2025

SUSTAINABILITY REPORT



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Editorial Principles

International CSRC Investment Holdings Co., Ltd. (hereinafter referred to as “CSRC”) prepared the Sustainability Report 2025 in accordance with the following standards and regulations. Based on the principles of openness, transparency and integrity, stakeholders can learn more about CSRC’s contribution to sustainable development strategies, investments, and performance.

Release Unit	Standard framework/ law and regulations
Global Reporting Initiative, GRI	GRI Standards 2021
Sustainability Accounting Standards Board, SASB	Sustainability Accounting Standards - Chemicals
Financial Stability Board, FSB	Task Force on Climate-related Financial Disclosures, TCFD
Taiwan Stock Exchange	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

The financial performance and other related information disclosed in this report have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and are mainly presented in NTD and partially in USD.

Reporting Boundary

CSRC’s core business in the international market focuses on carbon black. This report covers operations across three major global regions, including a total of seven production sites for carbon black and related products. The reporting scope includes 100% of the Group’s entities with production activities. Any deviations from this scope will be specified in the respective sections. The covered regions and production facilities are detailed as follows.

Region		Disclosure of Production Sites
Greater China	Taiwan	Linyuan Advanced Materials Technology Co., Ltd. (hereinafter referred to as "Linyuan Advanced Plant"), Consolidated Resource Company (hereinafter referred to as "Consolidated Resource "), and International CSRC Investment Holdings Co., Ltd. (CSRC).
	China [Note]	CSRC China (Maanshan) Corporation (hereinafter referred to as "Maanshan Plant")
USA		Continental Carbon Company (Ponca) (hereinafter referred to as " Ponca Plant ") and Continental Carbon Company (Sunray) (hereinafter referred to as "Sunray Plant ")
India		Continental Carbon India Pvt Ltd. ((hereinafter referred to as "CCIPL") and Continental Carbon Eco Tech Pvt Ltd. (hereinafter referred to as "CCET"

Note: Per the Board of Directors’ resolution on March 11, 2025, the company has divested its full equity in the Chongqing Plant and ceased production at the Anshan Plant. Consequently, both sites are excluded from the scope of this year’s ESG reporting.

The data and information disclosed in this report were compiled and provided by responsible departments to present the Company’s performance in respect of economic, environmental, and social fields in accordance with the requirements of the GRI Standards. Collection, measurement, and calculation methods for each item of disclosed data and information are based mainly on compliance with local regulations or international regulations.

Reporting Cycle and Coverage Period

The information disclosure period in this report is from January 1, 2025 through December 31, 2025. To fully present the implementation results of corporate social responsibility in all aspects and the trend of changes over the years, the contents of and information on some issues in prior years were adopted.

Assurance of Report Information

To ensure the accuracy and transparency of the information disclosed by CSRC, the data and information in this report are internally managed by the responsible departments in accordance with laws and regulations, and specific information have been externally assured (please refer to Appendices – External Assurance. Relevant data and information were also provided to the ESG report compilation team for confirmation, sent to each department head for review, and reviewed and approved by the ChairmanCorporate Sustainability Committee and Board of Directors. The company has commissioned PwC Taiwan to conduct an external independent assurance on the sustainability performance selected in the report prepared in accordance with GRI Standards.

The assurance is carried out in accordance with ISAE 3000 (International Standard on Assurance Engagements 3000) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information,” issued by the Accounting Research and Development Foundation. The scope of assurance for this time is information for the year 2025. Information for December 31, 2024, and earlier periods is not within the scope of assurance. The assurance opinion is issued by the CPAs, and the scope and conclusion of assurance are detailed in the assurance report in the appendix.

Issue Date

Prior Issuance Date：Issued in August 2025
Current Issuance Date: Issued in August 2026
Next Issuance Date：To be issued in August 2027



Contact Us

If you have any questions about this report or have any suggestions for CSRC, you are welcome to contact us through the following methods.

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Website

YouTube

LinkedIn

Leader's Outlook GRI 2-22

Facing a continuously evolving global economic environment and accelerated industrial adjustments and transformation, 2025 remains a year of significant challenges for CSRC.
Amid pressures from intense market competition, volatile energy costs, and global supply-demand imbalances, we have come to aware more profoundly that corporate sustainability is not merely a target in an ESG report, but a core capability essential for our long-term survival and transformation.
Therefore, in 2025, CSRC continued to deepen its sustainability initiatives across all fronts—from environmental protection and technological innovation to talent development and corporate governance—to consistently enhance our company's long-term resilience and competitiveness.

On the environmental front, we have continued to invest in pollution control and decarbonization projects. In 2025, the Group's total annual emissions of key air pollutants decreased by 17.8% compared to 2024, demonstrating that our environmental investments are yielding tangible results.
Simultaneously, we completed our first Group-wide Scope 3 emissions inventory and Product Life Cycle Assessment (LCA). This enables us to more comprehensively map the carbon footprint from raw materials and production to the customer end, identify key decarbonization hotspots, and establish a clearer roadmap for our future net-zero transition.
Beyond process improvements, we have also continued to foster ecological and local environmental partnerships. This includes launching the "Linyuan Mangrove Ecological Conservation Alliance" and continuing our tree-planting initiatives at our India plant, extending our corporate environmental responsibility directly to the land and communities where we operate.

In technology and product innovation, we continue to focus on high value-added products and new materials.
In 2025, we completed the establishment of our battery testing laboratory, strengthening our in-house validation capabilities for conductive carbon and new energy materials. Furthermore, AI technology is being progressively integrated into production quality control, safety early-warning systems, and equipment maintenance. Through data-driven and intelligent management, we aim to mitigate risks and enhance operational efficiency.

Simultaneously, we continue to collaborate with Industrial Technology Research Institute and other academic and research institutions both domestically and abroad. We are advancing R&D in areas such as the high-value application of recovered carbon black, high-performance carbon black & carbon nanotube materials for lithium-battery carbon-silicon anodes, and other advanced carbon materials, having secured a cumulative total of 59 patents.

We believe that the future of CSRC lies beyond being a traditional carbon black manufacturer. We are progressively transforming into a solutions provider for high-performance and circular materials.
Talent and organizational culture are equally fundamental to our corporate transformation.

In 2025, we conducted our first-ever employee engagement survey, achieving a score of 80.4, and we are using the feedback from our colleagues as a crucial basis for subsequent improvements. Furthermore, the 74% adoption rate of our employee proposal incentive program signifies that the experience and creativity of our frontline staff are increasingly becoming a key driver of our continuous progress.

We also continue to invest in local education, community engagement, and charitable activities, aiming to build long-term, trust-based relationships with the communities where we operate.
In terms of governance, the Board of Directors established a new Risk Management Committee and a Nomination Committee in 2025, further strengthening the Board's oversight function and decision-making independence. Additionally, our ranking in the Corporate Governance Evaluation has also been consistently maintained within the top 6% to 20% among all listed companies.

In 2025, CSRC ranked in the top 8% globally in the EcoVadis sustainability assessment, once again earning a Silver Medal, and we continued to receive numerous other sustainability-related awards. These achievements are not only a testament to our team's hard work but also signify that CSRC is progressively building a more resilient, long-term competitive advantage.
Looking ahead, CSRC will continue to deepen its commitment to ESG and sustainable transformation. We will accelerate the development of circular materials, high-performance materials, and applications in new energy, while continuously enhancing our environmental efficiency, governance capabilities, and global operational resilience.

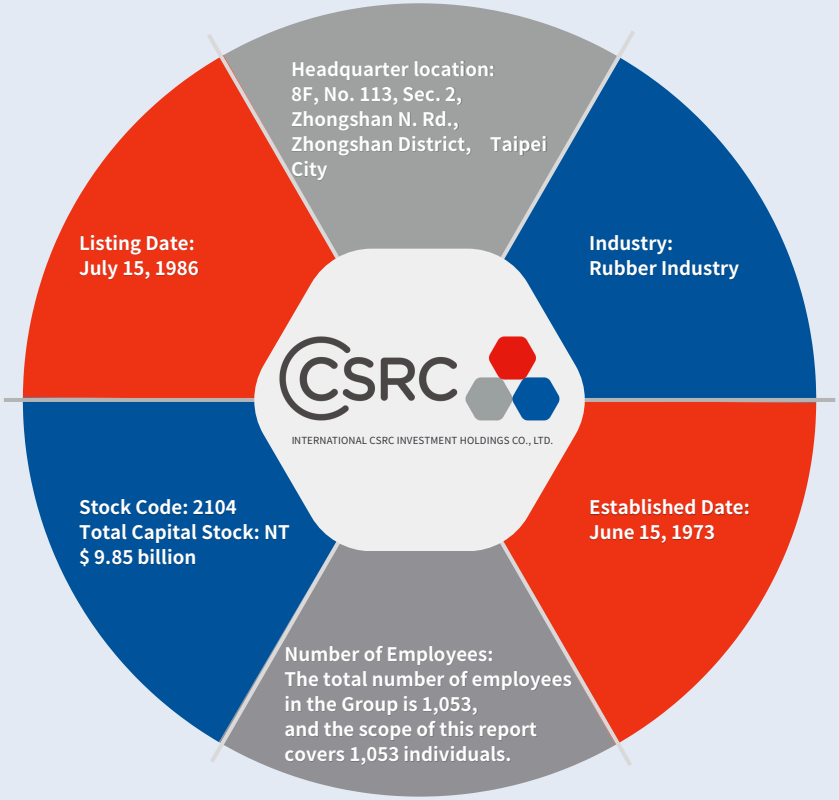
We know that this transformation will not happen overnight, but CSRC will continue to move forward with a pragmatic approach, step by step, to create long-term value for our customers, employees, shareholders, and society.



Chairman of CSRC Group and Convener of the Corporate Sustainability Committee
Jason Koo

Organizational Context & Scope GRI 2-1、2-6、2-28

CSRC’s primary business is the carbon black business, under the global brand name Continental Carbon. It is the only carbon black manufacturer in Taiwan and a leading producer ranked among the top ten globally. To better serve the needs of international customers, the company has established a global network of four operation centers, four research and technical service centers, seven production facilities, and one technology licensing production facility. Together, these operations work to provide diversified products and cross-industry services, promoting the improvement of the quality of human life.
The raw material for carbon black is sourced from residuals, such as the bottom oil from the refining processes of upstream petrochemical, coal chemical, and steel industries. The production of carbon black not only effectively processes these end-of-chain residuals but also achieves a carbon sequestration rate of over 60% while generating value-added energy like steam and electricity, thereby realizing the concept of a circular economy. In recent years, CSRC has further introduced pyrolysis oil from waste tires and recovered carbon black as raw materials, to produce the Eco-circular carbon black with that match those of virgin carbon black. This not only meets customer demand for sustainable raw materials but also achieves a closed-loop system, driving a new mode of circularity.
CSRC’s innovative development of specialty carbon black delivers superior performance in upgraded tire and rubber applications, while also providing optimal solutions for products in plastics, inks and coatings, and even high-end 3D printing and electronics. Through continuous investment in R&D and a commitment to excellence, we collaborate with our customers to demonstrate outstanding performance internationally. As an important partner in the industry value chain, we are actively deploying to better serve our global customers, thereby becoming a world-class manufacturer and leader in integrated services.



Carbon Black Business Group

Continue to pursue breakthroughs and innovation in the carbon black field at an international leading brand level.

Main business

(1) Manufacturing of synthetic rubber
(2) Manufacturing of other rubber products
(3) Manufacturing of industrial rubber products
(4) Non-public electric power generation
(5) Thermal energy supply

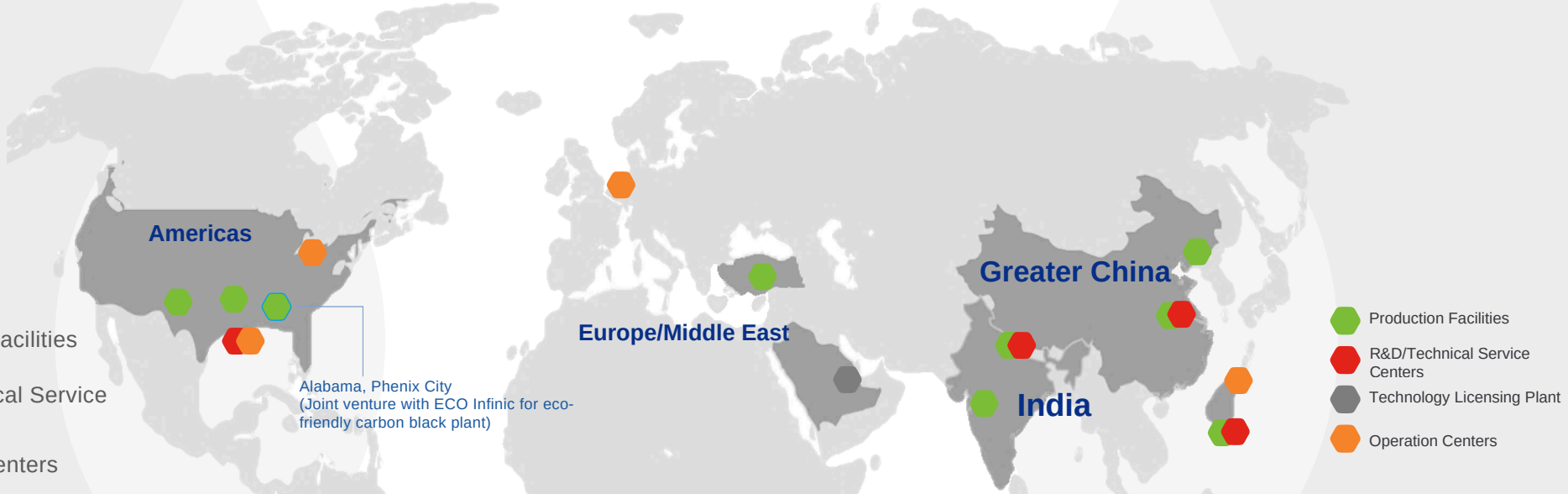
Greater China

- Linyuan Advanced Materials Technology Co., Ltd.
- Consolidated Resource Company
- CSRC China Maanshan Plant

Global locations



As of the end of 2025, CSRC's carbon black business has key overseas operations in North America, Mainland China, and India. Building on its global production and operational systems, professional expertise, diverse talent, and customer trust, CSRC positions itself as a global brand ready to tackle new century challenges and achieve new milestones of excellence. Furthermore, CSRC continues to expand its global footprint, adjusting its worldwide production capacity to meet market demands. This includes the ongoing construction of a plant in Turkey, as well as the joint venture with the Thai subsidiary of SHIECO Group, Eco Infinic Co, Ltd., to establish the biggest eco-friendly carbon black plant in North America in the original site of the US Continental Carbon Company Phenix.



7+ Production Facilities

4 R&D/Technical Service Centers

4 Operation Centers



Americas
Ponca



Americas
Sunray

Turkey
(Under Construction)



India
Gujarat



India
New Delhi



Greater China
Maanshan



Greater China
Kaohsiung
Linyuan

CSRC’ s Carbon Black Business Unit takes “globalization” as its operating strategy. It continuously improves production technology through various forms of resource integration, ensuring that output scale and product quality are at a leading level globally. Furthermore, a focus on the needs of “customers” and “users” serves as its driving force for continuous quality breakthroughs and product innovation.



CSRC actively participates in industry-related associations, adhering to and promoting the regulations and standards of these organizations. We aim to contribute our efforts and collaborate with our peers to collectively fulfill our social responsibilities. CSRC's participation in associations in 2025 is as follows:

Industry Association Name	As Organization Membership
Petrochemical Industry Association of Taiwan	✓
Taiwan Rubber& Elastomer Industries Association	✓
Chinese National Association of Industry and Commerce, Taiwan Note 1	✓
Taiwan Responsible Care Association	✓
Taiwan Carbon Capture Storage and Utilization Association	✓
Chinese Society for Quality	✓
Kaohsiung City General Industrial Association	✓
China Rubber Industry Association Note 2	✓
International Carbon Black Association (ICBA)註3	✓
South Side GT Road Industries Association註4	✓
Ghaziabad Management Association註4	✓
Dahej Industrial Association註5	✓
Dahej Eco Friendly Society註5	✓

Note 1: The Chairman serves as a board member of the Chinese National Association of Industry and Commerce, Taiwan
Note 2: Participated by Maanshan Plant in China
Note 3: Participated by CCC Ponca Plant and CCC Sunray Plant in the United StatesUSA
Note 4: Participated by CCIPL Plant in India
Note 5: Participated by CCET Plant in India



CSRC Group has a long-standing commitment to Corporate Social Responsibility (CSR). As a member of The Chinese National Association of Industry and Commerce (CNAIC), we demonstrate this commitment through concrete actions. Our Chairman, Mr. Koo, serves as the Convener of CNAIC's Sustainability Development Research Committee, where he co-advances significant climate initiatives such as the "Declaration on Climate Action for 1.5°C Global Warming Target". This leadership role underscores CSRC's leading position in corporate governance and sustainability.



RESPONSIBLE CARE
Driving Safety & Sustainability

International Council of Chemical Associations

責任照顧全球憲章

責任照顧是全球化學工業界在扮演提升改善生活品質與促進永續發展角色的同時，對於化學品生命週期安全管理的共同承諾。
身為責任照顧全球憲章的簽署人，本公司將積極加強全球的責任照顧行動，並致力於：

1. **企業的領導文化** - 透過全球責任照顧行動，主動支持化學品安全管理。
2. **保護人民與環境** - 藉由持續改善環保、衛生及工安績效、設備安全、製程與技術，以及藉由推動持續改善供應鏈之化學產品安全與產品管理達到目標。
3. **加強化學品管理制度** - 方法包括參與發展及實施以生命週期為導向、科學及風險為基礎的化學品安全法規和最佳實務。
4. **對商業夥伴發揮影響力** - 增進商業夥伴營運範圍的化學品安全管理。
5. **吸引關係人參與** - 瞭解並回應利害關係人對更安全作業及產品的疑慮與期待，並以公開的方式與其溝通我們的績效表現與產品。
6. **促進永續性** - 透過改善績效、拓展經濟機會、發展創新技術及其他因應社會挑戰的解決方案達到促進永續性目標。

國際中橡投資控股股份有限公司
公司名稱

CEO簽名

2025/5/6
日期

2014年5月29日ICCA理事會通過 | ®ICCA版權所有 | 英文版為唯一正式官方版本



RESPONSIBLE CARE
Driving Safety & Sustainability

International Council of Chemical Associations

Repsonsible Care® Global Charter

Responsible Care is the global chemical industry's unifying commitment to the safe management of chemicals throughout their life cycle, while promoting their role in improving quality of life and contributing to sustainable development.

As a signatory to the Responsible Care Global Charter my company will activelystrengthen the Responsible Care initiative worldwide and is committed to:

1. **A Corporate Leadership Culture** that proactively supports safe chemicals management through the global Responsible Care initiative.
2. **Safeguarding People and the Environment** by continuously improving our environmental, health and safety performance; the security of our facilities, processes and technologies; and by driving continuous improvement in chemical product safety and stewardship throughout the supply chain.
3. **Strengthening Chemicals Management Systems** by participating in the development and implementation of life cycle-oriented, sound-science and risk-based chemical safety legislation and best practices.
4. **Influencing Business Partners** to promote the safe management of chemicals within their own operations.
5. **Engaging Stakeholders**, understanding and responding to their concerns and expectations for safer operations and products and communicating openly on our performance and products.
6. **Contributing to Sustainability** through improved performance, expanded economic opportunities and the development of innovative technologies and other solutions to societal challenges.

International CSRC Investment Holdings Co., Ltd.
COMPANY

CEO SIGNATURE

2025/5/6
DATE

Approved by ICCA Board of Directors, May 29, 2014. | Copyright © ICCA | Only the English Language Version is The Official Document



Sustainability Vision

Corporate Sustainability Policy

In addition to striving for the greatest achievements in our main business, CSRC also actively maintains good interactions with all stakeholders and fulfills its corporate citizenship responsibilities through concrete actions to build a sustainable society.

Vision Eco-friendly Civilization

Mission Renewable Energy and Resources

Our Implementation Guideline

Green Manufacturing

Adhering to the principle that "environmental protection is a responsibility not a cost", we pay attention to the environment and cherish resources in terms of raw materials, processes, and products, and implement the circular economy concept with a focus on the balance between economy and environment.

Inclusive Society

We focus on employee benefits, maintain harmony with the local community, care for schoolchildren's education, and have launched the "Green Finance Action" initiative to promote the concept of a circular economy, to be committed to cultural and ecological conservation.

Ethical Governance

We put legal compliance first and adopt integrity, fairness, and transparency as the foundation for business operations, and promote a sustainable supply chain from the inside out to share prosperity in the future.

Four Core Values of CSRC

Commitment

- Integrity - Keep promise with clients to customers
- Respect - Keep good relationship with customers
- Quality - Pursue excellent product quality
- Responsibility - Manage to improve even trivial flaws
- Flexibility - Serve customers and pay attention to their demands customer needs

Synergy

- Meet customer needs and grow with customers
- Provide value-added technologies and services other than products
- Cross-functions cooperation with enhanced specialty and efficiency
- Integrate global resources to optimize local services delivery

Rebirth

- Tackle with civilization pollutions
- Improve efficacy of circular economy
- Continuous improvement over water solutions
- Caring for the community and the environment

Creativity

- Technological innovation
- Process efficiency improvement
- Diversified product application development
- Code compliance and workflow improvements

CSRC Carbon Black Circular Economy Leads Sustainability

CSRC 6R Concept

CSRC's Carbon Black Business Group actively embraces the circular economy model to address resource depletion in traditional linear economies. This includes repetitive use of energy and resources, extending resource lifespans, and reintroducing end-of-life materials into production to maximize reuse. CSRC has established a continuously cycling value chain 6R model: Reuse, Redefine, Redesign, Reduce, Recycle, and Renew. This strategy encompasses all stages from raw material selection and manufacturing processes to product use. Through continuous research and innovation, CSRC aims to become a leader in sustainable development, guiding the industry toward low-carbon production.

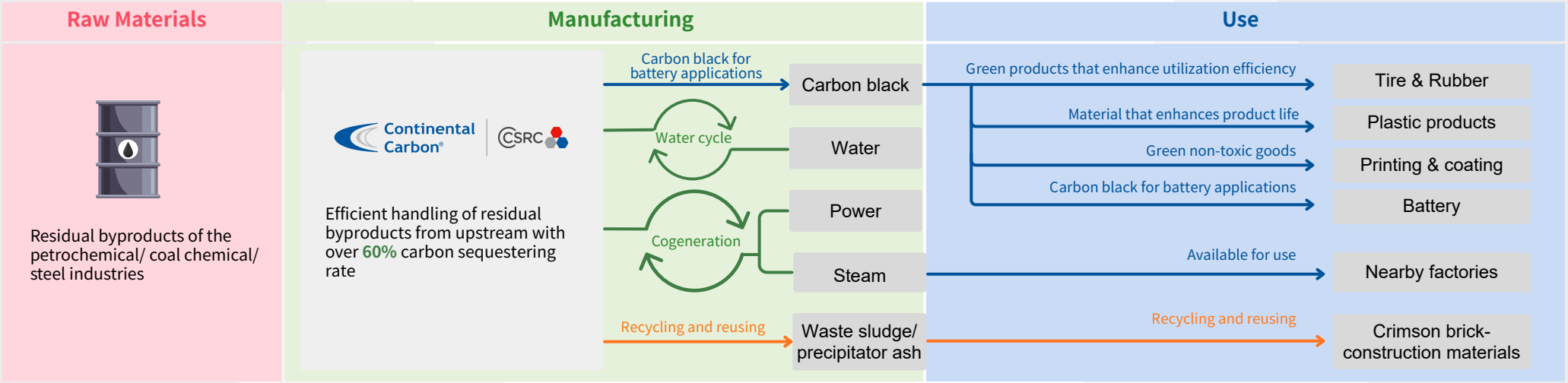
Circular Economy Management Policy

6R	Description	Implementation stage	Related sustainability actions
Reduce	Reduce hazards and energy resource consumption generated during the production process	Raw Material Manufacturing Product end-of-life	• Remove toxic ingredients from raw materials • Reduction of production water consumption • Reduction of air pollutant VOC emissions • Reduce SOx, NOx and PM emissions of air pollutants during the production process
Recycle	Return to original end of use for reuse	Manufacturing	• Water recycling and reuse • Incorporation of rCB and recycled pyrolysis oil into process reengineering • Reuse of packaging materials and pallets • Tail gas combustion reuse
Reuse	Non-return to original end of use for reuse	Product end-of-life	• Non-hazardous sludge used as cement kiln fuel • Wasted FIBC bags used as auxiliary fuel • Wasted refractory bricks used as aggregate raw material
Redefine	Adjust operating parameters to achieve energy savings and emission reduction in the manufacturing process.	Manufacturing	• Reduce greenhouse gas emissions • Improve energy efficiency • Reduce raw material usage • Enhance product quality • Reduce solid waste generation
Redesign	New product development – Environmental friendly green products	Usage	• Green product development • Reduce product carbon footprint
Renew	Promote digital transformation, leveraging AI to improve factories production stability	Manufacturing	• Install online monitoring modules for process rotating equipment to improve equipment reliability • Introduce smoke image recognition systems for real-time alerts to reduce incident risks



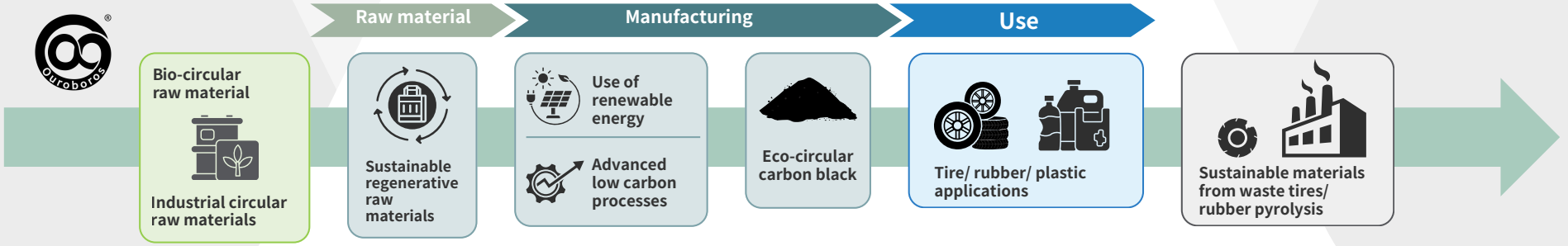
CSRC Circular Economy Pathway

The carbon black industry chain is a paradigm of the circular economy model. Its raw materials come from residual byproducts, such as bottom oil from the refining processes of upstream petrochemical and steel industries. These low-value residuals, after chemical treatment and reuse, can produce high-value products like carbon black, along with byproducts such as steam and electricity, while also sequestering carbon. Typical incinerators operate at temperatures of 600–800°C, and burning industrial waste still results in air pollution emissions. In contrast, the reactor furnace in the carbon black process reaches temperatures of 1,800°C, allowing CSRC to process residuals (bottom oil) from the petrochemical and steel industries. At such high temperatures, it can eliminate many environmentally harmful substances, such as dioxins. This carbon black cycle not only fully utilizes residuals from traditional processes and reduces environmental pollution risks but also fosters new industries and technologies, creating an economic model for resource recycling.



CSRC's Circular Economy Pathway Upgrade: Ouroboros – Sustainable and Regenerative Circular Solutions

CSRC strives for excellence in the journey toward a "Circular Economy," optimizing and upgrading its original circular economy pathway. Through sustainable industrial and biological cycles, renewable raw materials, and technological R&D and process optimization to promote circularity and carbon reduction, we adopt a multi-pronged approach to enhance the circular economy pathway to achieve carbon reduction targets.
At the raw material stage, we introduce bio and industrial circular materials, and at the manufacturing stage, we use renewable energy. Through our decarbonization processes, we produce Eco-circular carbon black for downstream customers.



Circular economy management framework

Beyond considerations for its own operations, CSRC extends the circular economy to downstream supply chains and external partners.
By assessing potential risks and opportunities related to energy and raw material usage, we formulate corresponding actions and strategies.

	Raw Materials	Manufacturing	Sales	Product End-of-Life
Resources	• End-of-life residues from steelmaking and oil refining industries • Pyrolysis oil from wasted tires and recycled carbon black	• Reactors, boilers	• Carbon black, steam	• Carbon black packaging, condensation water
Potential Risks	• If the end-of-life residues from the steelmaking and oil refining industries are not properly disposed of, they will cause environmental pollution. • Recycled oil from waste tire pyrolysis has a high sulfur content, which would increase SOx emissions if used as general fuel; recycled carbon black has a high ash content, and direct use would affect the properties of rubber and plastics.	• Production of air pollutants (SOx,NOx,PM,TSP,VOC) • Greenhouse gases • Precipitator ash • Fuel consumption	• Insufficient diversity in carbon black products • Excess steam leads to energy waste.	• The disposal cost of paper bag packaging • The failure to recover condensate result in a waste of water resources
Opportunities and Value Creation	• End-of-life residues from steelmaking and oil refining industries are reused as feedstocks to produce carbon black for multiple applications ➞ **Creation of a new industry chain** • Production with recycled pyrolysis oil from wasted tires as the feedstock, our process can address its high sulfur content and reduce its SOx emission; Recycled carbon black through our advanced process, we can mitigate the adverse impact on its high ash content on rubber/plastic, which lower a barrier for rubber/ plastic product introduction and drive reduce carbon ➞ **Creation of a new business chain and closed-loop for carbon black industry.**	• Reactors utilize high temperature combustion to remove dioxin in the raw oil ➞ **Improvement of environmental and health quality** • Implementation of air pollution control equipment to reduce emissions of air pollutants ➞ **Improvement of environmental and health quality** • Precipitator ash is collected and processed together with red brick raw materials for transformation into building materials ➞ **Creation of a new industry chain** • Optimization of process technology to reduce per unit product oil consumption ➞ **Improvement of resource utilization efficiency.**	• R&D of green carbon black products ➞ **Improvement of environmental and health quality** • R&D of high-end, multi-application carbon black ➞ **Improvement of market competitiveness** • Reusing excess steam to generate electricity ➞ **Improvement of resource utilization efficiency**	• Packaging changed to environmentally friendly PE materials ➞ **Improvement of customer productivity and reduction in waste** • Partnering to recycle condensate ➞ **Creation of a new industry chain**

Circular sustainable certification

As the pioneer in circular economy, CSRC's carbon black production plants actively participate in ISCC PLUS certification, ensuring raw materials and products legal compliances throughout the entire supply chain. It verifies the use of circular feedstock, and advances the circular economy while reducing carbon emissions. By doing so, we aim to enhance market trust and competitiveness as well as our commitment to sustainability.

ISCC International Sustainability & Carbon Certification

All four global production bases have been certified, fulfilling the commitment to a traceable circular economy



Americas
Ponca



Americas
Sunray



Greater China
Ma'anshan



Greater China
Kaohsiung
Linyuan

Sustainability Development Milestones

2014
Published the first CSR Report in Chinese

2018
- Published the first CSR Report in English
- Established the Corporate Sustainability Committee

2019
- Formulated a human rights policy
- Established "Cement Academy Scholarship"
- Launched the "Green Finance Action" initiative, a circular economy social charity event

2020
- Identified and expose risks and opportunities related to climate change based on the TCFD framework
- Developed ESG-oriented goals

2021
- Adopted TCFD in risk management to quantitatively assess financial impacts
- Adopted the SASB and disclosed metric data

2022
- Included CSRC (Anshan) in the sustainability reports and TCFD to identify climate risks and opportunities
- Adopted all SASB chemical metrics

2023
- The scope of the sustainability report includes the entire group, and the TCFD also covers all plant sites within the group to identify climate risks and opportunities.
- The Board of Directors has approved the elevation of the Corporate Sustainability Committee to a functional committee, with the Chairman and two independent directors serving as members.
- Established a sustainability information management platform to enhance the efficiency of information aggregation.

2024
- Established the "Sustainability Information Management Procedures," which were formally approved by the Corporate Sustainability Committee to improve the framework for sustainability information management, enhancing information transparency and corporate governance standards.
- Participated in the EcoVadis sustainability assessment for the first time as the CSRC Group and received the "Silver Medal," ranking within the top 14% globally

2025
- Participated in Responsible Care Global Charter, launched by Taiwan Responsible Care Association
- Participated in the EcoVadis sustainability assessment and received the "Silver Medal," ranking within the top 8% globally

Sustainability Progress and Milestones

Management Approach	Target Item	2025 Performance	Short-Term Targets (2026-2027)	Medium-Term Targets (2028-2030)	Long-Term Targets (2031-2035)	GRI	SASB	SDG	Relevant Chapter
Information security management	Percentage of annual information security training participations	Achieved a 61% completion rate for all group employees	Achieve over 50% completion rate for all group employees	Achieve over 70% completion rate for all group employees	Achieve over 95% completion rate for all group employees	GRI 2-24	N/A	SDG 9、16	Sustainable Governance
	Information security health inspection	Completed 1 information security health inspection for the whole group	Maintain at least 1 information security health inspection annually for the whole group	Maintain at least 1 information security health inspection annually for the whole group	Maintain at least 1 information security health inspection annually for the whole group, as well as advanced inspection system, i.e., red teaming	GRI 2-24	N/A	SDG 9、16	Sustainable Governance
	Major information security incident occurrence rate	0 incidents group-wide	Maintain 0 cases group- wide	Maintain 0 cases group- wide	Maintain 0 cases group- wide	GRI 418-1	N/A	SDG 9、16	Sustainable Governance
Integrity	Percentage of onboarded employees signing the Letter of Commitment to Ethical Best Practice Principles and Ethical Norms	100% coverage in Greater China	Maintain 100% coverage in Greater China, and expand to 100% across Asia region	100% participation group-wide	Maintain 100% participation group-wide	GRI 2-23、2-24、205-2	N/A	SDG 16	Sustainable Governance
	Proportion of employees know and understand corporate business ethics policies and procedure	100% coverage across Asia region	Maintain 100% coverage across Asia region	100% coverage group-wide	Maintain 100% participation group-wide	GRI 2-24、205-2	N/A	SDG 16	Sustainable Governance
	Major business integrity risk incident	0 cases group-wide	Maintain 0 cases group- wide	Maintain 0 cases group- wide	Maintain 0 cases group- wide	GRI 205-3	N/A	SDG 16	Sustainable Governance
Sustainable supply chain management	Suppliers signing the Code of Conduct for Corporate Social Responsibility and Integrity Clause	Greater China supplier signing ratio was 100%	The signing rate of suppliers in the Greater China reaches 100%.	The signing rate of suppliers in the Asia region reaches 100%.	The signing rate of suppliers group-wide reaches 100%.	GRI 2-23、2-24、205-2	N/A	SDG 8、12、16	Sustainable Governance
	Strengthen supplier evaluations	Greater China supplier evaluation ratio has attained 97.4%	The evaluation rate of suppliers in the Greater China exceeds 95%.	The evaluation rate of suppliers in the Asia region exceeds 80%.	The evaluation rate of suppliers group-wide exceeds 80%.	GRI 308-1、308-2、414-1、414-2	N/A	SDG 8、12、16	Sustainable Governance
	Percentage of purchasers' participation of ESG training	66.7% coverage in Greater China	100% coverage in Greater China	100% coverage in Asia region	100% coverage group-wide	GRI 308-1、308-2、414-1、414-2、404-2	N/A	SDG 12	Sustainable Governance
	Cumulative amount of recycled materials used with low environmental impact	A total of 23,416 tons of recycled materials has been used since 2021	A total of over 30,000 tons of recycled materials will have been used since 2021	A total of over 40,000 tons of recycled materials will have been used since 2021	A total of over 50,000 tons of recycled materials will have been used since 2021	GRI 301-1	SASB RT-CH-410b.2	SDG 12	Sustainable Governance

Management Approach	Target Item	2025 Performance	Short-Term Targets (2026-2027)	Medium-Term Targets (2028-2030)	Long-Term Targets (2031-2035)	GRI	SASB	SDG	Relevant Chapter
Business performance	Optimize global resource allocation to enhance enterprise competitiveness and financial performance	1.Successfully launched and ramped up four production lines at our new India facility 2.Successfully upgraded the generator at the Ponca plant and implemented a redundancy system, enhancing operational stability 3.Realigned our China strategy by divesting from the Chongqing plant, halting production at the Anshan plant, and reinforcing our dual focus on specialty carbon black and steam sales 4.Our high value-added specialty carbon black is a key growth engine, powering applications in high-demand sectors like conductive plastics, electronic materials, cables, and conductive coatings.	1.Balance global production and sales while optimizing profitability 2.Commence operations at our new plant in Turkey. 3.Improve operational efficiency by ensuring equipment stability at the U.S. plant 4.Designate the Maanshan Plant as a production hub for specialty carbon black. Expand development and commercialization efforts for advanced carbon material applications	1.Flexibly adjust our regional production footprint to navigate market dynamics 2.Accelerate our product portfolio transformation to focus on high-value-added specialty and sustainable carbon blacks.	Steadily drive product upgrades to advance our transformation towards sustainability and high-value solutions, thereby solidifying our core role in the global sustainable supply chain.	GRI 2-6	N/A	SDG 8、9、12	Sustainable Governance
Product responsibility and customer value	Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	0% group-wide	Maintain 0% group-wide	Maintain 0% group-wide	Maintain 0% group-wide and guarantee 100% compliance with local regulations for any newly regulated materials.	GRI 416-1	SASB RT-CH-410a.1	SDG 9、12	Product Responsibility
	Percentage of sites covered by product life cycle assessment	The Life Cycle Assessment (LCA) has been completed for our two U.S. plants, Taiwan's Linyuan Advanced Plant, and the CCET Plant in India, achieving a group-wide coverage of 57%.	Over 30% completion across the entire group	Over 60% completion across the entire group	Over 100% completion across the entire group	GRI 416-1	SASB RT-CH-410a.1	SDG 12	Environmental Sustainability
	Annual customer satisfaction survey results	9.07 points for entire group	Above 8.5 points for entire group	Above 9.0 points for entire group	Above 9.5 points for entire group	GRI 2-29	N/A	SDG 9	Product Responsibility
	Proportion of revenue from green products Note	1% group-wide	Increase to above 2% group-wide	Increase to above 4% group-wide	Increase to above 6.5% group-wide	GRI 2-6	SASB RT-CH-410a.1	SDG 9、12	Product Responsibility

Note: The definition of our green products has been updated to align with the Group's strategic development. The former definition covered products that are environmentally friendly and enhance application efficiency, such as the LH/CC/EREBOS/Low PAHs series. The latest definition now targets high-performance, energy-efficient, and low-carbon products, encompassing the LH/CC/T/JE/SP/CNT/EREBOS series.



Management Approach	Target Item	2025 Performance	Short-Term Targets (2026-2027)	Medium-Term Targets (2028-2030)	Long-Term Targets (2031-2035)	GRI	SASB	SDG	Relevant Chapter
Energy management	Energy intensity (GJ/t)	75 GJ/ton for the entire group, marking a 3.8% reduction compared to 2024	Decrease 1% compared to last year for the entire group	Decrease 1% compared to last year for the entire group	Decrease 1% compared to last year for the entire group	GRI 302-3、302-4	SASB RT-CH-130a.1	SDG 7	Environmental Sustainability
	Percentage of self-generated energy	29% for the entire group	Achieve above 25% for the entire group	Achieve above 30% for the entire group	Achieve above 35% for the entire group	GRI 302-1	SASB RT-CH-130a.1	SDG 12	Environmental Sustainability
	Percentage of renewable energy used	0.97% for the entire group	Achieve to 1% for the entire group	Achieve to 3% for the entire group	Achieve to 7% for the entire group	GRI 302-1、302-4	SASB RT-CH-130a.1	SDG 7	Environmental Sustainability
Greenhouse gas emissions reduction	Greenhouse gas emissions(Scopes 1&2)	The intensity for group-wide emission intensity was 2.67 tCO2e/t	The intensity in 2027 will be reduced by 1.3% compared to 2018, bringing it down to 2.53 tCO2e/t	The intensity in 2030 will be reduced by 12% compared to 2018, bringing it down to 2.25 tCO2e/t	The entire group is continuously moving towards net zero by 2050.	GRI 305-1、305-2、305-4、305-5	SASB RT-CH-110a.1&2	SDG 13	Environmental Sustainability
Air pollution prevention and control	SOx emission intensity	The Group achieved an emission intensity of 1.73 kg/ton, outperforming the legal standard by 85%.	Outperforming regulatory standards by over 45%	Outperforming regulatory standards by over 55%	Outperforming regulatory standards by over 65%	GRI 305-7	SASB RT-CH-120a.1	SDG 3、11、12	Environmental Sustainability
	NOx emission intensity	The Group achieved an emission intensity of 1.22 kg/ton, outperforming the legal standard by 58%.	Outperforming regulatory standards by over 45%	Outperforming regulatory standards by over 55%	Outperforming regulatory standards by over 65%	GRI 305-7	SASB RT-CH-120a.1	SDG 3、11、12	Environmental Sustainability
	TSP emission intensity	The Group achieved an emission intensity of 0.25 kg/ton, outperforming the legal standard by 68%.	Outperforming regulatory standards by over 45%	Outperforming regulatory standards by over 55%	Outperforming regulatory standards by over 65%	GRI 305-7	SASB RT-CH-120a.1	SDG 3、11、12	Environmental Sustainability
Water management	Wastewater discharge compliance	100% compliance with local regulations group-wide	100% compliance with local regulations group-wide	100% compliance with local regulations group-wide	100% compliance with local regulations group-wide	GRI 303-2、303-4	SASB RT-CH-140a.2	SDG 6、12	Environmental Sustainability
	Wastewater recovery rate	99.7% recovery rate group-wide	Over 85% recovery rate group-wide	Over 90% recovery rate group-wide	Over 95% recovery rate group-wide	GRI 303-3、303-5	SASB RT-CH-140a.1	SDG 6	Environmental Sustainability
	Water use intensity for carbon black production (m^3/t)	4.56 m^3/t intensity group-wide	Intensity below 4.7 m^3/t group-wide	Intensity below 4.6 m^3/t group-wide	Intensity below 4.5 m^3/t group-wide	GRI 303-5	SASB RT-CH-140a.1	SDG 6	Environmental Sustainability
Waste management	Waste recycling rate	74.3% group-wide	Over 80% group-wide	Over 85% group-wide	Over 90% group-wide	GRI 306-2、306-4	ASB RT-CH-150a.1	SDG 11、12	Environmental Sustainability



Management Approach	Target Item	2025 Performance	Short-Term Targets (2026-2027)	Medium-Term Targets (2028-2030)	Long-Term Targets (2031-2035)	GRI	SASB	SDG	Relevant Chapter
Talent capital and workplace inclusivity	Number of complaints regarding child labor/forced labor/ discrimination in hiring/harassment	0 cases group-wide	0 cases group-wide	0 cases group-wide	0 cases group-wide	GRI 406-1、408-1、409-1	N/A	SDG 5、8、10、16	Diversity & Inclusion
	The percentage of plants covered with employee forums	71% group-wide	Over 65% group-wide	Over 80% group-wide	100% group-wide	GRI 2-29、2-30	N/A	SDG 8、16	Diversity & Inclusion
	The percentage of plants covered with employee personal development training	43% plants across the entire group	Over 30% plants across the entire group	Over 50% plants across the entire group	Over 60% plants across the entire group	GRI 404-2	N/A	SDG 4、8	Diversity & Inclusion
	Annual average training hour per employee	12.35 hours across the entire group	Over 10 hours across the entire group	Over 15 hours across the entire group	Over 20 hours across the entire group	GRI 404-1	N/A	SDG 4	Diversity & Inclusion
	Coverage rate of employee benefits	100% group-wide	Maintain 100% group-wide	Maintain 100% group-wide	Maintain 100% group-wide	GRI 401-2	N/A	SDG 3、8、10	Diversity & Inclusion
Occupational safety and health	Disabling injury frequency rate(FR)	4.25 across the entire group	Decrease to below 3.0 across the entire group	Decrease to below 2.5 across the entire group	Decrease to below 2.0 across the entire group	GRI 403-9	SASB RT-CH-320a.1	SDG 8	Diversity & Inclusion
	Disabling injury severity rate(SR)	195.26 across the entire group	Decrease to below 250 across the entire group	Decrease to below 200 across the entire group	Decrease to below 100 across the entire group	GRI 403-9	SASB RT-CH-320a.1	SDG 8	Diversity & Inclusion
	Hazard notification to contractors before entering the plant	100% group-wide	Maintain 100% group-wide	Maintain 100% group-wide	Maintain 100% group-wide	GRI 403-5、403-7	SASB RT-CH-320a.2	SDG 8	Diversity & Inclusion
Community Inclusion	Cumulative investment in community initiatives	Since 2021, the Group has cumulatively invested NTD 17.52 million in community initiatives.	The Group has planned to invest over NTD 15 million in community initiatives cumulatively since 2021.	The Group has planned to invest over NTD 17 million in community initiatives cumulatively since 2021.	The Group has planned to invest over NTD 20 million in community initiatives cumulatively since 2021.	GRI 201-1、413-1	SASB RT-CH-210a.1	SDG 1、4、17	Diversity & Inclusion
	Cumulative number of people reached through community initiatives	Since 2021, the Group has cumulatively reached 26,571 people in community initiatives.	The Group has planned to reach 26,000 people in community initiatives, since 2021.	The Group has planned to reach 30,000 people in community initiatives, since 2021.	The Group has planned to reach 35,000 people in community initiatives, since 2021.	GRI 413-1	SASB RT-CH-210a.1	SDG 1、4、17	Diversity & Inclusion



2025 Recognition and Award





EcoVadis Silver Medal

2025 4th Asia-Pacific Sustainability Action Awards

- SDG03 Low-carbon black: A Pioneer in Transformation-Gold
- SDG04 Carbon Black Science Experiment Tour Promotion-Bronze
- SDG06 Eco-circular carbon black, Leading Sustainability -Gold

2025 5th Taiwan Sustainability Action Awards

- SDG03 Low Carbon black: A Pioneer in Transformation-Gold
- SDG04 Carbon Black Science Experiment Tour Promotion - Bronze
- SDG06 Eco-circular carbon black, Leading Sustainability-Sliver

2025 TCSA Taiwan Corporate Sustainability Award

- Corporate Sustainability Reporting Awards- Gold
- Corporate Comprehensive Performance- Taiwan's Excellent Sustainable Company

2025 GCSA Global Corporate Sustainability Award

- Sustainability Reporting Award - Bronze Class

Alignment with UN Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING

1. Each of our sites, in compliance with local regulations, has strengthened its chemical management procedures, personnel training, and product labeling. P.149-150
2. The Linyuan Advanced Plant has implemented Process Safety Management (PSM), leveraging the PDCA cycle to continuously enhance operational safety. P.147

4 QUALITY EDUCATION

1. By enhancing our HR policies and organizational structure, and by providing diverse training programs tailored to all employee levels, we achievedwe achieved an average of 12.35 training hours per employee in 2025. P.141
2. CSRC Group invested a total of NTD 3.31 million in community initiatives in 2025. P.164
3. CSRC Group partnered with Tamkang University to organize the "Fun Chemistry with Carbon Black Science Camp", reaching 1,414 students and visiting 20 schools. Through hands-on experiments, the camp introduced young learners to the concepts of the circular economy and the applications of carbon black. P.165
4. In 2025, in Greater China, CSRC Group invested NTD 192,000 to support tutoring programs and provided scholarships, benefiting 276 students. P.165

6 CLEAN WATER AND SANITATION

1. All our production sites are equipped with wastewater treatment facilities, ensuring that all discharged process wastewater is fully compliant with local regulatory standards. P.110-111
2. Our CCIPL Plant in India invested in restoring a local pond and installing a rainwater harvesting system to enhance local water resources and the community environment. P.164

7 AFFORDABLE AND CLEAN ENERGY

1. Linyuan Advanced Plant utilizes smart meters to enhance the energy efficiency of its equipment. P.43
2. Maanshan Plant in China achieved annual electricity savings of 59,962 kWh by optimizing the selection of its rotating equipment. P.93
3. The CCIPL Plant in India upgraded its motors to high-efficiency models, resulting in annual electricity savings of 54,384 kWh and delivering both economic and carbon reduction benefits. P.93

8 DECENT WORK AND ECONOMIC GROWTH

1. To incentivize innovation, we have established a patent reward system. In 2025, we have rewarded 4 employees for 4 granted patents. P.69
2. We maintain a zero-tolerance policy for child labor and forced labor, supported by robust prevention and remediation procedures that span our internal operations and supply chain. As a result, we achieved a zero-incident record during the reporting period. P.125
3. In 2025, 93.6100% of our contracted suppliers in Greater China have signed our Commitment to Corporate Social Responsibility, which explicitly prohibits child labor. P.57-58
4. We delivered a total of 7,344.2 hours of Occupational Health and Safety training for our employees, contractors, and logistics partners, engaging a total of 2,802 participants. P.151-152

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

1. In 2025, we dedicated 161 million NTD dollars for R&D, to drive new products and talents innovation. P.69

10 REDUCED INEQUALITIES

1. Annually conduct surveys of external salary markets, as well as considering personal performance and ability to ensure salary structure to have market competitiveness and advantages. P.133

11 SUSTAINABLE CITIES AND COMMUNITIES

1. Following the installation of desulfurization and denitrification systems across our Greater China operations, the Linyuan Advanced Plant has successfully reduced its NOx emissions by 69.962 metric tons. P.85
2. Our ongoing transition from paper bag packaging to PE soluble bags has resulted in an annual reduction of 626 metric tons of paper waste. P.114
3. We ensure all waste is handled by qualified vendors in compliance with regulations. Concurrently, by promoting cleaner production and resource recycling, we achieved a 74.474.3% waste recycling rate in 2025. P.112-113
4. Deepening its commitment to the local community, the Linyuan Advanced Plant invested over NTD 700,000 to sponsor temple festivals and community events. This initiative supports the preservation of cultural heritage and fosters neighborhood engagement. P.165
5. In support of local cultural development, our CCIPL Plant in India funded the restoration of a local temple. P.165

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

1. Adopt a carbon black cycle model and a new circular economy model as the core of business operations, concurrently, we follow global standards, including GRI and SASB, to disclose our sustainability performance transparently. P.11
2. We are dedicated to maximizing resource efficiency and transforming waste into valuable resources. Key achievements include: Improving raw material usage efficiency and improving the oil yield; Reprocessing 9,106 metric tons of desulfurization gypsum into downstream raw materials for building materials; Substituting fossil fuels with pyrolysis oil recovered from waste tires; Recycling and reusing customers' waste bulk bags and laboratory waste solvents; Replacing single-use wooden pallets with reusable plastic ones. P.114
3. We are advancing our process water recycling technology and collaborating with neighboring plants to recover condensation water. This initiative expands the scope of our water circulation and enhances water use efficiency.
P.109
4. To strengthen our supply chain corporate social responsibility, 93.6100% of our contracted suppliers in Greater China have signed our Code of Conduct for Corporate Social Responsibility in 2025. This commits them to adhere to all legal standards for waste, wastewater, and air emissions. P.57-58

13 CLIMATE ACTION

1. In compliance with TCFD framework, we assess comprehensively climate risks and opportunities while compiling the corresponding strategies to mitigate impacts on operation. P.40-45

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

1. Members of CSRC Group's Board of Directors completed a total of 57 hours of training in corporate governance, risk management, and sustainable development. P.32
2. In 2025, 95% of the group's employees and board members underwent communication and training on business ethics, including issues such as anti-corruption, anti-bribery, anti-money laundering, and fraud prevention. P.52
3. CSRC Group has established a supplier evaluation system to strengthen supply chain management and enhance both supply reliability and product quality. P.60-61
4. 93.6100% contracted suppliers in Greater China have received communication of the company's anti-corruption policy and procedures and signed the Integrity Clause. P.57-58
5. Demonstrating its concrete commitment to community safety, our CCIPL plant in India invested approximately INR 300,000 to renovate a local police station. P.165

Stakeholder Engagement & Materiality Analysis GRI 2-29

CSRC identifies stakeholders and discloses specific topics in accordance with the AA1000 Stakeholder Engagement Standard (AA1000 SES), while considering external entities that are regular counterparties and important to the Company’ s daily operations and determining the key stakeholders, including customers, employees, shareholders/investors, suppliers/contractors, government agencies, and neighboring communities, as the Company’ s six major parties to engage.

Stakeholders and Material Topic Identification Process GRI 3-1

CSRC conducted an analysis of material topics through the materiality identification process in the GRI Standards 2021. Through the process of identification, analysis, and confirmation, we determined 16 material topics out of 25 sustainability issues selected. From there, we set sustainability targets and regularly review related implementation and effectiveness through internal performance indicator checks and comparison with competitors, thereby enhancing management and supervision.

	Procedure	Results
01	Identify stakeholders Key stakeholders are identified through an internal survey completed by representatives from each department. This process helps assess the significance of each stakeholder’ s relations with the company.	Six categories of key stakeholders: Customers, Employee, Shareholder/Investors, Suppliers/ Contractors, Government, Neighboring communities
02	Identify sustainability impact topics Based on industry characteristics, society status, sustainability development trend, international competitors’ approaches, consolidate the relevant sustainability issue for CSRC group.	Sustainability issues are consolidated under 25 topics
03	Assess the significance of the impacts 1. Publish questionnaires to internal and external stakeholders; understand impact level from sustainability issues on external economy, environment and people (including human rights) landscapes 2. Department heads evaluate the significance of each topic’ s impact on the company’ s operations.	A total of 261 valid surveys from stakeholders A total of 15 valid surveys from department leads
04	Conduct materiality analysis Consolidate internal and external survey results to create and prioritize material topics bar charts. Concurrently, the results are reviewed by the internal ESG team to determine the material topics.	Following a prioritization process, we determined top 15 material topics. In addition, "supply chain management" is included as a new topic to reflect the emphasis on sustainable supply chain from customers and industries, resulting in a final list of 16 material topics.
05	Determine material topics Present 16 material topics to the Board of Directors.	Presentation to the Board of Directors for review of sustainability relevance and completeness
06	Sustainability information collection and disclosure 1. Collect information on 16 identified material topics and disclose our management approach according to the GRI Standards. 2. Disclose relevant actions and performance related to other non-material topics in the sustainability report	Present the completed sustainability report to the Board of Directors while the areas for improvement are then reviewed and integrated into future corporate management goals.

Material Topics Results of CSRC Group GRI 3-2



Note: Evaluation scores are sorted by the aggregation of positive and negative scores from both internal and external assessments. The top 15 topics from this ranking, combined with 'Supply Chain Management' (it indicates an international critical issue and corporate area of focus), bringing to the final list of 16 material topics for 2025.

Governance (G)
- Business performance
- Integrity
- Supply chain management

Products (P)
- Product quality and safety
- Customer relationship management

Environment (E)
- Energy
- Greenhouse gas emission
- Climate change
- Water consumption and effluent
- Air quality
- Waste

Society (S)
- Employee recruitment and retaintion
- Labor-Management Communication
- Occupational safety and health
- Employee wealthfare and salary
- Community inclusion

Adjustments to Material Topics

Adjustment reason	Description
Sustainability topic revision	To ensure stakeholders to evaluate material topics thoroughly and deeply, the original “Sustainable supply chain management” is spitted into “Supply chain management”, “Procurement”, “Raw material usage”; for the product aspect, there’re additional “Innovative research and development”, “Marketing and labelling”, “Customer relationship management”; for the society aspect, there’re additional “Labor-Management Communication”, “Employee benefits and salary.”
Sustainability topics removal	The topic “Circular Economy” has been removed, as its key aspects are now addressed within the material topics of “Energy,””Waste ,” and “Product and Service Innovation.” “Biodiversity” has been removed from material topics because our production sites are located in industrial parks, which are not considered areas of high biodiversity value. However, relevant information on this topic is still disclosed in the report.
Materiality topics adjustment	After analyzing each sustainability topic’s impact by their materiality, the topics “Product quality and safety”, “Customer relationship management”, “Employee recruitment and retention”, “Labor-Management Communication”, “Employee benefits and salary”, and “Community inclusion” are included in 2025. Excluding “Product and Service innovation”, “Circular economy”, “Information security management and Customer privacy”, and “Talent training and development”.

Stakeholder engagement

CSRC discloses information in an open and transparent manner and over multiple communication channels. Through communication and mutual interaction with stakeholders, the Company can receive information and give feedback, ensuring that both parties can communicate effectively and enjoy a favorable dialogue. In order to accumulate and continue to make progress in communication and interaction, we have designed a communication and evaluation mechanism for stakeholders and have focused on issue management procedures. By evaluating the goals and results of communication with stakeholders, the opinions from different stakeholders are all properly recorded and managed to achieve the expected cmunication results.

Stakeholders	Importance of stakeholders to CSRC	Issue of concern	Communication method and frequency	Communication performance in 2025	Reflection and response
Customers	They are stakeholders with the most influence on CSRC's product development and manufacturing, and they pay attention to the trends of economic, environmental, and social issues related to the Company.	Business performance Integrity Product quality and safety Labor-Management Communication Energy	• Customer service email(anytime) • Phone contact(weekly) • Visits by sales staff(monthly) • Customer satisfaction surveys(annually)	• The Group average customer satisfaction score reached 9.07 points.	• We continuously provide stable quality products with excellent service and smooth communication, complying with relevant operational regulations and environmental laws at our operating locations, to create favorable conditions for long-term cooperation with our customers.
Employees	Our colleagues stand as the Company's most important asset, and we provide them with comprehensive welfare and care as well as settings and opportunities for living up to their self-worth. This is important key to continued growth for CSRC.	Business performance Customer relationship management Air quality Integrity Employee benefits and salary	• Employee feedback mailbox(anytime) • Sexual harassment complaint hotline and mailbox (anytime) • Convene Pension Supervision Committee(quarterly) • Convene Labor-management conference(quarterly) • Convene Employee Welfare Committee(periodically) • Conduct education and training(periodically)	• Employees’ average annual training hours have reached 12.35 hours • The number of sexual harassment complaints by phone or email was zero • The Group completed 100% of its performance appraisals. • Periodically convening Pension Supervision Committee, the Employee Welfare Committee, and labor-management conferences • The average employee engagement survey findings in Greater China and India reached 80.4 points	• We review the effectiveness of education and training, hoping that employees can grow together with the Company. Meanwhile, we regularly review the remuneration offered and other benefit policies to provide employees with competitive tangible incentives. • We conduct Town Hall Meetings where senior leadership directly communicates the company's strategic direction. These sessions, along with effective feedback mechanisms, ensure organizational alignment and shared objectives across all levels.

Stakeholders	Importance of stakeholders to CSRC	Issue of concern	Communication method and frequency	Communication performance in 2025	Reflection and response
Shareholders/ Investors	Opinions and suggestions of investors/shareholders also constitute an important reference index for the management team to make operational decisions.	Business performance Integrity Greenhouse gas emission Energy Customer relationship management	• Hold shareholders meeting(annually) • Issue annual report (annually) • Hold investor conference (annually) • Hold meetings with institutional investors (as needed) • Issue financial statements (quarterly) • Market Observation Post System (as needed) • Investor mailbox (as needed) • Company's official website (as needed)	• Convened 1 Annual Shareholder's meeting, 8 Board of Directors meetings, and 1 investors' conference, at which we provided investors with information on market conditions, future trends, growth strategies, and profitability. • CSRC also has the Investor Relations Department in place to communicate with investors. It responded to all calls and emails from investors in 2025.	• We regularly hold large investor conferences and small seminars to disclose the business operations to investors. Meanwhile, we have a responsible department to respond to investors' opinions and questions to enhance bilateral exchanges and interactions. In the future, CSRC will increase the frequency of communication with investors, improving information transparency and disclosing important Company information.
Suppliers/ Contractors	Good suppliers/contractors can provide reliable supplies and services. This in turn allows CSRC to enjoy stable production operations, creating the most favorable business performance.	Integrity Energy Raw material usage Product quality and safety Customer relationship management	• Supplier management system (as needed) • Supplier bid invitation meetings (as needed) • Supplier field evaluations (as needed) • Pre-construction work safety meetings (as needed) • Supplier strategic alliances (as needed)	• We completed evaluations of 313 suppliers in Asia region. • We regularly hold safety seminars and related education and training courses for suppliers and contractors.	• In-depth cooperation with capable suppliers/contractors that are experts in their fields, jointly developing materials and establishing strategic partnerships.
Neighboring communities	The living environments of neighboring communities may be affected by the operational activities of our plants. Therefore, we pay considerable attention to implementation results from environmental protection measures in the area around the plant.	Waste Integrity Water consumption and effluent Air quality Community inclusion	• Sponsor community charity activities (as needed) • Resident complaint channel (as needed) • Undertake visits or phone contact (as needed)	• We donated a total of NT$3.308 million to social charity, including enhancing community inclusiveness, fostering students' education, including Cement Academy and Fun Chemistry with Carbon Black Science Camp as well as improving community surroundings.	• Through diverse bilateral communication and exchanges, we can foster closer relationships between CSRC and neighboring communities. These efforts can also let communities understand our operational efforts as well as our dedication to environmental protection.
Government agencies	Promotion of various policies or formulation/modification of regulations may affect the operations of CSRC.	Greenhouse gas emission Community inclusion Integrity Climate change Energy	• Hold shareholders meeting (annually) • Hold investor's conference (annually) • Cooperate with relevant review and audit operations (quarterly) • Market Observation Post System (as needed) • Participate in publicity meetings and seminars (quarterly) • Declare various types of tax information (monthly) • Pollution prevention and control meeting (every two months)	• We held one shareholders' meeting and one investor conference • We participated in labor-related seminars or awareness-raising sessions hosted by the government 16 times. • We participated in finance and accounting-related seminars or awareness-raising sessions hosted by the government 2 times. • We participated in environment and safety-related seminars or awareness raising sessions hosted by the government 55 times.	• The Company keeps abreast of the latest information on applicable laws and regulations, actively cooperates with the policies launched by competent authorities, and complies with various regulations and operational requirements in accordance with existing laws and regulations and the requirements of competent authorities. Actively participate in various meetings, understand the causes of external problems, learn from experience, and put preventative measures in place.



Contact and Complaint Channel GRI 2-13

The Company has established a comprehensive complaint and reporting mechanism. This system covers a wide range of issues, including business integrity and anti-corruption, information security, product and service quality, environmental concerns, and labor and human rights. Dedicated departments are assigned to handle the intake, investigation, and resolution of issues based on their specific nature. Stakeholders may raise concerns or report issues through various channels, including email, written correspondence, in-person communication, or existing customer complaint and grievance mechanisms.
Upon receipt, the designated departments will follow established procedures to confirm, investigate, and coordinate a cross-departmental response. Issues may be escalated to the Board of Directors or senior management as necessary. All cases are documented and archived in strict accordance with internal protocols, and confidentiality is maintained to protect the rights of whistleblowers and complainants. This process ensures that all matters are addressed and resolved within a reasonable timeframe.

Integrity Management and Anti-Corruption

Handling Procedure

1. The whistleblower can make a named report or anonymous report, through email reporting, writing reports, or on-site reporting. The Audit Office is dedicated to conducting investigations and cooperating with other relevant departments.
2. After the conclusion, the result and improvement measures will be reported to the Board of Directors, while the whistleblowing reporting will be kept properly for more than 5 years, to protect the whistleblower rights.

Reporting and Compliant Channels

1. Email reporting
mp.buster@csrcgroup.com

2. Written reporting： Audit Office, International CSRC Investment Holdings Co., Ltd., 8F., No. 113, Section 2, Zhongshan North Road, Zhongshan District, Taipei City

3. On-site reporting department：The receiving department is the Audit Office of CSRC

Information Security

Handling Procedure

1. All internal and external stakeholders can report to the Group Information Security Reporting and Complaint Mechanism Email if they find related information security issues.
2. An Information Security Management Task Force will report information security issues to the Information Security Management Committee and hold regular meetings to review the implementation status and report the implementation status and review to the Board of Directors annually.

Reporting and Compliant Channels

Group Information Security Reporting and Complaint Mechanism Email:
service@tcci.com.tw

Products

Handling Procedure

1. After sales receive a customer complaint, a customer complaint case handling sheet will be created and informed to plants.
2. Plants will delegate inspection members to analyze the causes of customer complaint while reporting to customers.
3. Drive internal improvement based on the analysis of customer complaints, and these topics are subjected to periodical reviews to ensure products' effectiveness.

Reporting and Compliant Channels

1. A customer makes a verbal complaint to a sales representative
2. A customer sends a complaint via email to a sales representative

Environment

Handling Procedure

1. The plant receives a stakeholder complaint or grievance.
2. The complaint is escalated to relevant factory units for investigation and verification. If the problem is confirmed to be the plant's responsibility, immediate corrective action is taken.
3. Updates on the resolution process to both stakeholder and relevant management, with continuous follow-up as needed.

Reporting and Compliant Channels

Environmental, Health and Safety (EHS) Departments on production sites

Employees and human rights

Handling Procedure

1. Upon receipt of a complaint, the HR department reviews it and escalates to the Grievance Review Committee and convene the dedicated Complaint Investigation Task Force to investigate.
2. Based on the investigation results, the Committee makes informed decisions. If necessary, this includes imposing disciplinary action on the responsible individual or adopting remedy measures.
3. Strict confidentiality is maintained throughout the entire process to protect the privacy of all involved parties. The case is targeted for conclusion within a two-month timeframe. The complainant has the right to file one appeal within seven days of receiving notification of the decision.

Reporting and Compliant Channels

1. Complaint handling unit: HR Department
2. Email reporting:
csrc_hr@csrcgroup.com

Sustainable Governance

★2025 Performance Highlights

12th Corporate Governance Evaluation
Maintained among listed companies

6% - 20%

Supplemented within
the Board of Directors

Risk Management Committee

Nomination Committee

The Board of Directors approved

Risk Management Policy

Personal Data Protection and Management Policy

Customer Rights Protection Policy

Environmental Protection Policy

Advocated in partnership with
Taiwan Responsible Care
Association

Responsible Care Global Charter

Concerning business
ethics & customer privacy

0 Complaints received

Suppliers ESG Risk Management System

was introduced to reinforce
supply chain management

United Nations Sustainable Development Goals



Sustainable Development System	SDGs 12.6 SDGs 16.6、16.7 SDGs 17.16、17.17
Risk Management System	SDGs 8.3 SDGs 9.5 SDGs 12.6 SDGs 13.3 SDGs 16.6 SDGs 17.17
Ethical Management	SDGs 16.5
Sustainable Supply Chain Management	SDGs 8.7 SDGs 12.4、12.5、12.7 SDGs 16.5
Business Performance	SDGs 8.3 SDGs 9.4 SDGs 12.6

Management Approach- Information Security Management and Customer Privacy

Policy and Promises

To build a trustworthy digital operating environment, we are committed to protecting the confidentiality, integrity, and availability of our information assets and personal data. Adhering to international standards such as ISO 27001, we adopt a risk-based approach to establish a multi-layered, defense-in-depth security architecture that spans from the network and systems down to the endpoint devices.
Regarding customer privacy, we strictly adhere to the principles of lawfulness, purpose limitation, and data minimization in our collection practices. Through comprehensive security awareness training for all employees and a robust incident response plan, we ensure that customer data is rigorously protected throughout its entire lifecycle.

Impact Description

Negative

Lapses in cybersecurity can lead to significant operational disruptions. Cyberattacks could result in the theft of core intellectual property (IP), such as product formulas and process parameters. Furthermore, they could cripple our Industrial Control Systems (ICS), leading to production line shutdowns or industrial safety incidents. Moreover, a breach of customer data would erode trust, trigger regulatory fines and litigation, and severely damage our corporate reputation and market competitiveness.

Positive

Excellence in cybersecurity and privacy protection is the cornerstone of earning trust in the digital age. By establishing a resilient security framework compliant with international standards, we can effectively safeguard our core R&D achievements and ensure the stability of our production systems. This not only strengthens our position as a reliable partner to our customers and within our supply chain, but also enhances our professional brand image.

Responsible Unit

【Responsible Unit】
1. Strategic decision making and promoting: Information Security Management Committee
2. Planning and execution: CIO and Information Security Team
3. Routine collaboration and implementation: Business implementers and all employees

【Supervisory Unit】
Board of Directors

Action Plan

To effectively manage cybersecurity and privacy risks, we have built a multi-layered defense architecture based on the ISO 27001 international standard framework:

1.Strengthening Governance and Risk Management: Led by our Information Security Committee and Chief Information Security Officer (CISO), who report regularly to the Board of Directors. We conduct annual risk assessments, vulnerability scans, and internal/external audits, adopting a risk-based approach to continuously optimize our security strategies.
2. Deploying Defense-in-Depth Technology: We implement multi-layered protections from the network perimeter to endpoints, including firewalls, intrusion detection systems (IDS), and malicious connection monitoring. Through strict access control and privilege management, we safeguard core information assets such as R&D data and process control systems.
3. Implementing Robust Process Controls and Incident Response: We have established comprehensive data lifecycle management and security incident response procedures. To ensure business continuity, all core systems are backed up at off-site locations, and we conduct annual disaster recovery drills.
4. Fostering a Strong Security Culture: Cybersecurity and personal data protection are mandatory annual training courses for all employees. We also conduct regular social engineering simulations to internalize security awareness into routine habits, creating a robust first line of defense.

Evaluation of Effectiveness

To ensure the effectiveness of our cybersecurity and privacy protection, we have established an evaluation framework that combines management review with technical validation.

1. **Management Oversight and Independent Verification:** Our Information Security Committee conducts regular reviews of all security policies and standards. Annually, we undergo both internal and external audits, as well as penetration testing, to assess our defense posture through real-world attack simulations.
2. **Quantitative Performance Tracking:** We set specific targets and continuously monitor key performance indicators (KPIs), including our vulnerability remediation rate, the number of major security incidents (Target: 0), and the success rate of our disaster recovery drills. Continuous Improvement Cycle: Based on assessment results and the latest threat intelligence, we dynamically optimize our security strategies, thus creating a closed-loop management cycle.

Stakeholder Communication and Engagement

To ensure timely responses to cybersecurity threats and to safeguard personal privacy, we have established multiple channels for reporting and grievance:

1. **Internal Reporting and Whistleblowing:** We encourage employees to proactively report any security concerns to their direct supervisors or the Information Security Team (service@tcci.com.tw). For sensitive issues, employees can utilize the company's anonymous grievance system. All reports are handled with strict confidentiality and are protected by our non-retaliation policy.
2. **External Communication and Grievance:** We provide clear contact channels on our official website for customers to exercise their data subject rights (e.g., access, deletion). Additionally, we welcome external security researchers to report potential system vulnerabilities to our designated security email address.
3. **Handling Procedure:** All reports and grievances are assessed and responded to by our dedicated Information Security Team in accordance with standard operating procedures (SOPs). In the event of a major incident, the incident response plan is immediately activated, and senior management is notified.

Management Approach- Integrity

Related to Material Topic: Integrity

Policy and Promises

To be a trusted and sustainable chemical enterprise, we are committed to upholding the highest ethical standards and fostering a corporate culture of integrity and transparency.
We maintain a zero-tolerance policy towards all forms of corruption, bribery, conflicts of interest, fraud, money laundering, and improper business practices. This policy extends to all our employees, suppliers, and business partners.
With robust governance as our cornerstone, we are dedicated to creating sustainable value for and with all our stakeholders.

Impact Description

Negative

A failure to uphold business integrity poses a significant threat to our operations. Any form of illegal conduct can expose the company to substantial operational risks. Furthermore, consequences such as regulatory fines, diminished investor confidence, the loss of key customers, and damage to our brand reputation can directly impact our financial performance and market position, ultimately eroding the very foundation of our sustainable development.

Positive

Upholding business integrity is our core strategy for earning trust and creating value. By establishing transparent governance and a culture of integrity, we can strengthen our operational resilience, attract long-term, sustainability-focused investment, and position ourselves as a low-risk partner of choice for international clients. This not only enhances our corporate valuation and market competitiveness but also enables us to attract and retain top talent, ultimately building a safe, innovative, and sustainable chemical enterprise.

Responsible Unit

【Responsible Unit】
1. Planning and promoting: Governance Unit (Corporate Sustainability Committee- Integrity Governance Working Group)
2. Independent investigation and audit: Audit Department
3. Routine execution and culture building: Human Resource Department and all business implementers

【Supervisory Unit】
Board of Directors and Audit Committee

Action Plan

To implement our commitment to business integrity, we have embedded our zero-tolerance policy into our corporate culture through a systematic action plan:

1. Implementing Robust Governance and Risk Assessment： We conduct annual business integrity risk assessments to identify high-risk operational areas and develop corresponding mitigation strategies.
2. Strengthening Integrity Awareness Across the Organization： We deploy global online training programs and require all suppliers to sign an integrity clause, extending our ethical standards throughout the value chain.
3. Ensuring Whistleblower Protection and Impartial Investigations： We have established independent, diverse, and confidential grievance channels, including an anonymous reporting system. All cases are investigated by the Internal Audit Office following standard procedures. We strictly enforce our whistleblower protection policy to guarantee a fair and unbiased response.
4. Enhancing Audit Oversight and Continuous Improvement： Our internal audit function incorporates corruption red flags into its audit plans, tailored to the scale of each plant and project progress. The audit results and the effectiveness of our integrity program are reported regularly to the Board of Directors to facilitate continuous improvement of our management approach.

Evaluation of Effectiveness

To ensure the effective implementation of our business integrity policy, we have established a proactive, multi-layered evaluation framework. The performance of this framework is reported annually to the Board of Directors.

1. Independent Audit and Board Oversight： The Internal Audit Office reports on the implementation status of our business integrity policy and anti-fraud measures to the Audit Committee and the Board of Directors at least annually.
2. Annual Management Review： Each year, we review key performance indicators (KPIs) to assess the effectiveness of our management approach. These KPIs include the completion rate of employee training, the signing rate of supplier integrity clauses, and an analysis of whistleblowing case trends.
3.Rigorous Case Handling Process： We have established clear timelines for handling reported cases. The Internal Audit Office leads all investigations, and the findings from these assessments and verifications are reported directly to the Chairman of the Board.
4. Continuous Improvement Cycle： Annually, we complete an 'Internal Audit Non-conformity Improvement Report.' The findings are used to review and optimize the following year's action plan, creating a closed-loop management cycle for continuous improvement. This ensures that our culture of integrity remains deeply embedded in all business operations.

