century		
GRI 303	Water and Effluents 2018 (Management approach disclosures)	-	303-1	Interactions with water as a shared resource	3.1Resource recycling	30	
		-	303-2	Management of water discharge-related impacts	---		
	Water and Effluents 2018 (Topic-specific disclosures)	-	303-3	Water withdrawal	3.1Resource recycling	30	
		-	303-4	Water discharge	3.1Resource recycling	30	
		-	303-5	Water consumption	3.1Resource recycling	30	
Material Topic: Waste (GRI 306: Waste)							
GRI 3: Material Topics 2021	Waste Management Policy	-	3-3	Management of material topics	03 Pilotage Green Century		
GRI 306	Waste 2020 (Management approach disclosures)	-	306-1	Waste generation and significant waste-related impacts	3.3Prevention and control of environmental pollution	32	
		-	306-2	Management of significant waste-related impacts	3.3Prevention and control of environmental pollution	32	
	Waste 2020 (Topic-specific disclosures)	-	306-3	Waste generated	3.3Prevention and control of environmental pollution	32	
		-	306-4	Waste diverted from disposal	3.3Prevention and control of environmental pollution	32	
		-	306-5	Waste directed to disposal	---		
Effluents and Waste 2016 (Topic-specific disclosures)	-	306-3	Significant spills	3.3Prevention and control of environmental pollution	32		
	Material Topic: Occupational Health and Safety (GRI 403)						
GRI 3: Material Topics 2021	Occupational Health and Safety Management Policy	-	3-3	Management of material topics	04 Practicing Shared Living		
GRI 403	Occupational Health and Safety 2018 (Management approach disclosures)	-	403-1	Occupational health and safety management system	4.3 Occupational Safety and Health Management	40	
		-	403-2	Hazard identification, risk assessment, and incident investigation	4.3 Occupational Safety and Health Management	40	
		-	403-3	Occupational health services	4.3 Occupational Safety and Health Management	40	
		-	403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Occupational Safety and Health Management	40	
		-	403-5	Worker training on occupational health and safety	4.3 Occupational Safety and Health Management	40	
	Occupational Health and Safety 2018 (Topic-specific disclosures)	-	403-6	Promotion of worker health	4.3 Occupational Safety and Health Management	40	
		-	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Occupational Safety and Health Management	40	
		-	403-8	Workers covered by an occupational health and safety management system	4.3 Occupational Safety and Health Management	40	
		-	403-9	Work-related injuries	4.3 Occupational Safety and Health Management	40	
		-	403-10	Work-related ill health	4.3 Occupational Safety and Health Management	40	



Appendix II: Sustainability Disclosure Topics and Metrics (SASB) Comparison Table

