



2025

SAN FU CHEMICAL CO., LTD.

2025

ESG REPORT



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Message from the Chairman

Excluding the one-time "SOE Zuoying Project" recognized in 2024, San Fu Chemical's 2025 revenue rose slightly year over year. This growth was driven by our domestic food additives, TMAH recycling, VMT contract manufacturing, San Fu Ming, and health food product lines, partially offset by declines in chemicals for the flat-panel industry and in exported chemical products. Use of cleaning agents in the CoWoS process also increased significantly this year, and we continued to roll out new products throughout the period. We are grateful to our customers for their continued support and to every member of our team for their hard work.

We continued to advance our energy conservation and carbon reduction initiatives, further reducing energy intensity. Total carbon emissions were 35,069 tCO₂e, compared with 34,963 tCO₂e the previous year – a slight increase attributable to higher production volume.

Through our TMAH-R recycling and reuse circular economy initiative, we collected and transported a cumulative total of 183,793 metric tons of waste liquid for treatment, while our cumulative use of recycled solvents reached 59,834 metric tons, continuing an upward trend. At the Nitto Plant, San Fu's recovered TMAH liquid can be purified to a 25% TMAH solution with metal ion levels below 10 ppt, and to 2.38% TMAH with metal ion concentrations below 1 ppt. Using San Fu's recycled 25% TMAH, the carbon footprint per kilogram of product is just 0.0722 kg, and the carbon emissions generated during the transportation of TMAH recycling and TMAH-R supply are likewise minimized.

Our joint venture, Hung Cheng, recycled 4,376 metric tons of CO₂ in 2025, compared with 4,759 metric tons in 2024 – a broadly comparable level. Plans for a 30,000-metric-ton-per-year CO₂ plant are currently in the planning and negotiation stage.

This year, San Fu expanded its volunteer activities as part of our commitment to giving back to local communities. Once a month, our volunteers carry out environmental cleanup work at selected locations in the community, and we hold an annual charity bazaar, with all proceeds donated to charitable organizations.

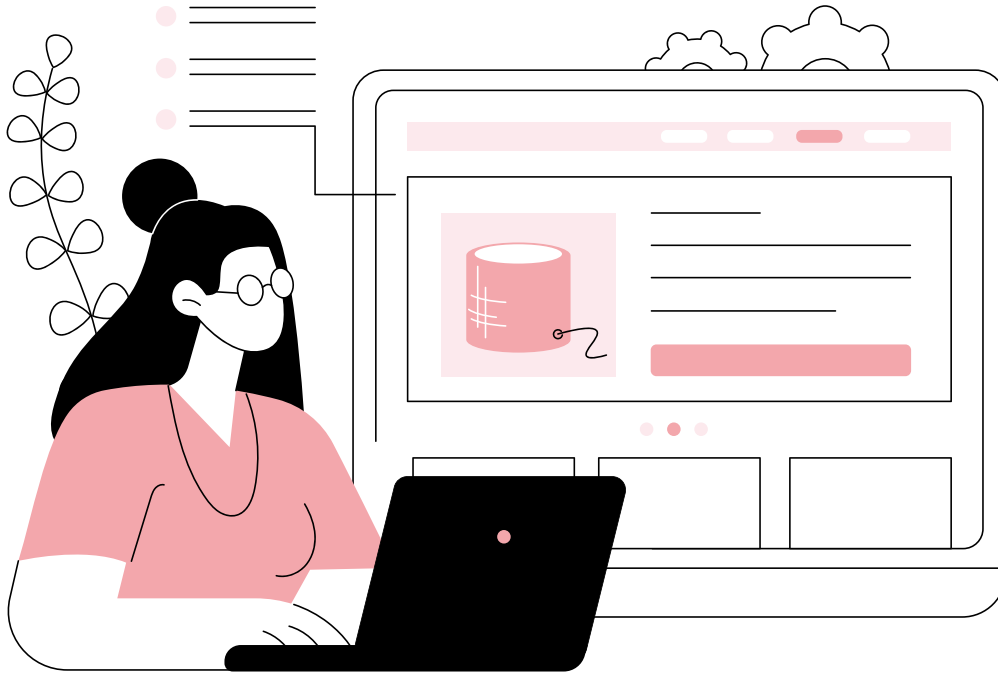
Guided by the philanthropic spirit and commitment to serving society exemplified by our founder, Mr. Chang Fu-Lu, and our Honorary Chairman, Mr. Chang Chun-Ming, the Company embraces the principles of realizing, cherishing, and cultivating blessings. We continue to build strong community ties by supporting the baseball teams of Shanhua Elementary School and Shanhua Junior High School; providing scholarships and donations to students at National Taiwan University, National Cheng Kung University, and Tunghai University; and supporting the K. T. Wang Bioorganic Chemistry Education Foundation and the Fu Lu Culture Foundation. Through these efforts, we strive to fulfill our responsibilities and make meaningful contributions to society, to humanity, and to the planet.

San Fu Chemical Co., Ltd.

Chairman Wu Hsin-Hung

2026.5.14

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Report Overview

This report is the 2025 Sustainability Report issued by San Fu Chemical Co., Ltd. (hereinafter referred to as "San Fu Chemical" or "the Company"). The purpose of this report is to provide all stakeholders who care about San Fu Chemical with a clearer understanding of our commitments and achievements in the areas of environmental protection (E, Environment), social responsibility (S, Social), and corporate governance (G, Governance) through the sustainability information disclosed herein.

This report is available in both Chinese and English versions. You are welcome to download and read it from our official website: <https://www.sfchem.com.tw>

Reporting Period	This report was published in June 2026 and covers the disclosure period from January 1, 2025, to December 31, 2025, which is consistent with the reporting period of the financial statements. The previous report was published in June 2025. This report is published annually. We will continue to issue this report each year to regularly disclose our operational achievements beyond financial performance and to put our vision of sustainable business operations into practice through concrete actions.
Reporting Standards and Frameworks	This report has been prepared in accordance with the GRI Standards (including the GRI Universal Standards 2021) issued by the Global Reporting Initiative (GRI), the AA1000 AccountAbility Principles (AA1000AP, 2018) published by AccountAbility, and the Chemicals Industry Standard issued by the Sustainability Accounting Standards Board (SASB). It also complies with the <i>Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies</i>.
Report Management and Review	1. The data and information disclosed in the 2025 Sustainability Report have been prepared in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. The content was provided by the Sustainability Promotion Task Force to the Sustainability Team for consolidation and review. It was then reviewed by the Chief Sustainability Officer, the General Manager, and the Chairman, and ultimately submitted to the Corporate Sustainability Committee (hereinafter referred to as the "ESG Committee") and the Board of Directors for approval on April 20, 2026, and April 29, 2026, respectively. 2. In response to the regulatory authority's revision of the "Regulations Governing Establishment of Internal Control Systems by Public Companies," the Board of Directors approved in 2024 the incorporation of the "Procedures for the Preparation and Verification of Sustainability Reports" into the internal control system for listed companies and designated it as an audit item in the annual audit plan.
Information Restatements Are Presented as Follows:	In the Raw Material Management section under Sustainable Environment, the statistics for recycled packaging materials were restated. The 2024 figure for non-recyclable repackaged (chemical) packaging was revised from 23,159 kg to 45,877 kg. The information was restated due to a typographical error during the layout process. After recalculation, the correct figure is 45,877 kg as stated above. The restated information does not affect the content disclosed in this report.
Contact Information	If you have any suggestions or inquiries regarding the "2025 Sustainability Report" or ESG-related issues, we warmly welcome you to contact us through the following channels and share your valuable feedback. San Fu Chemical Co., Ltd. Address: 7F, No. 21, Sec. 2, Zhongshan N. Rd., Taipei City Contact Person: Chang Ching-Tang, Chief Sustainability Officer and Senior Manager Tel.: +886-6-5837-608 ext. 616 E-mail: JTCHANG@sfchem.com.tw San Fu Chemical ESG Website 

Third-party Assurance Information

Financial Data

The financial data disclosed in this report is derived from the consolidated financial report audited and certified by Deloitte Taiwan in accordance with the International Financial Reporting Standards (IFRS).

Product and Service Quality

- The ISO 9001 Quality Management System has been certified by the Taiwan Branch of The British Standards Institution (BSI).
- The ISO 22000 / HACCP Food Safety Management System has been certified by "Intertek Testing Services Taiwan Ltd." (hereinafter referred to as "Intertek").
- The Quality Control Laboratory has obtained ISO 17025 Laboratory Quality Management System accreditation from the Taiwan Accreditation Foundation (TAF).

Environmental Protection and Occupational Safety and Health Management

- The ISO 14001 Environmental Management System and ISO 45001 Occupational Safety and Health Management System of San Fu's facilities have been certified by the Taiwan Branch of The British Standards Institution (BSI), while International Nitto has been certified by Intertek.
- Sites Disclosed in This Report: Taipei Headquarters, Zhubei Office, Tainan Shanhua Plant (hereinafter referred to as the "Shanhua Plant"), Tainan Liouke Plant (hereinafter referred to as the "Liouke Plant"), Kaohsiung Xiaogang Plant (hereinafter referred to as the "Kaohsiung Plant"), and Tainan International Nitto Technology Plant (hereinafter referred to as "International Nitto"), among others, have obtained an ISO 14064-1 GHG Inventory Statement from Intertek Testing Services Taiwan Ltd.

Energy Management

The Company's Shanhua Plant and Liouke Plant have obtained certification for the ISO 50001 Energy Management System from the Taiwan Branch of The British Standards Institution (BSI).

Sustainability Report

In accordance with Article 4, Paragraph 2 of the Taiwan Stock Exchange's *Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies*, the Company disclosed the Sustainability Disclosure Indicators for the Chemical Industry and obtained an Independent Limited Assurance Report issued by PwC Taiwan.



Report Boundary and Scope of Disclosure



The economic and social data disclosed in this report are derived from the consolidated financial statements published in the 2025 Annual Report of San Fu Chemical Co., Ltd. The scope of disclosure covers six operating sites, including Taipei Headquarters, Zhubei Office, Shanhua Plant, Liouke Plant, Kaohsiung Plant, and the subsidiary International Nitto. For the environmental category, the primary disclosure boundary covers the manufacturing facilities, including the Shanhua Plant, Liouke Plant, Kaohsiung Plant, and International Nitto. For Taipei Headquarters and the Zhubei Office, disclosures focus mainly on water conservation measures for domestic water use and the adoption of LED lighting indoors to reduce greenhouse gas emissions.

Operational Sites and Report Disclosure Boundaries

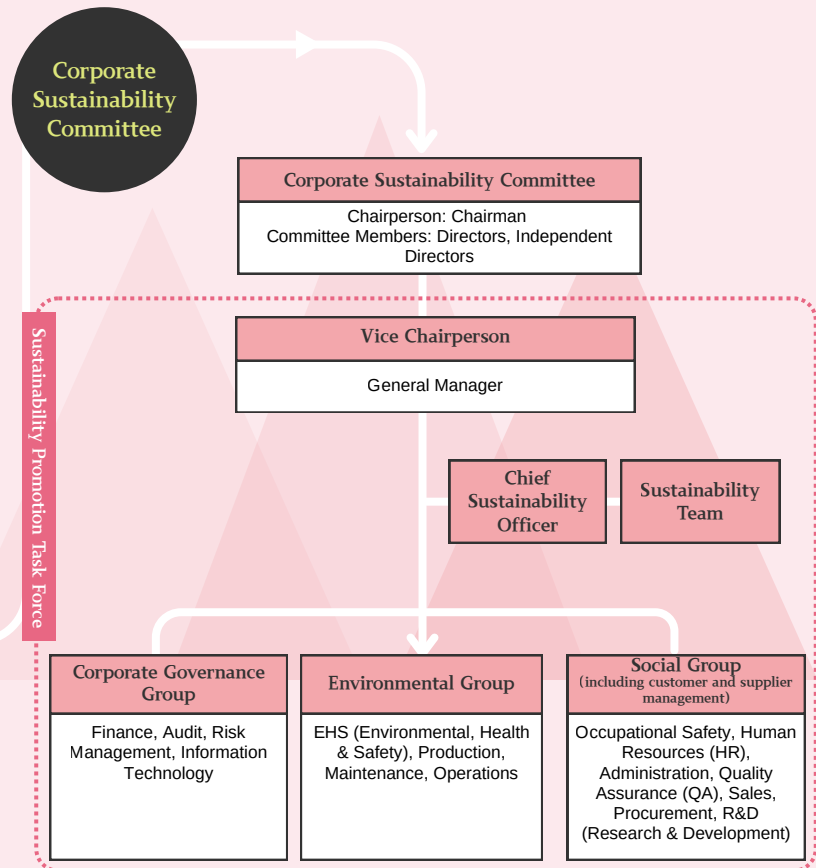
Name	Address	Number of Employees	Responsibilities	Disclosure Scope		
				Economic	Environmental	Social
Taipei Headquarters	7F, No. 21, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City	34	Decision-Making Center	●	●	●
Zhubei Office	6F.-2, No. 251, Fuxing 1st St., Zhubei City, Hsinchu County	31	Business Unit	●	●	●
Shanhua Plant	No. 340, Xiaoxinying, Xiaoxin Vil., Shanhua Dist., Tainan City	203	Product Manufacturing	●	●	●
Liouke Plant	No. 1, Sec. 1, Huanyuan E. Rd., Liuying Dist., Tainan City	69	Product Manufacturing	●	●	●
Kaohsiung Plant	No. 45, Zhongheng St., Xiaogang Dist., Kaohsiung City	17	Product Manufacturing	●	●	●
International Nitto	No. 26, Sec. 2, Huanyuan E. Rd., Shanhua Dist., Tainan City	31	Product Manufacturing	●	●	●
Total Employees of San Fu Chemical				385		

Corporate Sustainability Committee (ESG Committee)

Establishment of the ESG Committee

In response to global sustainable development trends, we established the “ESG Committee” and the “Sustainability Promotion Task Force” to advance sustainable development initiatives and strengthen corporate governance. The Committee serves a supervisory role in formulating corporate development strategies and approving related plans. It consists of three directors appointed by resolution of the Board of Directors and assists in the formulation of sustainable development policies, annual plans, and project plans. The Committee is also responsible for supervising and evaluating implementation performance, as well as reviewing and approving the Sustainability Report. The Committee shall convene at least once each year and may hold meetings at any time as necessary.

Vice Chairperson and General Manager Su Tien-Bao also serves as the highest-ranking supervisor of the “Sustainability Promotion Task Force,” working together with the Chief Sustainability Officer and the leaders of various working groups to review and determine sustainability issues and objectives. Each year, the Chief Sustainability Officer reports ESG implementation results and future plans to the ESG Committee.



Sustainability Task Force Force

Supervising Officer: Served by Vice Chairperson and General Manager Su Tien-Bao

Team Leaders: Functional organization representatives responsible for corporate governance, environmental, and social aspects are appointed by the General Manager

Meeting Frequency: Quarterly

Work Contents



Identify stakeholder groups and material topics, and formulate strategic action plans



Conduct cross-departmental communication and integrate climate risk information, while establishing and monitoring the implementation performance of sustainability issues.

[Annual Reporting Process]: To fulfill the supervisory responsibilities of the highest governance body, the “Chief Sustainability Officer” annually consolidates the previous year’s sustainability implementation results, greenhouse gas inventory findings, and future work plans, and submits them for review in accordance with a two-stage review mechanism. The Company’s 2025 sustainability performance was first presented to the “ESG Committee” for a dedicated report and substantive review on April 20, 2026. Following the Committee’s guidance and the completion of related revisions, it was formally submitted to the “Board of Directors” for approval on April 29, 2026.

San Fu Chemical Corporate Sustainability Policy

To continuously improve the corporate sustainability framework, we have established the “San Fu Chemical Corporate Sustainability Policy” to ensure that sustainable development principles are integrated into all business operations. The Policy emphasizes three key pillars: “Implementing Ethical Corporate Management,” “Building a Sustainable Environment,” and “Promoting Social Co-prosperity,” comprehensively covering the dimensions of Governance (G), Environment (E), and Social (S), and serving as the Company’s highest guiding principle for advancing sustainable business operations.



San Fu Chemical Official Website - Important Statement



Stakeholder Communication and Material Topic Identification

Stakeholder Communication

In accordance with the five dimensions of the AA1000 Stakeholder Engagement Standard (AA1000 SES): dependency, responsibility, concern, influence, and diverse perspectives, and with reference to industry practices, six primary stakeholder groups were identified: customers, regulatory authorities, shareholders, suppliers/contractors/ Business Partners, employees, and Local Communities.

Through a materiality analysis, the issues of concern to the aforementioned stakeholder groups were identified. The report discloses performance highlights and improvement results related to these issues, maintains communication with stakeholders, and regularly reports communication outcomes to the Board of Directors.

We convene the Annual General Shareholders' Meeting each year to ensure that shareholders' rights and interests are fully protected. We strictly comply with regulatory authorities' information disclosure requirements and regularly publish relevant information on the MOPS. We also actively support the corporate governance evaluation system promoted by the government and voluntarily submit the "Corporate Governance Evaluation Report" each year to enhance our corporate governance standards.

In maintaining customer relationships, our sales personnel consistently uphold a strong customer-oriented approach by promptly providing information such as product specifications and quotations based on customer needs. Before product shipment, the Quality Department submits the required quality inspection reports to customers to ensure that product quality meets customer expectations.

For operating performance matters of interest to financial media, upon receiving a formal interview request, our spokesperson will officially respond to media inquiries, and press releases will be uniformly published through the MOPS or the Company's official website to ensure the transparency and accuracy of information.

We maintain close interaction and communication with internal stakeholders. The Board of Directors convenes at least once every quarter to ensure efficient and transparent corporate decision-making. In addition, Labor-management Meetings and Occupational Safety, Health and Environmental Protection Committee meetings are convened quarterly to safeguard employees' rights and interests and ensure workplace safety. Daily communication is also conducted through the Company's internal website to ensure the timely dissemination of information.

For information regarding stakeholder communication channels and communication frequency during the reporting period, please refer to the Stakeholder Communication Results section.

Stakeholder Communication Results

Customers

Importance

San Fu Chemical regards customer satisfaction as an important indicator of corporate performance and a benchmark for future growth. Suggestions and feedback from every customer are addressed in accordance with the plant's communication management procedures.

Communication Method

Phone, E-MAIL, In-person Visits, Company Website

Frequency

Occasionally

Customer Satisfaction Survey

Annually

Issues of Concern

Emissions, Wastes

Response Measures (Please refer to the sections below for details)

Sustainable Environment (4)

Employees

Importance

San Fu Chemical provides equal employment opportunities and spares no effort in investing in employee training and development. For San Fu Chemical, the enhancement of employees' competencies and career development is equally important as corporate operations.

Communication Method

Public Announcement Platform, Employee Feedback Platform, MOPS

Frequency

Occasionally

Labor-management Meetings, Employee Welfare Committee Meeting, Safety and Environmental Committee

Annually

Issues of Concern

Economic Performance, Regulatory Compliance, Wastes

Response Measures (Please refer to the sections below for details)

About Us (1), Economic Performance (2), Sustainable Environment (4)

Competent Authorities

Importance

All operating activities of San Fu Chemical comply with domestic and international regulations and serve as the foundation for the Company's sustainable operations.

Communication Method

Audit by Competent Authorities, E-MAIL, Official Correspondences, Network, Regulatory Policy Briefings, MOPS

Frequency

Occasionally

Issues of Concern

Regulatory Compliance

Response Measures (Please refer to the sections below for details)

About Us (1)

Suppliers/Contractors/Business Partners

Importance

San Fu Chemical regards every supplier and contractor as an important partner and has implemented a supplier self-assessment program to evaluate compliance with standards across five dimensions: quality, labor, environment, human rights, and economic performance.

Communication Method

Phone, E-MAIL, Factory Audit, Written Correspondences
Supplier Audit

Frequency

Occasionally

Annually

Issues of Concern

Economic Performance, Integrity and Accountability, Emissions

Response Measures (Please refer to the sections below for details)

About Us (1), Economic Performance (2), Sustainable Environment (4)

Shareholders

Importance

San Fu Chemical is committed to fostering a corporate culture and management approach based on ethical corporate management. Upholding the principles of integrity, transparency, and accountability, the Company has designated a dedicated unit to formulate and oversee the implementation of preventive measures.

Communication Method

Company Website, MOPS, Press Release
Financial Statements
Annual Reports, Investor Conferences, Shareholders' Meeting

Frequency

Occasionally

Quarterly

Annually

Issues of Concern

Economic Performance, Integrity and Accountability, Regulatory Compliance, Water, Emissions, Wastes

Response Measures (Please refer to the sections below for details)

About Us (1), Economic Performance (2), Sustainable Environment (4)

Local Communities

Importance

San Fu Chemical places great importance on engagement with Local Communities and environmental management. We have established dedicated community contact channels to enable residents to conveniently provide suggestions and feedback to the Company, thereby strengthening mutual interaction and understanding.

Communication Method

Phone, E-MAIL, In-person Visits, Company Website

Frequency

Occasionally

Issues of Concern

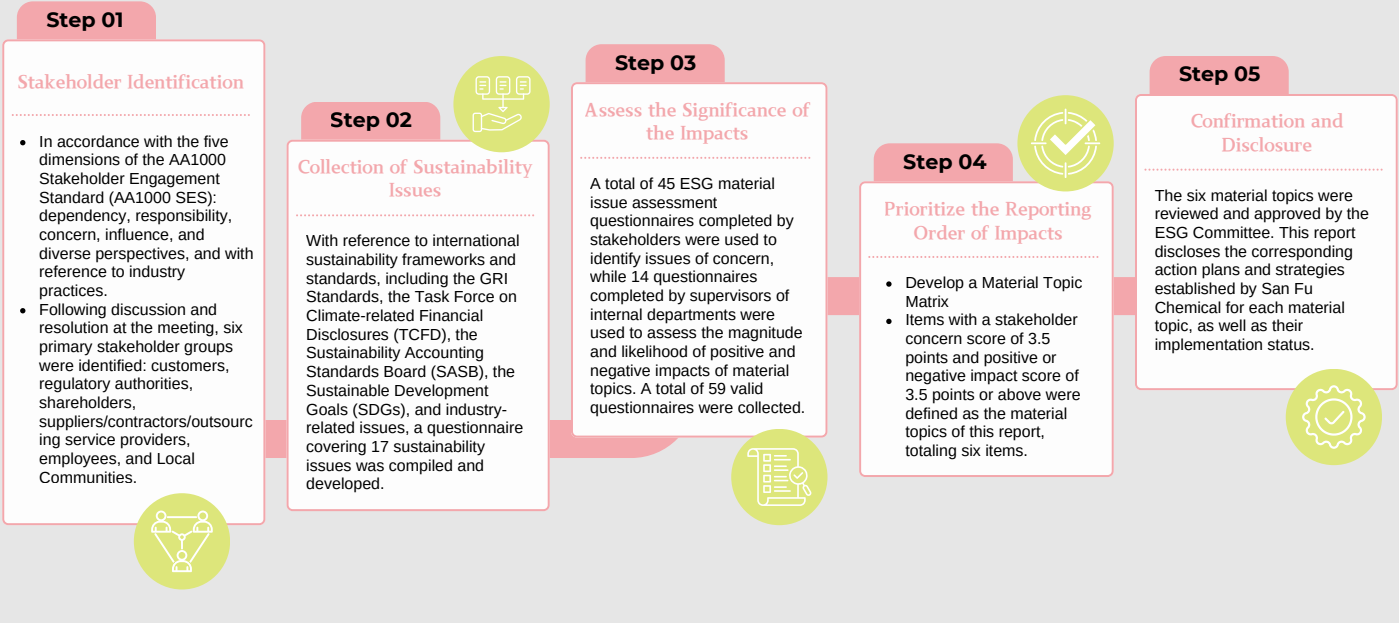
Water, Emissions

Response Measures (Please refer to the sections below for details)

Sustainable Environment (4)

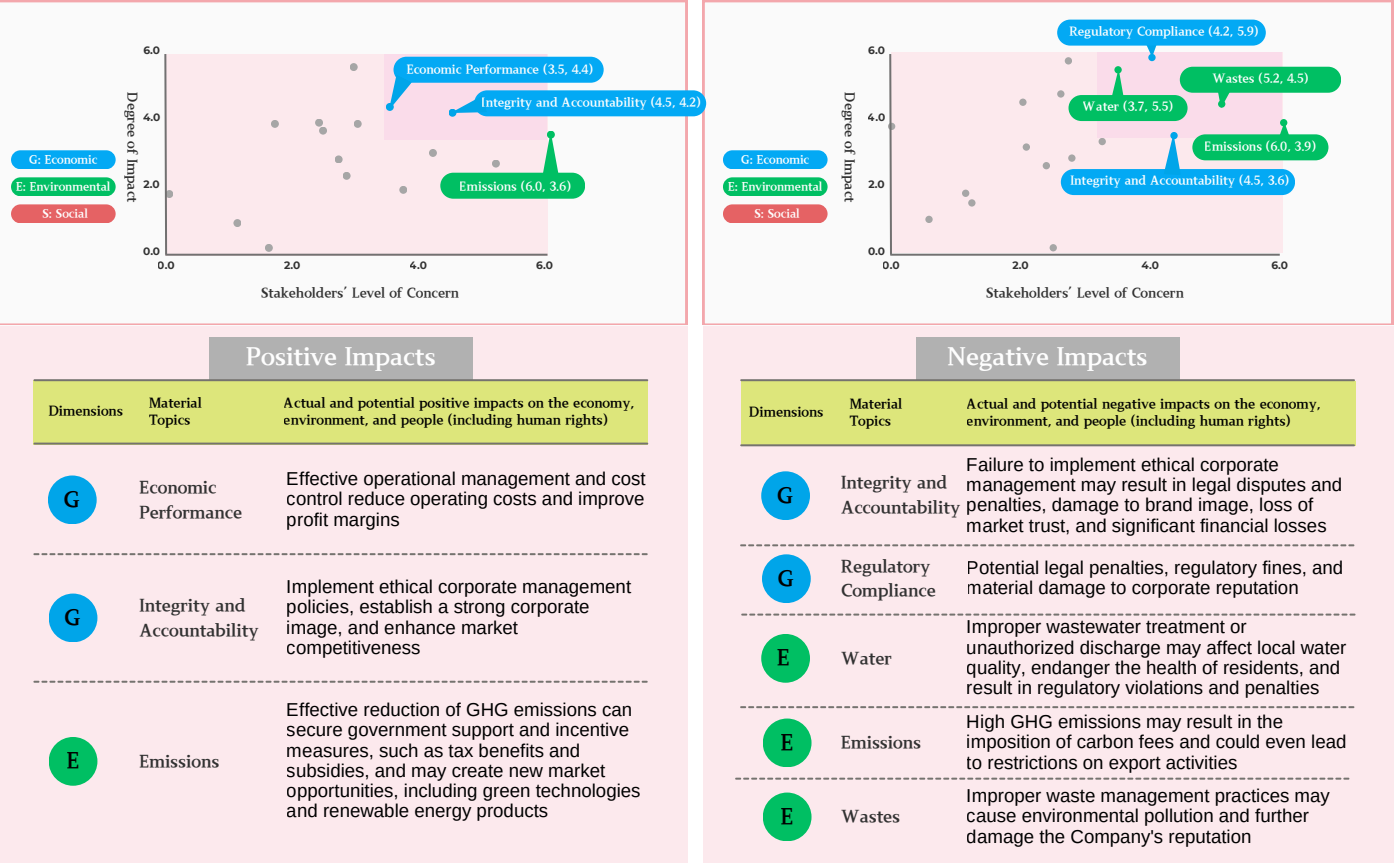
Material Topic Identification Process

Each year, San Fu Chemical's Sustainability Promotion Task Force and senior management identify stakeholders and material topics. Through questionnaires, opinions are collected from both internal and external stakeholders to ensure that the Company's sustainable development direction and reporting content align with stakeholder expectations. A material topic identification process was developed based on the three major principles of identification, analysis, and confirmation. During the 2025 reporting period, a total of 59 responses were collected from stakeholders and senior management. The stakeholder identification results and material topics were reviewed and approved by senior management.



Material Topic Identification Results

Based on stakeholder concern levels and the assessment of positive and negative impacts, six material topics were identified for this year. When assessing material topics, consideration is given to each topic's "impacts on the economy, environment, and people (positive and negative)," as well as its internal and external effects.



Description of Changes in the Material Topic Matrix

Compared with the previous year, the materiality of two sustainability issues, "Occupational Safety and Health" and "Customer Relationship Management," decreased, while the materiality of the two topics "Economic Performance" and "Water" increased. The differences are presented in the table below.



Material Topics	2024 Material Topics	2025 Material Topics	Materiality Differences
Economic Performance	×	○	▲
Integrity and Accountability	○	○	-
Regulatory Compliance	○	○	-
Water	×	○	▲
Emissions	○	○	-
Wastes	○	○	-
Occupational Safety and Health	○	○	-
Customer Relationship Management	○	×	▼
	○	×	▼

Material Topic Impact Boundaries, Value Chain, and Importance to San Fu Chemical

Economic

Aligning SDGs	  	Value Chain Impact Assessment	Supplier The Company Customers
Material Topics	Economic Performance	Importance to the Company	
Corresponding GRI Indicators	201-1, 201-3	Sound financial performance is the driving force behind sustainable business operations. San Fu is committed to creating greater economic value to generate returns for stakeholders such as shareholders and investors.	
Aligning SDGs	  	Value Chain Impact Assessment	Supplier The Company Customers
Material Topics	Integrity and Accountability	Importance to the Company	
Corresponding GRI Indicators	205-2, 205-3	Implement ethical corporate management policies to establish a strong corporate image and enhance market competitiveness, while avoiding legal disputes and penalties, damage to brand image, loss of market trust, and significant financial losses.	
Aligning SDGs	  	Value Chain Impact Assessment	Supplier The Company Customers
Material Topics	Regulatory Compliance	Importance to the Company	
Corresponding GRI Indicators	206-1, 416-2, 417-2, 417-3	As global attention to Environmental, Social, and Governance (ESG) standards continues to increase, regulatory compliance has become an important foundation for the steady growth and sustainable operation of enterprises, enabling organizations to avoid violations of laws, regulations, and contractual obligations while fulfilling their corporate responsibilities.	

Environmental

Aligning SDGs		Value Chain Impact Assessment	Supplier The Company Customers
Material Topics	Water	Importance to the Company	
Corresponding GRI Indicators	303-2, 303-3, 303-4, 303-5	Wastewater discharge is effectively managed through self-monitoring of process wastewater to ensure that discharged water quality complies with national effluent standards.	
Aligning SDGs		Value Chain Impact Assessment	Supplier The Company Customers
Material Topics	Emissions	Importance to the Company	
Corresponding GRI Indicators	305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	Amid the global trend toward net-zero emissions and the implementation of carbon border adjustment mechanisms in Europe and the United States, net-zero transformation is not only an environmental issue but also an economic issue closely tied to corporate competitiveness. Effectively reducing greenhouse gas emissions is therefore a key direction of our efforts.	
Aligning SDGs		Value Chain Impact Assessment	Supplier The Company Customers
Material Topics	Wastes	Importance to the Company	
Corresponding GRI Indicators	306-3, 306-4, 306-5	Waste is converted into reusable resources to reduce the demand for raw materials. Through proper classification and control, waste is collected and treated by qualified contractors approved by environmental regulatory authorities, thereby reducing environmental impacts.	

List of Material Topics and Corresponding Chapters

Material Topics: Economic Performance

Policies and Commitments

Guided by its management philosophy of "Innovation, Integrity, and Simplicity," San Fu leverages its solid operational foundation and agile adaptability to continuously promote process optimization, technological innovation, and operational transformation, strengthening its core competitive advantages while demonstrating corporate resilience and momentum for sustainable development. Committed to creating long-term value for shareholders, sharing economic benefits with employees, customers, and supply chain partners, and promoting the sustainable development of the industry.

- Tracking Mechanism**
- Contact Number: Corporate Governance Officer (02) 2542-6789 ext. 223
 - Conduct monthly management meetings to review operating performance
 - Annual financial reports are audited and certified by an independent CPA firm
 - Regularly report operating performance and financial status to the Board of Directors

- Target**
- Achieve the annual revenue and profit budget targets

2025 Performance Results

- Consolidated revenue reached NT\$4.836 billion and consolidated net income reached NT\$362 million in 2025
- Earnings per share (EPS) reached NT\$3.7

Corresponding Chapters Economic Performance (2)-2.1 Consolidated Net Profit

Material Topics: Integrity and Accountability

Policies and Commitments

The Company conducts business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To implement its ethical corporate management policy, the Company actively prevents unethical conduct. We have established the "Procedures for Ethical Corporate Management and Guidelines for Conduct" and the "Fraud Reporting Procedures."

- Tracking Mechanism**
- Whistleblowing Hotline: 02-25426789 ext. 211
 - Report to the Board of Directors annually

- Target**
- Ethical corporate management
 - Regularly analyze and audit the effectiveness of preventive measures against unethical conduct within the scope of business operations to reduce the occurrence of unethical conduct

2025 Performance Results

- No incidents of unethical conduct occurred

Corresponding Chapters About Us (1)-1.3 Corporate Governance

Material Topics: Regulatory Compliance

Policies and Commitments

Facing the pressures and challenges of complying with relevant regulations, the responsible units continue to monitor legal developments within their respective areas of responsibility and adjust their practices to reduce the risk of non-compliance. We have established the "Environmental, Safety and Health Policy," "Corporate Governance Best Practice Principles," "Procedures for Ethical Corporate Management and Guidelines for Conduct," and Quality Objectives.

- Tracking Mechanism**
- Responsible Unit: Environmental Protection / Occupational Safety 06-5837608 ext. 210, Quality 06-5837608 ext. 225, HR 02-25426789 ext. 211
 - Conduct regular internal regulatory compliance audits, closely monitor regulatory updates, and carry out internal communication and adjustments in a timely manner

- Target**
- Operational Activities in Compliance with Domestic and International Laws and Regulations

2025 Performance Results

- Two environmental violations occurred (for the corresponding improvement measures, please refer to the section "Sustainable Environment (4)-4.7 Communication and Response with Local Communities")
- No incidents of non-compliance concerning the health and safety of products and services
- No incidents of non-compliance concerning product labeling
- No violations of labor regulations
- No violations of occupational safety regulations

Corresponding Chapters About Us (1)-1.3 Corporate Governance
Sustainable Environment (4)-4.7 Communication and Response with Local Communities

Material Topics: Water

Policies and Commitments

Recognizing the importance and scarcity of water resources in chemical manufacturing processes, we reduce impacts on local water resources through process water recycling, improving water-use efficiency, and ensuring that effluent quality complies with applicable standards.

- Tracking Mechanism**
- Responsible Unit: Environmental Protection 06-5837608 ext. 210
 - Pass and obtain external certifications annually: ISO 14001
 - The Sustainability Promotion Task Force convenes a working meeting on a quarterly basis
 - Conduct effluent testing on a quarterly basis

- Target**
- Reduce water consumption per unit of production by 3%
 - Achieve 100% compliance of effluent quality with regulatory standards

2025 Performance Results

- Upgrade the distillation recovery system, a high water-consuming process, resulting in an approximately 9.4% reduction in total water consumption for the process
- All effluent testing results throughout the year complied with or exceeded regulatory effluent discharge standards

Corresponding Chapters Sustainable Environment (4)-4.4 Water Resource Management

Material Topics: Emissions

Policies and Commitments

If not managed rigorously, the chemical industry may cause actual or potential negative environmental impacts on local communities. We have established the "Environmental, Safety and Health Policy" to monitor environmental data and ensure proper implementation.

- Tracking Mechanism**
- Responsible Unit: Environmental Protection 06-5837608 ext. 210
 - Sustainability Team 06-5837608 ext. 616
 - Pass and obtain external certifications annually: ISO 14064-1, ISO 14001, ISO 50001
 - The Sustainability Promotion Working Group convenes a working meeting on a quarterly basis
 - Conduct air pollutant testing on a quarterly basis

- Target**
- Ensure air pollutant emissions comply with regulatory requirements
 - Achieve a 20% reduction in GHG emissions by 2030

2025 Performance Results

- Achieve 100% compliance with air pollutant emission regulations
- GHG emissions were reduced by 10.8% in 2025

Corresponding Chapters Sustainable Environment (4)-4.6 Air Pollution Prevention and Control Management
Climate Change Response (3)-3.4 Climate Change-Related Metrics and Targets

Material Topics: Wastes

Policies and Commitments

The "Waste Classification and Management Standards" have been established to ensure the proper handling of the Company's waste and compliance with environmental regulations.

- Tracking Mechanism**
- Contact Number: Management Section 06-5837608 ext. 300
 - Submit waste reporting on a quarterly basis
 - The Sustainability Promotion Working Group convenes a working meeting on a quarterly basis
 - Conduct regular audits and site visits of qualified waste collection and treatment contractors to ensure lawful and proper waste handling

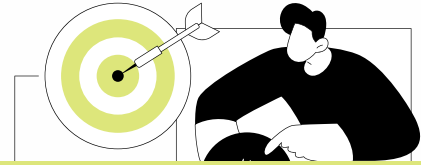
- Target**
- Reduce the generation of hazardous waste acid per unit of product by 3%

2025 Performance Results

- Reduce the generation of hazardous waste acid per unit of product by 24.6%

Corresponding Chapters Sustainable Environment (4)-4.5 Proper Waste Management

Other Sustainable Development Indicators



Short-, Mid-, and Long-term Goals

Since the systematic promotion of corporate sustainability began in 2015, we have continued to advance the sustainability management performance indicators established across the economic, social, and environmental dimensions. In 2025, we integrated stakeholder concerns with the Company's sustainability management framework and established short-, mid-, and long-term sustainable development goals. We also communicate and promote these initiatives to employees, enabling them to fully understand the Company's future sustainable development strategies and related achievements. We encourage all employees to continue advancing and deepening the Company's sustainability strategy implementation in order to achieve its mid- and long-term goals. In addition, in recognition of its overall corporate sustainable development performance, the Company received the "Gold Award, Traditional Manufacturing Industry - Category I" at the 18th TCSEA Taiwan Corporate Sustainability Awards in 2025.



Short-, Mid-, and Long-term Corporate Sustainability Management Performance Indicators

Employee Development

Type: Social

Short-term Goal (2025) Encourage employees to pursue continuous learning
Annual training plan achievement rate: 88%

Mid-term Goal (2028) Continue promoting the development of a learning organization
Average annual training hours per employee: 30 hours

Long-term Strategy (2033) Employees' innovation and learning capabilities drive sustainable business operations

Short-term Goal (2025) Value employee feedback, with an overall average employee satisfaction score of above 3.6

Mid-term Goal (2028) Value employee feedback, with an overall average employee satisfaction score of above 3.7

Long-term Strategy (2033) Labor-management relations, diversity, inclusion, and sustainable operations

Energy and resource utilization, energy conservation, and carbon reduction

Type: Environmental

Short-term Goal (2025) Renewable raw material procurement ratio above 20%

Mid-term Goal (2028) Renewable raw material procurement ratio above 21.5%

Long-term Strategy (2033) Environmental Protection

Short-term Goal (2025) Annual electricity savings of more than 1% at manufacturing plants

Mid-term Goal (2028) Reduce GHG emissions by 20% by 2030

Long-term Strategy (2033) Energy Conservation and Carbon Reduction

Social Performance

San Fu Sustainable Development Goals and Actions

We hope that employees will embrace sustainable business operations with a shared sense of ownership. By encouraging continuous learning and growth, we aim to foster a positive and proactive corporate culture. The Company provides an open environment and supportive systems to facilitate employee learning and development. Employees are the foundation of the enterprise; employees who continue to grow can not only achieve personal fulfillment but also contribute to the Company's continued growth and sustainable operations. San Fu Chemical continues to provide employees with the resources and opportunities for growth, enabling them to continuously enhance their professional competencies. The Company also encourages employees to pursue self-improvement so that they can remain competitive in the face of environmental and economic challenges, and together build the competitiveness required for sustainable business operations.

Short-term Strategic Goal

Annual training plan achievement rate: 88%

Mid-term Strategic Goal

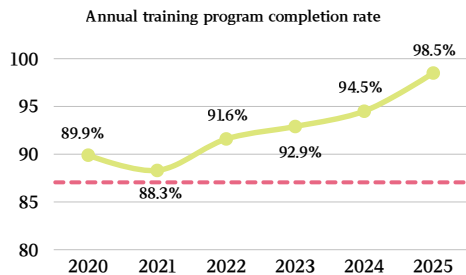
Continue promoting the development of a learning organization
Average annual training hours per employee: 30 hours

Long-term Strategic Goal

Employees' innovation and learning capabilities
Driving sustainable business operations together

Goals and Achievement Status

Annual training plan achievement rate: 88%



Achieved

In 2025, the Company's overall training plan achievement rate reached 98.50%. Employees completed a total of 153 planned training courses, with total planned training hours amounting to 3,519.6 hours and 398 course attendances recorded for planned training programs. The training achievement rate has exceeded 88% in each of the past years, meeting the established target.

San Fu's Actions

By continuously providing an open learning environment, employees are able not only to enhance their professional competencies but also to strengthen their management capabilities and general knowledge through the diverse learning channels offered by the Company. This increases employees' learning opportunities and motivation while providing the resources necessary to foster a learning organization.