Stakeholder Communication and Engagement

To uphold our corporate reputation and protect the rights of our stakeholders, we have established a 'Whistleblowing System for Unethical Conduct.' This system provides a trustworthy grievance mechanism with clearly defined roles and responsibilities:

1. Diverse and Confidential Reporting Channels： We offer multiple reporting channels, including a dedicated email address (mp.buster@csrcgroup.com) managed directly by the Internal Audit Office, as well as options for written and in-person submissions. Anonymous reports are explicitly accepted. Access to all case information is strictly restricted to ensure the highest level of confidentiality throughout the process.
2.Whistleblower Protection and Incentives： We protect whistleblowers acting in good faith from any form of unfair treatment or retaliation. To actively foster a culture of integrity, we have also established a whistleblower reward program.
3. Independent Investigation and Continuous Improvement Cycle： All cases are independently investigated by the Internal Audit Office in accordance with standard procedures. For substantiated cases, the findings and corrective actions are reported to the Board of Directors. These outcomes are then used to review and enhance our internal control processes to prevent recurrence, creating a closed-loop cycle of continuous improvement.

Management Approach- Sustainable Supply Chain Management

Related to Material Topic: Supply Chain Management

Policy and Promises

We are committed to building a sustainable value chain that is transparent, accountable, and founded on the principle of shared prosperity. We integrate Environmental, Social, and Governance (ESG) criteria into the entire supplier lifecycle, from selection and evaluation to ongoing partnership.
All key suppliers are required to sign our 'CSR Code of Conduct' and 'Integrity Clause.' Through regular ESG assessments and on-site audits, we ensure our partners comply with our standards on human rights, environmental protection, and business ethics.
Our approach goes beyond simply imposing requirements. We are dedicated to forming strategic alliances with our suppliers to jointly develop circular economy solutions, driving the sustainable transformation of the entire value chain.

Impact Description

Negative

A failure to effectively manage ESG risks within our supply chain exposes the company to the dual threats of operational disruption and reputational damage. A shutdown at any key supplier due to environmental or human rights issues could trigger disruptions in our raw material supply, jeopardizing production stability. Furthermore, adverse events in the supply chain can tarnish our brand image and undermine our market competitiveness if we fail to meet customers' sustainability requirements.

Positive

Excellence in sustainable supply chain management is the cornerstone of enhancing our operational resilience and customer trust. By partnering with ESG-compliant suppliers, we can build a diverse and stable supplier base, significantly mitigating the risk of supply chain disruptions. A transparent and accountable supply chain not only elevates our brand image but also meets the stringent demands of discerning customers, serving as our 'green passport' to access high-value global markets and create a long-term competitive advantage.

Responsible Unit

【Responsible Unit】
1. Core planning and promoting: Material Department
2. Specialized collaboration and audit: Quality Assurance, Environment, Health, and Safety Department(EHS), and Research and Development Department(R&D)

【Supervisory Unit】
Strategic guidance and supervisory: Corporate Sustainability Committee & Executive level management

Action Plan

To build a transparent, accountable, and resilient sustainable value chain, we have implemented the following key actions:

1. Establishing Sustainable Procurement Guidelines： We require all key suppliers to sign our 'CSR Code of Conduct' and 'Integrity Clause,' which cover environmental protection and human rights. Concurrently, we promote green procurement by prioritizing the use of recycled materials and energy-efficient equipment.
2. Implementing ESG Risk Assessments： We integrate ESG performance criteria into our screening process for new suppliers and our annual supplier performance reviews. For key suppliers, we also conduct on-site audits.
3. Enhancing Organizational Capability and Continuous Improvement： We provide regular sustainable procurement training for our procurement staff to enhance their ability to identify ESG risks. Additionally, we actively participate in international sustainability assessments like EcoVadis to align with global standards and continuously optimize our management systems based on the results.
4. Developing Strategic Partnerships： We are committed to evolving from traditional transactional relationships to value-co-creating partnerships with our suppliers. By forming strategic alliances with key partners, we jointly develop circular economy solutions to achieve shared prosperity.

Evaluation of Effectiveness

To ensure the effectiveness of our sustainable supply chain strategy, we have established an evaluation framework that combines quantitative metrics with audit and verification processes. This framework includes:

1. Regular Review and Risk Management: We systematically review supplier ESG performance during our annual supplier evaluations. High-risk suppliers with poor ratings are required to submit a corrective action plan, and we monitor their progress. This serves as a key basis for our future partnership decisions.
2. Quantitative Key Performance Indicators (KPIs): We track performance across three key dimensions:
(1) Guideline Adoption: Signing rate of the Supplier CSR Code of Conduct; Procurement volume of recycled materials.
(2) Risk Management: ESG screening rate for new suppliers; Completion rate of annual supplier evaluations; On-site audit rate for key suppliers.
(3) Localization: Local procurement ratio while pursuing this goal, we balance it against factors such as market price volatility and cost competitiveness.
3. Internal & External Audits and Transparent Communication: Through internal audits, we ensure our procurement processes comply with internal regulations. We also actively participate in third-party sustainability assessments, such as EcoVadis, to have our management performance externally validated. We regularly disclose these KPIs in our Sustainability Report to maintain transparent communication with our stakeholders.

Stakeholder Communication and Engagement

We are committed to fostering open and trust-based partnerships with our suppliers and provide multiple channels for communication and grievance:

1. Routine Communication and Engagement: We maintain continuous, two-way communication and collaboration with our suppliers regarding sustainability expectations and performance. Key engagement platforms include our 'Supplier CSR Code of Conduct,' annual ESG assessments, and executive-level meetings.
2. Grievance Channel for Unethical Conduct: To ensure fairness and integrity in our procurement process, we provide an independent and confidential 'Business Integrity Grievance Channel.' Suppliers can use this channel to report any suspected instances of solicitation of bribes or unfair treatment by our employees. All such cases are independently investigated by the Internal Audit Office, and the whistleblower's identity is strictly protected.

Management Approach- Business Performance

Related to Material Topic: Business Performance

Policy and Promises

To realize our vision of 'Eco-friendly civilization,' we are dedicated to creating long-term, sustainable business performance. Built upon a foundation of financial stability, we continuously enhance our operational efficiency through a global footprint and a circular economy model. Concurrently, we invest heavily in R&D and innovation to develop green, high-value-added carbon material solutions. This strategy solidifies our market leadership and allows us to create shared value for all our stakeholders.

Impact Description

Negative

A failure to maintain robust business performance would directly undermine our capacity for sustainable development. Ineffective operational strategies could lead to declining profitability, rendering the company unable to fund critical capital expenditures in environmental protection, industrial safety, and R&D, thereby eroding our market competitiveness. Furthermore, a fragile financial position would jeopardize supply chain stability and talent retention, ultimately leading to operational stagnation and value impairment.

Positive

Excellent business performance is the cornerstone of our ability to practice sustainability. Stable profitability and healthy cash flow enable us to continuously invest in green processes, the circular economy, and our global footprint, driving our corporate sustainable transformation. This not only solidifies our technological leadership and deepens relationships with customers and supply chain partners, but also allows us to attract and retain top talent, creating a virtuous cycle of shared prosperity with all our stakeholders.

Responsible Unit

The pursuit of excellence in business performance is a shared responsibility among all employees at CSRC Group. To ensure the effective execution of our strategies, we have established a clear framework of roles and responsibilities:

1. Board of Directors and Senior Management are responsible for formulating the company's long-term strategy and annual objectives, and for overseeing the ultimate performance outcomes.
2. Core units such as Sales, Production, and R&D are the key implementers responsible for driving market expansion, operational optimization, and technological innovation within their respective domains.
3. Support functions like Finance, Human Resources (HR), Procurement, and EHS provide essential resources and administrative support through their professional expertise. They ensure that the company's overall operations are robust and aligned with the principles of sustainable development.

Action Plan

To achieve robust and sustainable business performance, we focus on three core strategies and have implemented the following key actions:

1. Market and Operational Optimization: We expand our market share through our global footprint and agile production-sales coordination. Concurrently, with the circular economy model at our core, we continuously refine our manufacturing processes to enhance energy and resource efficiency, thereby strengthening our cost competitiveness.
2. Innovation and Product Leadership: We maintain a high level of R&D investment, focusing on the development of high-value-added products such as Eco-circular carbon black and advanced carbon materials. We solidify our technological leadership through strategic patent applications.
3. Financial and Risk Management: We conduct rigorous risk assessments for all major capital expenditures and closely monitor market and raw material price volatility. Adhering to the principles of transparent governance, we also maintain regular communication with our investors regarding our operational strategies and performance.

Evaluation of Effectiveness

To ensure the effective execution of our business strategies, we have established an evaluation framework that combines quantitative metrics with multi-layered reviews, with performance outcomes directly linked to compensation. The framework includes:

1. Multi-Level Review and Oversight: Senior management conducts monthly reviews of operational performance and the progress of key projects, with regular reporting to the Board of Directors. The Board, in turn, is responsible for overseeing the company's long-term performance and conducting an annual review and approval of the upcoming year's operational plans and targets.
2. Quantitative Key Performance Indicators (KPIs): We track performance across three key dimensions including Financial aspect (including revenue and profitability), Operational aspect (including production efficiency and plant construction progress) and Sustainability (including carbon emissions and sustainable product R&D).
3. Transparent Communication and Continuous Improvement: We regularly disclose our key KPIs in our Annual Report and Sustainability Report to maintain transparent communication with stakeholders. The achievement against these annual performance targets directly informs the determination of bonuses and profit-sharing, driving continuous improvement across the organization.

Stakeholder Communication and Engagement

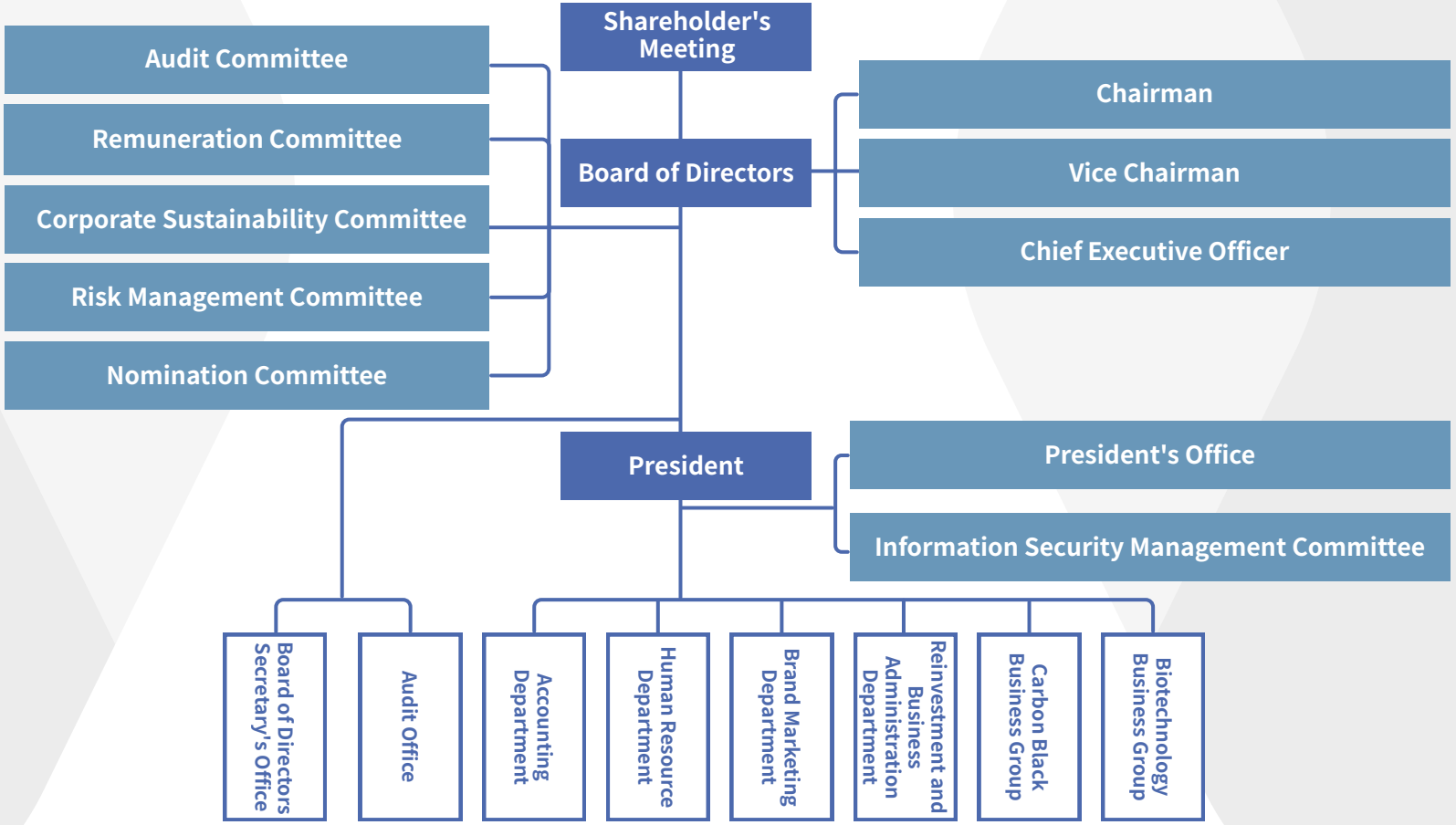
CSRC Group maintains an open and transparent dialogue with its various stakeholders regarding business performance and strategic direction, utilizing a diverse range of communication channels. We engage with investors through institutional investors' conferences, gather internal improvement suggestions via employee town hall meetings, and leverage customer satisfaction surveys and supplier evaluations to continuously optimize our products and supply chain. This stakeholder feedback is a crucial input that informs our pursuit of excellent business performance.

Sustainable Governance GRI 2-9、2-12

CSRC Group's corporate governance structure is led by the Board of Directors, which acts on behalf of shareholders and is responsible for key business decisions. The Board has established two primary functional committees: the Audit Committee and the Remuneration Committee. The Audit Committee oversees the company's financial reporting and internal control systems, while the Remuneration Committee is responsible for establishing, reviewing, and evaluating the compensation policies for directors and executives. Both committees operate in accordance with their respective organizational charters.

To fulfill our commitment to sustainable development, the company established the "Measure for Corporate Sustainability Committee" in 2018. Afterwards, the Board of Directors passed a resolution in December 2023 to elevate this committee to a formal functional committee of the Board. This move aims to strengthen the promotion of corporate sustainability, business integrity, and social responsibility.

Furthermore, to enhance risk governance and the effectiveness of the Board's operations, a resolution was passed at the 11th meeting of the 19th Board of Directors on August 12, 2025, to establish a "Risk Management Committee" and adopt a "Risk Management Policy." This committee, composed of five members with a majority being independent directors, serves as the highest decision-making and oversight body for risk management under the Board. On the same day, the Board also resolved to establish a "Nomination Committee." Comprising five directors (including three independent directors), this committee is responsible for director nominations and strengthening governance mechanisms, thereby enhancing the overall effectiveness of the Board.



Board of Directors

Members of the Board of Directors GRI 2-10、2-11、2-12、405-1

In accordance with CSRC Group's Articles of Incorporation, the Board of Directors shall consist of 7 to 11 directors, each serving a three-year term. The Chairman, Jason Koo, concurrently serves as the Group CEO. CSRC Group comprises 25 enterprises, including 24 subsidiaries. As a holding company, unlike typical listed companies, each subsidiary has its distinct operational focus. The Chairman reports to the Board and is responsible for overall business management, major strategic decisions, and the promotion of corporate sustainability. The position of Group CEO was established to manage all affairs of the affiliated companies, execute the resolutions of the Board, and supervise the managers of the company and its affiliates. This role is distinct from that of the company's President, thus avoiding any conflict of interest.

The election of directors adopts a candidate nomination system as stipulated in Article 192-1 of the Company Act. Directors are elected by shareholders from a list of nominated candidates and are eligible for re-election. As of 2025, CSRC Group's Board consists of 9 directors, including 4 independent directors, who constitute 44% of the Board. This exceeds the statutory requirement of one-third. The Board includes one female director. In terms of age diversity, 7 directors (77.78%) are over 51 years old, and 2 directors (22.22%) are between 31-50 years old. The proportion of directors with employee status is 11.11%.

The 19th Board of Directors emphasizes diversity and is composed of elites from both industry and academia. Their collective professional experience covers a wide range of fields, including finance, commerce, banking, Merger & Acquisition(M&A), risk management, and operations. The Board possesses expertise in business management, international markets, risk management, accounting and financial analysis, law, and ESG. Directors such as Jason Koo, Lin Nan-Chou, Chang Chi-Wen, Chang Liang, and Ting Yuan-Wei bring extensive industry knowledge. Directors Yu Ming-Jen and Chia Tze-Nan contribute their expertise in finance and accounting. Director Liu Feng-Ping offers rich experience in business management and ESG, while Director Hsiao Yu-Chieh provides legal expertise. The company continuously arranges diverse professional development courses for its directors to enhance their decision-making quality and oversight capabilities, thereby strengthening the overall function of the Board.

Furthermore, CSRC Group is committed to promoting diversity and inclusion on its Board. We firmly believe that female directors bring unique perspectives and expertise that enhance the comprehensiveness and innovation of our decision-making. In the full re-election of the Board on May 28, 2024, the number of directors was increased from 8 to 9 with the addition of one new female director. As the current term runs until May 27, 2027, we are committed to ensuring that at least one-third of the board seats are held by a single gender in the director election to be held at the 2027 Annual Shareholder's Meeting.

Position	Name	Gender	Age	Independent director tenure
Chairman	Taiwan Cement Corporation Representative: Jason Koo	Male	41–50 years old	-
Director	Taiwan Cement Corporation Representative: Yu Ming-Jen	Male	61–70 years old	-
Director	Taiwan Cement Corporation Representative: Yu Ming-Jen	Female	51–60 years old	-
Director	Chang Chi-Wen	Male	61–70 years old	-
Director	Pei Yang Co., Ltd.: Lin Nan-Chou	Male	51–60 years old	-
Independent Director	Chia Tze-Nan	Male	71 years old and over	3-6 years
Independent Director	Chang Liang	Male	71 years old and over	3-6 years
Independent Director	Ting Yuan-Wei	Male	51–60 years old	3-9 years
Independent Director	Hsiao Yu-Chieh	Male	41–50 years old	Under 3 years

☞ Introduction to Board Members ☞ Board Diversity

Board of Directors Operation

In 2025, CSRC Group convened a total of 8 Board of Directors meetings Note, with an average director attendance rate of 98%. This frequency complies with the Board's rules of procedure, which stipulate that meetings must be held at least once per quarter. All significant resolutions are disclosed in the Annual Report to shareholders or on the company's website, ensuring transparent and accurate public information. During these meetings, the Board listens to reports from the management team, providing guidance and recommendations. This maintains a strong line of communication between the Board and management, enabling them to work collaboratively to maximize shareholder value.The remuneration for directors is determined based on the extent of their participation in and contribution to the company's operations, as well as an assessment of compensation levels at domestic and international peer companies. The operation of the Board is guided by the indicators of the "Corporate Governance Evaluation System" and is conducted in compliance with established corporate governance standards.
As of the end of 2025, all independent directors met the qualification requirements set forth by the Securities and Futures Bureau of the Financial Supervisory Commission. Furthermore, there were no instances of relationships among directors or independent directors as described in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. This confirms the independence of the Company's Board of Directors.

Board of Directors Operation Note: The period of occurrence statistics is from Jan 1 2025 to December 31 2025.

Avoidance of Conflicts of Interest GRI 2-15

The authority of the Board of Directors includes, but is not limited to, the formulation of business plans, proposals for profit distribution and capital adjustments, approval of significant internal regulations and contracts, appointment and dismissal of the President, establishment and dissolution of branch offices, review of budgets and financial statements, approval of real estate transactions and investments in other enterprises, and decisions on other material matters. The Board operates in strict compliance with its Rules of Procedure and all applicable laws and regulations. It oversees and understands the company's operations, as well as existing and potential risks. By maintaining a strong and interactive relationship with the management team, the Board fully exercises its functions.
Should a director have a personal interest, or represent a legal entity that has an interest, in a matter being discussed at a Board meeting, the director is required to disclose the material aspects of said interest during that meeting. If such an interest could potentially be detrimental to the company's interests, the director must recuse themselves from both the discussion and the vote on that matter. Furthermore, the director may not exercise voting rights on behalf of another director for such matters. For more detailed information on the execution of director recusal for conflict-of-interest proposals, please refer to the 2025 Annual Report to Shareholders P.26.

For more corporate governance practices of CSRC, please refer to:

Office website

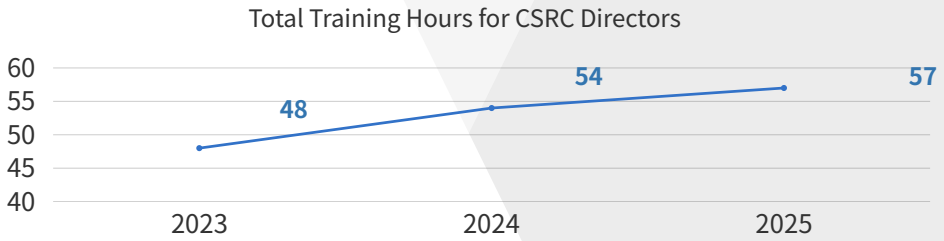
Implementation of Board diversity policy of CSRC

Procedures for election of directors of CSRC

Board of Directors' Professional Development GRI 2-17

CSRC Group continuously arranges diverse professional development courses for its Board members and irregularly provides information on training opportunities from external professional institutions to enhance the professional competence of both directors and senior management. These courses cover critical topics such as corporate governance, risk management, and sustainable development. Courses related to sustainability and climate risk management include "Global Transformation Driven by Sustainability and New Challenges in Corporate Governance," "Deepening Risk Management and Building Corporate Operational Resilience," "Risks and Cybersecurity in the AI Era & Sustainability-Driven Risk Management," "The Impact of Trump's Policies on the Globe and Taiwan & Corporate Sustainability in a Changing World," and "Scientific Carbon Reduction: New Challenges in Corporate ESG Governance."
In 2025, directors participated in the aforementioned courses for a cumulative total of 57 training hours. This arrangement helps directors stay abreast of industry trends, sustainable development, and climate risk management knowledge, thereby strengthening their corporate sustainability governance capabilities.

Course Name	Number of Board Member Participation	Total Training Hours
• Global Transformation Driven by Sustainability and New Challenges in Corporate Governance • Deepening Risk Management and Building Corporate Operational Resilience	7	42 hours
• Risks and Cybersecurity in the AI Era & Sustainability-Driven Risk Management • The Impact of Trump's Policies on the Globe and Taiwan & Corporate Sustainability in a Changing World • Corporate Employee Compensation Tools & Case Studies	1	9 hours
• AI-Driven Digital Transformation and Innovative Business Applications • Scientific Carbon Reduction: New Challenges in Corporate ESG Governance	1	6 hours



Board Performance Evaluation GRI 2-18

To implement sound corporate governance and enhance the functionality of the Board, the company has established the "Board of Directors Performance Evaluation Procedures" and conducts annual evaluations. The scope of these evaluations covers the Board as a whole and individual directors. In addition to the annual internal self-assessment required by law and our internal procedures, the company has increased the frequency of external evaluations. Starting from 2023, an external expert is engaged annually to conduct a performance evaluation, an increase from the previous triennial cycle. The results of both internal and external Note Board performance evaluations are to be completed before the end of the first quarter of the following year. For detailed results, please refer to the Board Performance Evaluation Report.
Furthermore, the company has purchased "Directors and Officers Liability Insurance" to cover the potential liabilities that directors, supervisors, and key officers may incur while performing their duties. The policy is reviewed annually to mitigate risks for the individuals and the company, thereby establishing a robust corporate governance mechanism.

Note: An independent professional firm evaluated the Board's operations and performance for the 2025 fiscal year (January 1, 2025, to December 31, 2025). The evaluation report was completed by February 5, 2026, and presented to the Board of Directors on March 10, 2026.

The evaluation criteria for the Board of Directors' performance cover the following five dimensions:

1. Degree of participation in company operations.
2. Enhancement of the Board's decision-making quality.
3. Composition and structure of the Board.
4. Selection and continuous professional development of directors.
5. Internal controls.

The evaluation criteria for individual Board members (self-assessment) cover the following six dimensions:

1. Understanding of the company's goals and mission.
2. Awareness of a director's duties and responsibilities.
3. Degree of participation in company operations.
4. Management of internal relationships and communication.
5. Professional expertise and continuous development of the director.
6. Internal controls.

The evaluation criteria for the Audit Committee's performance cover the following five dimensions:

1. Degree of participation in company operations.
2. Awareness of the Audit Committee's duties and responsibilities.
3. Enhancement of the functional committee's decision-making quality.
4. Composition and member selection of the Audit Committee.
5. Internal controls.

The evaluation criteria for the Remuneration Committee's performance cover the following four dimensions:

1. Degree of participation in company operations.
2. Awareness of the Remuneration Committee's duties and responsibilities.
3. Enhancement of the functional committee's decision-making quality.
4. Composition and member selection of the Remuneration Committee.

The evaluation criteria for the Corporate Sustainability Committee's performance cover the following four dimensions:

1. Degree of participation in company operations.
2. Awareness of the Corporate Sustainability Committee's duties and responsibilities.
3. Enhancement of the functional committee's decision-making quality.
4. Composition and member selection of the Corporate Sustainability Committee.

The evaluation criteria for the Risk Management Committee's performance cover the following five dimensions:

1. Degree of participation in company operations.
2. Awareness of the Risk Management Committee's duties and responsibilities.
3. Enhancement of the functional committee's decision-making quality.
4. Composition and member selection of the Risk Management Committee.
5. Internal controls.

The evaluation criteria for the Nomination Committee's performance cover the following four dimensions:

1. Degree of participation in company operations.
2. Awareness of the Nomination Committee's duties and responsibilities.
3. Enhancement of the functional committee's decision-making quality.
4. Composition and member selection of the Nomination Committee.



Functional Committee GRI 2-20

Remuneration Committee — Founded in 2011

The Committee is composed of all independent directors, with Mr. Chia Tze-Nan serving as the convener. The Committee evaluates, formulates, and reviews the compensation policies and systems for directors and executives from a professional and objective standpoint. It provides recommendations on their performance assessment and the policies, systems, standards, and structures of their compensation, submitting relevant decisions to the Board of Directors for review. Committee meetings are to be held at least twice a year, and ad hoc meetings may be held at any time as needed. During 2025, the Committee held a total of 3 meetings with an attendance rate of **91.7%**.

Audit Committee — Founded in 2012

Composed entirely of independent directors, the Committee's primary purpose is to strengthen the internal supervision mechanism of corporate governance and enhance the Company's operational efficiency. The Audit Committee is responsible for managing the Company's financial operations and regulatory compliance, establishing internal controls and key financial transaction processing procedures. It ensures that the interests of the directors do not influence company decisions, reviews material transactions, appoints (removes) CPAs, and oversees the accuracy and compliance of financial statements, handling other major matters designated by the Company or regulatory authorities. Committee meetings are to be held at least quarterly and ad hoc meetings may be held at any time as needed. During 2025, the Committee held a total of 7 meetings with an attendance rate of **96%**.

Corporate Sustainability Committee — Founded in 2023

The Committee is composed of Chairman Jason Koo, independent director Chia Tze-Nan, and independent director Hsiao Yu-Chieh as members, who possess professional experience in leadership and decision-making, business management, accounting and law, marketing, risk management, environmental sustainability, social participation, and supply chain management. The Committee is dedicated to improving the Company's overall sustainability practices. Externally, it is responsible for reviewing the Sustainability Report to ensure it aligns with the group's strategic goals and internal control systems, and for identifying sustainability issues of interest to stakeholders. Internally, it formulates the Company's sustainability policies, key performance indicators for each functional group, goals, and plans, and reviews performance implementation. In principle, the Committee shall convene every six months. It may be flexibly adjusted when necessary, but it shall be convened at least once a year. During 2025, the Committee convened once, with a **100%** attendance rate.

Risk Management Committee — Founded in 2025

The Committee is composed of independent director Hsiao Yu-Chieh, director Yu Ming-Jen, independent director Chia Tze-Nan, independent director Chang Liang, and independent director Ting Yuan-Wei as members. The Committee aims to supervise the risk management operational mechanism, strengthen corporate governance, and enhance the effectiveness of the Board of Directors. Its responsibilities include:

1. Reviewing risk management policies, procedures, and framework.
2. Ensuring consistency between operational strategic direction and risk management policies.
3. Ensuring the establishment of appropriate risk management mechanisms and a risk management culture.
4. Supervising and ensuring the effective operation of the overall risk management mechanism.
5. Reviewing management reports on major risk issues.
6. Allocating and assigning sufficient and appropriate resources for the effective operation of risk management.
7. Assisting, supervising, and reviewing the execution by the risk management team, proposing necessary improvements, and reporting to the Board of Directors regularly (at least once a year).

The Committee shall meet at least once a year, except in cases of emergency. During 2025, the Committee held a total of 2 meetings with an attendance rate of **80%**.

Nomination Committee — Founded in 2025

The Committee is composed of Chairman Jason Koo, director Lin Nan-Chou, independent director Chia Tze-Nan, independent director Chang Liang, and independent director Hsiao Yu-Chieh as members. The Committee operates in accordance with the Nomination Committee Charter, and its responsibilities are to review the following matters:

1. Formulating standards for the required professional knowledge, skills, experience, gender, and other diversity backgrounds, as well as independence standards for board members and senior executives, and using these to search for, review, and nominate candidates for director and senior executive positions.
2. Constructing and developing the organizational structure of the Board and its committees, conducting performance evaluations for the Board, its committees, individual directors, and senior executives, and assessing the independence of independent directors.
3. Establishing and regularly reviewing continuing education plans for directors and succession plans for directors and senior executives.
4. Other matters delegated to the Committee by the Board of Directors.

Internal Audit Unit

Composition of the Internal Audit Unit

CSRC’s internal audit is an independent unit, reporting directly to the Board of Directors. In addition to reporting to the Board of Directors, it reports to the Chairman and to the Audit Committee quarterly or when necessary. The auditors are all full-time personnel, including one audit supervisor and one auditor. The current audit supervisor is a Certified Internal Auditor. The appointment and removal of the Internal Audit Supervisor shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution, in accordance with relevant laws and regulations.

The evaluation and salary remuneration of internal auditors are regularly evaluated in accordance with the Company's "Measures for the Appointment, Removal, Evaluation, and Salary and Remuneration of Internal Auditors," "Performance Management Measures," and "Salary Measures" approved by the Board of Directors on May 11, 2021. The results are signed by the Audit Supervisor and submitted to the Chairman for approval.

Main Duties of the Internal Audit Unit

The audit unit conducts a risk assessment to determine the priority of audit targets and items based on risk levels and formulates an annual audit plan. After approval by the Board of Directors and the Audit Committee, the plan is filed with the Financial Supervisory Commission (FSC) for record via the internet information system before the end of December each year, as required by the FSC.

The Audit Office will implement internal audit operations according to the annual audit plan, prepare internal audit recommendations, and issue audit reports. After the audit report is approved by the Chairman, the audited units are notified to make improvements within a specified period. The improvement of abnormalities found during the internal audit is tracked, and an internal audit tracking report is prepared according to the improvement measures proposed by the audited units. An "Annual Internal Audit Abnormality Improvement Report" is prepared and filed with the FSC for record via the Market Observation Post System before the end of May each year, after being approved by the Chairman.
The Audit Office is responsible for handling the Company's internal control system self-assessment process, reviewing the self-assessment reports of all units and subsidiaries, and assisting and supervising the implementation of the internal control systems of each subsidiary.

The Audit Supervisor attends the entire Board of Directors and Audit Committee meetings every quarter to report on the business of the audit office, explaining the audit findings of each audited unit and the follow-up improvement status. During the meetings of the Audit Committee and the Board of Directors, independent directors may provide comments on the content of the audit report, and it will be explained by the audit supervisor. When drafting the annual audit plan, the Audit Office also presents the key audit points derived from the risk assessment, detailing the items to be audited each month. This is explained in detail to and approved by the Audit Committee and the Board of Directors, ensuring that internal audit operations meet the needs of corporate governance. In addition to communication during meetings, the Audit Supervisor, accountants, and independent directors also communicate directly as needed, maintaining a good interactive relationship.

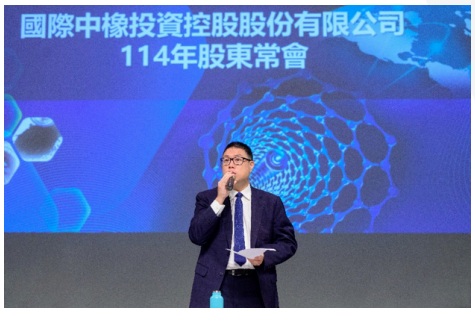
Scope of Internal Audit

In 2025, CSRC's Internal Audit Unit executed and completed 23 audit reports and 5 tracking reports in accordance with the annual audit plan. A total of 19 recommendations for internal control were proposed. The scope included the trading of derivative financial instruments, loans to others, management of endorsements or guarantees for others, information and communication security checks, compliance with laws and regulations, management of the Remuneration Committee's operations, integrity management practices, and sustainability information management.

Investment Communication

In its "Corporate Social Responsibility Best Practice Principles," CSRC stipulates that when performing its corporate social responsibilities, it shall respect social ethics and pay attention to the rights and interests of other stakeholders. While pursuing sustainable operation and profitability, it also attaches importance to environmental, social, and corporate governance (ESG) factors and incorporates them into the Company’s management and operation policies. In terms of shareholder rights, a dedicated investor relations officer is appointed. The spokesperson and investor relations officer accept shareholder suggestions, inquiries, and handle disputes. The relevant departments then accept the suggestions and handle the disputes according to the nature of the issue.

Creating the highest interests for shareholders is the goal of CSRC and all colleagues. In order to maintain good communication channels with investors and disclose information to shareholders, in addition to the regularly-convened annual shareholder meetings, investor conferences, and interim institutional investor meetings where the company's operational and financial status are reported, we have established an “Investor Relations” section on the Company’s official website. We use financial information, corporate governance, and shareholder columns to publish relevant financial statements, investor conference information and materials, internal audits, Company regulations, dividend distributions over the years, and important information announcements. We publish the information in the fastest way to provide it to investors for reference.



Shareholders' Meeting



Investor Conference

Sustainability Development System GRI 2-12、2-13、2-14

Corporate Sustainability Committee

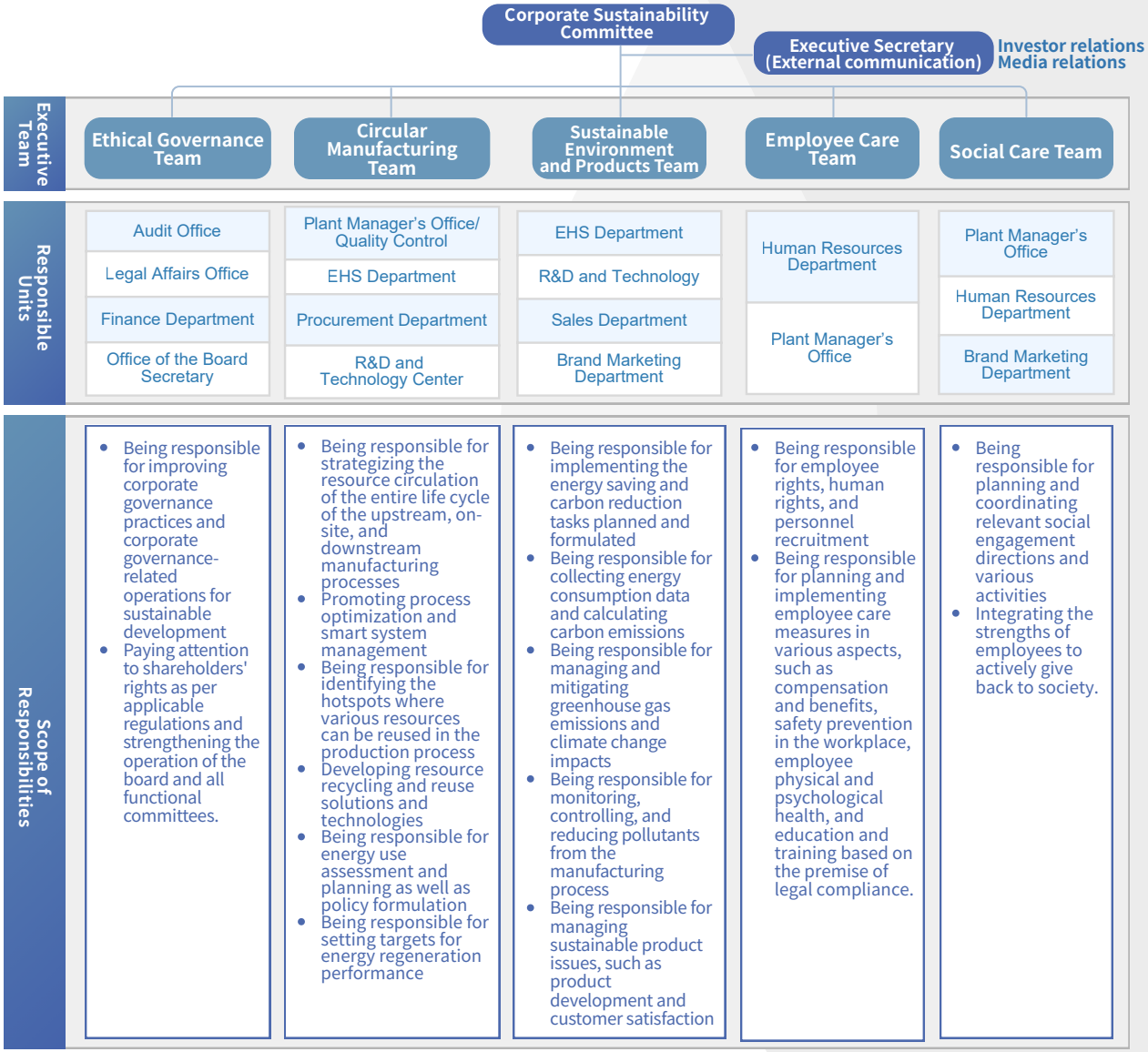
To ensure the implementation of corporate sustainability initiatives, CSRC established the Corporate Sustainability Development Committee in 2018 in accordance with the "Corporate Social Responsibility Policy." In December 2023, the Board of Directors approved the elevation of the Corporate Sustainability Development Committee (hereinafter referred to as "the Committee") to a functional committee, composed of the Chairman and two independent directors as members. To enhance the Company's overall practice of sustainable operations, the Committee has external and internal responsibilities. Externally, the Committee is responsible for reviewing the Sustainability Report to ensure it aligns with the group's strategic goals and internal control systems, and for identifying sustainability issues of concern to stakeholders. Internally, it is responsible for formulating the company's sustainability policies, key performance indicators for each functional group, goals, and plans, as well as reviewing implementation performance, and reports issues concerning sustainability and climate risks/opportunities to the Board of Directors. In principle, the Committee reports on the aforementioned issues and implementation performance to the Board of Directors every six months, with flexibility for adjustments as needed, but shall convene meetings and report at least once a year.

To strengthen the link between corporate sustainability and company operations, CSRC has established an Ethical Governance Team, a Circular Manufacturing Team, a Sustainable Environment and Products Team, an Employee Care Team, and a Social Care Team under the Committee. The heads of relevant responsible units serve as team members. In addition to the regular attendance of committee members and team leaders, the chairperson may invite team members to attend meetings based on the agenda. Each team shall appoint a secretary, selected by the team leader, to handle communication, coordination, and the compilation of relevant data for the team's responsibilities. CSRC has also established regulations such as the "Corporate Social Responsibility Best Practice Principles," "Corporate Governance Best Practice Principles," and "Ethical Corporate Management Best Practice Principles" to ensure that the concept of corporate social responsibility is integrated into daily operations.

Matters Reviewed or Acknowledged by the Sustainability Development Committee

- Approval of annual goals for all areas of corporate sustainability.
- Approval or acknowledgement of implementation plans for all areas of corporate sustainability.
- Tracking and review of implementation progress and effectiveness.
- Approval of standards for the preparation of the Sustainability Report.
- Approval or acknowledgement of other matters related to corporate sustainability.

Corporate Sustainability Committee Organization Chart



Sustainability Remuneration Policy GRI 2-19

To realize the vision and strategy of sustainable development, the Company integrates sustainability (ESG) and climate change response indicators into the performance evaluation of senior executives, and specifically links ESG sustainability and climate change response performance with remuneration. The performance indicators include corporate operational strategy, profitability, individual performance, corporate governance, social care, greenhouse gas management, occupational safety and health, and information security. This measure aims to strengthen the sense of responsibility and influence of senior executives in promoting the Company's sustainable development. By incorporating ESG indicators into the remuneration and incentive mechanism, it is expected to motivate the leadership team to actively assume social and environmental responsibilities while promoting the stable growth of the enterprise, thereby co-creating a sustainable corporate future.

Performance Indicators	Weights	Execution Approaches
Financial performance indicators	50%	Paying attention to economic and business performance of the enterprise, the evaluation covers the improvement of gross profit rate and revenue performance.
Strategic operation indicators	40%	Based on our strategic objectives, the evaluation covers the improvement of production efficiency, completion of new site construction, new invested businesses, and business integration.
Sustainability and industry development indicators	10%	Paying attention to establishment and implementation of Environment, Society, and Governance & planning and facilitation of climate change responsive strategy, the execution covers sustainable product R&D, production recycling efficiency improvement, carbon management , employee equity and diversity, governance transparency.

Sustainability Information Management and Communication

In accordance with the regulations of the Financial Supervisory Commission (FSC), listed companies are required to incorporate "Management of Sustainability Information" into their internal control systems and list it as a mandatory annual audit item. To ensure compliance with legal regulations while meeting operational needs, CSRC has formulated the "Sustainability Information Management Procedures," which were formally approved by the Corporate Sustainability Development Committee and the Board of Directors on December 23, 2024. This aims to perfect the framework for sustainability information management and enhance information transparency and corporate governance standards.

This procedure aims to ensure that sustainability information management complies with relevant regulations, is reliable, and is provided to stakeholders in a timely and accurate manner, while also ensuring the proper management and secure preservation of information. The scope covers data and disclosures on sustainability issues, including Environmental (E), Social (S), and Governance (G). The Company has established a sustainability information governance framework and internal controls, with the Board of Directors appointing directors to supervise. Management-level responsible units ensure the completeness and reliability of information processing. The collection, review, and preservation of sustainability information are the responsibility of various units. The disclosure of material information must be determined based on standards such as GRI and IFRS, and any related estimates or assumptions must state their basis and reasonableness. When external assurance is involved, a qualified third-party verification body must be evaluated and approved. The disclosure, transmission, preservation, retrieval, transfer, and destruction of information are all handled according to authority and regulations, with strict control over important and confidential information.

In terms of sustainability information communication, in addition to the established communication channels with the six major stakeholder groups, the Company's official website features an interactive Corporate Sustainability section and social media channels, including LinkedIn, Facebook, X, and YouTube, to enhance the disclosure of information related to sustainable operations and strengthen two-way communication with other diverse stakeholders.

Risk Management Mechanism

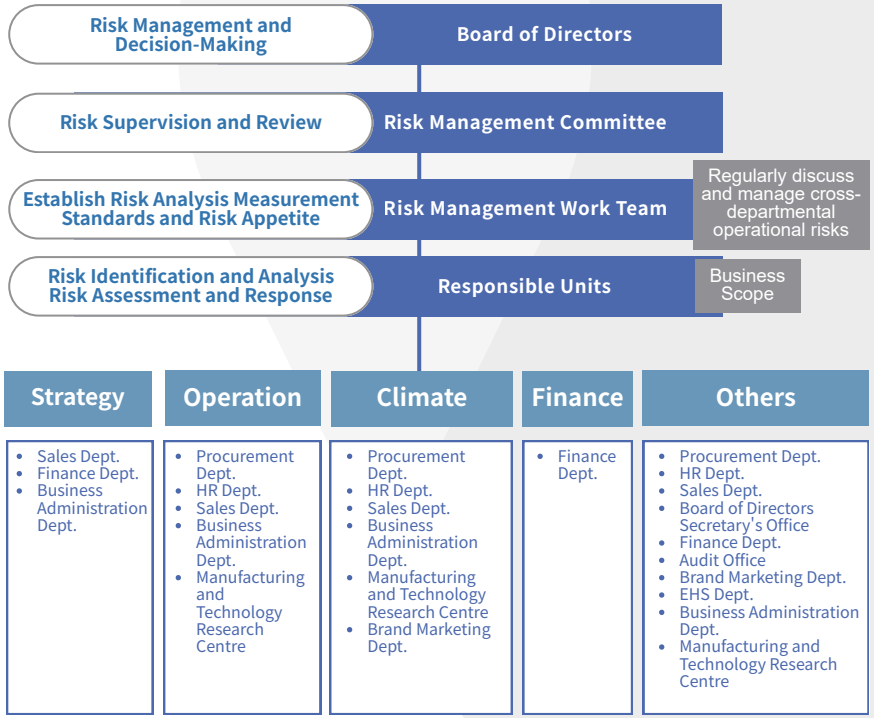
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Operational Risk Assessment and Management

To improve risk assessment and strengthen management functions, the Board of Directors resolved to establish the "Risk Management Committee" in August 2025. It serves as the highest decision-making and supervisory body for risk management within the Company's Board of Directors. Concurrently, the "Risk Management Committee Charter" and "Risk Management Policy" were established to ensure the risk management mechanism is integrated into operations and that risks are controlled within an acceptable range.

Risk Management Organization

The risk management organization is composed of the Board of Directors, the Risk Management Committee, the Risk Management Working Group, and various responsible units, each responsible for different levels of risk management. The Risk Management Committee meets at least once a year. In 2025, it convened twice, in August and December 2025.



Scope of Risk Management

The scope of risk management includes corporate governance, environmental protection, and social inclusion. It also involves identifying and managing risks across different aspects based on the business scope, including strategic, operational, climate, financial, and other risks. This is done in compliance with relevant laws and regulations to identify, analyze, evaluate, respond to, monitor, report, and disclose their significant risk impacts.

Strategic Risk

Risks of losses arising from erroneous business strategies.



Operational Risk

Including changes in laws and regulations, market structure and demand, industry development and competition, talent recruitment, product and raw material prices, production and manufacturing, and product R&D.

Climate Risk

In response to the impact of climate change such as flooding, typhoons, droughts, and high temperatures on business operations, climate change risks and opportunities are identified to develop risk response measures, assess operational impacts and financial implications, and concretely present climate change information disclosure.

Financial Risk

Inflation, financing, investment, liquidity management, exchange rates, interest rate hedging, taxation, credit, leasing, and major capital expenditures.

Other Risk

Risks not classified under the above categories but which may cause the company to suffer significant losses. Examples include: biodiversity risks in sustainability, information security risks, legal compliance risks, antitrust risks, integrity risks, geopolitical risks, and other emerging risks.

Risk Management Process

Risk Identification

Employing diverse analytical tools and integrating top-down and bottom-up discussions to comprehensively identify potential risk events that may impact company objectives.

Risk Analysis

Understand the nature and characteristics of identified risk events. Analyze their likelihood of occurrence and degree of impact to calculate a risk value.

Risk Appetite Establishment

Establish risk levels and response strategies based on risk tolerance, which serves as the basis for subsequent assessment and response.

Risk Assessment

Compare the analysis results with risk tolerance levels to determine priority events. Based on this comparison, develop response plans and submit them to the Risk Management Committee for approval.

Risk Response

Formulate and implement risk response plans. Continuously monitor their execution to ensure that risks are managed within the established tolerance range.

Risk Oversight, Review and Report

The Risk Management Committee monitors the overall quality of risk management, requires the establishment of indicators, and supervises continuous monitoring. In the event of discovering significant exposures, it must ensure a prompt response and report to the Board of Directors.

Risk Identification Results

In 2025, CSRC completed its group-wide risk identification process. A total of 88 risk items that could affect operations, including climate and sustainability-related risks, were extensively collected from three sources: global issues, peer issues, and unique risks self-identified by the company. Each risk was assigned a weighted score, and the top 22 items, ranked by total score, were identified as key annual risks for in-depth analysis. In 2026, work will continue on the identified key risk issues, including risk analysis, appetite determination, evaluation, response, and tracking.

Global Issues — 20%

- ✓ **Short-term and long-term risks listed in the WEF's annual Global Risks Report are included in the risk item list.**
- ✓ **Risk items are categorized and mapped to corresponding risk topics.**

- 1st-5th ranked risk topics: 5 points
- 6th-10th ranked risk topics: 3 points
- Other risk topics: 1 point

Average of short-term & long-term risk scores x Weight

= Global Issues Risk Score

Peer Issues — 50%

- ✓ **Risk items publicly disclosed by peers are included in the risk item list.**
- ✓ **Risk items are categorized and mapped to corresponding risk topics.**

- Topics associated with three or more peer-disclosed risk items: 5 points
- Topics associated with two or fewer peer-disclosed risk items: 3 points
- Other risk topics: 1 point

Average of peer risk scores x Weight

= Peer Issues Risk Score

Self-Identified Unique Risks — 30%

- ✓ **Risk topics for items not covered by global or peer analysis, analyzed based on the company's own organizational characteristics and background.**

- Unique risk topics identified from self-analysis: 5 points
- Other risk topics: 1 point

Unique risk score x Weight

= Self-Identified Unique Risk Score

CSRC Key Annual Risk Topics

Strategic Risk (3 topics)	Operational Risk (7 topics)	Climate Risk (3 topics)	Financial Risk (6 topics)	Other Risk (3 topics)
• Risks related to investment, business strategy, capacity expansion, and development plans.	• Risks related to labor relations and talent, energy/resource costs and supply, production operations, customer concentration, market competition, economic fluctuations, and product/technology challenges.	• Risks related to ESG issues and reputation, extreme weather, and greenhouse gas emissions.	• Financial risks such as foreign exchange and interest rates, restrictive covenants in debt agreements, credit ratings, high financial leverage, taxation, and insurance coverage.	• Risks related to information security, legal compliance, and geopolitics.

TCFD Climate Risk and Opportunities GRI 201-2

Climate Governance

CSRC's climate governance is led by the Board of Directors at the highest level, which has established the "Corporate Sustainability Development Committee" and the "Risk Management Committee" to support the development of climate strategy and the management of climate-related risks and opportunities.

Under the Corporate Sustainability Development Committee, the cross-plant and cross-departmental "Sustainable Environment and Products Team" and "Circular Manufacturing Team" have been established. They are responsible for planning and formulating decarbonization efforts, managing greenhouse gas emissions and climate change impacts, and implementing mitigation work. Operational sites and various departments identify relevant climate risks and opportunities and develop corresponding measures, which are then reported back to the Corporate Sustainability Development Committee. The Committee supervises the formulation of control measures and action plans based on these reports, delegating execution to its working groups. In principle, the Corporate Sustainability Development Committee reports to the Board of Directors on climate strategy development and performance every six months, with flexibility for adjustments as needed, but convenes and reports at least once a year. The Board of Directors oversees the implementation status through these reports to ensure alignment with the company's sustainable development strategy.

The Risk Management Committee also incorporates climate-related risks into its corporate operational risk identification and assessment processes. It convenes meetings and reports its risk management results to the Board of Directors at least once a year, while also conducting continuous supervision and tracking.

Climate Governance Structure

Oversee risks and set policies	**Board of Directors**
Supervise control measures and action plans	**Corporate Sustainability Committee**
Execute control measures and action plans	**Sustainable Environment and Products Team& Circular Manufacturing Team**
Identify climate risks & opportunities, develop measures	**R&D, Production, Sales, Procurement, Business Admin. , EHS, Finance, HR**

Climate Risk Management

CSRC's strategy for climate risks and opportunities consists of a four-step process: Identification, Assessment, Action, and Monitoring & Review. This involves implementing a mechanism to identify climate-related risks and opportunities, and thoroughly inventorying and assessing the impacts of these issues on all of CSRC's operational sites (including those in Greater China, India, and the US) for management. The key difference from our previous approach is the alignment with the group's risk management process and an enhanced focus on tracking performance indicators after actions are taken, which are then reported to the Board of Directors via the Corporate Sustainability Development Committee. We also continuously monitor international benchmark peers, sustainability trends, and emerging climate-related risks and opportunities. Our goal is to strengthen CSRC's operational resilience to climate change and effectively reduce the environmental impact of our operations.

Identification

Update climate-related issues based on the findings from previous risk and opportunity assessments, industry trends, and relevant regional regulations

● Outcome

The process identified 8 key climate risks and 5 climate opportunities.

Assessment

We conduct cross-departmental workshops to assess the impact (on revenue and operations) and likelihood of various risks and opportunities. The results from assessment questionnaires are then reviewed with external consultants and senior executives to identify major risks and opportunities.

● Outcome

A total of 13 internal assessment questionnaires are distributed, ultimately identifying 2 major risks and 2 major opportunities.

Action

We develop corresponding response strategies and action plans based on the assessment results.

● Outcome

Action Plan for Climate-related Risks and Opportunities

Monitoring & Review

We hold regular meetings to review the implementation progress and outcomes of action plans, using a carbon management platform to track carbon reduction at each plant. These results are then reported to the Board of Directors by the Corporate Sustainability Development Committee.

● Outcome

The achievement status of management indicators and targets for the action plans.

CSRC's climate risk assessment includes the following types: Policy and Legal, Technology, Market, Reputation, and Acute and Chronic Physical Risks. The time horizons for assessment are defined as short-term (1-2 years), mid-term (3-5 years), and long-term (over 5 years), consistent with internal goal management timelines. Significant climate risks and opportunities are selected by measuring the "degree of impact" and "likelihood of occurrence" of each issue against our risk and opportunity assessment criteria.

CSRC Risk and Opportunity Assessment Criteria

Score	Degree of Impact	Likelihood of Occurance
5	Causes a significant impact on revenue or operations, with potentially irreversible consequences if not addressed.	≧ 90%
4	Causes a significant impact on revenue or operations, with effects extending beyond a single fiscal year.	60% ~ 90%
3	Causes a significant impact on revenue or operations, but remains manageable and within a controllable scope.	40% ~ 60%
2	Causes a minor impact on revenue or operations, with minimal disruption or a quick recovery time.	10% ~ 40%
1	No impact on revenue or operations.	< 10%

Climate Strategy

CSRC has identified 8 key climate risks and 5 climate opportunities, for which it has conducted analyses on their impact on the business model and value chain.

Risk Ranking

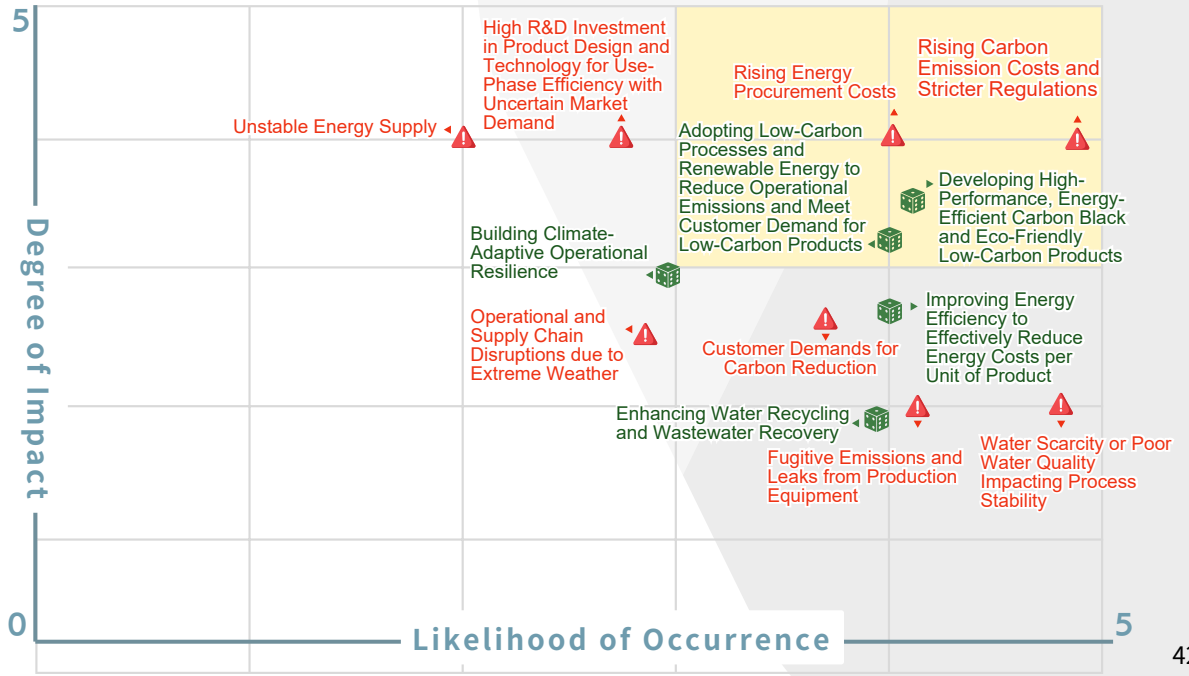
Risk Ranking	Code of Risk	Risk Category	Risk Factor	Value Chain Impact	Time Horizon	Impact on Business Model and Value Chain
1	R01	Transition Risk - Policy & Legal	Rising Carbon Emission Costs and Stricter Regulations	Upstream (Suppliers) Own Operations Downstream (Customers)	Short-term (1-2 yrs) Mid-term (3-5 yrs) Long-term (>5 yrs)	Current Impact: Taiwan's carbon fee system will begin official collection in 2026, with CSRC listed as one of the first entities subject to the levy. Related fees will become a continuous compliance cost for the company. Expected Impact: As a recurring annual expense, the impact of carbon fees is continuous and cumulative. This issue will manifest in the short term and persist through the mid to long term. Additionally, overseas subsidiaries in locations like mainland China, India, and the US may face similar costs, such as carbon taxes, in the future.
2	R02	Transition Risk - Market	Rising Energy Procurement Costs	Upstream (Suppliers) Own Operations Downstream (Customers)	Mid-term (3-5 yrs) Long-term (>5 yrs)	Current Impact: Primarily stems from fluctuations in oil prices (crude/fuel oil) and adjustments in purchased electricity tariffs in the markets where we operate. It is anticipated that a combination of rising international energy prices, adjustments in national power generation mixes, and renewable energy policies will exert upward pressure. Expected Impact: This will create pressure on the company's operating costs in the mid to long term.
3	R03	Transition Risk - Market	Customer Demands for Carbon Reduction	Own Operations Downstream (Customers)	Short-term (1-2 yrs) Mid-term (3-5 yrs) Long-term (>5 yrs)	Current Impact: Increased climate change awareness is altering customer demand for products/services, with customers requiring suppliers to reduce carbon emissions or obtain relevant certifications (e.g., EcoVadis, ISCC PLUS). Expected Impact: Customers may change their procurement policies. Failure to meet customer demands for carbon reduction, supply low-carbon products, or obtain certifications could impact product sales and market share.
4	R04	Transition Risk - Technology / Market	High R&D Investment in Use-Phase Efficiency with Uncertain Market Demand	Own Operations Downstream (Customers)	Mid-term (3-5 yrs) Long-term (>5 yrs)	Current Impact: Development of products that enhance efficiency during the customer's processing or use phase is being approached cautiously due to unclear large-scale demand and price negotiation power. Thus, the short-term impact is not significant. Expected Impact: As cumulative R&D investment increases over time, the risk will grow if the timing of a demand surge and customers' willingness to purchase at a premium are delayed.
5	R05	Physical Risk - Acute / Chronic	Water Scarcity or Poor Water Quality Impacting Process Stability	Own Operations	Short-term (1-2 yrs) Mid-term (3-5 yrs) Long-term (>5 yrs)	Current & Expected Impact: Carbon black production and cogeneration require large amounts of water. Water scarcity or poor quality can affect process stability, leading to an inability to reliably supply carbon black, steam, and electricity to customers. This is especially critical for our India plant, which is located in a high water-risk region, resulting in significant water stress.
6	R06	Physical Risk - Acute / Chronic	Unstable Energy Supply	Upstream (Suppliers) Own Operations	Mid-term (3-5 yrs) Long-term (>5 yrs)	Current Impact: When physical climate risks affect energy supply infrastructure, it can cause instability in operations and the supply chain. Currently, our plants can cope with emergency power generators and cogeneration. Expected Impact: In the long term, if overall energy demand rises or distribution is uneven, it will create instability in the energy supply, thereby affecting operational and supply chain stability.
7	R07	Transition Risk - Technology	Fugitive Emissions and Leaks from Production Equipment	Own Operations	Short-term (1-2 yrs)	Current Impact: Fugitive emissions and leaks from production equipment lead to the waste of water resources and increased operating costs. Expected Impact: Equipment will be rectified and optimized year by year to prevent long-term impacts.
8	R08	Physical Risk - Acute	Operational and Supply Chain Disruptions due to Extreme Weather	Upstream (Suppliers) Own Operations Downstream (Customers)	Short-term (1-2 yrs) Mid-term (3-5 yrs) Long-term (>5 yrs)	Current & Expected Impact: Extreme weather events (typhoons, floods, abnormal torrential rains during plum rain season, blizzards, smog) at our or our suppliers' sites can cause power outages, flooding, water restrictions, or equipment damage, leading to work stoppages and operational disruptions. This may also interrupt the supply of raw materials, halting production, or disrupt transportation, preventing timely shipments.

Opportunities Ranking

Ranking	Code of Opportunity	Opportunity Category	Opportunity Factor	Value Chain Impact	Time Horizon	Impact on Business Model and Value Chain
1	O1	Opportunity - Products & Services	Developing high-performance, energy-efficient carbon black and eco-friendly low-carbon products	Own Operations Downstream (Customers)	Short-term (1-2 yrs) Mid-term (3-5 yrs) Long-term (>5 yrs)	Current Impact: The impact is mainly focused on R&D, manufacturing, and product portfolio adjustments, with continuous investment in talent and R&D resources. Expected Impact: To continue expanding R&D, investment, and production of green products, driving revenue growth from this product category.
2	O2	Opportunity – Energy Sources	Adopting low-carbon processes and renewable energy to reduce operational emissions and meet customer demand for low-carbon products	Own Operations Downstream (Customers)	Short-term (1-2 yrs) Mid-term (3-5 yrs) Long-term (>5 yrs)	Current Impact: The impact is mainly concentrated on process improvements, energy mix adjustments, and product carbon footprint management within our own operations. Expected Impact: To reduce the carbon footprint per unit of product by substituting raw materials and adjusting the energy mix, thereby responding to customer demand for low-carbon products.
3	O3	Opportunity - Resource Efficiency	Improving energy efficiency to effectively reduce energy costs per unit of product	Own Operations	Short-term (1-2 yrs) Mid-term (3-5 yrs) Long-term (>5 yrs)	Current Impact: Using more efficient production processes—including replacing equipment to save electricity, adding waste heat boiler heat exchangers to increase steam generation, and replacing Air Preheaters (APH) to reduce fuel consumption—effectively lowers energy costs per unit, reduces internal operational costs, and enhances market competitiveness. Expected Impact: To continuously optimize production processes to reduce energy consumption per unit of production.
4	O4	Opportunity - Resilience	Building climate-adaptive operational resilience	Own Operations	Short-term (1-2 yrs) Mid-term (3-5 yrs) Long-term (>5 yrs)	Current Impact: Installing protective equipment at plant sites to reduce the impact and losses from extreme weather. Expected Impact: To enhance operational flexibility to build climate-adaptive operational resilience.
5	O5	Opportunity - Resource Efficiency	Enhancing water recycling and wastewater recovery	Own Operations	Short-term (1-2 yrs) Mid-term (3-5 yrs) Long-term (>5 yrs)	Current Impact: The use of recycled water, rainwater harvesting, steam condensate recovery, and wastewater reuse at our plants reduces water consumption and lowers operating costs. Expected Impact: Each plant is planning towards a zero-liquid discharge goal, building resilience against water risks.

2025 CSRC Group Climate Risk and Opportunity Matrix

Based on the assessment of their impact and likelihood, we present the results in a Climate Risk and Opportunity Matrix. It reveals that the top two potential risks CSRC should prioritize are the transition risks of "Rising Carbon Emission Costs and Stricter Regulations" and "Rising Energy Procurement Costs." The most significant potential opportunities identified are "Developing high-performance, energy-efficient carbon black and eco-friendly, low-carbon products" and "Adopting low-carbon processes and renewable energy to reduce operational emissions and meet customer demand for low-carbon products."



For the two major identified potential risks and opportunities, the group has developed response strategies and action plans.

Climate Risk/ Opportunity Factor	Responsive Strategy for Business Model and Value Chain Impact	Implementation Plan for Responsive Strategy
R: Rising Carbon Emission Costs and Stricter Regulations	1. Energy Transition 2. Process Decarbonization	1. The Linyuan Advanced Plant and Maanshan Plant have introduced natural gas to replace a portion of high-emission heavy fuel oil. 2. The Linyuan Advanced, Maanshan , CCIPL, and CCC Ponca plants are all planning and implementing upgrades to their Air Preheaters (APH) to reduce direct emissions by increasing thermal efficiency.
R: Rising Energy Procurement Costs	1. Energy-Efficient Process Equipment 2. Energy Auditing and Monitoring 3. Renewable Energy 4. Energy Price and Supply-Demand Analysis	1.1 Upgraded the dryer furnace body and optimized the combustion system at the Linyuan Advanced Plant to improve heat transfer rates. 1.2 Invested in a shell-type firebox for the drying system and introduced variable frequency drive (VFD) energy-saving equipment at the Maanshan Plant. 1.3 Invested in a new generator at the CCC Ponca Plant and new boiler tubes at the Sunray Plant to enhance energy efficiency and reduce energy consumption. 2.1 Utilized smart meters at the Linyuan Advanced Plant to monitor high-energy-consumption air compressors for subsequent replacement with more energy-efficient models. 2.2 The energy monitoring system at the Maanshan Plant is connected to government regulatory platforms. 3.1 The on-site solar power system at the Linyuan Advanced Plant generates renewable energy. 4.1 The Group subscribes to external raw material databases for regular analysis.
O: Developing High-Performance, Energy-Efficient Carbon Black and Eco-Friendly Low-Carbon Products	1. Group-led Product Research and Development 2. Establishing a Zero-Carbon-Emission Plasma Process Technology 3. Pursuing Industry-Academia Collaboration	1. High-performance products: JE series, SP series, CNT series; Energy-saving products: Long Horn, LH series; Eco-friendly green products: EREBOS series; Eco-friendly low-carbon products: R series and CC series developed with rCB (recovered Carbon Black); T series developed with TPO (Tire Pyrolysis Oil); and masterbatch applications developed with rice husk ash. 2. Development of a zero-carbon-emission plasma process technology.3. Development of advanced material applications for SWCNTs (Single-Walled Carbon Nanotubes).
O: Adopting Low-Carbon Processes and Renewable Energy to Reduce Operational Emissions and Meet Customer Demand for Low-Carbon Products	1. Alternative Raw Materials/Fuels and Circular Economy 2. Inventories and Certifications	1. Introduced TPO (Tire Pyrolysis Oil) and ISCC-certified FCC (Fluid Catalytic Cracking) oil at the Linyuan Advanced and Maanshan plants, and introduced Circular CBO (Carbon Black Oil) at the CCC Ponca Plant as low-carbon alternative raw materials and fuels. 2. In response to customer demands, various plants are undergoing third-party verification for GHG (Greenhouse Gas) inventories, Product Carbon Footprints (PCF), Life Cycle Assessments (LCA), and ISCC PLUS certification.





To further understand the impact of climate change on the company, CSRC has conducted a scenario analysis on the two identified major risks and two major opportunities. This analysis involves both qualitative and quantitative assessments to evaluate the potential financial impacts under different external conditions and to gauge the company's resilience to climate change risks.
For transition risks, we utilized the three main scenarios from the International Energy Agency (IEA), combined with the greenhouse gas (GHG) regulatory policies of our operating regions, to assess the financial impact of future carbon price trends and energy prices on CSRC. For opportunities, we used the three main scenarios from the Network for Greening the Financial System (NGFS) to project the demand growth rate for low-carbon products as customers face corresponding carbon reduction pressures, thereby evaluating the potential revenue impact of low-carbon and green products on CSRC.The evaluation of various scenarios supports CSRC's strategic planning, mitigates financial and operational risks, and enables the company to seize business opportunities.

Transition Risk Considered

1. Rising Carbon Emission Costs and Stricter Regulations
2. Rising Energy Procurement Costs

Climate Opportunity Considered

1. Developing High-Performance, Energy-Efficient Carbon Black and Eco-Friendly Low-Carbon Products
2. Adopting Low-Carbon Processes and Renewable Energy to Reduce Operational Emissions and Meet Customer Demand for Low-Carbon Products

Key Parameters Considered

1. Carbon black production volume
2. Government energy and carbon reduction policies in our operating regions
3. Carbon fee/tax prices and preferential rates in our operating regions
4. Carbon leakage risk factors in our operating regions
5. Low-carbon targets set by customers for their suppliers

Transition Risk Scenario:

Scenario Description — **Scenario Source:** IEA World Energy Outlook 2025

Scenario Description	Projected End-of-Century Warming	Key Parameters	Impact
Current Policies Scenario **Considers only policies that are formally legislated and mandatory as of 2025.**	2.9 °C	Varying by region and scenario: 1. Carbon trading prices 2. Crude oil and natural gas prices	Additional expenditure resulting from carbon fees or carbon trading.
Stated Policies Scenario **In addition to current policies, incorporates officially announced policies, targets, and plans by governments.**	2.5 °C		
Net Zero Emissions by 2050 Scenario **Global achievement of net-zero emissions by 2050.**	1.5 °C		

Opportunity Scenario:

Scenario Description — **Scenario Source:** NGFS Phase 5 Scenario

Scenario Description	Projected End-of-Century Warming	Key Parameters	Impact
Current Policies **Continues current legislated climate policies without new or strengthened measures; fossil fuel dominant.**	3 °C	Assumes major international tire clients commit to net-zero by 2050. For other clients, demand growth for low-carbon products is projected based on the pressure from shadow carbon prices under different regional scenarios.	Revenue from low-carbon products.
Fragmented World **Divergent policies across the globe; some countries strive for but do not fully achieve net-zero, while others maintain current policies, leading to uneven decarbonization progress.**	2.4 °C		
Net Zero 2050 **Achieves CO2 net-zero by 2050, supported by technological innovation and carbon removal.**	1.45 °C		

Through the aforementioned scenario analysis, the Group assesses the potential impacts of climate-related risks and opportunities on its operations and formulates corresponding response strategies and resilience measures based on the findings. Furthermore, considering the continuous evolution of domestic and international climate policies and regulations, and the high degree of uncertainty in future developments, the extent of the impact from these risks and opportunities may vary over time and across different scenarios. Therefore, the Group continuously conducts scenario analysis on material climate issues, periodically reviews the resilience of its business model, and dynamically adjusts its business strategy accordingly.
CSRC employs a diversified funding strategy to support its climate response initiatives. The sources of capital include internal funds (comprising operating cash flow and retained earnings), bank financing (including general credit lines and sustainability-linked loans), and the issuance of corporate bonds. The company will flexibly utilize these channels based on the scale of funding required and the investment timeline, ensuring the financial feasibility and stability of its climate-related investments and low-carbon transition.

Climate Metrics and Targets

In alignment with Taiwan's 2050 Net-Zero Carbon Emission Pathway and the "Sustainable Development Roadmap" issued by the Financial Supervisory Commission, CSRC has established key metric areas to measure and manage its climate-related risks and opportunities. These areas include: Greenhouse Gas (GHG) Emissions, Energy Consumption, Water Consumption, and Green Product Development and Sales. For each area, we have set specific metrics and corresponding targets to facilitate management and performance tracking. For detailed short-, mid-, and long-term targets, as well as our actual performance, please refer to the "Sustainability Progress and Milestones" section on page 15-16 of our Sustainability Report. CSRC continuously monitors relevant external trends and changes to adjust its response strategies and targets accordingly.

Metric Area: Greenhouse Gas Emissions

External Trends or Influencing Factors

Carbon fees, carbon trading, and carbon tariff policies in our operating regions and export countries. Decreasing costs of decarbonization technologies (e.g., CCUS). Customer demands for carbon reduction. Price fluctuations of conventional and green energy.

Metric Area: Energy Consumption

External Trends or Influencing Factors

Energy policies in our operating regions. Supply and price fluctuations of conventional and green energy. Customer requirements. Impact of extreme weather on energy supply.

Metric Area: Water Consumption

External Trends or Influencing Factors

Water management policies in our operating regions. Impact of extreme weather on water supply or quality.

Metric Area: Green Product Development and Sales

External Trends or Influencing Factors

Substance restriction policies in customer locations. Changes in application demand due to customer supply chain pressure. Advancements in material innovation technology. Establishment of relevant international standards.

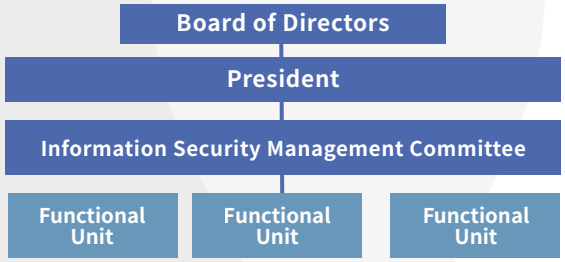
CSRC also consolidates and tracks key metrics for business activities impacted by climate-related risks and opportunities. By monitoring the performance of these indicators, the company can verify the effectiveness of its risk and opportunity management and its strategic responses.

