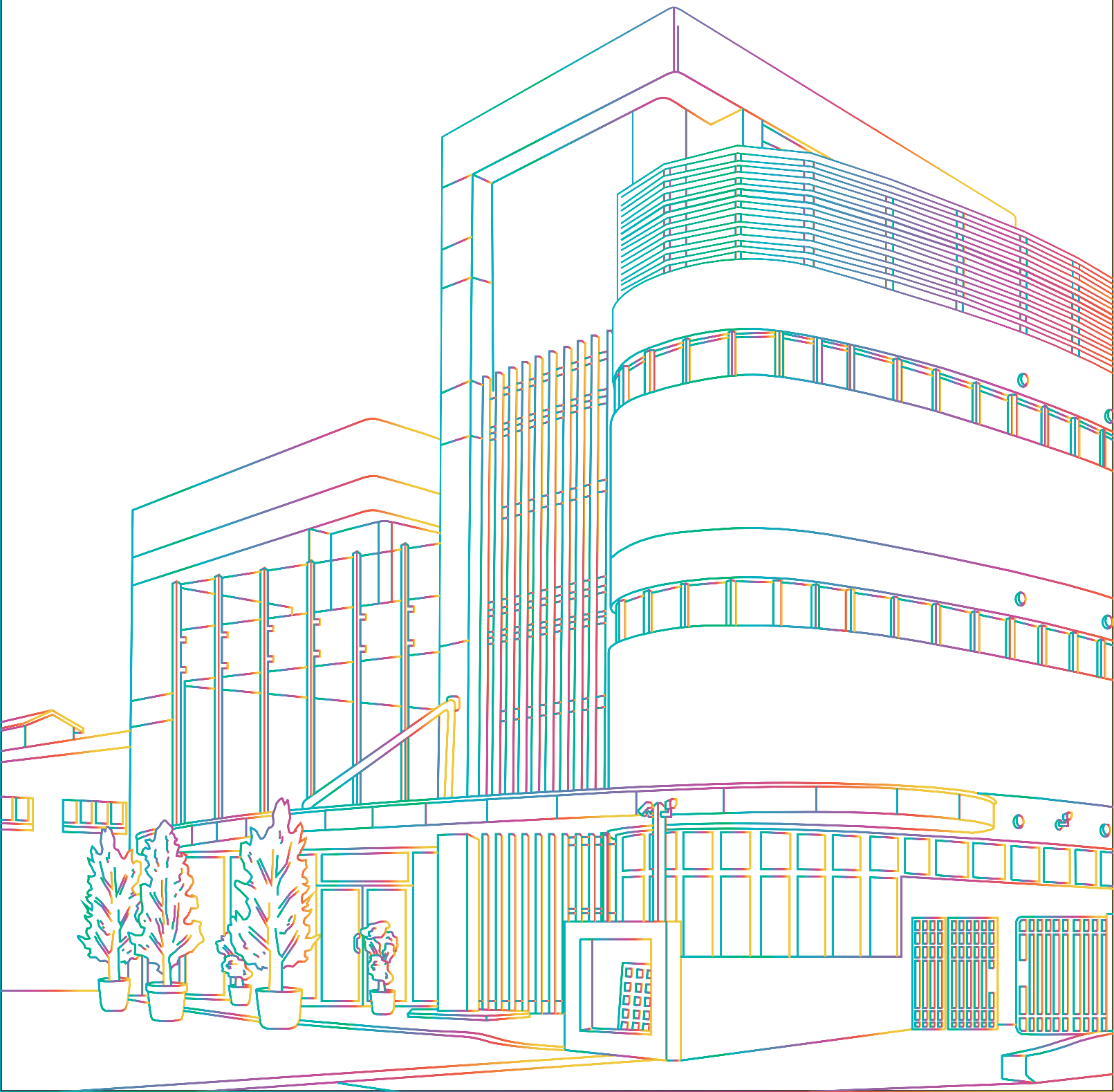


2019 Corporate Social  
Responsibility Report  
CoreMax Corporation



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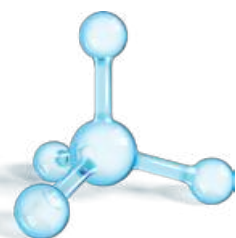
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## Message from the chairman

The Coremax Corporation relies on its corporate social responsibility report to find places where it can continue to make improvements in its business operation, environmental management, and employee care.