Type of industry: Chemicals

Topic	Metric	Disclosure in 2023	Code	Corresponding Chapter	Page	Activity Metric	Code	Category
Greenhouse Gas Emissions	Gross global Scope 1 emissions(tCO2e,), percentage covered under emissions-limiting regulations(%)	Scope I emissions are 46,962.5543 metric tons of CO2e, accounting for 100%.	RT-CH-110a.1	3.1 Resource recycling	30	Production by reportable segment	RT-CH-000.A	Cubic meter(m³) and/or metric tons(t)
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	It is estimated that the reduction will be 5% in 2024 and 20% in 2030.	RT-CH-110a.2	3.1 Resource recycling	30			
Air Quality	Air emissions of the following pollutants: (1)NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4)hazardous air pollutants (HAPs)	1. NOx: 37.53 metric tons 2. SOx: 49.683 metric tons 3. VOCs: 0.00136 metric tons 4. HAPs: 0 metric tons	RT-CH-120a.1	3.3 Prevention and control of environmental pollution	32	Content		
Energy Management	(1) Total energy consumed (GJ), (2) percentage grid electricity (%), (3) percentage renewable (%), (4) total self-generated energy	1. Total consumed energy: 340,218.33GJ 2. Grid electricity usage retio: 100% 3. Renewable energy usage ratio: No use of renewable energy. 4. Self-produced energy: No self-produced energy.	RT-CH-130a.1	3.1 Resource recycling	30	● Potassium sulfate: 122,055.75 metric tons ● Liquid calcium chloride: 202,759.73 metric tons ● hydrochloric acid: 27,839.09 metric tons ● Calcium sulfate: 806.22 metric tons ● Baking soda: 4,263.39 metric tons		
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	1. Total Water Withdrawal: 606.16 million liters 2. Total Water Consumption: 513.05 million liters 3. No operating bases in areas with "high" or "extremely high" water scarcity	RT-CH-140a.1	3.1Resource recycling	30			
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	There was no environmental penalty in 2023.	RT-CH-140a.2	3.1Resource recycling	30			
	Description of water management risks and discussion of strategies and practices to mitigate those risks	According to the discharge water standard of chemical industry, the pH is 6 ~ 9, the suspended solids are less than 30mg/L, and the chemical oxygen demand is less than 30 mg/L.	RT-CH-140a.3	3.1Resource recycling	30			
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Our company only has general business wastes and no harmful business wastes, so it is 0%.	RT-CH-150a.1	3.3Prevention and control of environmental pollution	32			
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	None	RT-CH-210a.1	--				
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	1. There was no major occupational accident in our company in 2023, but there was one minor occupational accident, that is, an employee had a finger injury. This employee took 22 days off from work injury, and the accident rate was 3.82%. 2. The mortality rate of employees and contractors is 0%.	RT-CH-320a.1	4.3Occupational Safety and Health Management	40			
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	The Company conducts the inspection of the working environment (sulfuric acid and dust) every six months, and the inspection is below the standard and meets the requirements of laws and regulations. It also implements the mechanism of regular health examination of employees and on-site medical service to control and monitor health risks.	RT-CH-320a.2	4.3Occupational Safety and Health Management	40			
Product Design for Use-phase Efficiency	Revenue from products designed for usephase resource efficiency	Our products, potassium sulfate and calcium chloride, should not be energy-saving products.	RT-CH-410a.1	--				
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized 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	Our company has no such products.	RT-CH-410b.1	--				
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Our company has no such products, so we have not put forward relevant strategies.	RT-CH-410b.2	--				
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Our company has no genetically modified biological products.	RT-CH-410c.1	--				
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	According to the Air Pollution Prevention Law, the Administrative Measures for the Establishment and Operation License of Stationary Pollution Sources and the Discharge Water Standard of Chemical Industry, the company will conduct annual tests on the gas and discharge water discharged from the factory, all of which are within the standard values to ensure no impact on the environment.	RT-CH-530a.1	3.3Prevention and control of environmental pollution	32			
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	●Process Safety Incidents Count (PSIC) : 1 ●Process Safety Total Incident Rate (PSTIR) : 0.69 ●Process Safety Incident Severity Rate (PSISR) : 2.07	RT-CH-540a.1	4.3Occupational Safety and Health Management	40			
	Number of transport incidents	In 2023, the Company had no traffic accidents and occupational disasters.	RT-CH-540a.2	--				



Appendix III: Sustainability Disclosure Indicators - Chemicals

Nr.	Indicators	Category	Unit	Disclosure in 2023	Corresponding	Page
1	Total energy consumption, percentage of purchased electricity, renewable energy utilization rate and self-generated and self-consumed energy total energy (Note 1)	Quantitative	Billion joules, percentage (%)	1.Total consumed energy: 340,218.33GJ 2.Percentage of purchased electricity: 100%. 3.Renewable energy usage ratio: 0%. Our company is still evaluating the feasibility of renewable energy, which has not been used yet. 4.Total self-generated and self-consumed energy: 0	3.1 Resource recycling	30
2	Total water intake, total water consumption and disclosures of waste (sewage) water in accordance with laws and regulations or voluntarily.	Quantitative	(m³) · (%)	1. Total water intake: 606.16 (100 million liters) 2. Total water consumption: 513.05 (100 million liters) 3. Sewage discharge volume:93.11(100 million liters)	3.1 Resource recycling	30
3	The total amount and recycling percentage of hazardous wastes produced in the production process of products according to the requirements of laws and regulations or voluntarily disclosed.	Quantitative	(t) · (%)	No harmful waste output	3.1 Resource recycling	30
4	Number and rate of occupational accidents	Quantitative	Percentage(%) and/or amount	1.1 person 2.The occupational accident rate is 3.82%.	4.3 Occupational Safety and Health Management	40
5	Operational activities that have significant actual or potential negative impacts on local communities.	Qualitative description	not applicable	SESODA has devoted itself to promoting good-neighborliness for many years, participating in various festivals and folk activities in the village, and cooperating with folk welfare organizations to sponsor in-kind donations such as activities funds or prizes. To integrate into the village activities for a long time and live in harmony with the people in the village as the goal. In 2023, SESODA mostly funded local institutions such as neighborhoods, schools and foundations by way of donations.	05 Creating a Better Society Together	46
6	Specific and effective mechanisms and actions taken by the enterprise itself and its suppliers to reduce the negative impact on the environment or society.	Qualitative description	not applicable	ISO 450001 H-09 Management Measures for Contractor's Environment, Safety and Health formulated by our company.	03 Pilotage Green Century	30
7	Output of main products by product category	Quantitative	Depending on the product type.	● Potassium sulfate: 122,055.75 metric tons ● Liquid calcium chloride: 202,759.73 metric tons ● Hydrochloric acid: 27,839.09 metric tons ● Calcium sulfate: 806.22 metric tons ● Baking soda: 4,263.39 metric tons	2.2 Product marketing strategy	24