Climate Risk/ Opportunity Factor	Metric			
	Metric Definition	Measurement Unit	Measure Type (Qualitative/Quantitative)	Current Period Value (Amount; %)
Rising Carbon Emission Costs and Stricter Regulations	Amount of carbon fee/tax cost and its percentage of total revenue	Amount；%	Quantitative	NT$ 4.7085 million; 0.03%
Rising Energy Procurement Costs	Percentage of total revenue from plants impacted by the rise in average energy acquisition unit price compared to the previous year	%	Quantitative	21.7%
Developing High-Performance, Energy-Efficient Carbon Black and Eco-Friendly Low-Carbon Products	Percentage of total revenue generated by green products	%	Quantitative	1%
Meet Customer Demand for Low-Carbon Products	Percentage of total revenue generated from customers with carbon reduction requirements	%	Quantitative	16%

Information Security and Privacy Protection GRI 418-1

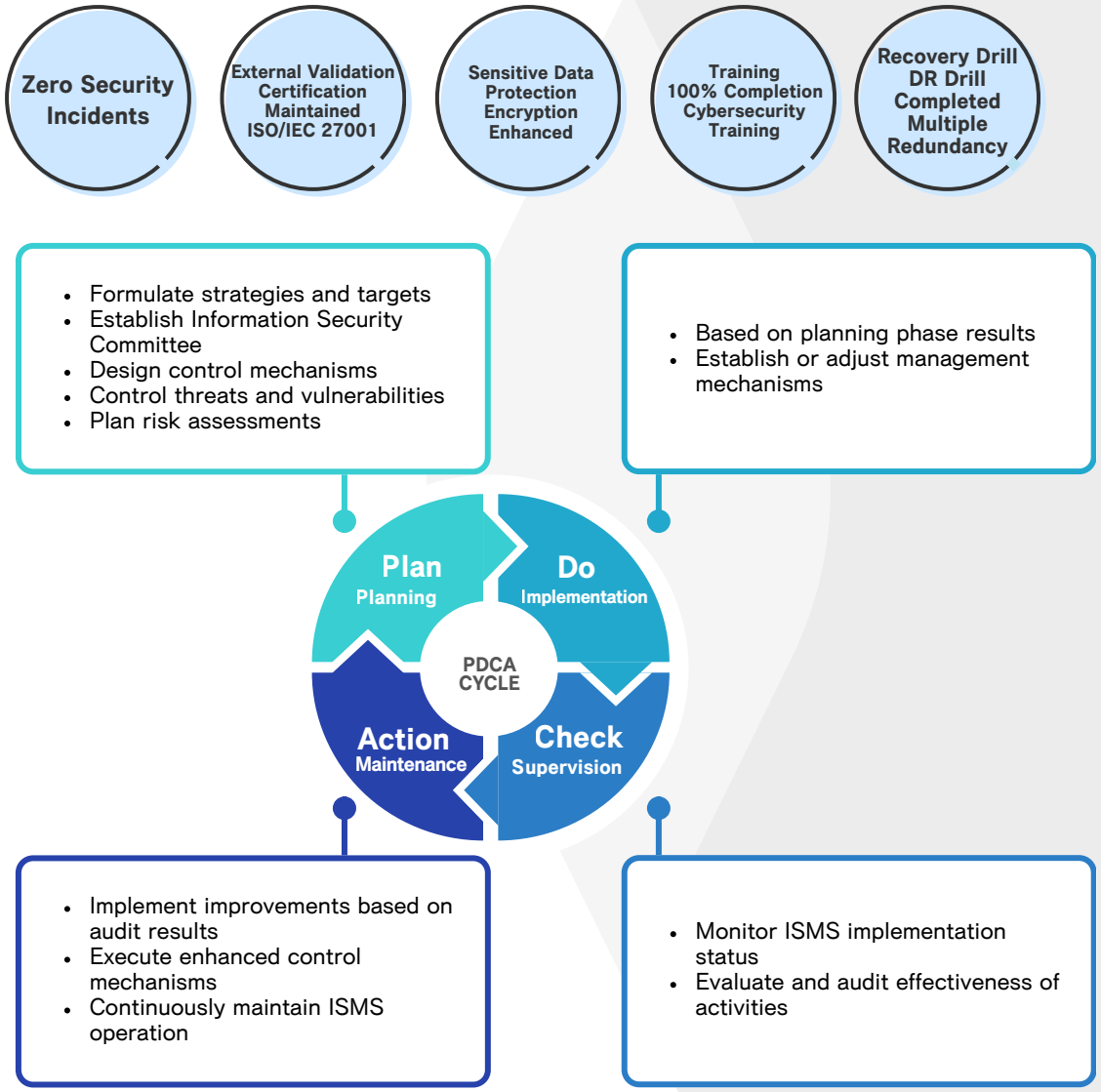
Information Security Management Organization

CSRC established its Information Security Management Committee in 2022. The committee convenes an Information Security Management Review Meeting annually to review the effectiveness of cybersecurity planning and execution, make major decisions on information security matters, and coordinate the allocation of necessary resources. Under the committee, an Information Security Management Task Force has been established. On November 9, 2023, a Chief Information Security Officer (CISO) was appointed, along with 3 dedicated cybersecurity members, totaling 4 personnel. As of 2025, there are 5 dedicated cybersecurity personnel and 30 support personnel. This team is primarily responsible for the planning, establishment, implementation, maintenance, review, and continuous improvement of the information security management system (ISMS). It reports on relevant information security issues to the Information Security Management Committee. As of December 2025, a total of 38 weekly, 10 monthly, and 3 quarterly cybersecurity meetings have been held, along with one presentation to the Board of Directors and one to the Information Security Management Committee, to actively discuss the application of security tools, the current status of security initiatives, and the future outlook for cybersecurity.



In addition to the CISO and dedicated members, the cybersecurity support team, comprising 30 personnel, is primarily managed by the group's affiliate, TCC Information Systems Corp. (hereinafter referred to as TCCI). TCCI is responsible for overall security architecture design, security operations and monitoring, and responding to and investigating internal and external security incidents. Data retention schedules are established based on relevant regulations and requirements, and regular risk assessments are conducted to ensure the effectiveness of data protection measures. Furthermore, a dedicated and clear reporting channel for stakeholders (the Group's cybersecurity incident reporting email: service@tcci.com.tw) has been established to facilitate the timely detection and handling of potential risks. Access to this reporting channel is restricted to TCCI's customer service personnel, ensuring absolute confidentiality.

Information Security Objectives and Strategy

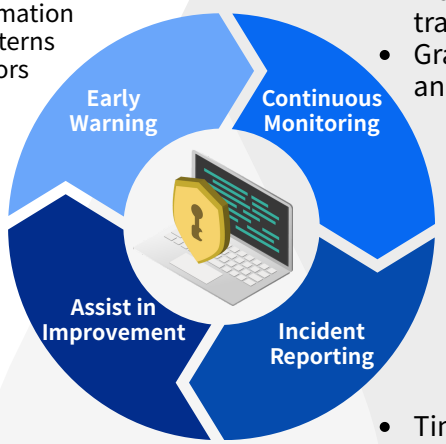


Information Security Risk Management

Annually, the Information Security Management Committee reviews and assesses information assets, revalidates the organization's information asset classification levels and acceptable risk levels. Based on these levels, a risk assessment is conducted to remediate high-risk items. Additionally, risk assessments are continuously performed and tracked for internal anomalies and external security incidents and issues.

Planning and Assessment	In accordance with the ISO/IEC 27001:2022 standard, we conduct risk assessments on threats, vulnerabilities, and existing controls affecting information assets, including third-party outsourcing risk assessments.
Implementation and Operation	We design, implement, and operate necessary controls based on the results of the risk assessment.
Monitoring and Review	We conduct regular risk assessments and internal information security audits to ensure the effectiveness of the ISMS. Management reviews are held to reinforce information security governance.
Tracking and Improvement	Based on audit findings, we execute corrective and preventive actions, improve and implement necessary controls, and conduct information security awareness and training for employees.
Practical Measures	We conduct an annual inventory of information assets and perform a security risk analysis across three dimensions - assets, vulnerabilities, and threats - based on our risk assessment mechanism. Risk remediation is carried out using management tools to implement the principles of information security management. In 2022, we introduced an asset inventory tool to effectively track hardware and software usage, preventing the installation of unauthorized or pirated software.

- Collect network traffic information
- Analyze patterns and behaviors



- Monitor network traffic
- Grasp attack trends and momentum

- Digital forensics
- Source Tracing
- Implementation of Improvements

- Timely reporting / notification
- Coordinated defense and response
- Damage control

CSRC commissions an external consulting firm to conduct information security audits at least once a year to assess the operational effectiveness of the company's security management system and to regularly verify compliance with relevant information security laws, regulations, and contractual obligations.

Information Security Management Measures

To ensure that information systems can be restored in the shortest possible time after a major disaster, CSRC has a Business Continuity Planning and conducts the following four processes annually to ensure a smooth failover to the backup data center.

Recovery Drill	Information Security Health Inspection	Vulnerability Scan	Information Security Education and Training
One recovery drill is completed annually, with data backed up regularly.	One security health check is completed annually to identify potential threats and formulate improvement plans, continuously enhancing the company's protective ability.	Vulnerability scans are completed four times a year.	We regularly promote our security policy and hold security courses. After in-person sessions, the course materials are uploaded to the TCC Lyceum system for employees to continue their learning online (E-learning).

In response to the Group's sustainability needs and pressing cybersecurity issues such as trade secret protection and hacker defense, CSRC has established and optimized the following measures to enhance internal network security:

Security Awareness

- Joined TW-CERT, Trend Micro, and other threat intelligence centers to receive timely updates on the latest vulnerabilities and risks. We continuously analyze security incidents and emerging tools to effectively manage threat intelligence.
- The security unit organizes annual information security training to promote basic security concepts, trends, and the latest attack methods. We also share incident analyses and security information via awareness emails and our security platform to heighten employees' daily vigilance and reduce human-related risks.

Network Security

- Core network equipment (e.g., firewalls, switches, routers) has a High Availability (HA) architecture. Firewall rules are reviewed semi-annually.
- Router traffic, load, and externally-facing websites are protected by a Web Application Firewall (WAF).
- Web traffic is filtered and distributed via Akamai to prevent Distributed Denial-of-Service (DDoS) attacks.
- A Layer 7 Web Behavior Monitoring System (L7) is used to manage employee web usage and prevent access to malicious sites.
- VPN connections require Two-Factor Authentication (2FA) using MOTP, with access rights reviewed every three months to enhance secure remote connections.
- We commission an external firm annually to perform penetration testing and simulated hacker attacks to identify potential vulnerabilities. System owners are required to patch all vulnerabilities promptly and undergo re-scans until zero risks are confirmed.
- A Honeypot system is established to lure attackers to non-critical systems. Our internal red team also conducts irregular simulated attacks to identify potential risks.

Asset Management

- An asset inventory software was introduced in 2022 to confirm asset status and prevent licensing violations.
- An all-employee asset inventory is conducted every December to verify asset status.

Access Control

- Our password policy requires a minimum length of 8 characters, complexity requirements, account lockout after 3 failed attempts, a 90-day change cycle, and a history of 4 unique passwords.
- Privileged accounts for core business systems are reviewed annually. Access is granted based on the "Need-to-Use" principle, and high-privilege accounts are secured through a Privileged Access Management (PAM) system.
- Access to core systems requires connecting through a jump server, which is restricted to the company's internal network.
- A dedicated, private ChatGPT for the Group has been established, requiring 2FA for login. User login trails and prompt logs are recorded to prevent the leakage of confidential corporate information.

Physical Security

- Sensitive areas (e.g., data centers) require two-factor authentication for access (RFID card combined with facial recognition).
- Secure mobile devices are issued to specific business units to ensure sensitive data is not leaked via unauthorized photography.

Data Loss Prevention

- Outbound data transmission channels are strictly controlled, including portable devices (e.g., USB drives), cloud storage, instant messaging (IM), File Transfer Protocol (FTP), and email.
- The sensitive file encryption system is optimized to protect core business data and prevent operational impact from the theft of trade secrets by hackers.
- An event logging and analysis system (e.g., ELK Stack) is in place to analyze event correlations and determine incident severity. Audit trails of core systems and equipment are regularly reviewed to ensure no abnormal internal or external access.

System Security

- System patches are updated regularly, and antivirus signatures are updated daily.
- System backups are performed on a regular basis.

Event Detection

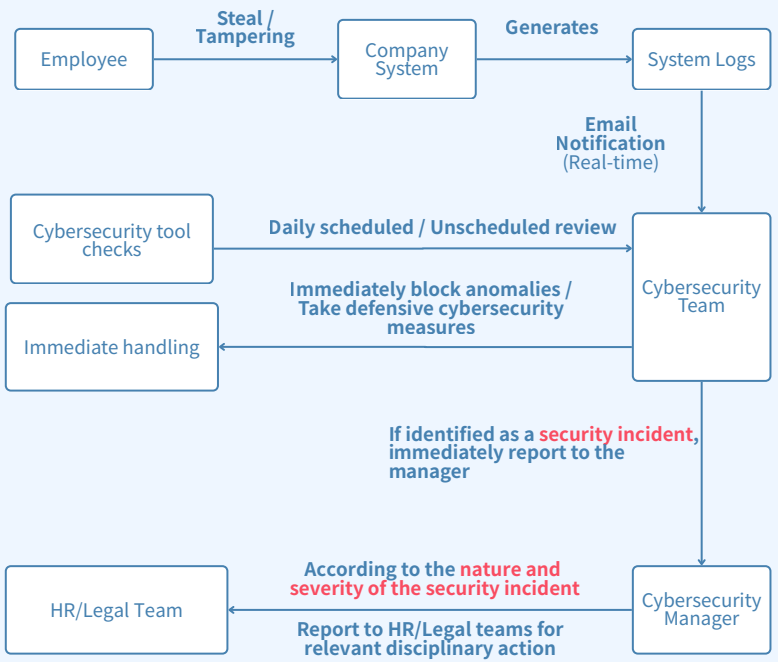
- A malicious connection detection mechanism provides 24/7 monitoring for abnormal behavior. Upon an incident, system owners and security personnel are notified immediately. The incident is then escalated to the appropriate management level based on its severity.
- Core business systems and equipment are monitored by a real-time alert system (e.g., PRTG), which notifies system administrators for immediate response in case of anomalies.

Business Continuity

- Annual Disaster Recovery (DR) drills are conducted for core systems, involving a failover to the off-site data center to ensure normal system operation.
- A vendor risk management mechanism has been established. Vendors are required to sign Non-Disclosure Agreements (NDAs), and cybersecurity-related clauses are included in contracts to enforce our vendor management policy.



IRP Information Security Incident Response Plan Flowchart



Information Security Management Performance


bsi.
Certificate of Registration
INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2022

Verification Standard

ISO/IEC 27001:2022
Expiry Date: January 4, 2027

Covered Plants

- **Greater China:** Linyuan Advanced Plant, Maanshan Plant
- **India:** CCET Plant, CCIPL Plant

Coverage Rate **57** %

In 2025, CSRC experienced no major cybersecurity incidents, and vulnerability scan results showed no anomalies. However, in the overall operation of our Information Security Management System (ISMS), several systems and management mechanisms still require strengthening.
Firstly, the management of and response to external groups and information security-related regulations are not yet fully comprehensive. If business operations involve personal data processing, TCC Information Systems will assist in handling it to ensure compliance, as required by the Corporate Governance Evaluation. Regarding regulatory compliance, a complete system corresponding to government cybersecurity laws has not yet been established. With the announcement of amendments to the Cyber Security Management Act, we will progressively strengthen our cybersecurity defenses and response capabilities in line with related sub-laws and assist specific non-governmental agencies within the Group in implementing relevant requirements. At the policy and system level, further establishment and implementation are needed. In response to the recent inclusion of climate change considerations in ISO management systems, the company will need to incorporate related risks and stakeholder needs into its overall management framework. In system management, there is still room for improvement in the operational procedure controls for critical systems. To enhance system availability, scalability, and operational efficiency, we are currently evaluating and planning the migration of our SAP system to a cloud environment.

The company has implemented basic operational and management measures to ensure the stable operation of its information systems, including data center temperature and humidity monitoring, regular inspections, Uninterruptible Power Supply (UPS) configurations, and maintenance of air conditioning and fire suppression systems. An incident response mechanism is also in place to handle emergencies. Concurrently, the company's ESG team, responsible for related affairs, continues to drive overall management optimization.

Cybersecurity Awareness Training

2025: 1 Session Conducted

Content includes an introduction to the ISMS, recent cybersecurity threat trends and incident case studies, enhancing security awareness, promotion of the Group's security policy and compliance matters. The course was uploaded to an online platform for employees' continued learning.

Total Participants **2,274** persons

Total Training Hours **1,705** Hours

Social Engineering Drills

2025: 4 Drills Conducted

Overall Violation Rate

3.49 %

Cybersecurity Awareness Training Course

Training Course Name	Content Description	Total Participants	Target Audience	Total Hours
2025 Cybersecurity Awareness Enhancement Training	1. Introduction to the ISMS 2. Recent cybersecurity threat trends and incident case studies 3. Enhancing security awareness 4. Promotion of the Group's security policy and compliance matters	2,274	Employees from all departments	1,705

Cybersecurity Training Employee Coverage Rate

	Greater China	India	USA	Group
Employee Coverage Rate	76%	34%	75%	61%

Note: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.



Privacy Protection

To ensure the protection and management of personal data, CSRC has formulated a "Personal Data Protection and Management Policy" in accordance with relevant regulations, which was approved by the Board of Directors on August 12, 2025. This policy applies to all employees, customers, suppliers, contractors, and personnel from third-party partners such as external consultants, safeguarding the rights of all data subjects.

Key Points of the Personal Data Protection and Management Policy

- Personal data is collected, processed, and used based on legal requirements and the principle of good faith, strictly limited to specific purposes. Only general personal data required for business or regulatory purposes is collected; sensitive personal data is not collected in principle.
- To maintain data security, a dedicated management unit and procedures have been established to plan, inspect, and respond to data subjects' requests to inquire, review, supplement, correct, delete, and cease the use of their personal data.
- Multiple security and maintenance measures have been adopted, including restricting access rights for relevant personnel, enforcing confidentiality agreements, regularly reviewing information system security, and conducting appropriate supervision of internal and external entrusted units to ensure compliance with regulations and policies.
- Data record retention and continuous improvement mechanisms are strengthened, with regular assessment reports to review and revise security measures.
- Procedures for handling personal data after business termination are legally defined and implemented to prevent risks such as leakage or damage.
- An emergency notification and incident response procedure for personal data security incidents has been established, defining notification methods, recipients, and evaluation and correction mechanisms.
- The management unit is required to establish a risk assessment system and to promote related regulations, educational campaigns, and documentation, responding promptly to legal amendments.
- Employees participate in regular training to implement a zero-tolerance principle for data protection. Any violations will be handled strictly in accordance with regulations.
- Employees and external parties can report any issues related to personal data through a dedicated hotline or email. The company will strictly protect the rights of the reporter.

In 2025, no CSRC plant sites received any complaints regarding breaches of customer privacy, data leaks, or the theft or loss of customer data.

Number of Information Security and Privacy Complaints at CSRC's Regions over the Past 3 Years

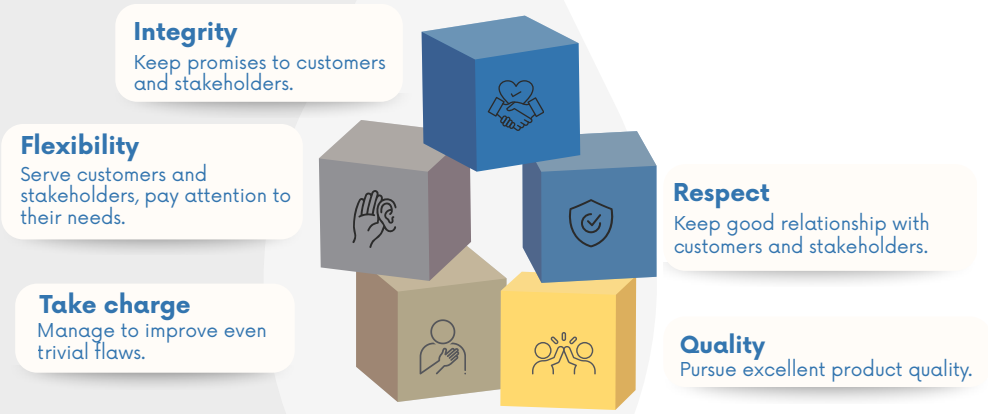
	Greater China	India	USA	Group
2023	0	0	0	0
2024	0	0	0	0
2025	0	0	0	0

Note: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

Ethical Management GRI 2-23、2-24

Ethical Management Policy

CSRC adheres to the Company's business philosophy of "Modesty leads to harmony; honesty builds credibility" and clearly indicates its ethical management attitude on the Company's official website. In order to establish a corporate culture of ethical management and an optimal business operation model, there are regulations such as the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct". The first point of CSRC's brand value is "Commitment", and practical rules are as follows:



To ensure sound management of integrity in business operations, CSRC's corporate governance unit is responsible for formulating and supervising the implementation of integrity management policies and preventive measures. They also report to the Board of Directors regularly (at least once a year). Reported themes include:

1. Assist in integrating ethics and moral values into the Company's business strategy, and cooperate with the legal system to formulate relevant anti-fraud measures to ensure ethical management.
2. Regularly analyze and evaluate the risk of dishonesty within the business scope, and formulate plans to prevent dishonesty, defining the Procedures and Guidelines for Conduct are applied to work operations within each plan.
3. Plan internal organization, staffing structure and responsibility, and place mutual supervision and checks and balances on business activities with high risks of dishonesty in the business scope.
4. Promotion and coordination of ethical policy and advocacy training.
5. Plan the reporting system to ensure the effectiveness of the implementation.
6. Assist the Board of Directors and management to check and evaluate whether the preventive measures established by the implementation of integrity management are operating effectively, and regularly evaluate and follow the relevant business processes and make reports.

In order to make sure that employees, managers, and directors know and follow the Ethical Corporate Management Best Practice Principles, CSRC regularly conducts advocacy and training courses and incorporates them into the internal control system every year. CSRC always pays attention to the development of domestic and foreign standards for ethical management, revising the content from to time to according to the internal and external situation and developments. At the same time, it also encourages directors, managers and employees to make suggestions while reviewing and improving the Company's Ethical Corporate Management Best Practice Principles so as to enhance the effectiveness of the Company's ethical management. CSRC's Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct are as follows:

Ethical Corporate Management Best Practice Principles	Code of Ethical Conduct
Directors, managers, employees, and persons with substantial control are prohibited from engaging in the following activities: • Prohibition of dishonest behavior • Prohibition of bribery and acceptance of bribes • Prohibition of providing illegal political contributions • Prohibition of improper charitable donations or sponsorships • Prohibition of unreasonable gifts, entertainment or other improper benefits • Prohibition of infringement of intellectual property rights • Prohibition of unfair competition • Prohibition of discrimination • Prohibition of insider trading	• Prevention of conflicts of interest • Actions in one's own self-interest are not allowed • Duty of confidentiality • Implementation of fair trade • Proper protection and use of Company assets • Statutory compliance

CSRC takes the highest professional ethical standards as a self-requirement, abiding by discipline and zero tolerance for corruption, and does not allow any bribery, fraud, misuse of Company assets or sacrifice of Company interests in exchange for personal gain. In the future, we will continue to evaluate the revisions of regulations such as governance, product liability, and environmental protection, in order to make adjustments in advance to meet regulatory requirements. To strengthen compliance with the Company's Ethical Corporate Management Best Practice Principles, ensuring that employees fully understand the Company's regulations regarding receiving hospitality, socializing, gifts, and other benefits, specific Procedures for Receiving Hospitality, Social Interaction, and Gifts as well as Gift Giving and Receiving Management Regulations have been established.

To strengthen our ethical corporate management policy and deepen ESG-related issues, CSRC has proposed a five-point strategy as the basis for future improvement.

Strengthen Internal Controls	Prevent fraud, corruption, and unethical behavior.
Improve Transparency	Disclose the Company's actions and performance on ESG issues in detail, and communicate them clearly and accurately to stakeholders.
Incorporate Opinions	Incorporate the opinions of stakeholders (such as employees, customers, investors, and local communities) into the decision-making process related to ethical corporate management.
Regular Evaluations	Through a regular assessment mechanism, we ensure that the Company's performance in ESG and ethical corporate management is appropriate, and timely remedial measures are taken when necessary.
Sustainable Investment	By investing resources and manpower in ESG-related initiatives, we demonstrate the Company's determination to value corporate social responsibility.

The Company firmly believes that incorporating the above strategies into corporate management policies will not only reflect this practice of ethics, sustainability, and responsible business, but also gain the trust of stakeholders and create a better future together.

Policy Communication and Training GRI 205-2

CSRC regularly organizes education, training, and advocacy for directors, managers, employees, and substantial controllers (non-shareholders, but individuals who through investment relationships, agreements, or other arrangements effectively control company actions), making them fully understand the Company's determination, policies, prevention plans, and the consequences of dishonest behavior violations. In 2025, 95% of employees and board members across all operational sites received communication and training on business ethics, covering topics such as anti-corruption, anti-bribery, anti-money laundering, and fraud prevention. Regarding business partners, CSRC also emphasizes the importance of reliable supply chain relationships. In 2025, 36% of the Group's suppliers signed the required Integrity Clause Note. Additionally, suppliers are required to protect employee human rights, provide legal working conditions, and uphold ethical business conduct.

Note: Contracts signed by CSRC with agents, suppliers, customers, or other business transaction partners include clauses that require compliance with the company's integrity policies. These clauses also stipulate that CSRC may terminate or rescind the contract at any time if the counterparty is found to be involved in any act of dishonesty.

Year	2023		2024		2025	
Region	Number of people who are aware of and understand the company's business ethics policies and procedures / Number of people who have received business ethics[Note 1] training	Proportion	Number of people who are aware of and understand the company's business ethics policies and procedures / Number of people who have received business ethics training	Proportion	Number of people who are aware of and understand the company's business ethics policies and procedures / Number of people who have received business ethics training	Proportion
Board of Directors	7	100%	9	100%	9	100%
Greater China [Note 2]						
Senior Supervisor	7	100%	9	100%	5	100%
Mid-level Supervisior	31	100%	37	100%	43	100%
Basic-level Supervisior	46	100%	37	100%	41	100%
Direct Staff	374	100%	365	100%	361	100%
India						
Senior Supervisor	1	100%	1	100%	1	100%
Mid-level Supervisior	14	64%	27	100%	24	100%
Basic-level Supervisior	51	56%	103	100%	98	100%
Direct Staff	105	43%	264	100%	260	100%
USA						
Senior Supervisor	2	100%	2	100%	2	100%
Mid-level Supervisior	6	100%	5	100%	3	50%
Basic-level Supervisior	47	100%	47	100%	41	84%
Direct Staff	123	71.6%	136	77.7%	124	76%
Total						
Greater China	458	100%	448	100%	450	100%
India	171	48%	395	100%	383	100%
USA	178	78%	190	83%	170	77%
Group[Note 3]	814	78%	1,031	95%	1,012	95%

Note 1: Business ethics covers anti-corruption, anti-bribery, money laundering, and fraud prevention.
Note 2: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
Note 3: The 2023-2024 Group totals previously omitted the Board of Directors; this has been corrected in this table.

Anti-corruption Risk Assessment and Results GRI 205-1、205-3、206-1

- In 2025, **100%** of CSRC's global operational sites conducted corruption-related risk assessments. The results were incorporated into the annual audit plan, and no major anomalies were identified.
- Over the past three years, there have been **0** complaints or confirmed cases of violations of business ethics procedures across all CSRC regions.

System and Governance Mechanism

In accordance with the "Ethical Corporate Management Best Practice Principles," CSRC has established a risk assessment mechanism for dishonest conduct. It regularly analyzes and evaluates business activities within its scope of operations that have a higher risk of such conduct. The company has also established an effective accounting system and internal control system, prohibiting any off-the-books or secret accounts, and conducts regular reviews to ensure the continued effectiveness of the system's design and implementation. Furthermore, for both upstream and downstream partners, background checks and screening are conducted according to internal risk assessment procedures to verify whether potential partners have records of illegal activities, corruption, major sanctions, or relevant negative news coverage.

Audit and Supervision Mechanism

The internal audit unit formulates relevant audit plans based on the results of the dishonest conduct risk assessment. These plans include the audit subjects, scope, items, and frequency, and are used to verify compliance with preventive measures. For example, each year the Audit Office assesses the types and frequency of potential corruption events based on the scale of each plant, emergency incidents, and project progress (such as new plant construction, expansion, major overhauls, or other special projects) to develop an annual audit plan. External accountants may be engaged to assist when necessary. The results of these audits must be reported to senior management and compiled into an audit report submitted to the Board of Directors at least once a year.

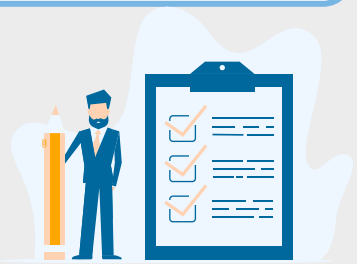
In addition to routine annual audits, the Audit Office specifically analyzes for red flags indicating potential corruption, such as incomplete approval processes in procurement cases, lack of authorization by responsible supervisors, or unreasonable designation of specific suppliers. CSRC conducts regular corruption-related risk assessments by sending self-assessment forms to each plant, which include questions related to integrity risks. The Audit Office then uses the scoring results to carry out the annual audit work.

Fair Competition and Pricing Governance

Furthermore, to avoid unfair competition with peers, CSRC holds monthly Production, Sales, and Pricing Committee meetings to discuss reasonable pricing and supply volumes. Feedback is also shared during the annual Carbon Black industry conference to prevent vicious competition among industry players.

Participants include senior executives such as the Chairman, President, and Chief Financial Officer, as well as representatives from business administration, sales, procurement, and manufacturing departments. Discussion topics cover raw material supply and demand, customer needs, production and inventory balance, and pricing strategies, which are adjusted based on raw material costs, market demand, and competitor pricing.

According to the 2025 risk assessment, no significant corruption risks were identified within the Group. There were no major incidents of fraud, corruption, or violations of ethical management or business ethics. Additionally, the company was not involved in any anti-competitive behavior or litigation related to violations of antitrust and monopoly laws.



Reporting System and Channels GRI 2-26

In order to establish an honest and transparent corporate culture and promote sound management, CSRC has a "Reporting System for Violations of Professional Ethics". This includes instructions on reporting channels and processing procedures, ensuring the legal rights and interests of informants and related persons. For any internal or external stakeholders of CSRC, if they find anything that may endanger the reputation and the safety of the property of CSRC, or any corruption, theft, embezzlement, private practice, fraud, anti-competitive or other unethical or dishonest behavior, then reports and complaints can be made through the following reporting channels of CSRC:

Email reporting: mp.buster@csrcgroup.com

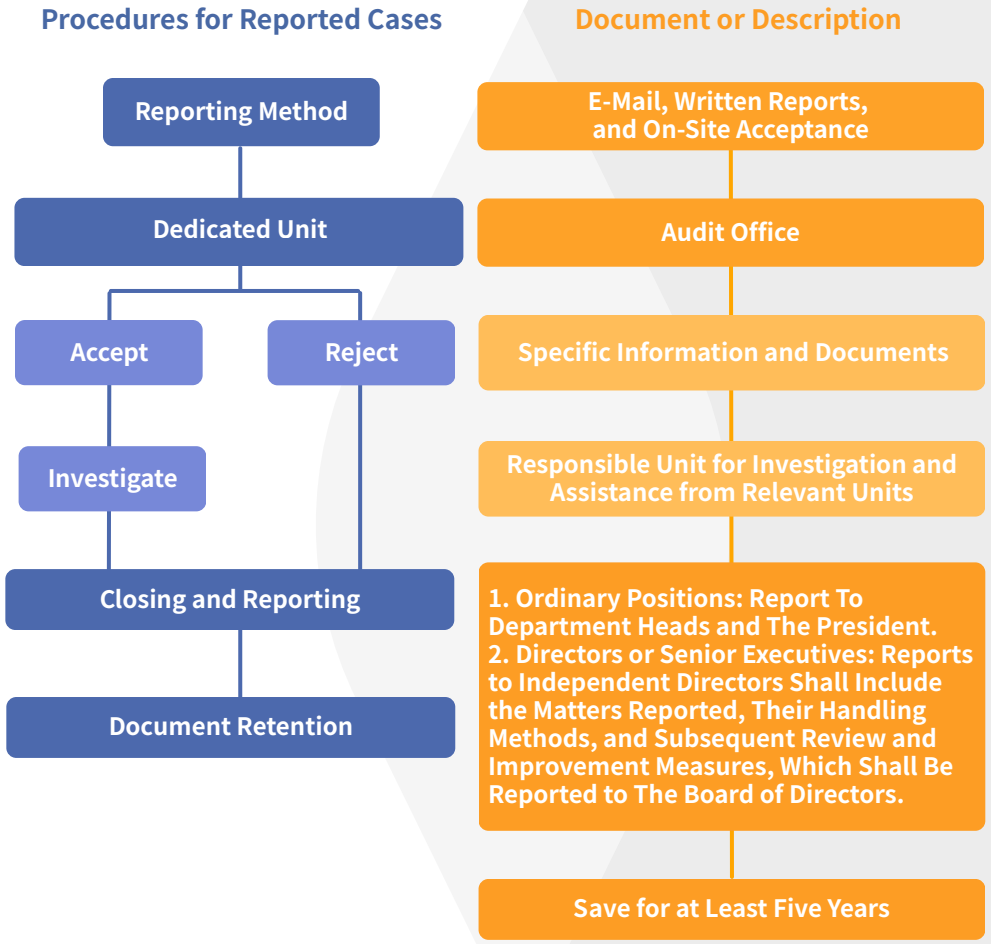
Written reports: Audit Office, International CSRC Investment Holdings Co., Ltd., 8F., No. 113, Section 2, Zhongshan North Road, Zhongshan District, Taipei City

On-site reporting: The receiving department is the Audit Office of CSRC

The whistleblower can make a named report or an anonymous report, and can provide relevant specific information and documents. If the report is named, the reporter should provide their name and contact information. If the relevant information and documents are not complete, it will not be accepted.

CSRC has integrated the value of ethical management and ethical behavior into the Company's business strategy, and cooperates with laws and regulations to establish relevant anti-fraud measures to ensure honest operation and ethical behavior. Through the "Reporting System for Violations of Professional Ethics", we ensure that the opinions of internal and external stakeholders can be communicated through unobstructed channels. (The scope of application of this approach includes subsidiaries of CSRC, foundations where direct or indirect donations cumulatively exceed fifty percent, and other group enterprises and organizations with substantial control capabilities). The dedicated unit is the Audit Office. When necessary, it will cooperate with Regulatory Compliance or other relevant departments to ascertain relevant facts.

For reported cases that are accepted, the identity of the informant, the content of the investigation, the investigation process and the investigation results are all properly kept and access rights are restricted. At the same time, it promises to protect the informant from being improperly dealt with due to the report. If the report is verified to be true, relevant units of CSRC will be instructed to review the internal control system and operating procedures, propose improvement measures and report to the Board of Directors to prevent the same incident from happening again. In addition, we also encourage internal and external personnel to report dishonest behavior or misconduct, and bonuses will be awarded according to the circumstances of the report.



In 2025, no incidents of ethical management violations were reported through the aforementioned reporting system at CSRC Group. There were also no incidents of employees being dismissed or disciplinary actions being taken due to corruption, nor of business partners being terminated or not renewed due to corrupt violations; and there were no legal cases related to corruption among the Company or its employees.

Statutory Compliance System SASB RT-CH-530a.1

"Honesty and Integrity" is the core corporate value of CSRC. We value regulatory compliance and strictly abide by local government laws and regulations in order to achieve sustainable operations and fulfill our responsibility to employees, shareholders, and the entire supply chain. The company's operations are based on the principles of honesty, fairness, and transparency, with a management goal of zero violations. Each unit within CSRC regularly monitors developments in relevant laws and regulations according to their responsibilities. Through a process of regular legal identification and analysis of internal and external issues, improvement measures are proposed and implemented for operational risks. This ensures that CSRC complies with all applicable laws and regulations, thereby mitigating the risk of violations.

Compliance Related Units and Management

President's Office	Execution of legal affairs, litigation of various company cases, legal consultation, review of contract documents, management of intellectual property rights, and risk management and control
Human Resource Dept.	Conduct internal education and training to strengthen employees' awareness of legal compliance
Audit Office	Implementation of internal audits, development and execution of internal audit plans, and submission of audit reports to reduce corporate operating risks
All Departments	Compliance with relevant laws and regulations, including but not limited to those related to governance, the environment, product responsibility, and labor and human rights.

Compliance Training and Advocacy of Laws and Regulations SASB RT-CH-530a.1

CSRC regularly organizes relevant education and awareness training for its directors, managers, employees, and persons with substantial control. In 2025, tailored training sessions centered on ethical management and sustainable development were provided based on different roles and responsibilities. The goal was to ensure a thorough understanding of the consequences of violating integrity principles and how to formulate better business strategies in response to sustainability trends. For managers, the Corporate Sustainability Committee, and the management team, the training focused on sustainable operations and audit practices to foster a business environment conducive to corporate sustainability. In total, there were 421 participants, accumulating 887.5 training hours. The relevant training records are detailed in the table below:

Date	Course Topic	Participants	Number of Attendees	Hours
2025/2/26、3/3、3/6	Maintaining Good Workplace Relationships and Self-Protection	All Employees	167	2
2025/3/3、3/4	Building a Workplace Culture of Psychological Safety	Managers	48	4
2025/4/18	Embracing Change - The Future of Internal Audit	Internal Audit Office Personnel	1	8
2025/6/2	[In-person] Organizational Greenhouse Gas (GHG) Inventory	Representatives from all departments	19	2.5
2025/06/26、06/27	Continuing Education for Accounting Supervisors (Selected Package)	Finance & Accounting Dept. Personnel	1	12
2025/06/30	Practical Workshop on Preparation and Reporting of Sustainability Information (Virtual)	Finance & Accounting Dept. Personnel	1	6
2025/07/30	IFRS 18 "Presentation and Disclosure in Financial Statements" - Standards and Practices (Virtual)	Finance & Accounting Dept. Personnel	1	6
2025/07/30	IATF 16949 Annual Training: Key Implementation Points	All Employees	2	2
2025/08/19	Key Analysis of IFRS 18 "Presentation and Disclosure in Financial Statements"	Finance & Accounting Dept. Personnel	11	3
2025/08/28	Net-Zero Carbon Emissions: Carbon Taxes and Regulations	R&D Dept. Personnel	1	6
2025/09/08	CDP Questionnaire Analysis Course (in line with IFRS S2)	Finance & Accounting Dept. Personnel	1	6
2025/09/03、09/04	TC6391 ISO 14064-1:2018 Organizational GHG Internal Verifier Training Course	Technical Dept. Personnel	1	14
2025/09/15、09/16	Hydrogen Energy for Carbon Reduction - Practical Talent Training Course	EHS Dept. Personnel	1	16
2025/09/23	[Mandatory for 2025] Cybersecurity Awareness Enhancement Training	All Employees	162	1
2025/10/17	Strategies for Auditor Ethics and Fraud Prevention: Case Studies on Breach of Trust and Irregular Transactions	Internal Audit Office Personnel	1	6
2025/10/20	Tax Analysis for Investment-focused Companies	Finance & Accounting Dept. Personnel	1	3
2025/10/22、10/23	[Finance & Accounting] How to Prepare Consolidated Financial Statements for Parent and Subsidiary Companies	Finance & Accounting Dept. Personnel	1	14

Note: Extended learning for Directors can be referred to Board of Directors' Professional Development

Statutory Compliance and Improvements GRI 2-27；SASB RT-CH-140a.2

In 2025, CSRC Group had no major violations of laws and regulations related to the environment, labor and human rights, or occupational safety and health. (A major violation is defined as a fine exceeding NT$ 500,000.) During the reporting period, there were a total of two non-major regulatory violations, both of which occurred at the Kaohsiung Linyuan Advanced Plant. Additionally, the company made no political donations during the reporting period.

Location	Kaohsiung Linyuan Advanced Plant	Kaohsiung Linyuan Advanced Plant
Date of Occurance	2025/2/7	2025/5/25
Violation Category	Governance Regulation	Governance Regulation
Violation Domain	Social	Environment
Violation Area	Occupational Safety and Health	Air Pollution
Violated Regulation	Violation of Article 6-1 of the Occupational Safety and Health Act	Violation of Article 32, Paragraph 1, Subparagraph 1 of the Air Pollution Control Act
Source of Case	Administrative / Competent Authority	Administrative / Competent Authority
Description of Violation	1. Inadequate guarding on rotating equipment. 2. Gas cylinders were not properly secured, posing a tipping hazard. 3. An aerial work platform was not level with the ground.	A rupture in the return pipeline of the U2 ACCTANK, combined with abnormal operator handling, resulted in a fugitive emission of carbon black.
Penalty Type	Fine	Fine
Fine Amount(NT$)	80,000	240,000
Corrective Actions	1. Conducted a plant-wide inventory of existing equipment guards and implemented improvements. 2. Reinforced the chains in the cylinder storage area to prevent tipping. 3. The aerial work platform's motor was damaged and inoperable; it has been tagged as out of order.	1. Replaced the original metal expansion joint with a non-metal one. 2. Conducted a comprehensive inspection of all similar equipment plant-wide. A list of equipment with severe visible rust was compiled for replacement at an appropriate time.
Improvement Outcome	The identified deficiencies have been communicated across all departments, and corrective actions have been completed.	Subsequent inspections after the replacements have not revealed any similar instances of severe corrosion.

Sustainable Supply Chain Management

Supply Chain Risk Management Procedures GRI 2-6、GRI 308-2、414-2

CSRC's suppliers are primarily categorized into three types: upstream suppliers, downstream suppliers, and other suppliers. Upstream suppliers provide raw materials, equipment spare parts, and packaging materials. Downstream suppliers handle the transportation of raw materials, finished products, and waste. Other suppliers consist of contractors for construction and turnkey projects.The supply chain management process comprises four main stages: Supplier Selection, Supplier ESG Risk Management, Supplier Evaluation, and Supplier Engagement and Improvement.

Stage 1: Supplier Selection GRI 2-24、GRI 205-2、308-1、414-1

CSRC selects high-quality suppliers through a rigorous qualification mechanism. Prior to selection, potential suppliers are required to complete a self-assessment report. The report covers items such as company profile, business registration information, photos of the plant environment, equipment lists, R&D, quality assurance, and environmental management capabilities, proof of business performance (e.g., purchase orders, invoices), and financial statements (balance sheet, income statement). Following the self-assessment, we conduct on-site audits of top-performing candidates to assess their financial soundness. We are also progressively incorporating social and environmental performance into our selection criteria for new suppliers. Any supplier with a negative record or major violations (e.g., violations of environmental or social regulations, or governance issues such as corruption) will be disqualified from partnership opportunities, thereby ensuring the effectiveness of our sustainable supplier management. In 2025, 64 new suppliers in the Group passed our social and environmental screening criteria.

Number of New Suppliers and Screening Ratio in 2025

	Total Number of New Suppliers	Total Number of New Suppliers Filtered by Environmental and Social Standards	Ratio of New Suppliers Filtered by Environmental and Social Standards
Greater China[Note 1]	101	27	26.7%
India	211	7	3.3%
USA[Note 2]	0	0	0%
Group	312	34	11%

Note 1: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
Note 2: The US region is still in the process of establishing environmental and social screening criteria for new suppliers and plans to introduce them in the future.

Guided by the philosophy that "ESG is a corporate responsibility, not a cost," CSRC is committed to ensuring that risks faced by all workers (including contract workers) in our supply chain are properly identified and managed. In 2025, 31.9% of suppliers with active contracts signed the "Code of Conduct for Corporate Social Responsibility" and the "Integrity Clause." We will progressively require all contracted suppliers across the Group to achieve a 100% signing rate by 2030.

Number and Percentage of Suppliers Signing Suppliers Code of Conduct for Corporate Social Responsibility and Integrity Clause in CSRC Group and Operational Sites

	Greater China[Note 1]			India			USA[Note 2]			Group		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Total Number of Contracted Suppliers with Actual Transactions	464	510	346	559	112	597	33	34	22	1,056	656	965
Number of Suppliers Signing Code of Conduct for Corporate Social Responsibility and Integrity Clause	464	510	346	419	35	5	0	0	0	883	545	351
Percentage of Suppliers Signing Code of Conduct for Corporate Social Responsibility and Integrity Clause	100%	100%	100%	75%	31%	0.8%	0%	0%	0%	83.6%	83%	36%

Note 1: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
Note 2: The US region is still in the process of establishing Suppliers Code of Conduct for Corporate Social Responsibility and Integrity Clause and plans to introduce them in the future.

Simultaneously, CSRC is dedicated to creating an environment that actively embraces Diversity, Equity, and Inclusion (DEI). We advocate for supplier diversity, with a focus on businesses led by women, ethnic minorities, and disadvantaged groups. For example, in 2025, the major transportation supplier for the Linyuan Advanced Plant is a woman-led enterprise. Additionally, approximately 25% of suppliers for spare parts, materials, transportation, and engineering at the Maanshan Plant are headed by women or have women as their legal representatives.

CSRC's Supplier Corporate Social Responsibility Commitment

For sustainable business operations, suppliers are required to commit to the following principles:

- Sustainably focus on environmental protection, energy conservation, and carbon reduction; improve energy and resource efficiency; and comply with environmental laws to co-create a sustainable environment.
- Comply with relevant standards for waste, air emissions, and wastewater management. The disposal and treatment of all waste, pollutants, and other environmentally hazardous substances must meet legal or international convention requirements.
- Shall not employ child labor and must protect basic human rights when hiring employees (including, but not limited to, labor rights, freedom of association, and ILO conventions), providing reasonable compensation and legal working conditions.
- Conduct business with ethical integrity, adhering to anti-corruption and anti-monopoly laws, and refraining from anti-competitive practices that disrupt market order.
- Develop a sustainable procurement policy for their own suppliers, which must, at a minimum, cover the principles set forth in the Group's supplier policy.

CSRC's Supplier Code of Conduct for Corporate Social Responsibility

Supply Chain ESG Management Orientation

Labor

- Respecting labor freedom
- Prohibition of child labor
- Reasonable working hours, wages, and benefits
- Compliance with international human rights regulations
- Prohibition of any discrimination
- Free association

Health and Safety

- Providing a safe and hygienic working environment and appropriate protective measures
- Emergency response
- Paying attention to manual work
- Providing safety machinery and equipment
- Public health and accommodation

Environment

- Environmental permit assessment
- Pollution prevention and resource conservation
- Management measures for hazardous substances, exhaust emissions, wastewater, solid waste, energy consumption, and greenhouse gas emissions
- Products comply with EU REACH requirements

Ethical Standards

- Integrity
- Anti-corruption and prohibition of bribery
- No illegitimate gains
- Compliance with the law
- Information disclosure
- Fair trade
- Identity protection and retaliation
- Responsible purchasing and non-use of conflict minerals
- Privacy and information security
- Whistleblower and reporting system

Management System

- Proper management system
- Development of a responsible procurement policy
- Supervision and management
- Development of an internal training plan
- Regular target review, improvement, and optimization

Stage 2: Supplier ESG Risk Management

CSRC's procurement team manages suppliers by categorizing them into groups such as raw material oil suppliers, packaging material suppliers, engineering contractors, and transportation providers. The primary focus is on the top three major suppliers by procurement value within these four key categories. For these major suppliers, we have established ESG scoring criteria based on our Supplier Code of Conduct for Corporate Social Responsibility to assess their risk levels. Based on the assessment results, we conduct on-site audits and issue improvement requirements.

Define Risk Factors
Identify all potential risks, including those determined by the supplier's industry, business scale, or location. Define the likelihood and potential impact of each risk.

Assess Risk Level
Evaluate the supplier's risk level based on the likelihood and impact of identified risks.

Determine Mitigation and Corrective Actions
For major and high-risk scenarios involving high-risk suppliers, determine appropriate mitigation and corrective actions.

On-site Audits and Regular Monitoring
Conduct on-site ESG audits for critical high-risk suppliers, provide guidance and recommendations, and regularly monitor the effectiveness of their improvement measures.

Supplier ESG risk factors are divided into Environmental (E), Social (S), and Governance (G) dimensions. These are further categorized into criteria applicable to all suppliers, criteria for all large suppliers, and specific rating items for large feedstock, packaging, engineering, and transportation suppliers. Procurement personnel assess the risk level of each supplier by collecting public and third-party data based on the criteria corresponding to their category and scale.

ESG Risk Factor	All Suppliers	All Large Suppliers	Large Feedstock Suppliers	Large Packaging Suppliers	Large Engineering Contractors	Large Transportation Providers
Environmental	1. Record of environmental law violations 2. Lack of required environmental permits	1. No disclosure of GHG inventory 2. No improvement in water/energy intensity 3. No ISO 14001 certification	1. No climate transition risk assessment conducted 2. No management of Scope 3 GHG emissions 3. No R&D in low-carbon technologies 4. No use of carbon offsets	1. No circular economy mechanism (e.g., recycled plastics) 2. No sustainable or low-carbon raw material certification 3. No management of Scope 3 GHG emissions 4. No product carbon footprint management	1. No green procurement actions (e.g., for building materials) 2. No energy efficiency management during construction 3. No environmental impact assessment 4. No resource recycling initiatives	No implementation of green transportation (e.g., EV adoption)
Social	1. Record of work-related injury incidents or news 2. Record of labor complaints (with government agencies)	1. No established and disclosed DEI policy 2. No forced labor due diligence conducted 3. No established and disclosed human rights grievance mechanism4. No ISO 45001 certification	1. No assessment of social impact from energy transition 2. No collective negotiation mechanism established 3. No assessment of community health impacts	No human rights audit of packaging supply chain	1. No protection of contractor labor rights 2. No management of subcontractor labor rights	1. No truck safety audit mechanism 2. No management of driver's hours and rest compliance
Governance	1. Business registration not valid 2. Supplier Code of Conduct for Corporate Social Responsibility not signed 3. Integrity Clause not signed 4. Record of illegal activities/corruption/major sanctions/negative news	1. No board oversight of sustainability 2. Lack of transparent disclosure of sustainability information 3. No established and disclosed whistleblower protection mechanism 4. Lack of a trade secret & information security system 5. Internal controls not implemented	1. Non-compliance with cross-border regulations 2. No action on low-carbon transition	1. No intellectual property (IP) risk management 2. No quality and origin traceability management	No planned risk management and resilience framework	1. No international trade compliance monitoring system 2. No management of transport liability risks and insurance (e.g., cargo/third-party liability)

In 2025, CSRC conducted ESG risk assessments for 100% of its major suppliers in the Greater China region. Among them, the feedstock supplier category was identified as having the highest overall risk. The high-risk items associated with these suppliers were discussed during on-site audits, and it was confirmed that the suppliers have corresponding response measures in place. In the future, supplier ESG risk management will be progressively introduced in the India and US regions.

Supplier Category	Feedstock Suppliers	Supplier's Response to High-Risk Items
High-Risk Item (Environmental)	Record of environmental law violations	In case of an incident, immediate action and subsequent improvement measures are taken. This is either disclosed in their sustainability report or shared during on-site audits with CSRC's procurement personnel.
High-Risk Item (Social)	Record of labor complaints	In case of an incident, immediate action and subsequent improvement measures are taken. This is either disclosed in their sustainability report or shared during on-site audits with CSRC's procurement personnel.
High-Risk Item (Governance)	1. Business registration not valid 2. Lack of a trade secret & information security system 3. Internal controls not implemented	Regularly provide valid business registration documents; Disclose information security and internal control measures in their sustainability report or share them during on-site audits with CSRC's procurement personnel.

Stage 3: Supplier Evaluation

To establish sustainable supply chain management, CSRC's evaluation criteria extend beyond product quality, process capability, delivery times, service, and cost to also include ESG performance within the supplier's management system. An annual graded audit and evaluation is conducted for all active suppliers. Additionally, on-site audits are performed for the top three major suppliers by procurement value within our four key supplier categories. Based on the evaluation scores, suppliers are classified into four grades: A, B, C, and D. If a supplier is rated as Grade C for two consecutive years, we will conduct an on-site visit or invite the supplier for an interview to create a written record. We will then assist them in improving the non-conforming items. If a supplier is rated as Grade D, they will be designated as a supplier to be phased out and will have their bidding rights suspended.

Evaluation Factors

Product Demand — Ratio 45%

- Product Compliance
- Quality Performance
- Delivery Performance
- Continuous Supply Capability
- Quality Management System Evaluation
- Process Capability

Transport & Service — Ratio 25%

- Transportation Method
- Customer Service
- Construction Contact
- Machines and Equipment
- Environmental Sanitation
- Customer Satisfaction Mgmt.

Mgmt. System — Ratio 30%

- Compliance with Supplier Code of Conduct (Environmental protection declarations, CSR declarations, REACH registration, labor health and safety, ethical management system obligations, etc.)
- Acquisition of relevant certifications
- Environmental or social CSR practices
- Systematic and traceable mgmt. data

Evaluation Score Level

Above 90 pts — A Level	Good manufacturer, priority for bargaining opportunities.
80-89 pts — B Level	Reliable manufacturer, general price comparison opportunities.
70-79 pts — C Level	Strengthen improvement and guidance, reduce bidding rights. Reinstated if improved at next evaluation.
Below 70 pts — D Level	Listed as vendor to be phased out, bidding rights stopped.

Number of Onsite Audits of Major Suppliers in CSRC Group and Operational Sites

		Greater China[Note 1]			India			USA[Note 2]			Group		
		2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Onsite Audits of Major Suppliers	Number	12	12	12	6	4	14	0	0	0	18	16	26
	Proportion	100%	100%	100%	100%	100%	33%	0%	0%	0%	100%	100%	48%

Note 1: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
Note 2: The US region is currently in the process of establishing its on-site supplier audit system, which will be implemented in the future.

In 2025, for the Group's Asia region, the proportion of Grade A and B suppliers reached 97.8%, while Grade D suppliers constituted 2.2%. There were no Grade C suppliers. The partnerships with all seven Grade D suppliers have been terminated upon the expiration of their existing contracts. CSRC will progressively assist plant sites that have not yet conducted supplier evaluations to implement the evaluation mechanism and will formulate improvement plans based on the evaluation results.

Results of Supplier Evaluation in CSRC Group and Operational Sites

		Greater China[Note 1]			India[Note 2]			Asia		
		2023	2024	2025	2023	2024	2025	2023	2024	2025
A level	Number	335	155	193	-	-	16	335	155	209
	Proportion	84.8%	62.8%	71.7%	-	-	36.4%	84.8%	62.8%	66.8%
B level	Number	51	86	69	-	-	28	51	86	97
	Proportion	12.9%	34.8%	25.7%	-	-	63.6%	12.9%	34.8%	31%
C level	Number	7	5	0	-	-	0	7	5	0
	Proportion	1.8%	2%	0%	-	-	0%	1.8%	2%	0%
D level	Number	2	1	7	-	-	0	2	1	7
	Proportion	0.5%	0.4%	2.6%	-	-	0%	0.5%	0.4%	2.2%
Total Evaluation Number		395	247	269	-	-	44	395	247	313

Note 1: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
Note 2: Although supplier evaluations were introduced in the India region in 2024, the standards differed from those in the Greater China region. The 2025 data is presented after these evaluation standards were aligned. However, the evaluation in the India region primarily targets key raw material suppliers and will be progressively extended to other active suppliers in the future.

Stage 4: Supplier Engagement and Improvement

To promote engagement between procurement personnel and suppliers, the Group arranges training courses and materials on sustainable supply chains, such as "Circular Procurement," for its procurement personnel. In 2025, 30% of procurement personnel received this training.

Sustainable Supply Chain Training Course

Circular Procurement Training

The course aims to help enterprises master the core concepts and practical operations of circular procurement, establish feasible implementation plans, and enhance sustainable procurement capabilities and resource cycle management.

Target: Procurement Personnel

Total Participants: **10** persons

Course Hours: **1** hour

Sustainable Supply Chain Training -Procurement Personnel Coverage Rate

	Greater China	India	USA	Group
Coverage Rate	66.7%	0%	0%	30%

Note: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

In 2025, CSRC launched a supplier ESG e-newsletter to share ESG-related information with suppliers. Topics shared include environmental sustainability, social care, anti-discrimination, anti-corruption, and gender equality, aiming to promote sustainable development across the supply chain. The e-newsletter is primarily distributed to the Group's suppliers in the Asia region, with 248 suppliers in the Greater China region receiving it.



Simultaneously, when procurement personnel visit suppliers or conduct on-site supplier audits, they also share and discuss topics related to environmental climate change and labor and human rights to encourage and promote ESG improvements among suppliers.

For on-site service contractors, CSRC directly requires them to comply with the plant's environmental and occupational safety and health (OSH) policies. During construction or work periods, contractors must enhance environmental cleaning, wash vehicle tires, and adhere to all environmental and OSH regulations. CSRC also dispatches supervisors to inspect contractors' compliance. If any violations are found, CSRC can demand that the contractor halt work; work can only resume after improvements are made. Additionally, when contractors generate general industrial waste, hazardous industrial waste, or recyclable waste during construction, they are reminded to contact the supervising engineer of the project department to fill out relevant storage and disposal forms.







Regarding Grade C suppliers identified in the evaluation, procurement personnel assist them in correcting and improving their practices to drive continuous improvement throughout the supply chain. Common deficiencies for Grade C suppliers include late deliveries, non-compliance with regulatory requirements, invalid certifications, and issues with after-sales service quality. Before these deficiencies are rectified, the bidding rights of Grade C suppliers will be reduced. Bidding rights are only reinstated after procurement personnel confirm that improvements have been made. If no improvement is made within a specified timeframe, the supplier will be directly phased out. In the 2025 supplier evaluation, there were no Grade C suppliers.

Raw Material Management GRI 301-1、SASB RT-CH-410 b.2

The primary raw materials for carbon black production are the by-products leftover from the upstream petrochemical and steel industries' refining processes. Through a specialized carbon black manufacturing process, this by-product is transformed into the high-value product of carbon black, truly embodying the principles of a circular economy. Each of our plant sites utilizes end-of-pipe by-products from local refineries and steel mills as both fuel and raw materials. Furthermore, to reduce carbon emissions, some of our plants have introduced natural gas as a fuel and recycled pyrolysis oil as a raw material oil. These initiatives have collectively helped to reduce carbon emissions by 82,991 tCO2e. The Group does not use any conflict minerals.

Unit: Tonne

		Greater China[Note 5]			India			USA			Group		
		2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Non-Renewable Materials[Note 1]	Raw Oil + Fuel Oil + Natural Gas	217,926	230,114	238,894	106,702	214,427	255,797	273,248	275,164	195,365	597,876	719,705	690,055
	Packaging Materials [Note 2]	599	1,309	255	880	633	361	261	1,930	1,435	1,740	3,872	2,051
Renewable Materials[Note 3]	Recycled Oil [Note 4]	3,879	3,424	3,935	0	0	0	0	0	0	3,879	3,424	3,935
	Recycled Packaging Materials	445	706	751	221	331	419	0	0	0	666	1,037	1,170

Note 1: Non-renewable materials are defined as resources that cannot be replenished in a short period of time. Examples include minerals, metals, petroleum, natural gas, and coal.
Note 2: Non-renewable packaging materials include plastic pallets and flexible intermediate bulk containers (FIBCs).
Note 3: Renewable materials are defined as resources that can be rapidly restored through ecological cycles or agricultural processes and can be sustainably used by future generations. Examples include wood and water.
Note 4: Recycled oil refers to tire pyrolysis oil (TPO), which is produced by recycling and pyrolyzing waste tires into a reusable oil product.
Note 5: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

Sustainable Procurement

Local Procurement GRI 204-1

CSRC adheres to the principle of "local development, local supply" by actively developing local suppliers and implementing a local procurement strategy. This approach enables timely and geographically appropriate procurement, which in turn reduces operational management costs and minimizes indirect greenhouse gas emissions from international transportation. It also creates local employment opportunities and contributes to regional economic prosperity. Furthermore, this strategy allows for better control over the raw material supply, mitigating operational risks and ensuring more stable production. In 2025, the Group's local procurement ratio reached 94.6%. CSRC has achieved a balance between supply chain resilience and supporting local economies, striving to support local economic activities whenever conditions permit, while maintaining the resilience of its global supply chain.

	Greater China[Note 2]			India			USA			Group		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Local Procurement Proportion （%）	100%	83.47%	74.5%	100%	76.27%	99.9%	100%	100%	100%	100%	81.12%	94.6%

Note 1: A local supplier is defined as a supplier with a business registration in the same country as the plant site.
Note 2: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

Green Procurement

CSRC actively promotes its green procurement initiatives, prioritizing the purchase of three categories of eco-friendly products as specified by the "Regulations for Priority Procurement of Eco-Friendly Products by Government Agencies" from Taiwan's Ministry of Environment. This strategy aims to reduce our environmental impact, minimize resource consumption, and encourage the production of green products. Key purchased items primarily include LED lighting and energy-efficient machinery. In 2025, the total value of green procurement amounted to approximately NT$ 1,572,709.

Unit: NTD

	Greater China[Note2]	India	USA	Group
LED lights	289,797	363,522	77,928	731,247
Energy-saving Equipment	94,713	664,958	46,757	706,428
Total	384,510	1,028,480	124,685	1,537,675

Note 1: The definition of "eco-friendly products" is based on the regulations of the country where each plant site is located.
Note 2: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

Operational Performance GRI 2-6

Operational Achievements GRI 201-1、201-4

The core business of CSRC is carbon black. In 2025, the company's consolidated revenue was approximately NT$15.33 billion, with an Earnings Per Share (EPS) of -NT$4.28. The carbon black business segment contributed NT$15.08 billion, accounting for 98% of the total annual revenue. The primary sales regions were the Americas and Asia, representing 28% and 67% of sales, respectively. In India, the four production lines at our new plant came online in 2025, leading to significant growth in both sales and revenue. We are continuing to optimize raw material procurement and production efficiency. In the United States, the generator failure at the Ponca plant has been resolved with the installation of new equipment and the establishment of a backup mechanism, which will further improve operational stability. In Mainland China, the Group completed the equity sale of the Chongqing plant and ceased production at the Anshan plant. Meanwhile, we have strengthened our dual-axis strategy focused on specialty carbon black and steam sales, thereby adjusting our regional operational structure and reducing long-term operational risks. In Taiwan, the Linyuan Advanced plant has completed its annual major overhaul, further enhancing production quality. Furthermore, CSRC's long-term strategic focus on high value-added specialty carbon black, such as the JE3900 and JE6900 series, will be a key driver for the company's future growth.

Sales by Business Group (2023-2025)

Unit: NTD million

	Carbon Black	Others
2023	17,416	459
2024	17,045	281
2025	15,081	253

Sales by Regions (2023-2025)

Unit: NTD million

	America	Asia	Others
2023	7,126	9,842	907
2024	6,398	10,381	547
2025	4,292	10,265	777

Direct Economic Value Generated and Distributed by CSRC

Unit: NTD million

		2023	2024	2025
Generation of Direct Economic Value	Revenue	17,875	17,326	15,334
Distribution of Direct Economic Value	Operating Costs	16,221	16,225	16,257
	Employee Remuneration and Benefits	1,503	1,315	1,312
	Payments to Investors	788	842	709
	Payments to Government	135	180	118
	Community Investment	0	0	0
Retained Economic Value		(722)	(1,236)	(3,062)

Government Financial Subsidies

Unit: NTD

Region	Greater China		India	USA	Group
	Taiwan	China			
Tax Relief	10,800	0	0	0	10,800
Subsidy	7,245,505	541,971	0	136,415,321	144,202,797
R&D Subsidies	0	0	0	0	0
Financial Incentives	0	0	0	0	0
Total Subsidies Amount	7,256,305	541,971	0	136,415,321	144,213,597

Tax Policy GRI 207-1、207-2、207-3

CSRC is committed to information transparency and regulatory compliance in its tax policy and risk management. It formulates relevant tax policies in response to international trends in tax governance, effectively controlling tax risks and implementing sustainable corporate development to enhance shareholder value. The Board of Directors serves as the highest decision-making and oversight body for tax governance. Major transactions undergo appropriate assessments to facilitate management and control of tax risks. Regular reviews of the tax status of Group companies include examining the overall investment structure, operational and transaction activities, functional roles and risk allocations, international tax law changes, and engaging external experts to assist in assessing Company risks, ensuring tax compliance, and addressing potential tax risks. CSRC proactively communicates and discusses with tax authorities regarding ambiguities in the application of tax laws. Upon receiving correspondence from tax authorities, the Company fully cooperates by providing requested information, aiming to establish a relationship of mutual respect with tax authorities and a mechanism for building trust and communication with stakeholders.

CSRC has operating locations all over the world. Therefore, following local tax laws is the highest principle. To support government measures to promote enterprise innovation, research and development, and economic growth, we perform our corporate citizenship responsibilities.

Five Principal Commitments

1. **Honest Declarations** — We follow the tax laws and regulations of various countries to declare and pay taxes honestly. We do not conduct transactions for tax avoidance purposes only; we fully fulfill our social responsibilities.
2. **Mutual Trust** — Based on mutual trust and information transparency, we establish a mutually respectful relationship with tax authorities.
3. **Due Diligence** — The Company's important decisions all consider the impact of taxation and carefully evaluate the operating environment while conducting tax risk management and control.
4. **Professionalism** — We strengthen the professional quality and talent training of tax affairs. Facing changes in relevant tax laws and regulations, we can quickly formulate corresponding countermeasures.
5. **Transparency** — Financial reporting information is transparent, and tax disclosures are handled in compliance with relevant local regulations.

CSRC's Tax Situation in Each Country/Region

Unit: NTD thousand

Region	Taiwan	China	India	USA	Total
Operating Revenue	3,620,447	1,418,411	5,235,687	5,059,490	15,334,035
Proportion(%)	24%	9%	34%	33%	100%
Profit and Loss Before Tax	(2,942,761)	(171,327)	(899,001)	(418,882)	(4,431,971)
Proportion(%)	67%	4%	20%	9%	100%
Income Tax Payable for the Current Year	33,224	0	2,110	125,878	161,212
Proportion(%)	21%	0%	1%	78%	100%
Income Tax Paid	33,224	0	2,110	125,878	161,212
Proportion(%)	21%	0%	1%	78%	100%

Income Tax

Unit: NTD thousand

Financial Disclosures	2023	2024	2025
Net Profit Before Tax	(114,638)	(1,227,298)	(4,431,971)
Income Tax Expense	428,067	425,913	(4,294)
Income Tax Paid	472,264	261,843	161,212

Effective Tax Rate

Unit: %

Year	2023	2024	2025
Book Effective Tax Rate (%)[Note 1]	(373%)	(35%)	0%
Cash Effective Tax Rate(%)[Note2]	(412%)	(21%)	(4%)

Note 1: Book Effective Tax Rate (%) = Income Tax Expense / Profit Before Tax
Note 2: Cash Effective Tax Rate (%) = Income Tax Paid / Profit Before Tax
Note 3: For detailed tax information, please refer to Note 27, "Income Tax of Continuing Operations," on page 59 of the 2025 Consolidated Financial Statements.

Corporate Value Enhancement and Investment Plan

In response to recent changes in the external environment and industry challenges, CSRC has launched a Corporate Value Enhancement Plan. Through macroeconomic and industry analysis, we closely monitor the impacts of risks such as global interest rates, exchange rates, price fluctuations, and geopolitical tensions to ensure reasonable capital costs and maintain the company's financial stability. Simultaneously, as the carbon materials industry undergoes a transformation in applications—extending from traditional consumer uses to high-value and functional domains—and as global decarbonization and circular economy trends drive structural industry changes, CSRC is committed to continuous product and technological innovation. We are focusing on researching high value-added specialty carbon black applications and strengthening our eco-friendly carbon black business to increase the proportion of green products and optimize overall operational performance. We anticipate that future market valuations will more closely reflect the company's true intrinsic value.

Short-Term Focus: Enhancing Capital Efficiency and Operational Fitness

Mid- to Long-Term Focus: Driving High-Value Products and Sustainable Development

Investment Plans

01

Our immediate strategic priorities include:
(1) Adjusting resource allocation by completing the disposal of the Chongqing plant and the closure of the Anshan plant to strengthen our financial structure.
(2) Strengthening regional production capacity by promoting the Ma'anshan plant as a key base for specialty carbon black development and steam sales, while fully activating the production lines at our India plant. We are also continuing to advance the construction of our plant in Turkey.
(3) Raising the export ratio of carbon black from the Greater China region and securing long-term steam sales channels.
(4) Driving carbon reduction and circular economy initiatives across all plant sites.
(5) Continuously improving corporate governance and decision-making efficiency, and strengthening the functions of the Board of Directors.

02

Our long-term strategic priorities include:
(1) Developing High Value-Added Products through focusing on conductive carbon black, carbon nanotubes (CNTs), and eco-friendly carbon black to expand application areas.
(2) Aligning with the growth trends in the semiconductor and electric vehicle (EV) industries to continuously strengthen our competitive advantage in specialty carbon black.
(3) Promoting the Circular Economy through increasing the utilization of eco-friendly carbon black and tire pyrolysis oil (TPO).
(4) Investing in Talent and Technology by cultivating R&D talent and expanding technological investments to meet customer demands for advanced products.
(5) Implementing Robust Governance by deepening corporate governance and risk management, enhancing stakeholder communication, and building a solid foundation for sustainability.

03

Among our investment plans, the new plant construction in partnership with OYAK in Turkey is projected to begin operations in 2027. This new facility is planned to have an annual production capacity of 170,000 tons, making it the sole carbon black production base in Turkey and the first new carbon black plant in the Mediterranean region in 30 years.
(1) This investment will significantly reduce local reliance on imported carbon black and will enable active expansion into the European market, enhancing the company's strategic position in the international industry chain.Simultaneously, CSRC has entered into a joint venture with SHEICO Group to build North America's largest recovered carbon black (rCB) plant in Phenix, USA, focusing on capturing market opportunities in environmental sustainability.
(2) This investment will further solidify the Group's leadership in the recycled materials market and create synergies with our traditional carbon black products, thereby deepening customer service and engagement. This project serves as a landmark initiative for the Group's low-carbon business transformation.

Product Responsibility

★ 2025 Performance Highlights

Invested

NTD **1.61** million

in research and development in 2025

Applied accumulative

80 patents cases by 2025

concurrently attained **59** cases of patents

Established the

Battery test laboratory

to enhance our in-house capabilities for the validation and application development of conductive carbon material

Introduced AI application to reinforce predictive and preventive capabilities across 3 key areas

Production Quality
Industrial Safety Early Warming
Equipment Maintenance

Achieved an average Group customer satisfaction

score of **9.07** in 2025

Promoted the digitalization of operations completing the optimization and integration of

more than **10** processes

Partnered with ITRI to develop

High-value applications for recycled carbon black

Developed

High-efficient carbon black and Carbon nanotube materials

for silicon-carbon anodes in lithium-ion batteries through industry-academia collaboration.

United Nation Sustainable Development Goals(SDGs)



Innovative R&D and Progressive Technology	SDGs 7.3 SDGs 8.3 SDGs 9.5
Green Products Design and Development	SDGs 9.5
Product Quality and Safety Management	SDGs 12.4
Customer Service and Relationship Management	SDGs 12.4

Management Approach- Product Responsibility and Customer Value

Related to Material Topic: Product Quality and Safety Management & Customer Service and Relationship Management

Policy and Promises

We are dedicated to being a trusted sustainable materials partner for our global customers. Guided by the principle of 'Quality First, Safety Foremost,' we ensure product reliability by adhering to international standards such as ISO 9001 and IATF 16949.
We see ourselves as more than just a supplier; we are a technical partner to our customers. Through regular customer satisfaction surveys and technical exchanges, we provide professional, value-added services.
Furthermore, by providing transparent and traceable product information via safety testing and robust disclosure mechanisms, we build long-term, stable, and mutually prosperous partnerships with our customers.

Impact Description

Negative

A failure to effectively implement our product responsibility and quality management systems could expose the company to significant risks. Deficiencies in product quality or safety may lead to customer complaints, liability claims, and regulatory non-compliance, which in turn could erode customer trust and damage business relationships. Such events would adversely impact our operational stability and brand reputation. Furthermore, an inability to adequately respond to customer feedback and market shifts would hinder our capacity for continuous product improvement and market adaptation.

Positive

A robust product quality and responsibility management system is essential for ensuring product safety and compliance, enhancing quality consistency, and mitigating operational risks. Through continuous customer communication and technical exchanges, we gain a deep understanding of their application needs and market trends, enabling us to solidify our position as an indispensable strategic partner within their supply chain.

Responsible Unit

【Responsible Unit】
1. Core planning and execution: Quality assurance, business and research and development department
2. Frontline implementation: Production department at each plants

【Supervisory Unit】
Strategic guidance and supervising: Corporate Sustainability Committee & Executive level management

Action Plan

To ensure product quality and safety and to deepen our long-term partnerships with customers, we have implemented the following key actions:

1. **Implementing Total Quality Management (TQM):** We adhere to ISO 9001/IATF 16949 international standards and implement a "Five-Stage Quality Control Model" along with in-process controls to manage quality from incoming materials to final shipment.
2. **Ensuring Product Safety and Compliance:** We conduct regular testing for hazardous substances such as PAHs and RoHS to ensure our products comply with international regulations and customer requirements. We also provide Safety Data Sheets (SDS) and other technical documents to support safe handling and regulatory compliance on the customer's end.
3. **Customer Communication and Feedback Management:** Through annual customer satisfaction surveys and regular technical exchanges, we systematically listen to the "voice of the customer." We have also established a standardized product complaint handling process to ensure all customer issues receive a timely and professional response.

Evaluation of Effectiveness

To ensure the effectiveness of our strategy, we have established a systematic evaluation framework. This framework includes:

1. **Regular Reviews and Customer Audits:** We conduct monthly quality meetings to review key metrics such as customer complaint rates and defect rates. Furthermore, we view on-site audits by our customers as a direct validation of our management systems and leverage the findings to drive continuous improvement.
2. **Quantitative Key Performance Indicators (KPIs):** We track performance across the following dimensions:
   (1). Product Quality & Safety: Number of customer complaints; Pass rate of hazardous substance tests; Percentage of products containing substances classified under GHS Categories 1-2 for health and environmental hazards.
   (2). Customer Relations: Average score of the annual customer satisfaction survey.
3. **System Verification and Transparent Communication:** In accordance with our ISO management systems, we conduct annual internal audits and management reviews to ensure process effectiveness. We regularly disclose these key KPIs in our Sustainability Report to maintain transparent communication with all stakeholders regarding our performance.

Stakeholder Communication and Engagement

We are committed to fostering open and transparent communication with our customers.

1. **Routine Communication and Engagement:** We proactively listen to our customers' needs through annual customer satisfaction surveys and regular technical exchanges.
2. **Efficient Grievance Channel:** For any product or service issues, customers can first report them through their dedicated sales contact. In cases involving major quality concerns, a cross-functional product complaint handling process, led by our Quality Management Unit, is activated. This process includes a thorough root cause analysis, and a formal corrective action report is provided to the customer. We take a responsible approach to ensure that all issues are properly addressed and resolved.

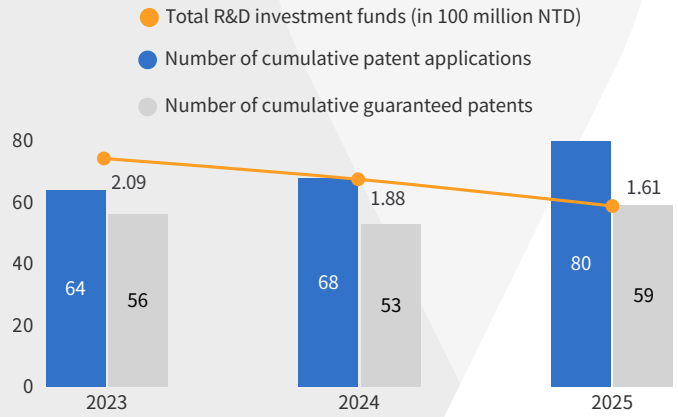
Innovative R&D and Progressive Technology

R&D Team with Achievements

To continuously expand the depth and breadth of applications for its carbon black materials across various industries, CSRC has upgraded its R&D strategy. It has shifted from a model primarily focused on large-scale basic research to a more market-driven approach of "Targeted Application Development." By leveraging its long-standing technical capabilities and R&D resources, the company transforms research outcomes into high-value, market-competitive application solutions.