Over the years, we have been committed to steady and sustainable development rooted in economic growth, environmental awareness, and workplace safety and health. By incorporating these values into the workplace, we aim to achieve products without defect, an environment without pollution, and an absence of mishap or disaster in the workplace.

In addition to the pursuit of better business performance, in 2019, we paid greater attention to meeting the stakeholders' requirements on our product quality, care for the environment, and workplace safety. To meet the standards required by our customers in the automotive industry, we obtained the IATF 16949 Automotive Quality Management System Certification. In the meantime, we also acquired the ISO 45001 Occupational Health and Safety Management Systems certification to enhance the monitoring and maintenance of the workplace. With regards to care for the environment, we successfully passed the assessments of ISO 14001 Environmental Management Systems, ISO 14064-1 Greenhouse Gas Inventory Management System, ISO 14046 Water Footprint and ISO 50001 Energy Management Systems, and obtained relevant certifications, through which, we better fulfilled our responsibility of ensuring environmental friendliness in the production process. Furthermore, we significantly raised our employees' environmental awareness. In addition to the certifications of the aforesaid management systems we obtained this year, we were awarded the honor of being one of the "2018 Excellent Exporters/Importers" by the Bureau of Foreign Trade (BOFT).

To achieve economic success, we continuously improve our products and technologies to achieve higher profitability, and consistently adhere to customer-oriented business principles in our operations. With respect to social responsibilities, we highly value effective communication and interaction with the stakeholders. We strive to obtain customer satisfaction and recognition with integrity and transparency in our management. Environmentally, we continue to pursue low rates of pollution and low risk in our environmental impact, with the aim of making contribution to environmental protection. We have not only maximized the value to our shareholders but have also been following our business principles of integrity and morality, and have striven to fulfill our corporate and social responsibility.

Since its establishment, CoreMax has been diversifying its products to meet the market needs through research and development, manufacturing, and production management. CoreMax's business department has been actively developing domestic and international markets to increase its market share. By continuously providing products and services with excellent quality, CoreMax has gained long-term customer loyalty in the market.

In the interest of maximizing our shareholder's return, we saw a satisfactory performance despite the dramatic volatility of metal price. In the future, CoreMax Corporation will continue to expand its business and strive to achieve better performance. For instance, the company will actively develop new customers for its business in electronic materials. As pertains to sustainable development, CoreMax will start to think seriously about practicing sustainable operations, rather than simply meeting the requirements of the competent authorities. The concept of sustainable operation will be deeply rooted in these three principles: corporate governance, environmental care, and social responsibility. By doing so, we meet the expectations of our employees, the customers, the community, the shareholders and other stakeholders.



The chairman of the board



# Editorial policy

## About this report

This report is the fifth Corporate Social Responsibility Report issued by CoreMax Corporation (hereinafter referred to as "CoreMax Materials", "CoreMax", "the company", or "we"). Over the years, CoreMax Materials has been committed to its main businesses and providing customers with quality products. In the future, we will continue to uphold the spirit of social citizenship and fulfill our social responsibilities. We will achieve sustainable coexistence and harmony with our society and environment.

The purpose of this report is to disclose, to the public and the stakeholders, CoreMax' s engagement in sustainable development, fulfillment of social responsibilities, and its business performance for the year of 2019. This covers the aspects of business operation, corporate governance, product responsibility, environmental sustainability, employee care and welfare, safety in the workplace, and social involvement, etc. This report mainly consists of the following parts: "about CoreMax", "corporate governance", "supplier management, products and services", "green commitment", "safe and happy workplace", and "workplace safety", detailing the company' s efforts and achievements in the sustainable development of its economic, environmental, and social aspects. Additionally, it shows our determination to fulfill our corporate social responsibility and pursue sustainable business operation.