Long-term Approach

In response to the rapidly changing global environment and industry landscape, San Fu Chemical continuously encourages and motivates employees to engage in self-directed learning. Through a three-pronged approach consisting of external training programs, internally developed learning websites and resources, and a wide range of external learning platforms, together with investments in internal instructors and related resources, we aim to gradually enhance employees' learning capabilities through the Company's open learning environment. This, in turn, strengthens the Company's capacity for innovation. Talent is the foundation of corporate sustainability, and only through the commitment and passion of talented individuals can sustainable business operations be achieved.

San Fu Sustainable Development Goals and Actions

San Fu Chemical is committed to creating a workplace environment where employees can work and live with peace of mind, enabling them to feel the Company's care and respect. In addition, San Fu is committed to complying with labor-related laws and regulations in all locations where it operates worldwide, thereby safeguarding the legitimate rights and interests of its employees. For San Fu Chemical's management, labor-management relations are like the emotional bonds within a family. Once employees join the Company, the employer should make every effort to care for them, supervisors should strive to develop and mentor them, and employees should diligently fulfill their responsibilities. Through these collective efforts, San Fu Chemical can continue to enhance its overall operating performance and achieve sustainable business operations. This represents the Company's greatest contribution to its social responsibility.

Short-term Strategic Goal

Maintain open labor-management communication channels and hold regular labor-management meetings

Mid-term Strategic Goal

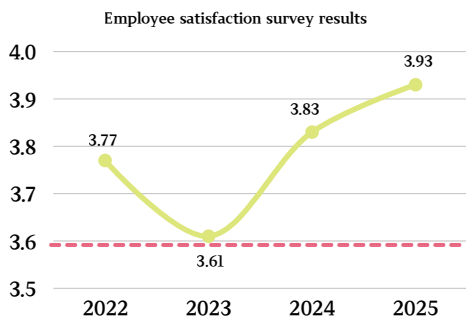
Value employee feedback, with an overall average employee satisfaction score of above 3.6

Long-term Strategic Goal

Diverse labor-management relations
Inclusive and sustainable operations

Goals and Achievement Status

Overall average employee satisfaction score of above 3.6



Achieved

Employee job satisfaction surveys are conducted annually across five core dimensions. In 2025, the survey yielded a score of 3.93, successfully achieving our short-term target.

San Fu's Actions

San Fu's commitment to its workforce extends beyond maintaining open communication channels; the management team also proactively monitors employee satisfaction. We firmly believe that workplace satisfaction stems from effective leadership and robust organizational systems. By enabling employees to fulfill their need for self-actualization, San Fu strives to be a progressive workplace that fosters high employee engagement and deep job satisfaction.

Long-term Approach

In response to the demographic trend of declining birthrates, talent recruitment and retention are integrated as a top priority within San Fu Chemical's human resources strategy. Looking ahead, we aim to actively build our employer brand while cultivating a supportive and diverse, equitable, and inclusive (DEI) workplace. This environment empowers employees to advance their careers, realize their self-worth, and establish a solid foundation for our corporate sustainability.

Environmental Performance

San Fu Sustainable Development Goals and Actions

Driven by our goal to increase the procurement of recycled raw materials for electronic chemicals, we consistently integrate environmental protection into our sustainability strategy, prioritizing the selection of recyclable or renewable materials for our feedstocks.

Short-term Strategic Goal

Recycled raw material procurement ratio above 20%

Mid-term Strategic Goal

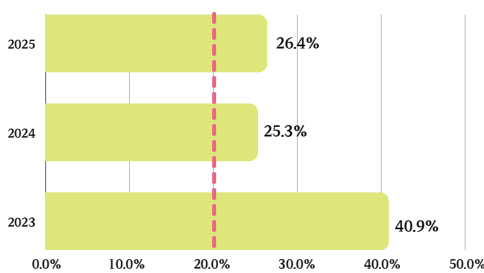
Recycled raw material procurement ratio above 21.5%

Long-term Strategic Goal

Environmental Protection
Energy Conservation and Carbon Reduction

Goals and Achievement Status

Recycled raw material procurement ratio above 20%



Achieved

In 2025, the procurement ratio of recycled raw materials for electronic chemicals reached 26.4%, exceeding the established target of 20%. San Fu Chemical continues to collaborate with solvent recycling companies to recover and re-purify waste solvents generated from customers' manufacturing processes, allowing them to be reintroduced into the market for circular use.

San Fu's Actions

When selecting raw materials, priority is given to recycled materials. We continue to pursue environmental protection, energy conservation, and carbon reduction as key objectives of our sustainability strategy.

Long-term Approach

In addition to actively supporting government policies on green materials, these efforts help reduce environmental impacts and contribute to environmental protection. Through collaboration with suppliers, San Fu Chemical not only reduces the environmental pollution caused by waste but also achieves raw material reuse through recycling and re-purification processes, thereby promoting energy conservation, carbon reduction, and environmental protection.

San Fu Sustainable Development Goals and Actions

With a target of achieving 1% annual electricity savings, we continue to reduce electricity consumption at our manufacturing sites to promote energy conservation and carbon reduction

Short-term Strategic Goal

Annual electricity savings of more than 1% at manufacturing plants

Mid-term Strategic Goal

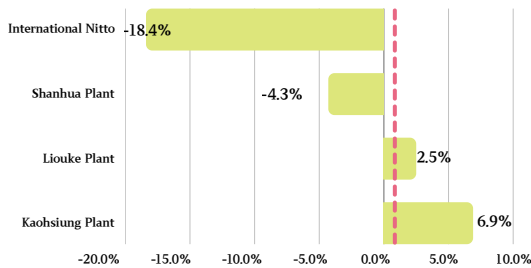
Reduce GHG emissions by 20% by 2030

Long-term Strategic Goal

Energy Conservation and Carbon Reduction

Goals and Achievement Status

Annual electricity savings of more than 1% at manufacturing plants



1% electricity-saving target not achieved

In 2025, electricity consumption decreased by 2.5% at the Liouke Plant and 6.9% at the Kaohsiung Plant, while electricity consumption increased by 4.3% at the Shanhua Plant and 18.4% at International Nitto. Although electricity consumption at International Nitto increased by 18.4%, its production capacity growth exceeded the increase in electricity consumption, indicating that energy-use efficiency improved in tandem with higher capacity utilization.

San Fu's Actions

Through energy-saving strategies, we seek to comprehensively reduce GHG emissions by replacing aging equipment, optimizing equipment operating parameters, and promoting self-generated and self-consumed solar power, among other initiatives, in order to achieve the Company's GHG reduction targets.

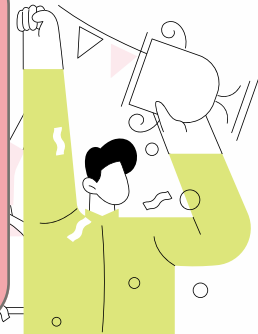
Long-term Approach

In addition to actively supporting government carbon reduction policies, the Company continues to improve its facilities through equipment replacement and upgrade projects, enhance energy-use efficiency, and evaluate the use of renewable energy and biomass energy.

2025 Sustainability Performance Highlights

External Recognition

- Recipient of the TCSA Taiwan Corporate Sustainability Award**
18th Taiwan Corporate Sustainability Awards, Sustainability Report Award - Traditional Manufacturing Industry Category I - Gold Award
- Recipient of the EcoVadis Bronze Medal**
Achieved a sustainability rating performance ranking within the top 35% in 2025
- Received a CDP rating of C for Climate Disclosure and B for Water Security**
2025 CDP Climate Disclosure Rating: C
- UMC Low-Carbon Supplier**
Recipient of the Outstanding Supplier Award



Corporate Governance

- 100% completion rate for training on the Procedures for Ethical Corporate Management and Guidelines for Conduct**
Implemented training on the Procedures for Ethical Corporate Management and Guidelines for Conduct, achieving a 100% completion rate among supervisors and business personnel
- 100% compliance with regulations related to customer service and product quality**
Zero substantiated complaints concerning customer privacy breaches or loss of customer data, and zero incidents of penalties resulting from violations of product labeling regulations
- Zero anti-corruption incidents**
Zero anti-corruption incidents involving employees or the Company
- No antitrust or monopoly practices**
The Company adheres to the principles of ethical corporate management, and no incidents related to monopolistic practices occurred

Environmental

- The cumulative volume of Tetramethylammonium Hydroxide (TMAH) waste liquid transported for disposal totaled 183,793 tons.**
The cumulative amount of TMAH waste liquid recycled and reused by San Fu's manufacturing plants reached 183,793 tons.
- Recycled raw materials accounted for 26.4% of total raw material procurement**
Recycled raw materials used in electronic-grade chemicals accounted for 26.4% of the total procurement volume
- Use of recycled raw materials: 74.26%**
The proportion of recyclable raw materials used (including recoverable and reprocessed virgin solutions) was 74.26%
- Third-party verification obtained for GHG emissions, water consumption, or total hazardous waste weight**
An Intertek Statement was obtained for ISO 14064-1:2018, while water consumption and waste weight data received a limited assurance report from PwC Taiwan
- Carbon emissions reduced by 190 metric tons CO₂e.**
In 2025, energy-saving projects reduced GHG emissions by a total of 190 metric tons CO₂e.
- Water resource recycling and reuse rate: 6.46%**
At the Shanhua Plant, the volume of water recycled and reused accounted for 6.46% of total water withdrawal
- Water consumption of the distillation recovery system reduced by 9.4%**
Daily process water consumption was significantly reduced from 20 metric tons to 0.2 metric tons, resulting in an overall reduction of approximately 9.4% in total water consumption for the process
- Generation of waste liquid with a pH value ≤ 2.0 reduced by 22.6%**
Through the installation of additional process treatment systems and the optimization of resin regeneration operations, a reduction rate of 22.6% was achieved.
- 100% compliance with air pollutant emission regulations**
Air pollutant emissions from the manufacturing sites are regularly monitored in accordance with environmental regulations, with 100% compliance with applicable regulatory standards.
- Zero transportation leakage incidents**
Zero transportation leakage incidents involving oil, fuel, waste, chemicals, or products
- Environmental protection investment reached NT\$152.38 million**
Through continuous process improvements and equipment upgrades, we strive to achieve environmentally friendly objectives of energy conservation, water conservation, waste reduction, and carbon reduction

Social

- All new suppliers undergo a Corporate Social Responsibility (CSR) Assessment**
In 2025, three new suppliers were added, and 100% of both new and existing suppliers completed the CSR Practice Assessment
- Customer satisfaction score: 96**
The overall customer satisfaction rating reached 96 points
- 100% compliance with restrictions on prohibited and restricted substances**
No prohibited or restricted substances are used in products
- Community services: 110 hours**
Participate in road adoption and cleaning programs to create a cleaner environment together
- 100% certification attainment rate**
100% achievement rate for obtaining statutory certifications
- Employee welfare expenses: NT\$516,007 thousand**
In 2025, employee salaries and welfare expenses totaled NT\$516,007 thousand
- 8 health promotion courses conducted**
Conducted 8 health awareness courses
- Upholding Human Rights**
Zero incidents of discrimination, child labor, or forced labor
- Industry-academia cooperative training: 43 participants**
Industry-academia collaboration with National Kaohsiung University of Science and Technology (NKUST) on "Emergency Response Precautions," with 43 participant attendances in the training program
- Social investment: NT\$1,343 thousand**
In 2025, the Company provided sponsorships to nearby elementary and junior high schools, local communities, scholarship programs at public and private universities, and chemical industry associations

01 About Us



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Chapter Highlights

• Remuneration Committee member attendance rate	100%
• Audit Committee member attendance rate	100%
• Board attendance rate	90.74%
• Zero reported complaints or whistleblower cases involving ethical misconduct or illegal activities by the Company or its employees	0

1.1

Company Introduction

From Local Roots to Global Reach, from Self-Reliance to Benefiting Others

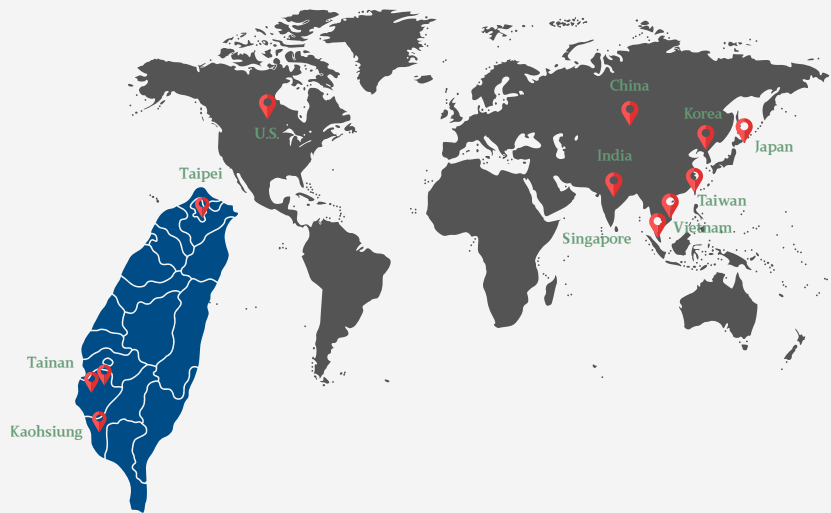
In 1952, the San Fu Group laid the foundation for its business development with the establishment of the San Fu Chemical Plant in Banqiao. In its early years, the Company focused on independently developing production technologies and specialized in the manufacture of chemical raw materials such as food additives, gradually establishing a solid foundation for its business. Over the past half century, we have steadily deepened our presence in Taiwan while actively expanding into global markets. As the Company has continued to grow, its business scope has gradually evolved from a chemical manufacturing plant to encompass high-tech specialty chemicals, beverages, food products, and other sectors, achieving diversified development.

As of 2025, the Company had paid-in capital of NT\$1.007 billion and a total of 385 full-time employees.

Operational Locations

Taipei Headquarters	Decision-Making Center
Zhubei Office	Business Unit
Tainan Liuying Plant	Production of Specialty and Basic Chemicals
Tainan Shanhua Plant	Production of Specialty and Basic Chemicals
Tainan International Nitto	Production of Specialty Chemicals
Kaohsiung Xiaogang Plant	Production of Basic Chemicals

Sales Market Distribution



Corporate Philosophy

Guided by its management philosophy of "Innovation, Integrity, and Simplicity," San Fu Chemical is committed to inspiring employee ingenuity and fostering an open, inclusive, and innovative workplace culture. By leveraging advanced technologies, we continuously create greater value for our customers' products and strive to become their most trusted business partner.

We adhere to the principles of ethical corporate management and provide high-quality, reasonably priced products and services to customers across a wide range of industries. At the same time, we actively integrate resources, align supply with demand, and explore new business opportunities to create more possibilities for our customers and contribute greater value to society.

To further advance its professional specialization, San Fu Chemical was officially separated from Air Products San Fu in October 2003, and the two companies began operating independently. Today, San Fu Chemical's products and services are primarily organized into two major business segments: the production and sale of specialty chemicals and basic chemicals.

The Specialty Chemicals Business Group focuses on providing wet chemicals, equipment and operational services, as well as contract manufacturing of slurries, for high-tech industries such as IC semiconductors, LCDs, touch panels, LEDs, and solar panels. The Basic Chemicals Business Group covers products including food additives, food ingredients, p-hydroxybenzoic acid, cyclohexylamine, and dicyclohexylamine, serving a broad range of customers across the food and chemical industries.

We continuously enhance our performance in quality, production capacity, and service, striving to become our customers' most trusted partner. In addition, none of the products currently traded by the Company have been subject to any bans on products or services in their designated sales markets.



Product Categories and Production Volume Distribution

Specialty Chemicals

Wet Chemicals

Developers - TMAH, KOH, NaOH Etchants - Aluminum/Copper/ITO Etchants, Mixed Acid Etchants, Hydrofluoric Acid Etchants, Phosphoric Acid, Nitric Acid, Hydrochloric Acid, Acetic Acid, Hydrofluoric Acid, Oxalic Acid, and Aqua Regia Strippers - BM-73, MD-73, DMSO, BDG, MEA, NMP, Copper Strippers, and Assembly & Testing Strippers Thinners and Cleaning Solutions - CPN, RGB Rework, ITO Rework, Benzyl Alcohol, EBR, and others

TMAH Recycling

Developer Waste Solution Recycling

VMT

Contract Manufacturing of Slurries

Customer Served

Foundries and Panel Manufacturers
Solar Panel Manufacturers and LED Epitaxy Manufacturers

Sales Market

Taiwan
China
Singapore

2025 Production
Volume (tons)

44,490

Basic Chemicals

Chemical Product Raw Materials

Cyclohexylamine, Dicyclohexylamine, Aniline, p-Hydroxybenzoic Acid, and Parabens

Customer Served

Cosmetics Manufacturers
Chemical Manufacturers
Pharmaceutical Manufacturers

Sales Market

Taiwan
U.S.
Japan
India
China
Korea

POCl₃

Phosphorus Oxychloride (POCl₃)

Customer Served

Semiconductor Manufacturers
Solar Cell Manufacturers
Pharmaceutical Manufacturers
Chemical Manufacturers

Sales Market

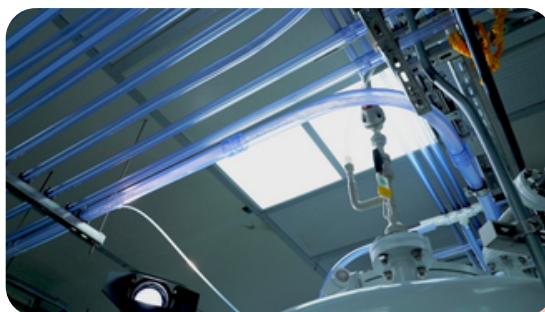
Taiwan

2025 Production
Volume (tons)

4,922

Total Production Volume 49,412

Note: As most basic chemicals undergo repackaging processes, they are not included in production volume statistics.



1.2

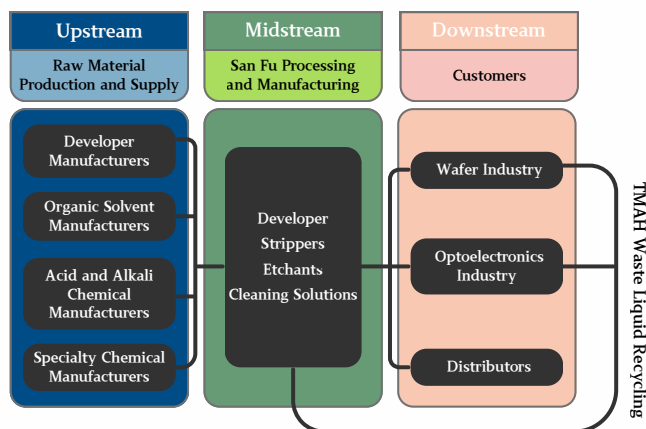
1.2 Industry Overview

Specialty Chemicals

Specialty chemicals, also referred to as performance chemicals, are primarily used in manufacturing processes or end products to enhance product characteristics and are generally high value-added products. The Company's products are primarily used in electronic manufacturing processes and include chemical products such as acids, alkalis, and solvents, including developers, etchants, strippers, thinners, cleaning solutions, and slurries.

The electronics manufacturing industry is a major driver of Taiwan's economic growth, with the value created by the IC and optoelectronics industry supply chains being particularly significant. Within the overall industry supply chain, the Company serves as a midstream manufacturer. The upstream segment primarily consists of raw material suppliers that provide developers, organic solvents, acidic and alkaline chemicals, and specialty chemicals. As a midstream enterprise, San Fu Chemical transforms these raw materials into developers, strippers, etchants, and cleaning solutions required by the electronics manufacturing industry through processing steps such as formulation, purification, and dilution. Downstream customers are primarily engaged in the electronics manufacturing industry, including the IC manufacturing and optoelectronics sectors. Some products are distributed through distributors, further expanding the Company's market reach and industry coverage.

The Company's relationships within the upstream, midstream, and downstream segments of the industry are illustrated below:



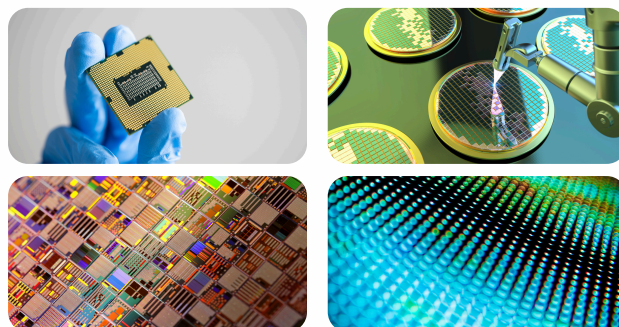
Description of Specialty Chemical Application Areas

In the wafer fabrication and flat-panel display industries, the formation of patterned thin films is one of the key manufacturing processes. Regardless of whether the thin-film material is insulating silicon dioxide or polysilicon, the process begins with coating a photoresist onto the wafer or glass substrate. After baking, exposure, and development, etching is performed to create the desired pattern, and the thin-film fabrication process is completed through a photoresist stripping procedure. Developers can be classified into two categories: organic alkali developers and inorganic alkali developers. They are used in conjunction with photoresists to develop patterns and provide excellent developing performance and high contrast characteristics. Etchants are primarily used in the etching processes of transparent conductive films (ITO) or metal layers for LCD panels, touch panels, and solar cells. The etching process removes selected materials from a substrate through chemical corrosion, physical bombardment, or a combination of both, leaving behind the desired circuit structures. Strippers are used in TFT-LCD manufacturing processes as key materials for removing photoresist after the etching process. Thinners are primarily used after photoresist coating in panel manufacturing processes to remove excess photoresist from the edges of the substrate.

According to application requirements, cleaning solutions can be categorized into the following three types:

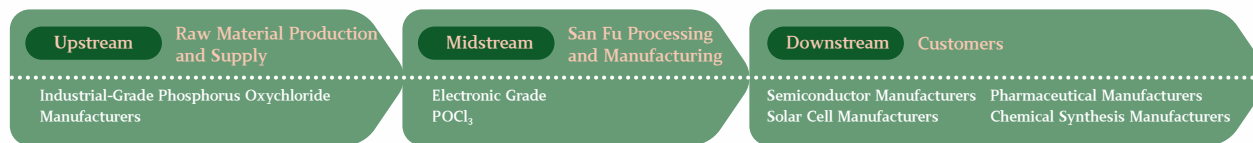
1. Cleaning solutions used to recover glass substrates following failures in the color filter manufacturing process.
2. Cleaning of substrates before entering processing equipment.
3. Cleaning of photoresist coating fixtures.

With the continued growth of Taiwan's semiconductor and optoelectronics industries, demand for related electronic chemicals continues to increase, while quality requirements are becoming increasingly stringent. Accordingly, improvements in process efficiency and enhancements in product quality have become key drivers of industry development. The introduction of next-generation products such as electric vehicles, 5G, high-performance computing (HPC), the Internet of Things (IoT), and flexible displays, together with advancements in next-generation technologies and processes such as 1x nm nodes, GAA, FinFET, 3D stacking, AMOLED, IGZO, LTPS, and copper processes, has driven steady growth in both the market value and growth rate of the global specialty chemicals industry. Different manufacturing processes require different types of electronic chemicals, and the research and development of next-generation chemicals has become a key trend shaping the future development of the industry.



Phosphorus Oxychloride (POCl₃)

The Company's relationships within the upstream, midstream, and downstream segments of the industry are illustrated below:



Description of Phosphorus Oxychloride (POCl₃) Application Areas

Phosphorus oxychloride is an inorganic compound with the chemical formula POCl₃. It is a colorless, transparent liquid most commonly used in the production of triaryl phosphates (such as Triphenyl Phosphate and tricresyl phosphate) and can also be used as a plasticizer for Flame Retardant and polyvinyl chloride (PVC). In the semiconductor and solar cell industries, POCl₃ is also used as a phosphorus source in diffusion processes to dope and produce N-type semiconductors. In pharmaceutical applications, it can also be used in the production of drug precursors and related intermediates.

This chemical is primarily used in the manufacturing process of P-type solar cells. One of the primary market demands is silicon solar cell substrates composed of P-type wafers (doped with materials such as boron or gallium). To form a P-N junction on the silicon wafer and generate the photovoltaic effect required for solar cell production, an N-type phosphorus diffusion layer must be created on the P-type wafer. Typically, liquid phosphorus oxychloride (POCl₃) is introduced together with nitrogen gas as a carrier gas into a high-temperature diffusion furnace, where phosphorus is diffused onto the wafer surface to form a Phosphosilicate Glass (PSG) layer. Oxygen is then introduced, and the phosphorus is driven into the silicon lattice at high temperature to form an N-type phosphorus diffusion layer. Finally, the PSG layer is removed using solutions such as hydrofluoric acid.

San Fu operates a dedicated POCl₃ purification production line capable of supplying high-purity (7N) POCl₃ products. The Company also possesses in-house analytical capabilities, enabling it to promptly provide both high-purity products and quality analysis data, thereby delivering optimal support to customers.

Basic Chemicals

The Company's basic chemical products cover three major categories: chemical raw materials, food additives, and food ingredients. In the chemical raw materials segment, products such as cyclohexylamine, dicyclohexylamine, parabens, and p-hydroxybenzoic acid are widely used in the production of various chemical products and cleaning agents.

Food additives and food ingredients are sourced through a rigorous process of quality control, supervision, and evaluation conducted at the upstream supply chain level, after which they are repackaged or sold directly by the Company. These products include flavoring agents, preservatives, quality enhancers, sweeteners, leavening agents, starches, and sugars, with major domestic food and beverage manufacturers serving as the primary customer base.

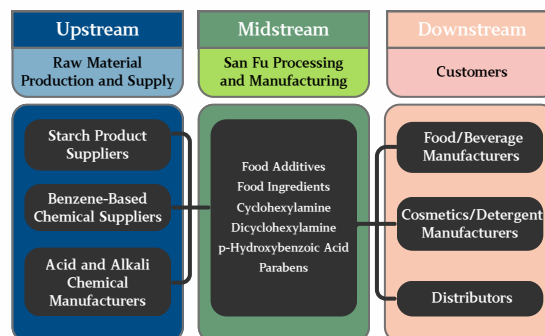
Description of Basic Chemical Application Areas

In the chemical raw materials segment, cyclohexylamine is a key raw material used in the production of cyclamate. Cyclamate is an artificial sweetener with a sweetness level ranging from 30 to 8,000 times that of sucrose, while containing very few calories. As a result, it is commonly used as a substitute for sucrose or corn syrup and is widely applied in products such as soft drinks, sweetened beverages, chocolate, jam, chewing gum, and ice cream. Another application of cyclohexylamine is as a corrosion inhibitor in water treatment chemicals.

Dicyclohexylamine is a by-product generated during the production of cyclohexylamine and is primarily used in rust inhibitors for steel products. p-Hydroxybenzoic acid is a monomer used in the production of liquid crystal polymers (LCPs), while parabens are widely used as excipients and preservatives in pharmaceuticals and cosmetics. Food additives refer to substances used during food manufacturing, other than common seasoning ingredients such as garlic, scallions, and ginger. The definition and regulation of food additives vary among countries; however, when used within prescribed limits, these additives generally do not pose a risk to consumer health. The Food and Agriculture Organization (FAO) and the World Health Organization (WHO), through the Codex Alimentarius Commission, have established definitions, specifications, and standards for food additives to promote harmonized international compliance.

However, differences in the definition and regulation of food additives still exist among countries. For example, the United States does not classify colorants as food additives, while the Codex Alimentarius Commission does not regard contaminants or substances added to foods for nutritional enhancement or quality improvement as food additives.

The Company's relationships within the upstream, midstream, and downstream segments of the industry are illustrated below:



In Taiwan, the Act Governing Food Safety and Sanitation provides a scientific and detailed definition of food additives: "Food additives, as referred to in this Act, are substances added to or brought into contact with food during the manufacture, processing, preparation, packaging, transportation, or storage of food for purposes such as coloring, flavoring, preservation, bleaching, emulsification, flavor enhancement, quality stabilization, fermentation promotion, thickening, nutritional enhancement, oxidation prevention, or other intended uses."

Citric Acid Monohydrate is widely used in the food and beverage industry as a flavoring agent to impart a refreshing sour taste to products. Sodium Benzoate is a commonly used preservative that effectively inhibits microbial growth. It is approved for use in foods in many countries, including Taiwan, and is commonly found in carbonated beverages, preserved fruits, and various snack products. In recent years, a series of food safety incidents, such as melamine contamination, plasticizer adulteration, and ractopamine-related controversies, have renewed public concern over food safety, sanitation, and quality control. These incidents have heightened consumer awareness of health-related issues and have driven the food industry to place food safety, sanitation, and quality control at the core of its future development. In the future, the food market will place even greater emphasis on product hygiene and quality to meet consumers' expectations for health and safety.

Third-party Verification and Certification



We actively engage third-party organizations and partners to conduct external audits and reviews of our operations. Since our establishment, we have continuously implemented and maintained various management system certifications and verification programs. Through external audits, we continuously improve product quality and strengthen occupational health and safety practices, environmental management, and green manufacturing processes. The third-party certifications and verifications obtained are as follows:

Type	Certificates	Certified Plant Area					
		Shanhua Plant	Liouke Plant	Kaohsiung Plant	Taipei	Zhubei	International Nitto
Quality and Food Safety	ISO 9001 Quality Management System	•	•	•			•
	ISO 22000 Food Safety Management System	•	• (San Fu Biotech)				
	Hazard Analysis and Critical Control Point (HACCP) System	•	• (San Fu Biotech)				
	Food Industry Sanitation and Safety Management System	•	• (San Fu Biotech)				
Environment-related	ISO 14001 Environmental Management System	•	•				•
	ISO 14064-1 Greenhouse Gas Inventory Standard	•	•	•	•	•	•
Occupational Safety and Health	ISO 45001 Occupational Safety and Health Management System	•	•	•			•
Energy Management	ISO 50001 Energy Management System	•	•				
Laboratories	ISO 17025 Laboratory Management System Accreditation	•	•				

※ Among these certifications, the ISO 17025 accreditation made it the first wet chemicals company in Taiwan to obtain TAF laboratory accreditation.

※ Third-party certification certificates and statements are available on the San Fu Chemical official website for reference.



Quality Management System (ISO 9001) Certificate



San Fu Chemical Food Safety Management System (ISO 22000) Certificate



San Fu Chemical HACCP Certificate



TAF Laboratory (ISO 17025) Accreditation Certificate

Participation in Industry Associations

Taiwan Chemical Industry Association

To serve stakeholders in Taiwan's chemical technology industry, we collaborate with domestic government agencies, academic institutions, industry associations, and industry-academia-research organizations related to chemistry and chemical engineering to jointly support and advocate for the development of Taiwan's chemical technology industry, thereby enhancing industry competitiveness and increasing added value.

Taiwan Institute of Chemical Engineers

Committed to advancing the development of Taiwan's chemical engineering industry, promoting association affairs and academic activities, and facilitating the dissemination of research achievements and technological developments in chemical engineering, with the aim of building upon the industry's strong research foundation and opening a new chapter for chemical engineering in Taiwan.

Chemical Society Located in Taipei

Through the participation and dedication of leaders in the chemical community, the association actively promotes domestic and international exchange, disseminates knowledge, and inspires future generations. It will continue its efforts to foster the growth and development of Taiwan's chemical sector.

1.3

Corporate Governance

High Governance Standards to Ensure Effective Board Operations

The Company was officially listed in November 2013. All directors exercise their duties objectively and independently, with the long-term interests of the Company and all shareholders as their foremost consideration. We also fully recognize that an increasing number of domestic and international institutional investors and key stakeholders regard corporate governance practices, including the appointment of independent directors, as important criteria in their investment decisions.

Accordingly, we continue to adhere to the principles of corporate governance. The Board of Directors is elected by all shareholders through voting, and various functional committees have been established under the Board to strengthen its functions and effectiveness. We uphold high standards of corporate governance to ensure the effective operation of the Board of Directors and thereby safeguard shareholders' rights and interests.

Enhancing Board Functions

During the reporting period, the Board of Directors comprised nine members, including three independent directors who accounted for 33.3% of the total seats, thereby strengthening board independence, enhancing diversity, and effectively fulfilling its strategic guidance function. The Board is chaired by Mr. Hsin-Hung Wu, who is primarily responsible for sound corporate governance and presiding over board operations. To ensure a clear division of responsibilities, the positions of Chairman and General Manager are held by different individuals, and the Chairman does not concurrently hold any executive management positions within the company. In accordance with the 'Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,' San Fu Chemical explicitly stipulates that the selection of directors must consider the overall composition of the Board. The evaluation criteria for the Board's composition comprehensively encompass: operational judgment and management, accounting and financial analysis, crisis management, industry knowledge, international market perspective, leadership, and decision-making capabilities. Furthermore, the Board adheres to the 'Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies,' arranging annual continuing education courses for its members. Fulfilling the principles of corporate governance, the Board reviews corporate performance and deliberates on critical strategic matters, including economic, environmental, and social impacts, risks, and opportunities, while regularly assessing the effectiveness of its management processes. To ensure transparency, we publicly disclose key regulations—including the 'Articles of Incorporation,' 'Rules of Procedure for Shareholders' Meetings,' 'Procedures for Election of Directors,' 'Rules of Procedure for Board of Directors Meetings,' and 'Procedures for Ethical Management and Guidelines for Conduct'—enabling timely access for both domestic and international investors.

Corporate Governance Officer

On November 6, 2024, the Board of Directors appointed CFO Lo Chu-Cheng, as the Corporate Governance Officer. With extensive experience serving as a financial and accounting executive of public companies, his primary responsibilities include handling matters related to Board and shareholders' meetings, preparing minutes of Board and shareholders' meetings, assisting directors with onboarding and continuing education, providing directors with information necessary for the performance of their duties, and supporting directors in complying with applicable laws and regulations.

Collective Knowledge of the Highest Governance Body

For details, please refer to the Company's disclosures regarding directors' continuing education filed on the MOPS. In addition, through quarterly sustainability reports and management team briefings, the Company enhances the overall knowledge of Board members on economic, environmental, and social issues.
<https://mops.twse.com.tw/mops/#/web/t146sb05?companyId=4755>



Evaluation of the Performance of the Highest Governance Body

Annual internal performance self-evaluations are conducted in accordance with the 'Regulations Governing the Performance Evaluation of the Board of Directors and Functional Committees.'

The scope of these evaluations encompasses core governance dimensions, including participation in company operations, enhancement of board decision-making quality, and internal controls. For the results of the 2025 performance self-evaluation of the Board of Directors and functional committees, please refer to the Annual Report section on the company's website at: <https://www.sfcchem.com.tw/zh-hant/page/annual-report>



Board Operations

The Board of Directors consists of 9 members. The term of office for the Company's 9th Board of Directors is from June 12, 2024, to June 11, 2027. Details of the Board members are provided in the table below:

No.	Title	Name	Gender	Age	Duties
1	Chairman	Wu Hsin-Hung	Male	>50	1.Determination of Business Policies 2.Budget Review 3.Preparation of Financial Statements and Presentation to the Shareholders' Meeting 4.Proposal of Amendments to the Articles of Incorporation 5.Implementation of Resolutions Adopted by the Shareholders' Meeting 6.Approval of Major Contracts 7.Proposal of Earnings Distribution or Loss Compensation Plans 8.Proposal of Capital Increase or Capital Reduction Plans 9.Appointment and Dismissal of Key Officers 10.Other Duties Prescribed by Laws and Regulations or Resolutions of the Shareholders' Meeting.
2	Director	San Fu Global Co., Ltd. Representative: Chang Hsi-Wen	Male	30-50	
3	Director	Tsai Chieh-Jung	Male	>50	
4	Director	Su Tien-Bao	Male	>50	
5	Director	Chang Yi-Tsung	Male	>50	
6	Director	Liang Kuo-Yuan	Male	>50	
7	Independent Director	Hsieh Yung-Fen	Female	>50	
8	Independent Director	Wu Tung-Ming	Male	>50	
9	Independent Director	Yang Hung-Chih	Male	>50	

The Company places great importance on its Board diversity policy. To strengthen corporate governance and promote the sound development of the Board's composition and structure, the Company believes that a diversity policy contributes to enhancing overall corporate performance. Directors are elected in accordance with the "Procedures for Election of Directors" approved by the Board, under a candidate nomination system whereby shareholders elect directors from the list of nominated candidates at the shareholders' meeting.

In addition, matters concerning recusal of interested parties are handled in accordance with the Company's Board Meeting Rules. Information regarding Board diversity and independence, as well as directors' positions on other companies' boards and any cross-shareholding relationships with other interested parties, is available in the annual report on the Company's website at <https://www.sfcchem.com.tw/zh-hant/page/annual-report>.

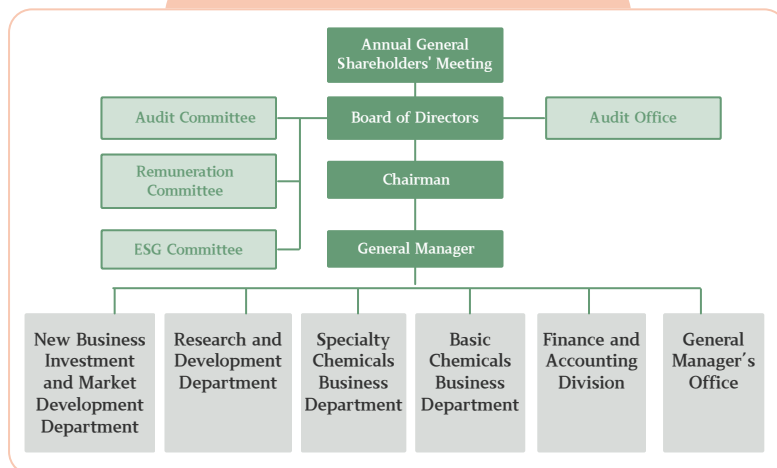


Note: Where a director has an interest in a matter under discussion at a Board meeting, either personally or on behalf of the legal entity he or she represents, the director shall explain the material aspects of such interest at the relevant Board meeting. If the interest may be detrimental to the Company's interests, the director shall neither participate in the discussion or voting nor exercise voting rights on behalf of another director, and shall recuse himself or herself from both the discussion and voting process. Where a director's spouse, a relative within the second degree of kinship by blood, or a company having a controlling or subordinate relationship with the director has an interest in a matter under discussion at a Board meeting, such interest shall be deemed to constitute the director's own interest in that matter. For resolutions of the Board of Directors, any director who is prohibited from exercising voting rights pursuant to the preceding two paragraphs shall be subject to Article 180, Paragraph 2 of the Company Act, mutatis mutandis, in accordance with Article 206, Paragraph 4 of the Company Act.

Establishment of the Remuneration Committee to Assist in Evaluating Remuneration Levels

In 2011, the Company established the Remuneration Committee in accordance with Article 14-6 of the "Securities and Exchange Act." Committee members are appointed by resolution of the Board of Directors, and the Committee shall consist of no fewer than 3 members. The Remuneration Committee consists of 3 independent directors. The Remuneration Committee convened two meetings in 2025, with a 100% attendance rate by all committee members. The Remuneration Committee assists the Board of Directors in evaluating the linkage between the remuneration levels of directors, supervisors, and managers and the Company's operating performance, determining profit-sharing allocation ratios, providing recommendations on management remuneration and compensation policies, and formulating company-level strategies based on the competitive industry environment, the Company's operating performance, and benchmark market practices. In addition, the Company regularly participates in salary surveys conducted by industry organizations or consulting firms, regularly reviews the alignment of its salary and benefits programs with market practices, and designs incentive-based systems to enhance employee motivation.

Board Organizational Chart



Employee remuneration must be approved by the Board of Directors each year, reported at the shareholders' meeting, and disclosed in the Company's annual report.

<https://www.sfcem.com.tw/zh-hant/page/annual-report>



Senior Management Remuneration and Incentives

The Company establishes performance evaluation criteria for senior management on a regular annual basis. The policy governing senior management remuneration is based on the Company's performance evaluation objectives and variable bonus system. In addition to considering factors such as the Company's overall operating performance against budget targets, safety, environmental protection and social responsibility, corporate development, customer quality, and employee training and development, the Company also takes into account individual performance achievement rates and contributions to corporate performance in determining reasonable remuneration. Relevant performance evaluations and the reasonableness of remuneration are reviewed by the Remuneration Committee and subsequently submitted to the Board of Directors for approval. The remuneration system is also reviewed periodically in light of actual operating conditions and relevant ESG requirements to ensure that senior management remuneration is linked to the Company's ESG performance.

Note: Since the establishment of the Remuneration Committee, San Fu Chemical has included "Corporate Development" as one of the key performance objectives for management. Within this category, "ESG Sustainable Development" accounts for 5% of the overall performance evaluation weighting. The implementation items for 2025 included the continued operation of the Sustainability Committee to strengthen sustainable development and governance across the Company, as well as the implementation of GHG inventories and carbon reduction initiatives, achieving a 10.8% reduction compared with the baseline year.