In 2025, we invested approximately NT$161 million in R&D and secured 4 new patents, bringing the cumulative number of active patents to 59. Concurrently, to encourage employees to actively engage in innovation and materialize their research, CSRC established "a patent certification reward system." In 2025, a total of 4 employees received bonuses as recognition for obtaining patents.

Historical Patent Numbers and R&D Expenditure of CSRC



Note:
1.The cumulative patent count includes patents from the biotechnology business.
2.Explanation for the 2024 patent count adjustment: The final confirmed data for 2024 is provided based on the "Intellectual Property Management Implementation Report," which was submitted to and reviewed by the Board of Directors in March 2025. This correction addresses the previous discrepancy.

2025 R&D Status of Carbon Black Products

Energy-Saving and Low-Carbon Product Portfolio

Carbon Black for Green Tires (CONTINEX-LH Series)
USA Region

- **Potential for Fuel Efficiency Improvement:** The CONTINEX-LH series, when applied in truck tire compounds, offers potential benefits for improving fuel efficiency. The related technology has been patented, and we are currently planning to scale up from lab-scale to the pilot production stage.
- **Extended Tire Life and Reduced Particulate Emissions:** Its application in truck tire tread compounds helps improve wear resistance and tread durability, thereby extending tire life. It also shows potential for reducing particulate emissions from tread abrasion. We have initiated the lab-scale testing and evaluation.

Eco-circular Carbon Black (CC Series)
Greater China Region

- **Recycled Material Application and Circular Material Development:** By implementing the Ouroboros solution, we have successfully developed an Eco-circular carbon black product (CC Series) containing up to 30% recycled carbon black (rCB). We are continuously advancing the material application and process feasibility assessment for incorporating even higher recycled content.

Circular Economy and Resource Utilization

Application of Recycled Raw Materials

- **Greater China Region:** Tire Pyrolysis Oil (TPO): TPO has been integrated into our raw material evaluation system and successfully applied in the carbon black production process.
- **USA Region:** Evaluation of Renewable/Circular Feedstocks: We conducted performance and process suitability assessments for various renewable and circular oil sources, confirming the feasibility of using certain TPO feedstocks for carbon black manufacturing.

Development and Application of Recycled Carbon Black (rCB)

CSRC has established deep strategic partnerships with the recycling industry chain, successfully re-integrating recycled carbon black (rCB) into its production system.
Greater China Region:
- **Post-modified Recycled Carbon Black (R Series):** Development is complete, and the product has passed small-scale customer testing.

USA Region:
- **Evaluation of rCB as a substitute for Virgin Carbon Black (vCB):** Completed lab tests on partially substituting virgin carbon black (vCB) with tire pyrolysis-recycled carbon black (rCB), confirming that one rCB source can achieve a substitution level of up to 15%.

Production Process Optimization and Waste Reduction **Greater China Region**

- **Improved Energy Efficiency:** Optimized the design of carcass cabon black reactors , effectively reducing oil consumption per unit of product.
- **Process Waste Reduction and Resource Recovery Management:** Completed a comprehensive optimization and overhaul of the EREBOS production equipment. This prevents the direct discharge of wastewater and enables the effective recovery of waste ozone. The enhanced equipment efficiency also reduces the need for manual operation and improves batch production efficiency. Furthermore, a new reactor screw design was introduced, increasing the effective contact volume per unit for carbon black modification.
- **Process Innovation and Technical Governance** For the high-temperature purification process of modified recycled carbon black, we have completed the development of key process technologies and secured several related patents (1 in 2024 and 4 in 2025).

Advanced Modification and Cutting-Edge Materials

EREBOS Advanced Modification Technology

Implemented a green, non-strong-acid modification technology to achieve a production model with low environmental impact. Through process optimization, the output per batch has significantly increased (doubling the original level). In-line trial production for modified carbon black used in electronic potting compounds has been completed. The related products have successfully penetrated high-end precision application areas, such as advanced electronic potting adhesives.

Positioning in High-Growth Conductive Materials

We continue to deepen our conductive materials product line, focusing on the demands of new energy and high-end electronics applications:
1. Superconductive Carbon Black: Characterized by high structure and low specific surface area, it strikes a good balance between conductivity and reinforcing properties, making it suitable for applications like automotive lithium-ion batteries and IC carrier tapes.
2. Low-Sulfur Conductive Carbon Black: Features low sulfur content and low sieve residue, combined with good dispersibility and surface smoothness. It is suitable for promotion in high-specification applications such as wire and cable shielding layers.
3. Establishment of Battery Testing Capabilities: Completed the setup of a battery testing laboratory, which is equipped for half-cell testing. This enhances our product validation capabilities and supports material application development.

SWCNT (Single-Walled Carbon Nanotube) Commercialization Progress

We continue to advance our commercialization strategy in the field of cutting-edge carbon materials:
1. Synthesizing single-walled carbon nanotubes (SWCNTs) using Chemical Vapor Deposition(CVD) process equipment, while simultaneously improving both equipment operational efficiency and the stability of nanotube quality.
2. Continuously optimizing the nanotube purification process to ensure product purity meets the application requirements for battery-grade materials.
3. Production capacity has been scaled to a small-batch production level, and we have successfully secured multiple commercial orders, laying the foundation for subsequent market expansion.

2025 Product R&D Highlights

Special Feature on Cutting-Edge Materials: SWCNT Technological Breakthroughs and Commercialization Achievements

CSRC continues to invest in the research and development of cutting-edge carbon materials, achieving a significant breakthrough in the field of Single-Walled Carbon Nanotubes (SWCNTs) in 2025. The company has successfully stabilized its process technology and entered the small-batch production stage, marking a major milestone in its transition from high-end R&D to industrial application.

1. Core Process Technology: Highly Stable CVD Process Control

We utilize Chemical Vapor Deposition (CVD) technology and have established a reaction system with multi-stage temperature control to enhance process stability and material quality consistency. By precisely controlling key parameters such as reaction temperature, gas composition, and raw material conditions, the company has progressively established a highly repeatable process control capability, laying the foundation for future large-scale production.

2. Microstructure Characterization: Bundled Structure with a High Aspect Ratio

- Through advanced material analysis techniques, we have verified that our SWCNTs possess excellent nanostructural properties:
- Scanning Electron Microscope (SEM): Observations show that the nanotubes exhibit a high-density bundled structure.
- Transmission Electron Microscope (TEM): Confirmed a single-walled structure and morphological features with an Optimized Aspect Ratio. These structural characteristics facilitate good dispersion in electrode formulations and are conducive to forming an efficient conductive network within the substrate, which is key to enhancing battery performance.

3. Excellent Quality Metrics: High Crystallinity and Superior Purity

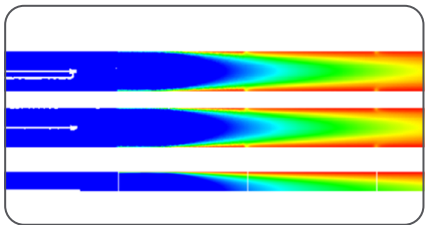
Material quality analysis results show that the SWCNTs we developed have excellent quality indicators:

- **Raman Spectroscopy IG/ID > 20:** Indicates high crystallinity, low defect density, and an intact tube wall structure.
- **Ash Content (ASH) < 10%:** Residual impurities are effectively reduced after the purification process, enhancing material purity and stability.
- **Specific Surface Area (BET) > 900 m^2/g:** Demonstrates an intact nanotube structure and excellent dispersion potential.

These properties indicate that the material performs well in terms of conductivity, dispersibility, reactivity, and processability. It is expected to be applied in lithium-ion battery conductive agents, semiconductor materials, conductive rubber, composite materials, and other high-value-added markets.

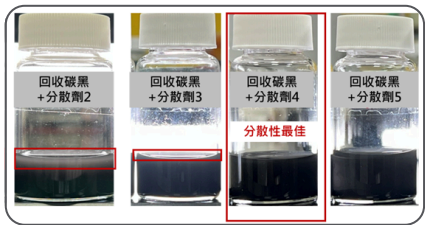
Industry-Academia Collaboration Case Studies

To strengthen its R&D capabilities in advanced materials and accelerate technology implementation, CSRC continues to leverage an industry-academia collaboration model. By integrating the specialized research expertise of academic and research institutions, we promote the in-depth development of key process and application technologies. The key collaborations are as follows:



Simulation Research on Thermal Pyrolysis for Nanotube Process Optimization

In partnership with Professor Sheng-Yen Hsu from the Department of Mechanical and Electro-Mechanical Engineering at National Sun Yat-sen University, conducting simulation analysis of the thermal pyrolysis reaction in the nanotube manufacturing process to optimize reaction conditions and improve process stability.



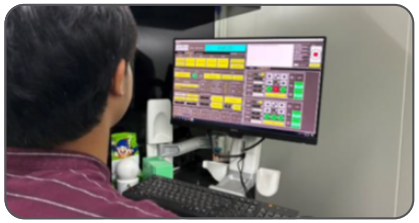
High-Value Development of Recovered Carbon Black from Waste Tires

In partnership with the Industrial Technology Research Institute (ITRI), developing high-value materials and process technologies for recycled carbon black from waste tires to enhance the added value of circular materials.



Development of Low Thermal Conductivity Nozzles and Optimized Production Testing for Nanotubes

In partnership with Associate Professor Che-Nan Kuo's research team in the field of Materials and Optoelectronic Science at National Sun Yat-sen University, designing and fabricating low thermal conductivity nozzles while simultaneously advancing the optimization testing of nanotube production conditions.



Development of High-Efficient Carbon Black/Nanotube Materials for Silicon-Carbon Anodes in Lithium-ion Batteries

In partnership with the laboratory of Professor Chih-Tsung Lee from the Department of Chemistry at National Sun Yat-sen University, engaging in the R&D of high-efficient carbon black & nanotube materials for silicon-carbon anodes in lithium-ion batteries to support the demand for performance enhancement in new energy materials.

Achievements in Digitalization and AI Applications

By pursuing a dual-track approach of process digitalization and AI applications, CSRC has not only advanced its core operational objectives of improving output, quality, and yield rates but has also simultaneously achieved ESG synergies in environmental friendliness, workplace safety, and excellent governance.

Digitalization of Operational Foundations

To enable data-driven precision decision-making and proactively respond to future trends in AI applications and ESG carbon reduction, we have initiated the digital transformation of our operational processes. Through the implementation of a Business Process Management (BPM) system, we have accelerated the digitalization of management forms and achieved deep integration between the BPM and core management systems, thereby optimizing our corporate operational model.

Promoting Paperless Operations to Practice Green Operations

Environmental Benefits: Significantly reduced consumption of paper and toner, lowering our office carbon footprint and saving storage space and management costs associated with physical document archiving.

Efficiency Gains: Employees can initiate and approve forms anytime via computer or mobile devices, breaking free from geographical and time constraints. The approval workflow has shifted from manual processes to automated system notifications, shortening administrative processing times.

Data Traceability and Auditing: A digital trail is maintained for all application, modification, and approval histories of electronic forms. This enhances data security and tamper-proofing, making internal and external audits more efficient and transparent.

Simplifying Core Approval Processes to Enhance Organizational Agility



This initiative has significantly reduced the complexity and human error rate of approval workflows. Employees no longer need to switch between multiple systems, allowing them to focus their energy on higher-value business judgments. This improves internal collaboration efficiency and organizational responsiveness.

Laying the Foundation for Data Governance to Drive Smart Decisions



By establishing a cross-departmental digital data governance framework, we ensure the timeliness, consistency, and integrity of information, overcoming the data latency and fragmentation issues of traditional operations. This reliable data foundation strengthens current operational analysis and management tracking, and lays the groundwork for the future adoption of AI-powered predictive analytics, optimized resource allocation, and precision carbon management.

Data-Driven AI Applications

Implementing AI Applications to Enhance Operational Resilience and Sustainability

Smart Early Warning for Industrial Safety and Environment



Action Deployed an AI-powered image-based smoke detection system at the Linyuan Advanced Plant.

Achievement The system provides 24-hour real-time video monitoring and can identify incipient smoke and flames, outperforming traditional passive detectors and significantly improving early-warning accuracy.

Predictive Maintenance for Equipment Assets

Action Installed sensors on critical production equipment and introduced AI analysis tools.

Achievement The system continuously collects data such as vibration and temperature from rotating equipment via a plant-wide wireless network, using AI models to analyze the health trends of vibration spectrum characteristics in real-time. This transforms the maintenance model from "post-failure maintenance" to "predictive maintenance," allowing for maintenance to be scheduled before equipment performance degrades. This not only maximizes Overall Equipment Effectiveness (OEE) but also effectively reduces energy consumption and production waste by minimizing unplanned downtime and process fluctuations.



Cross-Plant Operational Visualization

Action Constructed a web-based operational command center dashboard.

Achievement The platform integrates equipment status, production data, and alarm information from various plants into a single, holistic view. The management team and engineers can remotely monitor real-time operational status without being physically present. This greatly enhances management transparency and cross-plant collaboration efficiency, enabling more agile and accurate decision-making for problem response and resource allocation. Consequently, it shortens the response time to production anomalies, directly contributing to quality stability and output consistency.



Green Product Design and Development GRI 2-6、GRI 301-2；SASB RT-CH-410b.2

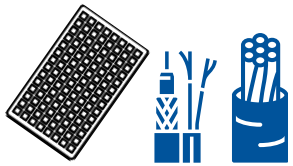
Based on its expertise in carbon black technology, CSRC continuously invests in the R&D of sustainable, low-carbon materials, assisting downstream industries in reducing energy consumption and environmental impact through product innovation. The company currently focuses on developing four main categories of green products: "High-Performance Products," "Energy-Saving Products," "Eco-friendly Green Products," and "Eco-friendly Low-Carbon Products." Through material design, process optimization, and the integration of renewable resources, these products can reduce energy consumption and carbon emissions throughout their life cycle while meeting performance requirements.

Resource Efficiency and Durability: High-Performance Products

The Group continuously invests in the R&D of high-efficient carbon materials, with a core focus on enhancing material functionality, product durability, and resource use efficiency. This involves developing high-value products such as conductive carbon black and single-walled carbon nanotubes (SWCNTs), which are widely used in the electronics, energy, and industrial sectors.

01

Conductive Plastics Application: SATIN BLACK JE Series



To meet the market demand for high performance and long-term stability in conductive plastics, we have developed the SATIN BLACK JE series of conductive carbon black products. In addition to their application in fields requiring high stability, such as wire & cable and IC trays, their use is gradually extending to applications like infrastructure and piping systems. By controlling the carbon black structure and particle size distribution, we enhance the material's conductivity uniformity and processing stability. This reduces the risk of failure caused by static buildup or uneven conductivity during product use, thereby extending product lifespan and improving material efficiency.

02

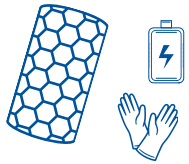
Battery Conductive Material Application: STEROPES Conductive Carbon Black Series



As the demand for high energy density, fast charging, and long cycle life in the lithium-ion battery market continues to grow, we have developed the STEROPES series of conductive carbon blacks for battery applications. These products are designed to enhance the internal electron transport efficiency and structural stability of batteries. By forming a stable conductive network, they can reduce the battery's internal resistance and energy loss, helping the battery maintain a stable output during charging and discharging, and improving the processability and cycle durability of the electrode materials.

03

PENTHESILEA Single-Walled Carbon Nanotube (SWCNT) Series



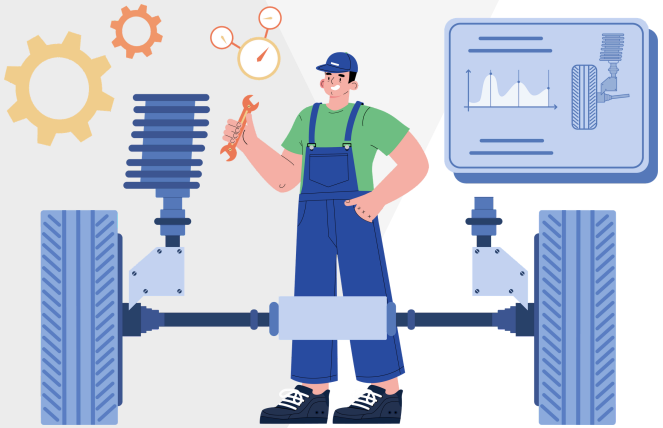
The PENTHESILEA series is our line of single-walled carbon nanotube (SWCNT) products, featuring high aspect ratio, high conductivity, and material reinforcement properties. They are suitable for applications in battery materials and high-end industrial materials. Leveraging their excellent conductive network characteristics, SWCNTs can meet the performance requirements of end products at extremely low addition levels, which helps improve material efficiency and reduce resource consumption. In lithium-ion battery applications, they provide highly efficient electron transport pathways, helping to lower internal resistance and improve battery cycle stability. In non-battery applications, such as silicone rubber, epoxy flooring, and conductive composites, they can reduce the impact of material addition on product performance and processing load, while enhancing product durability and functional stability.

User Energy Saving and Carbon Reduction: Energy-Saving Products

In response to the global demand for vehicle energy saving, carbon reduction, and enhanced tire performance, CSRC has developed the new LH series carbon black (Continext-LH™). By optimizing the structure and surface properties of the carbon black, this series enhances the interaction between rubber and filler while reducing the aggregation effect among fillers. This allows tire materials to achieve better energy efficiency while maintaining safety and durability.

The new LH series carbon black offers good reinforcement and dispersibility, which reduces the energy loss of tires during driving by lowering rolling resistance, thereby improving vehicle fuel efficiency. Compared to conventional compounds, tires using the LH series can improve wear resistance and dynamic performance without compromising wet grip and safety. This extends tire lifespan and further enhances resource use efficiency.

Furthermore, the new LH series carbon black improves dispersion efficiency during the rubber processing stage, reducing energy consumption and processing load during mixing. This helps the tire industry strike a balance between performance, safety, and sustainable development. The related technology has been officially granted a U.S. patent (Publication No.: 2025/0179304 A1) by CSRC's R&D center in the USA, and lab-scale trials are set to begin.



Key Characteristics of the LH Series Carbon Black

POINT 01

Optimized Energy Efficiency

Effectively reduces rolling resistance, helping to improve vehicle fuel economy and reduce its carbon footprint.

POINT 02

Enhanced Durability

Improves wear resistance, helping to extend tire lifespan (expected by 10–15%) and reducing the generation of End-of-Life Tires (ELT) at the source.

POINT 03

Improved Processing Efficiency

Features good dispersibility and optimized vulcanization characteristics, which help lower energy consumption in the production process.

POINT 04

Balanced Safety Performance

Maintains stable wet grip and material hardness, balancing driving safety with environmental friendliness.

By reducing rolling resistance, it helps achieve a 2-3% carbon reduction benefit during the vehicle's use phase. Simultaneously, by extending tire life by 10-15%, it correspondingly reduces the production-side carbon footprint and raw material load.

Product Health and Safety: Eco-friendly Green Products GRI 416-1

Polycyclic Aromatic Hydrocarbons (PAHs) are chemicals of high international concern, and some products used in rubber, plastics, and coating materials may involve related risks. To ensure our products comply with health and safety regulations, we have established an institutionalized PAHs management and testing mechanism, strengthening our product safety and regulatory compliance capabilities through internal monitoring and third-party verification.
We adhere to the Product Safety Commission (AfPS) GS 2019:01 PAK standard and other international regulations by implementing the following management measures:

- Establishing in-process, pre-packaging, and pre-shipment internal screening mechanisms for PAHs
- Irregularly sending samples to third-party inspection bodies for testing
- Continuously reviewing limit standards based on regulations and customer requirements
- Providing Product Safety Data Sheets (SDS) and related technical documents

To ensure product consistency across our global operational sites, all plants conduct testing in accordance with the EU REACH regulation's Substances of Very High Concern (SVHC) list and the Restriction of Hazardous Substances (RoHS) Directive. For instance, all our Asian plants have completed testing for 247 SVHCs and 28-30 RoHS substances, with all test results meeting the relevant standards.
Through our institutionalized PAHs management process and third-party verification, we reduce potential health and environmental risks associated with our products and support our customers' demand for low-risk materials. In the future, we will continue to optimize our process control and hazardous substance management mechanisms to enhance product safety and supply chain sustainability.

Application in Water-based Inks and Coatings

Carbon black is a crucial black pigment in coating and ink applications, where its hiding power, tinting strength, and blackness are key factors affecting end-product performance.
The EREBOS series is CSRC's line of green modified carbon black products developed for coatings and inks. In response to the growing market demand for eco-friendly, safe, and high-performance materials, we adopt a patented modification process for carbon black surface control. Compared to traditional strong-acid modification methods, this process effectively reduces the environmental load, demonstrating superior environmental friendliness. Additionally, carbon black products developed through this process feature low Polycyclic Aromatic Hydrocarbons (Low PAHs), meeting market demand for high-safety and low-risk materials.

EREBOS C131 (Excerpt from SGS Report No.: EKR25A01611)

EREBOS C131 is a special carbon black product with Low PAHs. Its Benzo[a]pyrene content and the sum of 15 PAHs both comply with the limit requirements of Category 1 of the AfPS GS 2019:01 PAK standard, as verified by a third-party testing institution.

Test Item	EREBOS C131 Test Result	AfPS GS 2019:01 PAK Standard (Category 1, Strictest Standard Note 1)	Conclusion
Benzo[a]pyrene	Not Detected	< 0.2 mg/kg	Compliant
Sum of 15 PAHs Note 2	Not Detected	< 1 mg/kg	Compliant

Note:
1.Category 1 is the strictest level of the AfPS GS standard, applicable to materials in toys and products intended to be placed in the mouth or for use by children under 3 years of age.
2.Includes the following 15 substances: Naphthalene, Phenanthrene, Anthracene, Fluoranthene, Pyrene, Benzo[a]anthracene, Chrysene, Benzo[b]fluoranthene, Benzo[j]fluoranthene, Benzo[k]fluoranthene, Benzo[a]pyrene, Benzo[e]pyrene, Indeno[1,2,3-c,d]pyrene, Dibenzo[a,h]anthracene, and Benzo[g,h,i]perylene.


REACH SVHC Test Report of Maanshan Plant in Greater China


PAHs Test Report of Linyuan Advanced Plant in Greater China

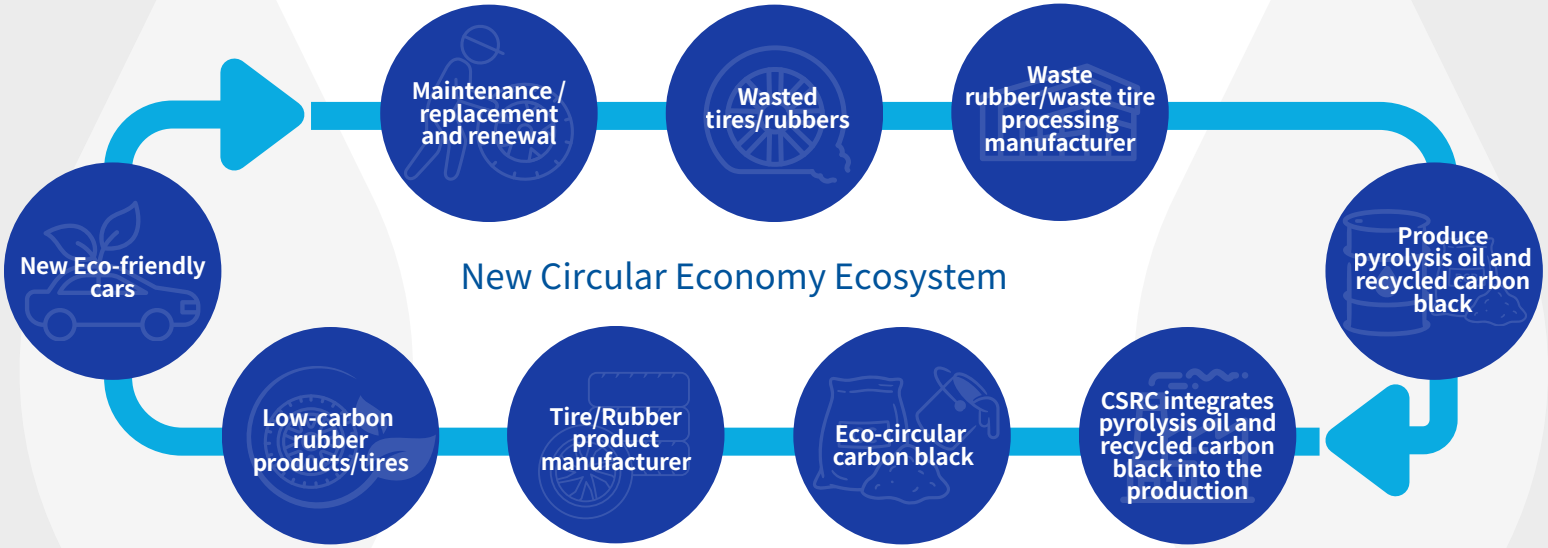

PAHs Test Report of CCIPL Plant in India


SVHC Test Report of CCET Plant in India

Reducing Product Carbon Footprint: Eco-friendly Low-Carbon Products GRI 301-2

As multinational automotive and component manufacturers integrate sustainability and the use of recycled materials into their core strategies, the tire supply chain is also facing pressure to accelerate its transformation. As an indispensable key raw material in tire manufacturing, carbon black naturally becomes a crucial link in the circular economy and the supply chain's journey towards net-zero emissions.

By collaborating with waste tire pyrolysis and recycling companies, we integrate their output of recycled carbon black (rCB) and recycled pyrolysis oil into our existing processes. We combine this with our own core technologies to optimize carbon black formulations, producing Eco-circular carbon black products with stable quality. Internal testing and evaluation have shown that carbon black products incorporating recycled materials have a carbon footprint approximately 5% to 25% lower than standard-grade carbon black (such as ASTM N660).



In terms of quality management, CSRC ensures that the physical properties of its Eco-circular carbon black can match those of virgin carbon black through rigorous raw material inspection and process control. This minimizes the need for adjustments in tire rubber formulations, maintaining product safety and performance stability. Simultaneously, the company utilizes specialized modification technologies to apply recycled carbon black in the ink and coatings sectors. We develop carbon black products with low volatility, high resin compatibility, and excellent dispersibility, which can be widely used in high-blackness color pastes and various coating systems. This provides customers with solutions that offer both performance and sustainable value, balancing quality with carbon reduction benefits.

CSRC's Eco-circular carbon black products offer multiple benefits to customers

Supports the achievement of carbon reduction targets

Products made from recycled raw materials help customers reduce their product carbon footprint. When combined with other carbon reduction measures, this can enhance overall emission reduction results.

Maintains stable product quality

Through a rigorous quality management system, we ensure that the performance and safety of existing products are maintained even after the introduction of recycled materials.

Reduces formulation adjustment costs

The product introduction process requires little to no major changes to existing formulations. If needed, CSRC's technical service team can also provide professional consultation and technical support.

Sustainable Benefits of Green Products

Through continuous innovation in material technology, we are committed to creating environmental benefits throughout the entire product life cycle. Our green product portfolio and its sustainable benefits are as follows:

High-Performance Products

01 Product

SATIN BLACK JE Series
Advanced Rubber & Plastic Application

STEROPES SP Series
Super-conductive Carbon Black

PENTHESILEA SWCNT
Carbon Nanotubes

02 Production Site(s)

Greater China

03 Sustainable Benefits of the Product

- ✓ Enhances product stability, durability, and energy use efficiency through material microstructure design and conductive network technology for high-performance applications in the electronics, energy, and industrial sectors.

Energy-Saving Products

01 Product

CONTINEX LH Series
Low rolling-resistance and high wear-resistance tires

02 Production Site(s)

Greater China / USA

03 Sustainable Benefits of the Product

- ✓ **Low-Carbon Transportation:** Reduces energy consumption during vehicle operation by lowering rolling resistance.
- ✓ **Resource Circulation:** Extends product lifespan by improving wear resistance, reducing the consumption of virgin materials and energy use on the production side.
- ✓ **Waste Reduction Benefits:** Reduces the frequency of tire replacement, alleviating the environmental pressure from end-of-life waste disposal.

Eco-friendly Green Products

01 Product

EREBOS C Series
Printing & Coatings Application

02 Production Site(s)

Greater China

03 Sustainable Benefits of the Product

- ✓ Produced using a green process that post-modifies virgin carbon black, allowing real-time adjustment of various condition parameters to effectively improve the quality and production efficiency of modified carbon black products.
- ✓ Compared to traditional strong-acid modification, this new technology generates no waste gas or liquid, significantly reducing environmental impact.
- ✓ Suitable for customers' eco-friendly water-based formulations.

Eco-friendly Low-Carbon Products

01 Product

EREBOS R Series
Eco-friendly Low-Carbon carbon black for Printing & Coatings Application

CONTINEX CC Series. T Series
Eco-friendly Low-Carbon carbon black for tire/rubber applications

02 Production Site(s)

Greater China

03 Sustainable Benefits of the Product

- ✓ Collaborates with waste tire pyrolysis and recycling operators to incorporate recycled carbon black and recycled oil into the carbon black production process, forming a sustainable cycle for tire carbon black and enhancing the industrial circular economy.

Product Technology Promotion Achievements

Responding to Sustainability Challenges with Material Innovation: Achievements at China Coat 2025



At the China Coat 2025 exhibition, we partnered with our distribution partners to showcase the company's R&D achievements in the fields of circular materials and low-hazard materials. Through our patented ozone modification technology, we enhanced the material stability of recycled carbon black, achieving the goal of 100% substitution for conventional carbon black in inks and coatings. We also shared carbon black products suitable for high-specification coating applications such as wearables and consumer electronics, and provided test data compliant with Germany's BfR food contact regulations. Through professional product testing and technical support, we assisted customers in adopting sustainable materials, demonstrating our tangible steps toward becoming a partner for sustainable material solutions.

Showcasing Achievements in Sustainable and High-Value Material Technology at PMT 2025



Excerpt from Plastics & Rubber Asia, July 2025

At "PMT Taiwan 2025 - Plastics, Rubber & Composite Material Fair," CSRC focused on the two main themes of "Sustainable Materials" and "High-Value Conductive Materials."
In the high-value conductive materials field, we elaborated on the key performance requirements of carbon black for high-end electronic components. In the sustainable materials area, we continued to promote the technological development and application of recycled carbon black (rCB) and tire pyrolysis oil (TPO).
During the exhibition, through an interview with the international professional media outlet, Plastics & Rubber Asia, we further communicated to the market the company's development strategy and positioning in the advanced materials sector.

Overseas Market Exchange and Partnership Building: The 2025 Taiwan-India Petrochemical Cooperation Meeting



By participating in the Taiwan-India Petrochemical Cooperation Meeting, organized by the International Trade Administration, Ministry of Economic Affairs, CSRC engaged in technical and industrial exchanges with local enterprises to understand the market demand for high-value carbon black. During the meeting, we shared our application experience with the SATIN BLACK series products in conductive plastics and high-end polymer coloration, and discussed application conditions and product characteristics. During the event, we also established contacts with local industry units, laying a foundation for future collaboration and market expansion.

Promoting Industry Exchange with Sustainable Carbon Black Technology: The 2025 RubberTech China Closed-Door Seminar



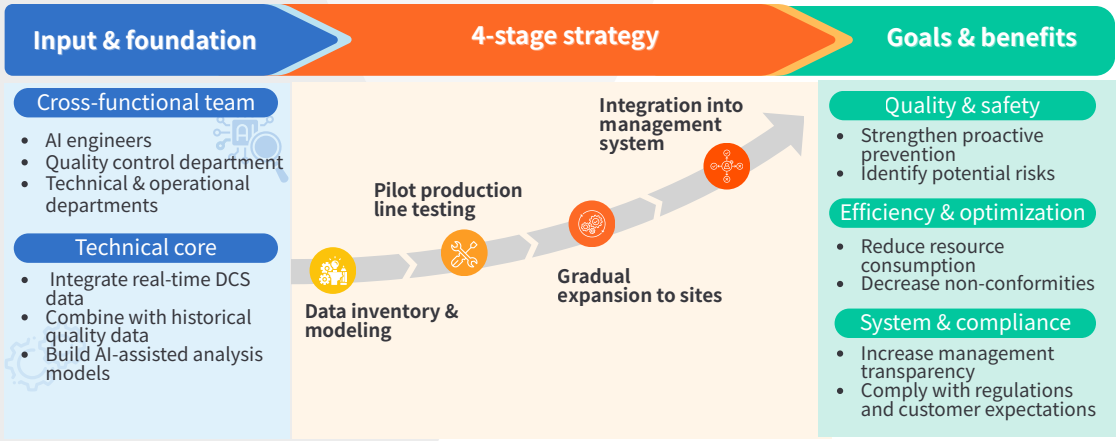
We hosted a closed-door seminar for the tire and rubber industry during the RubberTech China exhibition to conduct a material technology exchange with key Asian customers. During the seminar, we explained the application directions for carbon black materials amidst changes in the supply chain and regulations, and introduced the product design and usage scenarios for our Eco-circular carbon black CC and T series. Through on-site discussions, our R&D and sales teams helped customers understand material characteristics and adoption requirements, which will serve as a basis for subsequent technical cooperation and evaluation.

Product Quality and Safety Management GRI 416-2

CSRC continuously refines its product quality and process management mechanisms and began a phased introduction of data-driven intelligent management tools in 2025. By integrating real-time Distributed Control System (DCS) Data and historical quality data, we are building AI-assisted analysis models. This allows us to systematically identify key process factors affecting product quality and safety and further analyze their potential correlations, serving as a basis for decision-making in process control and risk management.

For implementation, CSRC adopts a phased approach: first, we conduct data inventory, analysis, and model construction to identify key influencing factors. Second, we test and optimize on a pilot production line to assess the model's practical applicability. Subsequently, based on the results, we will gradually expand its use to other production lines and operational sites, integrating it into our existing quality management and Occupational Health and Safety (OHS) management systems as a foundation for continuous improvement and enhanced management.

This initiative is driven by a cross-departmental team, combining the expertise of AI engineers, plant quality management, the technical department, and operational units. This ensures seamless integration between model construction, process understanding, and practical operational needs. Through the implementation of this intelligent process management mechanism, we aim to strengthen proactive management of product quality and safety, reduce non-conformities and resource consumption, and continuously improve the systematic nature and transparency of our quality management, ensuring that our products meet regulatory requirements and customer expectations.



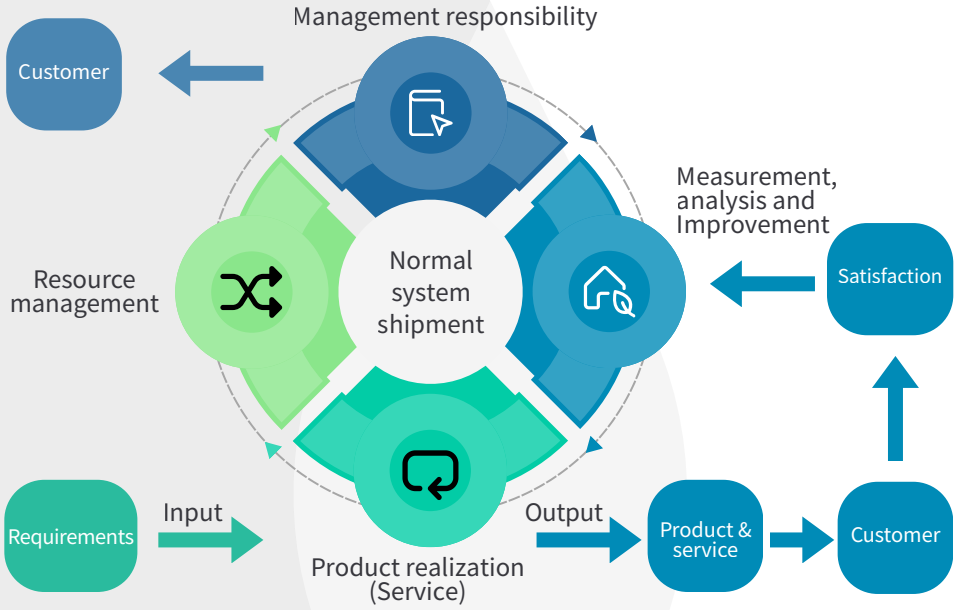
Product Quality and Management Process

CSRC is committed to meeting customer needs through an organized quality management process and has implemented a "Five-stage Quality Control Model" that details the operational tasks at each stage. This approach effectively ensures product quality consistency. Through this "Quality Management System," we ensure that all departments strictly execute quality management and verify compliance with packaging regulations. For products with special specifications, we employ a manual review process that requires sequential review and approval from the Head of Quality Assurance, Plant Manager, Technical Department Manager, and Sales Department Manager before delivery to the customer. This series of measures ensures the stability and reliability of product quality and supports the continuous improvement and implementation of the quality management system. To enhance product control and customer trust, some customers also conduct second-party audits at our plant sites annually. Our plants have obtained relevant third-party certifications for product quality management, such as IATF 16949:2016 for automotive quality management systems and ISO 9001:2015 for quality management systems.

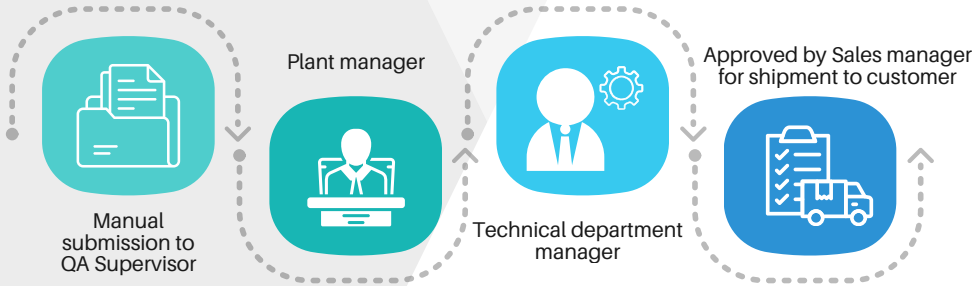
5-stage Quality Control Model



Quality Management System Flowchart

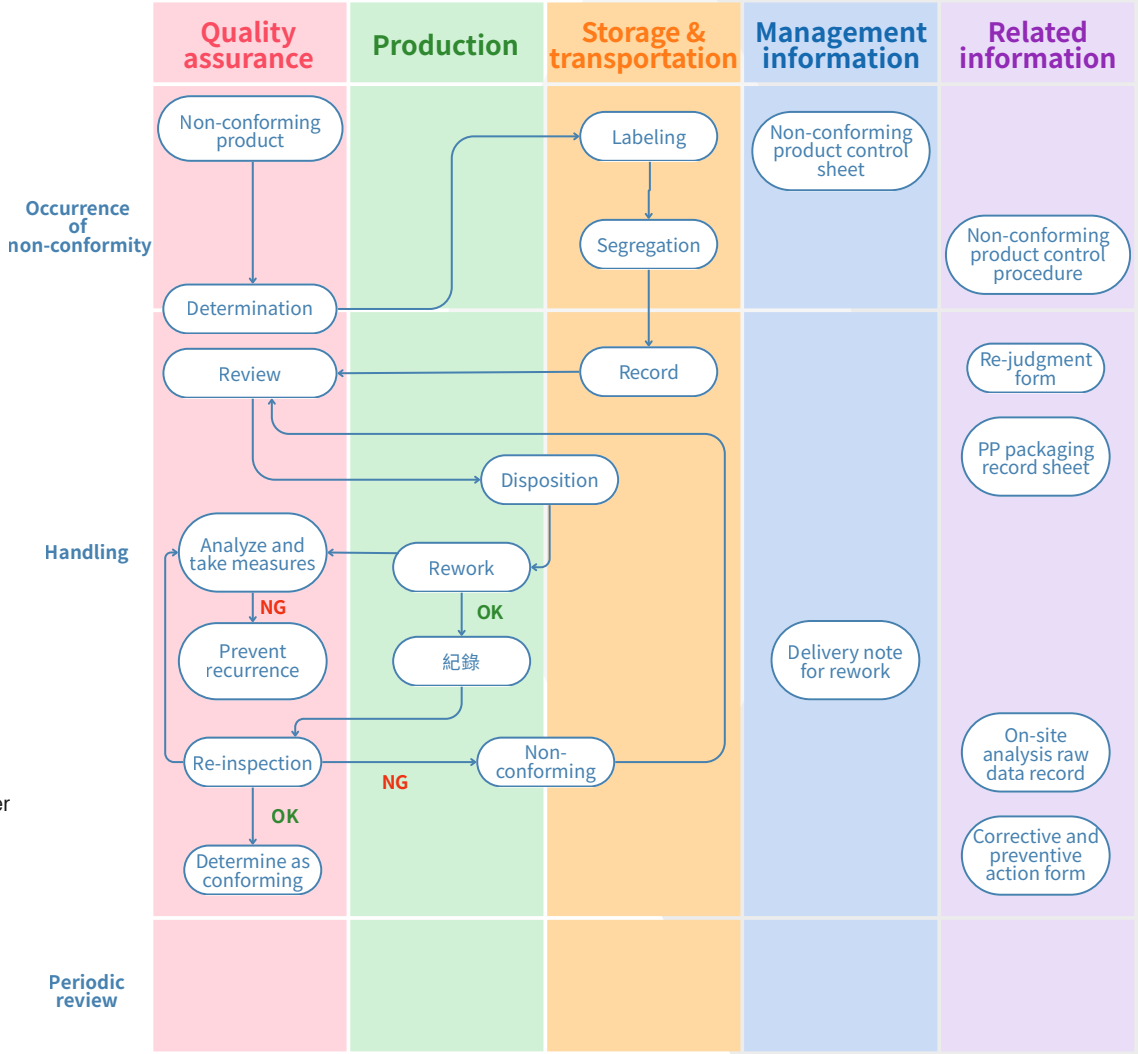


Special shipment scenario



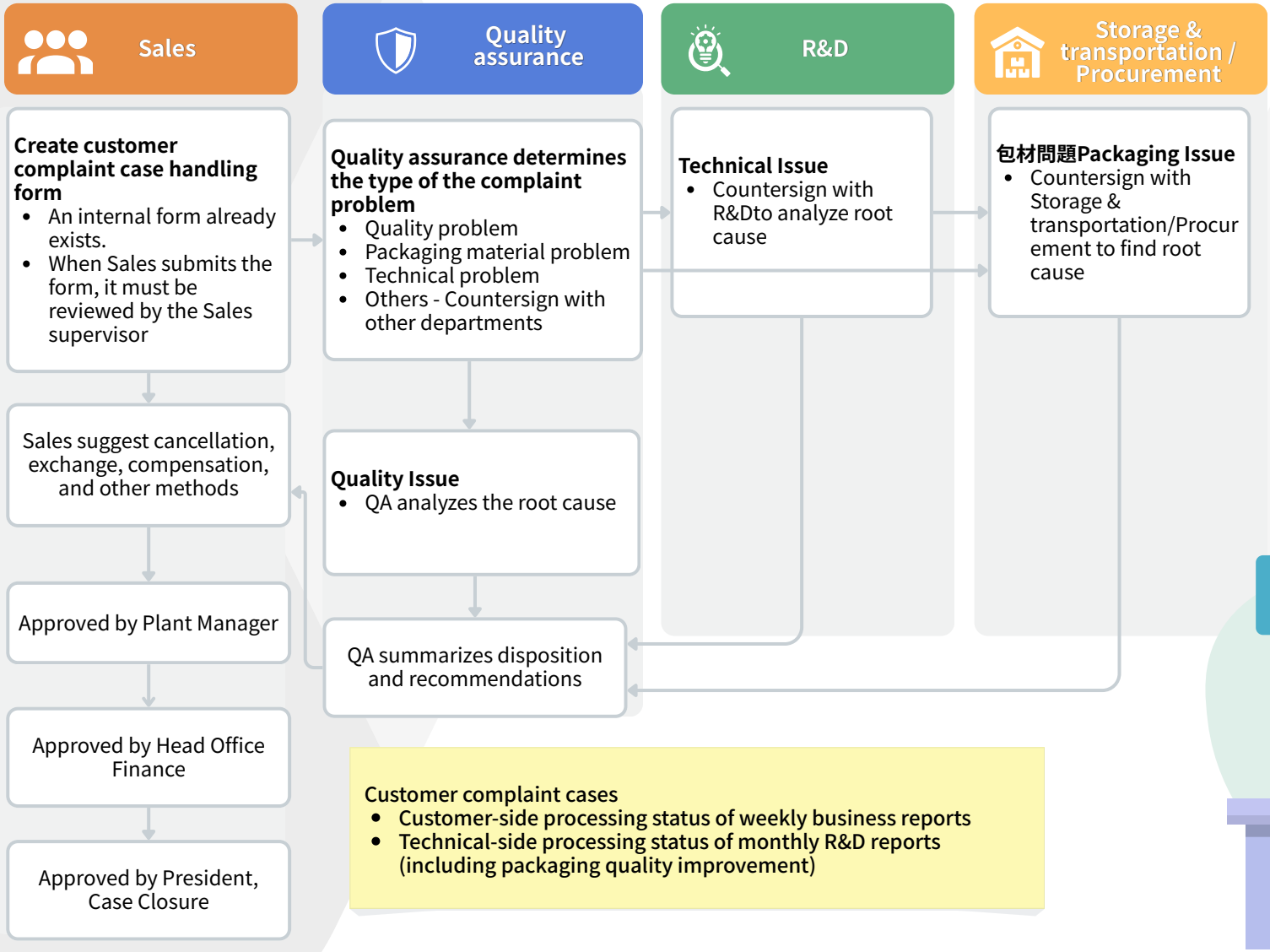
We also utilize the PDCA (Plan-Do-Check-Act) cycle to continuously review our quality management process, making adjustments and optimizations as needed to pursue higher product quality. When non-conforming products occur, they are handled according to our internal non-conforming product control procedure.

Nonconforming Product Control Flowchart



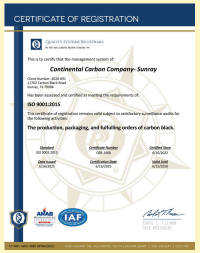
Product Complaint Handling Procedure

To continuously ensure that our products meet customer needs and standards, CSRC also provides a complaint channel for product quality issues. If a product-related complaint arises, it is handled according to the product incident handling procedure.





Quality Management Related Certifications

	Greater China Linyuan Advanced & Consolidated Resource	Greater China Maanshan Plant	India CCET Plant	India CCIPL Plant	USA Ponca	USA Sunray
IATF 16949:2016	 Valid until: 2026/11/15	 Valid until: 2026/12/27	 Valid until: 2027/06/12	 Valid until: 2027/03/12		
ISO 9001:2015	 Valid until: 2027/12/09	 Valid until: 2026/12/27	 Valid until: 2029/03/28		 Valid until: 2029/03/21	 Valid until: 2028/06/15
ISO / IEC 17025:2017	 Valid until: 2027/10/13			 Valid until: 2028/12/14		

To enhance product safety, CSRC also conducts its own inspections on various aspects of product quality. Notably, the carbon black laboratory at the Linyuan Advanced Plant in Greater China has been accredited by the Taiwan Accreditation Foundation (TAF) and is recognized as a TAF-accredited laboratory.The self-inspection items for CSRC products are as follows:



Feedstock QC

Physical Properties

- Moisture content of feedstock
- API gravity of feedstock
- Asphaltene of feedstock
- Micro carbon residue of feedstock
- Viscosity of feedstock

Chemical/Fundamental Properties

- Distillation range and BMCI of feedstock
- Asphaltene content of feedstock
- Sulfur and chlorine content of feedstock

Finished Product QC

Physical Properties

- Carbon black structure (OAN/COAN)
- Carbon black NSA/STSA surface area
- Carbon black pellet hardness
- Fines content/size distribution of carbon black
- Modulus at 300% elongation

Chemical/Fundamental Properties

- Tinting strength of carbon black
- Ash content of carbon black
- pH value of carbon black
- Volatile matter of carbon black
- Toluene discoloration of carbon black
- Washed sieve residue of carbon black
- Heating loss

Major Quality Improvement Projects

To continuously enhance the stability of product quality and the effectiveness of process management, CSRC regularly reviews operational risks and improvement opportunities at each stage of its five-stage quality management framework and promotes major quality improvement projects. In 2025, we focused our improvement efforts on the "In-process Control" stage, initiating projects to optimize the feeding system and upgrade key process control equipment. Through equipment updates, adjustments to operating conditions, and optimization of process parameters, we continue to improve process stability and quality consistency while reducing operational risks.

As of the end of the reporting period, these projects are progressing as planned and have begun to show phased improvement results. The company will continue to track implementation progress and verify effectiveness, using this as an important basis for continuous quality improvement.

01 Improvement Project	**Feeding System Automation and Environmental Improvement Project** Introduce automated material handling equipment, enhance material transport and cleaning mechanisms to reduce dust dispersion and material accumulation, while improving process stability and operational safety.	**Project to Enhance Stability of Key Process Parameters** Upgrade and optimize key process control equipment to improve flow control accuracy and equipment durability, while simultaneously reviewing and adjusting related process conditions to enhance overall process stability and equipment reliability.
02 2025 Implementation Status	Equipment evaluation, improvement plan testing, and the first phase of implementation have been completed. Subsequent phases will proceed based on production line needs.	Partial equipment testing and phased implementation have been completed. Optimization will continue based on on-site operational needs.
03 Expected Benefits and Phased Achievements	**Occupational Safety and Environmental Improvement:** Reduces dust exposure risks during operations, optimizes the work environment, and enhances employee health and safety management. **Process Stability and Efficiency Improvement:** Reduces manual intervention through automation and standardized operating procedures, improving operational consistency and process stability. **Optimization of Human Resource Allocation:**Reduces time spent on repetitive manual tasks, allowing personnel to focus on key activities such as equipment inspection and quality monitoring.	**Improved Quality Stability and Yield Rate:** By upgrading key equipment, we enhance precision control over material flow and process conditions, effectively reducing process fluctuations and thereby lowering the non-conformity rate of products. **Enhanced Equipment Reliability:** Improves the durability and stability of key control equipment, reducing the risk of unplanned downtime or process interruptions.

Product Safety Labeling GRI 417-1、417-2

All of CSRC's production processes comply with international environmental standards, striking the best balance between corporate development, ESG responsibility, and environmental protection. To enhance the transparency of product information, we regularly update our Material Safety Data Sheets (MSDS) and proactively provide product safety information, such as safety characteristics and waste disposal methods, for customer reference. 100% of CSRC's products have undergone regulatory assessment to confirm that our carbon black products are compliant.

Items Included in the Material Safety Data Sheet (MSDS)

- Chemical Product and Company Identification
- Hazards Identification
- Composition/Information on Ingredients
- First-Aid Measures
- Fire-Fighting Measures
- Accidental Release Measures
- Handling and Storage
- Exposure Controls/Personal Protection
- Physical and Chemical Properties
- Stability and Reactivity
- Toxicological Information
- Ecological Information
- Disposal Considerations
- Transport Information
- Regulatory Information
- Other Information

Simultaneously, in compliance with the transportation regulations of various countries, we diligently apply for all necessary transport permits before dispatching products. We also adhere to the regulatory requirements of the importing countries by affixing labels with legally required information—such as batch number, production date, product name, origin, and safety data—to the outer packaging of our products. This prevents misuse by customers and consumers and provides safe and eco-friendly product information. In 2025, CSRC had no incidents of non-compliance with any product health and safety regulations, nor were there any violations related to labeling, advertising, or promotion.

Safety Data Sheet Examples



Greater China
Linyuan Advanced Plant



Greater China
Maanshan Plant

Customer Service and Relationship Management GRI 418-1

CSRC is committed to providing customers with high-quality products and services, firmly believing that excellent customer service is key to building satisfaction and loyalty. On August 12, 2025, the Board of Directors approved the "Customer Rights Protection Policy." The company has established comprehensive customer service management regulations and a CRM system to ensure that every customer opinion is valued and responded to promptly, and that disputes are handled fairly, effectively, and with a communicated outcome. We also adhere to the "Personal Data Protection and Management Policy," ensuring that customer data is used solely for business services and is protected by strict information security measures. In 2025, the Group received no complaints regarding customer privacy breaches.

Customer Satisfaction

CSRC conducts annual customer satisfaction surveys across its plant sites in Greater China, India, and the USA. Each item is rated on a scale of 10, with a target score of 8.5. The evaluation covers five major aspects: Technical Service, Product Quality, Delivery Arrangement, Sales Staff Service, and Overall Satisfaction.

The results of the 2025 CSRC customer satisfaction survey are as follows. The Group's average customer satisfaction score was 9.07, achieving the target set by CSRC.

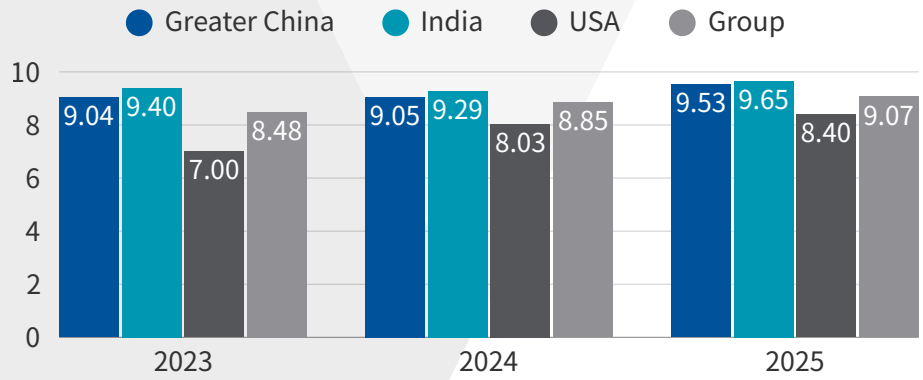


Satisfaction Score

9.07 average score

Rate on a scale of 10

Average Customer Satisfaction of CSRC Group and its Operational Regions



Customer satisfaction for the plants of CSRC

	Greater China			India			USA			Group		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Technical service	8.99	8.86	9.28	9.5	9.05	9.4	8	8.1	6.5	8.80	8.72	8.93
Product quality	9.20	9.12	9.61	9.6	9.55	9.85	8	8.2	10	8.93	9	9.22
Delivery arrangement	9.24	9.15	9.64	9.1	9	9.55	6	7	10	8.11	8.58	8.73
Sales staff service	9.14	9.06	9.58	9.5	9.55	9.4	10	9.4	10	9.55	9.27	9.46
Overall satisfaction	9.04	9.05	9.53	9.4	9.29	9.65	7	8.03	8.4	8.48	8.85	9.07

Customer Complaint Management Actions

To respond to customer needs in a timely manner and enhance quality resilience, CSRC continuously optimizes its complaint management process. Through systematic root cause analysis and cross-departmental collaboration, we ensure that every complaint becomes a driver for process improvement. We have implemented a digital complaint management system, which has significantly improved data traceability and handling efficiency, further strengthening quality stability.
As of the end of the reporting period, statistics on the number of confirmed and resolved complaints for the Group and its operational regions have been compiled, progressively building a globally consistent information foundation for complaint management.

01 Case Study	02 Background	03 Root Cause Analysis and Response	04 Long-term Improvement and Outcome
Packaging Structure Upgrade to Enhance Transport Safety A customer reported that bulk bags were tilting during transportation, posing a potential safety risk during unloading.	The investigation revealed that the original packaging structure had insufficient stability for long-haul transport conditions.	• A cross-departmental project team was formed to optimize the packaging structure. • The bulk bags were upgraded to a specialized export packaging with a woven bag cover. • Multiple transport tests were conducted to verify packaging stability.	The new packaging design effectively reduced the risk of tilting during transport, ensuring the safety of the customers' unloading operations. This demonstrates our commitment to transforming customer feedback into tangible products and service upgrades.
Process Digitalization to Enhance Product Traceability A customer reported a discrepancy between the Certificate of Analysis (COA) and the batch number information on the bulk bag, affecting product traceability.	The investigation showed that manual transcription of inspection data could lead to documentation errors.	• Collaborated with the IT department to create an automatic batch inspection report generation mechanism in the SAP system. • COAs are now generated directly from system data, replacing the manual transcription process.	This has effectively improved the consistency between inspection data and batch number information, enhancing product traceability and boosting customer trust.

Statistics on Confirmed and Resolved Complaints for CSRC Group and its Operational Regions

	Greater China			India			USA			Group		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Confirmed Complaints	1	7	3	22	15	17	17	24	13	40	46	33
Resolved Complaints	1	7	2[Note]	22	15	17	17	24	11[Note]	40	46	30

Note: As of 2025, 1 complaint in the Greater China region and 2 complaints in the USA region are still under improvement and verification.

Customer On-site Audits

As a raw material supplier to downstream customers, CSRC strictly maintains product quality and acts as an excellent supplier. We also place great importance on the health and safety of our customers, and therefore, we have set related goals for customer health and safety.
In 2025, CSRC accommodated on-site audits from international tire customers. Through thorough preparation and cross-departmental collaboration, we addressed and responded to customer concerns regarding quality management, process control, and EHS issues. The audit results showed that all assessments met the customers' requirements, demonstrating the company's continuous improvement in quality stability and management systems.

International Tire Manufacturer Conducts On-site Audit at Linyuan Advanced Plant in Greater China



The customer's team and our company representatives jointly review quality management and ESG performance documents.



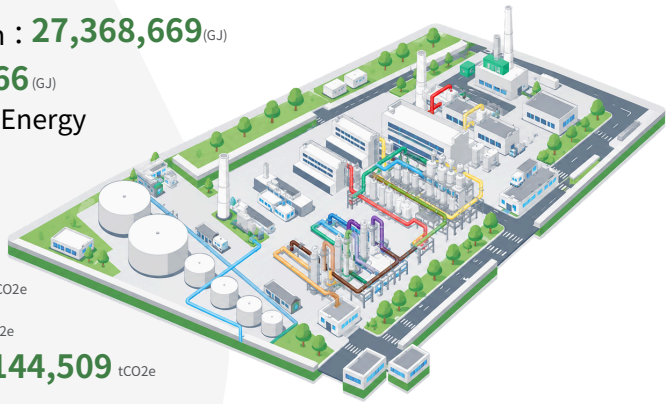
On-site tour of production facilities to verify the implementation of EHS management measures.

Environmental Sustainability

★2025 Performance Highlights

Energy

- Total internal energy consumption：**27,368,669**(GJ)
- Self-generated energy：**7,814,866**(GJ)
- Ratio of Self-generated energy to Energy consumption：**28**%



Greenhouse gas

- Scope 1&2 Emissions：**979,606**tCO2e
- Scope 3 Emissions：**2,283,999**tCO2e
- Reduction Scope 1&2 Emissions：**144,509** tCO2e

Waste

- 2025 Waste amount：**13,837** tons
- Waste Recycling Rate：**74.4**%

Water Resource

- Water Usage：**4,562** TCM
- Recycled water：**26,040** TCM
- Wastewater：**75** TCM
- Wastewater recycling rate：**99.7**%

Air pollution

- Absolute emissions of air pollutants：**1,202** tons

The Board of Directors **has approved environmental protection policy to establish an environmental management system with the participation of all employees.**

The group has completed risks assessment of climate change and water on **100%** operating sites.

The group has invested cumulative approximate **38.2 million** NTD in environmental protection and renewable energy equipment in the recent 2 years.

The annual emission intensity of pollutants discharging through the emission path was prominently better than local government statutory baselines.

Our Linyuan Advanced Plant has implemented SCR denitrification technology in the cogeneration area. To date, the initiative has achieved a cumulative reduction of **69.962 tons** of NOx, with an expected financial benefit of NTD **45.685 million** .

United Nation Sustainability Development Goals(SDGs)



Energy Use and Efficiency Improvement	SDGs 7.2、7.3	SDGs 12.5	
Greenhouse Gas Reduction	SDGs 13.3		
Air Quality Improvement	SDGs 3.9	SDGs 11.6	SDGs 12.4、12.5
Water Resource Protection and Utilization	SDGs 6.3	SDGs 12.2	
Waste Reduction and Recycling	SDGs 11.6	SDGs 12.2、12.5	

Management Approach - Energy Use and Efficiency Improvement

Related to Material Topic: Energy

Policy and Promise

To drive our low-carbon transition and enhance cost competitiveness, we adhere to international standards such as ISO 50001. We take a data-driven approach to continuously improve our energy efficiency, with the reduction of 'Energy Intensity' established as a key performance indicator (KPI) for all our production sites.
The core of our strategy is to maximize the circular value of energy by recovering waste heat and tail-gas for power generation. We are also progressively optimizing our energy structure by transitioning to natural gas and renewable sources. Through investments in high-efficiency technologies and fostering a company-wide culture of energy conservation, we view energy management as the cornerstone for achieving our climate goals and ensuring sustainable operations.

Impact Description

Negative

Ineffective energy management directly erodes our profitability and operational stability. Energy-intensive processes can lead to excessive production costs during periods of energy price volatility. They also result in higher greenhouse gas (GHG) emissions, exposing us to significant carbon fees or taxes. Furthermore, an over-reliance on external energy supplies leaves our production lines vulnerable to unexpected shutdowns in the event of power rationing or fuel shortages.

Positive

Excellence in energy management is key to establishing our cost advantage and operational resilience. By continuously improving energy efficiency, we can effectively reduce production costs and future carbon-related expenses, building a competitive cost moat that sets us apart from our peers. Developing self-generated energy sources, such as cogeneration, further reduces our dependence on the external power grid. This strategy not only helps us achieve our climate goals but also shapes our brand image as a green and efficient enterprise.

Responsible Unit

【Responsible Unit】
1. Front-line Implementation：Operations Departments at each plant
2. Technical Coordination & Planning：Sustainable Environment & Product Group and Circular Manufacturing Group
【Supervisory unit】Strategic Guidance and Supervisory: Corporate Sustainability Committee & Executive level management

Action Plan

To ensure the effectiveness of our energy management initiatives, we have established a data-driven evaluation framework that is closely linked to our performance targets. This framework consists of:

1. Enhancing Equipment and Process Efficiency：We continuously replace energy-intensive equipment with high-efficiency, energy-saving motors and optimize the performance of our heat exchange systems. These efforts reduce the fuel and electricity consumption per unit of product.
2. Maximizing the Circular Value of Energy：We efficiently convert process waste heat and tail-gas into steam and electricity through our cogeneration systems. In addition to fulfilling our internal needs, we sell surplus energy to the grid, contributing to regional energy integration.
3. Accelerating Our Energy Transition：We are progressively replacing conventional heavy fuel oil with natural gas and actively incorporating renewable energy sources like solar power. This strategy optimizes our energy structure and carbon footprint from the source.
4. Fostering a Company-Wide Culture of Energy Conservation：We link key metrics like 'Energy Intensity' to plant performance evaluations. Through targeted training, we aim to internalize energy management as a shared responsibility and a core part of our corporate culture.

Evaluation of Effectiveness

To ensure the effectiveness of our energy management initiatives, we have established a data-driven evaluation framework that is closely linked to our performance targets. This framework consists of:

1. Target Management and Performance Tracking：We have designated 'Energy Intensity (GJ/ton)' as our core evaluation metric and set annual reduction targets for this KPI.
2. Quantitative Key Performance Indicators (KPIs)：We track performance across several key dimensions. Our primary metrics include
(1) Efficiency：Energy Intensity
(2) Energy Structure：Renewable energy consumption ratio; Self-generated energy ratio.
3. System Verification and Transparent Communication：In accordance with the ISO 50001 standard, we conduct annual audits to verify the effectiveness of our energy management practices. We also regularly disclose these key KPIs in our Sustainability Report to maintain transparent communication with all stakeholders regarding our performance.

Stakeholder Communication and Engagement

To ensure the effective attainment of our energy management targets and to continuously adopt best practices, we have established a communication framework centered on 'Internal Collaboration' and 'External Engagement':

1. Internal Communication with Employees and Management：We hold regular internal meetings to monitor energy consumption and the progress of energy-saving projects at each site. We strengthen internal communication through training and information sharing to foster a company-wide culture of energy conservation, building consensus to collectively achieve our corporate energy management goals.
2. Engagement with Technical Partners (e.g., Equipment Vendors & Consultants)：We regularly engage in technical exchanges with leading suppliers of energy-efficient equipment and technology consulting firms. This allows us to evaluate and adopt the most suitable high-efficiency solutions for our manufacturing processes, ensuring our energy management technology remains current and effective.
3.Communication with Customers and Investors：We maintain transparent communication with our customers and investors, reporting on our energy management performance and its associated benefits through channels such as our Sustainability Report and institutional investors' conferences.

Resource Commitment

To ensure the effective implementation of our energy management strategy, we commit the necessary financial and organizational resources:

1. Financial Commitment：We allocate a capital expenditure budget for the replacement and upgrading of high-efficiency, energy-saving equipment, such as high-efficiency motors and heat exchangers. During our project evaluation process, we incorporate the dual benefits of energy conservation and carbon reduction into our decision-making criteria.
2. Organizational Capability：Our dedicated plant-level teams are responsible for the front-line implementation of energy-saving projects, with technical support provided by cross-functional teams. Concurrently, we enhance the energy management capabilities of our teams through continuous professional training and foster a company-wide culture of energy conservation.

Management Approach-Greenhouse gas reduction and Climate Change Response

Related to Material Topic: Greenhouse Gas Emissions and Climate Change

Policy and Promise

To lead our industry towards a net-zero future, we have integrated climate change into our highest level of governance. We have set a clear target to reduce our Group-wide Scope 1 and 2 carbon emission intensity by 12% by 2030, using 2018 as the baseline year.
Following the TCFD framework, we systematically assess climate-related risks and opportunities, and strengthen our operational resilience by investing in a low-carbon transition. Our core actions include enhancing energy efficiency, replacing conventional fuels with natural gas and renewable feedstock, and developing circular economy solutions. We are committed to transparently disclosing our climate actions and performance, working alongside our value chain partners to co-create a sustainable future.

Impact Description

Negative

A failure to proactively address climate change exposes the company to the dual threats of rising operational costs and facing market exclusion. Transition risks, such as carbon fees and taxes, will significantly increase the financial burden on our carbon-intensive processes. Meanwhile, physical risks, like extreme weather events, could lead to unplanned operational downtime and supply chain disruptions. Moreover, as customers increasingly adopt low-carbon procurement criteria, our inability to offer competitive green products poses an existential threat of losing market share and customer orders.

Positive

Proactively addressing climate change presents a strategic opportunity to create new competitive advantages. By enhancing energy efficiency and adopting low-carbon technologies, we can effectively reduce future carbon costs and mitigate operational risks. Developing and offering internationally certified low-carbon products not only helps our customers achieve their own decarbonization targets but also positions us as a key partner in their green supply chains. This, in turn, solidifies our market position and transforms climate action into long-term corporate value.

Responsible Unit

【Responsible Unit】
1. Strategic Planning and Facilitating：Corporate Sustainability Committee
2. Core Execution and Collaboration：Sustainable environment and product team& Circular manufacturing work group
3. Routine Implementation：All sites and relevant departments
【Supervisory Unit】Board of Directors

Action Plan

To achieve our greenhouse gas (GHG) reduction targets, we are implementing systematic decarbonization actions across multiple fronts: processes, energy, and raw materials：
1. Enhancing Energy and Process Efficiency：We continuously optimize heat exchange efficiency and recover process waste heat for power generation, thereby reducing fuel consumption and energy costs per unit of product. Concurrently, we are implementing a digitalized carbon emission monitoring system for precise performance management.
2. Transitioning Our Energy Structure：We are progressively replacing conventional heavy fuel oil with natural gas as our primary fuel, fundamentally shifting our emissions profile at the source. Simultaneously, we are incorporating renewable energy sources, such as solar power, to increase the proportion of green electricity in our consumption.
3.Deepening Decarbonization through the Circular Economy：We will progressively expand the use of recycled feedstock, such as Tire Pyrolysis Oil (TPO), and develop sustainable circular carbon black products with a low carbon footprint. This is not only a core component of our decarbonization strategy but also a key enabler for helping our customers achieve their sustainability targets.
4. Strengthening Governance and Climate Adaptation：We link our decarbonization targets to the performance of our operational units. In line with the TCFD framework, we regularly assess climate-related risks to enhance our operational resilience, ensuring the company's sustainable development amidst the challenges of climate change.

Evaluation of Effectiveness

To ensure the effectiveness of our climate actions, we have established a data-driven evaluation framework that is directly linked to our targets. This framework comprises：
1. Target Management and Performance Tracking：To mitigate the Impact of production volume fluctuations, we have shifted our focus from an absolute emissions target to an intensity-based target: a 12% reduction in our Group-wide Scope 1 & 2 carbon emission intensity by 2030, against a 2018 baseline. Through our digitalized carbon emission monitoring system, we regularly review key performance indicators (KPIs), such as GHG emissions and intensity levels at each site, to ensure progress remains on track.
2. Quantitative Key Performance Indicators (KPIs)：We track performance across multiple dimensions, with core metrics including
(1) Core Emissions: Absolute GHG emissions and emission intensity. (2) Energy Transition: Ratio of renewable and low-carbon fuel consumption.
(3) Circular Economy: Recycled feedstock usage rate and associated decarbonization benefits.
3. Independent Verification and Governance Integration：We commission a third-party organization annually to verify our GHG inventory data.
The assessment results and progress against our decarbonization targets are integrated into the performance evaluations of our operational units. These outcomes are reported annually to the Board of Directors, creating a closed-loop management cycle for continuous improvement.

Stakeholder Communication and Engagement

We engage in open dialogue with our stakeholders regarding our climate strategy and actions through multiple channels, viewing their feedback as a crucial driver for our continuous improvement. Our key communication approaches include：
1. Engagement with Investors and Regulators：We provide transparent disclosures on our TCFD climate risk assessments, decarbonization targets, and performance through channels such as our official website and Sustainability Report. We also actively participate in government-led briefings to stay abreast of the latest climate regulations and policy developments.
2. Collaboration with Customers and Supply Chain Partners：We engage in in-depth collaboration with our customers and suppliers on topics such as low-carbon product development and the adoption of recycled feedstock. These discussions take place through business reviews and executive-level meetings, with the goal of co-creating a green supply chain and transforming climate action into shared business opportunities.
3. Engagement with the Community and Employees： Externally, we promote sustainability concepts to the public and students by hosting circular economy outreach events. Internally, we communicate our decarbonization targets and energy conservation requirements through regular meetings and training sessions. This fosters a shared consensus and drives collective action on climate throughout the organization.

Resource Commitment

To ensure the effective implementation of our climate strategy, we commit the necessary financial and organizational resources:
1. Financial Commitment：We incorporate low-carbon transition projects, such as equipment upgrades and renewable energy initiatives, into our annual budget and capital expenditure (CapEx) planning. The associated decarbonization benefits are a key criterion in our investment appraisal process.
2. Organizational Capability：We have established a cross-functional climate action team and dedicated professional personnel to drive these initiatives. By linking our decarbonization targets to performance incentives and providing continuous training, we internalize these goals, making them a core organizational competency and a shared responsibility for all employees.

Management Approach – Air Quality Improvement Related to Material Topic: Air Quality

Policy and Promise

To achieve clean manufacturing processes and protect the community environment, we systematically manage our air pollutant emissions, using regulatory requirements as our baseline. We optimize the manufacturing from the source and continuously invest in best available control technologies, such as desulfurization (De-SOx) and Selective Catalytic Reduction (SCR), to effectively control the emissions of key pollutants like sulfur oxides (SOx) and nitrogen oxides (NOx). Through rigorous emissions monitoring and proactive equipment maintenance, we have made the continuous reduction of "Air Pollutant Emission Intensity" a core performance indicator for our plants. We are committed to transparent communication with our communities, striving to achieve a harmonious coexistence of operational excellence and environmental friendliness

Impact Description

Negative

A failure to effectively control air pollution directly threatens our license to operate and public trust. Any emission exceedances could trigger regulatory fines or even lead to mandatory production shutdowns. Concurrently, fugitive odors or dust emissions can provoke community opposition, resulting in reputational damage, operational resistance, and legal risks.

Positive

Excellence in air pollution control is the cornerstone of earning our social license to operate. By investing in best available technologies and ensuring our emissions consistently outperform regulatory standards, we solidify our operational stability and mitigate compliance risks. A clean and responsible operating environment not only safeguards the occupational health of our employees but also earns the trust and support of our communities. This cultivates our image as a "good neighbor" and builds a solid social foundation for our sustainable development.

Responsible Unit

【Responsible Unit】
1. Front-line Execution and Management：EHS Offices at each plant
2. Technical Coordination and Planning：Sustainable environment and product team
【Supervision Unit】
Strategic Guidance and Oversight：Corporate Sustainability Committee & Senior management

Action Plan

To achieve cleaner emissions and outperform regulatory standards, we implement systematic control measures that span from source reduction to end-of-pipe treatment. Our key actions include:

1. Source Reduction and Process Optimization：We prioritize the use of low-sulfur feedstocks and cleaner fuels like natural gas , and reduce pollutant generation at the source by optimizing combustion technology.

2. Adopting Best Available Control Technologies (BACT)：We continuously invest in and optimize high-efficiency end-of-pipe treatment equipment. This includes desulfurization (De-SOx) systems to control sulfur oxides, Selective Catalytic Reduction (SCR) systems for nitrogen oxides, and high-efficiency baghouse collectors to capture particulate matter.

3. Rigorous Monitoring and Proactive Maintenance：We conduct 24/7 strict monitoring through a Continuous Emission Monitoring System (CEMS) that is linked to regulatory authorities. Concurrently, we implement a preventive maintenance program to ensure all pollution control equipment operates at optimal condition at all times.

4. Ensuring Accountability and Transparent Communication：We have established real-time incident response and reporting procedures for any anomalies. We also transparently disclose our emissions performance in our Sustainability Report to maintain open communication with our communities and stakeholders.

Evaluation of Effectiveness

To ensure the effectiveness of our air pollution control measures, we have established a data-centric evaluation framework that is benchmarked against regulatory standards. This framework includes：

1. Real-time Monitoring and Management Review：Through a Continuous Emission Monitoring System (CEMS) linked to regulatory authorities, we conduct 24/7 monitoring of pollutant concentrations at our emission stacks. Each plant holds monthly reviews of emissions data, performing root cause analysis and implementing corrective actions for any anomalies.