## Contents of the report and sources of the statistics

This report covers CoreMax' s efforts in pushing forward the policy of sustainable development and its achievements in the aspects of business performance, corporate governance, product responsibility, sustainable environment, employee care and welfare, safe workplace and social involvement, etc. from January 1st, 2019, to December 31st 2019. The majority of the data collected was taken from the Hsinchu and Toufen factories of CoreMax Materials, and therefore reveals the performance of these factories. On the other hand, the economic data mainly reveals the performance of the entities in the brief statement including the company and its subsidiaries. The statistical data disclosed in this report are derived from the results of the self-statistics and investigation of CoreMax Materials and are presented in the form of international indicators. Notes will be made on the estimated data in the relevant chapters. The financial data, reported in New Taiwan Dollars, are taken from the disclosed financial reports verified and certified by KPMG in accordance with the International Financial Reporting Standards (IFRS). In addition, the company' s management systems regularly undergo internal audits, among which the ISO9001 Quality Management System and ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management Systems, ISO 50001 Energy Management Systems, ISO 14064-1 Greenhouse Gas Inventory Management System, ISO 14046 Water Footprint, IATF 16949 Automotive Quality Management System are both certified by third-party certification bodies. If there is any reiteration of data from previous years in this (2019) report compared with the "2018 Corporate Social Responsibility Report", it will be noted in the context of this report.

## Reporting policy and guidelines

The 2019 CoreMax Corporate Social Responsibility Report is compiled in accordance with the framework and guidelines established by the Standard version of the Global Reporting Initiative (GRI). The report fulfills the disclosure requirements for the "core option" and covers the "sustainability" subjects, corresponding strategies, objectives, measures and results. It has been written to disclose matters of "sustainability," corresponding strategies, objectives, measures, and results in accordance with the "Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by Taiwan Stock Exchange Listed Companies." Additionally, it has been organized to contain the management policies in the framework required by the aforesaid rules. The report identifies and prioritizes the sustainability concerns of stakeholders as a basis for information disclosure through a systematic analytical model. The "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by Taiwan Stock Exchange Listed Companies" issued by Taiwan Stock Exchange has been used as a reference in this report, and the GRI content index is added in Appendix 2.



## Report compilation and verification

The company has established the Corporate Social Responsibility management team which is responsible for the Corporate Social Responsibility management. The organizational structure of the Corporate Social Responsibility Report management team has been submitted to and approved by the board of directors. The task of the Corporate Social Responsibility Report management team is to assist the board of directors and managers to understand and supervise the fulfillment of the Corporate Social Responsibility Report in the company. Led by the finance department, all relevant departments and units of CoreMax participated in the compilation of this Corporate Social Responsibility Report. In addition, opinions from stakeholders (including employees, customers, shareholders/investment institutions, suppliers, financial institutions and government/competent authorities) have been collected for the compilation of this report. After the completion of this report, it was verified and signed by the department heads and sent to the board of directors for approval before the issuance.

KPMG has performed limited assurance procedures on the information of this report in accordance with the "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", No. 01 of the Statements of Assurance Standards, issued by Accounting Research and Development Foundation. The declaration of assurance is attached in Appendix 1.

## Publication time

The Corporate Social Responsibility Reports are published on a regular basis every year and are also available to the public on CoreMax' s global information website. This report is expected to be issued in May 2020, and it is planned to be issued every June moving forward.

Last version: Published in May 2019

Current version: Published in May 2020

## Contacts

You can download the full report from the global information website of CoreMax. If you have any questions or suggestions about this report, please contact us. The contact information is as follows:

CoreMax Corporation  
Address: No. 11 Wenhua Road, Hsinchu Industrial Park, Hsinchu  
County Contact person: Weng, Chih-hsien  
Tel: 03-598-3101  
Fax: 03-598-3103  
Email: [dennis.weng@coremaxcorp.com](mailto:dennis.weng@coremaxcorp.com)  
Global Information Website of CoreMax:  
<http://www.coremaxcorp.com>



# Communication with stakeholders

## Identifying the stakeholders

CoreMax understands that communication with stakeholders plays a vital role in fulfilling its corporate social responsibility and in achieving sustainable development. In order to listen to the diverse voices of stakeholders, CoreMax has established multi-channels for effective communication. Therefore, through the identification of the stakeholders and effective communication with them, the company is able to accurately understand the stakeholders' concerns on these three aspects: economy, environment and society. These concerns are the key factors taken into consideration when developing CoreMax' s management policy.