San Fu Chemical has embedded a culture of sustainable governance throughout the organization and implements top-down oversight and execution through a well-defined governance structure with clear responsibilities and authorities. At the highest governance level, the Company has established the "ESG Committee" under the authorization of the Board of Directors. The Committee consists of three directors and is responsible for assisting in the formulation of sustainability policies, strategic planning, and annual plans, as well as reviewing sustainability reports and supervising and evaluating the implementation of sustainability initiatives. The Committee convenes at least once each year and may hold meetings at any time as necessary, ensuring that the Company can promptly keep abreast of global sustainable development trends and strengthen governance effectiveness. At the implementation level, General Manager Su Tien-Bao serves as the highest-ranking supervisor of the Sustainability Promotion Task Force and works with the Chief Sustainability Officer to coordinate cross-departmental resources and communication, ensuring that sustainability strategies are effectively integrated into daily operations. To implement the substantive oversight function of the highest governance body, the Company's Board of Directors regularly hears and reviews the progress of GHG inventories and the implementation results of sustainable management each quarter. The reports cover not only the annual ESG implementation results, but also reporting and communication on key material events. Management proposes sustainability strategies based on industry dynamics, and the Board of Directors evaluates their feasibility and long-term benefits. At the same time, the Board is also responsible for regularly reviewing the progress of such strategies and, when necessary, urging the management team to ensure that all operating activities strictly comply with domestic and foreign laws and regulations and implement the highest standards of ethical corporate management. For the 2025 sustainability performance, a special report was submitted to the Committee on April 20, 2026, for substantive review of action plans for material issues, the effectiveness of waste recycling and reuse, and the financial reasonableness of climate change risks. After guidance and revisions by the Committee and confirmation that the content was complete, the report was subsequently formally submitted to the Board of Directors on April 29, 2026 for resolution and approval. Through this cyclical mechanism, substantive participation by the highest governance level in sustainability reporting and management approaches is ensured. In addition, the Company has formally incorporated the "Sustainability Report Preparation Procedures" into its annual internal control system and audit plan, and ensures data accuracy through independent verification by the internal audit unit. To further strengthen responsible governance, the Company has also formally linked specific ESG management performance to the remuneration and incentives of senior management. The Remuneration Committee reviews the achievement status every six months, thereby strengthening the management team's implementation of and commitment to sustainable development goals. Regarding the Company's Environmental, Safety and Health Policy, in response to regulatory authority requirements, the Company regularly reports GHG emissions and improvement status to the Board of Directors on a quarterly basis. Sound financial performance is also a key material event most valued by the management team, with operating performance reported to the Board of Directors once each quarter.

Establishing the Audit Committee to exercise rigorous oversight over finance, personnel, and audit matters.

In accordance with regulatory authority requirements, the Company established the Audit Committee in 2021 to replace the functions of supervisors. In 2025, the Audit Committee convened a total of 6 meetings, with a 100% attendance rate by all members.

One member of the Audit Committee has accounting or financial expertise. Responsible for overseeing the presentation of the Company's financial statements, the appointment and dismissal of CPAs and their independence and performance, the effective implementation of the Company's internal controls, the Company's compliance with relevant laws, regulations, and rules, and the management of existing or potential risks faced by the Company. In addition, our Audit Office continues to implement internal audit and risk management.

Implementing ethical corporate management and anti-corruption measures to protect shareholders' rights and interests.

We comply with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the "Corporate Governance Evaluation Self-Assessment Indicators" issued by the Corporate Governance Center of the Taiwan Stock Exchange, and have established:

- (1) "San Fu Chemical Corporate Governance Best Practice Principles"
- (2) "San Fu Chemical Procedures for Ethical Management and Guidelines for Conduct"
- (3) "San Fu Chemical Internal Regulations for the Prevention of Insider Trading"

The Board of Directors and management actively fulfill their commitment to the ethical corporate management policy and effectively implement the ethical corporate management policy in internal management and business activities. To establish a corporate culture of ethical corporate management and implement ethical corporate management, we uphold an operating approach of integrity, transparency, and accountability, with a dedicated unit responsible for promoting the ethical corporate management policy and formulating and supervising prevention programs. The General Manager's Office accepts reports and complaints related to relevant matters, enabling the effective implementation of the Company's "Management Procedures for the Code of Ethical Conduct and Management Procedures for the Ethical Corporate Management Best Practice Principles," preventing corruption and other misconduct, and ensuring the lawful rights and interests of whistleblowers and respondents.

Implementation Effectiveness

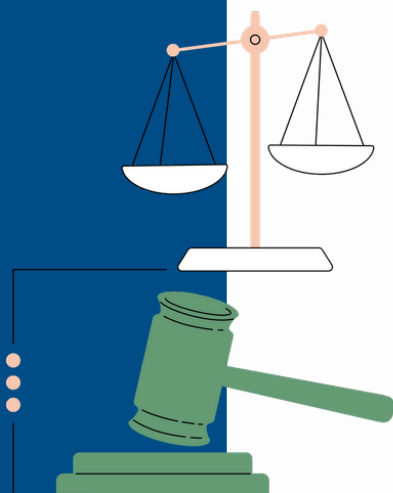
- Publicly disclosing the "Procedures for Ethical Management and Guidelines for Conduct" on the Company's official website.
- In 2025, there were no complaints or reports arising from the Company's operations or employees violating ethical integrity or engaging in unlawful conduct.
- All employees completed the signing of the "Statement of Commitment to Ethical Conduct."
- The achievement rate for the 2025 ethical corporate management online course was 100%.

Operational Activities in Compliance with Domestic and International Laws and Regulations and Key Material Events

Each of our operating activities complies with domestic and foreign laws and regulations, serving as the foundation for our ability to continue operating. In response to the "Personal Data Protection Act," we have established the internal management regulations, "Personal Data Protection Management Procedures." In addition, we also review implementation results item by item in accordance with the regulatory compliance indicators required to be disclosed under the GRI Standards.

- The Company places great importance on the compliance of its operating activities with environmental regulations. In 2025, during on-site inspections conducted by the Department of Environmental Protection, 1 major violation of environmental regulations and 1 general environmental violation occurred. For the above penalties, the relevant plants immediately completed cause reviews and equipment adjustments upon receipt of the notices. All improvements have now been completed, and internal monitoring and management continue to be strengthened. For details of the penalties and improvement measures, please refer to the Sustainable Environment chapter.
- Social regulatory compliance: For social issues such as financial reporting, workplace discrimination, or corruption, the amount of significant fines imposed for regulatory violations was zero, and the number of non-monetary sanctions received was zero.
- Product sales regulatory compliance: During the reporting period, no significant fines were imposed for violations of laws and regulations concerning the provision and use of products and services in the product sales process.
- No corruption incidents occurred during the reporting period.
- No antitrust conduct occurred during the reporting period.
- No complaints occurred concerning violations of customer privacy or loss of customer data.
- No incidents occurred involving violations of laws, regulations, or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.
- No sales of controversial products occurred.
- No incidents occurred involving violations of laws, regulations, or voluntary codes concerning product and service information labeling.
- No incidents occurred involving violations of laws, regulations, or voluntary codes concerning the health and safety impacts of products and services throughout their life cycle.

Note: Major violation: a fine event refers to a single incident with cumulative penalties of NT\$200,000 or more.



1.4

Risk Management

Precautionary Approach and Effective Risk Management

To reduce overall operational risks, maintain competitiveness, and sustain operations, the Company has established an "internal control system," an "internal audit system," and relevant internal control operating procedures. Any amendments thereto must be approved by resolution of the Board of Directors, and the Audit Office also implements the annual audit plan accordingly to ensure the effective operation of the oversight mechanism and control the implementation of various risk management measures. The General Manager and department heads also discuss relevant issues at management meetings as needed, analyze the probability and severity of various risks, comprehensively consider risk assessment results and risk tolerance, select appropriate risk response methods, and promptly revise and implement necessary control operations to ensure effective risk management. The Company identifies potential risks in daily operations, including financial and operational aspects, and the response measures analyzed include various risk prevention, mitigation, and impact improvement measures.



The financial and operational risk issues identified during the reporting period are as follows:

Financial Risk	Potential Risks	Response Strategies and Measures
	Interest and Exchange Rate Fluctuations	The Company's interest rate risk primarily arises from short-term and long-term bank borrowings incurred to meet working capital needs, as well as the management of short-term funds. For significant long-term investments, the Company plans to utilize long-term borrowings to address interest rate risk. Accordingly, with respect to bank borrowing rates, the Company will maintain close communication with banks, closely monitor interest rate trends, and seek to secure the most favorable borrowing rates. With respect to exchange rates, the Company gathers external market information to analyze trends and assess risks, maintains close communication with banks to stay fully informed of exchange rate movements, and adjusts its foreign currency positions in a timely manner to mitigate foreign exchange risk. Internally, exchange rate factors are taken into consideration when preparing quotations for customers to maintain the Company's profitability.
	Potential Risks	Response Strategies and Measures
	Inflation	The Company closely monitors fluctuations in market prices and maintains good relationships with suppliers and customers. If inflation leads to an increase in procurement costs, the Company will adjust its selling and purchasing prices accordingly to mitigate the impact of inflation on its operations.
Operational Risk	Potential Risks	Response Strategies and Measures
	Plant Expansion	In recent years, driven by the rapid growth of Taiwan's IC industry and increasing demand for AI computing, the semiconductor industry's focus has shifted beyond wafer miniaturization to advanced packaging technologies such as SoIC and CoWoS. Major manufacturers have also been actively expanding production capacity and, in pursuit of greater efficiency and faster deployment, have pursued acquisitions involving panel manufacturers. These manufacturing processes are highly dependent on specialty chemicals, requiring the supply chain to be localized and positioned in close proximity to production sites to meet extremely short lead times and rapid R&D feedback. In addition, demand for specialty chemicals has grown exponentially in line with production capacity expansion. The Company currently plans to address the anticipated demand from semiconductor customers over the next approximately three years through the capacity expansion project at its Liouke Plant. In consideration of future development needs for technologies such as WMCM and CoPoS, the Company also plans to invest in a semiconductor specialty chemical blending plant with an annual production capacity of 10,000 metric tons in the Kaohsiung Bridgehead Science Park. Through dedicated automated production lines designed specifically for this facility, the Company aims to effectively reduce unit production costs, improve the yield of high-purity specialty chemical formulations, and strengthen its competitive advantages in pricing and lead times against leading international specialty chemical manufacturers. In response to changes in Taiwan's industrial structure, the new Bridgehead Plant will focus on semiconductor specialty chemicals to drive the future optimization of the Company's product portfolio. This initiative is intended not only to increase revenue but also to shift the Company's profit center from the more volatile panel industry to the high-margin, highly stable semiconductor specialty chemical sector, thereby enhancing the Company's price-to-earnings ratio. On the other hand, the Company recognizes that the development, mass production, and qualification of semiconductor specialty chemicals involve highly stringent processes. If customer adoption progresses more slowly than expected after the new plant begins operations, the Company may face a relatively high depreciation burden during the initial stage, which could place pressure on short-term profitability. Nevertheless, the investment in the new plant represents a critical step in San Fu Chemical's semiconductor strategy. Rather than pursuing scale and broad diversification, the Company is committed to achieving excellence and specialization in the niche market for semiconductor specialty chemicals. Although the Company will face depreciation costs and competitive challenges, this strategic investment is an essential step in transforming from a traditional specialty chemical manufacturer into a supplier of advanced semiconductor materials.
	Potential Risks	Response Strategies and Measures
	Concentration of Purchases or Sales	Purchases The Company has established stable sourcing channels for raw materials. Its partner suppliers maintain high standards in both product quality and supply capacity and, in addition to supplying the Company, also serve various customers in different regions. For specialized raw materials, the Company adopts an equity investment approach with its business partners to secure a stable supply. In the event of a market shortage of raw materials, the Company is able to obtain priority access to the required materials. For other raw materials, the Company sources from two or more suppliers to ensure a stable supply. The Company maintains strong relationships with its suppliers while implementing a risk diversification strategy. Sales The Company's Specialty Chemicals are currently supplied primarily to the display industry. To avoid excessive customer concentration within the display industry and the resulting increase in the Company's exposure and risk, The proportion of the Company's sales to the solar energy industry has also been increasing year by year. In addition, the Company is actively expanding into the wafer and light-emitting diode (LED) industries. In the future, the Company's sales portfolio will span industries including wafers, displays, solar energy, and light-emitting diodes (LEDs). With respect to exports, the Company's overseas customers currently extend across industries in China, India, Singapore, and other countries. Recognizing that demand for chemicals in China and other regions is expected to increase significantly in the future, the Company anticipates that the proportion of export sales will continue to grow year by year. In the future, the Company expects to significantly expand both its customer industry base and the countries in which its products are sold, thereby effectively diversifying its sales risk.

02 Economic Performance



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2.3 Sustainable Circular Economy	30

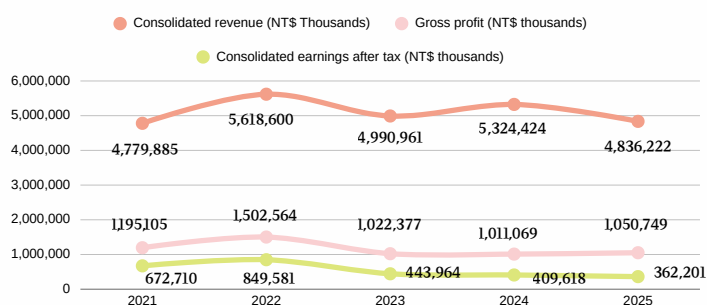
Chapter Highlights

- Cumulative purchases of recovered solvents over the years(since 2017) 59,834 tons
- Cumulative recycling and reuse of TMAH waste liquid(since 2011) 183,793 tons

2.1

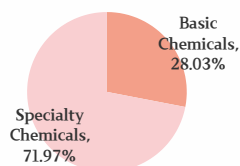
Consolidated Net Profit

To illustrate the flow of capital among different stakeholders and the Company's principal economic impacts on society, the Company uses economic performance indicators to disclose information on the generation and distribution of economic value in response to stakeholders' concerns. These indicators also reflect the direct economic value generated and distributed through the Company's operations during the reporting period. All financial data is derived from the financial statements or statements of profit or loss audited by an independent CPA firm.



Consolidated revenue for the current year amounted to NT\$4,836,222 thousand, representing a year-on-year decrease of 9.2%. Consolidated net profit amounted to NT\$362,201 thousand, representing a year-on-year decrease of 11.6%. Taxes paid to local governments amounted to approximately NT\$124,176 thousand. Consolidated earnings per share after tax were NT\$3.7, representing a year-on-year decrease of 9.7%.

A further breakdown of the revenue composition shows that Specialty Chemicals generated revenue of NT\$3,480,542 thousand, accounting for 71.97% of consolidated revenue. Revenue from basic chemicals amounted to NT\$1,355,680 thousand, accounting for 28.03% of consolidated revenue.



Adhering to the principle of maintaining a stable dividend policy, the Company has distributed cash dividends to shareholders every year since 2013. Going forward, the Company will adjust and increase the cash dividend per share based on its profitability for the relevant year. In 2025, earnings per share after tax were NT\$3.70. A cash dividend of approximately NT\$3.70 per common share is proposed, consisting of NT\$2.06 per share from earnings distribution and NT\$1.64 per share from capital surplus. The proposed distribution is subject to approval at the annual general shareholders' meeting to be held on June 12, 2026.

Consolidated Revenue and Operating Performance Statistics

	2023	2024	2025	Year-on-year (YoY) growth rate
Paid-in capital (NT\$ thousand)	1,007,060	1,007,060	1,007,060	0.00%
Consolidated revenue (NT\$ thousands)	4,990,961	5,324,424	4,836,222	-9.17%
Gross profit (NT\$ thousands)	1,022,377	1,011,069	1,050,749	3.92%
Income tax (NT\$ thousand)	137,346	157,732	124,176	-21.27%
Consolidated earnings after tax (NT\$ thousands)	443,964	409,618	362,201	-11.58%
Earnings per share after tax (NT\$)	4.41	4.1	3.7	-9.76%
Net value per share (NT\$)	43.83	44.87	53.47	19.17%
Employee salaries and welfare expenses (NT\$ thousand) (Note 2)	487,970	515,945	516,007	0.01%
Payments to capital contributors: Stock dividends to shareholders (NT\$)	0	0	0	-
Payments to capital contributors: Cash dividends (NT\$)	3.5	3.5	3.7	5.71%
Social investment amount (NT\$)	907,400	1,089,000	1,343,000	

Note 1: Beginning in 2013, the preparation of the Company's financial statements was changed from Generally Accepted Accounting Principles (GAAP) to International Financial Reporting Standards (IFRS).

Note 2: The information is based on International Accounting Standards 19, Employee Benefits (IAS 19).

Note 3: Revenue decreased by approximately NT\$488 million in 2025, primarily because approximately NT\$510 million in revenue from a one-time medical equipment project was recognized in 2024 based on the percentage-of-completion method.

2.2

Future Revenue Growth Drivers

Development Trends

The Company's products are currently used primarily in the TFT-LCD display industry, the semiconductor industry, the LED and solar energy industries, and the food and beverage industry. Most of these products are key specialty chemicals and basic chemicals used in the manufacturing processes of downstream customers. To meet customers' diverse requirements, the Company continuously adjusts and improves its products and develops customized products tailored to customers' specific needs, enabling them to keep pace with rapidly evolving advanced technologies and process replacements. The future development of the Company is closely linked to the downstream industries in which its products are applied. The future development trends of the downstream application industries for the Company's products are described as follows:

TFT-LCD Industry

In 2025, the display panel industry continued to adopt the "disciplined capacity expansion" and "asset-light operations" strategies. Major Taiwanese panel manufacturers have actively disposed of lower-generation or less efficient production lines (such as Innolux Corporation FAB 4 and FAB 5, as well as legacy facilities owned by AUO and HannsTouch), reallocating these sites to support the semiconductor supply chain. Looking ahead to 2026, the impact of this trend on the Company and its outlook are as follows:

Transformation of existing facilities into semiconductor clusters: As leading semiconductor companies (such as TSMC, Micron, and major semiconductor packaging and testing providers) establish operations at former panel manufacturing sites, these areas are being transformed into clusters for advanced semiconductor manufacturing and packaging. Leveraging its existing geographic advantages and pipeline infrastructure, the Company is well positioned to respond quickly to customers' transition from display panel production to semiconductor-grade high-purity chemical requirements, thereby achieving a higher-value transformation of its product portfolio. **Commercial expansion of fan-out panel level packaging (FOPLP):** Panel manufacturers are retrofitting existing Generation 3.5 to Generation 6 production lines to enter the fan-out panel-level packaging (FOPLP) market required for AI chips. Leveraging its experience in semiconductor packaging chemicals, the Company aims to collaborate with customers in developing electronic-grade developers, etchants, strippers, and recycling services for large-area substrates, thereby supporting customers' growth following their transformation.

Niche display technologies: With the growing adoption of AI PCs and high-end automotive displays, the Company continues to provide stable, high-purity key specialty chemicals for high-angle etching technologies and thick-film processes, ensuring high production yields for customers operating with streamlined manufacturing capacity.

Food Industry

Global consumer demand for the four key dimensions of "health," "enjoyment," "convenience," and "environmental and ethical responsibility" is a major driving force behind innovation and R&D in the food industry. In response to consumers' growing demand for health, food manufacturers are progressively improving technologies, formulations, and production processes to achieve both excellent taste and health and safety. By reducing calories, minimizing allergens, and downsizing packaging, they aim to lessen the physical burden on consumers. In recent years, several food safety incidents in Taiwan and abroad, such as the melamine-contaminated milk scandal, the plasticizer scandal, and the tainted starch scandal, have heightened consumers' awareness of food safety while also prompting food manufacturers to place greater emphasis on the sources and quality of their raw material supplies.

Product Competition Status

Driven by increasing information transparency, easier access to raw materials, and the active expansion of foreign suppliers into the Taiwanese market, competition has intensified in recent years. Nevertheless, the Company continues to maintain a competitive advantage. Compared with foreign suppliers, the Company benefits from both localization and pricing advantages. Compared with local suppliers, the Company has competitive advantages in product quality, customized services, and technical support. Accordingly, despite intensified market competition, the Company has continued to maintain a stable growth rate each year.

Semiconductor Industry

Taiwan's semiconductor industry output exceeded NT\$6 trillion in 2025. Looking ahead to 2026, industry growth is expected to focus on the broad commercialization of advanced technologies:

2 nm (N2) high-volume production: As customers continue to advance their manufacturing processes, 2026 will be a pivotal year for San Fu's advanced process technologies. The Company's high-purity chemicals have already been developed in collaboration with leading customers for front-end manufacturing processes below 10 nm to meet Clean-related requirements.

Doubling of advanced packaging capacity: To address the growing shortage of AI computing capacity, customers continue to expand their CoWoS and SoIC production capacity. The Company's shipments of advanced packaging chemicals are expected to increase significantly as customers bring new production capacity online.

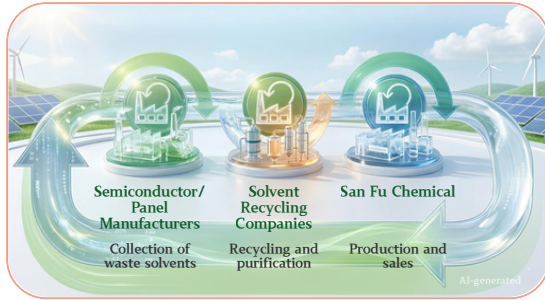
According to industry research estimates, Taiwan's semiconductor industry output is expected to reach NT\$7 trillion in 2026. The Company will continue to strengthen its "electronic-grade chemical recycling services" to help customers achieve their Scope 3 carbon reduction targets while expanding production capacity, thereby building a green supply chain with sustainable competitiveness and resilience.

2.3

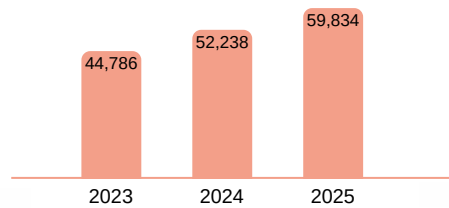
Sustainable Circular Economy

Solvent Recycling

In response to escalating global environmental degradation and climate change, the Company collaborates with its suppliers (solvent recycling companies) to recover waste solvents generated during the manufacturing processes of its customers (semiconductor and display manufacturers). Leveraging the solvent recyclers' highly efficient regeneration equipment and advanced distillation and separation technologies, the waste solvents are purified and reintroduced into the market for reuse. Since 2017, San Fu Chemical has purchased a cumulative total of 59,834 metric tons of recovered solvents.



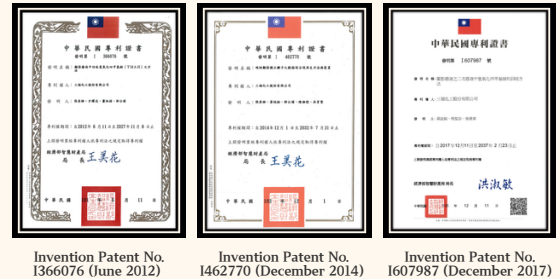
Cumulative Procurement Volume of Recycled Solvents (Metric Tons)
2025 Procurement Volume: 7,596



TMAH Waste Liquid Recycling

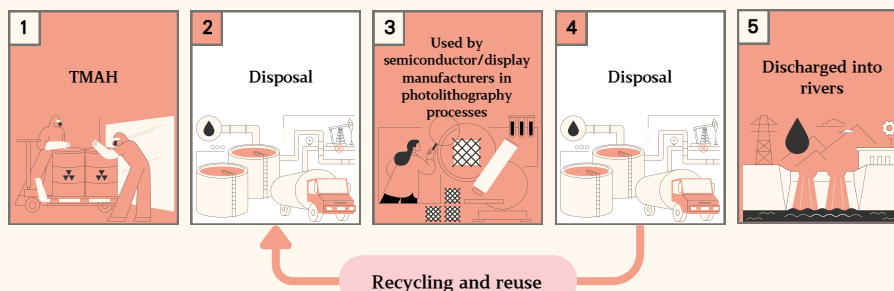
Tetramethylammonium Hydroxide (TMAH) is an indispensable developer used in photolithography processes in the electronics industry. However, due to its high toxicity, exposure can be fatal within 30 minutes, making it a highly toxic neurotoxin. There have been multiple occupational accidents in Taiwan involving exposure to TMAH. TMAH wastewater is one of the primary sources of ammonia nitrogen in wastewater generated by the electronics industry and exhibits acute aquatic toxicity. If discharged without proper treatment, it can cause severe water pollution and have a significant impact on the ecological environment.

In light of these concerns, as a chemical manufacturer, San Fu Chemical actively promotes pollution prevention, waste reduction, energy conservation, and carbon reduction initiatives, while continuously optimizing its manufacturing processes. In addition to supplying high-quality chemicals, the Company actively assists customers in addressing the waste and wastewater generated through the use of its chemical products. Since 2007, San Fu Chemical has been engaged in the development of wastewater treatment technologies for the optoelectronics industry and became the first company in Taiwan to independently develop TMAH recycling technology. In 2008, the Company received funding under the New Product Development Program of the Industrial Development Bureau, Ministry of Economic Affairs, and has successively obtained related technology patents since 2012. Through its patented TMAH recycling technology, San Fu Chemical uses electrolysis to convert customers' TMAH waste liquid into a 25% TMAH developer solution. With a quality comparable to that of new electronic-grade products, the recycled solution can be reintroduced into the market supply chain, enabling resource reuse, reducing the consumption of new TMAH, and achieving the goals of energy conservation and waste reduction.



Waste recycling and reuse to fulfill environmental responsibility

As a leading company in the chemical industry, San Fu Chemical plays an integral role in everyday life. We recognize the importance of properly managing the waste generated by both our own operations and our customers' manufacturing processes. Through continuous research and development, we promote a circular economy by reducing reliance on external resources, increasing resource reuse, and lowering manufacturing costs, thereby creating a win-win-win outcome for environmental protection, customer value, and corporate development while advancing the transition toward a sustainable economy. Taiwan has limited land and natural resources, a high population density, and is surrounded by the sea. Achieving the vision of a green technology island therefore requires meticulous planning of energy management and land utilization. San Fu Chemical applies its proprietary recycling technology to recover spent developer solution (TMAH waste liquid) generated from customers' photolithography processes and convert it into high-quality regenerated TMAH developer solution. Since 2011, the Company has continuously supplied this regenerated product to customers. As customers continue to expand their new production facilities, the volume of TMAH recycled and reused has reached new highs, demonstrating outstanding environmental and economic benefits.



Creating a win-win-win outcome and advancing the transition to a sustainable economy

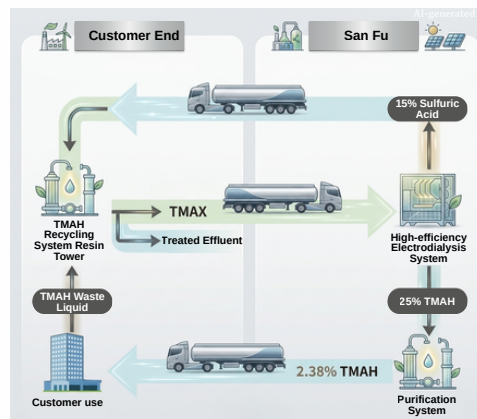
In support of sustainable development and economic transformation, San Fu Chemical invested NT\$330 million in 2011 to establish a TMAH recycling and reuse plant, which commenced commercial operations in the same year. The Company also became the first in Taiwan to obtain recycling approval from a customer in the TFT-LCD industry. Following the commencement of mass production, the Company was successively commissioned by a number of internationally renowned semiconductor and optoelectronics manufacturers in the Hsinchu Science Park, Central Taiwan Science Park, Southern Taiwan Science Park, and other industrial parks. The Company subsequently invested an additional NT\$120 million in facility expansion and process optimization to help customers ensure that the TMAH concentration in discharged wastewater complies with the ammonia nitrogen discharge standard established by the Environmental Protection Administration (below 20 mg/L), thereby effectively reducing the environmental burden.

In 2020, San Fu Chemical invested more than NT\$50 million to install an evaporation and concentration system. By integrating water recovery and waste heat recovery, the Company reduced steam and natural gas consumption, improved energy efficiency, and further advanced its commitment to energy conservation and sustainability. In 2021, the Company implemented an energy management system and adopted the PDCA cycle to continuously optimize energy management, reduce operating costs, and strengthen its capabilities for sustainable business operations.

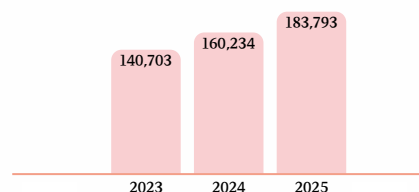
As Taiwan's semiconductor industry continues to expand its production capacity, demand for TMAH has grown significantly. The existing recycling capacity at San Fu Chemical's Shanhuah Plant is no longer sufficient to meet demand, particularly as new semiconductor fabrication facilities in the Southern Taiwan Science Park continue to expand. To meet the rapid growth of the industry, San Fu Chemical has applied to add semiconductor-grade ultra-high-purity TMAH developer solution to its product portfolio in the Southern Taiwan Science Park and has transferred the technology in its entirety to its subsidiary, International Nitto Technology Co., Ltd. The plant completed construction of its electrolysis production line in 2022 and its semiconductor-grade nanotechnology production line in 2024, with cumulative investment reaching NT\$1.5 billion. The Company continues to adopt the circular economy and sustainable development as its long-term operating strategy.

Advances in technology have brought the world closer together while also prompting us to place greater emphasis on the three fundamental pillars of sustainability: social progress, economic growth, and environmental protection. In response to the challenges posed by climate change, San Fu Chemical continues to drive improvements throughout every stage of the product life cycle. In addition to collaborating with leading domestic and international technology companies to provide cost-effective and competitive TMAH recycling solutions, the Company is actively investing in process improvements to enhance recycling efficiency, reduce energy consumption, and expand diversified applications. Through these efforts, the Company seeks to reduce environmental impacts, improve product quality, and establish itself as a leader in the green chemical industry.

San Fu Chemical has successfully transformed the highly toxic chemical TMAH into a valuable resource. As of 2025, the cumulative volume of 25% TMAH solution recycled and reused has reached approximately 90,000 metric tons. Since 2011, San Fu Chemical has recycled and reused a total of 183,793 metric tons of TMAH waste liquid, demonstrating the outstanding effectiveness of its innovative circular economy business model and achieving a win-win-win outcome for environmental protection and industrial sustainability.



Cumulative total volume collected and transported over the years (Unit: Metric Tons)



Recognition of Circular Economy Achievements

Since 2006, San Fu Chemical has invested in the research and development of recycling and reuse technology for Tetramethylammonium Hydroxide (TMAH), a semiconductor manufacturing process pollutant. TMAH, which was previously imported almost entirely into Taiwan, is an indispensable raw material for semiconductor manufacturing processes but is highly toxic and potentially fatal. Although the Company originally planned to manufacture TMAH itself, it later decided to focus on developing TMAH recycling and regeneration technology. The technology was successfully developed in 2010, commercialized for mass production in 2012, and became profitable in 2016.

1

Solves the treatment of spent developer solution and reduces waste treatment costs.

Strengthens collaboration through customized services, fostering long-term partnerships.

3

2

Repurchases recycled TMAH solution that meets quality standards, reducing the cost of purchasing new TMAH solution.

The circular use of TMAH provides customers with low-carbon raw materials while reducing carbon emissions associated with waste treatment.

4

San Fu Chemical provides multiple sources of value to its customers:

Achievements:



17 electronics manufacturing sites have adopted San Fu Chemical's patented TMAH waste liquid recycling technology.



Each year, the Company helps customers treat approximately 1.83 million metric tons of wastewater, equivalent to the volume of 730 Universiade-sized swimming pools, significantly reducing energy consumption in the semiconductor industry.



The Company has helped customers save more than NT\$2 billion in pollution treatment costs.



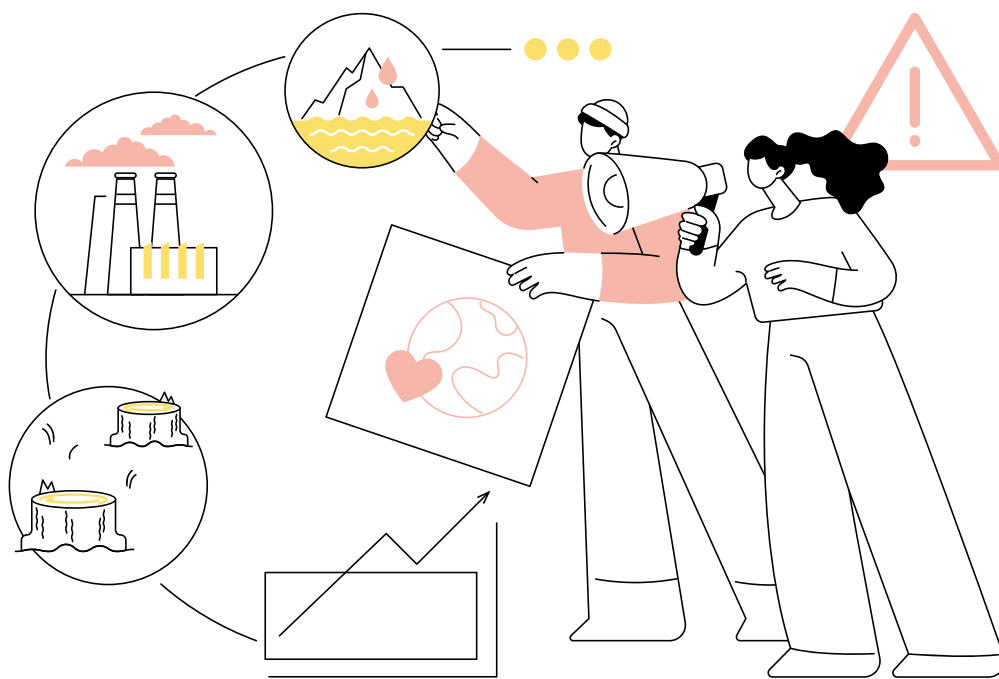
Recipient of the First Circular Economy Gold Award in 2019.



Recipient of the Silver Award at the Taiwan Sustainability Action Awards in 2023.

San Fu Chemical's innovative circular economy business model not only effectively addresses environmental pollution but also actively promotes the transformation of the electronics industry toward a greener future. The continued support of customers and the recognition received through various awards fully demonstrate the Company's outstanding achievements and steadfast commitment to sustainable development over the past decade.

03 Climate Change Response



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Chapter Highlights

- 14.5% Scope 1 emissions decreased significantly compared with the previous year 14.5%
- 190 metric tons of CO₂e Carbon reduction through energy conservation projects 190 metric tons CO₂e

3.1

Climate Change-Related Governance

To address climate change and ensure long-term operational performance, San Fu Chemical has referenced the "Task Force on Climate-related Financial Disclosures (TCFD)" issued by the Financial Stability Board (FSB) in 2017. Based on its four core elements: "Governance," "Strategy," "Risk Management," and "Metrics and Targets," the Company has established the foundation of its climate change governance framework. By identifying material risks and opportunities that may affect its operations, the Company has developed strategies to address climate-related risks and reduce carbon emissions.

San Fu Chemical Climate Change Management Framework

1

Governance

- The Board of Directors has established the "ESG Committee" to oversee sustainability and climate-related matters.
- The members of the Committee are appointed by resolution of the Board of Directors, with three directors designated to serve as committee members.
- The "Sustainability Promotion Task Force" has been established to plan and formulate sustainable development strategies and implement climate-related plans and action programs.
- The Sustainability Promotion Task Force reports sustainable development strategies and plans to the Committee annually, after which they are reviewed by the Committee and submitted to the Board of Directors.

2

Strategy

- Application of climate-related scenarios.
- Results of climate-related risk and opportunity identification.
- Assessment of material climate-related risks and strategies.
- Assessment of material climate-related opportunities and strategies.
- Overall assessment of material climate-related risks, opportunities, and strategies.

3

Risk management

- Risk and opportunity management system.
- Risk and opportunity management process.
- Climate-related risk and opportunity identification and assessment process.

4

Metrics and Targets

- GHG emissions targets.
- Toward net-zero emissions targets.
- Emission reduction actions.

Governance Framework

To address the high uncertainty of climate change and the rapid changes in policies and markets, and to timely understand and assess the potential impacts caused by climate change. At the same time, the Company further evaluates the risks that floods, droughts, typhoons, and extreme heat may pose to its various operating sites. This is intended to better capture changes in the external climate environment and market dynamics, and to more comprehensively consider overall operational strategy planning.

Highest Governance

Board of Directors

Key Responsibilities of Climate Governance

- 1 The Board of Directors serves as the highest decision-making body for climate change and sustainable development, responsible for the final approval of ESG policies and climate risk response strategies.
- 2 Links ESG performance to senior management remuneration, with the Remuneration Committee reviewing it semiannually.
- 3 Receives a project report from the Chief Sustainability Officer annually. The most recent approval of the Climate Change Management Report and the Sustainability Report by the Board of Directors was on April 29, 2026.
- 4 In 2025, directors received an average of 7.67 hours of continuing education on climate-related topics.



Promotion Level

ESG Committee

Key Responsibilities of Climate Governance

- 1 Comprising three directors, the committee is responsible for conducting substantive reviews of the climate policies, risk assessment results (including the rationality of financial impacts), and annual plans proposed by the Chief Sustainability Officer (CSO), while providing strategic guidance for revisions.
- 2 Holds at least one meeting each year. • The most recent review meeting was held on April 20, 2026. After confirming that the content was complete, it was submitted to the Board of Directors for approval.



Implementation Level

Sustainability Promotion Task Force

Key Responsibilities of Climate Governance

- 1 The General Manager serves as the highest executive in charge, while the Chief Sustainability Officer is responsible for overall coordination and leads cross-functional carbon reduction initiatives.
- 2 Responsible for implementing TCFD risk identification, GHG inventory, and supply chain communication.
- 3 Each year, the Chief Sustainability Officer, on behalf of the Working Group, reports the annual implementation results to the ESG Committee and subsequently to the Board of Directors.



Climate Change Issue Governance Capabilities

In accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," San Fu Chemical stipulates that the election of directors shall take into consideration the overall composition of the Board of Directors to ensure that it possesses the comprehensive capabilities required to advance corporate governance and sustainability-related initiatives. The Board of Directors collectively possesses expertise in operational judgment and management, accounting and financial analysis, crisis management, industry knowledge, international market perspectives, leadership, and decision-making, thereby strengthening its governance effectiveness in addressing long-term challenges such as climate change.

The Board of Directors also complies with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies" by arranging continuing education programs for directors each year to strengthen their overall understanding and judgment regarding economic, environmental, and social issues. In 2025, directors completed a total of 69 hours of continuing education, with an average of 7.67 training hours per director. The Board of Directors fulfills its corporate governance responsibilities by regularly reviewing the Company's operating performance and discussing major strategic issues, including economic, environmental, and social impacts, as well as related risks and opportunities.

Board-Level Representative for Climate Change Issues

San Fu Chemical has designated the Chief Sustainability Officer as the principal representative of the Sustainability Promotion Task Force, responsible for coordinating and integrating climate change management activities across departments. Its responsibilities include overseeing implementation, identifying climate-related risks and opportunities, and preparing management reports. Under the reporting mechanism, each year the Chief Sustainability Officer, on behalf of the Working Group, first submits the report to the "ESG Committee" for substantive review. After the content is confirmed and any necessary revisions are completed, it is formally submitted to the "Board of Directors" for approval, ensuring the substantive involvement of the highest level of governance.

3.2

Climate Change-Related Risk and Opportunity Management

Climate-related Risk and Opportunity Management Procedures

San Fu Chemical's sustainability risk management mechanism is led by the General Manager as the highest executive in charge. Through the "Sustainability Promotion Task Force," department heads are convened to consolidate and assess sustainability-related risk issues. Group members analyze the likelihood and potential impact of each identified risk and formulate response strategies based on the Company's risk tolerance. The related actions are incorporated into the annual work plan and are subject to ongoing review and revision to ensure effective management.

To strengthen the quality of management, the Company has established comprehensive "Internal Control" and "Internal Audit" systems. In response to regulatory requirements, the Company formally incorporated the "Procedures for the Preparation and Verification of the Sustainability

Report" into its internal control system following approval by the Board of Directors in 2024 and designated it as a key item in the annual internal audit plan.

Through this mechanism, the Company ensures that climate-related risk disclosures are prepared and reviewed in accordance with its internal control procedures. The Sustainability Report covers risk assessments of material environmental, social, and governance (ESG) topics and establishes specific performance indicators for ongoing monitoring and management, thereby fulfilling the Company's commitment to information transparency for stakeholders.

Risk Management Organizational Structure and Related Responsibilities

Board of Directors

Serves as the highest decision-making and oversight body, responsible for approving risk management policies, material sustainability issues, and climate risk response strategies, and for overseeing the implementation and effectiveness of the overall risk management framework.

ESG Committee

Responsible for reviewing the risk assessment results and the reasonableness of the financial impact assessments submitted by the "Sustainability Promotion Task Force," monitoring the implementation progress of various strategies, and, upon confirmation, submitting them to the Board of Directors for approval.

General Manager

Serves as the highest executive in charge of risk management, overseeing the operation of the risk management framework and resource allocation, making decisions on risk issues raised by various departments, and approving specific carbon reduction projects and related resource investments.

Sustainability Promotion Task Force

- Assists in identifying company-level risks and climate-related issues, conducts TCFD identification questionnaires, consolidates assessment results for senior management's reference, and is responsible for advancing annual initiatives and conducting ongoing reviews.
- Consolidates risk issues across departments, assesses the likelihood and potential impact of each risk, proposes response strategies, and implements the necessary control measures.

Climate-related risk and opportunity identification and assessment process

Climate change has significant impacts on businesses and the social environment. To better understand its specific impacts, the Company continues to strengthen its management of climate-related issues. Based on their respective responsibilities, relevant departments assess the likelihood and potential impact of various risk factors. The Company adopts the 1.5°C scenario and Taiwan's "2050 Pathway to Net-Zero Emissions and Strategy" as its transition risk scenarios, and the IPCC (AR6) worst-case global warming scenario (SSP5-8.5) as its physical risk scenario. Using these scenarios, the Company identifies and assesses climate-related risks and opportunities associated with physical impacts and transition risks, including regulatory changes. Finally, the Sustainability Promotion Task Force coordinates the climate risk identification mechanism and convenes department heads to hold the "Climate Risk and Opportunity Assessment Meeting." In accordance with the TCFD framework, the Company conducts scenario analysis and assessment, and identifies potential material climate-related risks and opportunities, evaluates their financial impacts, and develops response strategies.