2. Quantitative Key Performance Indicators (KPIs)：We track performance across several key dimensions, with core metrics including
(1) Concentration and Total Emissions: Emission concentrations and annual total mass of key pollutants such as SOx, NOx, and TSP.
(2) Efficiency: Air Pollutant Emission Intensity (kg/ton of product), with a target for annual reduction.
(3) Community Impact: Number of community complaints related to air quality (Target: 0).

3. System Verification and Transparent Communication：In accordance with the ISO 14001 Environmental Management System, we conduct annual audits to verify the effectiveness of our control measures. We also regularly disclose these key KPIs in our Sustainability Report to maintain transparent communication with all stakeholders regarding our performance.

Stakeholder Communication and Engagement

We are committed to open and transparent communication with all stakeholders regarding air pollution prevention and control issues:

1. Engagement with Communities and Regulators：With community harmony as our primary goal, we provide real-time data via our linked CEMS and offer public grievance channels for a timely response to any community concerns. We also proactively participate in community events and environmental meetings to explain our prevention and control measures.

2. Communication with Customers, Investors, and Employees：We regard outstanding environmental performance as proof of corporate responsibility and operational stability, and we transparently disclose emissions data in our annual sustainability report. Internally, we ensure all employees understand and implement our environmental policies through regular EHS meetings and training.

Environmental Incident Reporting Channel：

We encourage all stakeholders to report any specific incident that may violate environmental regulations or have a direct impact on the community environment to the EHS office at the respective production site.

Resource Commitment

To ensure the effectiveness of air pollution prevention and control measures, we invest the necessary financial and organizational resources.

1. Financial Commitment：We allocate a capital expenditure budget for investing in high-efficiency pollution control equipment, such as De-SOx and SCR systems. We also dedicate a sufficient maintenance budget to ensure all environmental facilities are consistently maintained at optimal treatment efficiency.

2. Organizational Capability：We have dedicated EHS teams at each plant. Through continuous professional training and by engaging external experts, we ensure our teams possess the professional competence to tackle stringent environmental challenges and fulfill our corporate environmental responsibilities.

Management Approach – Water Resource Protection and Utilization

Related to Material Topic: Water Consumption and Effluent

Policy and Promise

To ensure operational sustainability and safeguard local water ecosystems, we are dedicated to the efficient recycling of water resources. Our core strategy is anchored in the "3R" principles (Reduce, Reuse, Recycle). We strive to increase the wastewater recycling rate across all our plants, with "Zero Liquid Discharge (ZLD)" as our ultimate goal. We use internationally recognized tools to assess water risks at each of our sites, and the continuous reduction of "Water Intensity" is established as a core performance indicator (KPI) for our plant operations. Through investments in water treatment technologies and by promoting regional water balance projects, we not only enhance our operational resilience but also strive to be a responsible water steward.

Impact Description

Negative

Failure to effectively manage water resources would expose the company to the dual risks of production disruptions and community conflicts. In the face of climate change, droughts or water rationing measures could force shutdowns at our plants located in water-stressed regions, jeopardizing order fulfillment. Furthermore, non-compliant wastewater effluent can pollute local ecosystems, provoking community opposition and regulatory penalties, thereby damaging our social license to operate.

Positive

Excellence in water resource management is a key strategy for strengthening our operational resilience. By increasing our wastewater recycling rates and promoting circular use, we reduce our dependence on external freshwater sources, ensuring stable production. A clean and responsible water management practice not only effectively reduces water costs and regulatory risks but also earns the trust of our host communities. This transforms "water resilience" into a reliable production safeguard and a sustainable competitive advantage.

Responsible Unit

【Responsible Unit】
1. Front-line execution and management: Operational departments at the respective sites
2. Technical coordination and planning: Sustainable environment and product team & Circular Manufacturing Team

【Supervision Unit】
Strategic guidance and oversight: Corporate Sustainability Committee & Senior management

Action Plan

To achieve the efficient and circular use of water, we adhere to the '3R' (Reduce, Reuse, Recycle) strategy and implement systematic improvement actions:

1. Source Reduction and Precision Management： Through water balance projects and the installation of additional water meters, we precisely monitor our water use efficiency. We also continuously optimize our processes to reduce the demand for fresh water intake at the source.

2. Maximizing On-site Circular Use： We continuously improve our water treatment technologies, prioritizing the reuse of treated reclaimed water in our production processes. At sites where feasible, we have implemented Zero Liquid Discharge (ZLD) facilities to achieve a closed-loop water system within the plant.

3. Promoting Regional Water Collaboration： We actively establish partnerships with neighboring plants to purchase and reuse their clean steam condensate, creating a win-win model for regional water resource sharing.

4. Strengthening Water Risk Resilience： We regularly assess water-related risks at all our sites. For plants located in high-risk regions, we have established emergency backup water sources and contingency plans to ensure operational resilience.

Evaluation of Effectiveness

To ensure the effectiveness of water resource management actions, we have established a data-centric evaluation framework that is closely linked to our performance targets：

1. Target Management and Performance Tracking： We have designated the improvement of our 'Wastewater Recycling Rate' and the reduction of our 'Carbon Black Water Intensity' as core evaluation metrics, with annual improvement targets. Each plant regularly tracks water quantity and quality data to ensure management effectiveness.

2. Quantitative Key Performance Indicators (KPIs)： We track performance across multiple dimensions, with key metrics including
(1) Efficiency & Circularity: Carbon Black Water Intensity (m^3/ton); Wastewater Recycling Rate (%).
(2)Total Management: Total water intake; Total water consumption.
(3) Regulatory Compliance: Effluent quality in compliance with standards.

3. System Verification and Transparent Communication： In accordance with the ISO 14001 Environmental Management System, we conduct annual audits to verify the effectiveness of our management practices and the credibility of our data. We also regularly disclose these key KPIs in our Sustainability Report to maintain transparent communication with all stakeholders.

Stakeholder Communication and Engagement

We recognize that water is a precious resource that we share, we have established a communication framework centered on “Transparency' and 'Collaboration”：

1. Externally, we uphold information transparency： We proactively disclose key performance indicators (KPIs), such as water intensity and wastewater recycling rates, to regulators, investors, and our host communities through our Sustainability Report.

2. Internally and with partners, we emphasize collaboration： We actively engage with neighboring plants to jointly promote regional water circulation projects, such as steam condensate recovery. Internally, through training and regular meetings, we internalize the responsibility of water management, making it a shared culture for all employees.

Environmental Incident Reporting Channel：

We encourage all stakeholders to report any specific incident that may violate environmental regulations or have a direct impact on the community environment to the EHS department at the respective production site.

Resource Commitment

To ensure the effective implementation of our water management strategy, we commit the necessary financial and organizational resources:

1. Financial Commitment： We allocate a capital expenditure budget for investing in water treatment and recycling systems, and we prioritize the implementation of Zero Liquid Discharge (ZLD) technology in new plant constructions. Additionally, we invest in measurement systems to support our water balance projects and effectively manage water performance.

2. Organizational Capability： Our dedicated plant-level teams are responsible for the daily operation and maintenance of water treatment facilities. Through continuous professional training, we ensure our teams possess the competence to address water-related challenges and fulfill our corporate responsibility for sustainable water use.

Management Approach – Waste Reduction and Recycling

Related to Material Topic: Waste

Policy and Promise

We transform waste from an operational endpoint into the starting point of a new value chain. Adhering to the international "Waste Management Hierarchy," we prioritize source reduction and adopt "resource recovery" as our core strategy, striving to increase our waste reuse and recycling rate annually. We convert major industrial by-products, such as precipitator ash and desulfurization gypsum, into recycled materials for other industries, achieving a cross-industry circular economy. For all waste transportation and disposal, we fulfill our Extended Producer Responsibility through rigorous vendor management and audits, ensuring all processes are legal and environmentally responsible.

Impact Description

Negative

Failure to effectively manage waste will exposes the company to significant legal and environmental risks. High disposal costs can continuously erode profitability, while any illegal dumping or improper handling by waste vendors could subject the company to fines and joint legal liability. Furthermore, potential soil and groundwater contamination would destroy community trust and damage our corporate reputation.

Positive

Excellence in waste management is key to our practice of the circular economy and the creation of new value. By turning major by-products like precipitator ash and desulfurization gypsum into resources, we transform what was once a “cost item” and reduce the extraction of virgin resources. A legal, transparent, and responsible waste management system not only mitigates operational risks but also solidifies our leadership image as a pioneer in the circular economy.

Responsibility unit

【Responsible Unit】

1. Front-line Implementation and Management: EHS office at the respective sites
2. Technical Coordination and Planning: Sustainable Environment and Products Team & Circular Manufacturing Team

【Supervision Unit】

Strategic Guidance and Supervision: Corporate Sustainability

Action Plan

To achieve our goal of recycling waste, we adhere to the "Waste Management Hierarchy" and implement systematic improvement actions:

1. ource Reduction and Factory Management： We reduce waste at the source by using PE soluble packaging and reusable plastic pallets. Within the factory, we implement waste sorting and safe storage.

2. Promoting Resource Utilization of Core Waste： We convert our primary industrial waste into recycled raw materials for other industries. This includes turning precipitator ash and sludge into recycled aggregate (e.g., CLSM) and using desulfurization gypsum as a raw material for cement, achieving a cross-industry circular economy.

3. Strict Vendor Management and Audits： We conduct qualification audits and waste tracking for all our waste management vendors. We also conduct regular on-site audits of final disposal plants to ensure that waste is disposed of legally and properly, thus fulfilling our extended producer responsibility.

Evaluation of Effectiveness

To ensure the effectiveness of waste management initiatives, we have established a data-centric evaluation mechanism linked to our targets:

1. Target Management and Performance Tracking： We use the "Waste Recycling Rate" as a core evaluation metric and set annual improvement targets. Each plant regularly tracks waste generation volumes, reuse/recycling volumes, and disposal costs to ensure management effectiveness.

2. Quantitative Key Performance Indicators (KPIs)： We track performance across two core dimensions, "Circularity" and "Volume," with key metrics including: Waste Recycling Rate (%); Total Waste Generation (tons); and Hazardous Industrial Waste Generation (ton).

3. Vendor Audits and Transparent Communication： We conduct regular on-site audits of our waste management vendors to ensure their processes are legal and environmentally responsible. We also perform annual internal audits in line with the ISO 14001 standard and regularly disclose our key KPIs in our Sustainability Report for transparent communication with stakeholders.

Stakeholder Communication and Engagement

Corporate responsibility extends throughout the entire lifecycle of waste. To this end, we have established an engagement mechanism centered on "Responsible Auditing" and "Transparent Communication"：

1. With Partners and Regulators： We transparently report our waste stream data to regulatory authorities as required by law. We also conduct qualification audits and regular on-site audits of our waste management vendors, viewing them as partners in developing new resource recovery solutions.

2. With Customers, Investors, and Employees： We transparently disclose key performance indicators, such as our waste recycling rate, in our Sustainability Report to demonstrate our circular economy achievements to customers and investors. Internally, through continuous training, we ensure all employees understand and fulfill their responsibility for proper waste segregation.

Environmental Incident Reporting Channel：

We encourage all stakeholders to report any specific incident that may violate environmental regulations or have a direct impact on the community environment to the EHS department at the respective production site.

Resource Commitment

To ensure the effective implementation of our waste management strategy, we commit the necessary financial and organizational resources:

1. Financial Commitment： We invest in the construction and maintenance of waste segregation and storage facilities that comply with regulations. When selecting vendors, we partner with reputable firms that possess advanced technologies to ensure our waste is properly turned into resources.

2. Organizational Capability： Our dedicated plant-level EHS teams are responsible for daily waste management and vendor audits. Concurrently, we enhance the effectiveness of our resource recovery efforts at the source by providing comprehensive training to all employees.

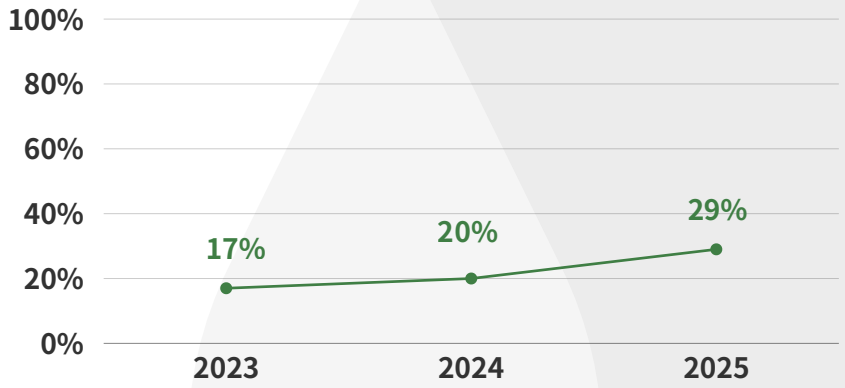
Energy Consumption and Efficiency Improvement

GRI 302-3、305-5

The primary energy sources utilized in CSRC's carbon black manufacturing process comprise heavy oil, purchased electricity, natural gas, diesel, self-generated electricity, and process tail-gas. Some plants also utilize renewable energy.
In 2025, the Group's total internal energy consumption was 27,368,669 GJ, distributed as follows: with Greater China (33.0%), India (35.4%), and the United States (31.6%). The Group's total energy consumption decreased compared to 2024, corresponding with a reduction in total carbon black production volume. Despite this lower output, the Group's energy intensity did not increase, a result attributed to ongoing process technology improvements and energy recycling initiatives. For 2025, the Group's energy intensity was 76 GJ/tonne. The self-utilization rate for internally generated steam was 57.5%, and for self-generated electricity, it was 73%.

CSRC will continue to manage energy efficiency by tracking key metrics at each operational plant, including carbon black production volume, steam generation and electricity consumption per ton of carbon black, electricity generation per unit of steam, boiler operational status, and steam feedwater quality. Regular equipment maintenance and servicing are also conducted to ensure all machinery operates at high energy efficiency.

Group Self-generated Energy Ratio Growth Trend (2023-2025)



Energy Consumption Status GRI 302-1、302-2；SASB RT-CH-130A.1

Region	Greater China	India	USA	Group
Energy Consumption	33.0%	35.4%	31.6%	27,368,669(GJ)

Group

Energy Categories	Heavy Oil	Natural Gas	Purchased Electricity	Diesel	Renewable Energy
Energy Consumption Ratio	85.7%	12.5%	1.21%	0.1%	0.97%

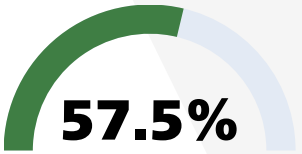
Note: Purchased electricity and renewable energy both include purchased renewable electricity.

Group-Wide Self-Generated Energy Ratio

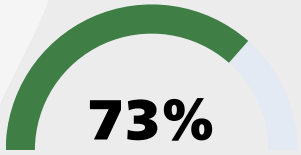
	2023	2024	2025
Self-generated energy ratio(%)	17%	20%	29%

Note: Self-generated energy ratio = (Self-generated electricity +Self-generated steam) / Total internal energy consumption volume.

Self-Generated Steam Utilization Rate



Self-Generated Electricity Utilization Rate





Energy Consumption by Region over the Past Three Years

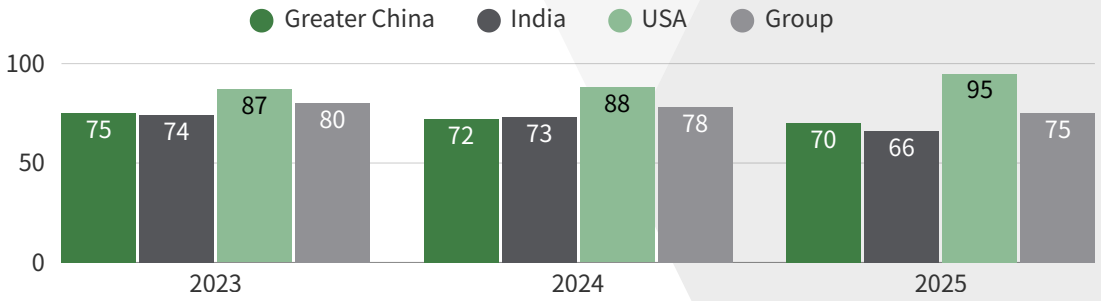
Unit：GJ

Category		Greater China			India			USA			Group		
		2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Heavy crude oil		7,958,924	8,644,237	8,313,051	5,153,092	8,383,299	9,673,684	7,751,492	7,707,190	5,460,327	20,863,508	24,734,725	23,447,062
Purchased Electricity		199,982	172,474	145,926	57,397	39,037	4,163	150,864	88,658	70,514	408,243	300,170	220,603
Purchased renewable	Purchased Green Power	0	0	31,859	0	0	0	22,172	88,658	79,517	22,172	88,658	111,376
	Biomass fuel	163,855	132,091	155,171	0	0	0	0	0	0	163,855	132,091	155,171
Natural Gas		311,568	228,061	384,489	26,745	8,108	7,965	2,955,965	2,951,606	3,017,856	3,294,278	3,187,775	3,410,310
Diesel		5,694	3,101	6,691	7,640	7,166	8,053	6,895	7,473	9,401	38,385	17,740	24,145
Total internal energy consumption		8,640,023	9,179,965	9,037,189	5,244,873	8,437,610	9,693,864	10,887,388	10,843,585	8,637,616	24,790,440	28,461,160	27,368,669
Energy Intensity (GJ/ton)		75	72	70	74	73	66	87	88	95	80	78	75
Process tail-gas		2,614,760	2,619,780	3,177,085	1,297,980	1,419,474	2,456,012	2,048,016	2,029,966	1,491,112	5,960,756	6,069,220	7,124,209
Self-generated Steam	Self-use	1,056,774	459,359	1,386,330	1,105,775	2,096,862	2,468,995	44,637	26,126	16,634	2,207,186	2,582,347	3,871,959
	Sold externally	1,095,957	489,957	1,093,477	118,098	232,256	651,318	1,096,313	1,377,640	1,120,794	1,214,055	2,099,853	2,865,589
Self-generated Electricity	Self-use	137,071	168,982	152,283	59,901	250,301	375,562	307,366	296,113	259,099	504,338	715,396	786,944
	Sold externally	33,071	70,092	63,754	144,180	178,624	175,896	165,639	100,297	50,724	342,890	349,013	290,374

Note：

1. Process tail-gas originates from two sources. The first is the tail-gas generated from the high-temperature pyrolysis of feedstock oil during carbon black production, composed of combustible substances such as H_2, C_2H_2, CH_4, and CO. The second is the gas separated from the gas-solid phase carbon black by baghouse collectors. This combined tail-gas is collected via a tail-gas recirculation system and utilized as fuel for carbon black pellet drying and in our cogeneration boilers.
2. Total internal energy consumption is calculated based on the actual types of fuel and energy used, comprising: heavy oil,purchased electricity,purchased renewable electricity,biomass fuel,natural gas,diesel. To avoid double-counting, process tail-gas, self-generated steam, and self-generated electricity are excluded from this calculation as they are by-products of the combustion of feedstock oil.
3. The heat value conversion factors for each energy source are based on the "Net Calorific Value Table of Energy Products" published by the Energy Administration, Ministry of Economic Affairs, in 2025. Due to similar process conditions across our plants, the heat value for process tail-gas is consistently calculated based on the 2025 tail-gas composition analysis from the Linyuan Advanced Plant, which is 621.36 kcal/m^3. The heat value for the Maanshan plant in China is calculated according to China's national standard, "Energy Consumption Quota per Unit Product of Carbon Black.
4. Energy intensity is defined as the energy consumption (GJ) per unit of carbon black production (tons). It is calculated as: Energy Intensity = Total Internal Energy Consumption ÷ Total Carbon Black Production for 2025. The Group's total carbon black production in 2025 was 366,473 tons, with a regional breakdown of 128,580 tons in Greater China, 146,791 in India, and 91,102 in the United States.
5. The scope for the Greater China region includes two production sites as well as Consolidated Resource and the Taipei headquarters.
6. The increase in natural gas consumption in the Greater China region in 2025 was due to the implementation of a fuel-switching project from heavy fuel oil to natural gas as part of our decarbonization efforts.
7. In 2025, the U.S. plant underwent a major reactor overhaul, which led to a decrease in production volume and a corresponding increase in its energy intensity (energy consumption per unit).
8. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

Energy Intensity in Various Regions over the Past Three Years



Energy management GRI 302-4

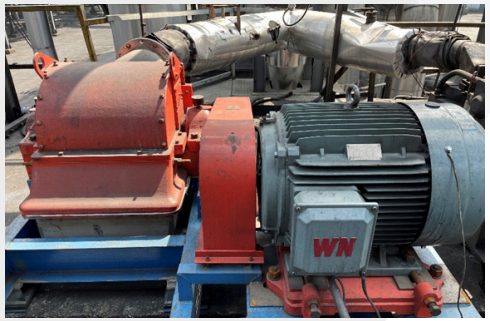
CSRC's energy management is divided into two main directions: optimizing our energy structure and enhancing energy efficiency. Our management of the energy structure is primarily aligned with a circular economy model. This includes decarbonization initiatives such as recovering process tail-gas to generate steam for both internal use and external sale, installing solar power systems to increase our renewable energy generation, and using biomass fuels to reduce greenhouse gas emissions.
Enhancing energy efficiency focuses on improving the electricity and fuel efficiency of our equipment and maximizing the value of thermal energy through reuse, thereby reducing our reliance on purchased electricity. This also involves implementing AI-powered systems for real-time monitoring of equipment currents and other operational data. These systems help determine if our machinery is operating at optimal efficiency, ensuring both production stability and overall process efficiency.

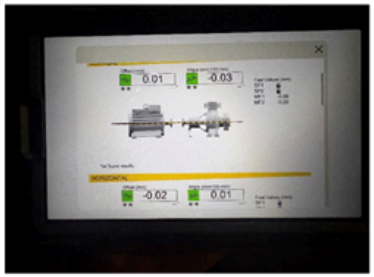
Group-wide energy conservation and carbon reduction projects in 2025

Project Categories	Project Description	2025 Energy Savings(GJ)	2025 Carbon Reduction(tCO_2e)
Energy structure management	Recovering process tail-gas to generate steam for power generation	6,827,987	554,935
	Utilizing low-carbon energy sources, such as natural gas	3,407,618	72,782
	Incorporating renewable energy, including solar power and other renewables	117,136	15,902
	Import recycled feedstock, such as Tire Pyrolysis Oil (TPO) and recovered Carbon Black (rCB)	155,171	10,209
Energy Consumption Efficiency Improvement	Improving feedstock oil efficiency to reduce the oil consumption rate	560,393	45,545
	Consolidating and redesigning similar equipment types and replacing them with new, high-efficiency motors to reduce electricity consumption	393	71
	Implementing AI-powered production management systems to ensure operational stability and efficiency	-	-



High-efficiency Equipment Replacement

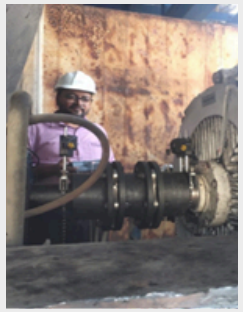












CSRC's Magic - Turning Waste into Value：
Our Circular Economy in Practice From Process Tail-gas to Green Steam—Capturing Every Drop of Energy

On our journey towards sustainable development, CSRC Group treats the "Circular Economy" not as a mere slogan, but as an integral part of our operational DNA. We believe that every unit of energy generated in our processes deserves a second life. Central to this philosophy is our key strategy of "Energy Recovery and Reuse".

The Foundation: Cogeneration Systems

Each of our plants is equipped with cogeneration boilers that use "process tail-gas" from carbon black production as their primary fuel. By treating this waste gas while simultaneously recovering its thermal energy, we significantly improve our energy utilization and put the circular economy into practice.

The Challenge and Our Innovation: The Birth of the online Waste Heat Boiler

However, converting process tail-gas into fuel is no simple task. The tail-gas from carbon black production is characterized by high moisture content, demanding high combustion temperatures, and unstable temperature and pressure due to process fluctuations. These characteristics pose severe challenges to the safety and stability of the system.

To overcome this, CSRC Group invested in R&D and specifically constructed the "Online Waste Heat Boiler." This system ingeniously performs heat exchange before the tail-gas enters the bag filter, not only overcoming the original technical bottlenecks but also creating multiple benefits.

"Online Waste Heat Boiler" and our cogeneration systems form a complete, closed-loop energy solution:

Enhancing Process Efficiency and Safety	• Lowering moisture content in tail-gas: Protects downstream equipment and enhances operational stability. • Heat recovery and reuse: The generated steam directly supplies the carbon black production lines, reducing the need for additional energy consumption.
Energy Self-Sufficiency and Recycling	• Surplus steam is used for power generation,this electricity is consumed on-site for our own operations, reducing reliance on the external power grid.
Expanding Green Impact and Creating Win-Win Results	• Surplus steam is sold to neighboring partners. • This enables partner plants to reduce their fuel consumption, thereby lowering their air pollutant emissions.

Online Waste Heat Boiler at Linyuan Advanced Plant, Greater China



Online Waste Heat Boiler(Complete heat exchange section) at the Maanshan Plant, Greater China



Online Waste Heat Boiler(Steam Drum) at the Maanshan Plant, Greater China



Online Waste Heat Boiler(Steam Header) at the Maanshan Plant, Greater China



Online Waste heat Boiler at CCET Plant, India



Online Waste Heat Boiler at CCIPL Plant, India



Coverage of Operating Sites with ISO management system standards related to environmental sustainability

ISO 14001:2015

Facilities: The Greater China : Linyuan Advanced Plant、the Maanshan Plant
India: CCET Plant、CCIP Plant

Verification Institution: GCL、CQC、IRCLASS、DNV

Coverage **57** %

ISO 50001:2018

Facilities: The Greater China：
Linyuan Advanced Plant

Verification Institution: BSI

Coverage **14** %

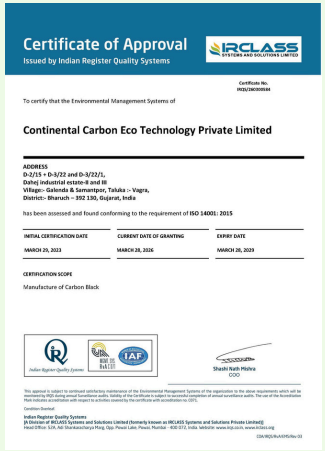
ISO 14001 Environmental Management System Verification Certificate



Linyuan Advanced Plant
ISO 14001:2015
Expiry Date: 2027/07/23



Maanshan Plant ISO
14001:2015
Expiry Date: 2027/01/25



CCET Plant ISO 14001:2015
Expiry Date: 2029/03/28



CCIPL Plant ISO 14001:2015
Expiry Date: 2027/03/09

ISO 50001 energy management system certification statement



Linyuan Advanced Plant ISO 50001:2018
Expiry Date：2029/01/10

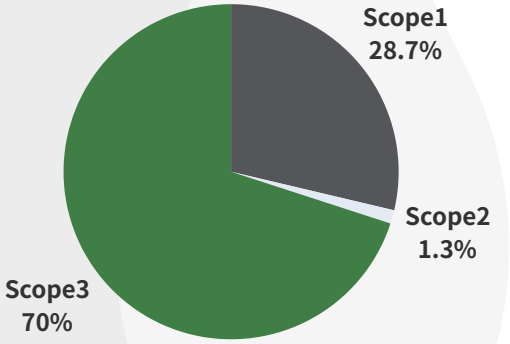
Greenhouse Gas Reduction GRI 305-5；SASB RT-CH-110A.2

Greenhouse Gas Inventory GRI 305-1、305-2、305-3 、305-4；SASB RT-CH-110A.1

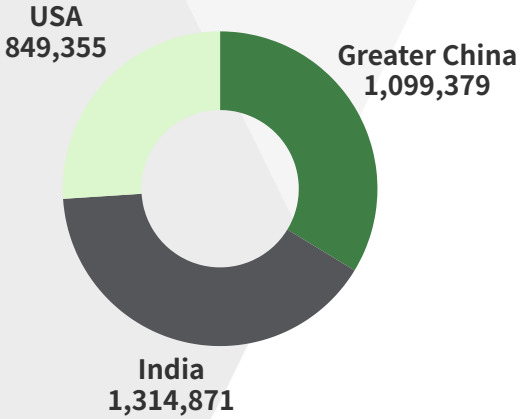
In a comprehensive response to global climate action, CSRC Group has adopted the internationally recognized Greenhouse Gas (GHG) Protocol framework, starting in 2024. We have expanded our GHG inventory beyond the calculation of Scope 1 (direct emissions) and Scope 2 (indirect emissions from energy a company purchases and consumes) to include a comprehensive inventory of Scope 3 (other indirect emissions). This allows us to assess our climate impact and responsibilities from a more holistic perspective.

In 2025, the Group's total greenhouse gas emissions amounted to 3,263,605 tCO_2e. The breakdown is as follows: Scope 1: 938,371 tCO_2e, Scope 2: 41,235 tCO_2e, and Scope 3: 2,283,999 tCO_2e.

Group-wide Emissions Breakdown by Scope (2025)

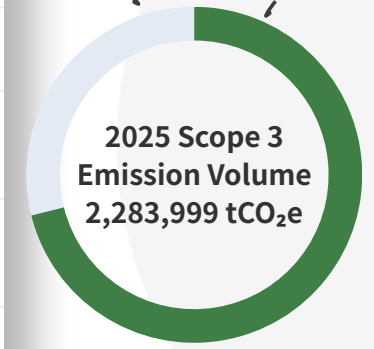


Total Group Emissions by Region



Upstream Activities

- Category 1: **498,601** tCO_2e Purchased goods and services
- Category 2: **2,248** tCO_2e Capital goods
- Category 3: **41,918** tCO_2e Fuel and energy related activities
- Category 4: **23,351** tCO_2e Upstream transportation and distribution
- Category 5: **208** tCO_2e Waste generated in operation
- Category 6: **429** tCO_2e Business travel
- Category 7: **1,322** tCO_2e Employee commuting
- Category 8: **135** tCO_2e Upstream Leased assets



Downstream Activities

- Category 9: **30,129** tCO_2e Downstream transportation and distribution
- Category 10: **827,415** tCO_2e Processing of sold products
- Category 11: Not applicable Use of sold product
- Category 12: **852,316** tCO_2e End-of-life treatment of sold products
- Category 13: **5** tCO_2e Downstream leased assets
- Category 14: Not applicable Franchises
- Category 15: **5,922** tCO_2e Investment



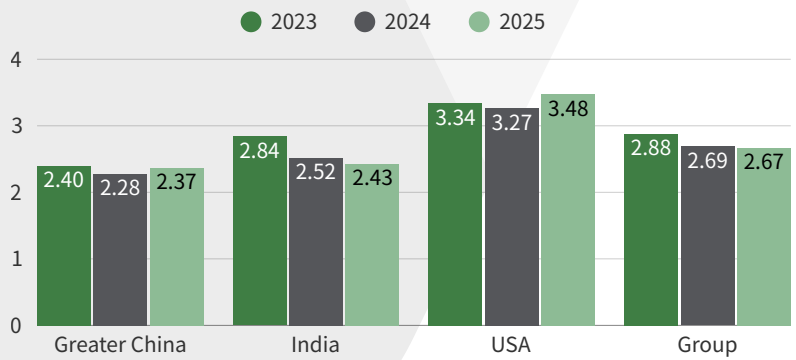
Statistics of GHG Emissions in the Regions Where CSRC Operates over the Past Three Years

	Greater China			India			USA			Group		
項目	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Scope 1 (tCO_2e)	249,808	268,683	280,536	190,479	284,026	355,819	397,113	382,994	302,017	837,400	935,703	938,371
Scope 2 (tCO_2e)	27,749	23,759	24,664	11,400	7,768	858	18,482	18,026	15,712	57,631	49,553	41,235
Scope 3 (tCO_2e)	-	675,857	794,178	-	788,396	958,194	-	701,734	531,626	-	2,165,987	2,283,999
Total Emissions (tCO_2e)	277,557	968,299	1,099,379	201,879	1,080,189	1,314,871	415,595	1,102,754	849,355	895,031	3,151,242	3,263,605
Product Volume(t)	115,484	128,004	128,580	71,064	115,965	146,791	124,527	122,540	91,102	311,075	366,509	366,473
Emission Intensity(tCO_2e /t)	2.40	2.28	2.37	2.84	2.52	2.43	3.34	3.27	3.49	2.88	2.69	2.67

Note：

1. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
2. The Group's GHG inventory is consolidated using the operational control method. The inventory boundary includes 6 production sites (2 in Greater China, 2 in India, and 2 in the U.S.), as well as Hsieh-Yuan and the Taipei headquarters, representing 100% coverage of the production sites mentioned in this report. Other subsidiaries included in the consolidated financial statements, which serve holding or financial functions and share office space with the headquarters, have no significant emission sources and are therefore excluded from the quantitative calculation.
3. The calculation basis for Scope 1 and 2 emissions is as follows: In Taiwan, the inventory is conducted in accordance with the 'Greenhouse Gas Emission Inventory and Registration Management Regulations.' The calculation method is: Activity Data × Emission Factor × GWP Value. Emission factors are primarily sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. GWP values are based on the IPCC Fifth Assessment Report (2007), covering seven GHGs: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3. ; in China, the emissions are calculated using the emission factor method as per the "Guidelines for GHG Emission Accounting and Reporting for Chemical Production Enterprises in China (Trial)" .; in US, In accordance with the "Code of Federal Regulations (CFR) 40 Part 98" , while in India, In accordance with the "GHG Protocol Corporate Accounting and Reporting Standard.
4. Because the Taiwan and US sites purchased renewable electricity (totaling 103,351 GJ),but have not yet obtained the certificates; Scope 2 emissions are calculated using the location-based method. This approach is adopted because renewable electricity certificates for purchases in Taiwan and the U.S. are still pending, and market-based contractual instruments are not yet available in India. The calculation for each region is as follows: Taiwan Region: Calculated using the 2024 electricity emission factor of 0.474 kg CO_2e/kWh announced by the Bureau of Energy. Maanshan Site: Calculated using the electricity emission factor of 0.5306 kg CO_2e/kWh from the "Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors." US Region: Calculated based on the 2025 announced eGRID electricity emission factor of 0.293 tCO_2/MWh. India Region: Uses the electricity emission factor of 0.7097 kg CO_2e/kWh provided by the Central Electricity Authority (CEA) CO_2 Baseline Database, Version 21.0.
5. Starting from 2024, Scope 3 emissions are inventoried in accordance with the 'GHG Protocol Corporate Value Chain (Scope 3) Standard.' With the exception of data for business travel and employee commuting, which are collected directly from employees, all other activity data are sourced from the Group's ERP or internal statistical databases. Emission factors are primarily derived from secondary databases (including the Carbon Footprint Information Platform of Taiwan's Ministry of Environment, China's Product Carbon Footprint Factors Database, and the international Ecoinvent database). Due to the nature of these secondary databases, which often provide industry-average values, the final calculated figures are subject to a degree of uncertainty.
6. The formula for emission intensity is: Total Scope 1 and Scope 2 Emissions (tCO_2e) / Carbon Black Production (tons).
7. The significant variation in GHG emission intensity among regions is primarily due to differences in the calculation methodologies required by local regulations. For example, the Greater China region uses the emission factor method, India uses direct monitoring, and the U.S. uses the mass balance method.
8. Any discrepancy between the Group's Scope 3 emission figures in this report and those in the Annual Report is due to subsequent adjustments made to sales volume data and emission factors.

Greenhouse Gas Emission Intensity



In the Greater China region, Scope 1 emissions increased in 2025 compared to 2024. This was primarily due to higher feedstock oil consumption resulting from the use of oil with a lower carbon content. The increase in Scope 2 emissions was driven by our operational plan to increase external steam sales. This led to a reduction in self-generated electricity for internal use, consequently increasing our purchase of grid electricity. The rise in Scope 3 emissions was attributable to higher sales volumes in 2025 compared to 2024, which resulted in increased emissions from the use and end-of-life treatment of sold products.

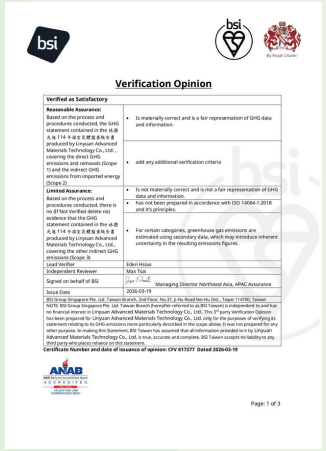
In the India region, the increase in Scope 1 emissions in 2025 was mainly due to higher production volume at the CCET plant compared to 2024. The significant decrease in Scope 2 emissions was a result of smooth, full-year operations in 2025, which led to an increase in self-generated tail-gas compared to 2024. Consequently, our cogeneration process produced more electricity for self-use, leading to a substantial reduction in purchased electricity. The increase in Scope 3 emissions was driven by a significant rise in sales volume at the CCET plant in 2025, resulting in higher emissions from the use and end-of-life treatment of sold products.

In the U.S. region, the decrease in Scope 1 and 2 GHG emissions in 2025 compared to 2024 was due to a planned adjustment in production and sales. This led to lower production volume and a corresponding reduction in the consumption of raw materials and electricity. The decrease in Scope 3 emissions was a result of lower sales volumes in 2025 compared to 2024, which led to reduced emissions from the downstream processing and end-of-life treatment of sold products.

Greenhouse Gas Emissions Verification Certificate Held by each plant in 2025



Greenhouse Gas Emissions Verification Statement of CSRC



Greenhouse Gas Emissions Verification Statement of Linyuan Advanced Plant



Third-party Audit Report on Greenhouse Gas Emissions of Maanshan Plant



Greenhouse Gas Emissions Verification Statement of CCIPL Plant



Greenhouse Gas Emissions Verification Statement of CCET Plant



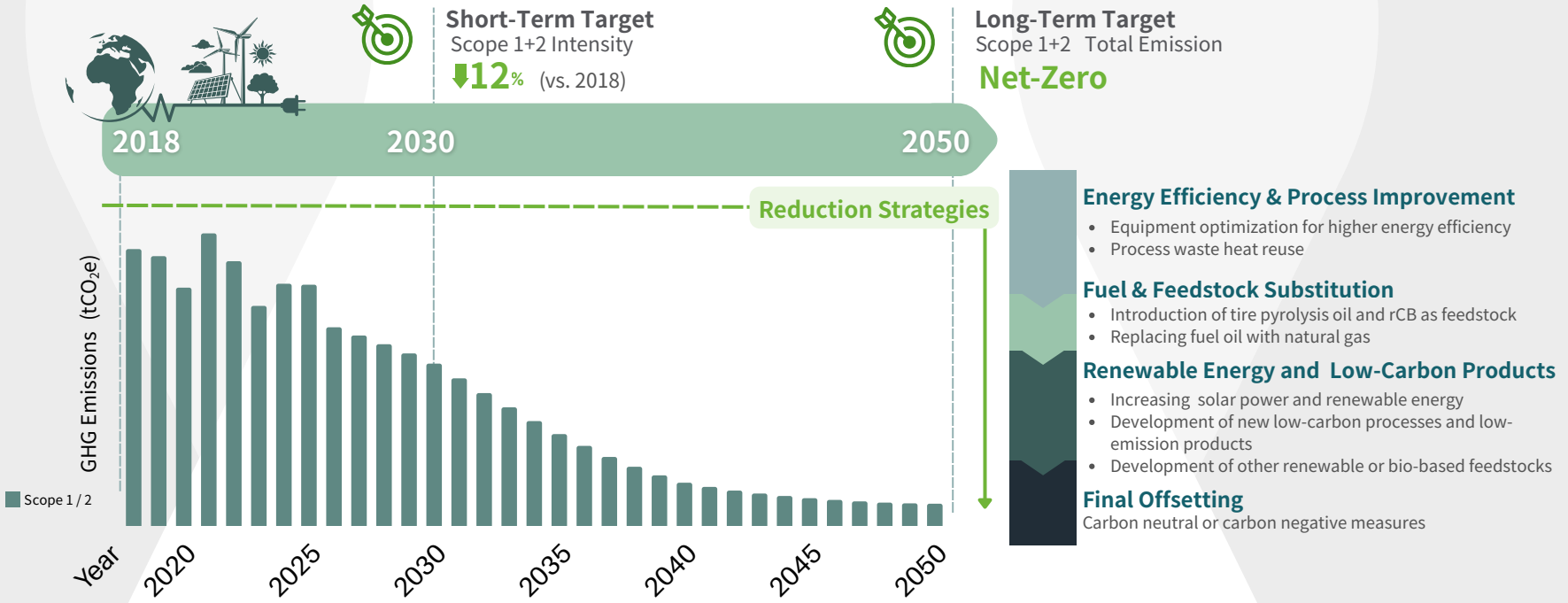
Greenhouse Gas Management

To address global climate change, CSRC Group has made strengthening our climate resilience a core strategy. We have set a clear decarbonization target: to reduce our Group-wide carbon emission intensity by 12% by 2030 compared to the base year of 2018. To achieve this, our roadmap unfolds across four strategic pillars, progressing from short-term efficiency gains to long-term technological breakthroughs:

1. Energy Efficiency and Process Improvement: We continuously optimize our equipment, enhancing energy efficiency and production parameters. We also recover and reuse process tail-gas and waste heat, converting them into steam or electricity. This practice fulfills the circular energy economy, maximizing the value of every unit of energy.
2. Fuel and Feedstock Conversion: We are progressively replacing conventional heavy fuel oil with lower-carbon fuels like natural gas. We are also expanding the use of circular feedstock, such as Tire Pyrolysis Oil (TPO), to reduce the carbon footprint of our fuels and raw materials at the source.
3. Renewable Energy and Low-Carbon Products: We are actively incorporating clean energy sources, including building our own solar facilities and developing other renewable or bio-based feedstocks, to progressively increase our use of renewable energy. Concurrently, we are investing in R&D for next-generation, low-carbon carbon black processes and products to support decarbonization across our value chain.
4. Exploring Frontier Technologies and Final Offsetting: To achieve our long-term net-zero goal, we have initiated research into frontier technologies. This includes exploring Carbon Capture, Utilization, and Storage (CCUS) for the tail-gas from our processes, seeking breakthrough solutions for deeper decarbonization. These technologies represent a critical final strategy on our path to net-zero emissions.

The Group's current strategy is to focus resources on internal decarbonization projects, such as process optimization and energy transition, rather than offsetting emissions through the purchase of external carbon credits. To this end, we have allocated a dedicated budget for GHG management projects to drive our short-, medium-, and long-term low-carbon transition roadmap. The planning and execution progress of this roadmap is reported regularly to the Board of Directors to ensure the effective implementation of our strategy.

CSRC Group Carbon Net-Zero Pathway



Note: Includes all Scope 1+2 emission across all production sites in this Report.

Meanwhile, to ensure the effective implementation of our decarbonization targets, the Group has established a robust governance structure. We have formed a “Carbon Emission Management Team,” comprising representatives from the Technology Department, the Corporate EHS Center, and each plant. Furthermore, we have deployed a 'Digitalized Online Carbon Emission Monitoring System' in our Asian operations to track emissions data in real-time. This data is reported monthly to relevant management personnel.

To integrate carbon emissions into our operational cost considerations, we have implemented an internal carbon pricing mechanism to assess the financial impact of emissions, facilitating plant-level reviews. The standards are as follows:

Taiwan An internal price of NTD 100 per ton of CO_2e is applied, serving as a reminder for plants to meet their voluntary reduction targets.

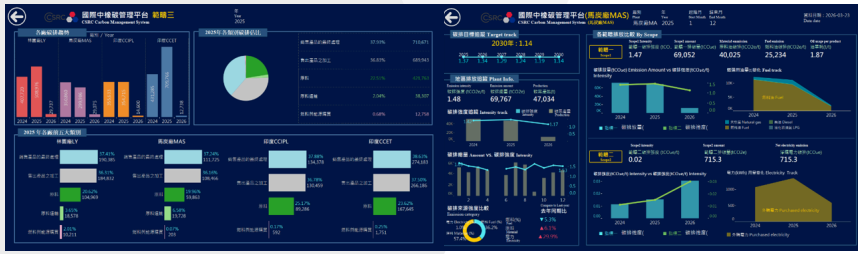
Mainland China The price is benchmarked against the closing price of the national carbon trading market at the end of each month.

India & the USA An internal carbon price has not yet been established, as there is currently no official carbon pricing in these regions.

Additionally, the Group promotes the sharing of decarbonization solutions and best practices among plants through energy-saving competitions and regular meetings. We have also integrated GHG emission intensity into each plant's Key Performance Indicators (KPIs) and linked it to performance bonuses. This top-down approach incentivizes all employees to contribute to our collective sustainability goals.

For detailed information on energy-saving and carbon reduction projects and their outcomes at each operating site, please refer to Section [P.93], “Energy Management: 2025 Group-wide Energy Conservation and Decarbonization Initiatives.”

Carbon Management System



To gain a more comprehensive understanding of our environmental impact, CSRC Group has moved beyond focusing solely on the greenhouse gas emissions from our operational sites. We have further adopted Life Cycle Assessment (LCA), an internationally recognized scientific tool, to broaden our perspective. Our goal is to systematically inventory the carbon emissions and environmental impacts of our products throughout their "cradle-to-gate" life cycle. This enables us to precisely identify the "hotspots" within our value chain, formulate more impactful decarbonization strategies, and lay a solid foundation for future green product design.

System Boundary

Cradle-to-Gate

Functional Unit

Functional Unit: Ton of Carbon Black Products

Feedstocks Extraction and Transportation → Inbound Oil Transportation → Factory Production and Manufacturing → Carbon Black Final Product Dispatch

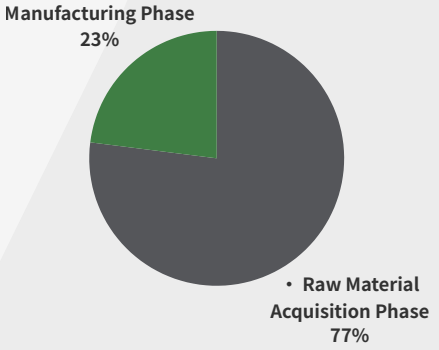
Our LCA for group’s core product “carbon black” is conducted in accordance with the ISO 14040 and ISO 14044 standard frameworks. The assessment spans our plants in the United States, India, and Taiwan. Taking the Linyuan Advanced Plant as a representative example, the carbon footprint of our carbon black products in the "cradle-to-gate" stage is primarily contributed by two key phases:

Raw Material Acquisition Phase **77%**

This is mainly attributed to the embodied carbon within petrochemical feedstocks, such as feedstock oil, from their extraction and refining processes.

Manufacturing Phase **23%**

This primarily comes from the energy consumption required to heat our furnaces to high temperatures, using fuels like heavy oil and natural gas. This is the main source of our Scope 1 direct emissions.



Therefore, “upstream feedstock selection” and “on-site process energy efficiency” are the two most critical hotspots for reducing our product carbon footprint.

Based on these scientific insights from our LCA, we are aligning our current decarbonization actions and future strategic planning to focus on these two hotspots to maximize our reduction effectiveness. These have been integrated into our Group's decarbonization roadmap.

LCA Identified Hotspots	Corresponding Carbon Reduction Strategy	Concrete Action Plans
Raw Material Acquisition Stage	Facilitating feedstocks low-carbon transition and circularity transition	1. Through improving production efficiency, we reduce the feedstock oil consumption per unit at the source. 2. Actively investigate and evaluate introducing "circular feedstock" to decrease carbon footprint fundamentally. 3. Engaging with suppliers, prioritizing the better technologies adoption and lower carbon footprint feedstocks.
Manufacturing Stage	Optimize energy efficiency and fuel oil transition	1. Transitioning to natural gas to replace high carbon fuel oil, thereby switching from high-carbon liquid fuels to lower carbon gaseous fuels. 2. Enhancing energy recovery by actively assessing the plant's energy balance and implementing waste heat recovery systems to reduce the reliance on water-cooling equipment. 3. Developing new carbon black manufacturing processes to reduce fuel consumption. 4. Initiating a preliminary feasibility study on Carbon Capture, Utilization, and Storage (CCUS) technologies to evaluate the potential for reusing CO_2 from our process tail-gas.

Lifecycle assessment (LCA) provides a valuable data foundation and strategic direction for our decarbonization journey. In the future, CSRC Group will continue to deepen the application of LCA and apply it across all our production sites:

Expanding the Assessment Scope

We will progressively expand the assessment scope from "cradle-to-gate" to "cradle-to-grave", incorporating the impacts from the product use and end-of-life phases.

Introducing Eco-Design

We will integrate LCA thinking into our product R&D phase to develop green products with a lower life cycle carbon footprint.

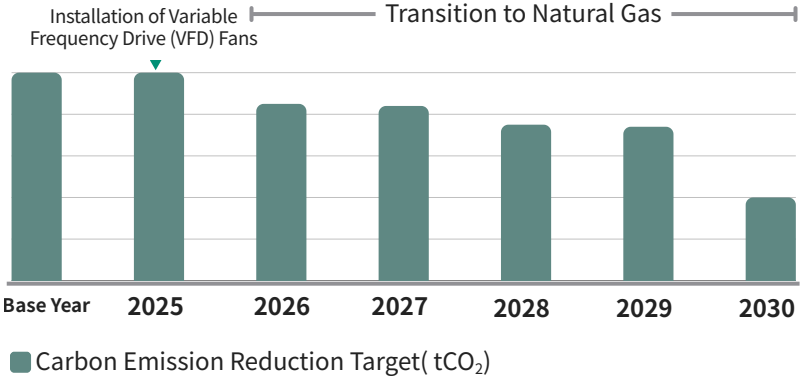
Strengthening Supply Chain Collaboration

We will use LCA results as a basis for dialogue with our upstream and downstream partners to jointly promote a green transformation of the entire value chain and assist our customers in achieving their Scope 3 reduction targets.

CSRC Group's significant Scope 3 emission categories are primarily "Category 1: Purchased Goods and Services," "Category 10: Processing of Sold Products," and "Category 12: End-of-Life Treatment of Sold Products," which collectively account for nearly 96% of our total Scope 3 emissions. Category 1 is being addressed through the aforementioned reduction in raw material consumption and the introduction of circular, low-carbon feedstocks. Categories 10 and 12, however, rely on collaborative reduction efforts with our downstream customers. This aligns perfectly with our LCA findings and strategic direction.
Although other Scope 3 categories account for only 4%, the Group continues to make reduction efforts through various means. For example, in 2025, the Linyuan Advanced Plant continued its partnership with Taiwan Transportation & Storage Co., Ltd., which has adopted an electric vehicle fleet, to deliver carbon black products via low-carbon transportation, helping to reduce Scope 3 emissions up and down the value chain. Other efforts include selecting suitable waste management vendors to increase recycling rates and encouraging employees to use public transport or carpool for business travel.

Deepening Local Community, Committing to the Future — Linyuan Advanced Plant's Voluntary Reduction Plan

As CSRC Group's key production base in Taiwan, the Linyuan Advanced Plant is not only central to our Group's operations but also a key production site in Taiwan. In response to the government's climate policies, we have developed the "Linyuan Advanced Plant Voluntary Reduction Plan." This plan has been reviewed and approved by the Ministry of Environment. According to the plan, the Group is committed to reduce total carbon emissions by 6,463 tCO_2e by 2030, compared to the baseline year emission volume(the average carbon emission volume from 2018 to 2022 is 250,174.199 tCO_2e), bringing to 2.6% carbon reduction.



Air Quality Improvement

Air Pollution Discharge Description GRI 305-7；SASB RT-CH-120A.1

The CSRC Group maintains full compliance with the emission standards stipulated by local government regulations. We are committed to mitigating air pollutant emissions from our production processes through continuous process optimization and equipment upgrades. From a governance perspective, our emissions inventory scope was expanded in 2023 to encompass all global sites, with the Operations Headquarters establishing specific emission concentration targets for air pollutants.
A review of the Group's 2025 air pollutant emissions indicates a reduction in Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Total Suspended Particulates (TSP) compared to the 2024 baseline. First, through ongoing adjustments in processes and formulations, coupled with the use of low-sulfur fuels (e.g., natural gas, diesel, LPG) for heating, which effectively removes SOx. NOx emissions are effectively lowered through technologies such as staged combustion with flue gas recirculation and the implementation of Selective Catalytic Reduction (SCR) de-NOx systems. Additionally, Fugitive TSP emissions are minimized by monitoring differential pressure changes in baghouse filter systems via the Distributed Control System (DCS). Significant variations trigger immediate inspections and proactive filter bag replacements to ensure optimal particulate capture efficiency.

Absolute Emissions of Air Pollutants by CSRC over the Past Three Years

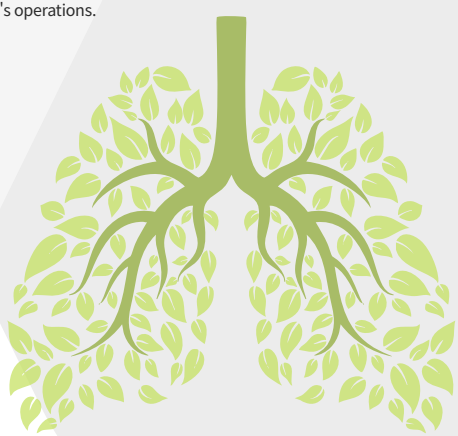
	Greater China			India			USA			Group		
Air pollutant emissions (kg)	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
VOCs	3,608	3,482	3,506	-	-	-	60,781	42,799	26,200	64,389	46,281	29,705
SOx	66,760	41,299	33,151	281,454	145,503	89,252	575,155	645,388	511,677	923,369	832,190	634,079
NOx	104,736	85,404	147,884	109,400	51,823	43,194	299,371	323,655	257,261	513,507	460,882	448,339
TSP	16,163	10,704	17,788	18,374	41,008	21,612	66,224	72,327	50,768	100,761	124,039	90,167

Note:
1. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
2. Volatile Organic Compounds (VOCs) were not monitored at the Maanshan site in the Greater China region.
3. VOC emissions are not quantified for the India region. The reported data for SOx, NOx, and TSP are annualized figures extrapolated from the average of real-time monitoring data provided by a third-party entity.
4. In alignment with the Ministry of Environment's standards for Hazardous Air Pollutants (HAPs) from stationary sources, HAPs disclosure is not applicable as none of the 22 priority-managed substances are relevant to the Group's operations.
5. Emission Calculation Formula: Emissions = Annual Average Monitored Concentration × Flow Rate × Operating Hours.
6. All monitoring methodologies adhere to local regulatory requirements and are executed by certified third-party inspection bodies.

Air Pollution Intensity of The Group over the Past Three Years

Year	2023	2024	2025
SOx	2.99	2.27	1.73
NOx	1.66	1.26	1.22
TSP	0.33	0.34	0.25

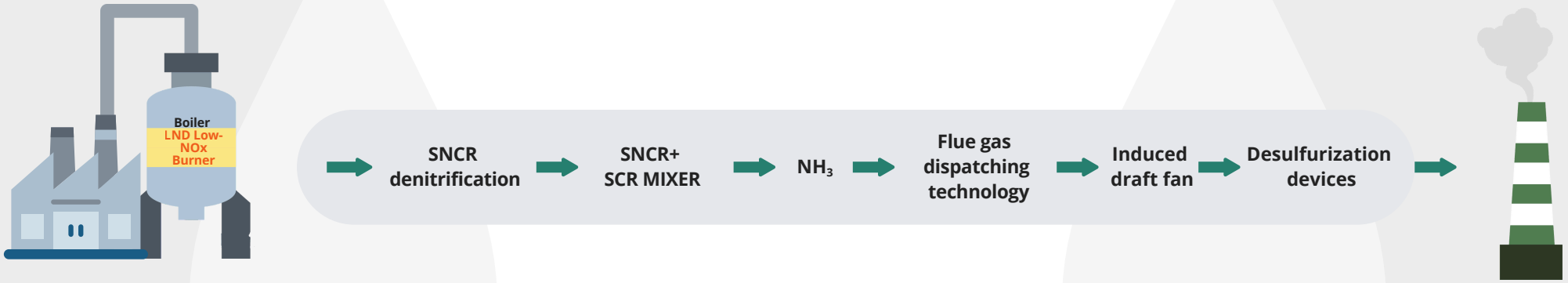
Note:
1. In CSRC's process, tail-gas is combusted to generate steam for circular reuse, a process that concurrently eliminates VOCs. The resulting low emission levels render VOC pollution intensity negligible. Therefore, VOC intensity is not a designated air pollution target for the Group and is not statistically reported herein.
2. Air Pollution Intensity Formula: Air Pollution Intensity = Total Emissions / Carbon Black Production Volume.



Air Pollution Emissions Management

CSRC's carbon black manufacturing process, which involves the thermal cracking of feedstock oil in the reactor, inherently generates pollutants including Volatile Organic Compounds (VOCs), Sulfur Oxides (SOx), Nitrogen Oxides (NOx), Particulate Matter (Total Suspended Particulates - TSP), and Hazardous Air Pollutants (HAPs). To mitigate air pollution from this process, we utilize continuous emissions monitoring data as a primary management tool and proactively deploy comprehensive air pollution reduction and control measures.

CSRC's Air Pollution Control Measure Flow Chart



Air Pollution Control Technology

For the systematic management of air pollutants, CSRC deploys a multi-faceted strategy utilizing Best Available Control Technology (BACT) from source to end-of-pipe, tailored to the specific characteristics of each pollutant. The core control strategies are outlined in the table below:

Pollutant	Main Source	Prevention Strategy and Core Technology	Technology Theory and Description	Expected Result
VOCs	Leakage of feedstock oil storage tank	Oil and gas collection system	An oil and gas collection system is installed on each storage tank. Fugitive vapors are extracted under slight negative pressure and directed into the combustion furnace to be used as supplementary combustion air.	This process recycles fugitive VOCs into the combustion process, achieving both effective elimination and energy recovery.
SOx	Sulfur content in raw materials and fuel	Low-sulfur fuel, De-SOx equipment (e.g., CDS - Circulating Dry Scrubber)	Prioritizing the use of low-sulfur fuels (e.g., diesel, natural gas) and installing desulfurization equipment in the flue gas stack. This equipment utilizes absorbents like limestone to react with SOx, thereby removing it from the flue gas.	The average SOx emission concentration is reduced from 160 ppm to below 22 ppm, a level significantly better than regulatory standards.
NOx	High-temperature combustion process	Staged combustion with Flue Gas Recirculation, Selective Catalytic Reduction (SCR) system	Staged combustion lowers the flame temperature and oxygen concentration, suppressing NOx formation at the source. Additionally, the SCR system is implemented, which uses ammonia as a reducing agent to convert NOx into harmless nitrogen (N_2) and water (H_2O) in the presence of a catalyst.	Achieves a NOx removal efficiency of over 90%, representing the most effective de-nitrification technology currently available.
TSP	Dust generated from the carbon black process	High-efficiency baghouse dust collectors, PDA inspection system	Utilizes high-performance filter bags and an in-house developed circular pulse-jet cleaning design to enhance capture efficiency. The PDA system facilitates real-time monitoring of conditions such as differential pressure, enabling proactive filter bag replacement to ensure the equipment operates at peak performance.	Achieves a dust collection efficiency of over 99%, effectively resolving common issues found in traditional collectors, such as clogging and fugitive smoke leakage.

CSRC views past air pollution challenges at its operating sites as an impetus for continuous improvement. Over the past five years, we have proactively implemented a comprehensive air quality improvement plan centered on a three-pronged approach: Smart Monitoring, Source Reduction, and Preventive Maintenance, to achieve proactive self-management that goes beyond regulatory compliance.

Intelligent Monitoring for Proactive Prevention

Real-time response is critical to effective pollution management. To this end, all Group sites have been equipped with online, real-time monitoring systems. We have proactively set internal alert thresholds at levels more stringent than government regulations. This "early warning mechanism" enables our personnel to detect minor fluctuations in emissions, immediately trace the root cause, and rectify anomalies promptly. This represents a paradigm shift from "reactive response" to "proactive prevention."

Process Optimization and Technological Upgrades for Deeper Source Reduction

In addition to enhancing end-of-pipe monitoring, we are also improving at the source. We are transitioning from liquid fuels (fuel oil) to cleaner gaseous fuels (natural gas) and have installed advanced De-NOx/De-SOx pre-treatment systems to effectively treat exhaust gases. These systems ensure that the concentrations of sulfur oxides (SOx) and nitrogen oxides (NOx) are well below regulatory limits, reducing our environmental impact and improving air quality in surrounding communities. Furthermore, for specific processes that may generate carbon monoxide (CO) and total suspended particulates (TSP), we have established a dedicated analysis mechanism. By optimizing combustion efficiency, refining operational parameters, and evaluating the implementation of Best Available Technology (BAT), we ensure that all operating sites consistently achieve their emission performance targets.

Strengthening Preventive Maintenance to Eliminate Incidents

To eliminate environmental impacts caused by sporadic equipment failures, we have upgraded our Group-wide maintenance strategy from a reactive "post-incident repair" model to a proactive "preventive" one. For critical environmental facilities, such as baghouses, we have established standardized preventive maintenance plans that systematically increase inspection frequencies, define replacement cycles, and ensure an adequate inventory of key spare parts.

Through these three lines of defense—monitoring, process control, and maintenance management—we transform the lessons learned from isolated incidents into enhanced organizational resilience for the entire Group, ensuring the continuous improvement of environmental performance across all our sites.

Procedures for reporting abnormal air pollutant emissions

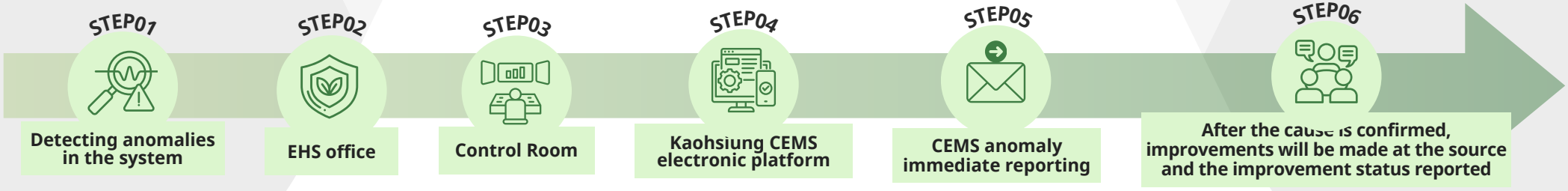
To ensure all air pollutants are properly managed and monitored, CSRC has established a comprehensive incident reporting and handling procedure. If the air pollution monitoring system detects an abnormal event (e.g., an emission concentration exceedance), the incident is managed according to the specific reporting procedures of the operational site and in full compliance with local regulations.

CSRC'S Air Pollutants Discharge Anomaly Reporting Procedures



Take Linyuan Advanced in Greater China as an example, once its system detects an anomaly, it will report to the Kaohsiung CEMS electronic platform. After the cause is confirmed, it will make improvements at the source and report the improvement status. In 2025, a single air pollution-related abnormal notification occurred at the Linyuan Advanced site. The incident was caused by an equipment malfunction, leading to fugitive emissions of carbon black dust. Subsequently, the site conducted a comprehensive inspection and review of the relevant equipment and SOP, and provided additional employee training to prevent recurrence.

Report handling procedures



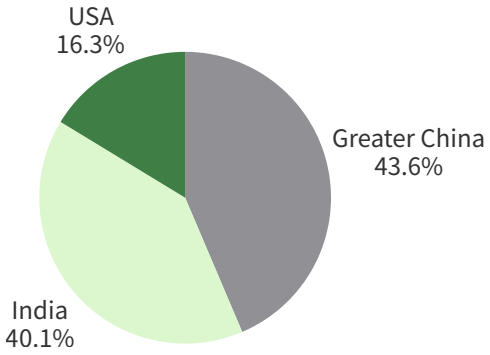
Water Resource Protection and Utilization GRI 303-1；SASB RT-CH-140A.2~3

Water Utilization GRI 303-3、303-4、303-5；SASB RT-CH-140A.1

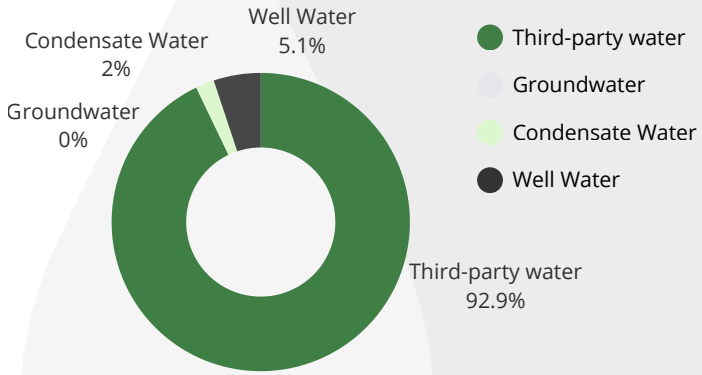
In 2025, CSRC Group's total water intake amounted to 4,562 thousand cubic meters. Water was sourced from third-party suppliers, groundwater, wells, and condensate, and was utilized for process water, packaging, and office/administrative purposes across the Group.

The total water intake in 2025 increased compared to the 2024 baseline. This increase is primarily attributable to an increase in the volume of steam sold externally, which was part of an operational adjustment.

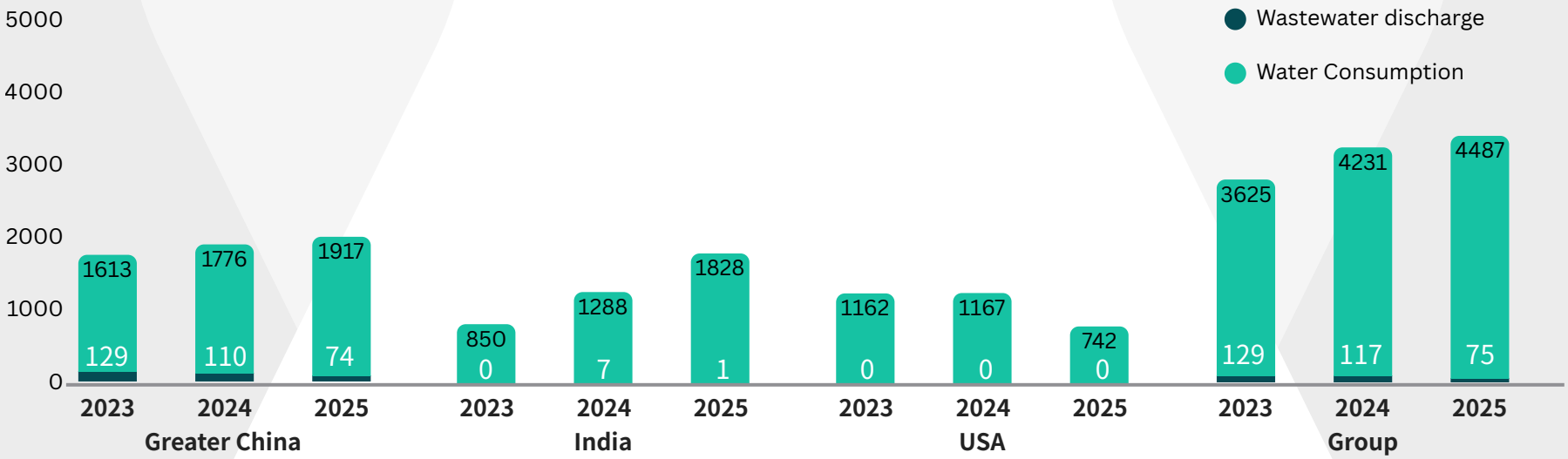
By region
Total water intake 4,562 Thousand Cubic Meter



By source
Total water intake 4,562 Thousand Cubic Meter



Water consumption and Wastewater discharge for each region in the past three years



Group-Wide Data of Water Resources over the Past Three Years

Unit：1000m³

Category		Greater China			India			USA			Group		
		2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Total Water Intake		1,742	1,886	1,991	850	1,295	1,829	1,162	1,167	742	3,754	4,348	4,562
Water Sources	Third-Parties' water	1,735	1,876	1,974	208	701	1,829	64	56	434	2,007	2,633	4,237
	Groundwater	0	0	0	642	594	0	0	0	0	642	594	0
	Condensate	7	10	17	0	0	0	422	420	75	429	430	92
	Well Water	0	0	0	0	0	0	676	691	233	676	691	233
Wastewater Discharge		129	110	74	0	7	1	0	0	0	129	117	75
Water Consumption		1,613	1,776	1,917	850	1,288	1,828	1,162	1,167	742	3,625	4,231	4,487
Wastewater Discharge Rate		7.4%	5.8%	3.7%	0.0%	0.5%	0.1%	0.0%	0.0%	0.0%	34%	2.7%	1.6%

Note:

1. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
2. The Greater China region includes data from the Taipei Headquarters and Xieyuan.
3. In addition to third-party water and condensate water, the Linyuan Advanced site also utilizes rainwater. However, as a flow meter has not yet been installed, this volume is not included in the statistical data.
4. The increase in water intake in the India region is attributable to higher production volume at the CCET plant in 2025 compared to 2024.
5. In 2024, the CCIPL plant discharged 19 KL/day of wastewater due to maintenance of its wastewater treatment facilities. In 2025, this was reduced to 3.6 KL/day, a discharge resulting from water quality adjustments for the cooling tower. This volume is well below the government-permitted limit of 500 KL/day.
6. Water intake is utilized for process water, packaging, and office/administrative purposes.
7. Water consumption = water intake - wastewater discharge.
8. Wastewater Discharge Rate = Total Wastewater Discharge ÷ Total Water Intake.



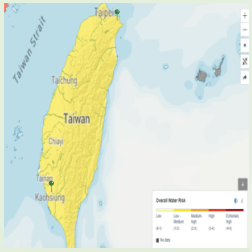
Water Risk Identification and Management SASB RT-CH-140A.1、140A.3

CSRC periodically assesses the water risk for its operational sites in accordance with the World Resources Institute's (WRI) Aqueduct Water Risk Atlas. The overall water risk classification for the Group's operational sites is detailed in the table below.
CSRC's operations located in areas of high or extremely high water-stressed account for 40.1% of the Group's total water intake and 40.7% of its total water consumption. These sites achieve a wastewater recycling rate of 99.6%, with total effluent accounting for only 0.02% of the Group's total water intake.
This performance demonstrates a clear commitment at our sites in water-stressed regions to the efficient utilization of water resources. By maximizing wastewater recycling, we actively work to mitigate pressure on local water supplies.

Overall Water Risk Classification

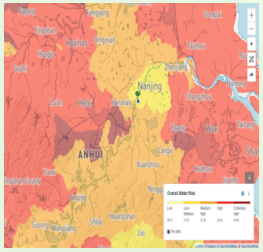
low | low to moderate | medium to high | high | extremely high

Linyuan Advanced and Consolidated Resource



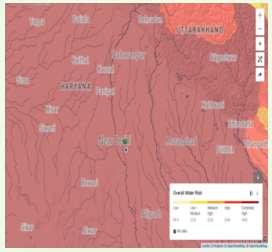
Taipei Headquarters and Linyuan Advanced / The overall water risk is classified as low to moderate risk

Maanshan Plant



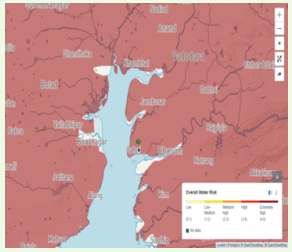
Maanshan Plant
The overall water risk is classified as medium to high risk

CCIPL in India



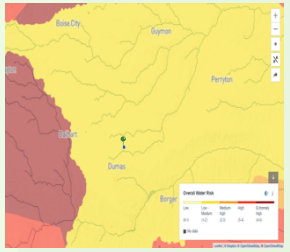
CCIPL in India
The overall water risk is classified as extremely high risk

CCET in India



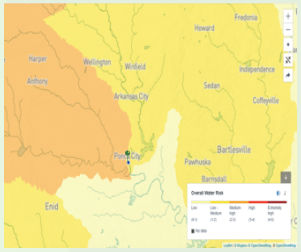
CCET in India
The overall water risk is classified as extremely high risk

CCC Sunray in USA



CCC Sunray in USA
The overall water risk is classified as low to moderate risk

CCC Ponca in USA



CCC Ponca in USA
The overall water risk is classified as low to moderate risk

Note: This is the result of an overall water risk assessment for each plant using the Aqueduct Water Risk Atlas of the WRI. (Assessment Date: March 18, 2026)

Water Intake and Consumption by Production Sites in Water-Stressed Regions

Unit: 1000m³

Category		2023	2024	2025
Total water Intake		850	1,295	1,829
Water Source	Third-Parties' Water	208	701	1,829
	Groundwater	642	594	0
Water Consumption		850	1,288	1,828

Note:
1. The statistical scope for this data covers two production sites located in water-stressed regions: the CCET and CCIPL plants in India.
2. The increase in water intake in 2025 is attributable to higher production volume at the CCET plant in India compared to 2024.

Effluent by Production Sites in Water-Stressed Regions

Unit: 1000m³

Category		2023	2024	2025
By discharge location	Surface Water	0	7	1
	Off-site Sewage Treatment Plant	0	0	0
	Other Purposes	0	0	0
Total Effluent		0	7	1

Note:
1. The data pertains to two production sites located in water-stressed regions. At the CCIPL plant, wastewater is treated on-site to meet discharge standards before being released into government-approved water bodies. The CCET plant is equipped with a Zero-Liquid Discharge (ZLD) facility and therefore has no wastewater discharge.
2. The decrease in wastewater discharge at the CCIPL plant in 2025 compared to 2024 is attributable to an increased water reuse rate, resulting in lower overall wastewater generation.

CSRC's Water Resource Management Approach and Implementation Initiatives

Management and System Implementation

- Water Source Risk Management: Establishing risk management protocols and setting water management KPIs for regular tracking and review.
- Water Quality Monitoring: Continuous monitoring of water quality to ensure compliance and operational stability.
- Performance Tracking: Regular tracking of water consumption and the progress of water conservation initiatives.

Collaborative Water Conservation Measures with Neighboring Plants

- Water Balance Project: Implementing a water balance program by collaborating with external partners to pipe condensate water generated from their processes back to our facility for reuse.
- Expanding the Water Recycling Loop: Diverting cooling tower blowdown to be used as make-up water for the desulfurization absorption tower, thereby enhancing internal water circulation.

In 2025, our Sunray plant in the U.S. received a government notification for failing to conduct routine monitoring as required.
We recognize that excellent water stewardship relies not only on the effectiveness of our treatment technology but also on the rigor of our management processes. To ensure the integrity of our regulatory compliance and prevent procedural lapses, we are comprehensively strengthening our water quality monitoring system. We are implementing a tracking system to schedule all legally required monitoring and reporting tasks, while also establishing standardized internal audit procedures. This extends the responsibility of water quality management from end-of-pipe monitoring to front-end process prevention.