CoreMax, based on the AA1000 SES (Stakeholder Engagement Standards), identifies its important stakeholders of each year through questionnaires considering the relevance of the work, different departments, and the stakeholder groups selected in the industry. This year, after the discussion and review by the members of the Corporate Social Responsibility Report compilation team, the groups of stakeholders have remained the same since 2018, which includes shareholders/investors, employees, government/competent authorities, suppliers, customers, and financial institutions. The company has been executing effective interactions with its stakeholders and listening to their input on the company' s economic, environmental, and social aspects through diverse and clear communication channels. The valuable opinions of the stakeholders are collected and studied for making the company' s management policies and adjusting its existing measures when appropriate.





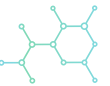
## Stakeholder' s subjects of concern and communication channels

While continuing to grow, CoreMax values the voices and advice of all its stakeholders. In order to effectively communicate with the stakeholders, the company keeps an open mind to absorb diverse opinions and suggestions from various parties, and to understand the needs and thoughts of the stakeholders to resolve unnecessary misunderstandings and disputes. Through these practices, the company is able to identify and control the risks and the management blind spots that the company may encounter, so that the company can adjust its business strategies and make countermeasures at any time, ultimately achieving sustainable business operation with the joint effort of the company and its stakeholders.



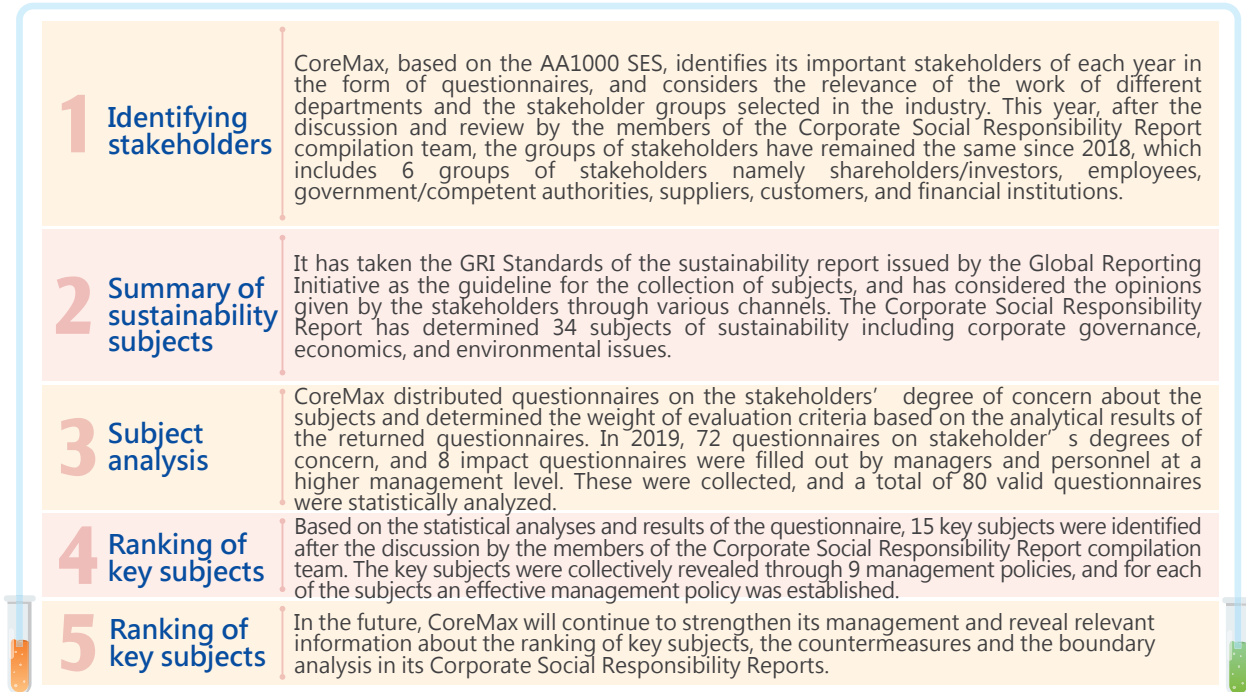
## Stakeholder' s subjects of concern and communication channels