Climate-related risk and opportunity identification and assessment

Time	Short-term (1-3 years): 2025-2027 Mid-term (3-6 years): 2028-2030 Long-term (over 6 years): 2031-
Risk and Opportunity Scale	Likelihood of Occurrence Degree of Financial Impact
Risk and Opportunity Scope	Transition Risks: Policy and Regulation, Technology, Market, and Reputation Physical Risks: Immediate and Chronic Opportunities: Resource Efficiency, Energy Sources, Products and Services, Markets, and Resilience
Climate Scenario Setting	IPCC (AR6) Report Worst-Case Global Warming Scenario (SSP5-8.5)

Climate-related Risk and Opportunity Management Process

The Sustainability Promotion Task Force serves as the management unit for climate change-related matters. Based on the TCFD's categories of transition risks, physical risks, and opportunities, each department evaluates corresponding response strategies and financial impacts for the key short-, medium-, and long-term risks and opportunities identified during the assessment meetings. The evaluation also takes into consideration the impacts of products and services, the supply chain, adaptation and mitigation activities, research and development investments, and business operations, including business types and facility locations, on the Company's business and strategy.

Likelihood of Occurrence Scale

Level	Probability of Occurrence	Likelihood of Occurrence
1	Expected to occur less than once every 10 years	Very low
2	Not expected to occur within the next 5 years	Low
3	Expected to occur within the next 3 years	Moderate
4	Annually	High
5	Occurred	Very High

Financial Impact Scale

Level	Finance	Degree of Financial Impact
1	Under NT\$50,000	Very low
2	NT\$500,000	Low
3	NT\$ 1 million	Moderate
4	NT\$ 5 million	High
5	Over NT\$10 million	Very High

The identification and assessment of climate change-related transition risks and physical risks include evaluating their potential impact on the Company's operations and the likelihood of occurrence. Following the matrix analysis, the Sustainability Promotion Task Force of San Fu Chemical convened department heads and representatives from the Risk Management Task Force to conduct assessment meetings. A total of 12 climate-related risks and 8 climate-related opportunities were identified. In 2025, the Company identified two key climate-related risks and one key climate-related opportunity as its primary focus.

Climate-related Scenario Resilience Assessment

In accordance with the TCFD framework, San Fu Chemical analyzes transition risks, physical risks, and climate-related opportunities under different global greenhouse gas emissions control scenarios to assess their potential impacts on the Company's operations and supply chain. The assessment results are incorporated into the Company's strategic and financial planning. San Fu Chemical has established its climate scenarios with reference to the latest scientific assessment reports published by the "International Energy Agency (IEA)" and the "Intergovernmental Panel on Climate Change (IPCC)." The Company adopts the "Worst-case Scenario" to analyze and assess the potential financial and operational impacts of climate-related risks and opportunities. Given the high degree of uncertainty surrounding future climate change, San Fu Chemical also references data from the "Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP)," the "National Science and Technology Council (NSTC)," and the "National Science and Technology Center for Disaster Reduction (NCDR)." The Company uses multiple climate models to conduct scenario simulations in order to gain a more comprehensive understanding of medium- and long-term climate trends.

Climate-related Scenario Setting

» Climate-related Risk and Opportunity Type

Transition Risks
Opportunities

» Scenarios for Strategy Assessment

1.5°C Scenario
Taiwan's "2050 Pathway to Net-Zero Emissions and Strategy"

» Scenario Content

Net-zero carbon emissions by 2050 has become a global trend. In March 2022, Taiwan released the "Overview of Taiwan's 2050 Pathway to Net-Zero Emissions and Strategy," which aims to tightly control greenhouse gas emissions through four major transition strategies, namely energy transition, industrial transition, lifestyle transition, and social transition, supported by two key governance foundations, namely technological research and development and climate legislation. These measures may have operational impacts on enterprises and their value chains.

» Climate-related Risk and Opportunity Type

Physical Risks

» Scenarios for Strategy Assessment

IPCC (AR6) Worst-Case Global Warming Scenario (SSP5-8.5)

» Scenario Content

Under the very high GHG emissions scenario (SSP5-8.5), climate change is expected to intensify changes in future average temperatures, extreme heat events, annual total precipitation, maximum one-day precipitation, maximum consecutive dry days, and the proportion of intense typhoons, potentially affecting the operations of the Company and its supply chain.

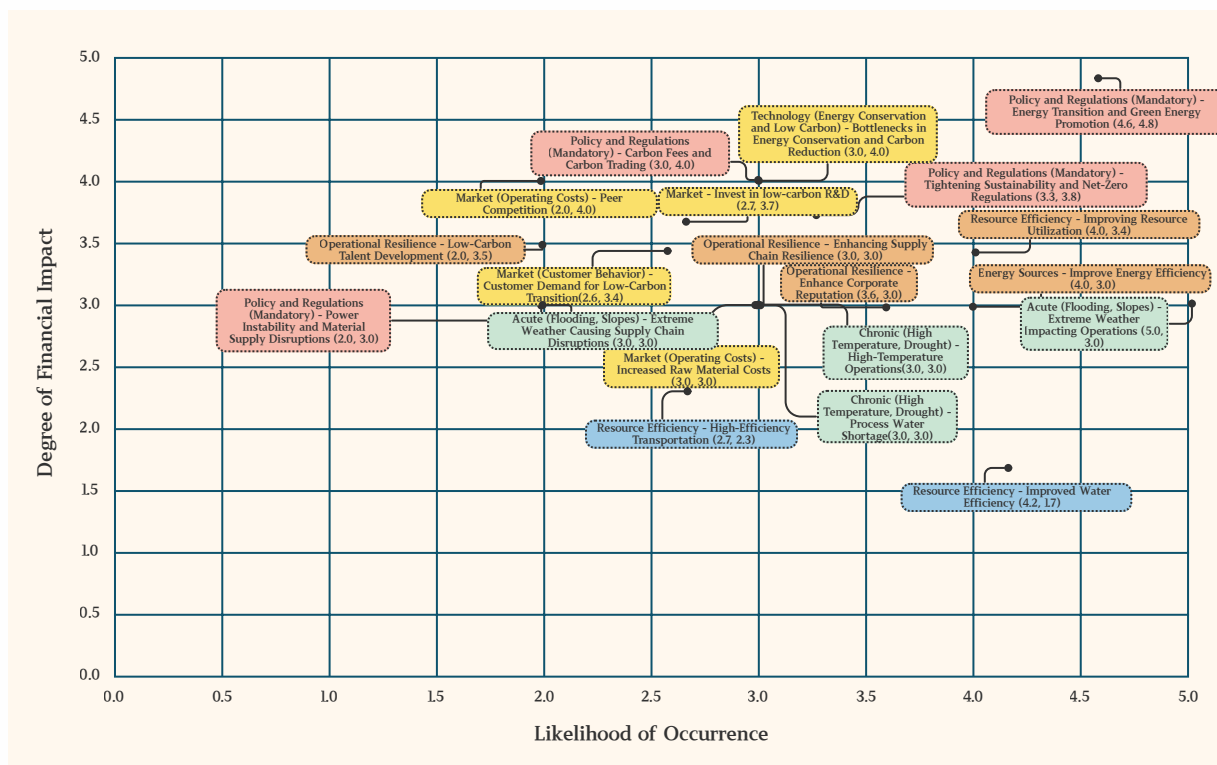
3.3

Climate Change-Related Strategy

Results of climate change risk and opportunity identification

The identification and assessment of climate-related transition risks and physical risks include evaluating their potential impact on the Company's operations and the likelihood of occurrence. Following matrix analysis, the Sustainability Promotion Task Force convened department heads to discuss the results and ultimately identified eight climate-related risks and 12 climate-related opportunities. Through these meetings, the Company assessed the financial impacts of material climate-related risks and opportunities that it may face and discussed corresponding response measures, which serve as the basis for determining the Company's future climate change strategies.

Climate-Related Risk and Opportunity Matrix

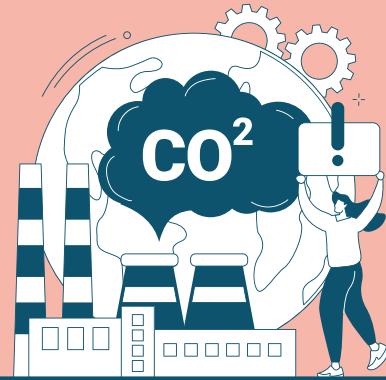


Identified Material Climate-Related Risks and Opportunities

Risk / Opportunity	TYPE	Risk Content	Timeline	Likelihood of Occurrence	Degree of Impact
Transition Risks	Policy and Regulation	Energy Transition and Green Energy Promotion	Short- to Mid-term	Very High	Very High
Physical Risks	Immediate (flooding, landslides)	Extreme Weather Affecting Operations	Short-term	Very High	Moderate
Opportunities	Resource Efficiency	Improving Resource Efficiency	Short-term	High	Moderate

Assessment of Climate-related Risks and Strategies

As regulatory requirements for GHG emissions disclosure by TWSE/TPEX listed companies become increasingly stringent, San Fu Chemical conducts GHG inventories and obtains external verification in accordance with ISO 14064-1:2018. The results serve as the basis for its risk management. The Company also proactively implements corresponding measures to gradually reduce GHG emissions, with the aim of not only complying with regulatory requirements but also advancing sustainable development and enhancing its corporate social responsibility and competitiveness.



Risk / Opportunity Type	Risk / Opportunity Description	Occurrence Location	Potential Time Frame of Impact		
			Short-term (2025-2027)	Mid-term (2028-2030)	Long-term (2031-)
Transition Risks	Energy Transition and Green Energy Promotion	The Company, Downstream Customers	✓	✓	✓
Physical Risks	Extreme Weather Affecting Operations	The Company	✓	✓	✓
Opportunities	Improving Resource Efficiency	The Company, Downstream Customers	✓	✓	✓

Risk Type	Transition Risks (Policy / Regulation)	Physical Risks (Immediate)
Material Risk Issues	Energy Transition and Green Energy Promotion	Extreme Weather Affecting Operations
Potential Financial Impact Assessment	Increase in operating costs - Increased electricity prices and expenditures on renewable electricity procurement. - GHG inventory and compliance costs. Estimated impact: Approximately NT\$40 million/year	Revenue loss risk - Heavy rainfall resulting in flooding and operational disruptions. - Supply chain disruptions affecting product deliveries. Estimated impact: Approximately NT\$14.5 million in losses per day of operational disruption.
Resilience Strategy	Reduce operating costs - Renewable Energy Development: Completed the installation of solar power systems at the Shanhua Plant, Liouke Plant, and International Nitto. - Smart Power Management: Implemented smart electricity meter monitoring at the Shanhua Plant, enabling proactive load reduction and variable frequency drive control. - Internal Carbon Pricing: Established an Internal Carbon Pricing (ICP) mechanism at NT\$300 per metric ton of CO₂e and incorporated carbon reduction benefits into investment evaluations. Cost savings and financial benefits from energy conservation and renewable electricity measures	Reduce financial losses - Infrastructure Enhancement: Expand warehouse capacity to increase inventory coverage to 1-1.5 months, thereby mitigating supply chain disruption risks; Enhance drainage and flood protection facilities at manufacturing sites. - Operational Resilience: Establish standard operating procedures (SOPs) for shift arrangements and operational shutdowns during extreme weather events to ensure personnel safety. Warehouse expansion and drainage system upgrades to enhance operational resilience

Assessment of climate-related opportunities and strategies

San Fu Chemical has developed zero-waste resource technologies to recover waste solutions generated during semiconductor and display manufacturing processes. After being recovered and reprocessed, these materials are reintroduced into the market for circular use. The Company also continues to promote process optimization, smart green energy transformation, and the implementation of energy-efficient facilities to improve resource efficiency, reduce operating costs, and demonstrate its commitment to environmental responsibility. These initiatives not only align with the global trends of the circular economy and sustainable development but also help the Company transition toward a low-carbon and circular operating model, strengthen its market competitiveness, and lay a solid foundation for its long-term development.

Improving Resource Efficiency

Opportunity Description

The Company continues to improve its production processes and equipment to reduce GHG emissions and energy consumption. By replacing high energy-consuming equipment, improving the mixing and circulation system, and installing automated air conditioning control systems, the Company enhances energy efficiency and production performance while reducing operating costs.

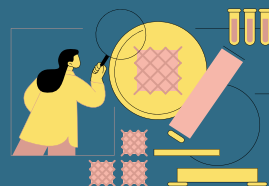
To promote the circular economy, the Company has established resource recovery and reuse models, including purifying and electrolyzing customers' waste TMAH solutions before supplying them back for reuse. In addition, its subsidiary, International Nitto, has invested in facilities for recycling and reusing semiconductor-grade ultra-high-purity TMAH developer, creating a benchmark for the circular economy within the industry while contributing approximately 12% of the Company's revenue.

At the same time, process improvements have reduced by-product and waste treatment costs, saving approximately NT\$4.8 million annually in waste acid treatment expenses. In addition, the reuse of regenerated acid has effectively reduced environmental impacts and subsequent operating costs.

Strategic Response

In terms of process improvements and emissions reduction, the Company continues to evaluate and implement GHG reduction and recovery equipment, including the assessment of N₂O reduction and recovery systems. It also further reduces GHG emissions and enhances resource circularity by developing resource recycling and reuse technologies and regenerating hydrochloric acid used in resin towers.

The subsidiary, International Nitto, continues to develop recycling technologies that not only reduce costs and carbon emissions but also improve product quality and stability, thereby enhancing customer appeal. The subsidiary also plans to install additional waste acid recovery equipment to further expand these benefits.



Type of Financial Impact	Potential Financial Impact	Description
Opportunities	Capital Investment	Annual investment of approximately NT\$1.5 million in energy conservation and carbon reduction equipment, and more than NT\$1 billion invested in the new TMAH production line.
Strategy	Increase operating revenue	Energy conservation, recycling, and optimization initiatives contribute to annual revenue growth of 6%-13%

Overall assessment of material climate-related risks, opportunities, and strategies

In response to the impacts of climate change, San Fu Chemical recognizes that failing to proactively manage climate-related risks could expose the Company to a wide range of climate-related challenges. By contrast, implementing climate risk management not only effectively mitigates these risks but also significantly enhances the Company's competitiveness in sustainable development. Based on the foregoing analysis of the impacts of climate change on San Fu Chemical, both risks and opportunities exist. In the long term, the benefits arising from these opportunities are expected to significantly outweigh the additional costs incurred in the short term. In advancing the low-carbon energy transition and renewable energy initiatives, the Company is required to incur expenses related to rising electricity prices, regulatory compliance and disclosure, and equipment investments, resulting in additional annual costs of approximately NT\$40 million, as well as certain one-time capital expenditures. However, through solar power generation, the replacement of energy-efficient equipment, and business opportunities arising from third-party certification, the Company has begun to realize cumulative financial benefits that help offset these costs while establishing a long-term competitive advantage.

At the same time, while extreme weather events pose potential risks of operational disruptions and physical damage, the Company has mitigated personnel, outsourcing, and disaster-related costs through warehouse optimization and enhanced disaster prevention facilities, thereby helping ensure stable revenue.

More importantly, by improving resource efficiency, the Company expects to increase its annual revenue by 6%–13%, demonstrating positive financial returns.

San Fu Chemical regards environmental responsibility as one of its core corporate missions and integrates it closely with its business operations. In alignment with the global low-carbon transition, the Company not only actively implements carbon reduction and circular resource utilization but also continues to reduce risks and expand opportunities through innovative technologies and management practices. Overall, San Fu Chemical has demonstrated its ability to address climate-related challenges through concrete actions, creating both financial and environmental benefits while steadily advancing toward its goals of low-carbon operations, resilience, and sustainable development.

The Intergovernmental Panel on Climate Change (IPCC) stated in its "Global Warming of 1.5°C" Special Report, published in October 2018, that countries and businesses must make substantial efforts to limit global warming to within 1.5°C. Accordingly, there is an urgent need to reduce the impacts of climate change through carbon reduction measures in order to achieve the Company's sustainable development objectives. This is not only an environmental responsibility but also a critical long-term business strategy to ensure the Company's future competitiveness and market position.

The Company has established a Sustainability Promotion Task Force and has adopted the TCFD framework covering governance, strategy, risk management, and metrics and targets, in alignment with international best practices.

3.4

Climate Change-Related Metrics and Targets

GHG emissions targets

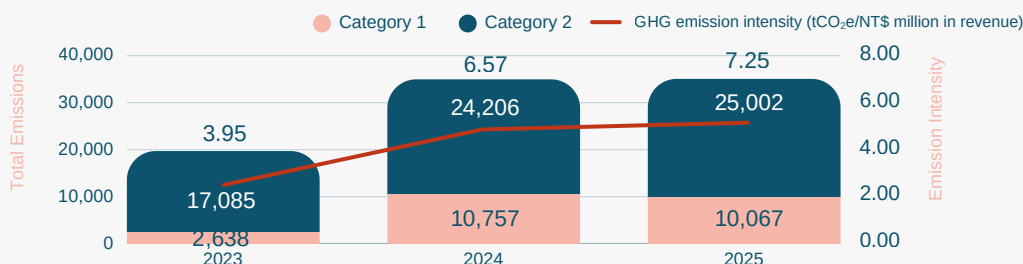
Through the disclosure of quantified GHG emissions data in its environmental information, San Fu Chemical will be better positioned to review and enhance its environmentally friendly initiatives on an annual basis. GHG emissions, nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air pollutants generated during the product manufacturing process may have a substantial impact on the environment. Accordingly, the Company provides internal training to help employees identify and classify various sources of GHG emissions at its manufacturing sites, thereby strengthening the Company's GHG emissions management strategy. The scope of the inventory includes direct GHG emissions, energy indirect GHG emissions, other indirect GHG emissions, and the calculation of GHG emissions intensity. Through the disclosure of energy consumption reduction indicators, the Company demonstrates its efforts to reduce environmental impacts while showcasing its ability to respond to carbon emissions, operating costs, and fluctuations in energy supply and prices.

In terms of GHG emissions management, the Company has completed GHG inventories covering all operating sites and its subsidiary, International Nitto, and has obtained external verification from an independent third-party verification body to accurately identify GHG emission sources and quantify emissions at its manufacturing sites. At the same time, the Company has incorporated climate change mitigation and adaptation as key elements of its operational management.

Emissions (metric tons of CO₂e)

Verification Body	Verification Standards	Statement	Pos.	Scope of Verification	2023	2024	2025
Intertek	ISO 14064-1:2018	GHG inventory reports and verification certificates are disclosed on the San Fu Chemical official website https://www.sfcchem.com.tw/zh-hant/page/certifications .	Category 1: Direct emissions.	Parent Company	2,638.4	9,701.0	8,295.8
				Subsidiaries	--	1,056.1	1,771.0
			Category 2: Energy indirect emissions.	Parent Company	17,085.2	17,046.7	16,866.4
				Subsidiaries	--	7,159.1	8,135.9
			Categories 3-6: Other indirect emissions. (Upstream energy, upstream resources, waste treatment)	Parent Company	3,998.9	5,720.6	7,832.3
				Subsidiaries	--	2,047.4	2,666.9
Plant-wide carbon emission intensity (metric tons of CO ₂ e/NT\$ million)					3.95	6.57	7.25

GHG emissions trend



GHG Emissions Performance Summary

The Company completed its GHG inventory in accordance with the ISO 14064-1:2018 standard. In 2025, the total GHG emissions of the Group amounted to approximately 35,069 metric tons of CO₂e. Analysis of the GHG emissions trend over the past three years is as follows: Overall Trend (2024 vs. 2025): Total GHG emissions remained relatively stable, with a slight increase of 0.3%. Against the backdrop of continued business growth, GHG emissions have not increased significantly, demonstrating that the Company's carbon reduction management initiatives have begun to deliver positive results. Key Contributing Factor: Expansion of the inventory boundary: Beginning in 2024, the GHG inventory was expanded to include the subsidiary, "International Nitto," which contributed approximately 8,215 metric tons of CO₂e in that year alone. Process Optimization: In response to market demand for PHBA products, the Shanhua Plant increased its thermal energy consumption while successfully controlling energy intensity. Meanwhile, the Liouke Plant achieved significant emissions reductions, decreasing its Scope 1 emissions by 41.6% through enhanced process controls. Efficiency Improvement: The production capacity growth of the subsidiary, International Nitto, outpaced the growth in its carbon emissions, indicating that energy efficiency improved in parallel with higher capacity utilization.

San Fu Chemical is firmly committed to achieving net-zero emissions. The Company reviews its overall carbon reduction performance annually based on the results of its GHG inventory and formulates corresponding emissions reduction strategies. In response to the "Emission Standard of Air Pollutants for Boilers" announced by the Ministry of Environment (MOENV) in 2018, which established uniform emission standards for boilers across various industries and required operators to complete improvements within specified deadlines, San Fu began planning in 2019 to convert its boilers to natural gas-fired systems to reduce air pollution. Accordingly, the Company designated 2019 as the emissions reduction baseline year for its Shanhua Plant. In 2021, the Company expanded its GHG inventory to include the Liouke Plant and Kaohsiung Plant. By 2023, all San Fu Chemical operating sites had completed both GHG inventories and third-party verification. The subsidiary, International Nitto, which operates a similar chemical manufacturing process, also completed its GHG inventory in 2024. To comply with the FSC's Sustainable Development Roadmap for TWSE/TPEx-listed companies, the Company plans to complete GHG inventories for all subsidiaries included in the consolidated financial statements by 2027. The Company has also established medium- and long-term targets to reduce combined Scope 1 and Scope 2 GHG emissions by 20% by 2030 and to achieve net-zero emissions by 2050.

Emission Reduction Actions

In its Sixth Assessment Report (AR6), published in 2021, the IPCC confirmed through scientific evidence that the adverse impacts of climate change have become increasingly urgent. In response, countries around the world have successively announced their commitments and targets to achieve net-zero emissions by 2050. In response to international trends and to fulfill its shared responsibility for global carbon reduction, Taiwan formally incorporated the 2050 net-zero emissions target into the amendments to the "Climate Change Response Act", which were passed by the Legislative Yuan on January 10, 2023. The amendments are intended to guide mid- and long-term climate actions in addressing the impacts of climate change. To align with international climate change initiatives, San Fu Chemical continues to implement GHG emissions reduction policies and planning. Through a range of energy conservation initiatives, the Company is comprehensively reducing its GHG emissions, including: Replace aging equipment and optimize equipment operating parameters to achieve the Company's greenhouse gas emissions reduction targets.

To strengthen climate governance and encourage company-wide participation in sustainability initiatives, the Company has introduced the "ESG Award" in addition to its improvement proposal system. This initiative not only embeds climate risk management as a core element of the Company's corporate culture but also establishes a bottom-up innovation-driven mechanism, empowering every employee to become a driver of the Company's sustainable transformation. Specific emissions reduction initiatives include replacing equipment with energy-efficient motors and pumps, expanding cooling towers, lowering air compressor operating pressure settings, and optimizing equipment and production processes to reduce GHG emissions. In 2025, the relevant departments implemented equipment upgrades and process improvement initiatives, achieving a total reduction of 190 metric tons of CO₂e. The specific emissions reduction initiatives undertaken in 2025 are presented in the table below:

	Plant Area	Saving Measures	Electricity Savings Effectiveness	Carbon Reduction (tCO ₂ e)
1	Shanhua Plant	Replacement of the rear-site cooling tower circulation pump with an energy-efficient motor	46,000 kWh	21.8
2	Shanhua Plant	Replacement of the PH3 chiller and the LCP area cooling water circulation pump	182,160 kWh	86.3
3	Shanhua Plant	Expansion of the front-site cooling tower	156,000 kWh	73.9
4	Kaohsiung Plant	Replacement of the hydrogen booster compressor motor on the CHA production line with a high-efficiency motor	10,015 kWh	4.7
5	International Nitto	Reduced the air compressor discharge pressure setting by 1 kg/cm ²	6,964 kWh	3.3

Compared with the baseline year for each plant, the Company achieved a GHG emissions reduction progress of 10.8% in 2025 and expects to reach 12% by 2026.

	Shanhua Plant	Liouke Plant	Kaohsiung Plant	Taipei Office	Zhubei Office	International Nitto
Base year	2019	2021	2021	2023	2023	2024
Base year emissions (tCO ₂ e)	25930.3	2168.7	2926.8	62.9	11.9	8215.2
2030 Target	Reduce by 20%					
2025 GHG Emissions by Plant	19992.1	3882.7	1204.4	73.4	9.5	9906.9
2025 GHG Emissions Reduction Progress by Plant	22.9%	-79.0%	58.8%	-16.6%	19.9%	-20.6%
2025 San Fu Achievement Progress	10.8%					

2030 Target	2050 Target	Category 1 & 2 Total Carbon Emissions (metric tons of CO ₂ e)	Base year	2025
			39,315.8	35,069.0
Reduce by 20%	Net-zero	Achievement rate of emissions reduction targets		10.8%

Internal carbon pricing

San Fu Chemical continuously monitors international carbon pricing trends while evaluating the implementation of an internal carbon pricing mechanism and developing corresponding strategies. In the initial phase, the Company has set an internal carbon price of NT\$300 per metric ton of CO₂e as a reference for capital investments and major business decisions. In addition to capital expenditures, the carbon reduction benefits are incorporated into cost assessments. Through this internal carbon pricing mechanism, the Company promotes the achievement of emissions reduction targets across its plants and strengthens carbon management throughout the Group.



Future Outlook

Following the government's release of the "2050 Net-Zero Emissions Policy Pathway Blueprint," San Fu Chemical aligned with the national initiative by establishing a ESG Committee. The Company designated 2019 as the baseline year for the Shanhua Plant (2021 for the Liouke Plant and Kaohsiung Plant, 2023 for the Taipei Office and Zhubei Office, and 2024 for the subsidiary International Nitto Plant), and set targets to reduce combined Scope 1 and Scope 2 emissions by 20% by 2030 and achieve net-zero emissions by 2050. The Sustainability Promotion Task Force will consolidate and analyze information related to carbon management, energy management, and climate risk management, with a focus on the Company's future development strategy. It will assess environmental risks and promote the implementation of low-carbon and energy-saving initiatives to proactively address global climate challenges.

Roadmap for Alignment with International Sustainability Standards

To enhance information transparency and align with international standards, San Fu Chemical closely monitors the development of emerging disclosure frameworks, including IFRS S1, IFRS S2, and TNFD, and is implementing them in accordance with the timelines set forth in the FSC's "Sustainable Development Roadmap for TWSE/TPEX-listed Companies" and the "Roadmap for Alignment with the IFRS Sustainability Disclosure Standards." The Company's implementation roadmap is as follows:

Implementation Roadmap for IFRS S1/S2 (Sustainability- and Climate-related Financial Disclosures):

Foundation Enhancement (2025-2026)

Publish the Company's first independent TCFD Report, providing comprehensive disclosures across the four core TCFD pillars to establish a solid foundation for future alignment with IFRS S2.

Pilot Assessment (2026-2028)

Conduct an IFRS Sustainability Disclosure Standards gap analysis and perform trial assessments of the quantified financial impacts of climate-related risks, while progressively enhancing the completeness of disclosure data.

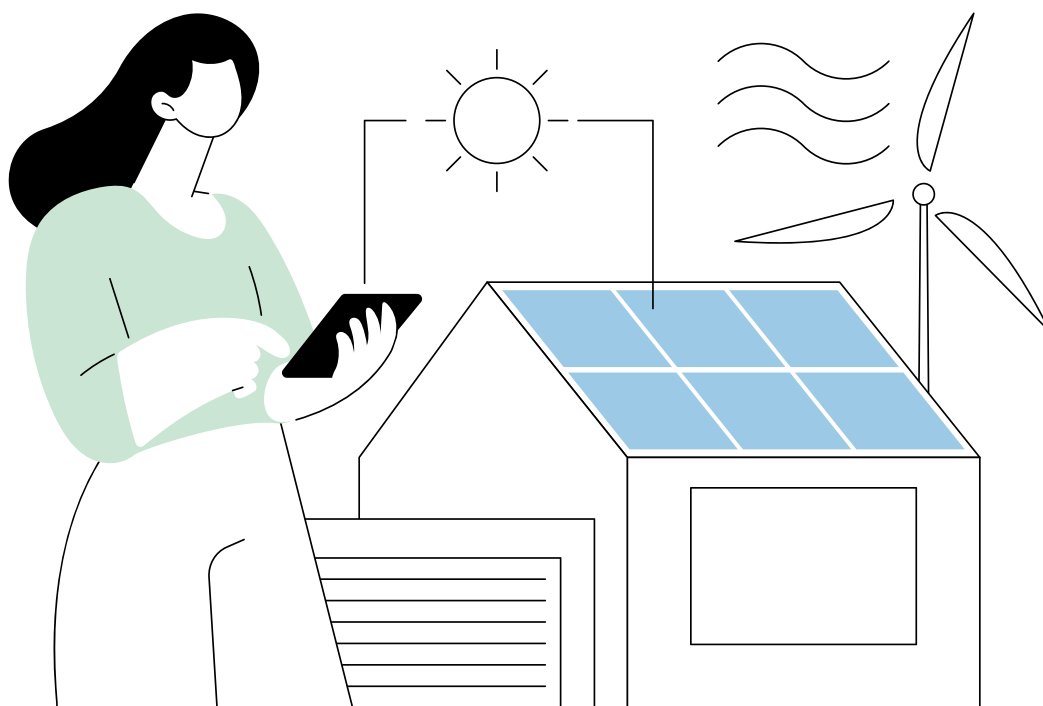
Formal Alignment (From 2029)

Establish a dedicated section in the Annual Report for the Shareholders' Meeting to disclose sustainability information in accordance with the IFRS S1/S2 framework.

TNFD (nature-related financial disclosures) assessment

- With respect to natural capital, the Company currently focuses on implementing its environmental management system (ISO 14001) and strengthening water resource management.
- Going forward, the Company will continue to monitor developments in the TNFD framework and changes in domestic regulations, while evaluating the feasibility of adopting the LEAP approach (Locate, Evaluate, Assess, and Prepare) at an appropriate time to strengthen its management of nature-related risks.

04 Sustainable Environment



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Chapter Highlights

- The proportion of recyclable raw materials (including recyclable virgin solutions) used in specialty chemical products reached 74.26%
- Cumulative investment in environmental protection initiatives reached NT\$152.38 million



Implement Environmental Management to Sustain the Earth for Future Generations

As the Company continues to expand its operations, we remain equally committed to environmental sustainability. We carefully consider the impacts of our activities on both biotic and abiotic natural environments, including land, air, water, and ecosystems. Sustaining the Earth's natural resources and preserving a clean environment for future generations is one of San Fu Chemical's fundamental responsibilities.

Environmental topics encompass impacts related to resource inputs, such as energy and water, as well as outputs, including emissions, wastewater discharge, and waste. In addition, this chapter covers impacts related to transportation, products and services, compliance with environmental regulations, and environmental expenditures, and provides disclosures on the Company's corresponding environmental management initiatives.

The following are the management approaches established by the Company for environmental sustainability topics.

- 1 All operational activities, products, and services are subject to regular review to ensure the effective implementation of environmental management practices.
- 2 Continuously improve environmental performance and effectively implement pollution prevention measures.
- 3 All operational activities, products, and services shall comply with applicable environmental laws and regulations, as well as other environmental requirements applicable to the Shanhua Plant and Liouke Plant.
- 4 In accordance with the "Management System Objective Control Procedure" and the "Management Review Procedure," the Company provides a framework for setting and reviewing environmental objectives and targets.
- 5 Establish and maintain an environmental management system, including manuals, policies, objectives, targets, operating procedures, work instructions, and forms.
- 6 Provide training for all employees, encourage their participation and commitment to environmental management, and continuously promote the Company's environmental philosophy.
- 7 The Company's Environmental, Safety, and Health (ESH) Policy is displayed at the security office and made publicly available.
- 8 The Company conducts regular monitoring and measurement of the key characteristics of operations and activities that may have significant environmental impacts and records the results.
- 9 Monitoring and measurement equipment shall be calibrated and maintained on a regular basis.
- 10 Compliance with environmental laws, regulations, and other applicable requirements shall be evaluated on a regular basis, and the results shall be documented and retained.
- 11 Appropriate measures shall be taken to address environmental nonconformities, including handling, investigation, root cause analysis, corrective actions, and preventive actions.
- 12 Revise relevant procedures as necessary based on corrective and preventive actions.
- 13 Records related to the implementation of the environmental management system shall be readily retrievable, identifiable, and traceable, and shall be properly maintained and retained.
- 14 Regular audits of the environmental management system shall be conducted to determine whether it conforms to the Company's environmental management plans and the requirements of ISO 14001. These audits may be performed by external experts or qualified internal personnel. Audit results shall be reviewed during management review meetings.

4.1

Implementing Environmental Management

Management Policy

We continue to implement environmental management standards by establishing a dedicated team and management system, supported by rigorous policies, procedures, and management standards to advance internal environmental management and foster a clean and well-maintained workplace.

Our environmental policy is as follows



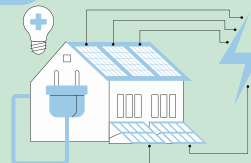
Comply with Environmental Laws and Regulations

To ensure that the Company's products, activities, and services, both internal and external, comply with applicable regulatory requirements, the Company has established an Environmental, Safety, and Health (ESH) Management System and conducts regular compliance evaluations to ensure adherence to relevant laws and regulations.



Full Employee Participation and Continuous Improvement

Through effective source management, ongoing audit activities, and ESH management reviews to identify deficiencies, the Company adopts appropriate pollution prevention and Risk Management measures to effectively reduce risks to stakeholders and minimize environmental impacts, with the ultimate goal of achieving "zero pollution."



Efficient Use of Resources and Energy for Sustainable Operations

Implement effective source management and optimize the use of resources and energy while continuously promoting energy conservation, carbon reduction, and waste minimization to enhance environmental quality and ensure the Company's sustainable operations.

Comprehensive Environmental Management System Certification

By obtaining third-party certifications, the Company has strengthened its environmental management practices and aligned them with national and international standards. The Company has obtained the following third-party certifications: ISO 14064-1:2018 Greenhouse Gas Inventory Standard and ISO 14001:2015 Environmental Management System.

Summary of Third-Party Certifications for the EHS Management System Standards

	ISO 14064-1:2018	ISO 14001:2015
Taipei Headquarters	✓	
Zhubei Office	✓	
Shanhua Plant	✓	✓
Liouke Plant	✓	✓
Kaohsiung Plant	✓	
Nitto Plant	✓	✓

ISO 14001:2015 Environmental Management System Certification



Environmental Safety Education and Training

2025 Summary of Employees Obtaining Statutory Certifications

Certification	International Nitto	San Fu	Number of Employees Certified	Compliance with Regulatory Requirements
Certified Personnel Responsible for Toxic and Concerned Chemical Substances	0	8	8	100% Compliance
Certified Wastewater Treatment Personnel	3	10	13	100% Compliance
Certified Air Pollution Control Personnel	2	7	9	100% Compliance
Certified Waste Management Personnel	2	10	12	100% Compliance
Energy Management Personnel	1	4	5	100% Compliance

On-site Environmental Inspections

We have established the "Responsibilities and Authority Control Procedure for Personnel at All Levels of Environmental, Safety, and Health Management," which requires managers at all levels, employees at each plant, and designated environmental personnel to conduct on-site environmental inspections within their respective areas of responsibility. Whenever any noncompliance with environmental requirements is identified, it shall be reported in accordance with the "Environmental, Safety, and Health Nonconformity Handling, Corrective and Preventive Action Procedure," followed by corrective actions, tracking, and documentation.

Follow-up and Audit

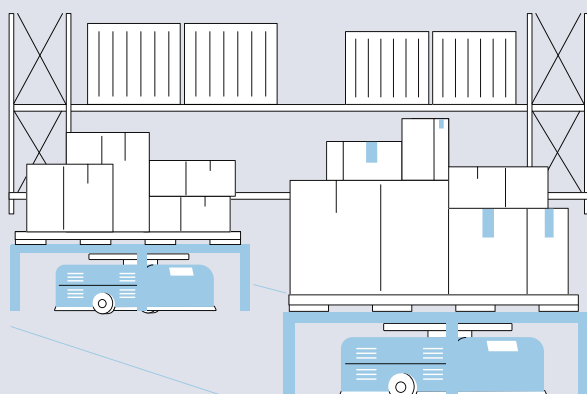
In accordance with the requirements of the Environmental Management System, the Company has established the "Internal Audit Management Procedure." Internal audits are conducted annually to evaluate compliance with internal environmental regulations, procedures, and standards. Led by the Occupational Safety Division, qualified internal auditors who have completed internal auditor training are assigned to conduct cross-functional audits of each department based on the annual audit plan.

4.2

Raw Material Management

Raw Material Recycling and Reuse

Waste generated at the end of the production process may impose a significant burden on the environment if not properly managed. Therefore, San Fu Chemical works collaboratively with its suppliers and customers to develop raw material recycling and waste reduction solutions throughout the production and sales supply chain.



Recycling and Purification

We collaborate with our suppliers to recover and re-purify used chemicals for reuse as raw materials in other manufacturing processes, identifying new applications that deliver significant environmental and economic benefits.

Packaging Material Reuse

We actively communicate with our customers to evaluate the life cycle of packaging materials and implement a dedicated container reuse program, enabling packaging to be reused for product deliveries, reducing waste, and allowing it to serve as a resource for other industries at the end of its service life.

Renewable Packaging Materials

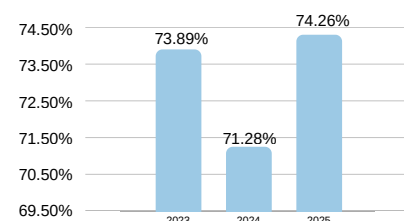
To help conserve forest resources, our suppliers manufacture paper bags and cartons using renewable paper pulp. Paper bags contain more than 70% renewable paper pulp, while cartons are manufactured using 100% renewable paper pulp.

In San Fu Chemical's operational planning, the ultimate goal is to develop green products throughout the product life cycle by eliminating any work activities that may pose potential environmental threats or impacts, while continuously advancing next-generation product development and improving green manufacturing processes to achieve environmental sustainability. Compared with 2024, the proportion of recyclable raw materials (including recyclable virgin solutions) used in specialty chemical raw materials increased by 2.98%, representing an increase of 966 metric tons in total volume. The proportion of recyclable packaging materials used in specialty chemical products increased by 4.92% compared with 2024, while the proportion used in chemical products was 0%, as no products using this type of packaging were sold during the year.

Proportion of Recyclable Raw Materials (Including Recyclable Virgin Solutions)

Pos.	Product Category	Unit	Recyclable (Including Recyclable Virgin Solutions)			Non-recyclable			Subtotal		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Raw Materials	Specialty Chemicals	tons	26,570	29,015	29,981	9,387	11,691	10,392	35,958	40,706	40,373
		%	73.89%	71.28%	74.26%	26.11%	28.72%	25.74%			
	Chemicals	tons	0	0	0	2,973	3,326	2,774			
		%	0%	0%	0%	100.00%	100.00%	100.00%	2,973	3,326	2,774

Historical Comparison of Recyclable Raw Materials Used in Specialty Chemical Products



Packaging Material Recycling Statistics

Pos.	Product Category	Unit	Recyclable			Non-recyclable			Subtotal		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Packaging Materials	Repackaging (Specialty Chemicals)	Kg	30,733	46,853	51,919	1,088,784	197,258	163,380	1,119,517	244,111	215,299
		%	2.75%	19.19%	24.11%	97.25%	80.81%	75.89%			
	Customizing (Chemicals)	Kg	3,200	2,240	0	23,159	45,877	72,516	26,359	48,117	72,516
		%	12.14%	4.66%	0%	87.86%	95.34%	100.00%			

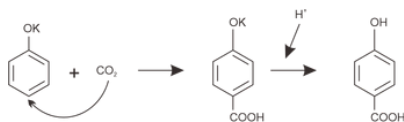
Note: In the Raw Material Management section under Sustainable Environment, the statistics for recycled packaging materials were restated. The 2024 figure for non-recyclable repackaged (chemical) packaging was revised from 23,159 kg to 45,877 kg. The information was restated due to a typographical error during the layout process. After recalculation, the correct figure is 45,877 kg as stated above. The restated information does not affect the content disclosed in this report.

The Company gives priority to the use of recyclable or renewable materials in the selection of raw materials. In addition to actively supporting customers' and government policies on green materials, this approach helps reduce environmental impacts and contributes to environmental protection.

The Company also continues to improve production process efficiency and reduce unit raw material consumption, thereby conserving energy, reducing carbon emissions, and preventing environmental pollution and potential harm to human health.

The Company also promotes the recycling and reuse of by-products, which not only reduces process waste but also creates additional economic value. For example, dicyclohexylamine, a by-product generated during the production of cyclohexylamine at the Kaohsiung Plant, can be used as a rust inhibitor. Potassium sulfate, a by-product generated during the production of p-hydroxybenzoic acid at the Shanhua Plant, can be used as a potassium fertilizer for agricultural applications after dehydration.