Through this system upgrade, we ensure that the Group's commitment to sustainable water use is reflected not only in our physical facilities but is also deeply embedded in every aspect of our daily operations.



Water Consumption Management

CSRC strictly manages its water resources and continuously enhances water recycling efficiency to prevent the adverse environmental impacts associated with excessive water intake. Several sites, including the Linyuan Advanced Plant in Greater China and our operational sites in the USA, have implemented a water balance project and dynamically adjust their water usage. This includes collaborating with neighboring external plants; after selling steam to these partners, we pipe the condensate water generated from their processes back to our facility for reuse. Other internal water conservation initiatives include diverting cooling tower blowdown to be used as make-up water for the desulfurization absorption tower, thereby expanding the internal water recycling loop. Additionally, we conduct regular inspections to identify and repair leaks throughout our piping network, mitigating the risk of water loss.
The Group continuously implements these water conservation measures and reviews its operational practices to identify opportunities for improvement, with the ultimate goal of achieving optimal water resource efficiency.

CSRC Group Water Resource Management Implementation Plan

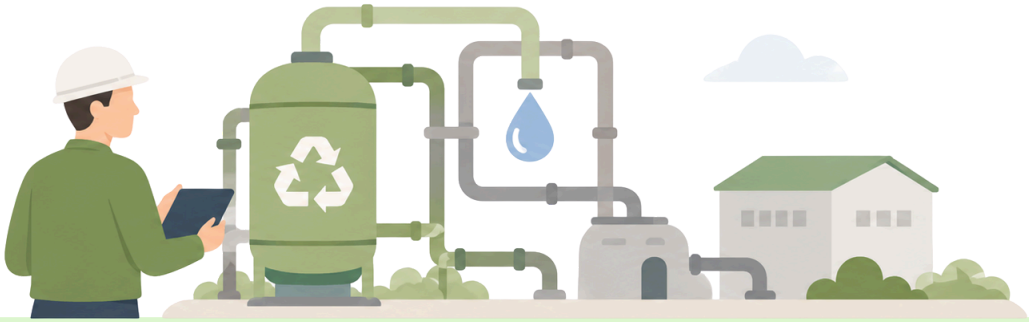
Implementation Plan	Description
Source Reduction and Precision Management	All regional sites prioritize the goal of achieving zero liquid discharge (ZLD) and implement comprehensive wastewater recycling measures to achieve a target of nearly 100% wastewater reuse. • Installation of flow meters to accurately track actual water usage at each site. • Utilizing water balance assessments to promptly identify and repair anomalies in the pipe network. Some underground pipes are being converted to above-ground pipes to reduce water loss. • Inspecting water-cooled heat exchangers for waste heat recovery opportunities to reduce the thermal load on cooling towers.
Water Recycling and Reuse	• I Maximizing Wastewater Recycling Rate: Prioritizing the reuse of treated, compliant wastewater for processes, cooling water tower make-up, and site cleaning to maximize the recycling rate. • Utilization of Non-Conventional Water Sources: In sites where feasible, implementing rainwater harvesting systems or recycling boiler condensate and boiler feed pump cooling water, integrating them into the site's water resource portfolio.
Adoption of High-Efficiency Water Treatment Technology and Equipment Maintenance	• I nvestment in Advanced Facilities: Continuously investing in high-efficiency water treatment and recycling systems, such as Reverse Osmosis (RO) and Zero Liquid Discharge (ZLD) facilities, to achieve a closed-loop water system within our plants. • Equipment Upgrades and Maintenance: Conducting regular inspections and replacing aging pipes and valves with durable materials like stainless steel to fundamentally reduce water balance losses caused by equipment leakage.
Promotion of Regional Water Resource Collaboration	• Cross-Facility Water Sharing: Actively establishing partnerships with neighboring plants to repurchase and reuse their steam condensate, creating a win-win model for regional water resource sharing.

Turning Drops into Gold: A Cross-Facility Circular Model for Steam Condensate

As an energy partner to the neighboring industrial park, the Group has long supplied steam to support surrounding industries. However, the high-temperature "steam condensate" discharged by these partner plants after use, if not recovered, represents a dual loss of both water resources and thermal energy. To address this, we launched the "Steam Condensate Recovery Program," elevating the concept of industrial symbiosis to a new level.

A Circular Model for Waste-to-Resource Transformation

We proactively established partnerships with neighboring factories to repurchase the steam condensate generated from their processes at a preferential rate. This condensate, which is pure and retains high thermal energy, is piped back to our facility. It undergoes water quality analysis to ensure consistent quality before being reused in the quenching stage of the carbon black process and as boiler make-up water. This initiative not only transforms what would otherwise be "wastewater" into a valuable "resource" but also establishes a closed-loop resource cycle across facilities.

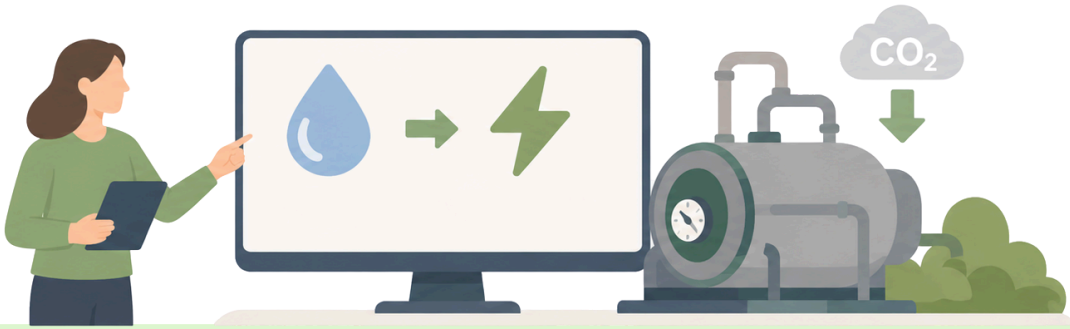


Dual Benefits for Water and Energy

The benefits of this program are twofold：

1. **Water Conservation**：It directly reduces our withdrawal of freshwater resources such as municipal water, well water, and groundwater, thereby mitigating pressure on the local hydrology.
2. **Energy Efficiency Improvements**：Because the recovered condensate is already at a high temperature, it significantly reduces the amount of steam required for pre-heating boiler make-up water. This, in turn, leads to a notable decrease in the facility's overall energy consumption and corresponding carbon emissions.

This program is a successful example of extending the circular economy from an intra-facility model to an industrial ecosystem. It demonstrates that through innovation and collaboration, waste can be transformed into assets, and different industries can become symbiotic partners. We will continue to explore similar collaborative opportunities to achieve a win-win outcome for both the business and the environment.



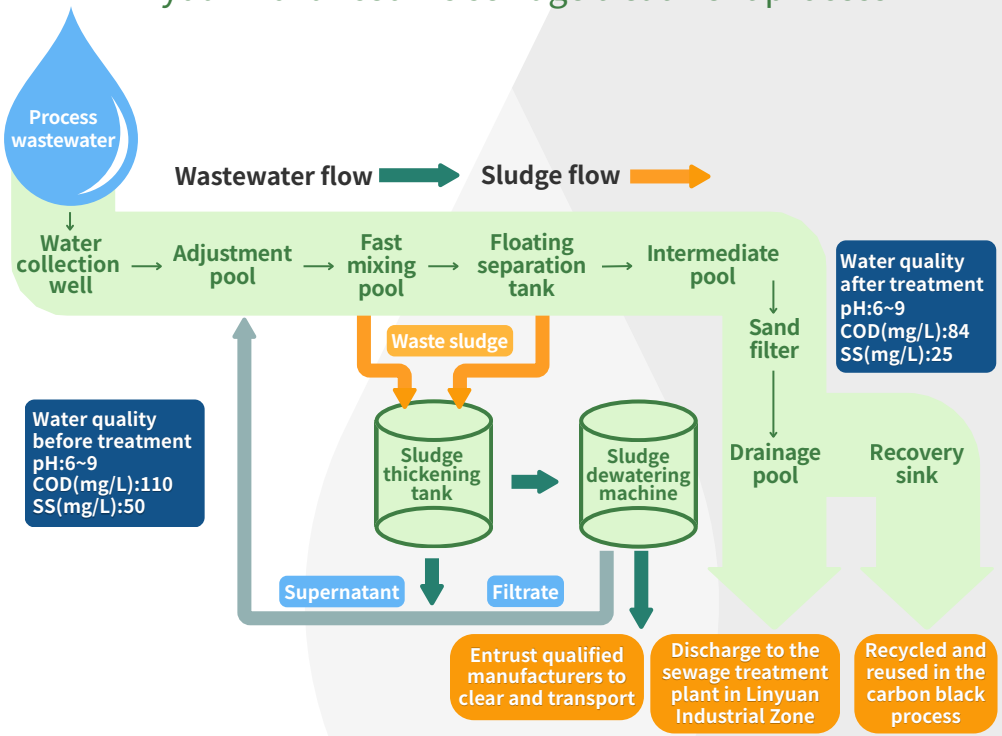
Wastewater Management GRI 303-2；SASB RT-CH-140A.3

CSRC strives to maximize its water reuse rate, with the ultimate objective of achieving Zero Liquid Discharge (ZLD). Due to the nature of the carbon black manufacturing process, the wastewater generated primarily contains carbon black particulates and trace amounts of oil and grease. To address this, each site is equipped with dedicated wastewater treatment facilities. Through a multi-stage physical and chemical treatment process—including oil separation, coagulation, flotation, and filtration—we ensure that the treated, compliant effluent is prioritized for reuse in production processes, equipment cooling, or site maintenance.
For sites that discharge to the regulated municipal system, we ensure that the effluent quality surpasses local discharge standards before it is sent to the industrial park's wastewater treatment plant, thereby fulfilling our environmental responsibilities. In 2025, the effluent water quality from all of the Group's operating sites complied with applicable discharge standards.

Wastewater Management Practices at Group Production Sites

Production Site	Wastewater Management Features and Process
Linyuan Advanced Plant	• Employs physical and chemical treatment methods such as coagulation, dissolved air flotation, and sand filtration. Compliant recycled water is returned to the process, as shown in the Linyuan Plant's wastewater treatment flowchart. • Wastewater that cannot be recycled, such as blowdown from the desulfurization tower, is discharged to the municipal system after strict quality control (monitoring COD, SS, pH).
Maanshan Plant	• Internal wastewater treatment operating procedures are established in compliance with standards such as IATF 16949. • The treatment process includes oil separation/grit removal, air flotation, and quartz sand filtration, with compliant recycled water used for site cleaning and process reuse.
CCIPL Plant	• The wastewater first passes through an oil removal tank to eliminate oil-based components. It then undergoes multiple aeration and separation stages to remove sludge. Finally, the treated water is filtered through a Pressure Sand Filter (PSF) and an Activated Carbon Filter (ACF) before being discharged into government-approved local water bodies.
CCET Plant	• Implements Zero Liquid Discharge (ZLD). • The site is equipped with its own ZLD facility, allowing 100% of the treated water to be recycled internally.
Ponca Plant & Sunray Plant	• Implements Zero Liquid Discharge (ZLD). • All wastewater is treated by the on-site Effluent Treatment Plant (ETP) and is recycled internally for uses such as carbon black manufacturing and steam production, with no external discharge to any water body or public sewer system.

Linyuan Advanced’ s sewage treatment process



CCET plant in the India region is equipped with an on-site Zero Liquid Discharge (ZLD) wastewater treatment facility



Recycled Wastewater Ratio of CSRC' s Plants over the Past Three Years

Region		2023	2024	2025
Greater China	Linyuan Advanced	56%	46%	49.9%
	Maanshan	90%	99.9%	100%
India	CCET	100%	100%	100%
	CCIPL	100%	92.6%	98.7%
USA	CCC Sunray	100%	100%	100%
	CCC Ponca	100%	100%	100%
Group		89%	80.3%	99.7%

Note: Wastewater Recycling Rate = Reclaimed water volume / (Reclaimed water volume + Water discharge)

Effluent Treatment Methods and Final Discharge Location

Production site		Effluent Treatment Method and Final Discharge Location
Greater China	Linyuan Advanced	The generated wastewater is treated physically and chemically within the plant and then discharged into the Linyuan Industrial Park Wastewater Treatment Plant in Kaohsiung, ultimately being released into the sea.
	Maanshan	In accordance with a discharge agreement with the Cihu High-tech Zone Wastewater Treatment Plant, wastewater is treated on-site to fully meet discharge criteria. It is then discharged to the municipal plant, with the final receiving water body being the Yangtze River Basin.
India	CCIPL	Wastewater discharge is regulated by the local government. After fully meeting discharge criteria, the effluent is released to a government-designated location.
	CCET	The site is equipped with an on-site Zero Liquid Discharge (ZLD) facility. There is no wastewater discharge, thereby avoiding any impact on the local water environment.
USA	CCC Sunray	The site is equipped with an on-site Zero Liquid Discharge (ZLD) facility. There is no wastewater discharge, thereby avoiding any impact on the local water environment.
	CCC Ponca	

Effluent Quality of Plants in Greater China over the Past Three Years

	Greater China							
	Linyuan Advanced plant				Maanshan plant			
Water quality parameters	2023	2024	2025	Minimum standards	2023	2024	2025	Minimum standards
pH	7.9	7.7	8.0	6~9	7.6	8.1	8.0	9
COD （mg/L）	16.9	17.8	7.5	90	24	30	28	300
SS （mg/L）	5.1	17.2	2.2	25	18	8.5	9.0	400
Grease （mg/L）	3.7	4.8	ND	10	2.61	0.77	0.27	30
Phenols （mg/L）	ND	ND	ND	1	<0.01	0.02	0.02	30
Ammonia nitrogen （mg/L）	19.5	8.6	1.71	60	0.12	0.34	0.314	25

Note:
1. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
2. Linyuan Advanced Plant complies with the "Linyuan Industrial Zone User Wastewater Discharge into Sewer System Water Quality Standards."
3. The India and U.S. regions do not directly discharge wastewater to any wastewater treatment plant, so no relevant testing data is available.
4. Analysis results below the Method Detection Limit (MDL) are reported as ND (Not detected).

Waste Reduction and Recycling GRI 306-2

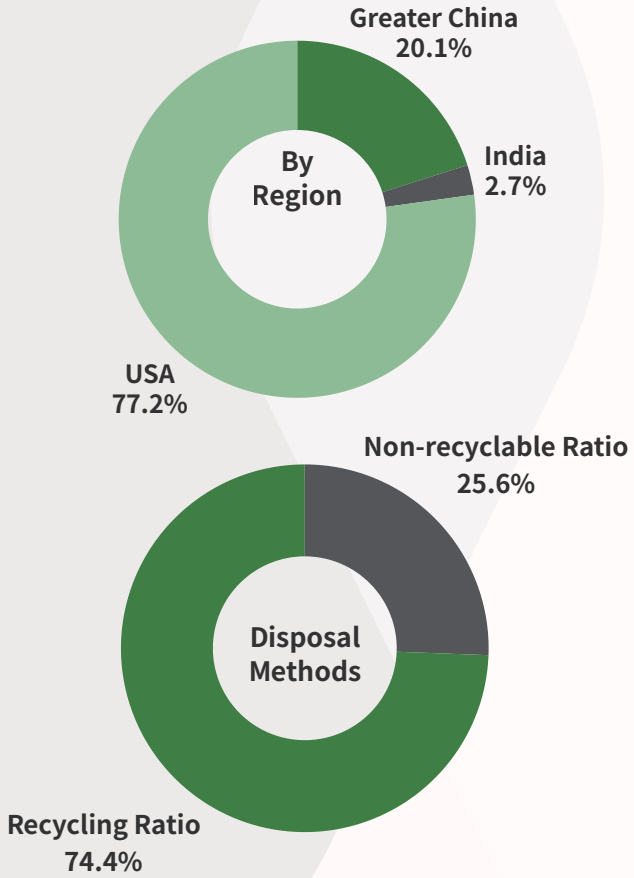
Waste management status GRI 306-1、306-3、306-4、306-5；SASB RT-CH-150A.1

CSRC maintains full compliance with all applicable waste management regulations at its global operational sites, firmly adhering to the principle of local treatment and prohibiting any transboundary movement of waste. Guided by the core principles of "Responsible Production" and the "Circular Economy," we ensure the legal and compliant management of all waste from generation to final disposal through the systematic tracking of its sources, types, and quantities. We are also committed to continuously promoting industrial waste reduction and resource regeneration.

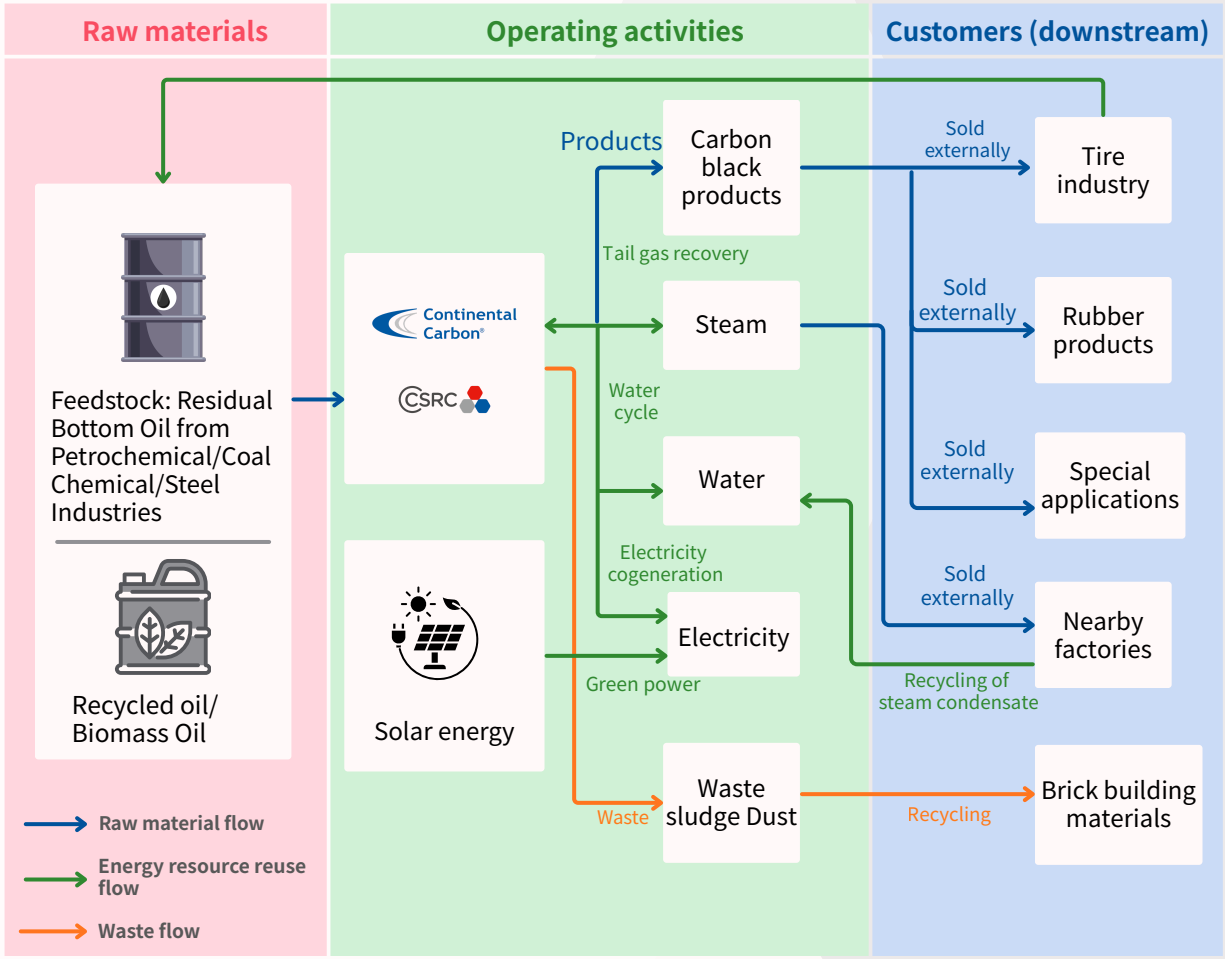
In 2025, the Group achieved an overall waste recycling and reuse rate of 74.4%, which included a 10.9% recycling rate for hazardous waste. The total annual waste generation was 13,837 tons [note], an increase from 12,877 tons in 2024. This increase is primarily attributable to maintenance activities on the flue gas pre-treatment equipment at the Ponca plant, which resulted in a higher output of desulfurization gypsum.

Note: Total Waste Generated = Non-hazardous Waste + Hazardous Waste.

Waste Volume in 2025



CSRC's Material Input & Waste Output Flow Chart



Waste Amount of CSRC over the Past Three Years

Unit: Ton

			Greater China			India			USA			Group		
Waste Type	Disposal Location	Disposal Method	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Non-hazardous waste	Off-site	Incineration (energy recovery)	407	337	546	0	0	0	0	0	0	407	337	546
		Incineration(excluding energy recovery)	0	0	3	2	1	0	0	0	0	21	102	3
		Landfill	0	0	0	0	10	142	914	922	3,175	914	932	3,317
		Thermal Treatment	0	0	61	0	0	0	0	0	0	0	0	61
		Physical Treatment	237	514	58	0	0	0	0	0	0	237	514	58
		Recycling	1,674	2,224	1,686	207	1,271	0	0	0	7,500	1,881	3,495	9,186
		Others	130	638	209	0	0	0	707	890	0	837	1,528	209
	On-site	Landfill	0	0	0	0	0	0	3	121	0	3	121	0
		Recycling	0	0	200	0	0	0	7,225	5,243	0	7,225	5,243	200
Subtotal			2,448	3,713	2,763	228	1,383	142	8,849	7,176	10,675	11,525	12,272	13,580
Hazardous Waste	Off-site	Incineration (energy recovery)	475	0	0	0	0	0	0	0	0	475	0	0
		Incineration(excluding energy recovery)	7	553	19	28	14	28	0	0	0	35	567	47
		Landfill	0	0	0	32	24	182	0	0	0	32	24	182
		Recycling	4	17	0	0	0	23	0	0	0	4	17	23
	On-site	Recycling	1	0	5	0	0	0	00	0	0	1	0	5
Subtotal			487	570	24	60	38	233	0	0	0	547	608	257
Total			2,935	4,283	2,787	288	1,421	375	8,849	7,176	10,675	12,072	12,880	13,387
Waste Recycling Rate			99.8%	87.1%	99.2%	71.9%	89.4%	6.2%	81.6%	73.1%	70.3%	91.7%	86.4%	74.4%

Note:
1. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
2. For the Linyuan Advanced Plant in the Greater China region, non-hazardous waste classified under "Other" disposal undergoes stabilization treatment and is subsequently reclaimed for use as backfill material.
3. Waste recycling rate = [volume of recycled waste (including heat treatment, physical treatment, recycling, and others recycled) + volume of waste incinerated with energy recovery] ÷ total waste generation.

CSRC integrates the principles of the circular economy into its daily operations, systematically identifying waste streams generated at its sites and creating new pathways for them to re-enter the value chain.
Through innovative methods such as physical and thermal treatment, we transform materials like ash, waste sludge, and waste refractory materials into raw materials for construction. We also recycle waste thermal insulation cotton into new insulation products. The reuse of desulfurization gypsum is a flagship example of the Group's circular economy practices. Sites in Asia and the USA collaborate with local cement plants and construction material suppliers to convert the desulfurization gypsum generated during our process into a cement raw material, a road base stabilizer, or agricultural lime. In 2025, our global sites collectively diverted 9,106 tons of desulfurization gypsum from disposal, significantly reducing the volume of waste sent for final treatment and successfully transforming waste into a valuable resource.

Group Waste Recycling and Reuse Initiatives

Action Category	Key Initiative	Description	2025 Performance & Outcomes
Source Reduction	Promotion of Reusable Pallets	• Replace disposable wooden pallets with plastic pallets and establish an in-plant recycling mechanism to reduce wood waste at the source.	• The proportions of environmentally friendly pallets used in Greater China：**50.7%** • **100%** of pallets used in the India region are plastic.
	PE packaging to replace paper bags	• Using PE plastic film packaging bags, taking advantage of PE's solubility in rubber, customers can include the packaging bag when feeding materials, reducing the manpower and time required for handling the packaging bags.	• A total of **3,383,537** bags were used, resulting in an estimated reduction of **626** tons of paper waste.
Circular Economy & Resource Regeneration	Desulfurization Gypsum Reuse	• Collaborating with local cement plants and construction material suppliers to convert "desulfurization gypsum," a by-product of the De-SOx/De-NOx system, into a cement raw material, road base stabilizer, or agricultural lime.	• A total of **9,106** tons were reused globally:**1,606** tons in Asia as a cement raw material, and **7,500** tons in the USA for road stabilization and agricultural use.
	Waste-to-Construction-Material	• Process-generated waste, such as waste sludge and refractory materials, undergoes physical or thermal treatment to be reprocessed into engineering materials like Controlled Low-Strength Material (CLSM).	• **277.54** tons of waste refractory materials and sludge were reprocessed into CLSM in the Greater China region. • **160.59** tons of waste refractory materials and sludge were reprocessed into CLSM in the India region.
	Internal Process Material Recycling Loop	• Recovering materials such as post-inspection feedstock oil, waste carbon black, used laboratory solvents, and post-maintenance lubricating oil, and feeding them back into the process loop to reduce waste and new material procurement.	• Global internal reuse amounts: Waste Carbon Black:**59** tons/year; Lubricating Oil:**2.5** tons/year; Post-inspection Feedstock Oil: **2.6** tons/year ; Waste Solvents: **5.5** tons/year.
	Reuse of Waste Packaging and Pallets	• Collecting used FIBCs (PP bags) from customers and waste pallets from our sites. They are then sorted and, depending on their condition, are either resold, reused internally, or used as an auxiliary fuel, achieving multiple reuse pathways.	• **153.71** tons of waste PP bags were recovered and processed in the Greater China region. • **17.78** tons of waste PP bags were recovered and processed in the India region.
Systematic Waste Management	On-site Waste Segregation and Compliant Disposal	• We implement waste segregation at all global sites, separating waste into general, recyclable, and hazardous streams. All final disposal, including incineration, landfill, or reuse, is then outsourced to qualified contractors to ensure full legal compliance.	• Overall Group waste recovery rate: **74.4%**

Waste Name	Waste Refractory Materials	Waste Thermal Insulation Cotton	Waste Fiber	Inorganic Sludge (process/ditch)	Non-hazardous precipitator ash	General Waste	Waste Activated Carbon
Waste Code	D-0501	D-0403	D-0801	D-0902	D-1099	D-1801	D-2403
Photo							
Source	Reactor & Drying Furnace	Reactor & Drying Furnace	Baghouse Dust Collector	Wastewater Treatment Plant	Baghouse dust collector/ Production scrap	Life output	Sand Filter Tower





Waste Management GRI 306-2

CSRC's waste management process

Waste Sorting in Factory

Waste is classified. Industrial waste, recyclable waste, and hazardous waste are sorted out.

Waste Storage

The waste generated is stored and managed by each plant and will be handle by the waste disposal company after the waste reaches to a certain volume.

Waste Removal

- Prior to tendering, the qualifications of waste disposal companies will be reviewed first, and only those qualified can bid for the project (such as review of clearance and disposal permits and confirmation of past violation records).
- Hazardous Waste Disposal: The disposal of hazardous waste is exclusively entrusted to certified and qualified disposal companies. All procedures are carried out in strict accordance with the approved Hazardous Waste Transfer Plan.
- The plants' personnel supervise the entire removal and transport process until the weighing is completed.
- We follow the transport vehicles from time to time and use GPS-equipped vehicles for waste transport to ensure that waste is properly disposed of.

Waste Handling

- Our EHS personnel conduct periodic on-site audits of the disposal facilities to verify that waste is being treated and disposed of in a proper and compliant manner.
- We keep handling records properly

Office Waste Reduction Initiatives

Implement Garbage Classification

Effectively collect recyclable materials, thereby reducing the volume and disposal costs of general industrial waste (Code: D-1801) sent to removals or for incineration, and minimizing our environmental footprint.

- Non-Recyclable Waste：
  General waste such as plastic bags.
- Recyclable Waste：
  Metals, paper, and PET bottles

Resource Recycling Zone

A dedicated area is established to centralize the collection and sorting of recyclables, ensuring a tidy and organized office environment.

Reduction Of Single-Use Items

- Provide reusable ceramic mugs and glasses for visitors and meetings to eliminate the need for disposable paper cups.
- Encourage employees to bring their own reusable cups, cutlery (e.g., chopsticks), and containers.

Paper Reduction

- Periodically review paper consumption across all departments to identify and address any abnormal usage.
- Encourage the use of email and other digital platforms for data transmission instead of physical documents.
- Promote double-sided printing and copying as a standard practice to conserve paper.
- Place "Scrap Paper Bins" next to printers to collect single-sided printouts for reuse as draft paper.
- Implement an electronic signature system to replace paper-based approval processes.
- Reuse old envelopes for internal mail and document circulation.

Enable Smart Warehousing

- The Linyuan Advanced Plant has successfully deployed a Smart Warehouse System that integrates with our SAP database to improve the supply efficiency of materials and spare parts. A user uses PDAs to scan barcodes, enabling digital management of all inventory processes, including receiving, inspection, put-away, picking, and shipping.
- Real-time data access ensures inventory accuracy to lower warehousing costs, optimizing warehousing benefits. Concurrently, the digitalization of warehouse management can reduce the need for paper-based forms for material requisitions and receiving.

Driving Digital Waste Management to Fulfill Environmental Responsibility

In response to the latest regulations on strengthening hazardous waste management from the Maanshan Municipal Ecological Environment Bureau in mainland China, our Maanshan plant has fully implemented an "Integrated Digital Management System for the Entire Hazardous Waste Lifecycle." This initiative is a concrete action to fulfill our primary environmental responsibility as an enterprise. The system integrates smart weighing equipment, electronic labels (e-labels), and electronic ledgers to digitalize the entire process, from waste generation and warehousing to storage and transfer.

All data is uploaded in real-time to provincial and municipal environmental regulatory platforms, achieving seamless integration with government authorities. Through this upgrade, we not only ensure the timeliness and accuracy of hazardous waste data, eliminating potential human errors from manual operations, but also achieve traceable, closed-loop management from source to final disposal. This initiative strengthens our compliance and tangibly demonstrates our commitment to and practice of environmental governance and corporate management.







From Internal Governance to External Oversight: Building a Comprehensive Waste Compliance System

The Group deeply recognizes that compliant waste management is a cornerstone of sustainable operations, with a responsibility that extends beyond our plant boundaries. To eliminate the negative impacts of past improper disposal, we have spent the last five years building a robust waste management defense system based on two pillars: "strengthening internal governance" and "oversight of external partners."

First Line of Defense: Strengthening Internal Governance to Build a Compliant Foundation

We start with the fundamentals of our organization: our people and our processes.

Empowering Personnel

We systematically enhance environmental regulatory training for our staff and have appointed dedicated management personnel to ensure professionalism and clear accountability in waste management.

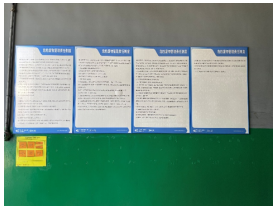
Streamlining Processes

In addition to legally required online reporting, we have introduced a "Waste Storage Area Management Form." This form requires staff to store waste in designated, segregated areas and to meticulously record the item, type, and quantity. This ensures data accuracy at the source and mitigates the risk of inaccurate declarations.

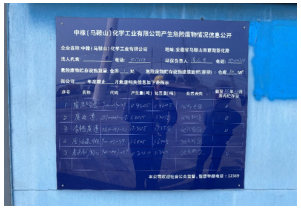
Second Line of Defense: Extending Oversight to Ensure Proper Final Disposal

Our responsibility does not end when waste leaves our facility. To ensure our partners' disposal practices align with our commitments, our dedicated plant personnel conduct "unscheduled audits" on contracted third-party disposal vendors. This practice verifies that all waste is legally and compliantly disposed of as declared, creating a closed-loop management system that spans generation, reporting, and final disposal. This effectively prevents the joint liability risks associated with vendor non-compliance.

Through this dual-layer protection system, we have elevated our waste management from passive regulatory compliance to proactive risk prevention. This is not only a demonstration of accountability for the past but also a commitment to our stakeholders. We will continue to deepen this management model, ensuring that our business operations and environmental responsibilities go hand in hand.







Diversity & Inclusion

2025 Performance Highlights

Human rights risk assessments are conducted **based on an integrated system framework aligned with international standards** to implement due diligence

Achieved a score of **80.4** on the employee engagement survey

The adoption rate for employee improvement proposals reached **74 %**

The starting salary for direct staff exceeds the local minimum wage, with a ratio ranging from **1.34:1** to **2.56:1**

4 of the Group's sites are ISO 45001 certified with **100 %** of workers covered by the Employee Health and Safety management system

The health check-up rate for Group employees reached **90 %** and more than **14** health promotion activities were organized

The Linyuan Advanced Plant launched the **"Linyuan Mangrove Conservation Alliance"** while our site in India planted a total of **4,000** trees

The Group invested over **NT$3.308 million** in community initiatives reaching **14,000** local residents

United Nation Sustainable Development Goals(SDGs)



Human rights	SDGs 5.1、5.2 SDGs 8.7、8.8 SDGs 10.2、10.3 SDGs 16.2、16.3、16.7
Sustainable Workforce Development	SDGs 5.1 SDGs 10.2、10.3
Compensation and Benefits	SDGs 3.8 SDGs 8.5 SDGs 10.4
Talent development and growth	SDGs 4.5 SDGs 8.6
Occupational Health and Safety (OHS)	SDGs 3.9 SDGs 8.8 SDGs 12.4
Emergency preparedness and response	SDGs 8.8
Employee Health and Well-being	SDGs 3.9 SDGs 12.4
Ecological Conservation and Biodiversity	SDGs 15.4、15.6、15.a
Community engagement	SDGs 1.4、1.5 SDGs 4.1、4.7 SDGs 17.17

Management Approach – Human Capital and Inclusive Workplace

Related to Material Topic: Employee Recruitment and Retention, Labor-Management Communication, and Employee Benefits and Salary

Policy and Promises

We consider our people to be valuable assets and are committed to fostering an excellent workplace that is diverse, equitable, and inclusive. We practice fair recruitment and maintain a zero-tolerance policy against all forms of discrimination, harassment, and forced labor. We provide market-competitive compensation and benefits, building a partnership based on mutual trust through open labor-management communication.
On this foundation, we systematically invest in talent cultivation and development, offering clear career paths through initiatives such as the "Global Elite Program." We believe that an environment that upholds dignity, ensures a safe and secure workplace, and provides promising growth opportunities is the cornerstone for attracting and retaining top talent and achieving shared success for both the company and our employees.

Impact Description

Negative

A failure to effectively manage our human capital and foster an inclusive workplace would weaken our core competitiveness. Unfair compensation can trigger talent drain and internal friction. An environment marked by discrimination, harassment, or a lack of development opportunities will lead to the loss of key technical talent, creating an innovation gap. Furthermore, discordant labor-management relations can disrupt operational stability, while substandard human rights practices could result in disqualification from customer supply chain audits, leading to a loss of market access.

Positive

Cultivating exceptional human capital and an inclusive workplace is a strategic imperative for winning the war for talent and earning market trust. Competitive compensation packages and harmonious labor-management relations are crucial for attracting and retaining top global talent, ensuring knowledge transfer and innovation momentum. This not only boosts overall organizational productivity but also enables us to pass customer social responsibility audits, thereby strengthening our position in high-value supply chains.

Responsible Unit

【Responsible Unit】
1. Core planning and facilitating：HR Department
2. Front-line implementation and culture building: Managers form each departments

【Supervisory Unit】
Strategic guidance and supervision: Corporate Sustainability Committee & Senior management

Action Plan

To cultivate a diverse, inclusive, and excellent workplace, we have implemented the following key actions:

1. Upholding Human Rights and an Inclusive Culture: We practice fair recruitment and maintain a zero-tolerance policy for discrimination and harassment. Through regular training and independent grievance channels, we foster a safe and respectful work environment, extending these human rights standards to our business partners.

2. Providing Comprehensive Compensation and Benefits: We offer market-competitive compensation and a diverse range of benefits that exceed statutory requirements. These include an employee stock ownership trust, annual health check-ups, and parental support programs, demonstrating our holistic commitment to the physical, mental, and family well-being of our employees.

3. Systematic Talent Cultivation and Development: Through initiatives like our "Carbon Black Learning Map" and "Global Elite Program," we provide employees with clear career paths and international development opportunities. We also promote knowledge transfer within the organization through our mentorship and internal instructor systems.

4. Fostering Open Communication and Positive Labor Relations: We engage in frank and constructive dialogue with employees and unions through multiple channels, including labor-management meetings, employee town halls, and our Employee Assistance Program (EAP). This approach helps us build a harmonious, win-win partnership.

Evaluation of Effectiveness

To ensure our human capital strategy effectively creates an inclusive and growth-oriented workplace, we have established an evaluation framework that combines both "quantitative metrics" and "qualitative feedback":

1. Regular Reviews and Talent Assessment: Management regularly tracks key metrics such as turnover rate, the effectiveness of labor-management communication, and training coverage. Annually, we conduct talent review meetings to systematically assess the effectiveness of our talent pipeline and development programs.

2. Quantitative Key Performance Indicators (KPIs): We track performance across multiple dimensions, with core metrics including:
(1) Talent Stability & Development: Turnover rate; Average training hours per employee; Performance review completion rate.
(2) Diversity, Equity & Inclusion (DEI) and Human Rights: Percentage of women in management positions; Pay ratio; Number of verified cases of discrimination/harassment (Target: 0).

3. Employee Feedback and Continuous Improvement: We regularly conduct employee satisfaction surveys and analyze feedback from exit interviews. This qualitative input is used to refine our compensation and benefits, enhance management practices, and strengthen labor-management relations, forming a continuous improvement loop.

Stakeholder Communication and Engagement

We are committed to fostering an open and trust-based workplace, and we provide diverse and accessible channels for communication and grievance:

1. Communication and Engagement: Through regular labor-management meetings, union negotiations, and employee town halls, we engage in frank and constructive two-way dialogue with our employees on topics such as company development, compensation and benefits, and labor rights.

2. Diverse and Confidential Grievance Channels: We have established formal grievance channels, including a dedicated employee feedback email (csrc_hr@csrcgroup.com) and a hotline. All cases are subject to impartial investigation, and we strictly protect complainants and enforce a zero-tolerance policy against retaliation.

3. Third-Party Professional Psychological Support: To support the mental and emotional well-being of our employees, we have implemented an Employee Assistance Program (EAP). This service is provided by an external professional organization and is completely confidential, aiming to offer our employees the most secure and professional counseling and support available.

Management Approach – Occupational Health and Safety

Related to Material Topic: Occupational Health and Safety

Policy and Promises

The health and safety of our people is our paramount operational value. With a goal of "Zero Harm," we adhere to international standards like ISO 45001 to foster a culture of shared safety responsibility that extends from senior leadership to front-line employees. Through hazard identification and risk assessment, we proactively eliminate potential workplace hazards. We empower all employees with "Right to Stop Work" when faced with imminent danger and hold our contractors to the same stringent safety management standards. Through continuous investment and the active participation of our entire workforce, we are dedicated to creating a healthy and safe workplace where all our partners can work with peace of mind and trust.

Impact Description

Negative

A failure to effectively manage Employee Health and Safety exposes the company to significant operational risks. Any major industrial safety incident, such as a fire or explosion, could result in casualties, complete production halts, and substantial costs for compensation and recovery. Such events not only erode the trust of our employees and host communities but could also lead to mandatory shutdown orders from regulatory authorities, threatening the very sustainability of our business.

Positive

Excellence in Employee Health and Safety (EHS) management is the cornerstone for safeguarding employee well-being and ensuring operational stability. A 'Zero Harm' workplace earns deep trust from our employees, significantly boosting team morale, retention rates, and productivity. It not only effectively reduces operational costs and legal risks associated with workplace injuries but also builds our reputation as a 'responsible employer,' creating a key competitive advantage in attracting top talent.

Responsible Unit

【Responsible Unit】

1. Local Decision-Making and Implementation: Employee Health and Safety (EHS) Committees & EHS Offices at each plant.
2. Technical Coordination and Planning: EHS department

【Supervisory Unit】

Strategic Guidance and Supervision: Corporate Sustainability Committee & Senior Management

Action Plan

To achieve our "Zero Harm" goal, we follow the ISO 45001 framework to implement comprehensive safety actions across our systems, sites, and people:

1. Implementing Systematic Risk Control: We proactively identify and mitigate safety hazards through hazard identification and risk assessment and a digitalized, risk-based control system. We also empower all employees with "right to refuse unsafe work" to ingrain a culture of prevention.
2. Strengthening On-site Safety: For high-risk tasks such as hot work and work at height, we strictly enforce a permit-to-work system and pre-work safety checks. We also ensure all chemicals and equipment are properly labeled, guarded, and maintained to eliminate hazards at the source.
3. Enhancing Workforce Safety Competency: Through our annual training plan, we provide continuous EHS education for both employees and contractors. We also conduct regular emergency response drills to ensure all personnel are prepared for unexpected events.
4. Fostering a Culture of Accountability and Learning: We incorporate contractor safety performance into our annual evaluations and encourage employees to report near-misses. All incidents are subject to a root cause analysis, with lessons learned shared across the organization to build a culture of continuous learning and shared accountability.

Evaluation of Effectiveness

To ensure the attainment of our "Zero Harm" goal, we have established an evaluation framework that combines "process prevention" with "outcome measurement":

1. Target Management and Risk Assessment: We use Disabling Injury Frequency Rate (FR) and Disabling Injury Severity Rate (SR) as our core evaluation metrics, setting annual reduction targets. Our EHS committees at each site regularly track safety performance and continuously review and optimize our safety policies based on risk assessment results.
2. Focusing on Core Safety Outcomes: Our key indicators include: Disabling Injury Frequency Rate (FR), Disabling Injury Severity Rate (SR), and Total Recordable Incident Rate (TRIR).
3. System Audits and Continuous Improvement: Aligned with the ISO 45001 standard, we conduct annual internal audits and management reviews to assess regulatory compliance and the effectiveness of our management system. We encourage all employees to participate in safety improvements and integrate lessons learned from all incidents into our continuous improvement cycle, fostering a culture of shared accountability.

Stakeholder Communication and Engagement

We are committed to fostering a culture of open and transparent safety communication and provide multiple channels for grievance and reporting:

1. Routine Communication and Prevention: Through regular meetings and training sessions, we maintain continuous communication with employees and contractors on safety issues, building a shared safety consensus from the ground up.
2. Real-time Reporting and Grievance: All personnel are required to immediately report any unsafe conditions to their supervisor or the EHS Office. If concerns are not resolved, employees may file a formal grievance with the labor representatives on the EHS Committee or through the company's anonymous grievance system.
3. Right to Stop Work: We empower all our partners, including contractors, with ' Right to Stop Work.' Anyone who reasonably believes that a task poses an imminent danger has the right to stop work immediately, without fear of retaliation or adverse consequences from the company.

Management Approach – Community Engagement

Related to Material Topic: Community Inclusion

Policy and Promises

We are committed to being a trusted partner to our host communities, striving for a future of shared prosperity. By adhering to stringent EHS standards, we minimize our operational impact on the community while investing resources to respond to local needs.

Our social engagement focuses on three core pillars: "Educational Support," "Environmental Coexistence," and "Community Building." We continuously support our "Cement Academy" and promote science and circular economy education through our "Carbon Black Science Camp." Concurrently, we are actively involved in "Mangrove conservation" and tree-planting initiatives, and we contribute to the improvement of local infrastructure. Through these concrete actions, we work alongside the community to co-create a sustainable and vibrant home for all.

Impact Description

Negative

A failure to build positive relationships with our host communities would threaten our social license to operate. Any environmental or safety incident, or poor communication, could provoke community opposition, leading to operational disruptions or resistance when applying for plant expansions or permit renewals. A negative "bad neighbor" image would not only damage our brand reputation but also hinder our ability to attract top local talent.

Positive

Proactively fostering shared prosperity with our communities is a key strategy for strengthening the foundation of our sustainable development. Through long-term investment in local education, environmental conservation, and community building, we earn the trust and support of our neighbors, which in turn ensures a stable operating environment. A positive "good neighbor" image not only enhances our brand reputation but also positions us as an employer of choice for local talent, creating a virtuous cycle of mutual benefit for both the company and the community.

Responsible Unit

【Responsible Unit】

1. Local implementation and relationship building: Plant Managers at each sites & Local teams
2. Coordinators: Social Care Team

【Supervision Unit】

Strategic guidance and supervision: Corporate Sustainability Committee & Senior management

Action Plan

To realize the shared prosperity with local communities, we focus on three pillars to launch concrete community engagement activities:

1. Fostering Local Education: We continue to advance our "Cement Academy," providing after-school tutoring, grants, and scholarships. Concurrently, through our "Carbon Black Science Camp," we aim to sow the seeds of science and circular economy education in local and remote schools.

2. Supporting Local Environmental Sustainability: We actively participate in and support local ecological conservation projects and environmental initiatives. This includes activities like tree planting and collaborating with local organizations to jointly protect the community's natural environment and promote a harmonious coexistence between people and nature.

3. Promoting Local Community Development: We listen to local needs and invest resources to help improve the community's quality of life and public safety. At the same time, we adhere to a local hiring policy, ensuring that our corporate growth gives back to the region by creating stable economic opportunities for the community.

Evaluation of Effectiveness

To ensure that our community investment to generate real benefits for the society, we established an evaluation mechanism, combining "quantitative output" and "qualitative impact":

1. Project Goal-Setting and Performance Tracking: We set specific goals for our community projects (e.g., number of people reached) and collect feedback from partners and participants post-event. This feedback serves as a crucial basis for continuous optimization.

2. Quantitative Key Performance Indicators (KPIs): We track performance from two key perspectives: "Inputs' and 'Outputs".

(1) Inputs: Total annual community investment; Employee volunteer hours.

(2) Outputs: Number of student beneficiaries from the "Cement Academy"; Number of participants in the "Carbon Black Science Camp"; Ratio of local employees.

3. Community Relations and Impact Assessment: We conduct interviews with community representatives to understand their perceptions and expectations of the company. Additionally, we use the volume of positive feedback versus negative grievances as a key indicator to assess the health of our community relations and our overall social impact.

Stakeholder Communication and Engagement

We are dedicated to building a continuous, two-way partnership with our host communities. Our local management team proactively conducts regular visits to community representatives, schools, and partner organizations. These meetings serve not only to share our community giveback programs but, more importantly, to listen to the voice of the community, ensuring our contributions address their real needs. Additionally, we provide public channels for resident feedback and increase our interaction with local residents by participating in community events.

Furthermore, we encourage our employees to engage in community volunteering, empowering each team member to become a direct bridge of communication between the company and the community.

Human Rights GRI 2-24

CSRC Group firmly believes that respect for human rights is a universal value and a fundamental commitment to society and sustainable business. We deeply understand that corporate growth and stability are built upon respect for human dignity. To translate this philosophy into concrete action, we have formulated our "CSRC Group Human Rights Policy" in accordance with international conventions such as the UN Global Compact and the Universal Declaration of Human Rights (UDHR), as well as local laws and regulations. Its scope applies to the company itself and all affiliated group entities, both domestic and international, over which we have substantial control.

The core of this policy begins with our commitment to our internal colleagues. Employees are our most valuable asset, and we are dedicated to creating a workplace of equality, respect, and security. We treat every colleague with dignity and ensure the thorough protection of their individual rights and data security.

Our responsibility extends to our supply chain. Through our "the Code of Conduct for Corporate Social Responsibility," we explicitly integrate human rights standards into our partner evaluation and management processes, requiring them to comply with regulations on labor rights, health, and safety. Together, we work to build a resilient and responsible sustainable supply chain.

CSRC Human Rights Policy

Human Rights Commitment and Management Approach GRI 2-23

The CSRC Group Human Rights Policy applies to the company, its domestic and international subsidiaries, joint ventures, and other organizations over which it has substantial control. It has been adopted and publicly signed by the company's highest-level executive. Its core principles cover.

Diversity, Inclusion, and Equal Opportunity

Prohibition of child labor and forced labor, with zero tolerance for any form of discrimination based on personal background.

Providing a Safe and Healthy Work Environment

Eliminating potential hazards, enhancing Employee Health and Safety (EHS) knowledge, and preventing accidents.

Valuing Two-Way Communication and Respecting Freedom of Association

Providing diverse communication channels to ensure harmonious labor-management relations.

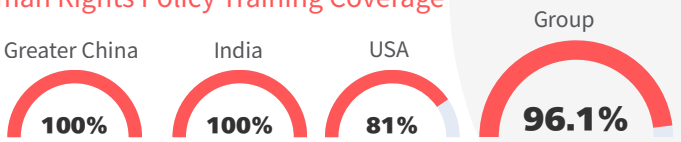
Supporting Employee Well-being and Work-Life Balance

Caring for employees comprehensively through health check-ups, wellness lectures, and recreational activities.

Furthermore, we have formulated the "Policy on Anti-Discrimination, Anti-Harassment, and Anti-Bullying" and the "Measures for the Prevention, Complaint, and Handling of Workplace Sexual Harassment" to fully implement our human rights policy.

To embed our human rights policy into our corporate culture, we have completed training for all employees in Greater China and India through both online and in-person courses. This has become a fundamental, required courses for all new hires, achieving 100% coverage in human rights policy awareness.

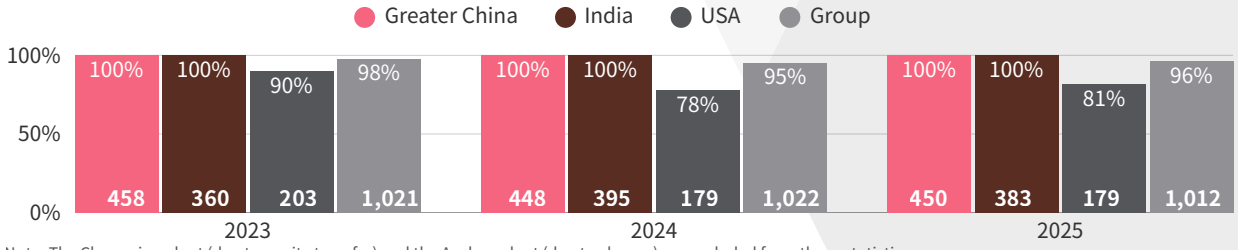
Human Rights Policy Training Coverage



Note: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

In 2025, we conducted a series of in-person courses on "Diversity, Anti-Discrimination, Anti-Harassment, and Anti-Bullying." We will also implement enhanced training for all management levels on "Fostering a Culture of Psychological Safety in the Workplace." These sessions will be recorded and made available on our digital learning platform for all employees. CSRC Group will continue to promote human rights awareness and practices across all operating sites through various methods, including our e-learning platform and ongoing training initiatives.

Percentage of Employees Trained on DEI & Respectful Workplace (%)



Note: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

Human Right Impact Assessment

Our company will launch a formal human rights due diligence process in 2026. Prior to this, we have already conducted internal human rights reviews and risk assessments across the Group. These assessments covered key topics including workplace inclusion and diversity, forced labor, excessive working hours, sexual harassment, workplace violence and harassment, child labor, and employment and occupational discrimination. In 2025, there were no reported incidents of labor rights violations.

In 2025

0 case

Labor human rights related incidents

01 Prohibition of Child Labor and Forced Labor



- All our sites comply with local labor laws. Our internal policies explicitly prohibit child labor and forced labor and ensure non-discrimination in employment. We are committed to fostering a diverse, open, equal, and harassment-free work environment.
- The Company prohibits the employment of children under the age of 16.

In 2025, there were zero incidents of child labor or forced labor within the company.

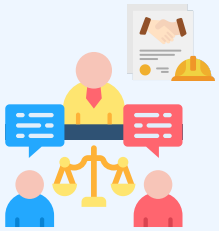
02 Diversity, Equality, and Anti-Discrimination



- Our policy prohibits any form of discrimination or differential treatment based on an individual's gender, sexual orientation, race, social class, age, marital status, language, ideology, religion, political affiliation, place of origin, place of birth, appearance, physical features, or physical or mental disability.

In 2025, there were no disputes or complaints regarding discrimination against or the violation of the rights of indigenous peoples or other vulnerable groups.

03 Freedom of Association and Collective Bargaining



- We value two-way communication and respect employees' freedom of association to build positive employee relations. We provide multiple internal communication channels, including regular labor-management meetings, communication and coordination with unions, announcements on the company intranet, e-newsletters, and other ad-hoc meetings, to listen to and address employee feedback.

In 2025, a total of 21 employee grievances were filed.

- 20 of these cases were from employees at our CCIPL plant in India, concerning issues with attendance performance, unplanned leave, and language-based conflicts among colleagues. All were handled by the Human Resources department through mediation and counseling.
- 1 case was from the Linyuan Advanced Plant in Greater China. The grievance involved an allegation of workplace harassment. An investigation committee composed of external experts was formed in accordance with the law, and the investigation concluded that the allegation was unsubstantiated.

In response to these grievances, the Group reviewed its internal regulations and based on the specific circumstances of the disputes, adjusted operational procedures or enhanced training to prevent similar incidents from recurring.

04 Employee Health and Safety



- We provide a safe and healthy work environment, along with necessary health and first-aid facilities. We are committed to eliminating workplace hazards that could affect employee health and safety, reduce the risk of occupational injuries, and complying with local employee safety and health regulations at all our sites.

In 2025, there were no disputes or complaints related to health and safety issues.

Human and Environment Due Diligence

To systematically identify, prevent, and mitigate potential adverse human rights impacts arising from our operations, we have established a comprehensive management process for human rights and environmental due diligence, guided by a clear, phased roadmap.

Human Rights and Environmental Due Diligence Framework and Process

01 Defining the scope of human rights due diligence

Description

CSRC identifies its six key stakeholder groups in accordance with the AA1000 Stakeholder Engagement Standard (SES): customers, employees, shareholders/investors, suppliers/contractors, government agencies, and neighboring communities.
To focus on human rights issues, we conduct an internal survey to assess these stakeholders based on principles such as responsibility, influence, dependency, tension, and diverse perspectives.
The overall assessment results identify employees and suppliers/contractors as the highest-priority stakeholders for this due diligence, due to their direct connection to our operations and the highest potential human rights risks.

Guidance

- **AA1000 Stakeholder Engagement Standard**

(AA1000 SES)

02 Identification and Investigation of Human Rights Issues

Description

Consolidate key human rights issues and conduct due diligence investigations.

Guidance

- **UN Guiding Principles on Business and Human Rights (UNGPs)**
- **ILO's International Labour Conventions and the Declaration on Fundamental Principles and Rights at Work**
- **CSRC's own human rights-related policies**

03 Risk Identification and Assessment

Description

Based on the investigation findings, we conduct a risk level assessment for each due diligence issue and develop a risk matrix.
Priority is given to addressing significant issues with high likelihood and high impact.

Guidance

- **ISO 31010 Risk Management – Risk Assessment Techniques**
- **The OECD Due Diligence Guidance for Responsible Business Conduct, which recommends prioritizing issues based on likelihood and severity of impact.**

04 Integrating Findings and Taking Action

Description

For each identified risk, we plan annual actions integrated into our existing management systems and control frameworks.

05 Establishing Remedy and Grievance Mechanisms

Description

Develop preventive/mitigation measures as well as remedy and grievance mechanisms for significant human rights issues.

06 Tracking Performance and Effectiveness

Description

For high-risk items, we establish regular tracking processes, improvement plans, and indicators, and conduct continuous audit management.

07 Communication and Disclosure

Description

Produce an annual human rights due diligence report for disclosure in our annual Sustainability Report.

CSRC has developed an "inside-out," progressively expanding due diligence blueprint to ensure resources are effectively focused on the relevant stakeholders at each stage.

Timeline	2026~2028	2029~2031
Target Group	Employees (Sequentially covering : Greater China → India → USA)	Suppliers (Sequentially covering : Greater China → India → USA)



In line with our due diligence roadmap, the Company will launch its first large-scale Anonymous Employee Human Rights Self-Assessment Questionnaire in 2026.
This initiative will target all employees (both permanent and contract-based) at our sites in Taiwan and Mainland China. The survey aims to understand employees' genuine perceptions of their work environment and to identify potential salient human rights issues.
The key issues assessed cover three main domains:



Labor Rights and DEI (Diversity, Equity, and Inclusion)



Core Labor Conditions

Forced labor, working hours, wages, and child labor.



Workplace Environment

Bullying and harassment, grievance and remedy mechanisms, and freedom of association.



Equality and Non-Discrimination

Unequal treatment based on gender, religion, nationality, age, etc.



Personal Development and Privacy

Training and career development, and privacy protection.



Employee Safety and Health



Physical and Mental Health

Shift work and rest periods, and mental health support.



Physical Safety

Occupational injury prevention and management, safety guidelines and training, and safety of facilities such as dormitories and canteens.



Human Rights and the Environment



Environmental Impact of Operations

Waste/pollution and biodiversity loss.



Climate Change Responsibility

The company's decarbonization and transition measures.

Prohibition of Child Labor and Forced Labor GRI 408-1、409-1

We are committed to our Group's Human Rights Policy, strictly complying with all labor laws and international labor standards in the locations where we operate. We maintain a zero-tolerance stance, explicitly prohibiting any form of child labor and forced labor. This commitment extends beyond our own employees to include our partners and supply chain.
To embed this policy into our daily operations, we have established the "Management Procedure for the Prohibition of Child Labor and Remediation" and the "Remediation Procedure for Child Labor, Forced Labor, and Human Trafficking." These create a comprehensive prevention framework covering recruitment, in-service management, and supplier communication.
With these robust prevention mechanisms in place, there were no confirmed incidents of child labor or forced labor within the CSRC Group during the reporting period. We will continue to strengthen our human rights management and fulfill our corporate social responsibility.

Prevention and Remediation Measures

Child Labor Prevention and Age Verification Mechanism

To prevent the risk of child labor at the source, our Human Resources department implements a rigorous age verification process during recruitment:

• Identity Verification:
We inspect the original copies of two forms of official identification and verify their authenticity through official government systems.

• Interview Confirmation:
We confirm the applicant's identity during the interview. If any doubt arises, we may request additional documentation, such as a household registration transcript.

• Policy Communication:
We consistently communicate our policy on the prohibition of child labor during recruitment and training sessions.

Forced Labor Prevention Mechanism

We effectively mitigate the risk of forced labor by safeguarding employee autonomy and well-being through comprehensive internal management policies:

• Management of Working Hours and Overtime:
Our "Overtime Management Policy" clearly defines the application procedures, pay calculations, and compensatory leave options for overtime work on weekdays, rest days, and statutory holidays, ensuring all overtime is voluntary and compensated.

• Shift and Holiday Roster System:
The "Shift Work Management Policy" and "Policy for Holiday Duty Rosters" provide appropriate allowances and compensatory leave for employees on shift work or on duty during holidays, protecting their rights.

• Proactive Early-Warning System:
We have implemented a "Holiday Attendance Early-Warning Notification" system that proactively reminds department heads to monitor employee attendance, preventing non-voluntary overtime.

• Comprehensive Leave Rights:
In accordance with our "Leave Management Policy," we offer 15 types of leave, including marriage leave, family care leave, and special leave. Notably, we provide two days of "Volunteer Leave" annually to encourage employee participation in social welfare activities, ensuring their right to a work-life balance.

• Accessible Communication Channels:
We provide regular training to employees on human rights policies and labor rights and offer multiple grievance channels to ensure their voices are heard and their rights are protected.

Remediation Procedure and Victim Support

Although we are committed to prevention, we have established a standardized, effective, and victim-centered remediation procedure—the "Remediation Procedure for Child Labor, Forced Labor, and Human Trafficking"—to address extreme situations that may be identified within our own operations or supply chain. This ensures that upon discovery of a suspected case, immediate protective and remedial actions are taken to safeguard the safety and rights of the affected individuals and to prevent recurrence.

• Immediate Response and Reporting
Upon identifying or receiving a report of a suspected case, we will immediately activate our response mechanism:

- **Removal and Protection:** The individual is immediately removed from the work situation to ensure their personal safety.
- **Activation of Reporting:** The incident is promptly reported to senior management and, depending on its nature, to the relevant labor authorities or law enforcement agencies.

• Assessment and Rescue Plan
A designated specialist will assess the victim's condition and arrange for necessary medical care, with all costs borne by the company. We will develop an assistance plan based on the case type:

- **Child labor:** We will immediately contact the legal guardians and arrange for the child's safe return home, with the company covering all necessary expenses.
- **Forced labor:** We will immediately return all personal documents and repay any improperly withheld wages or fees. Subsequently, based on the individual's wishes, we will assist with their safe return home or provide support for resettlement.

• Regular Follow-up and Continuous Improvement

- **Regular Check-ins:** We will conduct follow-ups at three and six months after the incident to confirm the well-being of the affected individual.
- **Documentation and Optimization:** The entire process—from reporting and investigation to remediation and follow-up—is fully documented to serve as a basis for internal audits and process improvement.

• Supply Chain Management and Accountability
We extend our human rights standards to our business partners. If a violation is discovered in our supply chain, we will require the supplier to rectify the issue within a given timeframe. For severe violations, the business relationship will be terminated.

Anti-Discrimination and Harassment GRI 406-1

CSRC is committed to providing all employees with a safe and respectful workplace. We have established the "Workplace Sexual Harassment Prevention, Complaint, and Handling Procedure" and the "Anti-Discrimination, Anti-Harassment, and Anti-Bullying Complaint and Disciplinary Procedure" to protect the dignity and rights of every individual through clear regulations and actions. With these robust management and prevention mechanisms in place, there were no complaints of discrimination or harassment filed within the CSRC Group during the reporting period.

Explicit Prohibited Conduct

We maintain a zero-tolerance policy towards any form of misconduct and explicitly prohibit the following behaviors:

Prohibition of Discrimination

We strictly prohibit any unequal treatment in recruitment, promotion, or employment based on any personal characteristic, including but not limited to, race, gender, age, or disability.

Prohibition of Harassment

This includes any unwelcome conduct of a sexual nature, as well as stalking behaviors such as improper surveillance, following, or pursuit.

Prohibition of Bullying

We strictly prohibit any persistent and hostile behavior that threatens an employee's physical or mental well-being, such as verbal abuse, social isolation, or the assignment of unreasonable work tasks.

Management Mechanisms and Preventive Measures

We embed a culture of anti-discrimination and anti-harassment deep within the organization through multiple channels:

Education, Training, and Awareness

Upon onboarding, all new hires are required to sign the "Workplace Sexual Harassment Written Statement," ensuring they understand the company's policy and grievance channels from day one. We conduct regular training on anti-discrimination, anti-harassment, and anti-bullying for all employees and supervisors. Priority is given to management and personnel responsible for handling grievances to strengthen their awareness of responsibilities and handling capabilities.

Specific Prevention Plans

Our sites also adopt localized measures. For example, the Linyuan Advanced Plant has established its "Workplace Misconduct Prevention Plan," which proactively identifies risks and prevents workplace hazards.

Accessible Grievance Channels

We have established diverse and confidential grievance channels, including a dedicated hotline and a specific email address (csrc_hr@csrcgroup.com).
Information about these channels is publicly displayed in conspicuous locations throughout the workplace to encourage employees to speak up when they feel uncomfortable.





Fair, Confidential, and Effective Grievance Handling Process

When a grievance case is filed, we follow a rigorous and impartial process to handle the case while ensuring the rights and privacy of the individuals involved.

Immediate and Effective Correction and Remedy

Upon becoming aware of any incident of discrimination, harassment, or bullying, the company will take immediate and effective corrective and remedial actions, regardless of whether a formal complaint has been filed. This includes:

- **Protecting the Complainant:** Implementing appropriate separation measures according to the complainant's wishes to prevent further harm and ensure their working conditions are not adversely affected.
- **Providing Support:** Proactively offering or referring necessary services such as psychological counseling (e.g., through our Employee Assistance Program - EAP), medical care, or legal assistance.

Establishment of a Professional Investigation Committee

Upon receiving a complaint, a "Grievance Review Committee" will be formed to conduct an investigation, adhering to the principle of conflict-of-interest avoidance.

Rigorous Investigation and Resolution

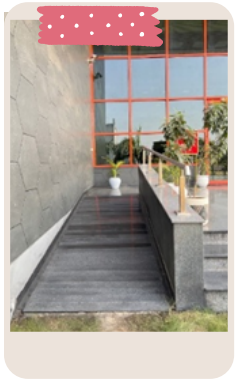
The investigation process is conducted confidentially, providing both parties with a full opportunity to present their statements. The committee will complete the investigation and reach a resolution within two months, notifying both parties in writing.

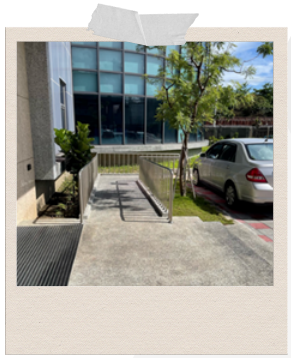
Effective Disciplinary Action and Follow-up

If the misconduct is substantiated, disciplinary action will be taken against the perpetrator based on the severity of the offense, up to and including termination of employment. We will continue to monitor and assess the situation to ensure the effective implementation of disciplinary measures and to prevent any form of retaliation.

Fostering an Inclusive Work Environment

Beyond policies and procedures, we are also committed to improving the physical work environment. Both the Linyuan Advanced Plant in Greater China and the CCET Plant in India have installed accessible ramps. The Linyuan Advanced Plant is also equipped with a dedicated accessible restroom, demonstrating our commitment to supporting employees with disabilities and promoting workplace inclusion through concrete actions.







Labor-Management Communication GRI 2-30, 407-1

CSRC is committed to fostering an open, respectful, and two-way communication environment. Building on the foundation of local labor regulations at our operating sites, we proactively establish multiple two-way communication channels to ensure that the voice of every employee is heard and valued.The Company actively maintains harmonious labor-management relations, and there were no labor disputes in 2025.

Coverage of Labor-Management Communication at Respective Operational Sites

	Greater China	India	USA	Description
Labor-Management Meeting	59%[Note 1]	-	100%	• Established in accordance with local regulations, where labor representatives negotiate with management on behalf of all employees to protect their rights and interests. • Local regulations in China and India do not mandate the establishment of labor-management meetings.
Labor Union	73%	2%	28%	• The figures represent the union membership rate among employees in each region for 2025. • Maanshan plant (Greater China) and CCET plant (India) are non-unionized.
Collective Bargaining Agreement Protection	41%[Note 2]	52%[Note 3]	100%	• The Maanshan Plant (Greater China), CCIPL Plant (India), and the Ponca and Sunray Plants (USA) are all covered by collective bargaining agreements. • All employees at these plants are covered by the respective agreements.
Employee Safety and Health Committee	100%	100%	100%	• Established in accordance with the Occupational Safety and Health Act, with employee representatives participating in employee safety and health management to ensure the safety and health of all employees.
Town Hall Meeting	100%	Partial Participation[Note 4]	-	Held in Greater China in 2025 and was open to all employees.
Company Intranet	100%	100%	100%	The official information hub, accessible to all employees at any time.
Grievance and Feedback Mechanism	100%	100%	100%	Includes face-to-face discussions with the HR department, telephone, and email. Available to all employees across the Group.
Employee Engagement Survey	100%	100%	-	• The survey was distributed to all employees in the Greater China and India regions. • The combined response rate for 2025 was 64%.

Note:
1. Greater China coverage is calculated as: (Total employees of CSRC and Linyuan Advanced Plant) / (Total employees in Greater China).
2. Greater China coverage is calculated as: (Total employees at Maanshan Plant) / (Total employees in Greater China); Linyuan Advanced plant (Greater China) lacks a collective bargaining agreement, its labor union holds quarterly meetings whose resolutions apply to all employees.
3. India coverage is calculated as: (Total employees at CCIPL Plant) / (Total employees in India); CCET Plant (India): Although non-unionized and without a collective bargaining agreement, working conditions and terms of employment are kept identical to the unionized CCIPL plant, supported by annual town halls and transparent communication channels.
4. The 2025 Town Hall was primarily held in Greater China. Taiwanese expatriate supervisors and managers in India participated online to ensure information synchronization and communication across regional management.

Diverse and Accessible Communication Channels and Mechanisms GRI 407-1

Labor-Management Meetings

To promote harmonious labor-management relations and protect employee rights, we regularly convene labor-management meetings in accordance with the "Labor Standards Act" and related regulations. These serve as a core platform for equal dialogue, joint consultation, and decision-making between labor and management.

Number of Labor-Management Meetings Held in 2025

Greater China (Taiwan)	USA
8 times	12 times

Labor Unions

We establish regular and constructive communication channels with labor unions to jointly safeguard employee rights and interests.

Number and proportion of CSRC employees participating in unions over the past three years in each region

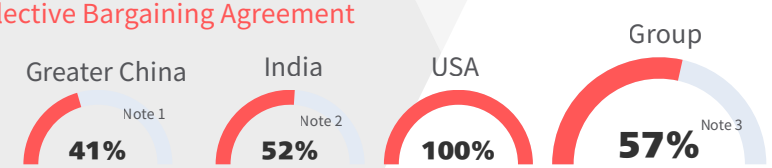
	Greater China		India		USA		Group	
	Number of Employee	%	Number of Employee	%	Number of Employee	%	Number of Employee	%
2023	168	70%	9	5%	104	46%	281	21%
2024	172	73%	7	4%	67	29%	246	18%
2025	162	73%	4	2%	62	28%	228	22%

Note:
1. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
2. Maanshan plant (Greater China) and CCET plant (India) are non-unionized.

Collective Bargaining Agreement

Building on the foundation of respecting employees' freedom of association, we further establish partnerships with labor unions. Through the signing of collective bargaining agreements, we formally protect labor conditions, including employee benefits and occupational safety and health, in a legally binding manner.
As of the end of 2025, the Maanshan Plant (Greater China), CCIPL Plant (India), and the Ponca and Sunray Plants (USA) are all covered by collective bargaining agreements.

Collective Bargaining Agreement



Note:
1. Greater China coverage is calculated as: (Total employees at Maanshan Plant) / (Total employees in Greater China).
2. India coverage is calculated as: (Total employees at CCIPL Plant) / (Total employees in India).
3. Group coverage is calculated as: (Total employees at Maanshan, CCIPL, Ponca, and Sunray Plants) / (Total Group employees).

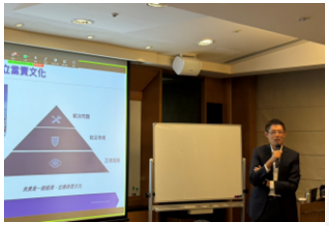
Employee Safety and Health Committee

We have established an "Employee Safety and Health Committee" in accordance with the Occupational Safety and Health Act, enabling employees to directly participate in EHS management and jointly create a zero-incident workplace.

Open and Transparent Information Sharing

Town Hall Meetings

To facilitate direct and candid dialogue between senior management and all employees, we hold "Town Hall Meetings." In 2025, one Town Hall was held in Greater China, covering topics such as company development strategies and cross-departmental collaboration to promote internal organizational understanding.





Company Intranet

As the company's official information hub, the intranet is updated with company announcements, policy documents, departmental news, and employee benefits information. All the company's key rules and regulations, such as the Work Rules and the "Ethical Corporate Management Best Practice Principles", are stored on the intranet for all employees to access at any time. All new hires receive a comprehensive explanation and tour during onboarding to ensure they fully understand their rights and obligations.



Communication on Significant Operational Changes and Policy Dissemination GRI 402-1

For significant operational changes that may affect employees, the company will communicate in advance through multiple channels such as dedicated information sessions, internal announcements, or labor-management meetings before the planning and implementation of the change. This communication explains the background, reasons, and scope of impact to affected employees. A phased approach to information disclosure is adopted based on the actual degree of impact to reduce uncertainty and employee anxiety during the transition. Simultaneously, the company will follow necessary procedures in compliance with local laws and regulations. When terminating employment contracts, the company adheres to the relevant provisions of the Labor Standards Act regarding the notice period or payment in lieu of notice.

Diverse Participation and Feedback

Grievance and Feedback Mechanism GRI 2-13

To ensure employees have a formal and safe channel to report issues or provide constructive feedback, we have established a clear grievance and feedback mechanism, stipulated in the "Employee Communication and Grievance Procedure." The purpose is to provide a safe, confidential, and accessible communication channel. This allows employees to file grievances without fear regarding any labor rights issues, concerns about their working conditions, or any form of improper treatment, and to speak freely about any suggestions or questions regarding company benefits.

Human Resources Department	The HR department can be contacted via face-to-face meetings, telephone, or email.
Communication Mailbox	csrc_hr@csrcgroup.com
Process and Commitment	• **Impartiality and Fairness：** All grievances are treated and investigated objectively and impartially, without being influenced by the position or status of the complainant or the respondent. • **Confidentiality and Non-Retaliation：** We strictly adhere to the principle of confidentiality for the complainant's identity and explicitly prohibit any form of retaliation, ensuring employees can raise concerns without worry.

Employee Engagement Survey

To systematically understand employees' overall feelings and expectations towards the company, we conducted an employee engagement survey in the Greater China and India regions from December 2025 to January 2026. We use this as a key strategic tool for listening to employees' voices, diagnosing organizational health, and driving management improvements.

2025 Employee Engagement Survey Results

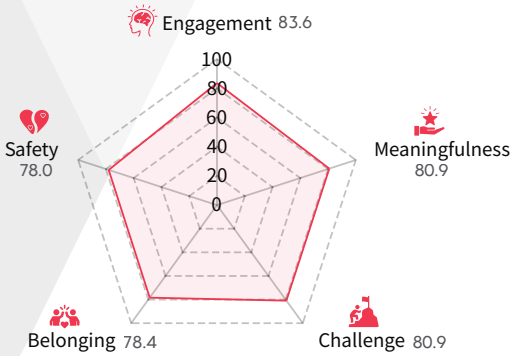
Average Engagement Score

80.4

Survey Response Rate

64%

(525/816)



Improvement Areas Planned

In response to the survey results and to effectively enhance employee engagement and sense of belonging, we plan to focus on two major areas—"Organizational Culture" and "Work Environment" with the following improvement measures.

Organizational Culture and Communication Transparency	• **Enhance Two-Way Communication and Organizational:** Continue to hold Town Hall Meetings where senior executives personally explain the company's direction and strategy and establish effective feedback mechanisms to ensure alignment of goals throughout the organization. • **Build a Culture of Psychological Safety and Accountability:** Plan a series of "Psychological Safety" courses to create an environment where employees dare to express their opinions; implement mechanisms related to the "Culture of Accountability" to establish clear responsibilities and performance standards.
Work Environment and Infrastructure Optimization	• **Improvement of Physical Facilities:** Comprehensively review and optimize the comfort of the workplace environment for employees at our India sites. • **Enhancement of Environmental Safety:** Plan and execute effective drainage or response solutions for the water accumulation issues during the rainy season at our India sites to ensure workplace safety.