Object	Concerned subject	Communication channel
 Employee	Sewage and Waste Environmental Compliance Economic Performance Socio-economic Compliance Industrial Relations	<ol style="list-style-type: none"> <li>1. Employees can express their opinions or complaints to the unit supervisor or the human resources department in writing, or by mail (E-mail), verbally or by phone. They can report any issue at any time to protect their rights and interests and express their opinions, so that the issues can be solved promptly and effectively.</li> <li>2. Labor-management conferences are held (quarterly) to establish a good communication channel.</li> <li>3. The human resources department regularly reviews the salary system and welfare measures and adjusts them in response to the amendments of labor laws and regulations (irregularly).</li> <li>4. Establishing and implementing employee bonus system (annually).</li> <li>5. Employees' participation in cash investment to become shareholders (irregularly).</li> </ol>
 Shareholder Investor	Sewage and Waste Occupational Safety & Health Environmental Compliance Socio-economic Compliance Employee-employer Relations	<ol style="list-style-type: none"> <li>1. Legal person's visit, phone interviews, regular publication of business operation information (monthly).</li> <li>2. General meeting of shareholders (annually): prepare annual financial report in accordance with regulations.</li> <li>3. Establishing special page for investors on the official website (irregularly): Shareholders can view the operating, finance, loan, and shareholder column (disclosing information about dividend, share price, share affairs).</li> <li>4. Set up the shareholder contact window and mailbox.</li> <li>5. A spokesperson has been appointed and a contact window for legal person &amp; shareholders is established.</li> <li>6. Electronic communication platform (irregularly).</li> <li>7. Visits paid as needed by the correspondent bank, reviewing credit information.</li> </ol>
 Customer	Environmental Compliance Socio-economic Compliance Industrial Relations Sewage and Waste Customer Privacy	<ol style="list-style-type: none"> <li>1. The business departments visit customers (irregularly).</li> <li>2. Online mailbox of customer service (irregularly).</li> <li>3. Customer satisfaction survey (annually).</li> <li>4. Email and telephone communication (irregularly).</li> <li>5. Participating in related product exhibition, obtaining immediate understanding of the customers and market development (irregularly).</li> <li>6. Visits paid as needed by customers (irregularly).</li> </ol>
 Supplier	Environmental Compliance Sewage and Waste Supplier Environmental Assessment Industrial Relations Socio-economic Compliance	<ol style="list-style-type: none"> <li>1. Email and telephone communication (irregularly).</li> <li>2. Supplier auditing (Establishing an annual audit plan)</li> <li>3. Suppliers conduct on-site visits to the plant (irregularly).</li> <li>4. Questionnaire survey (Conducting regular surveys every three years after the first survey).</li> <li>5. Signing the Supplier Code of Conduct (Raw materials supplier)</li> <li>6. Attending the international meeting of raw materials</li> </ol>
 Government competent authority	Local Community Customer Privacy Socio-economic Compliance Supplier Social Assessment Training and Education	<ol style="list-style-type: none"> <li>1. Official correspondence (irregularly).</li> <li>2. Participation in meetings (irregularly).</li> </ol>
 Financial institution	Discharge Environmental Compliance Sewage and Waste Water Supplier Environmental Assessment	<ol style="list-style-type: none"> <li>1. Telephone calls (irregularly).</li> <li>2. E-mail (irregularly).</li> <li>3. Visits in person (irregularly).</li> </ol>