Appendix IV: Comparison Table of Climate-related Information of Listed and OTC Companies Required by the Stock Exchange

Risks and opportunities caused by climate change to the company and relevant countermeasures taken by the company.	Corresponding Chapter	Page No.
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities	1.4 Risk management	19
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	1.4 Risk management	19
3. Describe the financial impact of extreme weather events and transformative actions.	1.4 Risk management	19
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system	1.4 Risk management	19
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	-	
6. If there is a transition plan to manage climate-related risks, explain the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	-	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	-	
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	-	
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below)	1.4 Risk management	19

1-1 The company's greenhouse gas inventory and confirmation

Basic information of the company	According to the sustainable development roadmap of listed companies, at least it shall be disclosed.
□ Companies with capital of more than NT\$ 10 billion, steel industry and cement industry	■ Individual inventory of the parent company □ Inventory of the subsidiary of the consolidated financial report
□ Companies with a capital of more than NT\$ 5 billion but less than NT\$ 10 billion.	■ The assurance of the parent company □ The assurance of the consolidated financial report subsidiary.
■ Companies with capital of less than NT\$ 5 billion.	According to the sustainable development roadmap of listed companies, at least it shall be disclosed.

1-1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

Greenhouse Gas Inventory InformationDescribe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

Item \ Year	2022			2023		
	Parent Company	Subsidiary	Total	Parent Company	Subsidiary	Total
Category 1: Total emissions (metric tons CO2e)	50,934.1336	-	50,934.1336	46,962.5543	-	46,962.5543
Category 1: Density (metric tons of CO2e/ NT\$ million )	6.35	-	6.35	7.99	-	7.99
Category 2: Total emissions (metric tons CO2e)	7,127.6238	-	7,127.6238	8,928.9892	-	8,928.9892
Category 2: Density (metric tons of CO2e/ NT\$ million )	0.89	-	0.89	1.52	-	1.52

- Note1 : Direct emissions (Scope 1, which comes directly from the emission sources owned or controlled by the company), indirect emissions of energy (Scope 2, which comes from the indirect greenhouse gas emissions caused by the input of electricity, heat or steam) and other indirect emissions (Scope 3, which comes from the emission sources owned or controlled by other companies, which are not indirect emissions of energy).
- Note2 : The coverage of data on direct emissions and indirect energy emissions shall be handled according to the time schedule stipulated in Item 2 of Article 4-1 of the Operating Measures for OTC Companies to Prepare and Declare Sustainability Reports (hereinafter referred to as these Measures), and other indirect emissions information may be voluntarily disclosed.
- Note3 : Greenhouse gas inventory standard: ISO 14064-1 issued by the International Organization for Standardization (ISO).
- Note4 : The intensity of greenhouse gas emissions is calculated by turnover (NT\$ million).
- Note5 : The emission results in 2022-2023 are the inventory conducted by our company in accordance with ISO 14064-1. Among them, the emission of Suao General Factory was verified by the third party: AFNOR ASIA LTD. according to ISO 14064-3:2006 standard.