Employee Care and Support Systems

In addition to public feedback mechanisms, we also provide a channel for in-depth personal support—the Employee Assistance Program (EAP). We partner with Hsinchu Lifeline Association for our EAP services. When employees face personal issues that may affect their work (such as stress, family, or financial matters), the EAP offers a completely confidential space to seek help. We consider this a crucial part of listening to the deeper needs of our employees. Based on anonymous, aggregated data trends, we plan corresponding health promotion activities to fundamentally optimize employees' work and life quality. Cumulative usage statistics are as follows:

Consultations

Phase 1 (Case Manager)

Grand total **66** sessions

with family/parenting and career/work being the most common topics.

Phase 2 (Professional Counselor)

Grand total **13** sessions

Workshops and Awareness Sessions

Grand total **4** sessions



Empowering Employees to Create a Culture of Continuous Improvement

The experience and wisdom of our frontline employees are the company's most valuable assets for innovation. Therefore, we have established the "Proposal incentive measures procedures " to transform employees' wisdom and experience into concrete momentum for improvement.
This system provides a formal bottom-up channel for employees to submit specific improvement suggestions regarding products, operational processes, cost savings, quality improvement, occupational safety and health, and environmental protection.
To ensure the value of proposals is fully evaluated, we have set up a comprehensive review process:



Cross-Departmental Expert Review

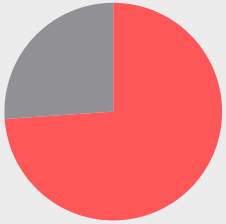
Proposals are reviewed professionally and fairly by a "Preliminary Review Team" composed of experts from relevant fields and a "Proposal Review Committee" with senior management participation to assess their feasibility, innovation, and expected benefits.



Tangible Rewards and Recognition

For excellent proposals that are adopted, proposers receive multi-level monetary rewards based on their contribution, ranging from a "Preliminary Approval Award" to a "Special Contribution Award." Their innovative ideas are tracked and implemented, bringing tangible contributions to the company's overall performance.

In 2025, the Group received 23 improvement proposals. After careful evaluation, 17 excellent proposals were adopted and rewarded, achieving a proposal adoption rate of 74%.



proposal adoption rate
74%
(17/23)

Through this empowerment mechanism, we aim to inspire full participation in innovation, make continuous improvement part of the organization's DNA, and closely link employees' sense of personal achievement with the company's sustainable development.

Human Resources for Sustainable Development

Talent Recruitment

Talent is a key driver of corporate development. CSRC upholds the principle of "Meritocracy and Right Placement," and is committed to creating a fair and diverse work environment without discrimination based on an employee's race, color, religion, gender, age, nationality, or any personal background.
To support our global strategy, all CSRC regions attract top domestic and international talent in accordance with the "Regulations on Recruitment and Appointment of Newcomers." We utilize diverse channels, including our official website, social media platforms, campus recruitment, employee referrals, and collaboration with professional consulting firms. The recruitment process is rigorous and transparent and focuses on cultivating specialists in three main areas: Product R&D, Global Sales, and Supply Chain Management, to flexibly respond to market changes and to achieve new milestones together with outstanding talent.
We strictly adhere to local regulations, achieving a 100% employment contract signing rate across all global operating sites, thereby ensuring the protection of employee rights.

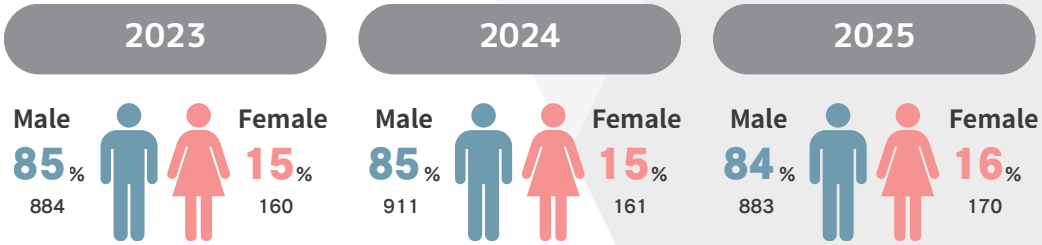
Workforce Structure

GRI 2-7、2-8、401-1、405-1

As of the end of 2025, the Group had a total of 1,053 employees[Note]. Due to the nature of our industry, the workforce is predominantly male, accounting for 84%. In 2025, common types of non-employee workers at CSRC Group included cleaning staff, security guards, and packers, totaling 592 individuals. Furthermore, CSRC values employee diversity. In 2025, the number of employees with disabilities hired by the Group exceeded the statutory hiring requirement.

Note:
The decrease of 289 employees from the 2024 year-end total of 1,342 is mainly due to the divestment of the Chongqing plant and the closure of the Anshan plant. These sites are excluded from 2025 data. Excluding the headcount from these sites, the Group's workforce composition remained stable compared to 2024.

CSRC Employee Gender Ratio



2025 Employee Structure by Gender, Region, and Employment Contract

Region			Greater China			India			USA			Group		
Age			<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Male	Permanent	Full-time	11	245	76	80	261	23	54	89	40	145	595	139
	Contract	Full-time	0	1	3	0	0	0	0	0	0	0	1	3
Total Male			11	246	79	80	261	23	54	89	40	145	596	142
Female	Permanent	Full-time	14	93	7	5	13	1	8	15	14	27	121	22
	Contract	Full-time	0	0	0	0	0	0	0	0	0	0	0	0
Total Female			14	93	7	5	13	1	8	15	14	27	121	22

Numbers and proportions of new employees, 2025

Region		Greater China		India		USA		Group	
Age		Number	Rate	Number	Rate	Number	Rate	Number	Rate
<30	Male	0	0%	39	4.42%	64	7.25%	103	11.66%
	Female	7	4.12%	3	1.76%	8	4.71%	18	10.59%
	Subtotal	7	0.66%	42	3.99%	72	6.84%	121	11.49%
30-50	Male	25	2.83%	46	5.21%	44	4.98%	115	13.02%
	Female	15	8.82%	2	1.18%	12	7.06%	29	17.06%
	Subtotal	40	3.80%	48	4.56%	56	5.32%	144	13.68%
>50	Male	3	0.34%	4	0.45%	6	0.68%	13	1.47%
	Female	1	0.59%	0	0%	1	0.59%	2	1.18%
	Subtotal	4	0.38%	4	0.38%	7	0.66%	15	1.42%
Total		51	4.84%	94	8.93%	135	12.82%	280	26.59%

Numbers and proportions of employees departing, 2025

Region		Greater China		India		USA		Group	
Age		Number	Rate	Number	Rate	Number	Rate	Number	Rate
<30	Male	4	0.45%	36	4.08%	64	7.25%	104	11.78%
	Female	6	3.53%	4	2.35%	7	4.12%	17	10%
	Subtotal	10	0.95%	40	3.80%	71	6.74%	121	11.49%
30-50	Male	24	2.72%	55	6.23%	50	5.66%	129	14.61%
	Female	5	2.94%	3	1.76%	16	9.41%	24	14.12%
	Subtotal	29	2.75%	58	5.51%	66	6.27%	153	14.53%
>50	Male	15	1.70%	4	0.45%	11	1.25%	30	3.40%
	Female	4	2.35%	0	0%	0	0%	4	2.35%
	Subtotal	19	1.80%	4	0.38%	11	1.04%	34	3.23%
Total		58	5.51%	102	9.69%	148	14.06%	308	29.25%

Note:
1. Employee numbers are as of the end of 2025.
2. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
3. The new hire/ departing rate for male employees in each region and age group is calculated as: (Number of new hires/departures of male employees in that region and age group) / (Total number of male employees in the Group at the end of 2025).
4. The new hire/ departing rate for female employees in each region and age group is calculated as: (Number of new hires/departures of female employees in that region and age group) / (Total number of female employees in the Group at the end of 2025).
5. The total new hire/ departing rate for employees in each region and age group is calculated as: (Total number of new hires/departures of employees in that region and age group) / (Total number of employees in the Group at the end of 2025).

2025 Employee Promotions: Number and Rate

Greater China	India	USA	Group
Total Promotions	Total Promotions	Total Promotions	Total Promotions
38 people	29 people	31 people	98 people
8.4% of Total Employees	7.6% of Total Employees	14.1% of Total Employees	9.3% of Total Employees

Employee Types

Senior Supervisor

Special Assistant to the Chairman, President, Technical Director, Assistant Vice President

Mid-level supervisor

General Plant Manager, Deputy General Plant Manager, Plant Manager, Deputy Plant Manager, Senior Manager, Project Manager, Manager, Senior Assistant Manager, Project Assistant Manager, Assistant Manager

Basic level supervisor

Junior Manager, Project Junior Manager, Supervisor, Deputy Supervisor, Acting Supervisor, Acting Deputy Supervisor

Professionals

Consultant, Researcher, Principal Engineer, Senior Engineer, Engineer, Senior Administrator, Administrator, Management Trainee, Assistant, Contract Staff

Direct staff

Foreman, Technician, Senior Operator, Operator, Senior Analyst, Analyst, Document Controller, Maintenance Staff

Workforce Diversity

We aim to create a workplace where all employees, regardless of their background, gender, or identity, feel respected and can reach their full potential. To this end, we continuously track and analyze diversity data across our global operations to identify our strengths and areas for future improvement.

Overall Workforce Diversity

We actively hire employees from different cultural backgrounds and vulnerable groups to enrich our talent pool. As of 2025, the number of employees belonging to minority or vulnerable groups within the Group reached 113, accounting for 10.7% of the total Group workforce. In 2025, the Linyuan Advanced Plant in Greater China hired 5 individuals with disabilities, exceeding the statutory hiring quota.

Proportions of minority or disadvantaged groups employed by CSRC in the past three years

Region		Greater China	India	USA	Group
2023	Number	9	0	110	119
	Proportion	1.2%	0%	48.7%	9%
2024	Number	9	0	108	117
	Proportion	1.3%	0%	47.2%	8.7%
2025	Number	7	0	106	113
	Proportion	1.6%	0%	48.2%	10.7%

Note:

1. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
2. Minority disadvantaged groups at Linyuan Advanced Plant in the Greater China include individuals with disabilities as well as indigenous peoples. In China, minority groups mainly consisted of non-Han ethnic groups; in the United States, minority groups include non-white indigenous peoples, Latinos, African Americans, Asians, etc.

Women in Leadership

We are committed to increasing the representation of women in management positions. In 2025, the proportion of women in mid-to-high-level management positions within the CSRC Group was 17.3%. The performance in the Greater China region was particularly stable, with the proportion of female mid-to-high-level managers consistently maintained at around 20%, setting a good example for the Group. We will continue to promote internal talent development programs to ensure that more outstanding female talent has opportunities to be promoted to decision-making levels.

CSRC's proportions of Women in Mid/High-Level Management Positions in the past three years

Region		Greater China	India	USA	Group
2023	Number of women in mid/high-level positions	12	3	2	17
	Number of managers in mid/high-level positions	49	23	8	80
	Proportion	24.5%	13%	25%	21.3%
2024	Number of women in mid/high-level positions	9	4	1	14
	Number of managers in mid/high-level positions	46	56	7	109
	Proportion	19.6%	7.1%	14.3%	12.8%
2025	Number of women in mid/high-level positions	10	3	1	14
	Number of managers in mid/high-level positions	48	25	8	81
	Proportion	20.8%	12%	12.5%	17.3%

Note:
1. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
2. The rate is calculated as: (Number of women in mid/high-level positions) / Number of women in mid/high-level positions).

2025 Employee Promotions and Female Promotion Rate

	Greater China	India	USA	Group
Female Promotees	8	0	7	15
Total Promotions	38	29	31	98
Rate	21%	0%	23%	15%

Note:
1. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
2. The rate is calculated as: (Number of female promotees) / (Total number of promotions).

Compensation Structure and Employee Benefits

Compensation and Performance

Talent is the cornerstone of sustainable corporate operations. We aim to create a fair, competitive, and motivating work environment. Through a comprehensive compensation structure and a robust performance development system, we closely link the company's operational results with individual employee contributions to attract, retain, and nurture outstanding talent, jointly driving the Group's continuous growth.

Competitive Compensation and Benefits

To ensure our employees receive fair and comprehensive compensation, we have established a fair and competitive compensation management system.



Market Benchmarking and Performance Linkage

We regularly reference external salary market surveys annually and combine them with individual professional competencies, job value, and performance evaluation results to determine competitive salaries. In addition to fixed salaries, we have performance bonuses and profit-sharing systems that effectively link the company's overall operational results, site performance, and individual performance, sharing business achievements with employees to motivate team morale and productivity.



Living Wage

Building on compliance with local statutory minimum wages, CSRC has initiated a "Living Wage" survey and assessment project, which is planned to be implemented in phases:

Phase 1：
Conduct regional cost-of-living and market compensation surveys at our operating sites to scientifically define the local living wage level.

Phase 2：
Based on the survey results, systematically review employee salary levels to ensure they all meet the living wage standard.

Advancing Gender Equality and Pay Equity GRI 405-2

CSRC is dedicated to fostering a gender-equal workplace, firmly upholding the principle of pay equity. Employee compensation and starting salaries are determined solely by objective criteria, such as company performance, industry salary benchmarks, job evaluation, and individual performance, with no differentiation based on gender. This commitment to wage equality is a key focus in the guidance and communication provided to our human resources and hiring managers.
We recognize that due to the talent structure characteristics of our industry, technical positions in our factories are currently held predominantly by men, while women often hold administrative/support roles. This structural difference is the primary reason for the disparity in compensation data. To proactively manage this phenomenon and ensure fairness in compensation, the Human Resources department regularly reviews internal and external compensation data annually to ensure its appropriateness and reasonableness. At the same time, we disclose "Salary Information for Full-time Employees in Non-Managerial Positions," including the average and median salaries, on the Market Observation Post System (MOPS). Through transparent information disclosure, we promote workplace fairness.

Note: The path to access the salary information for full-time employees not in supervisory roles is as follows: Market Observation Post System (https://mops.twse.com.tw/) > Corporate Governance > Information relating to ESG> Information relating to employee benefits and compensations > Information about salary of full-time employees who are not in a managerial position

Male-to-female average salary ratio by job level for CSRC over the past 3 years

	Greater China			India			USA			Group		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Senior manager	1.47：1	1.33：1	1.41：1								1.33：1	1.41：1
Mid-level manager	0.84：1	1.11：1	1.12：1	1.47：1	1.07：1	1.33：1		0.80：1	1.60：1	0.99：1	1.03：1	1.30：1
Basic level manager	1.03：1	1.04：1	1.02：1	1.42：1	1.30：1	1.29：1	1.10：1	1.10：1	0.91：1	1.13：1	1.14：1	1.09：1
Professionals	1.22：1	1.19：1	1.19：1	1.21：1	1.13：1	1.11：1	1.10：1	1.21：1	1.18：1	1.13：1	1.17：1	1.16：1
Direct Staff	1.13：1	1.15：1	1.20：1			1.35：1	1.10：1	1.10：1	1.23：1	1.12：1	1.13：1	1.26：1

Note:
1. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
2. Only the Taipei headquarters in Greater China has female high-level executives.
3. Due to the differing job function preferences between male and female employees, with a higher proportion of women occupying administrative and clerical positions, there exists a noticeable disparity in salary ratios at equivalent job levels. When calculating the salary ratio for identical job functions and grades, the male to female salary ratio is approximately 0.93:1.

We not only comply with local regulations to ensure our starting salaries are significantly higher than the local minimum wage, but in pursuit of internal equity, the starting salary for a position is determined solely by the value of its responsibilities and market rates, not by the applicant's gender.

	Greater China	India	USA	Group
Ratio of entry-level salary for male direct personnel to local minimum wage	1.47:1	2.02:1	2.48:1	1.83:1
Ratio of entry-level salary for female direct personnel to local minimum wage	1.34:1	2.1:1	2.56:1	1.80:1
Standard Used for "Local Minimum Wage	• Taiwan Ministry of Labor • Anhui Provincial Department of Human Resources and Social Security	• Government of Uttar Pradesh • Labour, Skill Development and Employment Department	• North Carolina Department of Labor	

Performance Management and Career Development GRI 404-2、404-3

We view performance management as a key component of career development, not just an annual appraisal. Through a structured system and platform, we promote continuous communication between supervisors and subordinates, supporting employees in enhancing their competencies and achieving mutual growth for both the individual and the organization.

Implementation of Performance and Career Development Reviews

CSRC's annual performance review process covers all permanent employees who have completed three months of service. We use an online performance management platform to ensure the convenience, timeliness, and completeness of the review process.
In 2025, 100% of eligible employees at CSRC Group completed their performance and career development reviews.

The performance review process is oriented towards two-way communication and competency development：

Beginning of the year

Goal Setting

Employees set annual "qualitative" and "quantitative" goals based on SMART principles, which take effect after discussion and approval by their supervisor.



Mid-year

Mid-year Tracking

Supervisors and subordinates conduct informal work discussions and progress tracking without scoring, focusing on providing timely guidance and encouragement.



End of the year

Annual Review

This includes a complete process from self-assessment, initial review, secondary review, to final approval. A crucial part of this is that the initial reviewing supervisor must conduct a face-to-face performance interview with the subordinate to provide specific feedback, discuss future development plans, and reach a consensus.



The performance review framework consists of two core components：

「Goal Items」 60-70%

Focuses on quantitative or qualitative work output.

「Competency Items」 30-40%

Assesses the key behaviors and attitudes demonstrated by employees at work.

- **Core Competencies (Applicable to all employees)：**
  By assessing the five core competencies of "Integrity," " Quality," "Teamwork," "Adaptability," and "Innovation," we guide all employees to exhibit behaviors that align with organizational values and identify individual development needs.

- **Managerial Competencies (Applicable to supervisors)：**
  For supervisors, we add assessments of managerial competencies such as "Visionary Leadership," "Partnership Building," "Developing Subordinates," "Anticipating the Future," and "Leading Change." The "Developing Subordinates" competency, in particular, explicitly requires supervisors to identify the skill gaps of their team members, assist them in setting development goals, and provide growth opportunities. This reinforces the principle that talent cultivation is a key responsibility for all our managers.

Through this comprehensive assessment, we can more fully understand employee performance, systematically plan for talent capabilities, and directly apply the review results to create personalized development plans, effectively enhancing employee competencies.

Completion of regular performance assessments by the Group and each region over the past three years

	Greater China	India	USA	Group
Assessment ratio for 2023	100%	100%	100%	100%
Assessment ratio for 2024	100%	100%	100%	100%
Assessment ratio for 2025	100%	100%	100%	100%

Note: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

Fair Promotion and Development Opportunities

Providing clear and fair development channels for talent is key to motivating mutual growth for both employees and the organization. We uphold the principles of fairness, impartiality, and non-discrimination. All employees' career development and promotions are based on their individual abilities and contributions, and are not influenced by their gender, age, race, religion, marital status, or any other non-work-related factors.
To implement this non-discrimination principle in daily management, we have established transparent and institutionalized promotion channels. The promotion process involves a qualification screening based on predefined job requirements. When a vacancy arises in the organizational structure, eligible employees can be nominated for promotion. To ensure the objectivity and consistency of promotion decisions for management levels (Assistant Manager and above), we have a rigorous "Personnel Review Committee" mechanism to eliminate any form of bias:

Diverse Evaluation Team

A diverse evaluation team composed of the President, the Head of Human Resources, and cross-departmental managers ensures a comprehensive and objective evaluation perspective.



Objective Evaluation Criteria

Promotion decisions are based solely on objective criteria such as the candidate's performance, professional skills, management potential, and organizational development needs, with a comprehensive assessment conducted through candidate presentations.



Through this rigorous and multi-party process, we ensure that all promotion decisions are fair and transparent, building a pipeline of key leadership talent for the company's sustainable development.

Employee Benefits GRI 201-3、401-2

Providing comprehensive care for our employees' well-being and growth is the foundation of CSRC Group's operational resilience and innovative vitality. Our benefits system is designed to support employees in achieving a balance between their work and family lives, and to promote their physical and mental health and personal development. By implementing specific programs that exceed the legal requirements of each operating site, we create a work environment where our employees can feel secure, dedicated, and grow together.

Core Protections and Retirement Planning

We provide solid protection for all full-time employees, ensuring they have peace of mind when facing challenges at different stages of life. Our benefits cover health and medical care, retirement planning, and emergency assistance, and we offer localized benefit plans based on the legal and cultural characteristics of our main operating sites.

Insurance System We have built a comprehensive insurance safety net covering medical, accident, life, and other areas.

Region	Major Insurance Coverage
Taiwan	• Statutory Insurance: Labor Insurance, National Health Insurance, Labor Pension Contribution. • Group Insurance: Term Life Insurance, Accident Insurance, Accidental Medical Insurance, Cancer Insurance. • Other: Travel Accident Insurance, Employer's Liability Insurance
Mainland China	• Statutory Insurance: Pension, Medical, Unemployment, Work-related Injury, and Maternity Insurance, plus a Housing Provident Fund. • Other: Employer's Liability Insurance
India	• Statutory Insurance: Social Security (ESI/WC), Employees' Provident Fund (PF) • Group Insurance: Accident Insurance, Accidental Medical Insurance
USA	• Medical insurance (choice of preferred provider organization PPO, high deductible health plan HAS/HDHP) • ISavings account (respectively Health Savings Account (HSA) and Flexible Spending Account (FSA)) • Other Insurance: Dental Insurance, Critical Illness Insurance, Basic Life Insurance, Accidental Death & Dismemberment (AD&D) Insurance, Business Travel Accident Insurance

CSRC Group is continuously committed to enhancing employees' medical protection. In the past three years, the medical insurance coverage rate for full-time employees at all major operating sites has reached 100%.

Retirement System CSRC assists employees in making proper retirement plans. Each region has established retirement systems in compliance with local laws, as detailed below.

Taiwan	• Old Labor Pension System: A "Labor Retirement Reserve Supervision Committee" has been established in accordance with the law, with regular and sufficient contributions to the pension fund, and labor representatives participating in its supervision. • New Labor Pension System: The company contributes 6% of each employee's monthly salary to their individual pension account as required by law.
Mainland China	The retirement system is planned in accordance with the "Social Insurance Law" of the People's Republic of China. Approximately 16% of salary is contributed as pension insurance at the statutory rate. The pensions for all active and retired employees are managed and disbursed by the local government.
India	From the start of employment, the company withholds and contributes to the Employees' Provident Fund (PF) as required by law, which is disbursed by the social security organization.
USA	The company offers employees a retirement savings plan (401(k) Plan). This plan operates as an account into which both the employer and employee contribute a fixed percentage of salary each month. The company provides a 6% contribution for non-collectively bargained employees and a 3% contribution for employees under collective bargaining agreements.

Employee Stock Ownership Trust (ESOT) Plan

Since 2019, we have implemented an ESOT plan in Taiwan. Employees can voluntarily contribute a portion of their salary each month, and the company matches the contribution as an incentive, jointly investing in company stock through regular fixed-amount investments. This plan aims to allow employees to share in the company's operational success, creating a win-win-win situation for the company, shareholders, and employees. Since November 2021, the plan has also included a "Retiring Employees' Additional Contribution Plan " and a "Single Withdrawal Increased Amount Sharing Plan " to strengthen long-term care for employees.

Emergency Assistance CSRC treats every employee as family. When an employee or their family faces a sudden crisis, the company proactively extends a helping hand, providing immediate and warm support.

An Immediate Financial Safety Net: Employee Stock Ownership Trust (ESOT)



The "Employee Stock Ownership Trust Plan" is not only a tool for sharing operational success but also a crucial financial safety net. When a current employee encounters a major emergency or force majeure event, we offer a flexible withdrawal mechanism. The employee simply needs to apply to the representative of the employee stock ownership committee, and upon approval, they can withdraw the assets from their trust account for immediate financial support.

Flexible Support: An Individualized Care Mechanism



We understand that life circumstances vary and that standardized policies may not suit everyone. When an employee is unable to adhere to standard procedures due to physical or mental health conditions, significant family caregiving responsibilities, or other unique personal factors, we activate our Individualized Care Mechanism.
Under this mechanism, the employee's department manager, in collaboration with the Human Resources unit, will discuss and develop a suitable solution with the employee. This tailored plan is then submitted to the General Manager for special approval. This flexibility ensures that while our systems uphold fairness, they also embody human-centric care. It is our commitment to preventing any form of discrimination and truly safeguarding every employee's right to work with peace of mind.

Family Support and Work-Life Balance Measures GRI 401-3

Supporting employees' family responsibilities is an indispensable part of sustainable business operations. We comply with local regulations, such as the "Gender Equality in Employment Act" and the "Regulations for Implementation of Unpaid Parental Leave", to provide maternity leave, paternity leave, and unpaid parental leave. We also actively foster a gender-equal workplace culture, allowing employees to plan their careers without worry while welcoming new life.

Family-Friendly Facilities and Measures

In addition to providing statutory leave, we support employees' family responsibilities through concrete measures.

Measure item	Description
Gender Equality Principle	• The right to apply for unpaid parental leave is not affected by gender, position, or region, and the right to return to the original position after the leave is guaranteed. • In Taiwan, both male and female employees with newborns under six months old are entitled to an additional 3 days of paid parental leave (outperformaing legal requirements)。
Lactation Support	• In the spirit of local regulations, we provide lactation rooms or rest rooms for pregnant women at all sites. • IFemale employees in Taiwan are provided with two 30-minute lactation breaks per day. • The Maanshan Plant in Greater China arranges for female employees during their lactation period to day shifts and provides a one-hour lactation break daily.  
Childcare Support	• IIn India, childcare facilities are provided in accordance with the Maternity Act. • The Linyuan Advanced Plant in Taiwan has signed preferential childcare agreements with kindergartens accredited by the Kaohsiung City social welfare authorities.
Benefits Allowance	• The Taipei headquarters and the Linyuan Advanced Plant in Taiwan provide scholarships for employees' children and allowances for weddings and funerals.

Parental Leave by Region

Region	Item	Applicable to whom	Duration
Taiwan	Paid Maternity/Paternity Leave	Female/Male Employees	8 weeks / 7 days
	Paid Parental Leave (outperforming legal requirements)	Male/Female employees with newborns under 6 months	Extra 3 days
Mainland China	Paid Maternity/Paternity Leave	Female/Male Employees	158 days /10 days
India	Maternity leave	Female Employees	26 weeks
USA	Paternity leave	Employees (regardless of gender)	Up to 12 weeks

Parental Leave Application, Reinstatement, and Retention Statistics

CSRC Group's parental leave application and reinstatement retention statistics

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Total number of employees eligible for parental leave（A）	7	8	13	10	9	7
Total number of employees actually using parental leave（B）	3	7	1	7	3	4
Total number of employees expected to return to work following parental leave（C）	3	5	2	4	3	3
Total number of employees actually returning to work following parental leave（D）	3	3	2	3	3	5
Total number of employees who resumed work last year after taking parental leave in the previous year（E）	3	5	3	5	2	6
Total number of employees who took parental leave last year and were still working 12 months after reinstatement（F）	3	5	3	5	2	5
Application rate for unpaid parental leave（B／A）	43%	88%	8%	70%	33%	57%
Reinstatement rate（D／C）	100%	60%	100%	75%	100%	167%
Retention rate（F／E）	100%	100%	100%	100%	100%	83%

Note: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

Diverse Benefits and Care

In addition to core protections, we promote employees' physical and mental health, work-life balance, and personal growth through a variety of benefit programs.

Health and Life Support

Healthy Diet

Employee canteens provide healthy meals





Active Sport

Various sports facilities such as gyms and yoga studios are available



Mental and Physical Balance

Professional massage services and comfortable rest areas are provided (open to employees and their families on holidays)



Flexible Workhours

A flexible work schedule system is implemented, respecting employees' autonomy in managing their time

Subsidies and Growth Incentives

Item	Content
Various Subsidies	Subsidies and grants for weddings, funerals, childbirth, travel, health check-ups, and children's education.
Learning and Development	Subsidies for on-the-job training and full support for employees attending external training.
Total Rewards Program (USA)	A point-based system that rewards employees for their years of service, healthy habits, and embodiment of company values.

Social Participation and Team Cohesion

Volunteer System

Two days of volunteer leave are provided per person per year to encourage participation in community service.

The number of volunteer leave visits used in 2025 was **10** person-days





Group Activities

Regular events such as birthday parties, spring and year-end banquets, holiday parties (e.g., International Women's Day), and employee travel are held to build team cohesion.



Number of benefit usage instances in 2025

Benefit Item	Greater China	India	Group Total
Birth announcement gift	9	11	20
Wedding congratulation gift	4	0	4
Children's educational stipends	86	0	86
Medical treatment subsidies	0	0	0
Health check subsidies	238	0	238
Funeral condolence allowance	24	00	24
Personal travel allowances	202	0	202
Group travel allowances	152	0	152
Festival Vouchers for Lunar New Year and Diwali	439	215	654
Birthday Celebration Activities	251	445	696

Note:
1. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
2. The United States region is not included as it has a points-based "Total Rewards Program," and comparable statistics are not maintained.

Number of Recipients of the "Total Rewards Program" in the U.S. Region in 2025

Item	Number of Persons Rewarded
Years of Service Awards	20
'n the Spot' Award	30
Employee of the Quarter' Awards	9
Tobacco Cessation	1
Health and/or Financial Wellness Challenges Awards	112
Preventive Care Activities	50
Fitness Pays Facility Reimbursement Points	32
Birthday Gifts	216

Talent Cultivation and Growth

CSRC Group actively promotes talent cultivation by formulating the "Training Management Measures " and establishing a systematic training framework to meet the demands of global expansion, rapid industry changes, and future operational needs. We are committed to creating an environment that encourages lifelong learning, allowing employees to grow together with the organization.

Employee Career Development Paths and Training Plans

CSRC's training system is designed to support employees at every stage of their development path, from joining the company to becoming domain experts or managers, ensuring they receive the most suitable development resources.

Stage	Focus	Theme	Courses
1st Integration and Onboarding (New Hires)	**Rapid integration, building a solid foundation.** Helping new employees familiarize themselves with the organizational culture, core business, and safety regulations.	New Employee Training	• Carbon Black Product Knowledge and Production Processes • EHS/Fire Safety Awareness • Introduction to Brand Values • On-site Plant Tour
2nd Deepening and Refinement (Current Employees)	**Horizontal expansion, vertical deepening.** Strengthening common core values and deeply developing professional skills required for their positions.	【Core Competency Training】 【Professional Competency Training】 【EHS Training】	• **Core:** Business Ethics Briefings, Quality Awareness Training, ISO 17025, IATF 16949, Team Building, Cross-Cultural Communication, Generative AI Applications, etc. • **Professional：** • ESG-related (e.g., Sustainability Manager, Sustainable Procurement, Carbon Inventory, etc.) , Production Operations-related (e.g., Electrical Safety and Lockout/Tagout Management, Storage Tank Replacement Methods, etc.) • Functional Unit-related (e.g., IFRS 18, Labor-related regulations, etc.) • EHS: Handling of specific chemical substances, on-the-job training for first-aid personnel.   
3rd Leadership and Succession (Managerial Development)	**Leading teams, driving strategy.** Cultivating leadership skills, strategic thinking, and experience succession for managers at all levels.	【Managerial Competency Training】	Covers five aspects: Visionary Leadership, Partnership Building, Developing Subordinates, Anticipating the Future, and Leading Change. • New/ Basic level supervisor: Roles and Responsibilities, Team Management, Foreman Training • Mid-level Managers: Goal Setting, Performance Management • Senior Managers: EMBA Programs, Corporate Governance, Broadening Business Management Perspectives

Through this development path, we ensure that each employee's growth blueprint is clear and that their personal career development is closely integrated with the company's sustainability goals through systematic cultivation.

Key Development Projects and Systems

To accelerate knowledge accumulation, build a talent pipeline, and support global expansion, we promote the following key projects and systems to transform cultivation goals into concrete action plans and results.

Project	Target Audience	Core Content and Purpose	2025 Achievements and Progress
Carbon Black Learning Map	Production unit personnel (including foremen)	To identify the professional competencies required for each position, establish graded training items and a verification mechanism to precisely enhance employee skills, serving as a foundation for other cultivation projects.	• Extended the plan to the foreman level, with senior foremen providing one-on-one on-the-job coaching for skill succession. • Completed the full training and assessment of 1 foreman.
Integrated Mentorship and Assessment System for New Hires	New employees in production units	Integrates the "Mentor Program" with the "Probationary Period Assessment." Designated mentors provide 3 months of on-the-job training (OJT) and competency verification based on the Learning Map, which serves as the basis for assessment.	• Completed system integration and process optimization. • A total of 2 new hires completed the verification and smoothly transitioned to their positions, effectively shortening the learning curve.
Global Elite Program	High-potential global management talent	A 15-month program including departmental practice, cross-departmental projects, and overseas internships to cultivate future core leaders with an international perspective and cross-functional capabilities.	As of 2025, a total of 39 have participated, with 21 completing the program; 16 of them have been assigned to overseas plants as core leaders.
Experience Succession and Knowledge Building	Senior employees, high-level executives, and re-hired retired consultants	To transform individual tacit knowledge and valuable experience into organizational assets through internal instructors, mentorship, high-level strategy seminars, and re-hiring retired consultants.	A total of 9 retired senior employees were re-hired as consultants to assist in talent cultivation and project promotion.
Internal Digital Learning Platform	All employees	Provides an autonomous learning channel accessible anytime, anywhere, with content covering diverse topics such as products, legal compliance, carbon management, and leadership, enhancing the accessibility and flexibility of learning resources.	In 2025, a total of 35 online courses were offered, with 1,125 online learning participations.

Average training hours for the Group and each region

Employee Category	Gender	2023				2024				2025			
		Greater China	India	USA	Group	Greater China	India	USA	Group	Greater China	India	USA	Group
Senior Supervisor	Male	16	-	5	7	4	3	20	8	5	-	12	7
	Female	20	-	-	20	18	-	-	19	26	-	-	26
Mid-level supervisor	Male	16	2	20	13	18	13	8	14	9	12	16	10
	Female	9	-	20	10	9	-	20	10	16	1	8	13
Basic level supervisor	Male	13	9	17	13	36	14	4	19	19	11	7	12
	Female	14	12	17	14	24	12	5	13	22	12	8	16
Professionals	Male	19	14	23	18	16	14	3	12	16	10	5	11
	Female	12	10	23	15	10	15	2	6	13	12	5	12
Direct Staff	Male	21	13	36	23	26	13	2	19	23	7	5	13
	Female	17	-	36	27	24	-	2	15	13	18	5	11
Total		17	12	25	18	24	14	3	16	18	9	6	12

Note: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.





Occupational Health and Safety (OHS)

Safety and Health Policy and Philosophy

CSRC regards the safety and health of all workers as the highest operational principle. Our policy is guided by " Safety first, prevention first, comprehensive management, people-centric; safety development, full participation, pursuing excellence, and continuous improvement. " We are committed to preventing all avoidable injuries and illnesses.

Six Commitments of the Occupational Safety and Health Policy

Compliance with Regulations

Comply with applicable laws, regulations, and other requirements at all operating sites.

Injury Prevention

Provide appropriate protective measures, equipment, or operational controls to prevent injuries and occupational diseases.

Hazard Elimination

Strengthen equipment maintenance and continuous improvement to eliminate or reduce hazards from equipment.

Competency Enhancement

Implement safety and health education for all relevant personnel to enhance their self-management capabilities.

Full Participation

Establish accessible channels for participation, consultation, and communication to jointly create a safe and comfortable work environment.

Continuous Improvement

Provide necessary resources to maintain the effective operation of the management system and continuously improve safety and health management and performance.

Occupational Safety and Health Management and Communication

Environmental health and safety center

Responsible for coordinating the safety and health regulations of the Group's carbon black business, formulating strategies, conducting hazard assessments and risk identification, and monitoring the EHS performance of all operating units.

Occupational Safety and Health Committee

The Occupational Safety and Health Committee at each global site is chaired by the Plant Manager. The committee's functions cover the entire management cycle, from plan review to performance audits, ensuring that workers' voices are effectively heard and that matters concerning occupational safety and health are fully communicated and discussed.

Number and Representation Ratio of the 2025 Occupational Safety and Health Committee Members of CSRC

Region	Greater China	India	USA	Group
Total Members	33	133	66	233
Labor Representatives	20	57	14	91
Labor representation Ratio	59%	43%	21%	39%
Meeting Frequency	Quarterly	Quarterly	Monthly	-

Note: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

2025 Key Communication Topics

Category	Main Discussion Topics
Planning and Review	Review of occupational safety and health management plans, education and training plans, and operational Environment Monitoring Plans and results.
Risk and Prevention	Review of hazard prevention measures for machinery, equipment, or raw materials, and occupational accident investigation reports.
Health Management	Annual health examination items, occupational disease prevention, and health promotion matters.
Performance and Audits	Performance assessment of on-site safety and health management, self-inspections, and safety and health audits.
Contractor Management	Review of safety and health management for contracted business and contractors.
Emergency Response	Review of comprehensive emergency response plans and drill scenarios for sudden incidents.
Communication and Promotion	Promotion of EHS knowledge on topics such as unsafe acts and conditions, fire drills, and hearing protection.

High-Level Support and Participation in Occupational Safety and Health - Greater China Occupational Safety Meeting

To implement the policy and perfect the two-way communication management structure, the Greater China Occupational Safety Meeting is held regularly to ensure that the occupational safety and health policy is translated into actual practice.

Greater China

12
meetings held in 2025
(Monthly)

Main Participants

Chairman, President, Plant Managers, Head of the EHS center

Meeting Purpose and Agenda

To supervise and report on EHS management in the Greater China region:

- Report on the implementation of various tasks.
- Formulate resolutions for improvement and execution at each site.

Safety and Health Management System

GRI 403-1

CSRC continuously promotes the operation of ISO 45001 and GB/T management systems through a systematic management approach. We establish EHS and environmental policies in accordance with the laws and rules to be followed in each region, integrating occupational safety and health into daily operations.

Region	Main Regulations / Requirements Followed
Taiwan	• Occupational Safety and Health Act • Process Safety Management • Labor Health Protection Rules
Mainland China	• Work Safety Law • Prevention and Control of Occupational Diseases Law • The Basic Law on Labor Protection
India	• The Factories Act, 1948
USA	• Occupational Safety and Health Administration (OSHA) related requirements

Occupational Safety and Health Management System Framework

GRI 403-8

Workers

Covers all employees and non-employees (e.g., contractors, security, cleaning staff).)

Locations

Covers all workplaces and routes taken by employees commuting to and from work.

Contractor Management

- Contractual Requirements: All contractor agreements explicitly stipulate our Occupational Health and Safety (OHS) protocols.
- On-site Audits & Enforcement: Site auditors conduct irregular checks. If violations are found, immediate work stoppage for improvement can be required.

As of the end of 2025, 100% of workers at all global production sites are covered by the occupational safety and health management system. Among them, 4 plants in the Greater China and India regions have obtained ISO 45001 external certification.

Region	Certification / System Standard
Greater China	ISO 45001
India	ISO 45001
USA	Internal EHS System

Coverage ratio of CSRC's occupational health and safety system for 2025



Total 1,645 people

Employees 1,053 people | Non-employees 592 people

Note:
1. Main types of non-employee workers include cleaning staff, outsourced contractors, security, works contractors, and outsourced labor for logistics and packaging.
2. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.



Linyuan Advanced Plant
ISO 45001
Expiration date:2026/10/01



Maanshan Plant
ISO 45001
Expiration date:2027/01/24



CCET Plant
ISO 45001
Expiration date:2029/03/28



CCIPL Plant
ISO 45001
Expiration date:2028/08/11

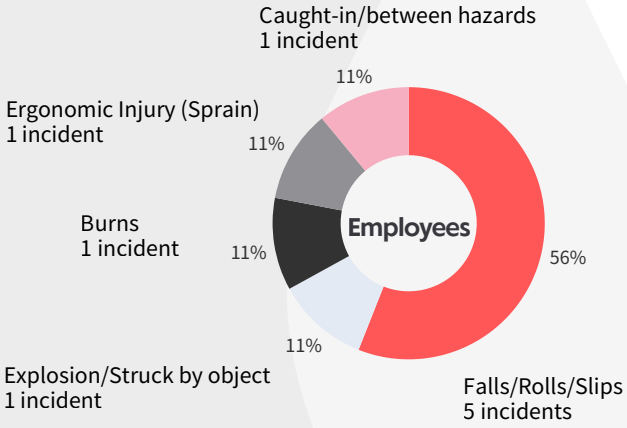
Occupational Injury Statistics GRI 403-9；SASB RT-CH-320a.1、RT-CH-540a.1、RT-CH-540a.2

CSRC is committed to providing a zero-injury work environment and considers the prevention of accidents its highest guiding principle. To implement our safety and health policy, CSRC formulates various safety and health management plans annually based on annual goals and promotes continuous improvement activities following the safety and health management system to reduce health and safety hazards, prevent accidents, and promote employee safety and health.

Analysis and Improvement Measures for 2025 Occupational Injury Incidents

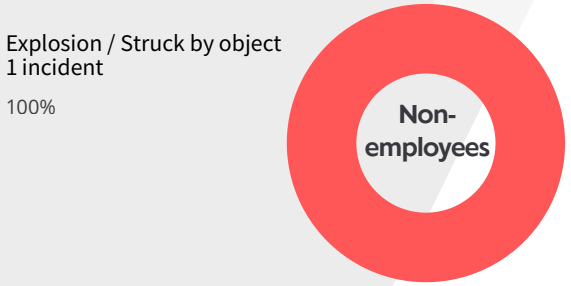
In 2025, there were a total of 9 occupational injuries among employees and 1 occupational injury among non-employees in the Group. We conducted detailed investigations for each incident and, based on the hazard risk level, took specific corrective and preventive measures to prevent similar incidents from recurring.

Employees



Incident Type	Follow-up measures	
	Hardware Improvements	Management/Procedural Improvements
Falls/ Rolls/ Slips	• Protective Facilities: Added guardrails to work platforms, re-welded grating plates. • Work Aids: Installed work platforms at valves, installed boot cleaning devices. • Environmental Facilities: Installed temporary lighting.	• Equipment Management: Established a ladder inspection system/floor inspection checklist. • Personnel Management: Implemented safety training for ladder use, established a boot cleaning policy. • Environmental Maintenance: Enhanced floor cleaning.
Caught-in/between hazards	• Design Change: Adjusted the distance between the pedal and the anchor winch to reduce contact risk.	• Standard Operating Procedure (SOP): Developed a standard procedure for using the anchor winch. • Personnel Management: Conducted personnel retraining and operational qualification assessments.
Explosion/ Struck by object	• Facility Reinforcement: Replaced PVC drainage pipes with more durable steel pipes. • Design Change: Moved the valve to ground level, eliminating the need for a step ladder.	• Standard Operating Procedure (SOP): Modified the drainage procedure.
Burns	• Protective Facilities: Added pit covers. • Equipment Maintenance/Replacement: Cleaned facility drainage pipes, replaced the reactor quench section.	• Risk Assessment: Assessed the feasibility of shortening the OI pipeline.
Ergonomic Injury (Sprain)		• Safety Promotion: Promoted the importance of maintaining good posture.

Non-employees



Incident Type	Follow-up measures
	Management/Procedural Improvements
Explosion / Struck by object	• Complete ban on cutting empty chemical drums on-site. • Standard Operating Procedure (SOP): **Waste Management:** Store empty chemical drums in the designated hazardous waste storage area. **Personnel Management:** Conduct cognitive training on chemical container handling and Material Safety Data Sheets (MSDS).

CSRC Group Occupational Injury Statistics for Employees in the Past 3 Years

Year	Total Working Hours	Number of General Occupational Injuries	Number of Severe Occupational Injuries	Number of Deaths	Total number of Recordable Occupational Injuries	Total Recordable Injury Rate (TRIR) Note 1	Severe Occupational Injuries Rate Note 2	Resulting from occupational injuries Death rate Note 3	Disabling Injuries Frequency Rate (FR) Note 4	Lost Workdays Note 5	Severity of Disability Injury(SR) Note 6
2023	1,864,773	5	0	0	5	0.54	0	0	2.68	233	120
2024	1,911,914	2	1	0	3	0.31	0.52	0	1.57	148	77
2025	2,115,166	8	1	0	9	0.85	0.47	0	4.25	413	195.26

Group Non-employee (Temporary workers, security, contractors) Occupational Injury Statistics (Past 3 Years)

Year	Total Working Hours	Number of General Occupational Injuries	Number of Severe Occupational Injuries	Number of Deaths	Total number of Recordable Occupational Injuries	Total Recordable Injury Rate (TRIR) Note 1	Severe Occupational Injuries Rate Note 2	Resulting from occupational injuries Death rate Note 3	Disabling Injuries Frequency Rate (FR) Note 4	Lost Workdays Note 5	Severity of Disability Injury(SR) Note 6
2023	1,528,865	0	0	0	0	0	0	0	0	0	0
2024	1,759,149	1	0	1	2	0.23	0	0.57	1.14	6,074	3,453
2025	1,336,507	1	0	0	1	0.15	0	0	0.75	12	8.98

Note:

1. Total Recordable Injury Rate (TRIR) = (Recordable number of occupational injuries x 200,000 working hours) / Total working hours.
2. Severe occupational injury rate (excluding deaths) = [Number of serious occupational injuries (Excluding deaths) x 1,000,000 working hours] / Total working hours.
3. Rate of deaths caused by occupational injuries = (The number of deaths caused by occupational injuries x 1,000,000 working hours) / Total working hours.
4. Disabling injury frequency rate (FR) (Also known as "Recordable Occupational Injury Rate") = (Recordable number of occupational injuries x 1,000,000 working hours) / Total working hours.
5. Calculated from the date of injury, the total number of days lost after all injuries occurring in a single case. The number of days the injured person is temporarily (or permanently) unable to return to work. The day of injury and the day of return to work shall not be included, but the number of days elapsed in between (including Sundays, holidays or business unit off-work days) and any days of inability to work due to the incident after resumption of work shall be included.
6. Severity of disability injury (SR) = (Number of lost working days x 1,000,000 working hours) / Total working hours.
7. Employee statistics cover 100% of Group employees; however, the CCET Plant in India was commissioned at the end of 2022, so it is included in the statistics starting from 2023.
8. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

Group over the past three years for process safety incidents

	2023	2024	2025
Total Number of Process Safety Incidents (PSIC)	2	1	0
Total Incident Rate (PSTIR) Note 1	0.7948	0.4284	0
Incident Severity Rate (PSISR) Note 2	0.7948	0.4284	0

Note:

1. Process Safety Total Incident Rate (PSTIR) = (Number of Process Safety Incidents x 200,000) / Total working hours.
2. Process Safety Incident Severity Rate (PSISR) = (Total Process Safety Incident Severity Score x 200,000) / Total working hours.
3. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

Major Contractor Incident and Systemic Improvement Plan

Following an in-depth review of the major occupational incident involving tank cleaning at a contractor's worksite in 2024, we initiated a systemic improvement plan to eliminate loopholes at the institutional level.
The core of the plan is to strengthen the principal employer's responsibility. Key measures include: raising the safety selection criteria for contractors, implementing joint risk assessments and hazard communication before work begins, appointing dedicated on-site supervisors with immediate stop-work authority, and incorporating accident case studies into internal training materials to ensure lessons learned are transformed into permanent organizational systems.



EHS Risk Management Process GRI 403-2、403-7

Proactive and systematic risk management is the cornerstone of preventing occupational injuries and diseases. To this end, we have established an EHS risk management framework in accordance with the ISO 45001 standard. The purpose is to continuously identify hazards, assess risks, and take appropriate preventive and control measures to reduce risks to an acceptable level, thereby enhancing overall EHS performance.

Risk Management Framework

Our risk management process covers the complete cycle from identification to response and ensures the quality of execution and personnel competence through regular internal and external audits.

STEP1

Risk Identification



Identify risk factors that need to be managed. Design methods to identify risks based on the company's business characteristics and internal/external environments.

STEP2

Risk Measurement



After identifying risk factors, establish appropriate measurement methods to serve as the basis for risk measurement.

STEP3

Risk Monitoring



Each risk management unit should continuously monitor the risks of its business. When exposure exceeds risk limits, countermeasures should be immediately proposed or requested from other units, and the risks and countermeasures reported to senior management.

STEP4

Risk Reporting and Disclosure



To fully document the risk management process and its results, the company should regularly report the risk status to senior management for management reference.

STEP5

Risk Response



After assessing and consolidating risks, each risk management unit should take appropriate response measures.

Risk assessment and hazard identification GRI 403-2

CSRC has established a "Safety and Health Hazard Identification and Risk Assessment Procedure" in accordance with the ISO 45001 standard. We have defined processes for identifying and assessing routine and non-routine occupational hazards based on our safety and health management system to identify potential dangers and EHS risks at each operating plant, and to clarify management strategies through graded control. We encourage and establish multiple channels for workers (including contractors) to fully participate and protect their rights when they discover hazards.

Region	Risk Assessment and Grading Method	Worker Participation and Rights Protection
Taiwan	• Risk Grading: Risks are graded from 1 to 5, from highest to lowest. • Control Hierarchy: Strictly follows the priority order of (a) Elimination, (b) Substitution, (c) Engineering Controls, (d) Administrative Controls, and (e) Personal Protective Equipment to determine control methods.	Employees can propose hazard improvement plans through their unit supervisors or executive teams and participate in incident investigations and the determination of control methods.
Mainland China	• Risk Grading: Uses colors to distinguish 3 risk levels, with a comprehensive assessment organized annually by a leadership team. • Dynamic Identification: Conducts dynamic identification of new risk points arising from process changes, etc.	If employees perceive a danger, they can refuse to perform hazardous work in accordance with the “Labor Contract Law” and internal regulations, and are protected from being considered in breach of their labor contract.
India	• Incident Grading: Incidents are classified into four levels: minor, moderate, major, and natural disaster, each with corresponding response mechanisms. • Regular Audits: Internal and external audits ensure the implementation of the risk assessment process.	If workers believe a work item is dangerous, they have the right to refuse or stop the work to ensure their own safety.
USA	• Job Safety Analysis (JSA): Develops JSAs for each job as a guide for incident prevention. • Regular Review: JSAs are reviewed at least every three years and updated as needed.	Both employees and contractors are explicitly granted "Stop Work Authority (SWA)" and can immediately report and stop unsafe work.

Key Risk Items and Countermeasures

Through the above process, we have identified key risks at each plant and formulated specific countermeasures.

Oil spill



Description:

A pipeline instrument falls off and causes oil leakage, resulting in a risk of fire and explosion.

Countermeasures:

The instrument is inspected regularly to ensure its stability and normal functioning.

Hypoxia poisoning



Description:

Personnel inhaling harmful gas in the workplace and causing injury or death.
Entering a confined space to perform hypoxic work, causing injury or death.

Countermeasures:

The working environment is equipped with a carbon monoxide detection system for environmental monitoring, and personal protective equipment is provided and required.

Falling



Description:

There is a risk of workers falling if there is no proper protective enclosure for high-altitude operations.

Countermeasures:

We set up appropriate guardrails in accordance with relevant facility regulations, and require personnel to wear appropriate protective equipment.

Material collapse



Description:

The warehouse shelves for storing materials do not have relevant strength structure calculations.

Countermeasures:

We ask the structural technician to calculate and set up the relevant shelves according to the structural plan.

Mechanical operation accidents such as Caught-in /Entanglement



Description:

Power equipment is not equipped with proper protection, and there is a risk of being caught in and entangled.

Countermeasures:

Power equipment shall be equipped with relevant protective measures such as appropriate guards, gratings, two-handed operation, and interlocking devices.

Boiler explosions



Description:

Boiler operation abnormalities, pipeline ruptures, and failure to meet operating qualifications.

Countermeasures:

Establish boiler station safety operating procedures, install flammable gas leak detection alarms and image monitoring systems, and require certified personnel for operations.

Electric shock



Description:

Risks of electric shock, flash fire, ignition, or explosion when operating electronic equipment.

Countermeasures:

The power distribution room is to have a dedicated person responsible for management and regular inspections.

High-temperature operations



Description:

There is a risk of fire if flammable materials are scattered in the area while high-temperature operations are being carried out.

Countermeasures:

Before conducting high-temperature operations, remove all combustible materials from the area and place fire extinguishing equipment.

Process Safety Management (PSM)

To prevent process-related disasters that could lead to major safety and environmental impacts at the source, CSRC has introduced systematic "Process Safety Management" (PSM) as a risk control measure.

2024 Introduction & Establishment → **2025 Foundation Strengthening** → **2026 Implementation**

The Linyuan Advanced Plant in Greater China has taken the lead in establishing the PSM system, drafting procedures, and conducting educational training.

Management Aspect: Systematic Hazard Identification

- Safety Critical Equipment (SCE) determination
- Corrosion loop confirmation

Management Aspect: Establishment of Procedures and Standards

Standard Operating Procedures (SOPs)

- Mechanical Integrity (MI) procedure documents, including maintenance planning for critical equipment and various non-destructive testing (NDT) procedures (e.g., ultrasonic, radiographic, liquid penetrant testing)
- Overhaul work instructions for critical equipment such as the Distributed Control System (DCS), electrical room equipment, control valves, and transformers

Management Aspect: Personnel Training and Empowerment

- Educational training related to Process Safety Information (PSI)

Begin conducting internal implementation audits.

Contractor and Supply Chain Risk Management GRI 403-7

We extend our EHS management to our business partners to prevent and mitigate negative impacts associated with our operations.

Contractor Management

We require external contractors to sign a safety agreement and complete hazard communication training (including general, job-specific, and chemical hazards) before entering the plant.This training covers general, job-specific, and chemical hazards to ensure their full understanding of and compliance with our risk management requirements. We are committed to partnering with our contractors to uphold the highest safety standards throughout the construction process, alongside delivering on quality and schedule. In 2025, the Group achieved a 100% completion rate for pre-entry hazard communication for contractors.

Pre-entry hazard communication for contractors in 2025

the Group achieved

100%

Transport Safety Management

To effectively control potential risks during transportation, we implement a comprehensive transport safety management system covering supplier evaluation and personnel safety training. As a result of our risk control efforts, there were no major transportation accidents leading to raw material or chemical spills in 2025.

In 2025

No

major transportation accidents leading to raw material or chemical spills

Rigorous Qualification Evaluation and Certification

All transportation suppliers must pass regular evaluations and meet standards in safety, quality, and regulatory compliance to obtain or maintain their contracting qualifications.

Comprehensive Safety Training and Awareness Enhancement

- **Two-way Training Mechanism：** We not only require transporters to establish regular internal training but also proactively provide professional education and training for them, strengthening personnel's safety awareness and skills through a dual approach.
- **Diverse Training Topics：** Training topics cover defensive driving, emergency response and reporting, fire safety, chemical properties and PPE use, and moisture prevention measures for transport, aiming to comprehensively enhance the response capabilities of drivers and related personnel.

Taiwan Transport & Storage Corp. - Main Transportation Partner for Linyuan Advanced Plant, Greater China

Partner Qualifications

Holds ISO 9001/14001/45001 certifications, demonstrating its excellence in quality, environmental, and EHS management.

Fleet and Volume

- The transport fleet includes 17-ton, 26-ton, 35-ton, and 46-ton wing-body trucks and container trucks, allowing flexible response to different transport needs.
- The total transport volume in 2025 was approximately 103,556 tons and 2,179 TEUs (20-foot equivalent units).

Training Practice

Regular educational training is held quarterly, and driver safety meetings are convened monthly to continuously communicate and reinforce safety regulations.



Hazardous Chemical Management SASB RT-CH-410b.2

To protect employee health and prevent occupational incidents, all CSRC operational sites have established chemical management guidelines in compliance with regulations. These guidelines are designed to mitigate the occupational health and safety (OHS) risks posed by hazardous chemicals.

Chemical Management Compliance and Practices

Region	Primary Governing Regulations and Standards	Management Measures and Practices
Taiwan	• Article 10 of the Occupational Safety and Health Act • Article 17 of the Regulation of Labelling and Hazard Communication of Hazardous Chemicals	• The EHS office is responsible for establishing and updating the "Hazard Communication Plan" as needed.
Mainland China	• Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste	• Internal "Chemical Management Regulations" are established in accordance with laws. • Fixed and portable alarms are installed to monitor the status of toxic gases in the plant. • A third party is regularly commissioned to conduct work environment monitoring (chemical and physical factors). • Control and management of pollution from the use of oils and chemicals.
India	• The Factories Act, 1948 (India)	• Chemicals are labeled in accordance with local regulations. • Safety Data Sheets (SDS) are provided in both English and local languages. • Internal work instructions are in place, and relevant training is provided to employees and contractors.
USA	• Occupational Safety and Health Administration (OSHA) procedures	• A "Chemical Hygiene Plan" has been established. • A "Spill Prevention, Control, and Countermeasure (SPCC) Plan" has been established.

CSRC posts color markings for equipment paint pipelines in plants of each region and reminds employees to wear protective equipment



(Image of Linyuan Advanced Plant markings)



(Image of Maanshan Advanced Plant markings)

Summary of Key Aspects of Chemical Management

Management Aspect	Key Management Item	Implementation of Content and Specific Requirements
System and Document Management	Lists and Databases	• Hazardous Chemical List: Create and maintain data on the use and storage of all hazardous chemicals. • Safety Data Sheets (SDS): Compile and place in easily accessible locations in the workplace to help employees understand hazard characteristics. • Chemical Inventory List: Maintained by user departments, this list documents the storage location, quantity, and usage method for each chemical.
	Regulatory Declaration and Assessment	• Priority Management Chemicals: Regularly updated and declared from April to September each year. • Precursor Chemicals: Declared online in January, April, July, and October; records are kept for 3 years. • Factory Hazardous Materials: Declared to the competent authority in January and July each year. • Hazard Assessment and Classification: Conduct assessments using government-approved online tools, with a mandatory re-assessment and record update every three years.
Procurement and Warehousing	Supplier and Procurement Management	• An SDS must be requested from the supplier at the time of purchase. • Purchases must be made from qualified suppliers with valid production/business licenses. • All procurement activities must follow the established Material Requisition Management Procedure.
	Incoming Inspection	• All incoming chemicals must be inspected and registered using a Material Receiving Form prior to storage. • Entry is strictly denied for any chemicals with non-compliant packaging, damage, leakage, or signs of deterioration.
Storage and Labeling	Storage Environment Requirements	• Indoor Storage: Open-air stacking is prohibited; All chemicals should be stored indoors with an exhaust ventilation system. • Segregation and Zoning: Chemically incompatible substances or those requiring different fire-extinguishing methods must not be stored in the same area. • Designated Management: A dedicated person must be assigned to manage the storage area. All chemicals must be clearly and accurately labeled, and co-mingling is strictly forbidden. • Safety Installations: Storage areas must have essential safety systems, including ventilation, explosion-proof fixtures, fire and lightning protection, alarms, fire suppression, and static control.
	Labeling and Information	• Container Labeling: All hazardous chemical containers must have appropriate labels (hazard pictograms, names, ingredients, warning statements, etc.). • Area Labeling: Storage locations must have fire warning signs and fire access lanes.
	Safety Control	• Access Control: Unauthorized personnel are not allowed to enter or exit freely. • Fire-fighting Facilities: Fire extinguishers should be placed within 2 meters, and fire-fighting facilities regularly maintained to ensure they are in good working order. • No Overstocking: The storage quantity must not exceed the specified limit.
Use and Operational Safety	Work Environment Safety	• Gas Detection: Flammable gas areas (LNG) should be equipped with gas leak detectors, which are tested regularly. • Safety Equipment: Workplaces should be equipped with personal protective equipment, emergency eyewash and shower station, fire hydrants, and fire extinguishers, all of which are regularly inspected. • Wastewater Control: Rinsing equipment without a wastewater treatment facility is strictly prohibited; direct discharge of wastewater is forbidden.
	Personnel Operating Norms	• SOP and Hazard Communication: Personnel in contact with chemicals (including transport and handling) must receive safety SOP training and hazard communication. • Personal Protection: Personnel are required to wear personal protective equipment. • Dispensing Control: Check the requisition form upon dispensing to prevent misuse or mixing, and keep a record of dispensing.
Personnel Training	Hazard Communication Training	• Target Audience: Employees who manufacture, handle, or use hazardous chemicals in the plant. • Frequency: New employees must complete full training; current employees must receive at least 3 hours of on-the-job training every 3 years. • Records: Training records must be kept for 3 years.
Response and Disposal	Emergency Preparedness	• Emergency Plan: User departments should establish emergency plans for abnormal situations. • Regular Drills: Schedule and conduct drills, and keep drill records. • Disaster Response Information: Manage information on the types and quantities of stored chemicals to aid in disaster response decision-making.
	Waste Disposal	• Spill Handling: Spills during production must be handled promptly and not disposed of indiscriminately. • Waste Containers/Liquids: Used oil, chemical drum and containers should be stored in a temporary hazardous waste storage area and entrusted to a qualified unit for disposal.

Employee Occupational Health and Safety Training GRI 403-5

CSRC has established a comprehensive occupational safety and health training mechanism for all employees, aiming to systematically enhance their safety awareness, professional skills, and physical and mental health, thereby creating a safe, sustainable, and efficient work environment.
This system covers all employees: new hires must complete 6 hours of safety and health training and pass an assessment; current employees receive regular annual courses covering topics such as hazard identification, equipment operation, and emergency response. To ensure effectiveness, the company uses multiple assessment methods, including written tests and practical exercises.
Furthermore, since 2024, the Linyuan Advanced Plant has been promoting a monthly "EHS Bulletin" activity. Through thematic reading and online quizzes, this not only strengthens safety promotion but also allows the company to understand employee cognition through feedback data, which serves as a basis for adjusting future promotion directions.

CSRC's statistics on safety and health personnel training over the past three years

Region	Greater China			India			USA			Group		
Year	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Total EHS Training Participants	389	269	365	351	256	225	201	179	183	941	704	773
Total Training Hours	10,430	5,046	2,737	1,001	1,419	896	3,842	537	641	15,273	7,002	4,274

Note: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

OHS Training Categories and Course Highlights

Core Area/Training objectives	Training Module
Basic and General Safety Establish a shared safety consensus among all personnel	• New Hire EHS and Fire Safety Orientation • EHS/Integrated Management System Policy Promotion • General Safety and Health Education, Accident Prevention Principles, and Reporting Procedures
Emergency Response and Firefighting Enhance the emergency response skills of all personnel	• Emergency Response Plan and Self-Defense Fire-fighting Team • Fire Safety and Practical Operation of Fire Extinguishers/Respirators • Basic First Aid and AED Operation • Chemical Spill Response Drills
Operational Safety and Risk Management Deepen risk control capabilities	• Hazard Identification, Risk Assessment, and Environmental Aspect Identification • Hazard General Understanding and the Globally Harmonized System (GHS) • Electrical Safety and Personal Protective Equipment • Plant Safety Interlock Systems



Core Area/Training objectives	Training Module
Environmental Management and Regulations Ensure compliance with environmental regulations	• ISO 14001 Environmental Management System (including internal audits) • Hazardous Waste Management• Water Pollution Prevention and Monitoring • ESG Sustainability Concepts and Practices
Occupational Health and Well-being Prevent occupational health hazards	• Ergonomics and Musculoskeletal Injury Prevention • Hearing and Respiratory Protection Programs • Heat Hazard Prevention • Infectious Disease Prevention (e.g., Measles) • Employee Physical and Mental Health Promotion (including exercise, work-life balance)
Professional Skills and Certification Ensure qualifications for special operations	• Training for Waste Disposal Technicians • Training for Storage System Pollution Monitoring Personnel • Practical training on new technologies such as hydrogen energy for carbon reduction



Non-employee Occupational Health and Safety Training GRI 403-5

CSRC is committed to extending its occupational safety and health management scope to the entire industry chain, incorporating all partners such as contractors and transporters into its EHS training system to jointly create a safer work environment.
To ensure that partners fully understand construction specifications and safety protection, the company regularly conducts educational training. The course design is closely linked to practical needs, covering not only basic regulations such as plant entry procedures, emergency reporting, and waste disposal, but also rigorous pre-work protection plan training for high-risk operations like hot work, work at heights, confined space entry, and lifting. Furthermore, by sharing occupational accident cases and promoting on-site rules, we fundamentally strengthen partners' risk awareness, ensuring that every operation is conducted under the highest safety standards.

Statistics on safety and health personnel training for contractors by CSRC in the past three years

Region	Greater China			India			USA			Group		
Year	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Total EHS Training Participants	143	7,107	97	809	1,861	1,681	-	102	140	952	8,980	1,918
Total Training Hours	1,858	20,931	1,194	897	1,244	948	-	608	848	2,755	22,783	2,990

Note:
1. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics..
2. In 2024, the emergency response drills in Greater China coincided with a major overhaul at the Linyuan Advanced Plant from May to August, resulting in a higher number of contractors EHS training participants and hours compared to previous years.
3. Data for contractors in the United States was not collected in 2023.

OHS Training Categories and Course Highlights

Core Area/Training objectives	Training Module
Basic Safety and Compliance Ensure safe and compliant entry to the plant	• EHS Policy and Site Regulations • Personal Protective Equipment (PPE) Application • Work Permit System
Emergency Response and First Aid Build basic emergency response capabilities	• Emergency Response Plan and Alarm Identification • Fire Safety and Fire Extinguisher Operation • Chemical Spill Response • Basic First Aid and Life Support
High-Risk Work Safety Strictly control high-risk operations	• Work at Heights Safety • Confined Space Entry • Hot Work • Electrical Safety • Lifting and Installation Work







Core Area/Training objectives	Training Module
Chemical and Material Management Ensure safe use of materials	• Hazard Communication and MSDS Interpretation • Safe Transportation and Storage of Chemicals • Forklift and Material Transportation Safety • Waste and Environmental Management
Work Environment and Health Maintain a safe work environment and enhance health awareness	• Workplace Housekeeping • Physical Hazard Protection (Noise/Heat Hazards) • Chemical Hazard Protection (Dust/Fumes) • Health Promotion and Hygiene Awareness
Specific Position and Professional Training Strengthening position-specific skills	• Safety Briefing for Security Personnel • Hazard Prevention in Packaging Areas • Production Line Work Safety

CSRC transporter safety and health personnel training statistics in the past three years

Region	Greater China			India			USA			Group		
Year	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Total EHS Training Participants	48	208	25	64	85	86	-	4	0	112	297	111
Total Training Hours	48	91	50	297	47	30	-	32	0	345	170	80

Note:
1. The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.
2. Data for transporters in the United States was not collected in 2023.

OHS Training Categories and Course Highlights

Core Area/Training objectives	Training Module
Off-site Transport Safety Enhance road driving safety	• Road Traffic Safety Regulations • Safe Driving Behavior Guidelines
On-site Operational Safety Regulate on-site operational safety	• On-site Driving Regulations (including speed limits) • Safe Material Loading/Unloading and Stacking • Forklift Operation • Safety Regulations
General Safety and Response Build basic emergency response capabilities	• Types and Use of Personal Protective Equipment (PPE) • On-site Safety Instructions and Pictorial Signs • Emergency Response Procedures • Operation of Chemical Spill Kits







Emergency Incidents and Response GRI 403-2

Emergency Incident Management Methods

CSRC prioritizes the handling of workplace safety incidents and their immediate reporting procedures. Through the "Hazard Identification and Environmental Safety and Health Inspection Mechanism," we proactively eliminate potential workplace hazards. Incidents are then managed and controlled based on their severity, rigorously investigated, and followed by the issuance of review reports. These findings are incorporated into the annual review and improvement of our OHS system to achieve our goal of creating a healthy and safe working environment for all employees.

We not only eliminate potential risks through regular hazard identification and inspections, but upon the occurrence of any accident or abnormal event, we activate incident reporting and emergency response procedures, requiring employees to leave their workstations immediately to make a report. In our new employee training course, we explicitly teach the ' Right to Stop Work.' When an employee perceives an immediate danger, they have the right to stop working on their own initiative and evacuate to a safe area. The employer or the person in charge of the workplace must then immediately order the cessation of work and direct the workers to retreat to a safe place. The company has institutional guarantees to ensure that no employee will face any adverse action for exercising this right.

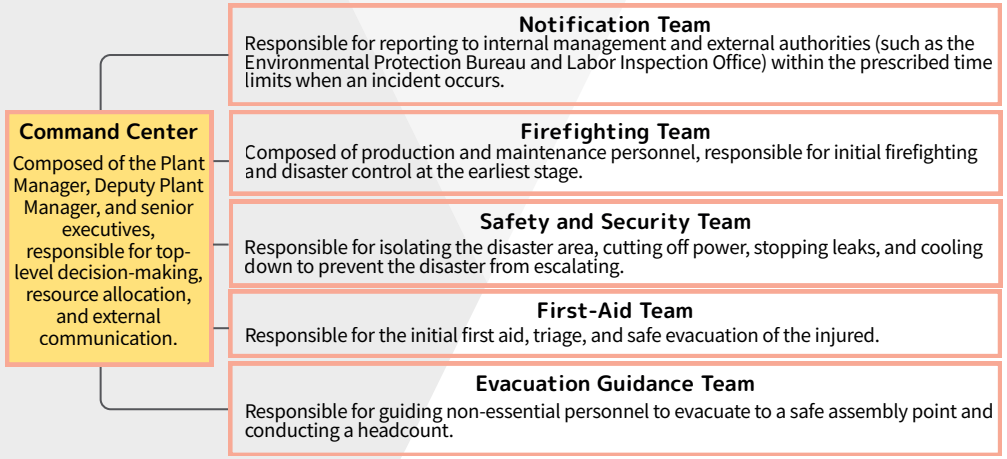
Operation of the Emergency Response Plan

To safeguard the lives of all our employees, contractors, and visitors, while also protecting company assets and the surrounding environment, each of our operational sites has established a comprehensive and systematic emergency management framework. Through clearly defined organizational roles and responsibilities, a tiered disaster control system, rigorous notification and response protocols, and regular drills, we ensure a swift, orderly, and effective response to any incident. Our objective is to minimize the impact of any disaster, thereby upholding our sustainable commitment to stakeholder safety and environmental protection.

While each operational site develops its own emergency response plan tailored to its specific process characteristics, potential risks, and local regulations, all plans adhere to a unified set of governance standards to ensure consistent response capabilities across the Group. All site-specific plans are implemented in accordance with the following core principles.

Response Organization and Responsibilities

A dedicated "Emergency Response Organization" is led by the Plant Manager, who serves as the Emergency Response Commander-in-Chief, coordinating all response actions from an Emergency Response Command Center located in a safe area. The organization includes several specialized roles and task groups, each with distinct duties to ensure the effective execution of response work:



Disaster Classification and Response Command

To ensure a precise response to incidents of varying scales, we manage site disasters at three levels, activating the corresponding command hierarchy for each level.

Disaster Level	Scenario Description	Command Hierarchy	Core Response Focus
Level 1	The incident is small in scale, with risks confined to a local area of the plant and can be handled by internal resources. For example: a small fire, a minor substance leak, or a minor personal injury.	On-site Commander (Area Foreman/Supervisor)	Immediate control, prevention of escalation
Level 2	The incident is of medium scale, with risks potentially affecting the entire plant, and may require external support. For example: a medium-sized fire, a larger substance leak, or an incident requiring cross-departmental support.	Emergency Response Coordinator (Head of the Incident Unit)	Internal organization mobilization, assessment of need for external support
Level 3	The incident is large-scale, posing a threat to the plant and surrounding communities, and requires immediate external emergency support. For example: a large fire, a major release of hazardous substances outside the plant.	Emergency Response Commander-in-Chief (Plant Manager)	Unified command of internal and external resources, execution of plant and community evacuation

Emergency Notification and Response Procedure

We have established rigorous notification protocols and timelines to ensure timely and accurate information flow. All incidents must be managed around the clock in accordance with the following core principles:

STEP 01

- **Incident Discovery and Immediate Notification：**
  - Any individual who discovers an incident must immediately report it to the area foreman.
  - Upon confirming the incident's status and severity level, the foreman must immediately escalate the report to the department head (during normal shifts) or the duty supervisor (during off-hours).

STEP 02

- **Activation of Internal Notification Mechanism：**
  - The head of the incident unit or duty supervisor must immediately report up the chain of command to the Commander-in-Chief and the Plant Manager.
  - Any act of concealment, delayed reporting, or under-reporting will be subject to disciplinary action in accordance with company regulations to foster a culture of honest and transparent reporting.

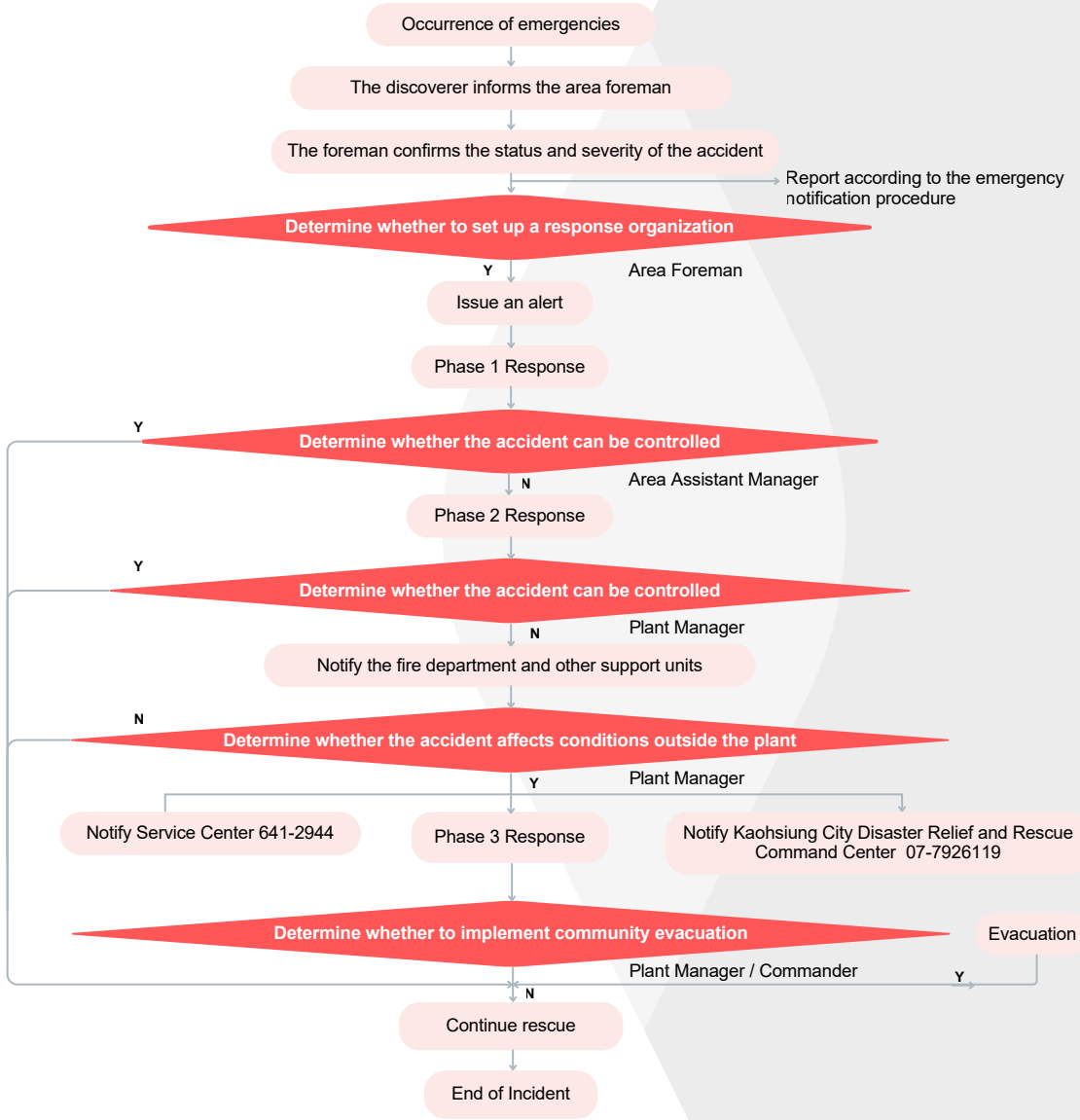
STEP 03

- **External Notification and Request for Assistance：**
  - Decisions for external notification or requests for support are made by the Plant Manager (during normal shifts) or the duty supervisor (during non-standard shifts).
  - If a major occupational accident as defined by the “Occupational Safety and Health Act “occurs, it must be reported to the labor inspection agency within 8 hours.
  - If a serious environmental pollution incident occurs, it must be reported to the competent environmental authorities within 1 hour.