Shanhua Plant Main Product: p-Hydroxybenzoic Acid (PHBA)



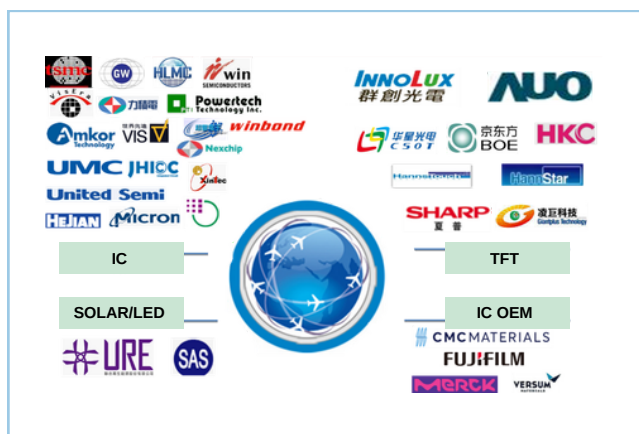
Statistics on Major Raw Material Consumption at the Shanhua Plant

Difference from the previous year	Finished goods	Annual production of PHBA	12%
	Raw Materials	PHBA Product - Phenol	-1%
		PHBA Product - Potassium Hydroxide	-2%
		PHBA Product - Sulfuric Acid	-4%
		PHBA Product - Nitrogen	-9%
		PHBA Product - Carbon Dioxide	3%
Materials		PHBA Product - Flexible Intermediate Bulk Container (FIBC)	28,796 Kg



At the Shanhua Plant, San Fu Chemical's core product, PHBA, is manufactured through a production process in which the R&D and production teams are actively engaged in process optimization. Through adjustments to and optimization of production conditions, raw material consumption for PHBA production declined significantly in 2025, with nitrogen consumption reduced by 9%, sulfuric acid by 4%, and potassium hydroxide by 2%. Despite improved capacity utilization and a 12% increase in annual production, the Company successfully achieved the dual objectives of enhancing resource efficiency and reducing environmental impact.

Liouke Plant Main Products: Specialty Chemicals



The Liouke Plant specializes in the production of precision chemical products, including developers, photoresist strippers, etchants, photoresist thinners, and edge bead removers, primarily serving the semiconductor, solar, display panel, and LED markets. Its customer base includes major companies such as Company T, Company U, Company I, and Company A. Priority is given to raw material and packaging suppliers whose products are free of hazardous substances and comply with RoHS, REACH, SVHC, and PFAS requirements; meet the IECQ QC 080000 Hazardous Substance Process Management (HSPM) System standard; are free of conflict minerals; and do not contain prohibited or restricted substances. In addition, San Fu Chemical has an outstanding R&D team that not only continuously improves existing manufacturing processes but also develops advanced process technologies capable of meeting customers' evolving requirements.

Kaohsiung Plant Main Products: Cyclohexylamine and Dicyclohexylamine

The primary raw materials used at the Kaohsiung Plant are aniline and hydrogen. The plant operates under a production-to-demand model. A comparison of unit consumption of major raw materials with 2024 is presented in the table below.

Statistics on Major Raw Material Consumption at the Kaohsiung Plant

Difference from the previous year	Finished goods	Annual production of Cyclohexylamine and Dicyclohexylamine	-24.59%
	Raw Materials	Aniline	0%
		Hydrogen	-4.13%
Materials		200 L Steel Drum	123,606 Kg

The plant complies with the Company's production safety policies by storing raw materials according to their classifications and installing containment dikes and process trenches to provide protection in the event of leaks, thereby preventing harm to the surrounding environment. All work areas are operated in accordance with standard operating procedures (SOPs) and occupational safety and health regulations. Equipment is properly grounded, and emergency showers, eyewash stations, and fire extinguishers are installed to provide adequate protection for employees and fulfill the Company's responsibility to safeguard occupational health.



4.3

Energy Management

Energy consumption is a major contributor to climate change because the combustion of non-renewable fuels generates greenhouse gas (GHG) emissions and causes other environmental impacts. Efficient energy use is essential to mitigating climate change. In support of the Ministry of Economic Affairs' implementation of the Energy Administration Act, the Company pursues energy-efficient production by continuously improving manufacturing processes and reducing energy consumption.

Energy management has always been one of the Company's highest-priority environmental issues. The Company regularly collects and reviews energy consumption data to improve energy efficiency. The reporting boundary covers the Shanhua Plant, Liouke Plant, International Nitto Plant, Kaohsiung Plant, and office locations (Taipei Headquarters and Zhubei Office). The categories of energy consumption include heavy fuel oil, purchased electricity, and diesel fuel. Following the conversion of boilers to natural gas-fired systems in 2019, natural gas was added as an energy source.

Energy consumption in 2025

In 2025, the Company's total energy consumption was 303,068 GJ. Energy consumption by source was as follows: (1) purchased electricity: 184,371 GJ; (2) renewable energy: 1,685 GJ; (3) diesel fuel: 3,218 GJ; and (4) natural gas: 113,794 GJ. Purchased electricity accounted for 60.83% of total energy consumption, while renewable energy accounted for 0.56%, all of which was generated by on-site solar photovoltaic systems for self-consumption.

Natural gas-fired systems

Beginning in October 2019, the Shanhua Plant converted its boilers to natural gas-fired systems. Since 2020, heavy fuel oil has been completely eliminated, thereby reducing the generation of air pollutants, including nitrogen oxides (NO_x), sulfur oxides (SO_x), and particulate matter.

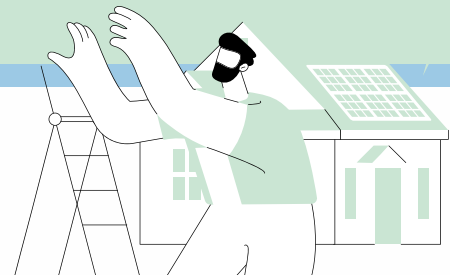
The reporting boundary for diesel consumption primarily covers fuel used by the Company's generators, forklifts, and company-owned transportation vehicles, including one wing-body truck and five tank trucks used for product deliveries.

Energy Consumption Statistics for the Shanhua Plant, Liouke Plant, Kaohsiung Plant, International Nitto Plant, and Office Locations (Unit: GJ)

Name	2023	2024	2025
Purchased Electricity	120,413	170,737	184,371
Renewable Energy	--		1,685
Diesel	3,184	3,297	3,218
Natural Gas	37,526	102,762	113,794

Note 1: Beginning in 2024, energy consumption statistics include International Nitto.

Note 2: In April 2024, the Liouke Plant installed on-site solar photovoltaic systems for self-consumption. All electricity generated is retained by the Company and is not sold to third parties. The amount of electricity generated is calculated based on the actual data recorded by the plant's solar power monitoring system.



4.4

Water Resource Management

Clean water is one of the Earth's most valuable natural resources. Because it is both scarce and precious, the Company continuously monitors water consumption throughout its manufacturing processes and is committed to reducing water usage and improving water recycling. While implementing energy conservation initiatives across all plants, the Company also focuses on water use and reducing unnecessary waste. We have established specific measures to reduce water consumption. In 2025, the total water withdrawal, total water consumption, and total wastewater discharge for the Taipei Headquarters, Zhubei Office, and the four plants were 408.67 megaliters, 102.15 megaliters and 306.52 megaliters, respectively.

Total Water Withdrawal and Water Consumption by Source (megaliters)

	Taipei Headquarters			Zhubei Office			Shanhua Plant			Liouke Plant			Kaohsiung Plant			International Nitto	
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2024	2025
Taiwan Water Corporation	0.33	0.36	0.36	0.07	0.09	0.08	5.68	5.19	9.93	12.78	16.68	15.22	0	0	0	80.14	79.98
Groundwater	0	0	0	0	0	0	292.47	295.15	241.09	0	0	0	0	0	0	0	0
Industrial Water	0	0	0	0	0	0	0	0	0	0	0	0	45.64	72.03	62.01	0	0
Total Water Withdrawal	0.33	0.36	0.36	0.07	0.09	0.08	298.15	300.34	251.02	12.78	16.68	15.22	45.64	72.03	62.01	80.14	79.98
Total Volume of Water Recycled and Reused	0	0	0	0	0	0	15.81	9.45	16.21		0			0		0	0
Percentage of Total Water Withdrawal Recycled and Reused	0%	0%	0%	0%	0%	0%	5.30%	3.15%	6.46%		0%			0%		0%	0%
Water Consumption	0.33	0.36	0.36	0.07	0.09	0.08	128.84	51.42	27.18	8.71	11.44	10.25	27.78	41.79	34.05	29.59	30.23

Note 1: The Shanhua Plant extracts groundwater in accordance with the Water Act under water rights certificate numbers D0119270 and D0117256.

Note 2: As the Kaohsiung Plant operates on leased premises from Taiwan Chlorine Industries Ltd., the industrial water used is supplied by Taiwan Chlorine Industries Ltd. This water is sourced from Fengshan Water Treatment Plant and has undergone simple treatment by Taiwan Chlorine Industries Ltd.; it is not supplied by Taiwan Water Corporation and is therefore not subject to water rights licensing requirements.

Note 3: Beginning in 2024, the total water withdrawal and water consumption statistics include the subsidiary, International Nitto.

Note 4: Water consumption is calculated as total water withdrawal minus wastewater discharge.

Water Savings Measures:

Process Water

Since 2021, the Mechanical Vapor Recompression (MVR) energy-saving system at the TMAH recycling plant has been equipped with condensate recovery pipelines to recycle and reuse steam condensate. In 2025, the total volume of recycled and reused water reached 16.21 megaliters, accounting for approximately 6.46% of the total water withdrawal at the Shanhua Plant, an increase of 3.31% compared with 2024, restoring recycled and reused water volumes to historical levels.

In addition, in 2025 the PHBA Department upgraded the equipment of its high-water-consumption distillation recovery system. Previously, due to insufficient heat exchange efficiency, the vacuum system required a large amount of once-through cooling water. Through equipment descaling and heat-load diversion management implemented by the team, the system was successfully upgraded to a circulating cooling mode. This improvement reduced daily process water consumption from 20 metric tons to 0.2 metric tons, representing an approximate 9.4% reduction in total water usage for the process. Through circulating water quality monitoring (COD) and a scheduled water replacement mechanism, the Company ensures safe equipment operation while successfully achieving the sustainability goal of maximizing production efficiency with minimal water consumption.

Domestic water consumption

For the six operational sites disclosed in this report, the Company not only installed water-saving equipment for domestic water use but also strengthened awareness campaigns to cultivate water conservation awareness among employees, thereby improving water efficiency. The following are the water-saving measures implemented.

1. Installation of water-saving aerators on faucets.
2. Improvement of cooling tower level controllers to prevent uncontrolled make-up water, thereby reducing overflow and water wastage.
3. Adjustment of toilet flush valves and urinal flush volumes in restrooms, along with daily inspections for leakage.
4. RO process wastewater is collected and reused for toilet flushing after recovery.
5. Nighttime water usage is managed by utilizing stored water and shutting off valves, with daily inspections of water control points and water usage monitoring.

Strengthen Effluent Quality Control

Rivers play an important role in providing water resources and also serve as vital habitats for diverse species that depend on riparian ecosystems. Therefore, maintaining clean rivers is also an important part of our environmental initiatives.

We conduct self-monitoring of process wastewater management through total effluent discharge data, ensuring that discharged water meets national effluent standards and thereby reducing environmental burden.

Regular testing of water quality samples for pollutants is an integral part of our environmental management program. In addition to daily internal monitoring of treated effluent, the Company also engages an independent third-party laboratory to conduct quarterly testing. Treated effluent is discharged into the Yanshui River and is not reused by other organizations.

We apply stringent testing and control measures to the inspection and management of wastewater discharges. In 2025, the average concentration of Chemical Oxygen Demand (COD) in the Shanhua Plant's effluent was 31 mg/L, well below the regulatory limit of 100 mg/L.

In accordance with the Effluent Standards for the Chemical Industry, the Company selects COD, a parameter that can be analyzed rapidly and serves as a key indicator of water quality, as the primary metric for self-monitoring effluent quality. In addition to the quarterly testing required by regulations and conducted by an independent third-party laboratory, COD is measured once for every 0.8 megaliters of effluent discharged each day to ensure compliance with national effluent standards.

Shanhua Plant Wastewater Discharge and Estimated COD Concentration

Pos.	Unit	2023	2024	2025	Standard Value	Effectiveness
Average COD Concentration	mg/L	51	32	31	100	Compliance with regulatory requirements
Wastewater Volume	megaliters	169.31	248.92	223.84	0.8 megaliters per day (organic)	Compliance with regulatory requirements

※ No inorganic wastewater has been generated since 2021

Liouke Plant Wastewater Discharge and Estimated COD Concentration

Pos.	Unit	2023	2024	2025	Science Park / Regulatory Limit	Effectiveness
Average COD Concentration	mg/L	60	8	29	500	Exceeds the Standards of the Liuying Technology Industrial Park and Environmental Science and Technology Park
Wastewater Volume	megaliters	4.07	5.24	4.97	0.12 megaliters per day	Exceeds the standards approved by the competent authority

※ The Liouke Plant is located within the industrial park, and all effluent discharges comply with the applicable limits of the Liuying Technology Industrial Park and Environmental Science and Technology Park.

Kaohsiung Plant Wastewater Discharge and Estimated COD Concentration

Pos.	Unit	2023	2024	2025	Centralized Wastewater Treatment Plant Limit	Effectiveness
Average COD Concentration	mg/L	45	21	10	480	Exceeds the Standards of the Centralized Wastewater Treatment Plant
Wastewater Volume	megaliters	17.86	30.24	27.96	0.15 megaliters per day	Exceeds the Standards of the Centralized Wastewater Treatment Plant

※ The Kaohsiung Plant is located within the industrial park, and all effluent discharges comply with the applicable limits of the Centralized Wastewater Treatment Plant.

International Nitto Wastewater Discharge and Estimated COD Concentration

Pos.	Unit	2024	2025	Centralized Wastewater Treatment Plant Limit	Effectiveness
Average COD Concentration	mg/L	70	68	450	Exceeds the Standards of the Southern Taiwan Science Park
Wastewater Volume	megaliters	50.55	49.75	0.25 megaliters per day	Exceeds the standards approved by the competent authority

※ International Nitto is located within the Southern Taiwan Science Park, and all effluent discharges comply with the applicable limits of the Southern Taiwan Science Park and Environmental Science and Technology Park.

4.5

Proper Waste Management

Waste Management Approach and Lawful Disposal

San Fu Chemical is committed to implementing waste reduction at the source and promoting resource circularity. To ensure that all industrial waste clearance and disposal strictly comply with the "Waste Disposal Act" and related subordinate regulations, the Company has established the "Waste Classification and Management Standard" and the "Quality Control Section Safety, Health, and Pollution Prevention Operating Standard" internally to implement rigorous operational controls.

All waste generated at the Company's plants is entrusted to qualified contractors approved by the competent environmental authorities for collection, transportation, and treatment in accordance with applicable regulations. This ensures that the entire waste management lifecycle, from generation and storage to final disposal, is handled lawfully and appropriately, thereby minimizing environmental impacts.

2025 Waste Reduction Management Summary

Hazardous waste reduction effectiveness:

In 2025, the total amount of hazardous waste generated across all plants was 1,285.88 metric tons, representing a decrease of approximately 20% compared with 2024. The primary reason was the reduction in the generation of waste liquids with a pH $\leq$ 2.0 (waste acid). The waste management performance is summarized as follows:

- Base Year: Beginning in 2024, the Company included its subsidiary, International Nitto, within the reporting boundary. To ensure the completeness and consistency of the data, 2024 was established as the base year for waste acid reduction.
- 2025 Reduction Performance: Total waste acid generation in the 2024 baseline year was 1,615.03 metric tons. Although overall production capacity increased in 2025, the Company successfully reduced waste acid generation through the installation of additional process treatment systems at International Nitto and the optimization of resin regeneration operations.
- Performance results: Actual waste acid generation decreased to 1,249.64 metric tons in 2025. Compared with the base year (2024), waste acid generation was reduced by 365.39 metric tons, representing a reduction rate of 22.6%. This demonstrates that the process optimization measures have delivered substantial waste reduction results despite increased production output.

Description of changes in non-hazardous waste:

For non-hazardous waste, the amount of waste organic sludge generated increased to 85.64 metric tons in 2025. This increase reflects not only higher production output but was primarily attributable to the Shanhua Plant's commencement of sludge digester and reaction tank cleaning operations during the year. All sludge generated from these cleaning operations was entrusted to qualified contractors for thermal treatment, ensuring full compliance with applicable environmental regulations.

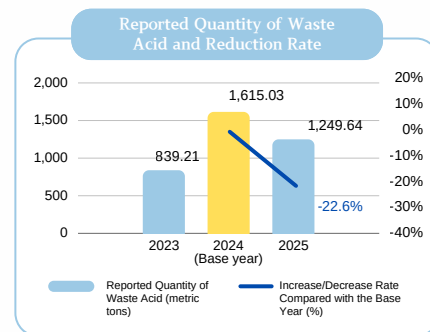
Statistics on Waste and Waste Treatment Methods at the Shanhua Plant, Liouke Plant, International Nitto, and Kaohsiung Plant

Disposal method: Outsourced/Unit: Metric tons

Name	Type	Disposal method	2023	2024	2025
Other mixed waste containing toxic heavy metals that exceeds leaching standards	Hazardous Waste	Landfill	0	0	0
Hazardous Acid Waste Liquid (pH $\leq$ 2.0)	Hazardous Waste	Chemical Treatment	839.21	1,615.03	1,249.64
Other mixtures of flammable industrial waste	Hazardous Waste	Incineration	52.22	0	36.24
[Subtotal of Hazardous Waste]			891.43	1,615.03	1,285.88
General Waste	Non-hazardous Waste	Incineration (mass burn)	34.07	52.73	60.4
Waste Inorganic Sludge	Non-hazardous Waste	Heat Treatment	1.69	0	1.57
Waste Organic Sludge	Non-hazardous Waste	Heat Treatment	12.84	27.4	85.64
General Industrial Waste (scrap metal, waste paper, waste plastics, waste wires and cables, etc.)	Non-hazardous Waste	Reuse	126.16	59.11	31.28
[Subtotal of Non-hazardous Waste]			174.76	139.24	178.89

Note 1: The Liouke Plant, Kaohsiung Plant, and International Nitto are all located within industrial parks. The disposal and treatment of all related waste are carried out in accordance with the regulations of the respective industrial park administrations.

Note 2: The Taipei Headquarters and Zhubei Office are located in commercial office buildings and generate only general domestic waste from employees' daily activities. As such waste is not subject to online reporting requirements, it is not included in the statistics presented in this table.



Statistics on the Reported Quantity of Hazardous Acid Waste Liquid (pH $\leq$ 2.0)

While production capacity remained at a high level in 2025, the amount of waste acid generated was successfully reduced to 1,249.64 metric tons. Compared with the 2024 base year, the increasing trend was not only successfully curbed, but a substantial reduction of 22.6% was also achieved. This significantly reduced the environmental impact and operating costs associated with subsequent outsourced chemical treatment, demonstrating the Company's commitment to the environmental objective of decoupling production growth from pollution.

Toxic Chemical Substance Control

To comply with the requirements of the Ministry of Environment's "Toxic and Concerned Chemical Substances Control Act", operational controls are implemented in accordance with the "Regulations Governing the Management of Small-Quantity Operation of Toxic and Concerned Chemical Substances". Each plant reports its monthly usage to ensure that all regulated toxic chemical substances are handled in compliance with applicable regulatory requirements throughout their operations.

Chemical Products and Liquid Chemical Substance Control

To effectively manage the Company's chemical products and minimize their environmental impact, the Company implements operational controls in accordance with the "Chemical Management Standard Operating Procedure," "Liquid Chemical Substance Spill Emergency Response Standard Operating Procedure," and "Hazardous Materials Loading and Unloading Standard Operating Procedure," ensuring that all chemicals and liquid materials are effectively controlled.

No spill incidents

To ensure that environmental impacts resulting from accidental spills during the transportation of the Company's raw materials and products are effectively managed, the Company follows the "Accident Handling Procedure" to conduct reviews of preventive measures, implement corrective actions, and carry out effective follow-up and supervision, thereby ensuring continuous improvement in mitigating environmental impacts. No incidents involving the leakage of chemicals, oil, waste, or other substances occurred during the reporting period.

4.6

Air Pollution Prevention and Control Management

Air pollution has adverse impacts on the climate, ecosystems, air quality, habitats, agriculture, as well as human and animal health. The deterioration of air quality, acidification, forest degradation, and public health concerns have prompted local and international regulations governing air emissions. Accordingly, the Company regularly monitors air pollutant emissions and is committed to reducing air pollutant emissions.

In accordance with national environmental regulations, the Company has established internal air pollution control management procedures and incorporated them into the ISO 14001 Environmental Management System for monitoring to ensure compliance with applicable air pollutant emission standards. All air emissions were 100% compliant with regulatory standards. Please refer to the "2025 Air Pollutant Emissions Statistics."

Since 2012, the Company has conducted comprehensive inspections of all relevant air emission sources to verify emission factors, providing reference data for improvements to related equipment. To ensure the Company's gas operations comply with applicable regulatory requirements and minimize their environmental impact during operation, the Company has implemented the following air pollution control measures:

1. Compliance with the "Air Pollution Control Act."
2. Compliance with the "Volatile Organic Compounds Control and Emissions Standards."
3. Compliance with the "Standards for Air Pollutant Emission from Stationary Pollution Sources" and the "Regulations for the Management of Fixed Pollution Source Installation and Operation Permits."
4. Exhaust emissions from relevant manufacturing processes are managed in accordance with the "Exhaust Emission Control Standard Operating Procedure."
5. The operation and maintenance of air pollution control facilities are carried out in accordance with the "Mechanical Equipment Maintenance Management Procedure" and the "Manufacturing Process Control Procedure."
6. Volatile organic compounds (VOCs) generated from painting operations are managed in accordance with the "Volatile Organic Compounds (VOCs) Operation Control Standard Operating Procedure."
7. Where exhaust emissions from operational sites do not comply with the requirements of the Air Pollution Control Act, effective waste gas treatment facilities shall be installed to reduce environmental pollution.

2025 Air Pollutant Emissions Statistics (Unit: metric tons)

Air Pollutants	Boundary	Permitted Operating Quantity (T)	Emissions (T)
Nitrogen oxides (NO _x)	Shanhua Plant	14.07	3.44
	International Nitto	1.66	0.8
Sulfur oxides (SO _x)	Shanhua Plant	0.65	0
VOCs	Shanhua Plant	9.35	1.88
	Liouke Plant	7.2	1.32
	Kaohsiung Plant	1.35	0.42
Particulate Matter (PM)	Shanhua Plant	0.41	0.13
	International Nitto	0.05	0.02
Total Air Pollutant Emissions			8.01

4.7

Communication and Response with Local Communities

Among San Fu Chemical's production sites, only the Shanhua Plant in Tainan is located near a residential community. The Company believes that the plant environment is closely connected to the well-being of employees and nearby residents. By improving the plant environment and maintaining positive community relations, the Company supports the smooth operation of its production activities. Accordingly, the Company actively communicates with nearby residents and listens to their feedback.

Due to the nature of its industry, San Fu Chemical's business operations may have actual or potential adverse impacts on the surrounding community, such as chemical odors generated during production or emissions, and wastewater discharge. To minimize the impact on employees' health and the daily lives of nearby residents, the Company conducts annual monitoring of air quality, water quality, and other environmental indicators at its plant sites. These efforts help reduce the impact of its operations on nearby residents and communities, alleviate concerns regarding air and water pollution in the vicinity of the plants, and strengthen equipment leak inspections as well as routine and unscheduled inspection activities.

To mitigate potential adverse impacts on the surrounding community, the Company completed its odor improvement program in 2019 and continues to monitor the effectiveness of improvements to its pollution control equipment.

In addition, all production sites have established emergency response procedures and conduct regular drills to minimize the impact of accidental incidents on surrounding communities. The Company has established the "Community Relations Standard Operating Procedure," which clearly defines the communication, participation, and consultation mechanisms for ESH activities with Local Communities. Community members may also submit complaints through telephone calls, face-to-face meetings, or with the assistance of local village chiefs, providing nearby residents with effective communication channels to safeguard their rights and interests.

Environmental Penalties

In 2025, the Company received two penalties for violating environmental laws and regulations. This included one major violation of environmental regulations (with a fine amounting to NT\$200,000 or more) and one general environmental violation. The Company has completed all corrective actions for the aforementioned cases, and will continue to strengthen internal environmental management mechanisms to ensure regulatory compliance.

1

Regulatory Violations

Violation of Article 7, Paragraph 1 of the Water Pollution Control Act, Articles 2 of the Effluent Standards, and Article 40, Paragraph 1 of the same Act. A penalty was imposed pursuant to Article 40, Paragraph 1 of the Water Pollution Control Act; Article 2, Subparagraph 3, Appendix 3; Article 2, Subparagraph 8, Appendix 8; and Article 3, Paragraphs 1 and 2 of the Regulations of Penalties and Amount of Fines for Violations of the Water Pollution Control Act.

Violation Content

On March 1, 2025, personnel from the Environmental Protection Bureau conducted an inspection and collected a water sample from the effluent discharge outlet at the Shanhua Plant. The test results showed a suspended solids concentration of 33.7 mg/L (regulatory limit: 30 mg/L), which did not comply with the effluent standards applicable to the chemical manufacturing industry.

Disposition Unit

Environmental Protection Bureau of Tainan City Government

Penalty Amount and Violation Details

Administrative fine of NT\$231,000.

Improvement Measures

Water samples were collected and analyzed by an independent third-party certification body. After the results confirmed compliance, the test report was submitted to the Environmental Protection Bureau for recordation.

2

Regulatory Violations

Violation of Article 31, Paragraph 1, Subparagraph 3 of the Waste Disposal Act. A penalty was imposed pursuant to Article 52 of the same Act and Article 2, Paragraph 1, Subparagraph 2, Appendix 2, Item 9 of the Regulations for Determining the Amount of Fines Imposed for Violations of the Waste Disposal Act.

Violation Content

The waste transport vehicle (license plate No. 89-A8) of the Shanhua Plant was identified by the Ministry of Environment's Resource Circulation Administration Industrial Waste Transport Vehicle Real-Time Monitoring System as having no tracking record while exiting the northbound Shanhua Interchange on National Freeway No. 3 in Tainan City at 11:28:58 a.m. on January 24, 2025.

Disposition Unit

Environmental Protection Bureau of Tainan City Government

Penalty Amount and Violation Details

Administrative fine of NT\$6,000.

Improvement Measures

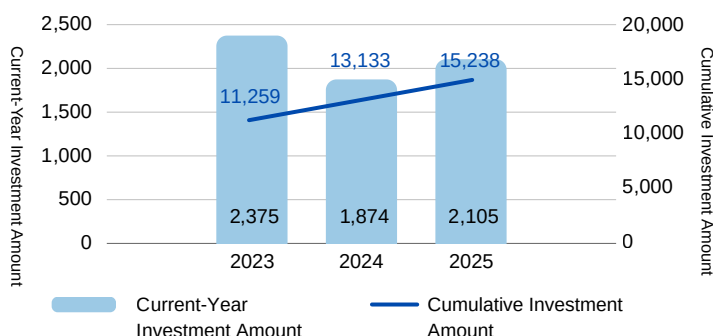
Following maintenance of the tanker truck operated by the Company's waste clearance unit, the vehicle was tested on public roads. The responsible employee mistakenly believed that GPS tracking and route reporting were not required because no waste transportation had taken place, resulting in the administrative penalty. The Company has since provided guidance and training to the responsible personnel and participated in an Environmental Protection Bureau training session. Going forward, all tanker trucks leaving the plant site must activate the GPS system and report their routes. Even when no waste transportation is conducted, the vehicle's maintenance and operational status for that day must still be reported.

4.8

Environmental Investment

The sustainable management of environmental resources is the cornerstone of the Company's long-term development. To put its commitment to sustainable operations into practice, San Fu Chemical continues to invest significant efforts in pollution prevention and resource recycling. Through equipment upgrades and continuous improvements in process technology, the Company fulfills its commitment to energy conservation, water conservation, carbon reduction, and waste reduction. In 2025, the Company's total investment and expenditure on environmental protection and various pollution control facilities amounted to NT\$21.05 million. The major initiatives and their benefits are summarized below:

Environmental Protection Investment (Unit: NT\$10 Thousand)



Environmental Protection Expenditures and Performance in 2025

Investment Item	Equipment Commissioning Month	Investment Amount (NT\$)	Benefits Achieved Through Environmental Protection Investments
Installation of an Online Effluent Monitoring System at the Wastewater Treatment Plant	2025/2	1,100,000	Enables real-time monitoring of effluent water quality to ensure compliance with regulatory requirements. Reduces the frequency of analyses, saving labor time (3 hours/day).
1. Expansion of the front-end cooling water system 2. Replacement of the off-gas scrubber tower	2025/10	12,000,000	Expanded the capacity of the cooling water system, effectively improving the heat exchange and temperature control efficiency of front-end manufacturing processes. Enhanced the treatment capacity for end-of-pipe exhaust gases by effectively removing volatile substances and odors from process off-gases through a scrubbing system. Ensures that air pollutant emissions from the plant remain well below regulatory standards, demonstrating the Company's commitment to protecting the atmospheric environment.
Installation of a New Active Carbon Tower for Waste Gas Treatment	2025/6	100,000	Idle equipment within the plant was repurposed into an activated carbon tower for waste gas treatment and installed upstream of the pollution control facilities. Organic compounds are first adsorbed by the activated carbon before the treated gas passes through the scrubber tower for discharge, ensuring effective compliance with regulatory requirements.
Process Wastewater Treatment Equipment	2025/2	7,850,000	Installed additional wastewater treatment equipment on site to treat process wastewater that could not be handled by the wastewater treatment plant. The system performs sludge removal to reduce the risk of environmental penalties resulting from inadequate wastewater treatment and to ensure that wastewater discharges comply with regulatory requirements.



05 Customer Commitment and Supply Chain Management



5.1 Customer Commitment	56
5.2 Supply Chain Management	59

Chapter Highlights

• A total of 151 customer satisfaction questionnaires were received.	151
• Overall customer satisfaction score	96
• Total number of supplier audits	22
• 3 new suppliers, with 100% completion of corporate social responsibility assessments	3

5.1

Customer Commitment

Customer Privacy Protection

San Fu Chemical places great importance on customer needs and is committed to building long-term partnerships. Through integrity-based operations, the Company works together with customers to achieve mutual benefits, create win-win outcomes, and maximize social value. The Company complies with customers' personal data management requirements by signing confidentiality and privacy agreements and implementing personal data management practices in accordance with applicable regulations. To protect customer privacy, all business information, transaction records, and any other data involving customer privacy are managed and archived by designated personnel in compliance with fundamental legal requirements. During the reporting period, there were no complaints concerning violations of customer privacy or the loss of customer data. In addition, San Fu Chemical adheres to the principles of ethical management by regularly communicating the requirements of the "Procedures for Ethical Management and Guidelines for Conduct" to employees and establishing an organizational structure and responsibilities for confidentiality mechanisms, thereby clearly specifying the matters that Company personnel should observe in the course of performing their duties.



Customer Grievance Mechanism

In accordance with the "Communication Management Procedure," the Company assigns dedicated sales personnel to serve as client communication windows. They provide ongoing consulting services—including product information, price inquiries, contracts, and purchase orders—and handle client feedback and complaints.

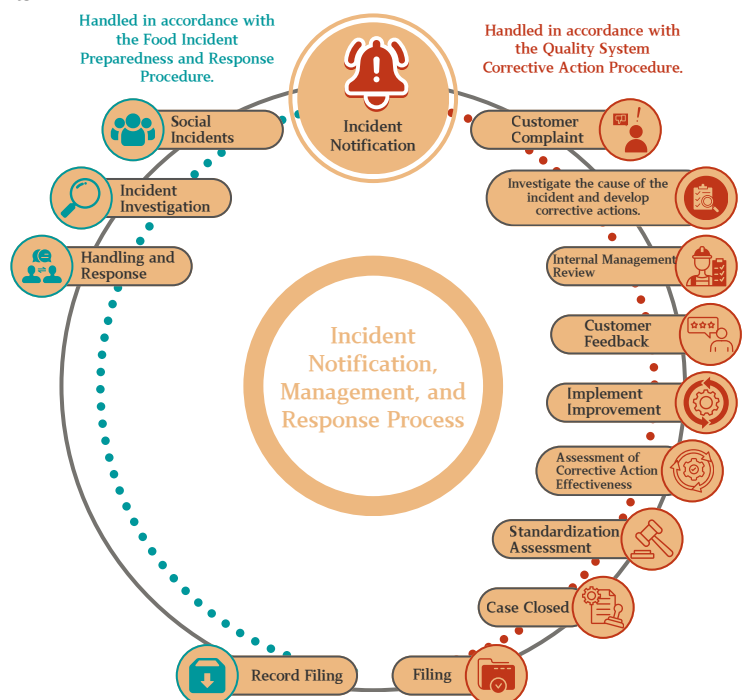
All shipped products must strictly meet the requirements of the respective "Packaging Standards" and "Packaging Diagrams." In the event of quality or food safety hazards (such as products compromising customer health and safety, or marketing and labeling that is false, exaggerated, or misleading), clients may file a consumer dispute complaint with the assigned sales personnel through any form of information. Upon receiving a complaint, the Company immediately notifies the relevant units to initiate an investigation under the "Quality System Corrective and Preventive Action Procedure" and the "Food Incident Preparation and Response Procedure." We analyze the root cause of the incident, swiftly implement response measures and improvement strategies, and report the outcomes back to the client to ensure the best possible service and protection of their rights. Concurrently, internal updates or educational training are conducted regarding the anomaly to prevent any recurrence of customer complaints.

When a product is determined to require a recall, the Company will manage the recall process in accordance with the "Control of Nonconforming Products Procedure." Dedicated sales personnel will proactively notify the client and execute the recall actions following the client's instructions (recalls for food and food additives shall be handled pursuant to the "Product Recall Management Procedure").

In 2025, there were no incidents involving the loss of customer data or complaints regarding breaches of customer privacy.



Grievance Method



Customer Satisfaction Feedback

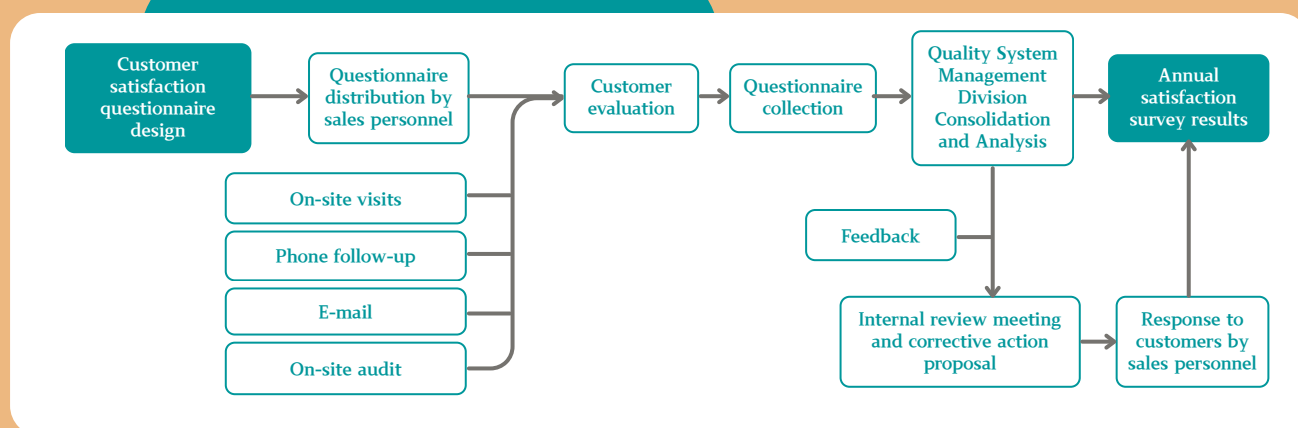
To understand customers' satisfaction with the Company's products and services and obtain specific and objective evaluation information as a basis for improving products and services, thereby maintaining customer recognition and support for the Company, the Company has established the "Customer Satisfaction Survey Procedure".

Customer feedback is the driving force behind continuous improvements in products and services. Therefore, San Fu Chemical regards customer satisfaction survey results as a key indicator of corporate performance and an important benchmark for future growth. Each year, the responsible sales personnel distribute questionnaires to customers to conduct customer satisfaction surveys. The survey covers product quality, delivery performance, service quality, professional image, regulatory compliance, and other related aspects.

A total of 151 customer satisfaction questionnaires were returned in 2025. The survey is conducted through on-site customer visits, telephone interviews by sales personnel, or by requesting customers to complete the questionnaire via email, enabling the Company to better understand customers' opinions and needs. In addition, customers are invited to complete a satisfaction questionnaire following customer audits or plant visits. The collected customer feedback is then compiled and statistically analyzed. More importantly, any valuable feedback or suggestions for improvement provided by customers are promptly reviewed by the relevant internal departments. Corrective actions are developed and tracked, and the Sales Department subsequently provides an appropriate response to the customer.

The Company conducts customer satisfaction surveys throughout the year. The survey results indicate that the overall customer satisfaction score reached 96 points, with scores remaining above the 90-point range for three consecutive years. Compared with the previous year, the 2025 survey showed improvements in product quality, delivery performance, and service quality, demonstrating customers' strong confidence in and trust of San Fu Chemical. Through professional, accurate, and prompt responses and solutions, together with the continuous improvement of its quality management system, the Company has achieved tangible results. In 2026, the Company will continue to strengthen its professional image and regulatory compliance to earn the trust and preference of even more customers.

Customer Satisfaction Survey Process



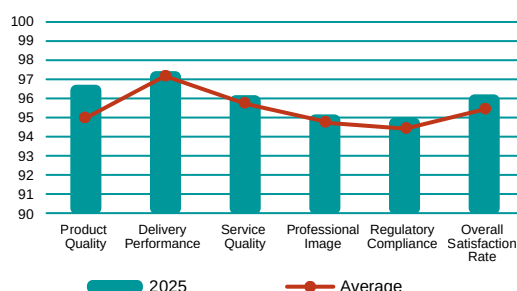
Number of responses collected

Number of satisfaction survey responses Questionnaires	Basic Chemicals	Specialty Chemicals	Total
Questionnaires	92	59	151
Percentage	60.90%	39.10%	-

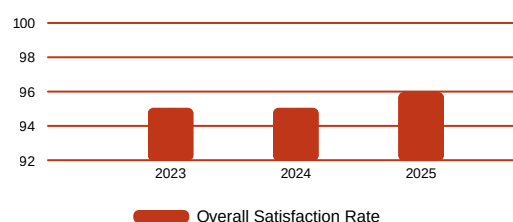
Customer Satisfaction Survey

Evaluation Items	2023	2024	2025	Average
Product Quality	94	94	97	95
Delivery Performance	97	97	98	97.2
Service Quality	96	95	96	95.8
Professional Image	94	95	95	94.8
Regulatory Compliance	93	95	95	94.4
Overall Satisfaction Rate	95	95	96	95.4

Comparison of 2025 Satisfaction Ratings by Category with the Three-Year Average



Overall Satisfaction Rate



Customer Recognition

Many of San Fu Chemical's customers require the Company to implement corporate social responsibility management in accordance with standards that exceed international regulations and industry benchmarks, covering areas such as labor rights, occupational health and safety, environmental protection, ethical conduct, and management system requirements. San Fu Chemical's performance in these areas has also been recognized by its customers, who have given the Company high ratings through various assessment and supplier evaluation programs.

Customer Initiatives and Regulations

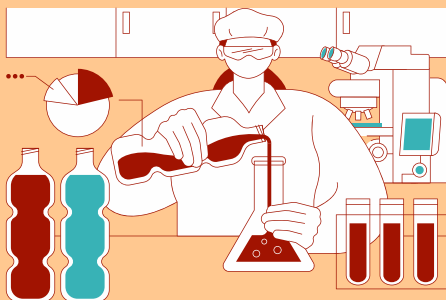
Adhering to its quality policy of customer satisfaction, San Fu Chemical provides products and services that meet customer expectations while complying with the principles of responsible business conduct. The Company actively participates in supplier corporate social responsibility information exchange platforms such as SEDEX and EcoVadis. Through the assessment tools provided by these platforms, the Company discloses its corporate social responsibility performance, gains a better understanding of its capabilities based on the assessment results, and identifies opportunities for continuous performance improvement. This enables the Company to provide customers with information regarding its non-financial management systems. Through information sharing on these platforms, more stakeholders are also able to understand San Fu Chemical's efforts in fulfilling its corporate social responsibility.

Comply with the international initiatives and standards jointly advocated by customers, fulfill the Company's responsibilities throughout the supply chain, and prioritize relevant standards in the provision of products and services to meet customer expectations.

Green Products

Signed Initiatives and Standards

- Signed Declarations of Hazardous Substance Compliance (RoHS, REACH, SVHC, PFASs)
- Complied with the requirements of the IECQ QC 080000 Hazardous Substance Process Management System Standard.
- Conflict Minerals-Free Declaration
- No Use of Prohibited or Restricted Substances



Labor and Human Rights

Signed Initiatives and Standards

- Responsible Business Alliance (RBA)
- UN Guiding Principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- UN Universal Declaration of Human Rights



5.2

Supply Chain Management

Supplier Management Approach

As a product manufacturer within the chemical industry supply chain, San Fu Chemical relies on suppliers for raw material procurement and is responsible for product development and sales. Accordingly, the Company regards every supplier as an important business partner. Each year, the Company conducts rigorous evaluations of its suppliers. For suppliers of major raw materials, the Company exclusively selects well-established domestic and international suppliers to ensure product quality. To promote sustainable supply chain development and ensure that suppliers comply with social and ethical standards, understand and adhere to applicable laws, proactively address environmental and social issues, and continuously improve their performance in the provision of products and services, the Company has implemented a supplier self-assessment program. Through corporate social responsibility self-assessments, suppliers evaluate their performance against established standards in five key areas: quality, labor, environment, human rights, and economic performance. This self-assessment process also enables the Company to better understand suppliers' operational risks.