## 1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

SESODA began to carry out voluntary greenhouse gas inventory in 2021, and conducted third-party inspection on the greenhouse gas emissions of Suao General Factory in 2022-2023. Relevant information is as follows

### Inspection information in 2022:

- Inspection scope: SESODA CORPORATION Suao Factory (No.120, Xincheng No.1 Road, Suao Town, Yilan County)
- Inspection agency: AFNOR ASIA LTD
- Inspection criteria: ISO/CNS 14064-1:2006, guidelines for greenhouse gas inspection (December 2010), management measures for greenhouse gas emission inventory registration (January 5, 2016), operational guidelines for greenhouse gas emission inventory registration (May 18, 2022) and relevant regulations of the Environmental Protection Agency.
- Inspection opinion: According to the inspection process and procedures carried out by the inspectors, there is sufficient evidence to show that there is no substantial difference in the greenhouse gas claims of the inspected organizations, and they are prepared according to the international standards for greenhouse gas quantification, monitoring and reporting specified in the agreed inspection standards, and the greenhouse gas data and related information are presented fairly.

### Inspection information in 2023:

- Inspection scope: SESODA CORPORATION Suao Factory (No.120, Xincheng No.1 Road, Suao Town, Yilan County)
- Inspection agency: AFNOR ASIA LTD
- Inspection criteria: ISO/CNS 14064-1:2006, guidelines for greenhouse gas inspection (December 2010), management measures for greenhouse gas emission inventory registration (January 5, 2016), operational guidelines for greenhouse gas emission inventory registration (May 18, 2022) and relevant regulations of the Environmental Protection Agency.
- Inspection opinion: According to the inspection process and procedures carried out by the inspectors, there is sufficient evidence to show that there is no substantial difference in the greenhouse gas claims of the inspected organizations, and they are prepared according to the international standards for greenhouse gas quantification, monitoring and reporting specified in the agreed inspection standards, and the greenhouse gas data and related information are presented fairly.



Statement of greenhouse gas emission inspection: 2022



Statement of greenhouse gas emission inspection: 2023

Note 1: It shall be handled in accordance with the time schedule specified in Item 3 of Article 4-1 of these Measures.  
Note 2: A certification institution shall comply with the relevant provisions of the sustainability report certification institution formulated by Taiwan Stock Exchange Corporation and the OTC Securities Exchange of the Republic of China.  
Note 3: For the disclosure, please refer to the best practice reference example on the website of Corporate Governance Center of Taiwan Stock Exchange.

## 1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Basic information of the company	According to the sustainable development roadmap of listed companies, at least it shall be disclosed.
□ Companies with capital of more than NT\$ 10 billion, steel industry and cement industry	□ Expose the reduction targets, strategies and specific action plans of the previous year in 2025.
□ Companies with a capital of more than NT\$ 5 billion but less than NT\$ 10 billion.	□ Expose the reduction targets, strategies and specific action plans of the previous year in 2026.
■ Companies with capital of less than NT\$ 5 billion.	■ Expose the reduction targets, strategies and specific action plans of the previous year in 2027.

### Greenhouse gas reduction strategy

The increase in greenhouse gas emissions leads to climate change, which not only directly impacts the global ecological environment, but also indirectly affects the acquisition of enterprise resources, and has become an environmental issue of common concern and attention all over the world. In order to fulfill the responsibility of the enterprise, the company identifies the sources of greenhouse gas emissions, reduces greenhouse gas emissions by means of energy saving and emission reduction, and makes active efforts to move towards a low-carbon and sustainable home by improving self-management ability, replacing high-energy-consuming process equipment and discussing greenhouse gas reduction schemes.

Energy consumption is the main factor causing climate change, because burning non-renewable fuels will produce greenhouse gases (GHG) and cause other environmental impacts. With the steady growth of the company's operation, we are cautious in improving the efficiency of various energy sources, controlling greenhouse gas emissions, effectively reducing the per capita energy consumption intensity and avoiding the increase of oil and electricity consumption.