STEP 04

- **Incident Handling and Post-Incident Actions：**
  - The various teams of the response organization will carry out rescue, evacuation, and notification tasks according to their duties.
  - After the incident is resolved, a review meeting will be held to analyze the root cause and formulate improvement measures to prevent recurrence.

Emergency Response Operational Flowchart for the Linyuan Advanced Plant



Regular Drills and Continuous Improvement

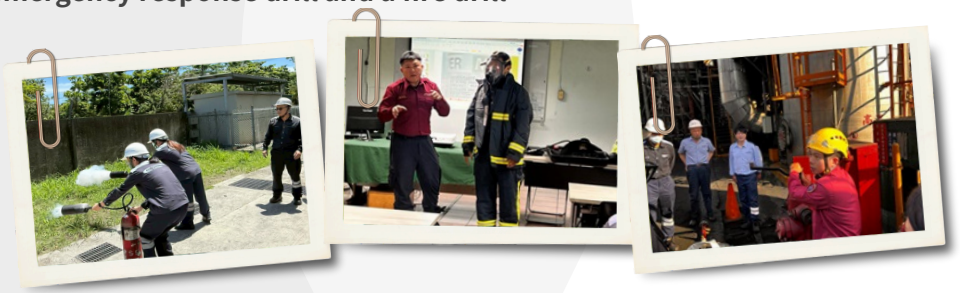
The effectiveness of our emergency response plan is ensured through constant drills and optimization. The company conducts emergency response drills at least once a year, simulating a variety of scenarios such as fires, chemical spills, and personal injuries. Following each drill, a review is conducted immediately to incorporate identified issues into an improvement plan. These actions are continuously tracked to ensure our response capabilities evolve over time, providing a safer and more reliable operating environment for all stakeholders.

Number of emergency response drills conducted by the group and regional sites in the past three years

Region	Greater China			India			USA			Group		
Year	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Number of emergency drills	28	25	22	5	2	13	3	6	4	36	33	39
Frequency of fire drills	10	8	4	6	7	8	3	6	4	19	21	16

Note: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

Linyuan Advanced Plant, Greater China—Conducting an equipment fire emergency response drill and a fire drill



CCIPL Plant, India—Hosting a safety simulation drill and safety training



Maanshan Plant, Greater China—Conducting a site-wide evacuation emergency drill



CCET Plant, India—Hosting a fire drill and safety training



Employee Health Promotion SASB RT-CH-320a.2

Occupational Health Services GRI 403-3

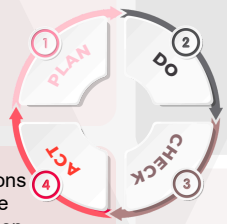
Health is an invaluable asset. At CSRC, we not only strive to protect our employees from workplace hazards but also place a strong emphasis on their overall well-being. To provide comprehensive health care for all our team members, we continuously implement and refine our health and safety systems using the PDCA (Plan-Do-Check-Act) cycle.We systematically promote health initiatives while maintaining rigorous privacy protection mechanisms to secure employees' health information. This commitment ensures a trustworthy environment for all medical and health-related communications.

Valuing Employee Privacy: Establishing a Trustworthy Health Communication Channel

CSRC has established a rigorous process for the delivery of and consultation on health examination reports, with the core principles of "dedicated medical/nursing responsibility and personal data confidentiality."

Dedicated Personnel	Health examination reports are managed by qualified plant nurses, preventing non-medical personnel from accessing personal data.
Confidential Communication	All discussions between employees and the plant nurse or on-site physician are protected. The company will never track or inquire about these conversations, safeguarding employee rights.
Data De-identification	The company only uses de-identified aggregate health data for the analysis of health promotion policies.

- Plan annual employee health examinations (general/special).
- Identify work environments with special health hazards (e.g., high temperature, noise, dust, chemical substances).
- Establish health assessment standards for contractors entering the plant.



- Provide employees with hospital-based health examinations, on-site health consultations, and special physical examination services.
- Implement the Nordic Musculoskeletal Questionnaire (NMQ) Note
- Conduct pre-entry disease assessments for contractors.
- Regularly monitor the work environment (e.g., noise, air quality).

- Arrange one-on-one consultations with on-site physicians for those with abnormal health examination results.
- Dynamically adjust the frequency of health examinations based on risk levels and regulations.
- Upgrade on-site services by hiring full-time nurses to deepen the quality of health care.

- While protecting personal data, the plant nurse tracks abnormal items in health examination reports and provides care.

Plant	Target	Content
Linyuan Advanced Plant	Employees	General Health Examination: • Annual personal health examinations, with reports delivered by the plant nurse following privacy procedures. • On-site health consultations provided by the hospital for those with abnormal results. Occupational Health: • Hired a full-time nurse to provide continuous health care. • Special physical examinations for new employees and the NMQ for all employees. • Special health examinations for those working in environments with special hazards such as high temperature, noise, and dust.
	Contractors	Entry Management： A pre-training assessment for 30 diseases unsuitable for specific jobs. For example: • Individuals with cardiovascular diseases/hearing abnormalities are assessed as unsuitable for noise-related work. • Individuals with hypertension/heart disease are assessed as unsuitable for high-temperature work. General Health Examination： In 2025, the health examination coverage rate for contractors was 89.6%.
Maanshan Plant	Employees	Complete Health Examination Process： • Provides pre-employment, in-service, and pre-departure health examinations. • Special health examinations for those working with special hazards such as noise, dust, and xylene.
CCIPL Plant & CCET Plant	Employees	Health Examination Services： Employees at both CCIPL and CCET plants receive new-hire and annual health examinations.
USA	Employees	Preventive Health Examinations: Provides annual preventive health examinations and physicals. Occupational Injury and Illness Services: On-site facilities are available for immediate initial medical treatment for work-related injuries.

Note:
The Nordic Musculoskeletal Questionnaire (NMQ) is commonly used to investigate types of musculoskeletal injuries and provide improvement suggestions. It can be used to survey all employees to identify workstations or tasks with potential risks of musculoskeletal disorders, with those reporting soreness being flagged for potential evaluation.

Employee Health Examination Rate in the past three years

Region	Greater China			India			USA			Group		
Year	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Health Check-up Rate	92.5%	83%	92%	86%	100%	100%	35%	79%	68%	71%	88%	90%

Note: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

Occupational Disease Identification and Management

GRI 403-10

CSRC systematically identifies, assesses, and manages potential occupational disease risks. We have built a health defense line for our employees, from source prevention to follow-up tracking, to ensure every employee can work in a safe and secure environment.

Management Strategy

Source Control

- **Hazard Identification：** Identifies potential hazards in the plant environment, such as dust, noise, high temperatures, organic solvents (e.g., n-hexane), and special chemicals.
- **Precautions：** Implements effective risk controls, including:
  - ＊ **Engineering/Administrative Controls：**
    Improving processes, reducing employee exposure time.
  - ＊ **Education and Training：**
    Providing regular, specialized training on topics such as hearing and respiratory protection to enhance employees' self-protection awareness and skills.

Continuous Health Monitoring

Arrange annual general and special health examinations for all employees that exceed regulatory requirements, serving as a key tool for early detection and intervention.

Systematic Graded Management

Based on the results of special health examinations, we have established a graded management process in accordance with the "Guidelines for Graded Management of Health Examinations" issued by the Occupational Safety and Health Administration (OSHA) of the Ministry of Labor. This process ensures that employees with potential health risks receive timely and professional medical intervention, as well as appropriate work adjustments and a thorough workplace assessment.

The health inspection and health classification management of special hazard operations at the Linyuan Advanced Plant in the Greater China

Test Item	Number of Persons Assessed		Class 1 Management		Class 2 Management		Class 3 Management		Class 4 Management	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Noise	94	4	64	4	25	0	0	0	5	0
Dust	98	4	68	3	30	1	0	0	0	0
High Temperature	0	0	0	0	0	0	0	0	0	0
Organic Solvents & Special Chemicals (n-Hexane)	2	0	2	0	0	0	0	0	0	0

The health inspection and health classification management of special hazard operations at the Maanshan Plant in the Greater China

Test Item	Number of Persons Assessed		Class 1 Management (No abnormalities)		Class 2 Management (Occupational contraindications)		Class 3 Management (Suspected occupational disease)	
	Male	Female	Male	Female	Male	Female	Male	Female
Noise	19	1	19	1	0	0	0	0
Dust	79	20	78	20	1	0	0	0
High Temperature	4	0	4	0	0	0	0	0
Benzene Series	8	0	8	0	0	0	0	0

The health inspection and health classification management of special hazard operations at CCIPL Plant in India

Test Item	Number of Persons Assessed		Class 1 Management		Class 2 Management		Class 3 Management		Class 4 Management	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Dust	196	12	196	12	0	0	0	0	0	0
Organic Solvents & Special Chemicals Use	196	12	196	12	0	0	0	0	0	0

The health inspection and health classification management of special hazard operations at CCET Plant in India

Test Item	Number of Persons Assessed		Class 1 Management		Class 2 Management		Class 3 Management		Class 4 Management	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Noise	160	4	156	4	4	0	0	0	5	0
Dust	160	4	160	4	0	0	0	0	0	0
High Temperature	160	4	85	3	75	1	0	0	0	0
Organic Solvents & Special Chemicals Use	160	4	4	1	0	0	0	0	0	0

Systematic Exposure Risk Management

To prevent chronic health effects on employees from harmful substances in the work environment, CSRC has established a detailed "Operational Environment Monitoring Plan," a scientific risk control process from assessment, tracking to management. Through systematic long-term investigation, we accurately grasp the reality of exposure and immediately initiate improvement measures when risks exceed standards, ensuring the long-term health of our employees is protected.

1 Exposure Assessment

1. **Establish Exposure Groups：**
   Employees with similar tasks are divided into different groups (e.g., wet process area, analysis lab) for assessment.
2. **Conduct Monitoring：**
   Through personal and area sampling, assess the 8-hour time-weighted average (TWA) exposure concentration for workers.
3. **Risk Grading：**
   Compare monitoring results with the statutory Permissible Exposure Limit (PEL) and manage them in three risk levels.
   Schedule： Conducted semi-annually.

2 Long-term Investigation

1. Data Accumulation：
   Systematically organize monitoring data from previous years (e.g., from 2019 to present) to build a historical database.
2. Trend Analysis：
   Statistically evaluate historical data to understand if there are abnormal changes in personnel exposure, serving as a basis for adjusting monitoring strategies.
3. Record Keeping：
   In accordance with regulations, monitoring records are kept for the long term based on the substance's characteristics (e.g., 10 years for dust, 30 years for sulfuric acid) for occupational disease tracking and interpretation.

Schedule: Ongoing, with data retained for at least 3 to 30 years.

3 Risk Substance Management

When exposure is assessed as "unacceptable" (i.e., exceeding the standard), the management focuses on risk control:

1. Engineering Improvements：Such as enhancing the effectiveness of exhaust facilities.
2. Administrative Controls：Such as reducing work hours, personnel rotation.
3. Personal Protection：
   Requiring and ensuring employees use appropriate personal protective equipment.

Region	Greater China			India			USA			Group		
Year	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Occupational Disease Deaths	0	0	0	0	0	0	0	0	0	0	0	0

Note: The Chongqing plant (due to equity transfer) and the Anshan plant (due to closure) are excluded from these statistics.

Work Environment Improvement Management

Odor Control

During the production process of carbon black, the powder form of carbon black needs to be pelletized to reduce dispersion during transportation. The binder material used for pelletizing is generally edible-grade molasses. However, the use of molasses often results in a caramel-like sweet odor during drying, which can affect the surrounding environment. To reduce the dispersion of this odor, the Linyuan Advanced Plant has installed two sets of odor control facilities.



Noise Control

When the plant's steam turbines start up or shut down, some steam may need to be vented, causing noise that affects the surroundings. The plant has installed silencing devices on steam turbines and other noise sources. For work areas exceeding 85 decibels, we enforce a management plan that includes: prioritizing engineering improvements, requiring the use of hearing protection, implementing semi-annual environmental monitoring and annual personnel hearing tests, and clearly marking all noise hazard areas.



Left: Silencer installed at Linyuan Advanced Plant.
Center and Right: main ventilation fan silencer and sound-absorbing panels at the Maanshan Plant

Employee Health Promotion GRI 403-6

To prevent and mitigate health impacts directly related to work, we implement various occupational health protection measures. This includes a health management framework covering "Occupational Health Protection" and "Voluntary Health Promotion" to prevent work-related injuries and illnesses and to actively improve the overall quality of life for our employees. In 2025, our plants collectively held at least 14 health promotion activities. The content covered three main aspects, aiming to comprehensively protect the health and well-being of our employees, from preventing occupational injuries to enhancing personal quality of life:

Occupational Health and Safety Protection

- **Systematic Prevention Programs：** Promoted projects for preventing musculoskeletal injuries, abnormal workloads, etc.
- **Health Hazard Factor Promotion：** Regularly held lectures on topics such as occupational diseases, dust, and respiratory and hearing protection.
- **Emergency Response Capability Building：** Provided professional training in First Aid and AED use to enhance emergency response capabilities.





Holistic Health Care Services

- **Enhanced Annual Health Examinations：** Provided health check-up packages superior to legal requirements, extending to family members.
- **Preventive Vaccinations：** Offered on-site influenza vaccination services.
- **Diverse Health Lectures：** Held lectures on topics such as heat stress, vision care, dental health, and medical insurance claims.




Voluntary Wellness Promotion

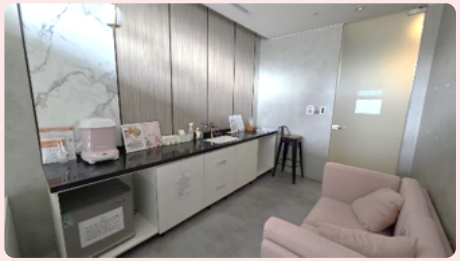
- **Dynamic Stress-Relief Classes：** Offered fat-burning aerobics classes.
- **Exercise Incentive Competitions：**
- Implemented a sports points activity to encourage employees to maintain exercise habits.
- **Relaxation Services：** Provided weekly on-site massage therapist services for stress relief.
- **Social and Community Engagement：** Held annual blood donation drives.




Maternal Health Protection and a Friendly Workplace

We value the health and well-being of our female employees and are committed to creating a supportive workplace environment where they can balance family and work.

- **Enhanced Female Health Examinations：** The Maanshan Plant in Greater China has added "breast ultrasound" and "gynecological color ultrasound" to the health examinations for female employees, strengthening screening for diseases common among women.
- **Creating Friendly Facilities：** The plant has set up comfortable and private rest rooms for pregnant women and lactation rooms, providing a secure and convenient support system for pregnant and postpartum nursing female employees, concretely practicing maternal health protection in the workplace.


Taipei Head Office Lactation Room


Linyuan Advanced Plant Lactation Room


Maanshan Plant Rest Room for Pregnant Women

Ecological Conservation and Biodiversity GRI 101

Biodiversity is the cornerstone of a healthy global ecosystem. Recognizing the deep connection between human activities and the natural environment, we are committed to responsibly managing the potential impacts of our operations on biodiversity. We strive to align with the global goal to "halt and reverse biodiversity loss."

Biodiversity Conservation Policy

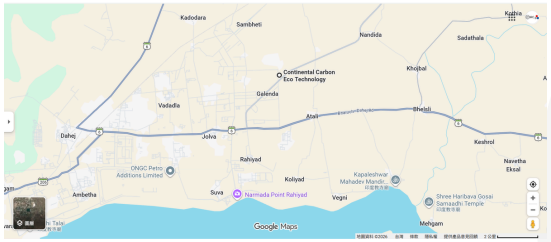
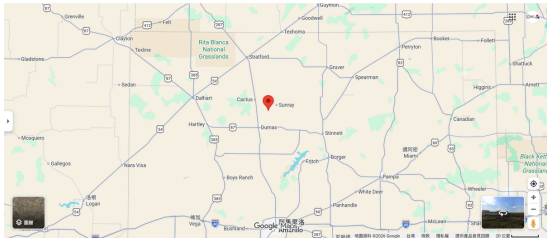
We are committed to becoming a corporation that coexists in harmony with nature and, throughout the life cycle of our operations, to avoiding or mitigating negative impacts on ecosystems. We follow the "Mitigation Hierarchy" principle, protecting the local ecology of our operating sites through strict water resource management and pollution prevention.
At the same time, we participate in local ecological projects and enhance the ecological awareness of all our personnel through environmental education, contributing our efforts to global and local biodiversity.

Biodiversity Conservation Actions GRI 101-2、GRI 101-5、101-7、101-8

Most of our plants are located within government-designated industrial parks, which feature centralized wastewater treatment facilities. Our air emissions and waste are also managed in strict compliance with environmental regulations. While this operational model significantly reduces the direct environmental impact of our activities, we recognize that the collective operations of the entire industrial park may still have a cumulative ecological impact on the region.
Therefore, moving beyond passive compliance, we are proactively taking conservation actions. Through collaboration with our stakeholders, we are actively working to create positive value for the ecosystems in the areas where we operate.

Inventory of Plant Sites and Adjacent Ecologically Valuable Areas

Plant Name	Adjacent Protected Area / Area of Biodiversity Value	Geographical Location and Biodiversity Value	Relevance to Plant Operations and Management
Linyuan Advanced Plant	Linyuan Mangrove Ecological Area	• Location: Adjacent to the coastline of the Linyuan Industrial Park and the mouth of the Linyuan Main Drain. • Value: Long-term conservation by local government and conservation groups, it is an important coastal wetland and mangrove ecosystem along the Kaohsiung coast, providing functions such as windbreak, shoreline protection, and nurturing biodiversity. 	Relevance: The plant is located in the adjacent area. Although there is no direct discharge, we remain concerned about the long-term cumulative impact of the entire industrial park on this ecological area. Management: • Wastewater generated is treated through physical and chemical processes within the plant before being discharged to the Kaohsiung Linyuan Industrial Park Wastewater Treatment Plant. • A collaborative project with a local association and university has been initiated. See "Linyuan Mangrove Conservation Alliance" for details.
Maanshan Plant	Yangtze River Freshwater Ecosystem	• Location: The plant is located along the banks of the Yangtze River. • Value: The Yangtze River is a globally important freshwater ecosystem and biological migration corridor, serving as a habitat for numerous aquatic species. 	Relevance: Water intake and compliant discharge of wastewater may impact the water body. Management: • Water is sourced from the municipal water supply to avoid impacting the local water environment. • Wastewater must be treated within the plant to fully meet discharge standards before being piped to the Cihu High-tech Zone Wastewater Treatment Plant.

Plant Name	Adjacent Protected Area / Area of Biodiversity Value	Geographical Location and Biodiversity Value	Relevance to Plant Operations and Management
CCIPL Plant	Ganges-Yamuna River Basin	• Location: The plant is situated within an industrial zone in Northern India, which is part of the Ganges-Yamuna River Basin. • Value: The region is classified as an area of high physical water risk. 	Relevance: Water resource usage. Management: • Water resource management is a priority. • Wastewater is treated within the plant to meet local government standards for piped discharge.
CCET Plant	Gulf of Khambhat	• Location: The plant is in the Dahej Petrochemical Industrial Zone, adjacent to the Gulf of Khambhat. • Value: A marine and coastal ecosystem, the region is classified as an area of high physical water risk. 	Relevance: Concern for the overall impact of the industrial zone on the marine ecosystem. Management: • Water resource management is a priority. • The CCET plant is equipped with a Zero Liquid Discharge (ZLD) facility, and 100% of the treated water is recycled for use within the plant. See the Wastewater Management chapter for details.
CCC Ponca Plant	Arkansas River	• Location: Located in a heavy industrial zone, adjacent to the Arkansas River. • Value: An important river system and freshwater ecosystem in North America. 	Relevance: Water intake and compliant discharge of wastewater may impact on the water body. Management: • Complies with local water resource management regulations and monitors the quality of discharged water. • Implements a strict Zero Liquid Discharge (ZLD) policy. See the Wastewater Management chapter for details.
CCC Sunray Plant	Ogallala Aquifer	• Location: Located in a heavy industrial zone, in the arid climate of the Texas shortgrass prairie. • Value: The underground aquifer is a critical water resource. 	Relevance: Water resource usage. Management: • Water resource management is a priority. • The Sunray plant's water sources include rainwater, well water, and recycled water from processes and steam production. Rainwater is collected via a drainage system and ponds, and the water is treated for use in processes.

Greater China 【Linyuan Advanced Plant】- Linyuan Mangrove Conservation Alliance

The Linyuan Advanced Plant has signed the "Linyuan Mangrove Conservation Alliance" with the Fooyin University USR Project Team, the Linyuan Mangrove Conservation Association, and local junior high and elementary schools. Through local environmental education promotion, conservation activities, knowledge lectures, and workshops, we enable employees, community members, and students to understand the environment in which they work and live, sparking their interest in environmental issues and encouraging active participation in conservation activities. We hope that students will progress from "knowing their locality" to developing a "local identity" and contribute to environmental protection. In 2025, there were 6 visits to the mangrove ecological area, with a total of 323 students participating from Gangpu Elementary School, Kaohsiung Municipal Lin Yuan Senior High School, Kaohsiung Municipal Jhongyun Junior High School, Kaohsiung City Linyuan Dist. Zhong-Yun Elementary School, and Kaohsiung City Linyuan Dist. Linyuan Elementary School.






Cross-Disciplinary Conservation Collaboration Project

To move from regulatory "impact mitigation" to creating shared value through "positive contributions," starting in 2026, we have initiated a cross-disciplinary conservation collaboration project centered on the "Linyuan Mangrove Ecological Area," which is closest to the Linyuan Advanced Plant.

Collaborative Alliance and Division of Labor

We have formed the "Linyuan Mangrove Conservation Alliance" with key local stakeholders, leveraging our respective strengths to jointly protect the local ecosystem.

As a resource provider and corporate volunteer platform, we provide project funding and encourage employee participation in conservation activities.



As an academic and planning partner, it leverages its University Social Responsibility (USR) capacity to oversee project planning and transform conservation outcomes into environmental education materials.

As the local implementation unit, it leverages its rich local knowledge and execution experience to lead on-the-ground surveys and maintenance activities and is responsible for arranging local events.

2026 Goals and Action Plan

Biodiversity Inventory

Goal To establish baseline data on plant species in the mangrove ecological area near the plant, serving as a scientific basis for future restoration and monitoring.

Scope Focusing on the outer levee area between "Petrochemical 3rd Road and the mouth of the Linyuan Main Drain," which is closest to the plant.

Method Considering that plants are the foundation of ecological restoration and are easy to locate and track, the initial inventory will focus on plant species. This work will be led by the Linyuan Mangrove Conservation Association, referencing its past survey results.

Environmental Education and Community Engagement

Goal To raise the environmental awareness of employees, students, and the local community, and to put conservation concepts into practice.

Action The alliance will jointly hold an environmental promotion event in 2026 at the inventory location—"between Petrochemical 3rd Road and the mouth of the Linyuan Main Drain"—to introduce the ecological value of this area to the community.

The establishment of this alliance and its action plan are not only a concrete practice of our biodiversity impact management but also our long-term commitment to the local community and environment. It is a substantial contribution to realizing our vision of an "Eco-friendly Civilization."

NEW India [CCIPL & CCET Plants] Tree-Planting Initiative

In celebration of World Environment Day, our CCIPL and CCET plants in India launched a joint tree-planting initiative. Mobilizing employees and the surrounding communities, they planted a total of 4,000 trees in 2025.




Social Engagement and Community Feedback

GRI 413-1、SASB RT-CH-210a.1

Thriving together with our neighboring communities is a core philosophy upheld by CSRC Group at all its operating sites worldwide. We deeply understand that a company's growth is rooted in the land and communities where it operates. Therefore, we not only position ourselves as a responsible producer but also aspire to be a reliable partner to the community.
In 2025, CSRC Group invested a total of over NT$3.308 million in social and community initiatives globally, reaching an estimated 14,000 community residents. From environmental protection to talent cultivation, we will continue to listen to the voices of the community and respond to local needs with concrete actions, moving forward with the community towards a more prosperous and sustainable future.

Local Environmental Protection

We prioritize environmental control and production safety as our foremost operational policies. We strictly adhere to regulatory requirements and have established internal management plans to properly handle wastewater, wasted gases, and waste. Pollution monitoring equipment is installed at all stages of our processes, and we conduct regular maintenance and reporting to ensure that the impact of our operations on the surrounding environment is minimized.
In addition to strict management within our plants, we also extend our environmental awareness to the community:

Safety and Response	We regularly conduct fire safety drills and emergency response training to ensure that employees can respond swiftly in emergencies, safeguarding the plant and neighboring areas.
Community Environmental Education	In 2025, the Linyuan Advanced Plant in Taiwan planned to invest resources to support the "Linyuan District Environmental Education Activities," working with community residents to raise environmental awareness and integrate sustainability concepts into daily life.
Improving the Public Environment	The CCIPL Plant in India plans to invest funds in village pond renovation and the construction of rainwater harvesting systems, not only improving local water resource utilization but also enhancing the public living environment for residents.



Before



After

Promoting Local Employment

Creating stable employment opportunities for the local area is one of the most direct and effective ways to give back to the community. This not only promotes local economic development but also allows employees to develop a deeper connection and sense of belonging to the company.
We put this philosophy into practice. Taking the CCET Plant in the Dahej Industrial Zone in Gujarat, India, as an example, the plant prioritized the recruitment and hiring of residents from nearby villages even before its official operation. Employees from neighboring communities account for 82% of the plant's total workforce. Similarly, at the Linyuan Advanced Plant in Greater China, local residents from Linyuan District also make up 25% of the plant's total workforce, concretely fulfilling our commitment to local hiring.



Supporting Neighborhood Activities

A vibrant community needs to be nurtured by culture and human connection. CSRC actively participates in and supports local community activities. From cultural preservation to public infrastructure, we hope to contribute to enhancing community cohesion and quality of life.

Promoting Local Neighborhood Harmony (Taiwan)



The Linyuan Advanced Plant has long sponsored local temple festivals and activities organized by village offices and community development associations, investing a total of over NT$700,000 to preserve traditional culture and promote neighborhood interaction.

Supporting Community Festivals (USA)



Our CCC sites in the United States actively integrate into community life by sponsoring holiday events such as Halloween and Christmas parades, and by investing in the local business development organization (Ponca City Main Street) to inject vitality into the community.

Creating a Safe and Livable Home (India)



The CCIPL Plant plans to invest approximately 300,000 Indian Rupees to assist in renovating the VIJAYNAGAR police station and has donated funds for temple repairs, supporting public safety and cultural development in the community through concrete actions.

Investing in Future Education

Education is the fundamental force driving social progress. We are committed to providing more learning resources for the next generation.

The Cement Academy (Taiwan)



We have long provided after-school tutoring, club subsidies, and scholarships for schools such as Jhongyun Junior High School and Shanwei Elementary School. In 2025, we expect to invest over NT$200,000 to support nearly 300 students.

Promoting Popular Science Education (Taiwan)



We held a touring " Fun Chemistry with Carbon Black Science Camp " at 20 schools, including Jhongyun Junior High School and Taoyuan Municipal Hueilong Elementary and Junior High School, with special arrangements for rural schools in Yilan such as Nan'an Junior High School and Nan Oau Junior High School. A total of 1,414 students were guided through popular science experiments, inspiring their understanding of the circular economy and their interest in chemistry through fun scientific activities.

Caring for Rural Campuses (India)



The CCET Plant provided holiday gifts and snacks for the teachers and students of Galenda Elementary School and arranged for employees to regularly assist with campus cleaning, improving the teaching and learning environment through concrete actions.

Reporting Boundary

Note：●Direct ○Indirect

Material Topics	Impact Description		Inside the organization	Outside the organization				
			CSRC	Government agencies	Customers	Suppliers Contractors	Investors Shareholders	Neighboring communities
Integrity	Description of Positive Impact	Upholding business integrity is our core strategy for earning trust and creating value. By establishing transparent governance and a culture of integrity, we strengthen our operations, attract long-term, sustainability-focused investment, and become a low-risk partner of choice for international clients. This not only enhances our corporate valuation and market competitiveness but also enables us to attract and retain talent, building a safe, innovative, and sustainable chemical enterprise.	●	●	●	●	●	●
	Description of Negative Impact	A failure to uphold business integrity poses a threat to our operations. Any illicit conduct can expose the company to operational risks. Furthermore, government fines, diminished investor confidence, the loss of key clients, and damage to our brand reputation will impact our financial performance and market position, eroding the foundation of our sustainable development.						
Business performance	Description of Positive Impact	Excellent operational performance is the cornerstone of our commitment to sustainability. Robust profitability and cash flow enable us to continuously invest in green processes, the circular economy, and global expansion, driving our sustainable transformation. This not only solidifies our technological leadership and deepens partnerships with clients and suppliers but also allows us to attract and retain top talent, creating a virtuous cycle of shared prosperity for all stakeholders.	●	○	●	●	●	○
	Description of Negative Impact	A failure to maintain robust operational performance will directly weaken the company's capacity for sustainable development. Flawed operational strategies will lead to declining profitability, rendering the company unable to fund critical capital expenditures in environmental protection, industrial safety, and R&D, thereby losing market competitiveness. Meanwhile, a fragile financial position will impact supply chain stability and talent retention, ultimately leading to operational stagnation and value impairment.						
Supply chain management	Description of Positive Impact	Excellence in sustainable supply chain management is the cornerstone of our operational resilience and client trust. By collaborating with partners who meet ESG standards, we establish a diverse and stable supplier ecosystem, significantly reducing the risk of supply disruptions. A transparent and responsible supply chain not only enhances our brand image but also meets the demands of high-standard clients, serving as our "green passport" to enter high-value global markets and create a long-term competitive advantage.	●	○	●	●	●	○
	Description of Negative Impact	Ineffective management of supply chain ESG risks will expose the company to the dual threats of operational disruption and reputational damage. A shutdown at any key supplier due to environmental or human rights issues could sever our raw material supply, impacting production stability. At the same time, negative incidents within the supply chain will tarnish our brand image and could weaken our market access for failing to meet client sustainability requirements.						
Product quality and safety / Customer relationship management	Description of Positive Impact	Excellence in product responsibility and customer partnerships forms our most solid competitive moat. Consistent and reliable quality reduces operational costs and legal risks, while deep customer partnerships make us an indispensable strategic partner in their supply chains. This not only reinforces our brand image for "high quality" but also gives us priority access to market insights, allowing us to grow alongside our customers.	●	○	●	●	●	○
	Description of Negative Impact	A failure to uphold product responsibility can lead to severe consequences. Any quality or safety defect could trigger substantial customer claims and legal disputes, permanently destroying client trust and resulting in lost orders. Furthermore, ignoring customer feedback will disconnect us from the market, while slow service responses will label the company as "unprofessional," severely damaging our brand reputation and market position.						

Material Topics	Impact Description		Inside the organization	Outside the organization				
			CSRC	Government agencies	Customers	Suppliers Contractors	Investors Shareholders	Neighboring communities
Energy	Description of Positive Impact	Excellence in energy management is key to building our cost advantages and operational resilience. By continuously improving energy efficiency, we effectively reduce production costs and future carbon fees/taxes, creating a cost moat that surpasses our peers. Developing self-sufficient energy sources, such as electricity cogeneration, further reduces our reliance on the external power grid. This not only helps us achieve our climate goals but also shapes a green and efficient brand image.	●	●	○	●	○	●
	Description of Negative Impact	Ineffective energy management will directly erode the company's profitability and operational stability. Energy-intensive processes will lead to excessive production costs during periods of energy price volatility and will face heavy carbon fee/tax burdens due to higher greenhouse gas emissions. Moreover, over-reliance on external energy supplies exposes our production lines to the risk of unexpected shutdowns during power rationing or fuel shortages.						
Greenhouse gas emission / Climate change	Description of Positive Impact	Proactively responding to climate change is a key opportunity for us to create new competitive advantages. By enhancing energy efficiency and adopting low-carbon technologies, we can effectively mitigate future carbon costs and operational risks. Developing and offering internationally certified low-carbon products not only helps our clients achieve their decarbonization goals but also positions us as a valued partner in their green supply chains, thereby solidifying our market position and transforming climate action into long-term corporate value.	●	●	●	●	●	●
	Description of Negative Impact	A failure to proactively address climate change will expose the company to the dual risks of rising operational costs and market obsolescence. Transition risks, such as carbon fees and taxes, will significantly increase the financial burden on high-carbon processes. Physical risks, such as extreme weather events, could lead to unexpected shutdowns and supply chain disruptions. Furthermore, if we cannot offer competitive green products as customers make low-carbon a procurement standard, we will face the existential threat of losing orders and market share.						
Waste	Description of Positive Impact	Excellence in waste management is key to our practice of the circular economy and creation of new value. By turning major wastes like dust and desulfurization gypsum into resources, we can transform a "cost item" into a value source and reduce the extraction of virgin resources. A legal, transparent, and responsible waste management system not only mitigates operational risks but also establishes our leadership image as a pioneer in the circular economy.	●	●	○	○	○	●
	Description of Negative Impact	Ineffective waste management will expose the company to legal and environmental risks. High disposal costs will continuously erode profitability, while any illegal dumping or improper handling by contractors could subject the company to fines and joint legal liabilities. At the same time, potential soil and groundwater contamination will destroy community trust and corporate reputation.						
Water consumption and effluent	Description of Positive Impact	Excellence in water resource management is a key strategy for strengthening our operational resilience. By increasing wastewater recycling rates and promoting circular use, we reduce our dependence on external fresh water sources, ensuring stable production. A clean and responsible water management practice not only effectively lowers water fees and regulatory risks but also earns the trust of the community, transforming "water resilience" into a reliable production guarantee and a sustainable competitive advantage.	●	●	○	○	●	●
	Description of Negative Impact	Ineffective water resource management will expose the company to the dual risks of production interruptions and community conflicts. Under climate change, droughts or water rationing measures could lead to shutdowns at our plants in water-stressed regions, impacting order fulfillment. Meanwhile, non-compliant wastewater discharge will pollute the local ecosystem, triggering community protests and regulatory penalties, thereby damaging the company's social license to operate.						
Air quality	Description of Positive Impact	Excellence in air pollution control is the cornerstone of our social license to operate. By investing in best available techniques to ensure our emissions are better than regulatory standards, we solidify operational stability and reduce compliance risks. A clean and responsible operating environment not only safeguards the occupational health of our employees but also earns the trust and support of the community, shaping our positive image as a "good neighbor" and building the most solid social foundation for the company's sustainable development.	●	●	○	●	○	●
	Description of Negative Impact	Ineffective air pollution control will directly threaten the company's operating license and social trust. Any emission exceedance could trigger fines or even lead to be ordered to suspend business. At the same time, fugitive odors or dust will provoke community protests, damaging the company's reputation and creating operational resistance and legal risks.						

Material Topics	Impact Description		Inside the organization	Outside the organization				
			CSRC	Government agencies	Customers	Suppliers Contractors	Investors Shareholders	Neighboring communities
Employee Recruitment and Retention / Labor-Management Communication / Employee Benefits and Salary	Description of Positive Impact	Developing superior human capital and an inclusive workplace is key to winning the war for talent and earning market trust. Competitive compensation, benefits, and harmonious labor relations effectively attract and retain top global talent, ensuring technological succession and innovative momentum. This not only enhances overall organizational productivity but also helps us pass clients' social responsibility audits, strengthening our position in high-value supply chains.	●	○	●	●	○	○
	Description of Negative Impact	A failure to effectively manage human capital and an inclusive workplace will weaken the company's core competitiveness. Unfair compensation will trigger talent drain and internal friction; any environment characterized by discrimination, harassment, or a lack of development opportunities will lead to the loss of key technical talent, creating an innovation gap. Furthermore, disharmonious labor relations will impact production stability, and substandard human rights practices could lead to disqualification from client supply chain audits, resulting in a loss of market access.						
Occupational safety and health	Description of Positive Impact	Excellence in occupational safety and health management is the cornerstone of employee well-being and operational stability. A zero-incident work environment earns the deep trust of our employees, significantly boosting team morale, retention rates, and productivity. It not only effectively reduces operational costs and legal risks associated with workplace injuries but also shapes our reputation as a "responsible employer," becoming a key advantage in attracting top talent.	●	●	○	●	○	○
	Description of Negative Impact	Ineffective management of occupational safety and health will expose the company to significant operational risks. Any major industrial accident (such as a fire or explosion) could result in casualties, a complete production shutdown, and substantial compensation and reconstruction costs. This would not only damage the trust of employees and the community but could also threaten the company's long-term survival due to stop-work orders from regulatory authorities.						
Community inclusion	Description of Positive Impact	Proactively fostering shared prosperity with our communities is a key strategy for solidifying the foundation of our sustainable development. Through long-term engagement in local education, environmental conservation, and neighborhood building, we earn the community's trust and support, ensuring a stable operating environment. A positive "good neighbor" image not only enhances our brand reputation but also makes us a preferred employer for local talent, creating a virtuous cycle of win-win for the company and the region.	●	○	○	○	○	●
	Description of Negative Impact	A failure to build positive relationships with local communities will threaten our social license to operate. Any environmental or safety incident, or poor communication, could trigger community protests that disrupt production or create local resistance when we apply for expansion or permit renewals. A negative image as a "bad neighbor" not only damages our brand reputation but also makes it difficult to attract outstanding local talent.						

External Authentication

Verification Orientation	Compliance Standard	Covering Factory Areas	Verification Agency
Assurance of Specific Indicators in the Sustainability Report	Republic of China Statement of Assurance Engagements Standards No. 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (formulated with reference to international assurance standard ISAE3000)	CSRC Group	PwC Taiwan

Verification Orientation	Compliance Standard	Covering Factory Areas	Verification Agency
Environment	ISO 14001 Environmental Management System	4 sites including Linyuan Advanced Plant, Maanshan Plant, CCIPL, CCET	• GCL International Ltd. • China Quality Certification Centre • India Register Quality Systems • DNV - Business Assurance
	ISO 14064-3:2019 Greenhouse Gas Inventory	2 sites(CSRC Group (standalone) and Linyuan Advanced Plant)	British Standards Institution
	ISO 14064-1:2018 Greenhouse Gas Inventory	2 sites(CCET Plant and CCIPL Plant)	Bureau Veritas India
	Guidelines for Greenhouse Gas Emission Accounting and Reporting for Chemical Production Enterprises in China (Trial)	1 site(Maanshan Plant)	China Classification Society Certification Company
	ISO 50001:2018 Energy Management System	Linyuan Advanced Plant	British Standards Institution
Occupational Health and Safety	ISO 45001 Occupational Safety and Health Managemetn	4 sites including Linyuan Advanced Plant, Maanshan Plant, CCIPL, CCET	• SGS Taiwan Ltd. • China Quality Certification Centre • India Register Quality Systems • DNV - Business Assurance
Product Quality	ISO 9001 Quality Management System	5 sites including Linyuan Advanced Plamt, Maanshan Plant, CCET, CCC Ponca and Sunray	• Universal Certification Service CO., Ltd. • SGS United Kingdom Ltd. • India Register Quality Systems • Amtivo(USA) Inc. • Quality Systems Registrars
	ISO/IEC 17025:2017；CNS 17025:2018	1 site(Linyuan Advanced Plant)	Taiwan Accreditation Foundation
	ISO/IEC 17025:2017	1 site(CCIPL Plant)	National Accreditation Board for Testing and Calibration Laboratories
	IATF 16949：2016	4 sites including Linyuan Advanced Plant, Maanshan Plant, CCIPL, CCET	• ABS Quality Evaluations, Inc. • SGS United Kingdom Ltd. • India Register Quality Systems • DNV - Business Assurance
	ISCC PLUS Certificate	4 sites including Linyuan Advanced Plant, Maanshan Plant, CCC Ponca & Sunray	• Bureau Veritas • SCS Global Services • SCS Global Services • SCS Global Services
Information Security	ISO/IEC 27001:2022	4 sites including Linyuan Advanced Plant, Maanshan Plant, CCIPL, CCET	British Standards Institution

GRI Content Index

Statement of use:	International CSRC Investment Holding Co., Ltd. has reported in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025
GRI 1 used:	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s):	NA

GRI Standard	Disclosure	Chapter	Page	Note
GRI 2 : General Disclosures 2021	2-1 Organizational details	Organizational Context & Scope	5-6	
	2-2 Entities included in the organization's sustainability reporting	Reporting Boundary	2	
	2-3 Reporting period, frequency and contact point	Reporting Cycle and Coverage Period、Issue Date、Contact Us	3	
	2-4 Restatements of information	Foreword & Outlook Sustainable Governance Product Responsibility Environmental Sustainability Diversity & Inclusion	-	As the reporting boundary for the 2025 report excludes the Chongqing and Anshan plants in mainland China, the ESG data and information in this Sustainability Report only cover the Greater China region (CSRC, Linyuan Advanced Plant, Consolidated Resource, and Maanshan Plant), the US region (CCC Ponca and Sunray plants), and the India region (CCIPL and CCET plants). Therefore, relevant information has been restated.
	2-5 External assurance	About This Report Appendix	3 183-185	
	2-6 Activities, value chain and other business relationships	Organizational Context & Scope CSRC Carbon Black Circular Economy Leads Sustainability Supply Chain Risk Management Procedures Operational Performance Green Product Design and Development	5-8 10-12 57-62 64-66 72-77	
	2-7 Employees	Workforce Structure	130-131	
	2-8 Workers who are not employees	Workforce Structure	130	
	2-9 Governance structure and composition	Sustainable Governance	30-35	
	2-10 Nomination and selection of the highest governance body	Members of the Board of Directors	31	
	2-11 Chair of the highest governance body	Members of the Board of Directors	31	
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable Governance Sustainability Development System	30-35 36-37	
	2-13 Delegation of responsibility for managing impacts	Sustainability Development System	36-37	
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Development System	36-37	
	2-15 Conflicts of interest	Avoidance of Conflicts of Interest	32	
	2-16 Communication of critical concerns	-	-	In 2025, a total of 4 critical concerns were communicated to the Board of Directors, including: the Board's resolution to close and liquidate the mainland China subsidiary, CSRC (Anshan) Chemical Co., Ltd.; the disposal of equity in the mainland China subsidiary, CSRC (Chongqing) Carbon Black Co., Ltd.; the change of the Company's President; and the impact of the fire accident at the Company's invested entity, Moile Quantum Energy Corporation.

GRI Standard	Disclosure	Chapter	Page	Note
GRI 2 : General Disclosures 2021	2-17 Collective knowledge of the highest governance body	Board of Directors' Professional Development	32	
	2-18 Evaluation of the performance of the highest governance body	Board Performance Evaluation	33	
	2-19 Remuneration policies	Sustainability Remuneration Policy	37	Please refer to page 24 on the shareholders' meeting 2025 annual report.
	2-20 Process to determine remuneration	Functional Committee	34	
	2-21 Annual total compensation ratio	-	-	1. The ratio of the annual total compensation for the Group's highest-paid individual to the median annual total compensation for all other employees (excluding the highest-paid individual): 4.4. 2. Percentage increase in the ratio of the annual total compensation for the Group's highest-paid individual to the median for all other employees: No increase. Compared to 2024, the annual total compensation for both the highest-paid individual and other employees decreased in 2025. Note: The company's highest-paid individual is the President. Note: The calculation is based on individuals who were employed for the full 2025 fiscal year and received their complete annual compensation.
	2-22 Statement on sustainable development strategy	Leader’s Outlook	4	
	2-23 Policy commitments	Ethical Management Policy Human Rights Commitment and Management Approach	51-53 121	
	2-24 Embedding policy commitments	Ethical Management Stage 1: Supplier Selection Human Rights	51-54 57-58 121-130	
	2-25 Processes to remediate negative impacts	Sustainable Governance- Management Approach Product Responsibility- Management Approach Environmental Sustainability- Management Approach Diversity & Inclusion- Management Approach	26-29 68 86-90 118-120	
	2-26 Mechanisms for seeking advice and raising concerns	Reporting System and Channels	54	
	2-27 Compliance with laws and regulations	Statutory Compliance and Improvements	56	
	2-28 Membership of associations	Organizational Context & Scope	7	
	2-29 Approach to stakeholder engagement	Stakeholder Engagement & Materiality Analysis	20-24	
	2-30 Collective bargaining agreements	Labor-Management Communication	127-128	

GRI Standard	Disclosure	Chapter	Page	Note
GRI 3：Material Topic 2021	3-1 Process to determine material topics	Stakeholders and Material Topic Identification Process	20	
	3-2 List of material topics	Material Topics Results of CSRC Group	21	
	3-3 Management of material topics	Sustainable Governance- Management Approach Product Responsibility- Management Approach Environmental Sustainability- Management Approach Diversity & Inclusion- Management Approach	26-29 68 86-90 118-120	
Material Topic				
GRI Standard	Disclosure	Chapter	Page	Note
Integrity				
GRI 3：Material Topics 2021	3-3 Management of material topics	Sustainable Governance- Management Approach	27	
GRI 205：Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-corruption Risk Assessment and Results	53	
	205-2 Communication and training about anti-corruption policies and procedures	Policy Communication and Training Stage 1: Supplier Selection	52 57-58	
	205-3 Confirmed incidents of corruption and actions taken	Anti-corruption Risk Assessment and Results	53	
GRI 206：Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Anti-corruption Risk Assessment and Results	53	
Sustainable Supply Chain Management				
GRI 3：Material Topics 2021	3-3 Management of material topics	Sustainable Governance- Management Approach	28	
GRI 204：Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Local Procurement	63	
GRI 301： Material 2016	301-1 Materials used by weight or volume	Raw Material Management	63	
	301-2 Recycled input materials used	Reducing Product Carbon Footprint: Eco-friendly Low-Carbon Products	75	
GRI 308：Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Stage 1: Supplier Selection	57	
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Risk Management Procedures	57-62	
GRI 414：Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Stage 1: Supplier Selection	57	
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Risk Management Procedures	57-62	

GRI Standard	Disclosure	Chapter	Page	Note
Business Performance				
GRI 3 Material Topics 2021	3-3 Management of material topics	Sustainable Governance- Management Approach	29	
GRI 201：Economic Performance 2016	201-1 Direct economic value generated and distributed	Operational Achievements	64	
	201-2 Financial implications and other risks and opportunities due to climate change	TCFD Climate Risk and Opportunities	40-45	
	201-3 Defined benefit plan obligations and other retirement plans	Employee Benefits	136-140	
	201-4 Financial assistance received from government	Operational Achievements	64	
Product Quality and Safety Management				
GRI 3 Material Topics 2021	3-3 Management of material topics	Product Responsibility - Management Approach	68	
GRI 201：Economic Performance 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product Health and Safety: Eco-friendly Green Products	74	
	416-2 Incidents of non-compliance concerning product and service information and labeling	Product Quality and Safety Management	78-82	
Energy				
GRI 3：Material Topics 2021	3-3 Management of material topics	Environmental Sustainability - Management Approach	86	
GRI 302 Energy：2016	302-1 Energy consumption within the organization	Energy Consumption Status	91-92	
	302-3 Energy intensity	Energy Consumption Status	91-92	
	302-4 Reduction of energy consumption	Energy management	93-94	
Greenhouse Gas Emission/ Climate Change				
GRI 3：Material Topics 2021	3-3 Management of material topics	Environmental Sustainability - Management Approach	87	
GRI 201：Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	TCFD Climate Risk and Opportunities	40-45	
GRI 305：Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Inventory	96-97	
	305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Inventory	96-97	
	305-3 Other indirect (Scope 3) GHG emissions	Greenhouse Gas Inventory	96-97	
	305-4 GHG emissions intensity	Greenhouse Gas Inventory	97	
	305-5 Reduction of GHG emissions	• Energy Consumption and Efficiency Improvement • Greenhouse Gas Reduction	91-95 96-101	
Air Quality				
GRI 3：Material Topics 2021	3-3 Management of material topics	Environmental Sustainability - Management Approach	88	

GRI Standard	Disclosure	Chapter	Page	Note
Air Quality				
GRI 305：Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	-	-	None of CSRC's plant sites, including the Linyuan Advanced Plant, Maanshan Plant, CCET Plant, CCIPL Plant, CCC Ponca Plant, and CCC Sunray Plant, generate any such emissions.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Pollution Discharge Description	102	
Water Consumption and Effluent				
GRI 3：Material Topics 2021	3-3 Management of material topics	Environmental Sustainability - Management Approach	89	
GRI 303：Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Resource Protection and Utilization	105-108	
	303-2 Management of water discharge-related impacts	Wastewater Management	110-111	
	303-3 Water withdrawal	Water Utilization	105-106	
	303-4 Water discharge	Water Utilization	105-106	
	303-5 Water consumption	Water Utilization	105-106	
Waste				
GRI 3：Material Topics 2021	3-3 Management of material topics	Environmental Sustainability - Management Approach	90	
GRI 306：Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management Status	112	
	306-2 Management of significant waste-related impacts	Waste Management	115-116	
	306-3 Waste generated	Waste Management Status	113	
	306-4 Waste diverted from disposal	Waste Management Status	113-114	
	306-5 Waste directed to disposal	Waste Management Status	113-114	
Employee Recruitment and Retention / Labor-Management Communication / Employee Benefits and Salary				
GRI 3：Material Topics 2021	3-3 Management of material topics	Diversity & Inclusion - Management Approach	118	
GRI 401：Employment 2016	401-1 New employee hires and employee turnover	Workforce Structure	131	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits	136-140	
	401-3 Parental leave	Family Support and Work-Life Balance Measures	138	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Communication on Significant Operational Changes and Policy Dissemination	128	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Key Development Projects and Systems	141	
	404-2 Programs for upgrading employee skills and transition assistance programs	Performance Management and Career Development Talent Cultivation and Growth	135 140-141	
	404-3 Percentage of employees receiving regular performance and career development	Performance Management and Career Development	135	

GRI Standard	Disclosure	Chapter	Page	Note
Occupational Safety and Health				
GRI 3：Material Topics 2021	3-3 Management of material topics	Diversity & Inclusion - Management Approach	119	
GRI 403：Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Safety and Health Management System	143	
	403-2 Hazard identification, risk assessment, and incident investigation	EHS Risk Management Process Emergency Incidents and Response	146-148 154-156	
	403-3 Occupational health services	Occupational Health Services	157	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health Services	142	
	403-5 Worker training on occupational health and safety	Occupational Safety and Health Management and Communication	151 152	
	403-6 Promotion of worker health	Employee Health Promotion	157-160	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	EHS Risk Management Process	146-153	
	403-8 Workers covered by an occupational health and safety management system	Occupational Safety and Health Management System Framework	143	
	403-9 Work-related injuries	Occupational Injury Statistics	144-145	
	403-10 Work-related ill health	Occupational Disease Identification and Management	158-159	
Community Inclusion				
GRI 3：Material Topics 2021	3-3 Management of material topics	Diversity & Inclusion - Management Approach	120	
GRI 413：Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Engagement and Community Feedback	164-165	
Other Topics				
GRI Standard	Disclosure	Chapter	Page	Note
Regulatory Compliance				
GRI 2：General Disclosures 2021	2-27 Compliance with laws and regulations	Statutory Compliance System、Compliance Training and Advocacy of Laws and Regulations、Statutory Compliance and Improvements	55-56	

GRI Standard	Disclosure	Chapter	Page	Note
Tax Governance				
GRI 207：Tax 2019	207-1 Approach to tax	Tax Policy	65	
	207-2 Tax governance, control, and risk management	Tax Policy	65	
	207-3 Stakeholder engagement and management of concerns related to tax	Tax Policy	65	
Information Security Management/ Customer Privacy				
GRI 418：Customer Privacy2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy Protection Customer Service and Relationship Management	46-50 83-84	
Marketing and Labeling				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Product Safety Labeling	82	
	417-2 Incidents of non-compliance concerning product and service information and labeling	Product Safety Labeling	82	
Employee Diversity and Equal Opportunity				
GRI 405：Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	The Board of Directors Workforce Structure	31 130-133	
	405-2 Ratio of basic salary and remuneration of women to men	Advancing Gender Equality and Pay Equity	134	
Human Rights				
GRI 406：Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Anti-Discrimination and Harassment	126	
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	Labor-Management Communication	127-128	
GRI 408：Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Prohibition of Child Labor and Forced Labor	125	
GRI 409：Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Prohibition of Child Labor and Forced Labor	125	
Biodiversity Conservation Actions				
GRI 101：Biodiversity 2024	101-2：Management of biodiversity impacts	Biodiversity Conservation Actions	161-163	
	101-5：Sites with biodiversity impacts	Biodiversity Conservation Actions	161-163	
	101-7：Changes in biodiversity status	Biodiversity Conservation Actions	161-163	
	101-8：Ecosystem services	Biodiversity Conservation Actions	161-163	

Sustainability Accounting Standards Board (SASB) Reference Table

SASB Topics	SASB Code	Accounting Metric	Chapter	Page	Note
Greenhouse gas emissions	RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions limiting regulations	Greenhouse Gas Inventory	96	
	RT-CH-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Sustainability Progress and Milestones Greenhouse Gas Reduction	16 96-101	
Air quality	RT-CH-120a.1	Air emissions of the following pollutants: (1)NOx (excluding N2O), (2)NOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Air Pollution Discharge Description	102	
Energy management	RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy	Energy Consumption Status	91-92	
Water management	RT-CH-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Water Utilization Water Risk Identification and Management	105-107	
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Water Resource Protection and Utilization	108、110	
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water Risk Identification and Management Wastewater Management	107 110-111	
Hazardous waste management	RT-CH-150a.1	(1) Amount of hazardous waste generated, (2) percentage recycled	Waste Management	112-113	
Community relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	Social Engagement and Community Feedback	164-165	
Workforce health & safety	RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Occupational Injury Statistics	144-145	
	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Employee Health Promotion	157-160	
Product design for use-phase efficiency	RT-CH-410a.1	Revenue from products designed for usephase resource efficiency	Sustainability Progress and Milestones	15	
Safety & environmental stewardship of chemicals	RT-CH-410b.1	(1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	-	-	The products produced by the Group's operating plants do not contain GHS Category 1 or Category 2 hazardous substances to health and the environment.
	RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact	Hazardous Chemical Management Raw Material Management Green Product Design and Development	149-150 63 73-76	
Genetically modified organisms	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	-	-	Our company's business does not involve this item.
Management of the legal and regulatory environment	RT-CH-530a.1	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	Risk Management Mechanism Statutory Compliance System Compliance Training and Advocacy of Laws and Regulations	37-50 55-56	
Operational safety, emergency preparedness & response	RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Occupational Injury Statistics	145	
	RT-CH-540a.2	Number of transport incidents	Occupational Injury Statistics	148	

Note: Using SASB standards for the Chemicals industry, 2023-12 version.

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies: Sustainability Disclosure Indicators for the Chemical Industry

Code	Indicator	Category	Chapter	Page	Note
1	Total energy consumption, percentage of purchased electricity, rate of renewable energy use, and total self-generated and self-usage energy.Note	Quantitative	Energy Consumption Status	92	
2	Total water withdrawal, total water consumption, and waste (sewage) water discharge volume required by law and regulations or disclosed voluntarily.	Quantitative	Water Utilization	106	
3	Amount of hazardous waste generated during production and percentage recycled according to legal requirements or voluntary disclosure.	Quantitative	Waste Management Status	113	
4	Number and rate of individuals subject to occupational accidents.	Quantitative	Occupational Injury Statistics	144-145	
5	Operating activities which have significant actual or potential negative impacts on local communities.	Qualitative Description	Management Approach - Community Engagement	120	
6	Specific and effective mechanisms and actions taken by the company and its suppliers to reduce negative impacts on the environment or society.	Qualitative Description	Sustainable Supply Chain Management	57-62	
7	Production output by product line.	Quantitative	Energy Consumption Status Greenhouse Gas Inventory	92 97	

Note：The total amount of self-generated and self-usage energy is defined in the "Renewable Energy Development Act", "Implementation Regulations Governing Renewable Energy Certificates" or related sub-laws.

TCFD and Climate-Related Information of TWSE Listed Company

TCFD Suggested Disclosures		Climate-Related Information of TWSE Listed Company	Chapter	Page	Note
Governance					
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	TCFD Climate Risk and Opportunities	40	
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.			40	
Strategy					
TCFD 2(a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2.Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	TCFD Climate Risk and Opportunities	41-42	
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	3. Describe the financial impact of extreme weather events and transformative actions.		41-42	
TCFD 2(c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	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.		44	

TCFD Suggested Disclosures		Climate-Related Information of TWSE Listed Company	Chapter	Page	Note
Risk Management					
TCFD 3(a)	Describe the organization's processes for identifying and assessing climate-related risks.	4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	TCFD Climate Risk and Opportunities	40-44	
TCFD 3(b)	Describe the organization's processes for managing climate-related risks.			40-44	
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.			40-44	
Metrics and Targets					
TCFD 4(a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	TCFD Climate Risk and Opportunities	43、45	
		7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Greenhouse Gas Reduction	-	
TCFD 4(b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and specific action plans.	Greenhouse Gas Reduction	96-101	
TCFD 4(c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	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.	Greenhouse Gas Reduction	96-101	

United Nations Sustainable Development Goals(SDGs) Index

Sustainable Development Goal	Sub-target	Chapter	Page
SDG 1	SDG 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.	Social Engagement and Community Feedback	164-165
	SDG 1.5: By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.	Social Engagement and Community Feedback	164-165
SDG 3	SDG 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	Compensation Structure and Employee Benefits	133-140
	SDG 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	Air Quality Improvement Occupational Health and Safety Employee Health Promotion	102-104 142-153 157-160
SDG 4	SDG 4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.	Social Engagement and Community Feedback	164-165
	SDG 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.	Talent Cultivation and Growth	140-141

Sustainable Development Goal	Sub-target	Chapter	Page
SDG 4	SDG 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.	Social Engagement and Community Feedback	164-165
SDG 5	SDG 5.1: End all forms of discrimination against all women and girls everywhere.	Human Rights Human Resources for Sustainable Development	121-130 130-133
	SDG 5.2: Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.	Human Rights	121-130
SDG 6	SDG 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	Water Resource Protection and Utilization	105-111
SDG 7	SDG 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.	Energy Consumption and Efficiency Improvement	91-95
	SDG 7.3 By 2030, double the global rate of improvement in energy efficiency.	Innovative Research & Development and Forward-Thinking Technology Energy Consumption and Efficiency Improvement	69-71 91-95
SDG 8	SDG 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	Risk Management Mechanism Operational Performance Innovative Research & Development and Forward-Thinking Technology	37-50 64-66 69-71
	SDG 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	Compensation Structure and Employee Benefits	133-140
	SDG 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training.	Talent Cultivation and Growth	140-141
	SDG 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.	Sustainable Supply Chain Management Human Rights	57-63 121-130
	SDG 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	Human Rights Occupational Health and Safety (OHS) Emergency Incidents and Response	121-130 142-153 154-156
SDG 9	SDG 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	Operational Performance	64-66
	SDG 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.	Risk Management Mechanism Innovative Research & Development and Forward-Thinking Technology Green Product Design and Development	37-50 69-71 72-77
SDG 10	SDG 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	Human Rights Human Resources for Sustainable Development	121-130 130-133
	SDG 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.	Human Rights Human Resources for Sustainable Development	121-130 130-133
	SDG 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.	Compensation Structure and Benefits	133-140
SDG 11	SDG 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	Air Quality Improvement Waste Reduction and Recycling	102-104 112-116

Sustainable Development Goal	Sub-target	Chapter	Page
SDG 12	SDG 12.2 By 2030, achieve the sustainable management and efficient use of natural resources.	Water Resource Protection and Utilization Waste Reduction and Recycling	105-111 112-116
	SDG 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.	Sustainable Supply Chain Management Product Quality and Safety Management Customer Service and Relationship Management Occupational Health and Safety (OHS) Employee Health Promotion Air Quality Improvement	57-63 78-82 83-84 142-153 157-160 102-104
	SDG 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Sustainable Supply Chain Management Energy Consumption and Efficiency Improvement Air Quality Improvement Waste Reduction and Recycling	57-63 91-95 102-104 112-116
	SDG 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	Sustainability Development System Risk Management Mechanism Operational Performance	36-37 37-50 64-66
	SDG 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities.	Sustainable Supply Chain Management	57-63
SDG 13	SDG 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	Risk Management Mechanism Greenhouse Gas Reduction	37-50 96-101
SDG 15	SDG 15.4 By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development.	Ecological Conservation and Biodiversity	161-163
	SDG 15.6 Promote fair and equitable sharing of the benefits arising from the utilization of genetic resources and promote appropriate access to such resources, as internationally agreed.	Ecological Conservation and Biodiversity	161-163
	SDG 15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.	Ecological Conservation and Biodiversity	161-163
SDG 16	SDG 16.2: End abuse, exploitation, trafficking and all forms of violence against and torture of children.	Human Rights	121-130
	SDG 16.3: Promote the rule of law at the national and international levels and ensure equal access to justice for all.	Human Rights	121-130
	SDG 16.5: Substantially reduce corruption and bribery in all their forms.	Ethical Management Sustainability Supply Chain Management	51-56 57-63
	SDG 16.6: Develop effective, accountable and transparent institutions at all levels.	Sustainability Development System Risk Management Mechanism	36-37 37-50
	SDG 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels.	Sustainability Development System Human Rights	36-37 121-130
SDG 17	SDG 17.16: Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.	Sustainability Development System	36-37
	SDG 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	Sustainability Development System Risk Management Mechanism Social Engagement and Feedback	36-37 37-50 164-165

UN Global Compact Index

Category	10 principles	Reference	Page
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights.	Human Rights	121-127
	Make sure that they are not complicit in human rights abuses.	Human Rights	121-127
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Labor-Management Communication	127-130
	The elimination of all forms of forced and compulsory labor.	Human Rights	121-127
	The effective abolition of child labor.	Human Rights	121-127
	The elimination of discrimination in respect of employment and occupation.	Human Rights	121-127
Environment	Businesses should support a precautionary approach to environmental challenges.	Risk Management Mechanism Water Resource Protection and Utilization Innovative R&D and Progressive Technology Green Product Design and Development Product Quality and Safety Management	37-45 105-111 69-71 72-77 78-82
	Undertake initiatives to promote greater environmental responsibility.	TCFD Climate Risk and Opportunities Environmental Sustainability Product Responsibility	40-45 85-116 67-84
	Encourage the development and diffusion of environmentally friendly technologies.	Product Responsibility	67-84
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	Ethical Management Sustainable Supply Chain Management	51-56 57-62

Summary of Information Assured

<table>
<tr><th>編號</th><th>項目</th><th>標的資訊</th><th>頁碼</th><th>適用基準</th></tr>
<tr><td>1</td><td>消耗能源總量、外購電力百分比、再生能源使用率及自發自用能源總量</td><td>1. 消耗能源總量：2025年能源消耗總量為27,368,669 GJ。
2. 外購電力百分比：2025年外購電力比例為1.21%。
3. 再生能源使用率：2025年再生能源使用率為0.97%。
4. 自發自用能源總量：2025年自發自用能源總量為4,658,903 GJ。</td><td>85
91
92</td><td>依據集團非再生能源及再生能源（重油、外購電力、天然氣及柴油）之組織內部消耗量。</td></tr>
<tr><td>2</td><td>總取水量、總耗水量、依法規要求或自願揭露之廢（污）水排放量</td><td>1. 總取水量為4,562千立方公尺。
2. 總耗水量為4,487千立方公尺。
3. 廢（污）水排放量75千立方公尺。</td><td>85
106</td><td>1. 依據集團之2025年自來水用水量。
2. 依據集團之2025年廢（污）水排放量。
3. 總耗水量為總取水量扣除廢（污）水排放量。</td></tr>
<tr><td>3</td><td>依法規要求或自願揭露之產品生產過程所製造之有害廢棄物總量及回收百分比</td><td>1. 有害廢棄物總量：2025年有害廢棄物總量為257公噸。
2. 有害廢棄物回收百分比：2025年有害廢棄物回收量占有害廢棄物總量為10.9%。</td><td>112
113</td><td>1. 依據有害廢棄物轉移聯單統計2025年集團有害廢棄物總量。
2. 依據環保署委託或共同處理查詢資料以及有害廢棄物轉移聯單，統計2025年林園廠及馬鞍山廠之有害廢棄物回收再利用重量。</td></tr>
<tr><td>4</td><td>說明職業災害人數及比率</td><td>
<table>
<tr><th>員工</th><th>2025</th></tr>
<tr><td>總經歷工時</td><td>2,115,166</td></tr>
<tr><td>一般職業傷害數量</td><td>8</td></tr>
<tr><td>嚴重職業傷害數量</td><td>1</td></tr>
<tr><td>死亡數量</td><td>0</td></tr>
<tr><td>可紀錄之職業傷害件數合計</td><td>9</td></tr>
<tr><td>可記錄職業傷害率(TRIR)</td><td>0.85</td></tr>
<tr><td>嚴重的職業傷害比率註</td><td>0.47</td></tr>
<tr><td>職業傷害所造成的死亡比率</td><td>0</td></tr>
<tr><td>失能傷害頻率（FR）</td><td>4.25</td></tr>
<tr><td>損工日數</td><td>413</td></tr>
<tr><td>失能傷害嚴重率（SR）</td><td>195.26</td></tr>
</table>
</td><td>145</td><td>依據公司內部事故調查及處理程序，統計2025年集團職業災害人數及總工作時數。

註1：可記錄之職業傷害比率=(可記錄職業傷害數x 200,000工時)÷總經歷工時。
1. 可記錄職業傷害數：
依據公司內部事故調查及處理程序及法令規範之企業職工傷亡事故分類標準，統計屬於工安事件與工作直接相關之傷害數。
2. 總經歷工時：
依有記錄於考勤系統之員工上下班打卡時數作為計算，並由資訊部門彙總工時資訊。
註2：失能傷害嚴重率=損工日數x 1,000,000工時÷總經歷工時。
註3：損工日數為自傷亡日起算，單一個案所有傷害發生後之總損失日數。受傷害者暫時（或永久）不能恢復工作之日數，不包括受傷當日及恢復工作當日，但應含中間所經過之日數（包括星期天、休假日或事業單位停工日）及復工後因該災害導致之任何不能工作之日數。</td></tr>
</table>

<table>
<tr><th>編號</th><th>項目</th><th>標的資訊</th><th>頁碼</th><th>適用基準</th></tr>
<tr>
<td>4</td>
<td>說明職業災害人數及比率</td>
<td>
<table>
<tr><th>非員工</th><th>2025</th></tr>
<tr><td>總經歷工時</td><td>1,336,507</td></tr>
<tr><td>一般職業傷害數量</td><td>1</td></tr>
<tr><td>嚴重職業傷害數量</td><td>0</td></tr>
<tr><td>死亡數量</td><td>0</td></tr>
<tr><td>可紀錄之職業傷害件數合計</td><td>1</td></tr>
<tr><td>可記錄職業傷害率(TRIR)</td><td>0.15</td></tr>
<tr><td>嚴重的職業傷害比率註</td><td>0</td></tr>
<tr><td>職業傷害所造成的死亡比率</td><td>0</td></tr>
<tr><td>失能傷害頻率（FR）</td><td>0.75</td></tr>
<tr><td>損工日數</td><td>12</td></tr>
<tr><td>失能傷害嚴重率（SR）</td><td>8.98</td></tr>
</table>
</td>
<td>145</td>
<td>依據公司內部事故調查及處理程序，統計2025年集團職業災害人數及總工作時數。

註1：可記錄之職業傷害比率=(可記錄職業傷害數x 200,000工時)÷總經歷工時。
1. 可記錄職業傷害數：
依據公司內部事故調查及處理程序及法令規範之企業職工傷亡事故分類標準，統計屬於工安事件與工作直接相關之傷害數。
2. 總經歷工時：
依有記錄於考勤系統之員工上下班打卡時數作為計算，並由資訊部門彙總工時資訊。
註2：失能傷害嚴重率=損工日數x 1,000,000工時÷總經歷工時。
註3：損工日數為自傷亡日起算，單一個案所有傷害發生後之總損失日數。受傷害者暫時（或永久）不能恢復工作之日數，不包括受傷當日及恢復工作當日，但應含中間所經過之日數（包括星期天、休假日或事業單位停工日）及復工後因該災害導致之任何不能工作之日數。</td>
</tr>
<tr>
<td>5</td>
<td>對當地社區具有顯著實際或潛在負面衝擊之營運活動</td>
<td>國際中橡的營運可能影響鄰里社區之空氣品質，為降低產生空氣污染的風險，各營運據點皆嚴格按照政府要求管理環保工作，制定內部各項管理計畫。以大中華地區林園先進廠而言，所有製程階段均設有相關污染監測設備，並且每年定期進行設備維護，相關空氣污染因子數據也依據法規每年申報。其餘各廠區亦有空污管理之相關措施與作為，2025年評估國際中橡營運活動在廠區各項積極防制作為下，對於當地社區與環境無顯著之負面影響。</td>
<td>161</td>
<td>評估集團污染監測程序、空氣污染申報情事以及當地社區負面衝擊之評估及瞭解。</td>
</tr>
<tr>
<td>6</td>
<td>企業本身及其供應商為降低環境或社會之負面衝擊所採取之具體、有效機制及作為</td>
<td>1.2025年大中華地區實際有交易之供應商總數為346家。
2. 2025年大中華地區實際有交易之供應商簽署供應商合約(含企業社會責任條款)及廉潔條款百分比為100%。</td>
<td>57</td>
<td>1.2025年大中華地區實際有交易之供應商之總數。
2.依據公司內部之供應及承攬廠商評鑑作業程序，於大中華地區2025年實際有交易之供應商簽署供應商合約、企業社會責任條款及廉潔條款之百分比。</td>
</tr>
<tr>
<td>7</td>
<td>依產品類別之產量</td>
<td>依產品類別之產量：國際中橡2025年生產碳黑366,473公噸。</td>
<td>92</td>
<td>國際中橡2025年生產碳黑之產量。</td>
</tr>
</table>

Independent Limited Assurance Report

pwc 資誠

會計師有限確信報告

資會綜字第 25013867 號

國際中橡投資控股股份有限公司　公鑒：

本會計師受國際中橡投資控股股份有限公司（以下簡稱「貴公司」）之委任，對　貴公司選定 2025 年度永續報告書所報導之關鍵績效指標（以下簡稱「所選定之關鍵績效指標」）執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

標的資訊與適用基準

本確信案件之標的資訊係　貴公司上開所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用基準詳列於　貴公司 2025 年度永續報告書第 182 至 183 頁之「確信項目彙總表」。　前述所選定之關鍵績效指標之報導範圍業於永續報告書第 2 頁之「報告書範疇與邊界」段落述明。

管理階層之責任

貴公司管理階層之責任係依照適用基準編製永續報告書所選定之關鍵績效指標，且設計、付諸實行及維持與所選定之關鍵績效指標編製有關之內部控制，以確保所選定之關鍵績效指標未存有導因於舞弊或錯誤之重大不實表達。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

會計師之獨立性及品質管理

本會計師及本事務所已遵循會計師職業道德規範有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

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本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令有關之政策或程序。

會計師之責任

本會計師之責任係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」規劃及執行有限確信案件，基於所執行之程序及所獲取之證據，對第一段所述 貴公司所選定之關鍵績效指標是否未存有重大不實表達取得有限確信，並作成有限確信之結論。

依確信準則 3000 號之規定，本有限確信案件工作包括評估　貴公司採用適用基準編製永續報告書所選定之關鍵績效指標之妥適性、評估所選定之關鍵績效指標導因於舞弊或錯誤之重大不實表達風險、依情況對所評估風險作出必要之因應，以及評估所選定之關鍵績效指標之整體表達。有關風險評估程序（包括對內部控制之瞭解）及因應所評估風險之程序，有限確信案件之範圍明顯小於合理確信案件。

本會計師對第一段所述　貴公司所選定之關鍵績效指標所執行之程序係基於專業判斷，該等程序包括查詢、對流程之觀察、文件之檢查與分析性程序是否適當之評估，以及與相關紀錄之核對或調節。

基於本案件情況，本會計師於執行上述程序時：

- 已對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程，以及依關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，已對所選定之關鍵績效指標進行分析性程序，並選取樣本進行包括查詢、觀察、檢查測試，以取得有限確信之證據。

相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。因此，本會計師不對　貴公司所選定之關鍵績效指標在所有重大方面，是否依照適用基準編製，表示合理確信之意見。

此報告不對 2025 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

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有限確信之結論

依據所執行之程序與所獲取之證據，本會計師並未發現第一段所述　貴公司所選定之關鍵績效指標在所有重大方面有未依照適用基準編製之情事。

其它事項

貴公司網站之維護係　貴公司管理階層之責任，對於確信報告於　貴公司網站公告後任何所選定之關鍵績效指標或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資誠聯合會計師事務所

會計師　徐潔如

2026 年 6 月 26 日

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