San Fu Supply Chain

From the perspective of the Specialty Chemicals industry supply chain, the upstream segment consists of raw material suppliers that provide developers, organic solvents, acid and alkaline chemicals, specialty chemicals, and other materials. San Fu Chemical serves as a midstream manufacturer, transforming chemical raw materials into developers, strippers, etchants, cleaning solutions, and other products through processes such as raw material R&D and design, formulation, purification, and dilution. The downstream segment consists of the semiconductor wafer and optoelectronics industries, which use the Company's products in their manufacturing processes.

The supply chain for basic chemicals is divided into two segments. One is the food supply chain, in which raw materials are procured from upstream suppliers, processed and manufactured, and then supplied to downstream food manufacturers. The other comprises chemical products, such as cyclohexylamine, dicyclohexylamine, and p-hydroxybenzoic acid, which are manufactured by San Fu Chemical and sold directly to downstream customers for applications including corrosion inhibitors, water treatment, and polymer production.

Upstream Raw Material Supplier

Raw Material Production and Supply
Developers, Organic Solvents, Acid and Alkaline Chemicals, Specialty Chemicals



Midstream San Fu Chemical

R&D and Design, Processing and Manufacturing, Distribution, and Resale of San Fu Specialty Chemicals and Basic Chemicals



Downstream Customers

Specialty Chemicals:
Semiconductor Wafer Industry, Optoelectronics Manufacturing Industry

Basic Chemicals: Food Manufacturing Industry, Cosmetics Industry, and Cleaning Products Industry



Supplier Categories and Local Procurement

As a midstream manufacturer, San Fu Chemical not only complies with environmental protection and energy conservation principles but also gives priority to domestic suppliers by increasing the proportion of purchases from local suppliers, thereby supporting the growth of domestic industries. However, due to the manufacturing requirements of domestic downstream industries, certain raw materials that are not produced locally must be sourced from overseas. In addition, to maintain a second-source supply strategy for risk management, ensure delivery schedules and service continuity, and optimize costs, a certain proportion of raw materials is procured from international suppliers.

Supplier categories in 2025 includes

Raw Materials: Locally manufactured and distributed under agency agreements

Packaging Materials

Project-specific Assets and Equipment

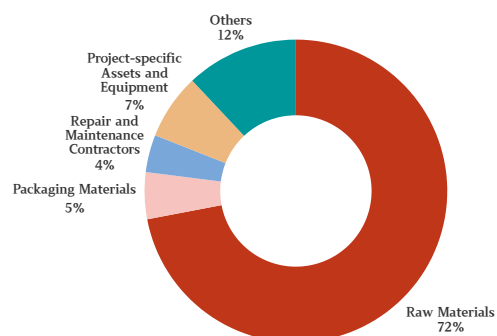
Repair and Maintenance Contractors

Others (Five Major Categories in Total)

Proportion of Procurement Amount

	Domestic			Overseas		
	2023	2024	2025	2023	2024	2025
All Categories	52%	65%	68%	48%	35%	32%
Raw Materials	44%	58%	62%	56%	42%	38%
Packaging Materials	98%	92%	96%	2%	8%	4%
Repair and Maintenance Contractors	67%	83%	79%	33%	17%	21%
Project-specific Assets and Equipment	74%	94%	53%	26%	6%	47%
Others	97%	99%	99%	3%	1%	1%

2025 Procurement Ratio by Category



Supplier Selection Process

For the selection of new suppliers, San Fu Chemical gives priority to suppliers that have obtained quality certifications such as ISO 9001 or ISO/TS 16949. In terms of environmental performance, preference is given to suppliers that comply with the RoHS and WEEE standards, have obtained IECQ QC 080000 and ISO 14001 certifications, or possess green environmental, energy conservation, or green building material certifications. Suppliers are also required to sign the "Declaration of Hazardous Substance Compliance" to ensure compliance with the concentration limits specified in San Fu Chemical's "Hazardous Substance Control List." From a social responsibility perspective, suppliers are required to sign the "Supplier Code of Conduct and Supplier Commitment" to jointly uphold responsibilities related to labor practices, health and safety, environmental standards, and business ethics.



A total of three new suppliers we're added in 2025. The results of the corporate social responsibility assessments for these new suppliers are as follows:

Rating	Corporate Social Responsibility Assessment Score, X	Results	Percentage
A	$90 \leq X$	3	100%
B	$80 \leq X < 90$	0	0%
C	$70 \leq X < 80$	0	0%
D	$X < 70$	0	0%

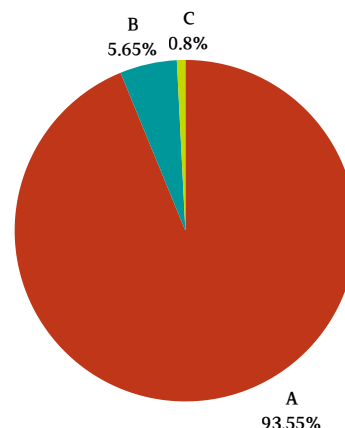
Supplier Evaluation

San Fu Chemical has established the "Supplier Management Procedure." Suppliers whose annual procurement amount reaches a specified threshold are subject to an annual evaluation covering quality, cost, delivery, service, and Hazardous Substance Free (HSF) compliance. In 2025, the Company had 57 Specialty Chemicals suppliers and 67 basic chemicals suppliers, for a total of 124 suppliers. Among them, 99.2% of suppliers were rated Grade B or above, with one supplier receiving a Grade C rating.

The evaluation results are as follows

Rating	Annual Evaluation Score, X	Results	Percentage	Actions taken
A	$90 \leq X$	116	93.55%	Priority procurement
B	$80 \leq X < 90$	7	5.65%	Eligible for procurement
C	$70 \leq X < 80$	1	0.80%	Reduce procurement, request price reductions, and extend payment terms
D	$X < 70$	0	0.00%	Suspend transactions

Supplier Evaluation Statistics



Supplier Audit and Evaluation

Based on the previous year's supplier evaluation results, the Company conducts routine audits of qualified suppliers. Annual audits are also carried out for new suppliers and suppliers that are rated Grade C or D in the annual evaluation, have experienced major quality or environmental, health, and safety (EHS) incidents, or have been the subject of customer complaints. The audit covers product quality, occupational health and safety, environmental protection, and labor and human rights. Through annual supplier audits, the Company gains a better understanding of supply chain requirements. By taking a proactive approach to supplier management, San Fu Chemical continuously enhances its supplier management system and creates mutually beneficial partnerships.

A total of 22 supplier audits were conducted in 2025. The results are as follows

Rating	Annual Audit Score, X	Results	Percentage	Actions taken	Frequency
A	$90 \leq X$	22	100%	Continuous improvement	Once every three years
B	$80 \leq X < 90$	0	0%	Continuous improvement	Once every two years
C	$70 \leq X < 80$	0	0%	Require the supplier to implement improvements and conduct another audit and evaluation in the following year	Once every year
D	$X < 70$	0	0%	Cancel or suspend transactions and require the supplier to implement immediate improvements before re-evaluation	-

Supplier Commitment

As part of suppliers' commitment to corporate social responsibility and business ethics, the Company requests suppliers to complete a self-disclosure questionnaire covering three key dimensions: economic, social, and environmental. Through this approach, the Company seeks to jointly fulfill the principles of corporate social responsibility and promote a balanced and sustainable ecosystem encompassing social well-being, environmental health, and resource conservation.

Corporate Social Responsibility - Business Ethics Commitment

Economic

Corporate Governance
Ethical Corporate Management
Information Transparency

Environmental

Environmental Protection
Pollution Prevention
Resource Sustainability

Social

Labor Practices
Occupational Safety
Human Rights and Freedom

Economic Dimension

- 01 Suppliers and their employees shall conduct all sales and commercial transactions with integrity, including but not limited to the procurement of materials, engineering contracts, contract manufacturing, equipment transfers, disposal of obsolete and waste materials, transportation and customs clearance, labor dispatch, and outsourced agency services.
- 02 Suppliers shall not offer or provide cash, negotiable securities, non-standard corporate gifts, entertainment, travel hospitality, or any other personal benefits to any employee of the Company, the employee's relatives or friends, or any other related interested parties.
- 03 Suppliers shall not engage in any form of lending, leasing, investment, or any activities unrelated to normal business dealings with any employee of the Company or the employee's relatives or friends.
- 04 Suppliers shall not provide employment or other remunerative work arrangements for any employee of the Company or the employee's relatives or friends. Suppliers shall not engage in any conduct that may harm the Company's interests or business reputation.

Social Dimension

- 01 San Fu Chemical works closely with its suppliers and believes that all supplier employees should be treated fairly. Accordingly, the Company prohibits child labor and all forms of forced labor.
- 02 Working hours and compensation shall comply with applicable legal requirements, and employees shall receive no less than the statutory minimum wage and all legally required benefits.
- 03 In addition, no discrimination shall be permitted on the basis of gender, race, religion, political affiliation, marital status, physical disability, social origin, age, or any other status, thereby ensuring the protection of human rights.

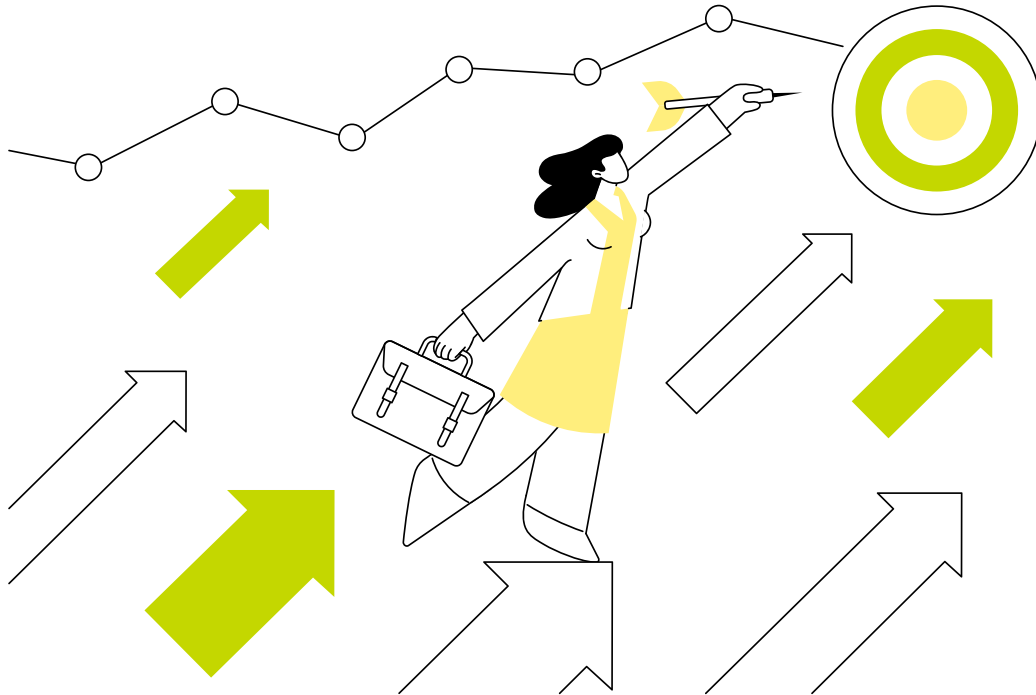
Environmental Dimension

- 01 San Fu Chemical has long upheld its commitment to safety, superior quality, continuous innovation, and environmental protection. Accordingly, the Company requires its suppliers to ensure that their raw materials comply with applicable national regulations while giving the highest priority to user safety.
- 02 The company does not sell prohibited or controversial products.

Environmental Initiatives and Standards Signed and Acknowledged by Suppliers

Type	Signed Initiatives and Standards	Compliance Standards
Environmental Safety and Health	- Confirm that suppliers have obtained ISO 14001 and ISO 45001 management system certifications - Suppliers shall continuously provide valid Safety Data Sheets (SDS) - Possess valid permits for environmental pollution prevention and treatment - Obtained certifications for green environmental protection, energy conservation, or green building materials	ISO 14001 ISO 45001
Green Products	- Comply with the requirements of the IECQ QC 080000 Standard - Establish hazardous substance management standards in compliance with international regulations such as RoHS and REACH - Provide hazardous substance test reports on a regular basis - Sign the Declaration of Hazardous Substance Compliance	IECQ QC 080000 RoHS REACH GADSL
Labor and Human Rights	- Suppliers and contractors are required to participate in corporate social responsibility training - Commit to complying with the requirements of the SA 8000 Standard - Commit to complying with the requirements of the RBA Code of Conduct - Complete the Supplier Corporate Social Responsibility Assessment Form	SA 8000 RBA
Quality and Services	- Confirm that suppliers have obtained ISO 9001 and ISO 22000 management system certifications - Provide the Quality Agreement and Confidentiality Agreement - Complete the Supplier Quality Assessment Form	ISO 9001 ISO 22000
Procurement Practices	Cooperate with San Fu Chemical's regular supplier audits to ensure compliance with the Company's requirements for quality, service, delivery, human rights, and environment, health, and safety (EHS) management.	Supplier Audit Procedures

06 Creating Employee Engagement



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Chapter Highlights

Employee Satisfaction Score	3.78
Conducted eight health awareness courses	8

6.1

Workforce Employment

Workforce Overview

Employees are the foundation of the Company's continued excellence. San Fu Chemical provides equal employment opportunities and is committed to fostering an inclusive and diverse workplace. The Company does not discriminate on the basis of gender, religion, race, or political affiliation, and actively promotes equal opportunity by providing all job applicants with fair opportunities for employment and career advancement. Under the Company's operating philosophy of "Innovation, Integrity, and Simplicity," San Fu Chemical attracts talented professionals from diverse fields through a comprehensive employee benefits program and competitive compensation. By bringing together a highly skilled team, the Company has progressed from manufacturing traditional chemical products to becoming an industry leader in environmental contributions, working hand in hand with its employees to continuously enhance professionalism and deliver higher-quality services.

We transparently disclose our human resources information to the public, demonstrating workforce stability and the level of employee benefits we provide. In accordance with the Ministry of Labor's 2019 prohibition on labor dispatch conversion arrangements, San Fu Chemical has not employed any non-regular employees (i.e., dispatched workers). As of 2025, the Company had a total workforce of 385 employees, all of whom were full-time employees. Regular employees accounted for 100% of the workforce, while non-regular employees accounted for 0%. Male employees represented 83% of the workforce and female employees 17%. In terms of age distribution, employees aged 30 to 50 constituted the majority, accounting for 72% of the total workforce. As of December 31, 2025, the Company had a total of 9 non-employee workers. The majority of these individuals were engaged through service contracts with security companies and were primarily responsible for on-site security services at the Company's facilities.

Fluctuation in the number of non-employee workers over the past three years

Note: Statistics are as of December 31, 2025



San Fu Chemical has been established for more than six decades, yet as many as 82% of our employees are under the age of 50, with 10% under the age of 30. While providing opportunities for younger generations to realize their potential, we also value the transfer of experience and intergenerational collaboration, continuously transforming accumulated experience into valuable organizational knowledge and technical expertise. Even more importantly, our managers generously share their valuable experience. Through the Individual Development Plan talent development framework, they systematically coach and train younger employees while encouraging and supporting their career development within the organization.

Workforce Composition by Employment Type

Note: The compiled data are based on the figures as of the end of the reporting period (December 31, 2025).

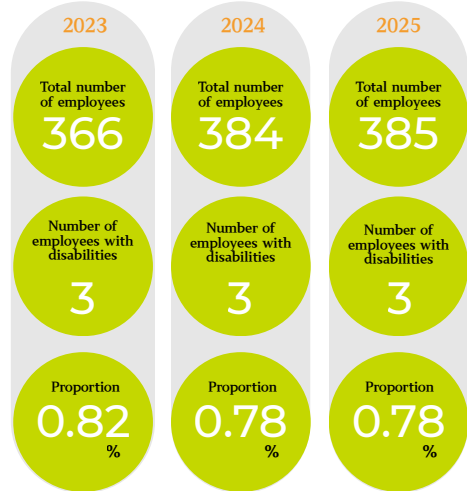
Employment Type	Taipei	Zhubei	Shanhua	Liouke	Kaohsiung	Nitto	Total
Permanent Employees	Total 34 Female 10 / Male 24	Total 31 Female 8 / Male 23	Total 203 Female 39 / Male 164	Total 69 Female 8 / Male 61	Total 17 Female 0 / Male 17	Total 31 Female 2 / Male 29	Total 385 Female 67 / Male 318
Temporary Employees	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0
Employees Without Guaranteed Working Hours	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0
Full-time Employees	Total 34 Female 10 / Male 24	Total 31 Female 8 / Male 23	Total 203 Female 39 / Male 164	Total 69 Female 8 / Male 61	Total 17 Female 0 / Male 17	Total 31 Female 2 / Male 29	Total 385 Female 67 / Male 318
Part-time Employees	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0	Total 0 Female 0 / Male 0

Diversity and Inclusion

San Fu Chemical upholds a people-oriented corporate philosophy and its commitment to society by working together to create an equal, diverse, and inclusive workplace. Due to the nature of the industry and Taiwan's social and cultural context, workforce gender composition is generally influenced by industry type and job characteristics. Compared with men, women are less likely to pursue careers in the chemical manufacturing industry, making this a common workforce characteristic across the industry. However, San Fu Chemical is committed to establishing employee-friendly work systems and a supportive working environment to encourage more women to join the chemical manufacturing industry, thereby promoting equitable access to economic opportunities. As of the end of 2025, the male-to-female employee ratio was 4.7:1.

San Fu Chemical actively promotes social inclusion and supports disadvantaged groups as part of its commitment to fulfilling corporate social responsibility. In its talent recruitment, the Company actively seeks to employ persons with disabilities and members of Taiwan's Indigenous peoples. In 2025, the Company employed three persons with disabilities, representing approximately 0.78% of its total workforce. In 2021, the Chairman signed the Human Rights Policy, committing the Company to providing fair and reasonable compensation and working conditions, as well as a safe and healthy working environment, while ensuring equal employment opportunities for all and eliminating all forms of discrimination.

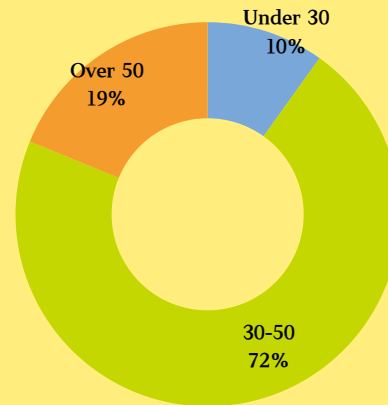
Number of employees with disabilities



Employee ratio - by category

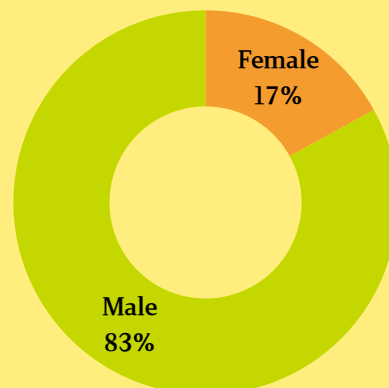
Type		Ratio
Employment type	Regular Employees	100%
	Non-regular Employees	0%
By age	Under 30	10%
	30-50	72%
	Over 50	19%
Gender	Male	83%
	Female	17%

Employee Age Distribution Chart



Gender Distribution by Headcount

		2023	2024	2025
All Regular Employees	Male (%)	80%	82%	83%
	Female (%)	20%	18%	17%
	Headcount	366	384	385



Turnover Overview

In 2025, San Fu Chemical hired 31 new employees, representing 8% of the total workforce. During the same period, 25 employees left the Company, accounting for 6% of the total workforce.

New Hire and Employee Turnover Statistics by Age Group and Gender

		Male		Female		Subtotal	
		Quantity	Ratio	Quantity	Ratio	Quantity	Ratio
New Hires	Under 30	9	27%	0	0%	9	24%
	31-50	19	8%	2	4%	21	8%
	Over 51	1	2%	0	0%	1	1%
	Subtotal	29	9%	2	3%	31	8%
Resigned Employees	Under 30	5	15%	2	50%	7	19%
	31-50	15	7%	1	2%	16	6%
	Over 51	2	3%	0	0%	2	3%
	Subtotal	22	7%	3	4%	25	6%

Note: Percentages are calculated based on the number of employees in each age group and gender category

Remuneration and Benefits

Remuneration

Fixed Salary

Bonuses

Year-end Bonus, Performance Bonus, EHS Bonus, Proposal Award Bonus

San Fu Chemical is committed to enhancing its compensation and incentive system to ensure that salary levels remain competitive in the market, thereby attracting and retaining high-caliber talent. In addition to providing year-end bonuses to regular employees based on the Company's annual operating performance, San Fu Chemical also awards special performance bonuses according to individual performance and evaluation results. Since 2019, to provide employees with more timely recognition, San Fu Chemical has implemented a monthly EHS Bonus program.

This initiative effectively motivates employees to maintain high standards in environmental protection, workplace safety, and food hygiene. In addition, the Company regularly participates in salary surveys conducted by industry organizations and consulting firms. It periodically reviews the alignment of its compensation and benefits programs with market practices, evaluates employee salary levels and incentive systems, and uses the results as a basis for performance-based salary adjustments and talent promotion.

In accordance with the requirements of the Taiwan Stock Exchange, the Company discloses the number of full-time employees who are not in managerial positions, along with their average salary and median salary, as shown in the table below. In 2025, the average annual salary of San Fu Chemical's full-time employees who were not in managerial positions was NT\$934 thousand. The Company's employee remuneration and incentive programs take into account its financial position, operating performance, and future development, while also incorporating each employee's job responsibilities and performance in determining the relevant remuneration plans.

The ratio of the highest individual salary to the median salary of all other employees was approximately 6.56:1, while the ratio of the percentage increase in the highest individual's annual total remuneration to the median percentage increase in annual total remuneration for all employees was approximately 9:1.

	2023	2024	2025	Difference from the previous year
Number of full-time non-management employees	338	285	319	34
Average salary of full-time non-management employees (NT\$ thousand)	900	916	934	18
Median salary of full-time non-management employees (NT\$ thousand)	810	832	849	17

6.2

Employee Care

Human Rights Protection

We believe that respecting human rights and creating a dignified working environment are essential to the Company's sustainable development and fulfillment of its corporate social responsibility. For San Fu Chemical's management, labor-management relations are like the emotional bonds within a family. Once employees join the Company, the employer should make every effort to care for them, supervisors should strive to develop and mentor them, and employees should diligently fulfill their responsibilities. Through these collective efforts, San Fu Chemical can continue to enhance its overall operating performance and achieve sustainable business operations. This represents the Company's greatest contribution to its social responsibility.

San Fu Chemical complies with labor-related laws and regulations in all jurisdictions where it operates to safeguard the legitimate rights and interests of its employees. The Company also recognizes and supports international human rights instruments, including the UN "Universal Declaration of Human Rights," the "UN Global Compact," and the conventions of the ILO. In accordance with the guiding principles set forth in these international standards, the Company has established relevant human rights policies to protect the human rights of all personnel, including regular employees, contract and temporary personnel, and interns.

The 2025 implementation results include:

- No incidents of discrimination
- No violations of freedom of association or the right to collective bargaining
- No child labor employed
- No incidents of forced or compulsory labor



To safeguard employee human rights, the Company provides training on human rights and labor-related laws and regulations as part of its new employee orientation program. In addition, an employee suggestion box has been established to enable employees to freely raise opinions and grievances related to human rights and labor practices. These submissions are reviewed regularly, and senior management provides timely responses and appropriate follow-up actions. In 2025, no grievances were submitted through the employee suggestion box.

Sexual Harassment Prevention

In accordance with Article 13 of the "Gender Equality in Employment Act" and Article 4 of the "Amendments to the Regulations for Establishing Measures on Prevention of Sexual Harassment in the Workplace" issued by the Ministry of Labor, we have also issued the "San Fu Chemical Co., Ltd. Written Statement Prohibiting Sexual Harassment in the Workplace" to provide all employees with a work environment free from sexual harassment. We maintain zero tolerance for any conduct constituting sexual harassment under Article 12 of the "Gender Equality in Employment Act," whether committed by or directed against the Company's managers, employees (including job applicants), customers, or any third party, including:

- Explicit or implicit sexual requests, sexually suggestive or gender-discriminatory remarks or conduct by an employer (or senior manager) toward an employee (or job applicant) as a condition for the establishment, continuation, or modification of an employment contract, or in exchange for job assignment, placement, remuneration, performance evaluation, promotion, demotion, transfer, or disciplinary action.
- Any person (including customers or third parties) who, while an employee is performing their duties, engages in sexual requests, sexually suggestive or gender-discriminatory remarks or conduct that creates a hostile, intimidating, or offensive work environment, thereby infringing upon or interfering with the employee's personal dignity, personal freedom, or work performance.

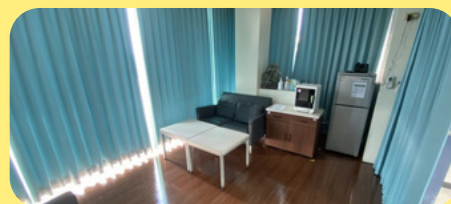
In addition, we have established comprehensive grievance channels. Any employee who experiences, witnesses, or becomes aware of the above conduct may immediately report the matter to the Company's designated personnel for assistance. As a general principle, all investigations will be conducted in a confidential manner to the greatest extent possible. The Company strictly prohibits any form of retaliation against individuals who report such incidents, file complaints, or assist in sexual harassment complaints or investigations. To further strengthen employees' awareness and understanding of these issues, we regularly conduct relevant awareness sessions and training programs to ensure that all employees clearly understand the Company's policies and requirements. No sexual harassment complaints were filed in 2025.

Gender Equality

We actively implement equal rights for women and men with respect to prenatal examination leave, maternity leave, paternity leave for prenatal examinations and childbirth, and other statutory leave entitlements. These measures help us attract and retain outstanding talent while enhancing employee morale and productivity. In addition, in accordance with the "Gender Equality in Employment Act," we have established a nursing room and implemented a parental leave without pay program, under which both male and female employees may apply in accordance with the law.

To support new mothers who need to breastfeed or express milk in the workplace, we have established a dedicated breastfeeding room for use by employees returning to work after childbirth. The nursing room has been in operation since September 1, 2019. It is equipped with a countertop, armchairs, cushions, cleaning supplies, a UV sterilizer, and a dedicated refrigerator for breast milk storage. An emergency telephone is also provided, and the "Breastfeeding Room Usage Guidelines" have been established to create a warm, supportive, safe, private, and fully equipped environment for employees. In addition, pregnant employees and employees returning to work after childbirth receive individualized recommendations from physicians based on health hazard assessments and fitness-for-work evaluations.

Shanhua Plant Breastfeeding Room



Unpaid Parental Leave

In 2025, female employees accounted for 17% of the Company's total workforce, representing a decrease of 1% compared with the previous year. In general, workforce gender composition is influenced by industry characteristics and job requirements. Compared with men, women are less likely to pursue careers in the chemical manufacturing industry, making this a common workforce characteristic across the industry. To encourage working parents to share childcare responsibilities, San Fu Chemical allows all eligible employees to apply for unpaid parental leave in accordance with the Employment Insurance Act and the Gender Equality in Employment Act, enabling parents to care for their children with greater peace of mind. San Fu will continue to strengthen protections for the rights of working parents and foster an employee-friendly work system and working environment. Unpaid parental leave is a statutory employee entitlement. In addition to the application rate, the reinstatement rate and retention rate are also important indicators. The former reflects whether employees choose to apply for unpaid parental leave, while the latter reflects whether they choose to return and remain with the Company, thereby indicating the Company's ability to attract and retain talent. In 2025, a total of 3 employees applied for unpaid parental leave. As all applicants remained on leave through 2026, there were no reinstatements in 2025, and the number of employees scheduled for reinstatement during the year was 0. In addition, no employees applied for unpaid parental leave in 2024. Accordingly, the actual number of employees reinstated in the previous year was 0, and the number who remained employed one year after reinstatement was also 0. The increase in applications for unpaid parental leave in 2025 reflects the Company's strong commitment to fostering a family-friendly workplace and supporting employees in achieving a healthy work-life balance.

Statistics on Unpaid Parental Leave Applications, Reinstatement, and Retention

		2023	2024	2025
Number of employees eligible to apply for unpaid parental leave	Male	29	32	26
	Female	5	2	4
	Total	34	34	30
Actual number of applicants	Male	4	0	1
	Female	1	0	2
	Total	5	0	3
Number of employees scheduled for reinstatement	Male	4	3	0
	Female	1	0	0
	Total	5	3	0
Actual number of employees reinstated	Male	3	2	0
	Female	1	0	0
	Total	4	2	0
Reinstatement rate	Male	75%	67%	--
	Female	100%	--	--
	Total	88%	67%	--
Number of employees remaining employed one year after reinstatement in the previous year	Male	--	1	--
	Female	1	1	--
	Total	1	2	--
Retention rate	Male	--	33%	--
	Female	100%	100%	--
	Total	100%	67%	--

Note 1. The number of employees eligible to apply for unpaid parental leave is calculated based on the number of annual applications for childbirth subsidies and childcare allowances

2. Reinstatement rate = Actual number of employees reinstated / Number of employees scheduled for reinstatement (If the denominator is zero and the rate cannot be calculated, "--" is presented.)

3. Retention rate = Number of employees remaining employed one year after reinstatement in the previous year / Number of employees reinstated in the previous year (If the denominator is zero and the rate cannot be calculated, "--" is presented.)

4. Number of employees remaining employed one year after reinstatement in the previous year: If the number of employees reinstated in the previous year is zero, "--" is presented.

Employee Benefits

Leave System	Advance annual leave policy exceeding the requirements of the Labor Standards Act	Childcare Allowance	Monthly childcare allowance until the child reaches five years of age
Marriage Bonus	Congratulatory cash gift for the marriage of employees or their children	Education Subsidies	Education subsidies for employees' children covering 22 years, from birth through college graduation
Holiday Bonuses	Cash gifts for the three major festivals and employees' birthdays	Travel Subsidies	Annual travel subsidies
Bereavement Payment	Bereavement payment for the death of an employee, the employee's child, spouse, or parent	Year-end Dinner Party	Annual Dinner Party
Hospitalization Condolence Payment	Hospitalization condolence payment for employees and their spouses due to illness or injury	Group Insurance	Term life insurance, hospitalization/cancer medical insurance, accident insurance, occupational accident insurance, and critical illness insurance
Childbirth Subsidies	Childbirth subsidies for employees and their spouses		

We believe that the important milestones in our employees' lives are also important to San Fu Chemical. Accordingly, many of our employee welfare programs extend beyond employees to include their family members. Through a wide range of employee welfare programs, including group insurance and education subsidies, we support employees in all aspects of their lives, enabling them to work with peace of mind and without unnecessary concerns.

To encourage employees to have children and further contribute to Taiwanese society through family-friendly policies, San Fu Chemical has implemented a range of supportive initiatives. Guided by the belief in valuing and nurturing talent, the President of the San Fu Group placed shares held in his name into a trust, with the investment income designated exclusively for the benefit of San Fu Chemical employees' children. Since 2016, the Company has provided the following family support benefits: (1) employee childbirth allowances, (2) employee childcare allowances, and (3) school enrollment awards for employees' children. The first two programs provide a childbirth allowance of NT\$20,000 for each newborn and a monthly childcare allowance of NT\$2,500 until the child reaches five years of age, with total benefits of up to NT\$170,000 per child. In addition, employees receive a school enrollment award of NT\$10,000 when their children enter senior high school or university. To better support working parents in dual-income families, San Fu provides family-oriented benefits that enable employees to work with peace of mind while easing their family responsibilities, demonstrating the Company's commitment to fulfilling its social responsibilities to the greatest extent possible.

Employee Dormitory

San Fu Chemical provides single-occupancy employee dormitories in Tainan and Hsinchu, offering employees from other cities and counties a comfortable and safe living environment while working for the Company.



Employee Cafeteria

To support employee well-being, the Company's manufacturing sites provide employee cafeterias for staff use. The Company subsidizes 65% of the meal cost, allowing employees to enjoy a buffet lunch or dinner for only NT\$30 per meal. Each meal includes two main dishes, three side dishes, soup, and dessert, with a rotating daily menu that provides delicious and nutritious meals. To ensure that employees can dine with confidence and enjoy healthy meals, San Fu conducts regular audits of its catering service providers to verify food preparation facilities and environmental hygiene, thereby safeguarding food safety and employee health.

Retirement Planning

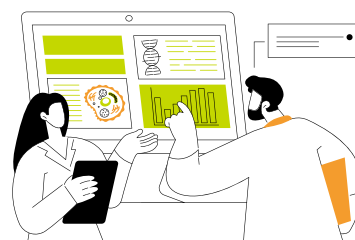
Under the old pension scheme, retirement benefits are provided in accordance with the "Labor Standards Act." Under the new pension scheme, retirement benefits are administered in accordance with the "Labor Pension Act," with the Company contributing 6% of each employee's monthly salary to the employee's individual labor pension account established by the Bureau of Labor Insurance. Employees may also voluntarily contribute up to an additional 6% of their monthly salary to the same account. To safeguard employees' retirement benefit entitlements, San Fu has established the "Labor Pension Reserve Supervisory Committee" to oversee the management of employee pension reserves. In addition, in accordance with "International Accounting Standard 19 (IAS 19R)," the Company engages an actuary each year to conduct a pension actuarial valuation and issue an assessment report, ensuring that sufficient funds are reserved to meet future retirement benefit obligations. In addition, the Labor Pension Reserve Supervisory Committee convenes meetings on an as-needed basis and may hold special meetings whenever necessary. Meeting discussions focus on reviewing the amount of labor pension reserve contributions, auditing the management and utilization of pension reserve funds, and reviewing the amount of retirement benefit payments. In addition, for employees reaching retirement age, the Company assesses their personal willingness and post-retirement plans. Where the Company continues to require their experience and expertise, retirees may be engaged through the Senior Expert Retention Program as corporate consultants with a smooth transition of responsibilities while also serving as career mentors to support the professional development of successor talent. This retiree program not only helps employees transition more smoothly into retirement by providing a gradual adjustment to their post-retirement lives, but also enables them to serve as consultants, fostering a continued sense of achievement after retirement.



Health Promotion

To provide employees with a healthy and high-quality workplace, San Fu Chemical not only provides on-site occupational medicine services in accordance with applicable regulations, but also employs a full-time occupational health nurse to organize a variety of health promotion activities, encouraging employees to proactively adopt healthy lifestyles. The Company conducts annual employee health examinations that exceed statutory requirements and also provides value-added screening services, such as cancer screening and cardiovascular examinations. Through these comprehensive health screening programs, potential health risk factors can be identified at an early stage, enabling early detection, treatment, and prevention. Health examination results requiring follow-up are analyzed and maintained as health records. Based on the assessment results, the occupational health nurse and on-site occupational physician provide individualized health education and guidance. This enables employees to better understand their health status, take an active role in managing their own health, and enhance their medical knowledge. In addition, environmental monitoring data are integrated with the health management of employees engaged in statutory hazardous operations to identify potential occupational health risks. The Company arranges special health examinations for employees performing hazardous operations, including work involving noise, manganese, lead, arsenic and its compounds, and other designated hazardous operations. Employees engaged in such operations are managed in accordance with the results of these special health examinations. The results of special health examinations are classified into four management levels. Employees classified as Management Level 2 are required to receive individual health guidance. Employees preliminarily classified as Management Level 3 or above are scheduled by the occupational health nurse to receive on-site consultations with an occupational medicine physician, followed by health monitoring and follow-up examinations. Where necessary, on-site assessments of suspected work-related diseases are conducted to provide recommendations regarding work suitability. For employees preliminarily classified as Management Level 3 or above, the follow-up examination results are submitted to the on-site occupational medicine physician for a health and work risk assessment. The assessment results are documented in the Labor Health Service Record and the Job Assignment Assessment Recommendation Form. The Company and the employee are then formally notified in writing of the employee's fitness-for-work assessment results, together with recommendations for job reassignment, work adjustments, or other protective measures. The employee's department supervisor is responsible for coordinating an appropriate job reassignment or implementing other suitable measures. Employees classified as Management Level 3 or above shall be reclassified following follow-up examinations based on the assessment results. The revised classification and the measures adopted shall be reported in the manner prescribed by the central competent authority. In 2025, a total of 17 employees underwent special health examinations. Two employees were initially classified as Management Level 3; following follow-up examinations, one was reclassified as Management Level 1 and the other as Management Level 2. Follow-up management has been completed for both employees. In 2025, the participation rate for special health examinations was 100%. The Company also occasionally organizes health seminars on topics such as chronic disease prevention, exercise, and nutrition and provides employees with health knowledge and information. In addition, health-related information, including disease prevention and infectious disease prevention, is occasionally announced through the Company's internal website or by email.

In addition, San Fu utilizes the "Health Management System" to manage employee health. Through the Overwork-Related Disease Prevention Program, health examination reports and workload questionnaire results are analyzed following the annual health examinations to identify moderate- and high-risk cases. In 2025, individualized health management measures were implemented for 21 moderate-risk employees and 10 high-risk employees. For high-risk employees, the Company also implemented appropriate administrative controls and health management measures, including restricting excessive overtime, proactively following up on medical visits, monitoring medication compliance and adaptation, encouraging the establishment of daily blood pressure monitoring habits, and providing health guidance. The Company also plans and conducts training on cerebrovascular and cardiovascular diseases to help employees understand the risks associated with these diseases and learn appropriate preventive measures. By providing comprehensive employee health care, the Company aims to strengthen both organizational and workforce competitiveness while protecting and promoting the physical and mental well-being of all employees.



To reduce ergonomic hazards caused by prolonged repetitive tasks or poor working postures, the Company incorporates ergonomic principles into daily operations, analyzes and eliminates risk factors, and implements improvement plans for high-risk ergonomic tasks. These efforts aim to reduce musculoskeletal discomfort and injuries while creating a safer and more efficient working environment. During 2025, employee exposure to ergonomic risks was assessed using the Ergonomic Hazard Identification Checklist. The assessment identified 5 employees with suspected ergonomic hazards. Following health consultations conducted by the occupational health nurse and the on-site occupational physician, it was determined that none of the suspected cases were work-related. In addition, health guidance was provided, employees' working postures were reviewed regularly to ensure proper ergonomics, and employees were proactively asked about their musculoskeletal conditions, effectively reducing the risk of ergonomic hazards associated with prolonged repetitive tasks or poor working postures.

To safeguard the well-being and health of all female employees, the Company implements maternal health protection programs and management measures that take into account gender differences and the health risks associated with pregnancy. The following measures have been implemented: In accordance with the "Regulations on Maternal Health Protection for Female Workers" and related guidelines, the Company has established relevant assessment and maternal health protection measures. In 2025, female employees of childbearing age completed the "Workplace Environment and Work Hazard Assessment Form for Maternal Health Protection." Based on workplace and work hazard assessments, fitness-for-work evaluations conducted by the on-site occupational physician, risk classification management, and appropriate job assignments, the Company ensures the occupational safety and physical and mental well-being of its female employees. In addition, to support new mothers who need to breastfeed or express milk in the workplace, the Company has established comfortable rest areas and nursing rooms, providing a warm, supportive, safe, private, and well-equipped environment while fostering a female-friendly workplace.

In accordance with the "Senior and Middle-aged Worker Health Protection Program", the Company requires employees aged 45 and above to complete a "Fitness-for-Work Assessment Form." Under the established process of work risk assessment, fitness-for-work evaluation and recommendations by the on-site occupational physician, and case closure or follow-up management, the Company promotes the physical and mental well-being of middle-aged and senior employees. Through fitness-for-work health questionnaires, employees identified as having reduced work capacity are referred for physician consultations and provided with health guidance. Where necessary, they are referred to occupational safety personnel, the Employee Assistance Program, or other appropriate resources to help address work-related physical and mental health issues.

San Fu provides free seasonal influenza vaccinations at its facilities during the annual employee health examinations, with all vaccination costs fully covered by the Company. In 2025, the employee seasonal influenza vaccination rate reached 49%. This program also reduced the time and travel burden associated with visiting medical institutions for vaccination, while enhancing employees' health protection.

Health Awareness Courses

San Fu Chemical is committed to promoting proper health awareness among employees. The Company occasionally invites its on-site occupational physician to conduct health education sessions and also provides both in-person and online training courses for employees.

The 2025 course schedule is as follows

No.	Training Date	Course Title	Lecturer	Remarks
1	2025/2/19	Chemical Splash Prevention	San Fu Chemical Occupational Health Nurse	In-person Course
2	2025/3/25	Disease Awareness	San Fu Chemical Occupational Health Nurse	In-person Course
3	2025/4/18	Ergonomics	Lecturer, Chang Jung Christian University	In-person Course
4	2025/6/25	Heat Hazard Prevention	San Fu Chemical Occupational Health Nurse	In-person Course
5	2025/11/26	Starting from the Heart: An Introduction to Mental Health	Dr. Kuo Wan-Yin, Chi Mei Medical Center	In-person Course
6	2025/1/24	Measles	San Fu Chemical Occupational Health Nurse	Online Course
7	2025/4/1	Plantar fasciitis	San Fu Chemical Occupational Health Nurse	Online Course
8	2025/8/19	Fatty Liver Disease (FLD)	San Fu Chemical Occupational Health Nurse	Online Course

Health Examinations



6.3

Labor-Management Communication

Compliance with Labor Laws and Regulations

We comply with applicable local labor laws and regulations. In the event of significant operational changes that may affect employees' employment rights or result in changes to employment terms and conditions, we fully comply with the "Labor Standards Act" and the "Act for Worker Protection of Mass Redundancy" by providing advance notice before terminating employment contracts.