### Greenhouse gas reduction goal

Short-term goal	Mid-term goal	Long-term goal
<ul style="list-style-type: none"> <li>■ Annual electricity saving rate of 1%</li> <li>■ Set the annual energy use standard value, improve and review the current situation of energy use every month, and compile the budget for process improvement and equipment renewal every year to continuously reduce energy use.</li> </ul>	<ul style="list-style-type: none"> <li>■ It is estimated to reduce emissions by 20% in 2030.</li> </ul>	<ul style="list-style-type: none"> <li>■ Strive to achieve 100% emission reduction targets by 2050.</li> </ul>

### Achievement of emission reduction in 2023

Energy and greenhouse gas emission reduction	In order to reduce the impact of the production process on the environment, improve the competitiveness of products, and better fulfill the corporate social responsibility, the company clearly classifies and counts all kinds of environmental protection expenditures to control them, which is helpful to evaluate the implementation efficiency of environmental protection measures and the internal cost-benefit analysis. For example, aiming at the oil consumption per unit product, an energy-saving scheme was designed to reduce energy consumption. In 2023, the fuel consumption was 6,464.62 (272, 657.29 GJ) Compared with the fuel consumption of 7,187.60 GJ (288,941.52 GJ) in 2022, the energy consumption is reduced by 16,284.23 GJ.
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Note 1: It shall be handled in accordance with the time schedule specified in Item 4 of Article 4-1 of these Measures.

Note 2: The base year should be the year when the consolidated financial report boundary is completed. For example, according to Item 2 of Article 4-1 of these Measures, a company with a capital of more than 10 billion yuan should complete the examination of the consolidated financial report for 2024 in 2025, so the base year is 2024. If the company has completed the examination of the consolidated financial report in advance, the earlier year can be used as the base year, and the data of the base year can be calculated by the average of a single year or several years.

Note 3: For the disclosure, please refer to the best practice reference example on the website of Corporate Governance Center of Taiwan Stock Exchange.



Appendis V: External Assurance Statement

<div><div><div><div><div></div><div>EY安永</div><div>Building a better working world</div></div></div><div><div>安永聯合會計師事務所</div><div>70051 台南市永福路一段189號11樓 11F, No.189, Sec. 1, Yongfu Road Tainan City, Taiwan, R.O.C</div><div>Tel: 886 6 292 5888 Fax: 886 6 200 6888 www.ey.com/taiwan</div></div></div></div> <div><div>Independent practitioner’s assurance report</div><div><div>To: SESODA CORPORATION</div><div>Scope</div><div><p>We have been engaged by Sesoda Corporation (the “Company”) to perform a ‘limited assurance engagement,’ as defined by the Taiwan Accounting Research and Development Foundation, hereinafter referred to as the engagement, to report on selected sustainability performance indicators (the Subject Matter) contained in the Company’s 2023 Sustainability Report (the “Report”).</p></div><div><div>The Subject Matter selected by the Company and their applicable criteria</div><div><p>Regarding the Subject Matter selected by the Company and their applicable criteria, please refer to Appendix A.</p></div><div><div>The Company’s responsibilities</div><div><p>The Company’s management is responsible for the preparation of the Company’s 2023 Sustainability Report in accordance with the adequate criteria, including referencing the Global Reporting Initiatives Standards (“GRI Standards”) issued by the Global Reporting Initiative (GRI) , and compiling in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange and the disclosure standards issued by the Sustainability Accounting Standards Board (SASB) for chemical industry, and for the design, execution and maintenance of internal controls in regard to report preparation to support the collection and presentation of the Company’s 2023 Sustainability Report. The Company’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.</p></div><div><div>EY’s responsibilities</div><div><p>Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.</p><p>We conducted our engagement in accordance with the International Statements on Assurance Engagements (ISAE) 3000” Assurance Engagements Other than Audits or Reviews of Historical Financial Information”, issued by the Taiwan Accounting Research and Development Foundation, and the terms of reference for this engagement as agreed with the Company. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.</p><p>We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.</p></div></div></div></div></div></div>	<div><div>Our independence and quality management</div><div><p>We have maintained our independence and confirm that we have met the requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China and have the required competencies and experience to conduct this assurance engagement.</p><p>EY also applies Standards on Quality Control No. 1 “Quality Control for Public Accounting Firms”, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p></div><div><div>Description of procedures performed</div><div><p>Procedures performed in a limited assurance engagement vary in nature and timing from and are 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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.</p><p>Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.</p><p>A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.</p><p>Our procedures included:</p><ul style="list-style-type: none"><li>● Conducted interviews with personnel to understand the business of the Company, the overall implementation of sustainability development and the reporting process</li><li>● Conducted interviews with personnel and inspections of documents to understand how the Company communicates with and responds to main stakeholders, and to understand stakeholders expectations and needs</li><li>● Conducted interviews with key personnel of the Company to understand the process for collecting, collating and reporting the Subject Matter during the reporting period</li><li>● Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria</li><li>● Undertook analytical procedures on the Subject Matter; collected and evaluated the supporting documentation, obtained management’s assertions of the Subject Matter, and, if necessary, tested on a sample basis</li><li>● Identified and tested assumptions supporting calculations</li><li>● Tested, on a sample basis, the underlying source information to check the accuracy of the data</li><li>● Read the Report to ensure that the overall implementation of sustainability development is consistent with our understanding</li></ul></div></div></div>	<div><div>Inherent Limitation</div><div><p>Non-financial information contained within the Sustainability Report are subject to measurement uncertainties. The selection of different measurement techniques can result in materially different measurement. Also, assurance engagements are based on selective testing of information being examined, and it is not possible to detect all of the existing material misstatements whether resulting from fraud or error.</p></div><div><div>Conclusion</div><div><p>Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended December 31, 2023, in order for it to be in accordance with the applicable Criteria.</p><div><div>Hung, Kuo-Sen</div><div>Ernst &amp; Young</div><div>June 27, 2024</div></div></div></div></div>
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## Appendix A:

No.	Page	Corresponding Chapter	Corresponding Report Contents	Applicable Criteria	Supplementary Explanation
1	30	3.1.1Energy Management	The consumption of purchased electricity, the total energy consumed and the purchased electricity usage ratio in 2023.	The Company calculates the energy consumption data of each plant based on daily production reports and electricity bills.	According to Attachment 1.2 Sustainability Disclosure Indicators, Article 4 of "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" – (1)total energy consumed,(2)percentage grid electricity, (3)percentage renewable, (4) total self-generated energy (Note) <sup>1</sup> .
2	30	3.1.2Water Resources Management	The total tap water intake and total water consumption and the discharge volume of wastewater of Taiwan’ s water resources data in 2023.	The Company calculates the water intake and discharge data of each plant based on water bills, water intake records and waste (sewage) treatment bills.	According to Attachment 1.2 Sustainability Disclosure Indicators, Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" - total water withdrawal, total water consumption and volume of effluent required to be disclosed under the law or to be disclosed voluntarily.
3	32	3.3.2Waste Management	Total amount of general business waste, hazardous waste and the recycling percentage in Taiwan facilities in 2023.	Based on the total amount of business waste and its disposal methods recorded by the Company.	According to Attachment 1.2 Sustainability Disclosure Indicators, Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" - total quantity of hazardous wastes generated and recycling percentage during the production process of products required to be disclosed under the law or to be disclosed voluntarily.
4	43	4.3.2Industrial Injury Statistics	Number of occupational disaster and industrial injury rate in 2023.	Based on number of occupational disaster and industrial injury rate declared by the company in the occupational disaster statistical summary table.	According to Attachment 1.2 Sustainability Disclosure Indicators, Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" – illustrating the number of persons involved in and rate of occupational accidents.
5	46	5.1Community Development 5.2Community Care 5.3Community Safety	Methods for evaluating operations that have significant and actual or potentially negative impact on the local communities.	According to GRI 3, the Company has identified actual and potential negative impacts on the economy, environment and people (including human rights).	According to Attachment 1.2 Sustainability Disclosure Indicators, Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" - operations that have significant and actual or potentially negative impacts on local communities.
6	31 46	3.2.2Continuous Improvement of Energy Saving and Carbon Reduction. 5.2 Community Care	(1)Details of environmental protection expenditure in 2023. (2)Details of community care-related expenditure in 2023.	According to GRI 3, the Company has identified actual and potentially negative impacts on the economy, environment and people (including human rights), related policies or commitments, and the actions taken regarding the aforementioned impacts. The Company summarized the total expenditures of related actions.	According to Attachment 1.2 Sustainability Disclosure Indicators, Article 4 of the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” – the specific and effective actions taken by the enterprise and suppliers to reduce negative impact on the environment and society.
7	24~25	2.2Product Marketing Strategy	Product output by product category.	Based on the tonnage recorded in the production and sales table as well as the product output statistics table.	According to Attachment 1.2 Sustainability Disclosure Indicators, Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" - production by reportable segments.