Communication Channels

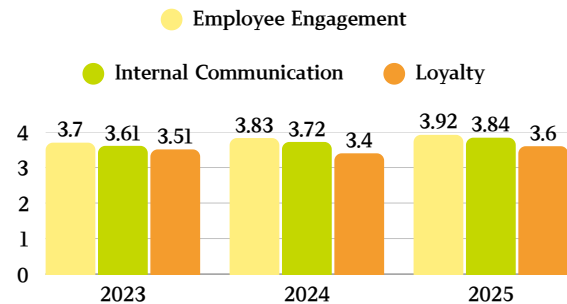
San Fu has established a labor-management communication platform through regular labor-management meetings. Each quarter, the Chairman leads senior management in meeting with employee representatives elected by the workforce to exchange views and discuss relevant issues. Special meetings may also be convened whenever necessary. Although the Company has not established a labor union, it conducts regular labor-management meetings in accordance with applicable labor laws and regulations to facilitate two-way communication and collective bargaining. Both parties discuss topics including the promotion of labor-management cooperation, coordination of labor-management relations, improvement of working conditions, and planning of employee welfare. The Company maintains open communication channels and responds to and addresses employees' concerns in a timely manner, with the goal of creating a workplace where every employee can work together and grow together.

Employee Satisfaction

San Fu believes that employee satisfaction stems from effective leadership and sound management systems. When employees are able to achieve self-fulfillment at San Fu, the Company can become a workplace where employees demonstrate a high level of work engagement and job satisfaction. The survey covers three key dimensions: employee engagement, internal communication, and employee loyalty, with the aim of providing a more accurate assessment of employee satisfaction.

2025 Employee Satisfaction Survey Results (Five-Point Scale)

Survey Dimension	2023	2024	2025
Employee Engagement	3.7	3.83	3.92
Internal Communication	3.61	3.72	3.84
Loyalty	3.51	3.4	3.6
Total Average	3.61	3.65	3.78



Based on the results of the employee satisfaction survey, all three dimensions showed improvement in 2025 compared with the previous year. Nevertheless, in keeping with San Fu's commitment to continuous improvement, the Company conducted in-depth investigations and interviews on relatively lower-rated items and developed corresponding action plans to further strengthen employees' sense of belonging to the Company. At San Fu, management places great importance on maintaining harmonious labor-management relations and fostering a positive working environment. Guided by the renowned psychologist Maslow's Hierarchy of Needs theory, the HR Department has designed a series of survey questions related to self-actualization needs, including "opportunities for employees to utilize their abilities" and "continuous learning of new skills." Through ongoing follow-up, the Company has also made this one of the key priorities of its human resources initiatives, continuously communicating with supervisors regarding employees' job satisfaction and sense of accomplishment, with the goal of creating a happy workplace.

6.4

Career Development

Performance Evaluation

To achieve sustainable business operations and fulfill its corporate social responsibility, San Fu introduced the "Balanced Scorecard" in 2017 as the framework for implementing the Company's strategic development objectives. It also serves as the basis for establishing job performance indicators and required competencies for employees in different functions according to their respective roles, with the aim of defining both quantitative performance objectives and qualitative competency behaviors. With respect to the annual performance evaluation system, San Fu occasionally reviews the integrity and fairness of the evaluation process, including the appropriateness of goal setting, the consistency of evaluation criteria, the alignment of vertical and horizontal objectives, the implementation of performance reviews and feedback mechanisms, the performance coaching system, and individual development plans. At the institutional level, the Company's overall operating performance and profitability are linked to individual performance. Based on the performance evaluation results, special bonuses are awarded semiannually to effectively recognize and motivate outstanding employees. In addition, the performance evaluation results serve as a reference for future training and career development and provide the basis for salary adjustments and promotions. In 2025, the percentage of employees who underwent performance evaluations accounted for 100% of all employees subject to performance evaluation.

Employee Training Hours

San Fu Chemical is committed to investing in employee training and development. In addition to equipping employees with the skills required for their professional growth, the Company cultivates the management talent needed to support its operational development while improving employee retention. By enabling employees and the Company to grow together and creating a win-win relationship between labor and management, San Fu Chemical lays a solid foundation for sustainable business operations, which it regards as one of its most important corporate social responsibilities. In 2025, the average training hours per employee reached 20.72 hours, representing an increase of 147% compared with 2024. We are committed to ensuring equal learning opportunities for all employees, without distinction based on gender. Based on gender, the average annual training hours were 20.70 hours for male employees and 20.81 hours for female employees. In the past, male employees generally recorded slightly higher training hours because on-site shift positions were predominantly held by men, who were also required to complete environmental, safety, and health certification training. However, this year, the average training hours for female employees slightly exceeded those for male employees. Total training hours increased by 4,056.58 hours for male employees and 693 hours for female employees compared with the previous year, demonstrating the effectiveness of the Company's efforts to promote diverse learning resources and its commitment to equal opportunities for talent development.

Average annual training hours per employee by gender and employee category

		Male	Female	Total
Management	Actual headcount during the reporting period	42	10	52
	Training hours during the reporting period (in-person training)	727	121	848
	Training hours during the reporting period (online training)	601.57	147.37	748.94
	Average training hours during the reporting period	31.63	26.84	30.71
Non-management	Actual headcount during the reporting period	276	57	333
	Training hours during the reporting period (in-person training)	2406.51	309.5	2716.01
	Training hours during the reporting period (online training)	2847.5	816.53	3664.03
	Average training hours during the reporting period	19.04	19.75	19.16
Total	Headcount	318	67	385
	Hours	6582.58	1394.4	7976.98
Total number of employees at the end of the reporting period	Headcount	318	67	385
Average training hours per employee	Hours	20.7	20.81	20.72

Competency Training Courses

San Fu Chemical plans a broader and more comprehensive range of training programs to provide employees with a wide selection of learning opportunities, including professional skills courses, to enhance their job competencies.

In 2018, the online learning system was launched to enhance the accessibility of training courses, enabling employees to continuously learn and grow, expand their potential, enrich their career development, and achieve self-actualization. Training programs are categorized into six areas: foundational training, functional professional skills, advanced job skills, general management competencies, and leadership development programs for senior executives.

This year marks San Fu Chemical's inaugural year of promoting AI applications. To strengthen the organization's digital capabilities and enhance employees' data literacy, the Human Resources team under the General Manager's Office planned a series of online and offline AI courses in 2025 and conducted three sessions of the in-person course, "AI and Data Analysis Practical Training - Power BI Application Course." A total of 62 employees participated in this training program, representing a wide range of departments and job functions, helping them build fundamental capabilities for data-driven decision-making. The course focused on fundamental AI concepts, data analysis methodologies, and practical Power BI applications. Through hands-on case studies and exercises, employees were guided to apply data analytics tools to daily operations management, report visualization, and decision support, thereby enhancing overall work efficiency and management quality. Through a systematic training program, San Fu Chemical continues to cultivate key talent for its internal digital transformation, strengthen organizational resilience, and demonstrate its long-term commitment to talent development and sustainable business operations.



Finally, in accordance with the "Occupational Safety and Health Act" and the "Occupational Safety and Health Education and Training Rules," San Fu Chemical regularly reviews the validity of employees' occupational safety, health, and environmental certifications and arranges refresher training courses for certifications approaching their expiration dates. Since 2020, to enhance the effectiveness of training assignments and reduce the travel burden on participating employees, following a review of internal resources, the "Occupational Safety and Health Training for Hazardous Operations Supervisors" and the "Refresher Training for First Aid Personnel" have been conducted by in-house employees serving as instructors. These courses are tailored to the Company's industry characteristics and operating environment, while the "Refresher Training for Forklift Operators" is conducted on-site by an externally accredited association. During 2025, three sessions of the "Occupational Safety and Health Training for Hazardous Operations Supervisors" were conducted, with a total of 64 participants; one session of the "Refresher Training for First Aid Personnel" was conducted, with a total of 14 participants; and two sessions of the "Refresher Training for Forklift Operators" were conducted, with a total of 49 participants.



Competency Category	Core Competency Items	Senior Management	Mid-level Management	Entry-level Personnel	Professional Personnel	General Staff	Recommended Courses
Leadership	Strategic Planning and Visionary Leadership	√					Efficient Decision-Making
General Management Competencies	Developing and Coaching Subordinates		√				The Four Essential Responsibilities of Leadership, OKR Management, and DEI Leadership for Diversity, Equity, and Inclusion
	Team Leadership and Collaboration		√				The Catfish Effect and The Seven Habits of Highly Effective People
Advanced Job Skills	Language Skills			√	√		English, Vietnamese, and Japanese Language Courses
Functional Professional Skills	Professional Skills Training				√		SEAL Seminar and Practical Operations Course Lv.2, Total Productive Maintenance (TPM), and Improving Quality Performance Using the Seven QC Tools
	ISO System Training				√	√	ISO 9001 Internal Auditor, ISO 14001 Internal Auditor, ISO 45001 Internal Auditor, and Interpretation of ISO 50001 Energy Management System Requirements
	EHS Certification Training				√	√	Training for the Manufacture, Handling, or Use of Hazardous Chemicals, Occupational Safety Certifications for Hazardous Operations Supervisors, Forklift Operators, First Aid Personnel, and Other Occupational Safety Training Programs
Fundamental Training	Core Values / Organizational Culture	√	√	√	√	√	Ethical Corporate Management, The Communication Funnel, Telephone Etiquette, RBA Overview, Prevention of Workplace Sexual Harassment and Illegal Infringement, and Essential Financial Statement Reading and Analysis Skills for Non-Financial Managers
	New Employee Training	√	√	√	√	√	Company Introduction & Work Rules, General Occupational Safety and Health Training, Environmental Awareness Promotion and Introduction to the Environmental Management System, ISO 9001 Quality Management System, SA8000 Social Accountability, Training for the Manufacture, Handling, or Use of Hazardous Chemicals (New Employees), Overview of the ISO 50001 Energy Management System, and Prevention of Workplace Sexual Harassment and Illegal Infringement

E-Learning System

In the past, learning was primarily conducted through in-person training. However, with the rapid advancement of digital technology, the HR Department introduced a digital learning platform at the end of 2018 to keep pace with the times, enabling employees to acquire new knowledge online without being constrained by time or location. By integrating career development learning maps, knowledge management, certification management, e-learning course materials, and mobile learning into a single platform, employees are empowered to continuously enhance their capabilities and strengthen the Company's competitiveness, thereby supporting the achievement of its strategic business objectives and reinforcing its commitment to sustainable business operations.

The performance of the digital learning platform during 2025 is as follows:

- 1 Online New Employee Training: A total of 23 sessions were conducted, saving 184 hours of in-person instruction by internal trainers.
- 2 Conversion of In-Person Courses to Online Courses: A total of 27 courses were converted, including Defensive Driving Training, ISO 45001 Hazard Identification and Risk Assessment Training, the Seven QC Tools, Good Hygiene Practice (GHP), Procedures for Ethical Management and Guidelines for Conduct, Statistical Process Control (SPC), Failure Mode and Effects Analysis (FMEA), Occupational Safety and Health Training for Existing Employees, Hazardous Chemicals and Fire Safety Awareness Training, 8D Problem Analysis and Resolution, Internal Auditor Training, Training for the Manufacture, Handling, or Use of Hazardous Chemicals (New Employees), RBA Overview, Overview of the ISO 50001 Energy Management System, and Prevention of Workplace Sexual Harassment and Illegal Infringement.
- 3 Health Promotion Learning Materials: FLD, Plantar Fasciitis, Measles, and Understanding How to Prevent Noise Hazards

2025 Online Course on Ethical Corporate Management (including course introduction)

- A total of 8 Board members participated in the training, achieving a 100% completion rate.
- A total of 341 employees participated in the training, achieving a 93.42% completion rate.

Region / Gender	Female	Male	Total	Training Completion Rate
Taipei	13	22	35	89.74%
Zhubei	9	19	28	93.33%
Shanhua	40	138	178	96.22%
Liouke	8	60	68	93.15%
Kaohsiung	0	11	11	64.71%
Southern Taiwan Science Park	2	19	21	100.00%
Total	72	269	341	93.42%

Learning-Oriented Organizational Culture

Employees are regarded as one of the Company's most valuable assets. In addition to offering a diverse range of in-person and online courses to enhance employees' job competencies, the Company also values their individual learning needs. Accordingly, in 2025, it continued its partnership with the Hahow learning platform by implementing the "Hahow for Business" corporate program. The program offers a wide variety of courses covering business management, digital marketing, data analysis, workplace skills, programming languages, visual design, business foreign languages, and lifestyle topics. During the program period, each participant may freely select courses of interest without restrictions of time or location. This initiative aims to expand employees' potential, promote self-fulfillment, foster a learning-oriented organizational culture, and further strengthen the Company's internal learning environment.

The Hahow program was implemented over a period of nine months, during which a total of 280 courses were completed, with a cumulative training duration of 403 hours, an average of 9.6 learning hours per participant, and an overall satisfaction rating of 4.7. To strengthen the leadership team's strategic thinking and forward-looking perspective, the Company partnered with CommonWealth Learning in 2025 to introduce the "CommonWealth Learning Platform," systematically planning learning resources for senior executives. The course content focused on core topics including AI applications, digital transformation strategies, innovative business models, organizational change management, and sustainable business operations, helping the management team stay abreast of global industry trends and technological advancements. Through a continuous learning framework, the Company strengthens the leadership team's strategic insight and innovative management capabilities, laying a solid foundation for its mid- and long-term competitive advantages while enhancing organizational resilience in the face of future uncertainties.

The CommonWealth Leadercampus program was implemented over a period of eight months, during which a total of 115 learning modules were completed, with a cumulative training duration of 26.03 hours.



Industry-Academia Collaboration and Talent Cultivation: Knowledge Sharing from Campus to the Workplace

In 2025, the Company continued to promote industry-academia collaboration and talent development initiatives. During the year, researchers who graduated from National Taiwan University were invited to return to their alma mater to deliver lectures, sharing their workplace experience and practical applications after graduation to help students gain a better understanding of current industry developments and career planning.

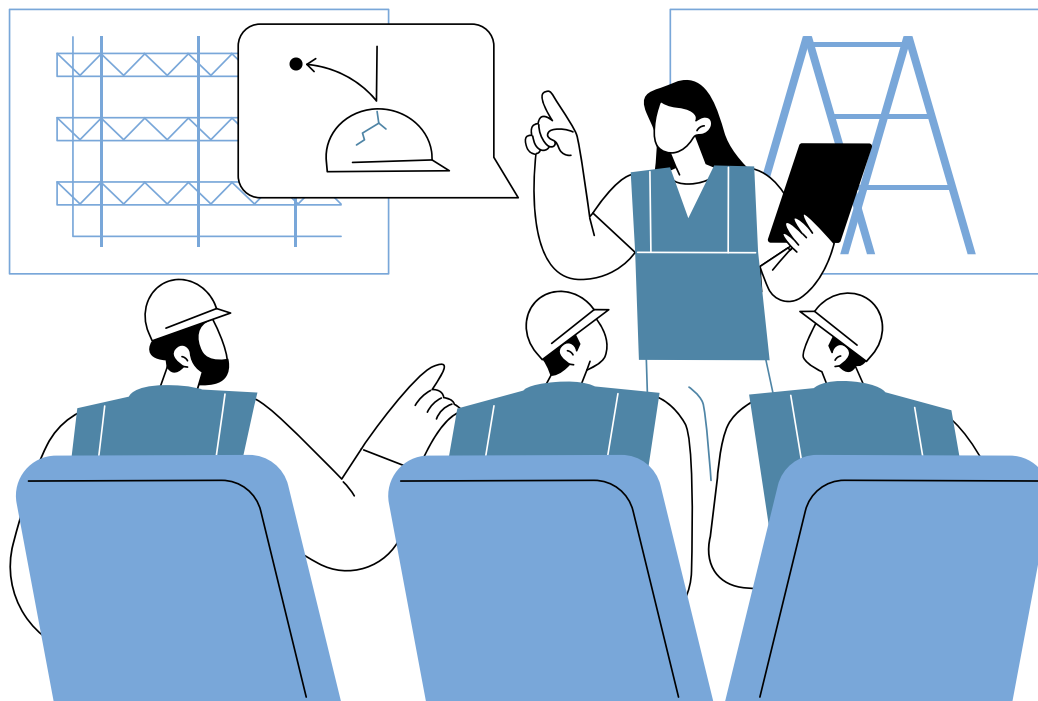
In addition, students from National Taiwan University and National University of Tainan participated in company visits. Through firsthand introductions to the Company's working environment, team operations, and areas of professional expertise, the visits enhanced students' understanding of the industry and strengthened the integration of academic learning with practical application.

In addition, the Company actively participated in the "Pursuit Dreams in Southern Taiwan Science Park, Northern Youth Heading South" recruitment event. In collaboration with the Industry-Academia Consortium for Southern Taiwan Science Park, it organized talent recruitment activities and dispatched employees to conduct on-site recruitment at National Taipei University of Technology, fostering stronger connections between the Company and academia while attracting outstanding talent to join the team.

Through these initiatives, the Company puts its philosophy of "knowledge sharing and talent development" into practice, continues to promote industry-academia collaboration, strengthens its social impact, and builds a sustainable pipeline of talent to support its long-term sustainable development.



07 Occupational Safety and Health Management



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Chapter Highlights

- Achievement rate for obtaining statutory certifications 100%
- Inspection compliance rate for hazardous machinery and equipment 100%

7.1

Occupational Safety and Health Management

Management Approach

We continue to implement Health and Safety (HS) management standards by establishing a dedicated team and management system and developing rigorous policies, procedures, and management standards to promote internal occupational safety and health management. We also actively collaborate with the Southern Occupational Safety and Health Center, the Fire Department, the Labor Affairs Bureau, and the Shanhua District Public Health Center to create a safe, healthy, and hygienic working environment.

Our safety policy is as follows:

Compliance with Occupational Safety and Health Regulations	To ensure that the Company's products, activities, and services, both internal and external, comply with applicable regulatory requirements, an occupational Safety and Health (SH) management system has been established in accordance with corporate responsibility principles. Relevant legal compliance is regularly reviewed to ensure continued conformity with applicable requirements.
Continuous Injury Prevention and Health Management	Through the management of environmental, occupational safety and health nonconformities, corrective and preventive actions, accident prevention techniques, and improvement proposals, as well as the implementation of graded management based on employees' health examination results, workplace hazards are effectively controlled through regular environmental monitoring. These measures help prevent work-related injuries, unlawful infringement, ill health, diseases, and accidents, thereby safeguarding the safety, health, and well-being of local communities, all employees, suppliers, contractors, and visitors, with the ultimate goal of achieving "zero disasters," "zero accidents," and "zero tolerance" for unlawful infringement.
Full Employee Participation and Continuous Improvement	Through the implementation of performance evaluations for managers and the ESH Bonus Program for employees, the Company fosters a corporate culture of environmental, safety, and health management. ESH education and training are provided to employees, workers, and contractors, while the necessary time and resources are made available and employees and their representatives are consulted to facilitate their participation in the implementation of the occupational safety and health management system.
Hazard Identification and Risk Assessment	In accordance with applicable regulations and the requirements of the management system, annual risk identification is conducted in accordance with the "Hazard Identification and Risk Assessment Control Procedure" for all work activities performed by employees, workers, contractors, and visitors within each plant, as well as for the operation of machinery and equipment and the use of chemicals. Quantified risk scores are determined based on the potential severity and frequency of accidents associated with various work activities, machinery and equipment operations, or chemical use. Existing control measures are reviewed, and improvement actions are prioritized to reduce risks.
Establishing a Corporate OSH Culture and Strengthening OSH Education and Communication	Through the implementation of performance evaluations for managers and the ESH Bonus Program for employees, the Company fosters a corporate culture of environmental, safety, and health management. ESH education and training are provided to employees, workers, and contractors, while the necessary time and resources are made available and employees and their representatives are consulted to facilitate their participation in the implementation of the occupational safety and health management system.

Establishment of the OSH Management Committee

In accordance with Article 23 of the "Occupational Safety and Health Act," we have established the OSH Division as the Company's formal occupational safety and health management organization. Reporting directly to the General Manager's Office as a dedicated first-level unit, it is responsible for assisting in the oversight of occupational safety and health planning and providing recommendations, as well as reviewing occupational safety and health-related matters. In addition, an "OSH Committee" has been established, chaired by the General Manager and comprising department heads, occupational safety and health personnel, and employee representatives. The Chairman personally convenes and presides over quarterly meetings to review and improve matters related to the environment, safety, occupational health, fire protection, and food safety.

Comprehensive Occupational Safety and Health Management System Certification

By obtaining third-party occupational safety and health certifications, we implement health and safety management practices in alignment with national and international standards. We have obtained the following third-party certifications for our occupational safety and health management system: ISO 45001:2018 and CNS 45001.

Third-Party Certification Summary for HS Management Standards

	ISO 45001 : 2018	CNS 45001
Shanhua Plant	✓	✓
Kaohsiung Plant	✓	
Liouke Plant	✓	
International Nitto	✓	

Hazard Identification and Risk Assessment

In accordance with applicable regulations and the requirements of the management system, the Company conducts annual risk identification in accordance with the "Hazard Identification and Risk Assessment Control Procedure" for all work activities performed by employees, workers, contractors, and visitors within each plant, as well as for the operation of machinery and equipment and the use of chemicals. Quantified risk scores are determined based on the potential severity and frequency of accidents associated with various work activities, machinery and equipment operations, or chemical use. Risk scores ranging from 120 to 159.9 are classified as "High Risk." In such cases, existing control measures must be reviewed, and improvement actions are prioritized to reduce the level of risk. Risk scores exceeding 160 are classified as "Unacceptable Risk." In such cases, operations must be suspended immediately, and the adequacy of existing control measures must be reviewed, improvement actions implemented, or emergency response capabilities strengthened. According to the 2025 hazard identification and risk assessment results, a total of five cases were classified as high risk or above (risk score exceeding 120), including four cases at the Shanhua Plant, zero cases at the Liouke Plant, zero cases at the Kaohsiung Plant, and one case at International Nitto. These cases were incorporated into the 2025 management program for implementation and follow-up inspections, and all improvement actions were completed within the year, achieving a 100% completion rate.

Achieving Zero Safety Incidents as Our Goal

Based on the Company's philosophy and policies, the Occupational Safety Division establishes management objectives, formulates implementation plans, and tracks and audits management performance in accordance with those plans. With the goal of achieving "zero safety incidents," the Company places great importance on the safety and health of every employee and enhances employees' risk awareness and safety knowledge through the implementation of risk assessments, hazard identification, occupational safety and health education and awareness programs, and pre-job meetings.

To achieve the goal of zero incidents and comply with applicable regulations, the Company has established the "Occupational Safety and Health Work Rules," which have been submitted to the competent occupational safety and health authority for recordation. In addition, workers' statutory right to remove themselves from unsafe work situations is set out in Chapter 8, Incident Notification and Reporting, of the "Occupational Safety and Health Work Rules." The Rules expressly stipulate that workers who exercise their right to refuse unsafe work shall not be subject to adverse treatment, including termination of employment, demotion, loss of allowances, or any other unfavorable action.

FR, SR, and FSI are compiled and analyzed on a monthly basis, with the results reported at each quarterly OSH Committee meeting and announced to all employees. The historical FSI performance statistics are shown in the figure below. In 2025, no employees sustained disabling injuries, with an FSI of 0, and no contractors sustained disabling injuries, with an FSI of 0. Looking ahead to 2025, all employees will continue their efforts to maintain the goal of zero incidents.



FSI Statistics for Occupational Injuries

Pos./Year	Employees			Non-employees (Contractors)		
	2023	2024	2025	2023	2024	2025
Hours worked (Hr)	741,163	771,123	781,121	66,530	91,297	71,313
Number of disabling injury cases	1	0	0	0	0	0
Disabling Frequency Rate (F.R.)	1.35	0	0	0	0	0
Number of lost workdays due to disabling injuries	28	0	0	0	0	0
Disabling Severity Rate (S.R.)	37.78	0	0	0	0	0
Frequency-Severity Indicator (FSI)	0.23	0	0	0	0	0

Note:

1. Disabling Frequency Rate (F.R.): The number of disabling injuries occurring per one million hours worked.
Formula: $\text{Number of disabling injuries} \times 1,000,000 \text{ hours worked} / \text{total hours worked}$
2. Disabling Severity Rate (S.R.): The number of workdays lost due to disabling injuries per one million hours worked.
Formula: $\text{Number of lost workdays due to disabling injuries} \times 1,000,000 \text{ hours worked} / \text{total hours worked}$
3. Frequency-Severity Indicator (FSI)

$$\text{Formula: } \sqrt{\frac{FR \times SR}{1000}}$$

Occupational Injury Statistics for 2025 are shown in the figure below

Pos./Year	Employees			Non-employees (Contractors)		
	2023	2024	2025	2023	2024	2025
Hours worked (Hr)	741,163	771,123	781,121	66,530	91,297	71,313
Number of fatal occupational injuries	0	0	0	0	0	0
Fatal occupational injury rate	0	0	0	0	0	0
Number of severe occupational injuries	0	0	0	0	0	0
Rate of severe occupational injuries	0	0	0	0	0	0
Number of recordable occupational injuries	1	0	0	0	0	0
Recordable occupational injury rate	1.35	0	0	0	0	0
Lost Day Rate (LDR)	7.5	0	0	0	0	0
Total number of days of absence (Days)	28	0	0	0	0	0
Absenteeism Rate (AR%)	0.05	0	0	0	0	0
Main Types of Occupational Injuries	Falls	None	None	None	None	None

Note 1: Except for the Lost Day Rate (LDR), all rates in the table above are calculated based on 1,000,000 working hours and include all workers.

Note 2: Severe occupational injuries refer to disabling injuries from which the injured person has not recovered within six months.

Note 3: Lost Day Rate (LDR, truncated to the second decimal place) = (total lost workdays due to disabling injuries / total hours worked) × 200,000.

Note 4: Absenteeism Rate (AR, truncated to the second decimal place) (including personal leave, sick leave, and unexcused absences) = (total number of days of absence / total employee workdays) × 100%.



Traffic Safety Management

We aim to strengthen traffic safety management and further expand safety management for tank truck transportation and employee traffic safety, establishing a safety management system centered on product safety and employee well-being. The primary objective is to continuously improve employee traffic safety performance across the San Fu Group by inviting employees' family members to participate in traffic safety activities, thereby promoting traffic safety and generating a positive impact on society while reducing the incidence of transportation accidents.

The Vehicle Accident Frequency Rate (VAFR) is calculated primarily based on long-term contracted contractors and the Company's own drivers.

$$\text{VAFR} = \frac{\text{number of accidents}}{\text{total number of driven km}} \times K$$

(K = constant = 1,000,000)

Employee Traffic Accident Frequency Rate (ETAFR)

Statistics are compiled on traffic accidents involving employees that occur within the Company's premises, on public roads, or at customer sites and result in property damage or personal injury.

$$\text{ETAFR} = \frac{\text{Number of employee traffic accidents}}{\text{Total employee hours (hr)}} \times K$$

(K = constant = 1,000,000)

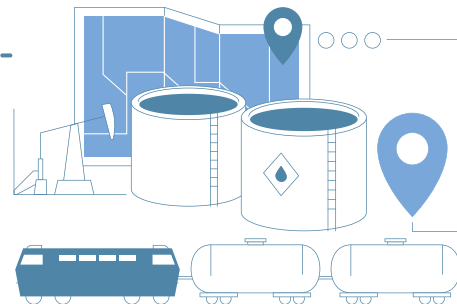
Traffic Safety Performance Statistics

Number of traffic accidents	1	VAFR=0.64
Total Mileage (km)	1,571,112	
Number of employee traffic accidents	5	ETAFR=6.4
Total employee working hours (hr)	781,121	

The Company has established a comprehensive environmental, safety, and health management system and provides annual defensive driving training for employees. In addition, the "Transportation Safety Management Standard" has been established specifically for in-house drivers and long-term contracted contractors. Annual training is conducted on driving safety and transportation accident case studies to cultivate proper safety awareness among drivers and reduce the likelihood of accidents.



Since 2019, defensive driving and forklift operation safety awareness courses have been made available on the Company's online learning platform, providing employees with greater flexibility in completing their training.



Statistics on Major Occupational Safety and Health Penalty Cases and Improvement Measures

In 2025, the Southern Occupational Safety and Health Center of the Occupational Safety and Health Administration, Ministry of Labor, conducted four labor inspections at the Company's facilities, with no deficiencies identified. The Southern Taiwan Science Park Bureau of the National Science and Technology Council also conducted one on-site inspection, with no deficiencies identified.

Safety and Health Education and Training

The Company has established a comprehensive environmental, safety, and health management system and, in accordance with regulatory requirements and operational needs, conducts various statutory certification training courses to ensure the safety of production operations and all other work activities. For statistics on education and training, please refer to the "Occupational Safety Education and Training Statistics" and the "Performance Statistics on Employees Obtaining Statutory Certifications."

2025 Occupational Safety Education and Training Statistics

Courses	Target Audience	Course Type	Training Hours	Training Participation Rate
Job Safety Training	Contractors	In-person Course	3	100%
Defensive Driving	All employees at the plant	Online Course	1	100%
Hazardous Chemical Fire Safety Awareness and Fire Extinguisher Practical Training	All employees at the plant	Online Course	3	97%
Respiratory Protection Program Training	Employees using respiratory protective equipment	Online Course	3	99%
Emergency Response Commander Training	Concerned persons	In-person Course	8	100%



2025 Summary of Employees Obtaining Statutory Certifications

Certification	Number of Employees Certified (San Fu Chemical)	Number of Employees Certified (International Nitto)	Compliance with Regulatory Requirements
OSH Supervisor	24	6	100% compliance
OSH Management Personnel	5	1	
OSH Supervisor for the Construction Industry	3	2	
Operators of fixed cranes with a capacity of three metric tons or more	58	5	
Specific chemical substances operations supervisors	119	27	
Forklift operators for forklifts with a rated capacity of one metric ton or more	149	22	
Hazardous and Harmful Materials Labeling and Hazard Communication Rules	150	0	
Safety valve inspection and pressure and leak tightness testing	20	3	
Operators of specified high-pressure gas equipment	25	1	
On-site OSH Supervisory Personnel	9	0	
First-class pressure vessel operators	13	1	
First aid personnel	61	19	
Dust operations supervisors	15	1	
Oxygen-deficient operations supervisors	48	7	
Organic solvent operations supervisors	100	2	
Boiler operators	17	2	
Process safety assessment personnel	5	1	
Road hazardous materials transportation personnel	13	0	
Security supervisors	6	0	
Security inspectors	7	1	
Fire prevention personnel	10	7	
Occupational health nurse	1	0	

100% inspection compliance rate for hazardous machinery and equipment

The installation status and quantity of hazardous machinery and equipment in each department are shown in the table below. During the reporting period, all required annual periodic inspections were completed with satisfactory results, and each department conducted inspections in accordance with its annually revised "Self-Inspection Program."

Statistics on Qualified Inspections of Hazardous Machinery and Equipment

Controlled Items	Name	Shanhua Plant	Liouke Plant	Kaohsiung Plant	International Nitto	Quantity
Hazardous Equipment	First-Class Pressure Vessels	8	0	12	0	20
Hazardous Equipment	Specified High-Pressure Gas Equipment	1	12	9	1	1
Hazardous Equipment	High-Pressure Gas Containers	3	4	0	0	7
Hazardous Equipment	Boilers	2	0	0	0	2
Hazardous Machinery	None	0	0	0	0	0

Total number of qualified inspections

30

On-site Safety and Health Inspections

We have established the "Responsibilities and Authority Control Procedure for Personnel at All Levels of Environmental, Safety, and Health Management," which requires managers at all levels, employees at each plant, and designated safety and health personnel to conduct on-site safety and health inspections within their respective areas of responsibility. Whenever any noncompliance with safety and health requirements is identified, it shall be reported in accordance with the "Environmental, Safety, and Health Nonconformity Handling, Corrective and Preventive Action Procedure," followed by corrective actions, tracking, and documentation.

Follow-up and Audit

In accordance with the requirements of the Safety and Health Management System, the Company has established the "Internal Audit Management Procedure." Internal audits are conducted annually to evaluate compliance with internal safety and health regulations, procedures, and standards. Led by the Occupational Safety Division, qualified internal auditors who have completed internal auditor training are assigned to conduct cross-functional audits of each department based on the annual audit plan. In 2025, a total of 13 nonconformities were identified, including 4 at the Shanhua Plant, 3 at the Liouke Plant, 0 at the Kaohsiung Plant, and 6 at International Nitto. All nonconformities were corrected within the reporting year.

Assisting Business Partners in Improving Their Occupational Safety and Health Conditions

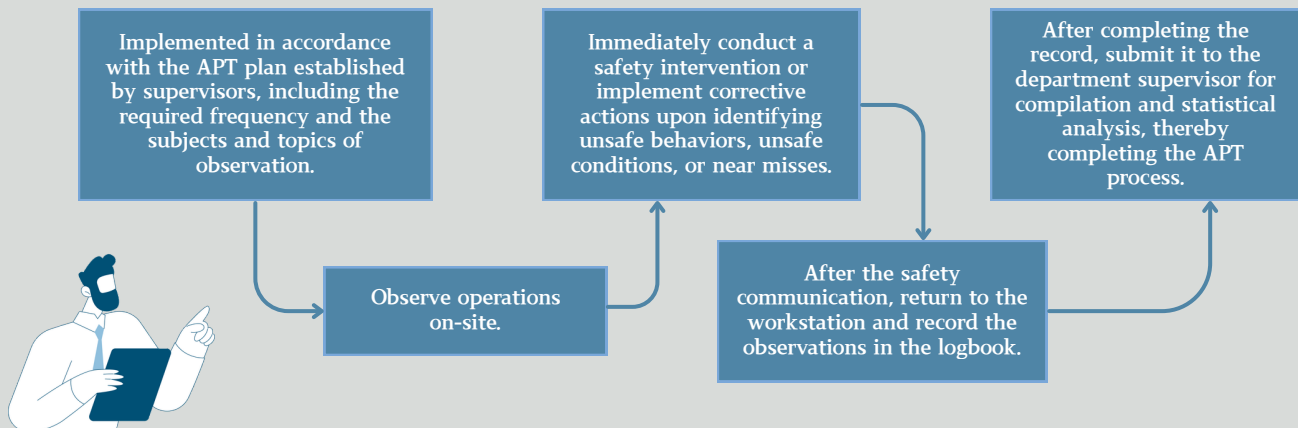
Before contractors begin work on-site, they are required, in accordance with the "Contractor Management Procedures," to complete at least three hours of training on on-site construction safety and health requirements and applicable regulatory requirements. In addition, we convene pre-construction safety meetings and coordination meetings as required by law, establish the necessary occupational safety and health management organization and dedicated personnel at the worksite, and conduct daily hazard communication and toolbox meetings before work begins. Together with the supervisor responsible for the work area, we implement the "Safe Work Permit Procedures" to ensure that safety measures, as well as self-inspections and controls of machinery and equipment, are properly carried out before, during, and after operations. These measures are intended to enhance contractors' and workers' awareness of occupational safety and health related to construction activities. Supervisors of each work area and occupational safety and health personnel conduct scheduled and unscheduled inspections of construction sites. Any nonconformities identified are reported in accordance with the "Environmental, Safety, and Health Nonconformity Handling, Corrective and Preventive Action Procedure," followed by corrective action, tracking, and documentation. If the deficiencies remain uncorrected, fines may be imposed or work may be suspended in accordance with the "Standards for Penalties for Contractors Violating Safety, Health, and Environmental Protection Requirements," and work may not resume until the required corrective actions have been completed.

Safety and Health Information Sharing

At meetings and through bulletin boards, we occasionally disseminate information and share case studies on major occupational safety incidents to enhance environmental, safety, and health awareness across all plants. By learning from the experiences of others, we encourage continuous vigilance and strengthen our safety culture.

Bottom-Up Management: Encouraging Employees to Make Suggestions

The "Accident Prevention Techniques," shown in the figure below, have been established to encourage employees to submit at least one report each month on occupational hazards or hazardous conditions. Employees will not be subject to any improper disciplinary action for submitting reports or notifications. In 2025, a total of 2,720 reports were submitted across the Company.



6S Competition: Cumulative prize awards exceeding NT\$1 million

The "6S Organization and Orderliness Activity Evaluation Management Procedures" and the "6S Organization and Orderliness Implementation Standard" have been established. A 6S work report is presented and outstanding achievements are recognized at each quarterly Occupational Safety and Health Committee meeting. All plants implement the 6S evaluation competition, which has been carried out for 19 years since its launch. To date, departments demonstrating outstanding performance have received cumulative incentive awards totaling more than NT\$1 million.



7.2

Chemical Emergency Response Drill for Hazardous Material Incidents

Two sessions are conducted annually to strengthen emergency response capabilities.

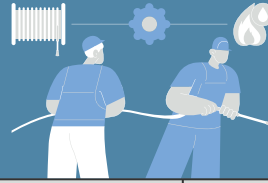
Chemical substances may pose chemical hazards during production, manufacturing, storage, and transportation processes. Therefore, we place great importance on fostering occupational safety awareness through routine training. Two chemical emergency response drills are conducted annually at our plants to ensure the safety of on-site personnel, external workers, and nearby communities, with the ultimate goal of safeguarding lives and property. We occasionally engage the Toxic Chemical Disaster Response Team of National Kaohsiung University of Science and Technology and local fire departments to provide on-site emergency response training and review areas for improvement, which serve as key focus areas for subsequent drills. We also implement tank truck transportation safety management and have established the "Emergency Response and Handling Procedures."

All responsibilities, notification requirements, and response procedures are carried out in accordance with these procedures to minimize personnel injuries and property losses in the event of an incident. All plants conduct one fire emergency response drill every six months in accordance with applicable requirements and carry out the drills under the supervision and guidance of the local fire department to prevent incidents before they occur.

2025 Photos of Chemical Emergency Response Drill for Hazardous Material Incidents



Chemical Emergency Response Drill for Hazardous Material Incidents



By Plant	No.	Drill Date	On-site and off-site		Emergency Response Drill Scenario	Drill Scenarios and Content
			On-site	Off-site		
Shanhua Plant	1	2025/4/24	•		Shanhua Plant - First Half of 2025: "Self-defense Firefighting Organization Emergency Response Drill"	While a QC employee was filling acetone in the precision laboratory, an earthquake occurred unexpectedly, causing the employee to panic and knock over the acetone. The spilled acetone accidentally splashed onto a hot plate, resulting in an electrical short circuit and fire.
	2	2025/10/23	•		Shanhua Plant - Second Half of 2025: "Self-defense Firefighting Organization Emergency Response Drill"	An earthquake caused TMAH to leak hydrochloric acid into the exhaust gas scrubber, triggering an abnormal alarm in the monitoring system and resulting in the failure of the scrubber's treatment performance.
	3	2025/11/25	•		Fire Extinguisher Practical Training	Fire Extinguisher Practical Training
	4	2025/11/5		•	National Kaohsiung University of Science and Technology - Southern Toxic Chemical Disaster Response Consultation Center - Emergency Response Precautions	Emergency Response Precautions
Liouke Plant	1	2025/9/16	•		Liouke Plant - 2025 "Emergency Response Drill"	Simulation of an incident involving accident reporting → on-site and off-site emergency notification drills Disaster area isolation → environmental monitoring and hazard zone delineation drills Emergency response team rescue operations → leak source containment drills and post-incident decontamination
Kaohsiung Plant	1	2025/5/13	•		Kaohsiung Plant - First Half of 2025: "Self-defense Firefighting Organization Emergency Response Drill"	Fire Extinguisher Practical and Evacuation Training
	2	2025/12/19	•		Toxic Chemical Leak	Aniline Drum Leak Incident
International Nitto	1	2025/4/29	•		International Nitto - First Half of 2025: "Self-defense Firefighting Organization Emergency Response Drill"	1. Emergency response training for an electrical fire in the electrolysis plant and emergency earthquake evacuation drill. 2. Fire extinguisher practical training.
	2	2025/10/29	•		International Nitto - Second Half of 2025: "Self-defense Firefighting Organization Emergency Response Drill"	Emergency response training for a hydrochloric acid transfer pump flange leak at the Refining Plant and an emergency earthquake evacuation drill.

7.3

Occupational Care Management



General and Special Occupational Health Examinations

In accordance with Article 20 of the "Occupational Safety and Health Act" and the Regulations for Labor Health Protection, San Fu Chemical has established policies governing employee health examinations and provides comprehensive health examinations to ensure that every employee is able to understand and monitor their health condition. General health examination items include blood pressure, blood glucose, total cholesterol, liver function, kidney function, chest X-rays, and other adult health screening items to facilitate the early detection of potential health issues.

In addition, employees whose job duties involve potential health hazards, including exposure to noise, lead, benzene, arsenic, manganese, cadmium, nickel, mercury, and their compounds, undergo annual special occupational health examinations as required by law. In 2025, a total of 17 employees received these examinations, of whom 15 were classified as Category I or II under the health management classification system. Individual health guidance and health education were provided, and ongoing follow-up health management was conducted in accordance with the health examination classification system. In addition, two employees engaged in arsenic-related operations were classified as Level 3. Following health consultations and workplace risk assessments conducted by the on-site occupational medicine physician, it was determined that neither employee required job reassignment. However, it was recommended that employees working in arsenic-related operation areas wear appropriate personal protective equipment when entering the worksite.

Through comprehensive general and special occupational health examinations, together with a health risk classification management system, high-risk groups can be identified at an early stage. By implementing both engineering controls at the source and ongoing health care measures, we continue to foster a healthier and more comfortable working environment. For employees experiencing physical discomfort suspected to be work-related, we continue to develop and implement occupational health care mechanisms to safeguard their health. Accordingly, no cases of occupational disease were reported. With respect to contractor health protection, as the on-site security personnel are all middle-aged or older workers, we apply the same duty of care by including them in the annual health examinations provided to our employees and proactively implementing overwork prevention measures, including monitoring and promoting their physical health. In addition to security personnel, we will also implement a health care program for contractor employees working at our facilities and provide timely assistance whenever necessary.

2025 Health Examination Statistics (unit: persons)

Health Examinations Category	Total number of participants	Level 1 Management	Level 2 Management	Level 3 Management	Level 4 Management
General Health Examinations	283	-	-	-	-
Special Occupational Health Examination: Noise Exposure	5	0	5	0	0
Special Occupational Health Examination: Indium Exposure	12	10	2	0	0
Special Occupational Health Examination: Lead Exposure	14	14	0	0	0
Special Occupational Health Examination: Arsenic Exposure	12	7	3	2	0
Special Occupational Health Examination: Manganese Exposure	12	10	2	0	0
Special Occupational Health Examination: Chromic Acid Exposure	2	2	0	0	0
Special Occupational Health Examination: Cadmium Exposure	12	12	0	0	0
Special Occupational Health Examination: Nickel Exposure	12	8	4	0	0
Special Occupational Health Examination: Mercury Exposure	3	2	1	0	0
Special Occupational Health Examination: Dimethylformamide (DMF) Exposure	1	1	0	0	0
Special Occupational Health Examination: Trichloroethylene Exposure	1	1	0	0	0
Special Occupational Health Examination: Benzene Exposure	1	0	1	0	0
Special Occupational Health Examination: Beryllium Exposure	12	10	2	0	0

Four Major Programs

In response to the four major programs promoted by the Occupational Safety and Health Administration, namely ergonomic hazards, maternal health protection, abnormal workload, and workplace unlawful infringement, the Company has implemented the following measures:

Ergonomic Hazards



Under the Company's ergonomic hazards program, ergonomic health assessment questionnaires are administered based on different types of work to assess the risk levels of employees' occupational exposure. The results identified five employees with suspected ergonomic hazards. Following health consultations conducted by the occupational health nurse and the plant physician, it was determined that none of the suspected cases were related to work. Relevant health guidance was also provided. In addition, employees' working postures are reviewed regularly, and their musculoskeletal condition is proactively monitored to effectively reduce the risk of ergonomic hazards resulting from prolonged repetitive work or improper working postures.

Maternity Health Protection



Upon being informed that an employee is pregnant, the employee and her supervisor are required to complete the "Maternal Health Risk Assessment Form for Female Employees." In 2025, two pregnant employees received maternal health protection services. Occupational health professionals conducted interviews and assessed whether the workplace contained any substances that could pose risks to maternal health. Health protection measures, including pregnancy health guidance, hazard communication, and work adjustments where necessary, were provided to safeguard the physical and mental well-being of pregnant, postpartum, and breastfeeding employees, thereby fulfilling the objectives of maternal health protection. Information on maternity subsidies and related benefits was also provided.

Abnormal Workload



The "Overload Assessment Questionnaire" is completed annually. Based on the risk levels identified through individual risk factor screening, employees classified as having medium or high risk receive interviews and health guidance from an occupational medicine specialist. Employees classified as low risk are provided with relevant health information by occupational health nurses, and their supervisors are notified to provide appropriate assistance.

Workplace Unlawful Infringement



Training on the prevention of workplace unlawful infringement is incorporated into orientation programs for new employees and ongoing training for current employees. Each year, all employees participate in the "Hazard Identification and Risk Assessment for the Prevention of Workplace Unlawful Infringement." Senior management has signed the "Written Declaration on the Prevention of Workplace Unlawful Infringement." Through the provision of a safe working environment and appropriate workforce allocation, together with the establishment by the HR Department of the "Workplace Unlawful Infringement Complaint Investigation Team" to investigate reported cases, the Company implements its Workplace Unlawful Infringement Prevention Program to reduce the likelihood of unlawful infringement occurring both within and outside the workplace.

08 Social Welfare Actions



8.1 Supporting Public Welfare Through Actions

87

Chapter Highlights

- | | |
|---|---------------|
| • 110 Hours of community service, adoption of 0.5 km of roadway | 110 Hours |
| • NT\$300,000 donated to the baseball teams of Shanhua Junior High School and Shanhua Elementary School | NT\$300,000 |
| • Cumulative scholarships and grants of NT\$5 million for underprivileged students | NT\$5 million |
| • NT\$230,000 for the promotion of chemistry education activities | NT\$230,000 |
| • NT\$200,000 in sponsorships for local communities and neighborhoods | NT\$200,000 |
| • One plant blood donation campaign | One |

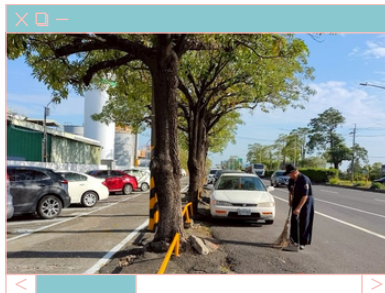
8.1

Supporting Public Welfare Through Actions

Public welfare initiatives are intended to promote positive social change and contribute to community development. Through our operating locations, we give back to local communities and neighborhoods by leveraging our resources to fulfill our corporate social responsibility. To cultivate talent for the chemical and chemical engineering industries, we provide scholarships and grants to students in relevant academic departments at universities in Taiwan, encouraging the development of outstanding professionals while giving back to society. We hope to extend warmth to others and make public welfare a shared commitment rather than an individual endeavor.

Road Adoption and Street Cleaning to Maintain Better Air Quality Together

To maintain the roads surrounding our plants and at plant entrances and exits, we have adopted a total of 0.5 kilometers of roadway. In 2025, we contributed 110 hours of community service.

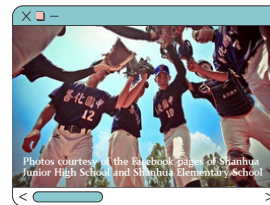
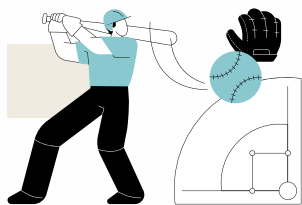


Cultivating Talent Without Spare Effort

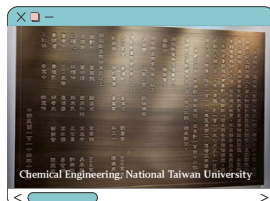
Sponsored graduation gifts for students at Xiaoxin Elementary School in Xiaoxin Village, Shanhua District, Liantan Elementary School, Shanhua Elementary School, and Jiaba Elementary School in Jiaba District. We encourage students to embrace new challenges, reach new heights, and pursue new aspirations in the next stage of their lives, inspiring them to achieve even greater success.



Donated NT\$150,000 to the baseball teams of Shanhua Junior High School and Shanhua Elementary School to encourage students to learn and grow in the fields they are passionate about.



To encourage underprivileged students to pursue their studies, scholarships and grants have been established since 2015 for students in the Departments of Chemical Engineering at National Taiwan University, National Cheng Kung University, and Tunghai University. As of 2025, cumulative scholarship funding has reached NT\$5 million.





Promoting Chemistry and Advancing Education

Education has the power to inspire young minds and help students develop a deeper understanding of science while making learning more engaging. Accordingly, San Fu continues to support initiatives that promote access to quality education, including career fairs, school outreach programs, and other educational activities.

- Donated NT\$50,000 to the 2025 Public Welfare Digital Teaching Materials Development and Elementary School Natural Science Curriculum Outreach Program.
- Donated NT\$30,000 to the Taiwan Panel & Solution Association in 2025.
- Donated NT\$50,000 to the 2025 Chemical Industry Career Fair.
- Donated NT\$50,000 to the 72nd Anniversary Celebration of the Taiwan Institute of Chemical Engineers.
- Donated NT\$50,000 to the 2025 Taiwan Chemical Industry Forum and Exhibition.



Ongoing Engagement with Local Communities

Since 2001, the Shanhua Plant in Tainan has actively engaged with the local community through sponsorships for Local Communities, with the hope of fostering mutual support among neighbors and maintaining a harmonious community.

- Donated NT\$8,000 to the Xiaoxin Village Community Environmental Volunteer Team.
- Donated NT\$32,000 to the Xiaoxin Village Community Development Association.
- Donated NT\$16,000 to the Xiaoxin Village Senior Citizens Club.
- Donated NT\$8,000 to the Xiaoxin Village Community Neighborhood Watch Team.
- Donated NT\$18,000 to the Liuying District Volunteer Fire Brigade.
- Donated NT\$50,000 to the 2025 Tainan Shopping Festival.



San Fu Volunteer Team Established to Put the ESG Spirit into Action

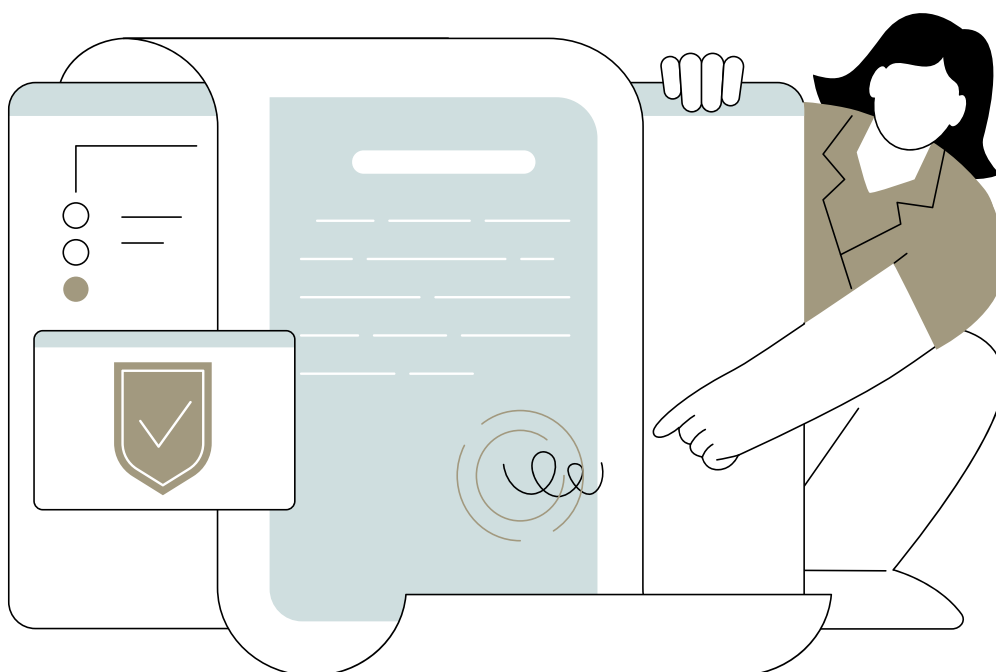
San Fu Chemical established its volunteer team in June 2025 and organized three community service activities following its establishment. Through volunteer service, we hope to spread care and compassion, allowing acts of kindness to accumulate in everyday life while creating a lasting positive impact on society.



Blood Donation with Compassion: Joining Hands to Share Love and Save Lives

We encourage our employees to contribute their efforts by participating in public welfare initiatives and giving back to society. Through blood donation campaigns, employees not only promote their own well-being but also help others, joining together to spread care and compassion throughout Taiwan.

Appendix



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Appendix 3 Sustainability Disclosure Indicators - Chemical Industry	94
Appendix 4 Chinese-English Terminology Reference Table	95
Independent Limited Assurance Report	96

Appendix 1

GRI Standards Content Index

Statement of Use	San Fu Chemical Co., Ltd. has prepared this report in accordance with the GRI Standards to disclose information covering the period from January 1, 2025, to December 31, 2025.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	N/A

GRI Standards	Disclosure Item	Page No.
GRI 2: General Disclosures 2021	2-1 Organizational details	<u>5-7</u>
	2-2 Entities included in the organization's sustainability reporting	<u>7</u>
	2-3 Reporting period, frequency and contact point	<u>5</u>
	2-4 Restatements of information	<u>5</u>
	2-5 External assurance	<u>6, 22</u>
	2-6 Activities, value chain and other business relationships	<u>18-21</u> <u>30-31</u>
	2-7 Employees	<u>64</u>
	2-8 Workers who are not employees	<u>64</u>
	2-9 Governance structure and composition	<u>23-25</u>
	2-10 Nomination and selection of the highest governance body	<u>23</u>
	2-11 Chair of the highest governance body	<u>23</u>
	2-12 Role of the highest governance body in overseeing the management of impacts	<u>8-9</u> <u>23-24</u>
	2-13 Delegation of responsibility for managing impacts	<u>8</u> <u>23-26</u>
	2-14 Role of the highest governance body in sustainability reporting	<u>5</u> <u>8-10</u>
	2-15 Conflicts of interest	<u>23</u>
	2-16 Communication of critical concerns	<u>24-25</u>
	2-17 Collective knowledge of the highest governance body	<u>23</u>
	2-18 Evaluation of the performance of the highest governance body	<u>23</u>
	2-19 Remuneration policies	<u>24</u>
	2-20 Process to determine remuneration	<u>24</u>
	2-21 Annual total compensation ratio	<u>24, 66</u>
	2-22 Statement on sustainable development strategy	<u>8</u>
	2-23 Policy commitments	<u>23-25</u> <u>56-58</u> <u>67-69</u>
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	2-25 Processes to remediate negative impacts	<u>56, 67</u>
	2-26 Mechanisms for seeking advice and raising concerns	<u>57, 67</u>
	2-27 Compliance with laws and regulations	<u>25, 53</u>
	2-28 Membership associations	<u>22</u>
	2-29 Approach to stakeholder engagement	<u>9</u>
	2-30 Collective bargaining agreements	<u>71</u>



GRI Standards		Disclosure Item	Page No.	Remarks
GRI 3: Material Topics 2021	3-1	Process to determine material topics	<u>10</u>	
	3-2	List of material topics	<u>11-12</u>	
	3-3	Management of material topics	<u>11-12</u>	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	<u>28</u>	
	201-2	Financial implications and other risks and opportunities due to climate change	<u>35-39</u>	
	201-3	Defined benefit plan obligations and other retirement plans	<u>69</u>	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	<u>60</u>	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	<u>25, 74</u>	
	205-3	Confirmed incidents of corruption and actions taken	<u>25</u>	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<u>25</u>	
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	<u>49-50</u>	
	303-3	Water withdrawal	<u>49</u>	
	303-4	Water discharge	<u>50</u>	
	303-5	Water consumption	<u>49</u>	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	<u>40</u>	
	305-2	Energy indirect (Scope 2) GHG emissions	<u>40</u>	
	305-3	Other indirect (Scope 3) GHG emissions	<u>40</u>	
	305-4	GHG emission intensity	<u>40</u>	
	305-5	Reduction of GHG emissions	<u>41-42</u>	
	305-6	Emissions of ozone-depleting substances (ODS)	--	No relevant substances were emitted at any of the Company's plants.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<u>52</u>	
GRI 306: Waste 2020	306-3	Waste generated	<u>51</u>	
	306-4	Waste diverted from disposal	<u>51</u>	
	306-5	Waste directed to disposal	<u>51</u>	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	<u>66</u>	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<u>66-69</u>	
	401-3	Parental leave	<u>68</u>	
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	<u>71</u>	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	<u>76</u>	
	403-2	Hazard identification, risk assessment, and incident investigation	<u>76-78</u>	
	403-3	Occupational health services	<u>84</u>	
	403-4	Worker participation, consultation, and communication on occupational health and safety	<u>76-77</u>	
	403-5	Worker training on occupational health and safety	<u>79-80</u>	
	403-6	Promotion of worker health	<u>70</u>	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<u>80-81</u>	
	403-9	Work-related injuries	<u>78</u>	
	403-10	Work-related ill health	<u>84-85</u>	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	<u>72</u>	
	404-2	Programs for upgrading employee skills and transition assistance programs	<u>69, 73</u>	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	<u>23</u> <u>64-65</u>	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<u>25</u>	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	--	Disclosure of the relevant information has been omitted due to the confidentiality requirements governing product formulations.
	417-2	Incidents of non-compliance concerning product and service information and labeling	<u>25</u>	
	417-3	Incidents of non-compliance concerning marketing communications	<u>25</u>	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<u>25</u>	



Appendix 2

SASB Chemicals Industry Metrics

Table 1. Sustainability Disclosure Topics & Metrics

SASB Topic	SASB CODE	ACCOUNTING METRIC	CATEGORY	Result	UNIT	Page	Remarks
GHG emissions	RT-CH-110a.1	1. Scope 1 GHG emissions	Quantification	8295.8	Metric tons of CO ₂ e	40	
		2. Percentage of Scope 1 GHG emissions subject to emissions limitation regulations	Quantification	NA	Percentage (%)	--	None of the facilities are located in areas designated by the Ministry of Environment as subject to emissions limitation regulations.
	RT-CH-110a.2	Discussion of Long-term and Short-term Strategies or Plans for Managing Scope 1 Emissions and Emission Reduction Targets	Qualitative Description	The Company has established clear short-term and long-term strategies for reducing Scope 1 emissions. For detailed analyses of emission trends and specific management plans, please refer to the "Supplementary Information on SASB Metrics" section of this report.	N/A	--	
Air Quality	RT-CH-120a.1	Air Pollutant Emissions: Nitrogen oxides (NO _x)	Quantification	4.24	metric tons (t)	52	
		Sulfur oxides (SO _x)	Quantification	0	metric tons (t)	52	
		Volatile Organic Compounds (VOC _s)	Quantification	3.62	metric tons (t)	52	
		Hazardous Air Pollutants (HAP _s)	Quantification	NA	metric tons (t)	--	
Energy Management	RT-CH-130a.1	1. Total energy consumption	Quantification	303,068	gigajoules (GJ)	48	
		2. Percentage of electricity purchased from the grid	Quantification	60.83	Percentage (%)	48	
		3. Percentage of renewable energy	Quantification	0.56	Percentage (%)	48	
		4. Total self-generated energy	Quantification	1,685	gigajoules (GJ)	48	
Water Resource Management	RT-CH-140a.1	1. Total water withdrawal	Quantification	408.67	thousand cubic meters	49	
		2. Total water consumption	Quantification	102.15	thousand cubic meters	49	
		Percentage of Water Withdrawal and Water Consumption in Areas with High or Extremely High Water Stress	Quantification	0	Percentage (%)	--	None of the facilities are located in areas with high or extremely high water stress.
	RT-CH-140a.2	Number of Cases of Non-compliance with Water Quality-related Discharge Permits, Standards, and Regulations	Quantification	1	Number of Cases	53	
	RT-CH-140a.3	Description of water resource management risks and strategies, and practices for risk mitigation.	Qualitative Description	1. Install additional water-saving equipment and strengthen awareness campaigns to help employees develop water conservation awareness and improve water-saving efficiency. 2. Conduct internal monitoring of process wastewater to ensure effective wastewater management and compliance with national effluent discharge standards, thereby reducing environmental impacts. For details, please refer to the "Sustainable Environment - Water Resource Management" section of this report.	N/A	49-50 87-88	
Hazardous Waste Management	RT-CH-150a.1	1. Hazardous waste generated	Quantification	1,285.88	metric tons (t)	51	
		2. Percentage of hazardous waste recycled	Quantification	0	Percentage (%)	51	
Community Relations	RT-CH-210a.1	Discussion of the process for identifying and managing risks and opportunities related to community interests	Qualitative Description	Among San Fu Chemical's production sites, only the Shanhua Plant in Tainan is located near a residential community. As a result of the Company's operations, there is the potential for actual or potential adverse impacts on the surrounding community, such as chemical odors generated during production or emissions and wastewater discharges. To minimize impacts on employee health and the quality of life of local residents, we conduct annual monitoring of air quality, water quality, and other environmental indicators at the plant. These efforts are intended to reduce the impacts of our operations on nearby residents and communities, alleviate concerns regarding air and water pollution around the plant, and strengthen leak inspections and repair activities, together with occasional equipment inspections. In addition, to promote neighborhood harmony and maintain positive community relations, the Tainan Plant has been actively engaged in community participation for the past 25 years by sponsoring community activities in Local Communities. For details, please refer to the "Sustainable Environment - Communication and Response with Local Communities" and "Social Welfare Actions" sections of this report.	N/A	49-50 87-88	
Labor Safety and Health	RT-CH-320a.1	Direct and Contract Employees' 1. Total Recordable Incident Rate (TRIR)	Quantification	0	Percentage	--	
		2. Fatality Rate	Quantification	0	Percentage	--	
	RT-CH-320a.2	Description of practices for assessing, monitoring, and reducing employees' and contract workers' exposure to long-term (chronic) health risks	Qualitative Description	In accordance with the Company's ergonomic hazards program, an ergonomic health assessment questionnaire is administered company-wide to evaluate the occupational exposure risk levels of employees. Employees identified with suspected ergonomic hazards are evaluated through consultation with the plant physician to determine whether the condition is work-related. No cases of occupational disease were identified. For details, please refer to the "Occupational Safety and Health Management - Four Major Programs" section of this report.	N/A	84-85	
Product design for use-phase efficiency	RT-CH-410a.1	Revenue from products that improve resource efficiency during the use phase	Quantification	0	NT\$	--	The Company currently has no products that improve resource efficiency during the use phase.

SASB Topic	SASB CODE	ACCOUNTING METRIC	CATEGORY	Result	UNIT	Page	Remarks
Chemical Safety and Environmental Management	RT-CH-410b.1	1. Percentage of Products Containing Category 1 and Category 2 Health and Environmental Hazardous Substances under the Globally Harmonized System of Classification and Labelling of Chemicals (GHS)	Quantification	97	Percentage (%)	--	
		2. Percentage of such products for which hazard assessments have been conducted	Quantification	100	Percentage (%)	--	
	RT-CH-410b.2	1. Strategies for managing chemicals of concern and 2. Developing alternative products that reduce human health and environmental impacts	Qualitative Description	1. Comply with the requirements of the IECQ QC 080000 Standard. 2. Establish hazardous substance management standards in compliance with international regulations such as RoHS and REACH. 3. Provide hazardous substance test reports on a regular basis. 4. Develop leading technologies, products, and services that achieve the goal of environmentally friendly material selection while complying with international environmental regulations (e.g., RoHS and REACH) and customer requirements.	N/A	62	
Genetically Modified Organisms (GMO,)	RT-CH-410c.1	Percentage of revenue derived from GMO products	Quantification	NA	Percentage (%)	--	San Fu has no GMO-related products.
Legal and Regulatory Environmental Management	RT-CH-530a.1	The Company's position on government regulation and policy development regarding environmental and social issues	Qualitative Description	1. The Shanhua Plant, Liouke Plant, and International Nitto have obtained ISO 14001 certification. 2. Our operations comply with applicable domestic and international laws and regulations. Information on significant operational events is available in the "About Us" section. 3. We occasionally participate in industry forums by invitation. 4. Environmental regulations and their potential impacts are discussed regularly during ESH meetings. For details, please refer to the "About Us - Third-party Verification, Operational Activities in Compliance with Domestic and International Laws and Regulations and Key Material Events" and "Sustainable Environment" sections of this report.	N/A	22, 25, 45	
Operational Safety, Emergency Preparedness, and Response	RT-CH-540a.1	1. Process Safety Incident Count (PSIC)	Quantification	0	Number of cases	--	
		2. Process Safety Total Incident Rate (PSTIR)	Quantification	0	Percentage (%)	--	
		3. Process Safety Incident Severity Rate (PSISR)	Quantification	0	Percentage (%)	--	
	RT-CH-540a.2	Number of transportation incidents - road transport	Quantification	0	Number of Cases	--	

Note 1: Process Safety Incident Count (PSIC): A process safety incident is defined as an incident that meets all of the following 4 criteria:

(a) The incident must be process-related. Incidents unrelated to the process, such as accidents involving non-process refrigeration systems or fires in office buildings, are not included in the statistics.

(b) The quantity of chemicals released exceeds the minimum reporting threshold, and the release results in fatalities or injuries to employees or contractors, hospitalization of third parties (non-employees or non-contractors), an official community evacuation or shelter-in-place order, or direct property damage to the Company caused by a fire or explosion. The occurrence of any one of the foregoing conditions constitutes a reportable incident.

(c) The incident occurs in a production area, warehouse, or other process-related facility.

(d) The incident involves a significant release in which the quantity released within any one-hour period exceeds the specified threshold.

Note 2: Process Safety Total Incident Rate (PSTIR): The PSTIR is calculated as the PSIC × 200,000 ÷ the total hours worked by workers (employees, contractors, and subcontractors).

Note 3: Process Safety Incident Severity Rate (PSISR): The PSISR is calculated as the total PSISR × 200,000 ÷ the total hours worked by workers (employees, contractors, and subcontractors). The annual total Process Safety Incident Severity Score is determined by classifying each process safety incident in accordance with the Process Safety Incident Severity Classification Table and summing the corresponding severity scores.

Note 4: Number of transportation incidents: Indicates whether any leaks occurred during transportation.

Table 2. Activity Metrics

Indicator Code SASB CODE	Indicator ACCOUNTING METRIC	Type CATEGORY	Annual Disclosure Status Result	Unit	Page No.	Remarks
RT-CH-000.A	Production volume	Quantification	Specialty Chemicals: 44,490 Basic Chemicals: 4,922	metric tons (t)	19	

Supplementary Information on SASB Metrics

[Emission Reduction Targets and Overall Performance]

The Company has established clear GHG emission reduction targets. Using the designated baseline year for each plant as the reference, we aim to achieve a 20% reduction in Scope 1 and Scope 2 GHG emissions by 2030 and are committed to achieving net-zero emissions by 2050. As of 2025, the Company has achieved a 10.8% reduction in GHG emissions compared with the baseline year.

[Scope 1 Emissions Performance Analysis]

1. Historical Decarbonization Milestone (2019-2023): At the end of 2019, the Shanhua Plant completed the conversion of its boiler fuel from heavy fuel oil to natural gas, reducing Scope 1 GHG emissions significantly from 9,090.0 metric tons CO₂e in 2019 to 7,617.8 metric tons CO₂e in 2020. In 2021, the Company further installed a Mechanical Vapor Recompression (MVR) system, significantly reducing steam demand. By 2023, the parent company's Scope 1 GHG emissions had declined substantially to 2,638.4 metric tons CO₂e.

2. Inventory Boundary and Capacity Changes (2024): Scope 1 GHG emissions increased to 9,701.0 metric tons CO₂e in 2024. In addition to higher production driven by increased product orders, the primary reason was the inclusion of nitrous oxide (N₂O), commonly known as laughing gas, produced at the Liouke Plant within the GHG inventory boundary. This addition alone increased emissions by approximately 4,250 metric tons CO₂e during the year.

3. Process Optimization and Emissions Control (2025): Although Scope 1 GHG emissions at the Shanhua Plant increased in 2025 due to higher demand for PHBA products, the Liouke Plant successfully optimized process scheduling and operational controls for nitrous oxide (N₂O). As a result, the parent company's overall Scope 1 GHG emissions decreased to 8,295.8 metric tons CO₂e in 2025.

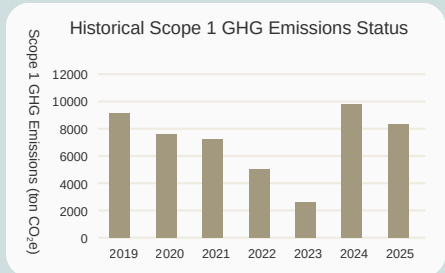
[Short-term and Long-term Strategies for Managing Scope 1 Emissions]

Short-term Emission Reduction Measures:

1. Replace fuel-powered equipment across the plants by gradually substituting diesel-powered forklifts with electric forklifts.
2. Promote the transition to green transportation by exclusively leasing hybrid or electric vehicles for the Company's fleet.
3. Enhance the on-site standard operating procedures for nitrous oxide (N₂O) products to effectively reduce fugitive emissions.

Long-Term Management Plan:

Closely monitor and evaluate the adoption of emerging decarbonization technologies, such as Carbon Capture, Utilization and Storage (CCUS), while continuously adjusting strategies and capital expenditure plans in line with relevant policies and regulations, including the national 2050 Net-Zero Emissions Pathway.



Appendix 3
Sustainability Disclosure Indicators - Chemical Industry

No.	Indicator	Indicator Type	Annual Disclosure Status	Unit	Page No.	Remarks
I	Total energy consumption, percentage of purchased electricity, renewable energy usage rate, and total self-generated energy for self-consumption (Note 1)	Quantification	1. Total energy consumption: 303,068GJ 2. Percentage of electricity purchased from the grid: 60.83% 3. Renewable energy usage rate: 0.56% 4. Total self-generated energy: 1,685GJ	gigajoules (GJ), percentage (%)	<u>48</u>	
II	Total water withdrawal, total water consumption, and wastewater (effluent) discharge volume required by regulations or voluntarily disclosed	Quantification	1. Total water withdrawal: 408.67 thousand cubic meters 2. Total water consumption: 102.15 thousand cubic meters 3. Total water discharge: 306.52 thousand cubic meters	thousand cubic meters	<u>49</u>	
III	Total hazardous waste generated during product manufacturing and the percentage recycled, as required by regulations or voluntarily disclosed	Quantification	1. Hazardous waste generated: 1,285.88 metric tons 2. Percentage of hazardous waste recycled 0%	metric tons (t), percentage (%)	<u>51</u>	
IV	Description of the number and rate of occupational injuries	Quantification	1. Number of occupational injuries: 0 2. Occupational injury rate: 0%	Percentage (%), quantity	<u>78</u>	
V	Operations with significant actual and potential negative impacts on local communities.	Qualitative Description	For details, please refer to the Climate Change Response and Sustainable Environment sections of this report.	N/A	<u>50</u> , <u>52</u>	
VI	Specific and effective mechanisms and actions adopted by the Company and its suppliers to reduce negative environmental and social impacts	Qualitative Description	For details, please refer to the Customer Commitment and Supply Chain Management section of this report.	N/A	<u>61-62</u>	
VII	Production volume by product category	Quantification	Specialty Chemicals: 44,490 Basic Chemicals: 4,922	metric tons (t)	<u>19</u>	

Note 1: Total self-generated energy for self-consumption is defined in accordance with the "Renewable Energy Development Act," the "Implementation Regulations Governing Renewable Energy Certificates," and other applicable subordinate regulations.

Appendix 4

Chinese-English Terminology Reference Table

English Abbreviation / Term	English Full Name	Chinese Name	Glossary (Plain Language Guide)
[Specialty Chemicals & Semiconductor Processes]			
POCl ₃	Phosphorus Oxychloride	三氯氧磷	The Company's high-purity specialty chemicals are mainly used in the formation of N-type phosphorus diffusion layers during solar cell manufacturing processes, as well as in diffusion processes in the semiconductor industry.
N ₂ O	Nitrous Oxide	一氧化二氮 (笑氣)	The electronic-grade gases produced by the Company are key reaction raw materials indispensable to semiconductor chemical vapor deposition (CVD) and thin-film processes.
CVD	Chemical Vapor Deposition	化學氣相沉積	A key process technology used to generate micron-scale thin films in the semiconductor and optoelectronics industries, which requires high-purity electronic-grade gases for reactions.
ITO	Indium Tin Oxide	銦錫氧化物	Widely applied in transparent conductive films for liquid crystal panels, touch panels, and solar cells. The Company provides etchants and cleaning solutions specifically used in ITO processes.
EBR	Edge Bead Removal	邊緣清洗劑 (去邊劑)	Special dilution solvents used in wafer or panel processes to precisely remove excess photoresist from the edges of substrates after photoresist coating.
PSG	Phosphosilicate Glass	磷矽玻璃	A phosphorus-containing glass layer formed on the wafer surface in a high-temperature diffusion furnace tube during the solar cell manufacturing process using POCl ₃ liquid combined with gas.
[Process Technology & Environmental Management]			
TMAH	Tetramethylammonium Hydroxide	四甲基氫氧化銨	A main component of developers commonly used in the technology industry. The Company has established a recycling plant to conduct high-purity recovery and regeneration, reducing raw material consumption and waste generation.
SO _x / NO _x	Sulfur / Nitrogen Oxides	硫氧化物 / 氮氧化物	Air pollutants generated during boiler operation or process combustion. The Company strictly controls emissions through source management and control equipment to ensure that they remain below regulatory standards.
VOCs	Volatile Organic Compounds	揮發性有機物	Chemicals that easily volatilize into the air. The Company strictly controls emissions through the installation of control equipment such as tail gas scrubbers to reduce impacts on the atmospheric environment.
COD	Chemical Oxygen Demand	化學需氧量	An important water quality indicator for assessing the degree of pollution in effluent. A lower value indicates that the treated wastewater is cleaner and imposes less burden on the aquatic environment.
GJ	Gigajoule	十億焦耳	An internationally recognized absolute unit of energy. In this report, it is used to convert electricity, natural gas, and diesel consumed at the plants into a single standard for calculating total energy consumption.
[GHG & Climate Initiatives]			
CO ₂ e	Carbon Dioxide Equivalent	二氧化碳當量	A unified unit used to measure the impact of various GHGs on global warming. Converts emissions of various gases into carbon dioxide equivalent values for aggregation.
GWP	Global Warming Potential	全球暖化潛勢	An indicator measuring the multiple of the heat absorption capacity of a specific GHG relative to carbon dioxide (with a value set at 1).
Scope 1, 2, 3	Scope 1, 2, 3 Emissions	排放範疇一、二、三	GHG inventory scope. Scope 1 refers to direct emissions from owned equipment; Scope 2 refers to indirect emissions from purchased electricity; Scope 3 refers to carbon emissions generated from upstream and downstream supply chains.
GRI	Global Reporting Initiative	全球永續性報告協會	The most widely adopted international standard framework for preparing sustainability reports, covering the three major disclosure aspects of economic, environmental, and social (ESG) dimensions.
SASB	Sustainability Accounting Standards Board	永續會計準則委員會	Sustainability disclosure standards tailored for different "specific industries" (such as the chemical industry), focusing on sustainability indicators with material financial impacts.
TCFD	Task Force on Climate-related Financial Disclosures	氣候相關財務揭露	An international disclosure framework that assists companies in identifying "physical risks" and "transition risks" arising from climate change and assessing their financial impacts.
IFRS S2	IFRS S2 Climate-related Disclosures	氣候相關揭露準則	The latest international regulation issued by the International Sustainability Standards Board, requiring companies to disclose climate risks by translating them into "financial language."
GHG Protocol	Greenhouse Gas Protocol	溫室氣體盤查議定書	The internationally recognized authoritative GHG accounting and reporting standard, serving as the inventory calculation framework specified by IFRS.
[Occupational Safety & Management Systems]			
ISO 14064-1	ISO 14064-1	溫室氣體盤查標準	A standard issued by the International Organization for Standardization, used to regulate how organizations quantify and report GHG emissions and removals at the organizational level.
ISO 45001	ISO 45001	職業安全衛生管理系統	The highest international management system standard that helps organizations prevent occupational injuries and diseases and provides a safe and healthy working environment.

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資誠

會計師有限確信報告

三福化工股份有限公司 公鑒：

本會計師受三福化工股份有限公司（以下簡稱「貴公司」）之委任，對 貴公司選定民國 114 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 貴公司民國 114 年度永續報告書之「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之「報告書揭露範疇邊界」段落述明。

上開適用基準係為臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定、全球永續性報告協會(Global Reporting Initiatives, GRI)發布之最新版 GRI 準則(GRI Standards)與行業補充指南，以及 貴公司依行業特性與其所選定之關鍵績效指標參採或自行設計其他基準。

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、所應用之資訊系統，以及攸關之內部控制，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選取樣本進行查詢、觀察、檢查等測試，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。

此報告不對民國 114 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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資誠

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 楊 蕙 慈



中 華 民 國 1 1 5 年 7 月 6 日

Independent Limited Assurance Report

附錄 確信項目彙總表

編號	確信標的	頁碼	適用基準	其它說明
1	2025 年度善化廠、柳科廠、國際日東、高雄廠、台北總公司及竹北辦公室內部能源消耗總量為 303,068，單位為 10 億焦耳，各能源分別使用量為： (1) 外購電力 184,371 (2) 再生能源 1,685 (3) 天然氣 113,794 (4) 柴油 ¹3,218 其中外購電力百分比為 60.83%，再生能源百分比為 0.56%。 ¹ 柴油使用量邊界主要使用於本公司發電機、堆高機用油及自有運輸車輛，包括歐翼車 1 台及槽車 5 台，做為出貨運輸使用。	48	彙整外部供應商繳費單據統計能源使用量總和。	「上市公司編製與申報永續報告書作業辦法」第四條第一項規定之應加強揭露永續指標。
2	2025 年度之取水量共計 408.67 百萬公升，分別為： (1)台北總公司：自來水 0.36 百萬公升 (2)竹北辦公室：自來水 0.08 百萬公升 (3)善化廠：自來水 9.93 百萬公升 地下水 241.09 百萬公升 (4)柳科廠：自來水 15.22 百萬公升 (5)高雄廠：工業用水 62.01 百萬公升 (6)國際日東：自來水 79.98 百萬公升 2025 年度台北總公司、竹北辦公室、善化廠、柳科廠、高雄廠及國際日東耗水量²分別為 0.36 百萬公升、0.08 百萬公升、27.18 百萬公升、10.25 百萬公升、34.05 百萬公升及 30.23 百萬公升，共計 102.15 百萬公升。 2025 年度善化廠、柳科廠、高雄廠及國際日東廢水量分別為 223.84 百萬公升、4.97 百萬公升、27.96 百萬公升及 49.75 百萬公升，共計 306.52 百萬公升。 ²耗水量計算為總取水量減廢水量。	49	彙整外部供應商繳費單據之自來水及工業用水之取水量總和； 及自行統計並申報經濟部水利署水權資訊網之地下水取水量總和。 自行統計並申報環境保護局之廢(汙)水排放量總和。	「上市公司編製與申報永續報告書作業辦法」第四條第一項規定之應加強揭露永續指標。
3	2025 年度善化廠、柳科廠、國際日東及高雄廠所產生有害廢棄物總量為 1,285.88 公噸，種類如下： (1)其他含有毒重金屬且超過溶出標準之混合廢棄物 0 公噸 (2)廢液 pH 值 ≤2.0 1,249.64 公噸 (3)其他易燃性事業廢棄物混合物 36.24 公噸。	51	依據環境保護署「廢棄物清理法」及「事業廢棄物清理計劃書」之規定所清理之有害廢棄物。 委託清運並申報環境保護署事業廢棄物申報及管理資訊系統之有害廢棄物清運量總和。	「上市公司編製與申報永續報告書作業辦法」第四條第一項規定之應加強揭露永續指標。

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編號	確信標的	頁碼	適用基準	其它說明
4	2025 年度員工之失能傷害發生次數共 0 次， 2025 年職災綜合傷害指數如下： - 失能傷害頻率(FR) 0 - 失能傷害嚴重率(SR) 0 - 綜合傷害指數(FSI) 0 2025 年職業傷害統計如下： - 職業傷害比率 0 - 損工率(LDR) 0 - 缺勤總天數(天) 0 - 缺勤率(AR%) 0	78	依據職業安全衛生法統計之各項數據。	「上市公司編製與申報永續報告書作業辦法」第四條第一項規定之應加強揭露永續指標。
5	2025 年度之空氣污染物排放量共計 8.01 噸，分別為： (1)善化廠： 氮氧化物(NO_x) 3.44 噸 硫氧化物(SO_x) 0 噸 揮發性有機化合物(VOC) 1.88 噸 懸浮微粒(PM) 0.13 噸 (2)柳科廠： 揮發性有機化合物(VOC) 1.32 噸 (3)高雄廠： 揮發性有機化合物(VOC) 0.42 噸 (4)國際日東： 氮氧化物(NO_x) 0.80 噸 懸浮微粒(PM) 0.02 噸 2025 年度善化廠、柳科廠、高雄廠及國際日東放流水 COD 值平均濃度分別為 31 mg/L、29mg/L、10mg/L 及 68mg/L。	50 52	彙整廠區空氣品質檢測數據及水質檢測數據。	「上市公司編製與申報永續報告書作業辦法」第四條第一項規定之應加強揭露永續指標。
6	2025 年度供應商年度評比精密化學品 57 家及基礎化學品 67 家，共計 124 家。 2025 年度供應商稽核總計 22 家。	61 62	彙整供應商評比及稽核評鑑數據。	「上市公司編製與申報永續報告書作業辦法」第四條第一項規定之應加強揭露永續指標。
7	2025 年度產品產量分別為精密化學品 44,490 噸及基礎化學品 4,922 噸，共計 49,412 噸。	19	彙整各產品類別之入庫產量總和。	「上市公司編製與申報永續報告書作業辦法」第四條第一項規定之應加強揭露永續指標。



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