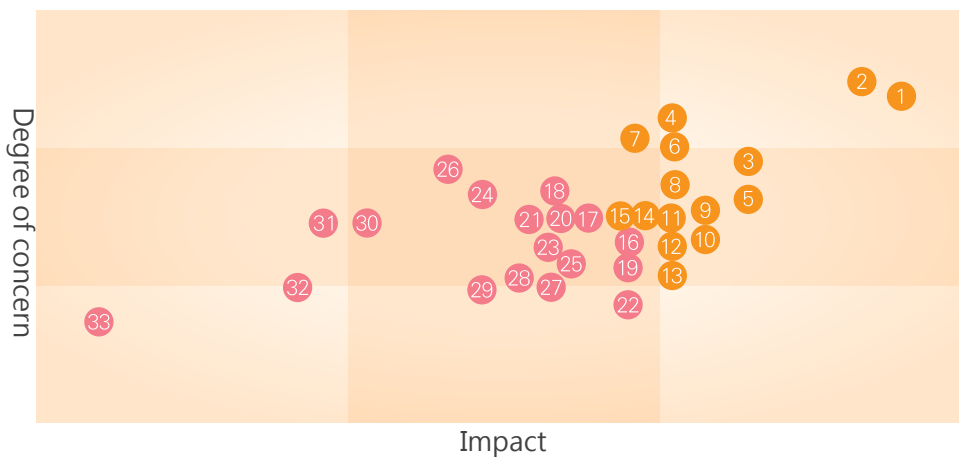


## Key subject analysis

Stakeholders' concerned subjects of sustainability are determined through a systematic analytical model in CoreMax' s 2019 Corporate Social Responsibility Report and used as the basis of the disclosed information for effective communication with the stakeholders. This report addresses major subjects of sustain-ability through the following five steps.



## The distribution map of the 2019 CoreMax key subjects



## Ranking of the 2019 CoreMax key subjects

- |   |   |   |   |
|---|---|---|---|
| <ol style="list-style-type: none"> <li>1. Sewage and waste</li> <li>2. Environmental compliance</li> <li>3. Customer privacy</li> <li>4. Socio-economic compliance</li> <li>5. Occupational safety &amp; health</li> <li>6. Industrial relations</li> <li>7. Discharge</li> <li>8. Economic performance</li> <li>9. Anti- Corruption</li> </ol> | <ol style="list-style-type: none"> <li>10. Employee-employer relations</li> <li>11. Training and education</li> <li>12. Supplier environmental assessment</li> <li>13. Energy</li> <li>14. Supplier social assessment</li> <li>15. Local community</li> <li>16. Water</li> <li>17. Compelled and forced labor</li> <li>18. Child labor</li> </ol> | <ol style="list-style-type: none"> <li>19. Human rights assessment</li> <li>20. Employee diversity and equal opportunity</li> <li>21. Corporate Governance</li> <li>22. Marketing and labeling</li> <li>23. Nondiscrimination</li> <li>24. Materials</li> <li>25. Indigenous rights</li> <li>26. Anti-competition practices</li> <li>27. Freedom of association and group consultation</li> </ol> | <ol style="list-style-type: none"> <li>28. Customer' s health and safety</li> <li>29. Market position</li> <li>30. Security practices</li> <li>31. Biological diversity</li> <li>32. Indirect economic shock</li> <li>33. Procurement practices</li> <li>34. Public policy</li> </ol> |
|---|---|---|---|
- Remark: Words in red represent the Key subject





## Scope and boundary of the key subjects

Management Policy	GRI Standards subject	Boundary of the subjects	Corresponding chapters	Page number
Economic performance	Economic performance	Entities in the consolidated statement of CoreMax	1. About CoreMax	9
Business operation with integrity	Anti-Corruption	CoreMax, subsidiaries	2.2 Business operations with integrity	33
Regulatory compliance	Environmental compliance	CoreMax, subsidiaries	2.4 Regulatory compliance	40
	Socio-economic compliance			
Supplier social responsibility	Supplier environmental assessment	CoreMax, suppliers	3. Supplier management, products and services	42
	Supplier social assessment			
Customer privacy	Customer privacy	CoreMax, customers	3.2 Product responsibility and customer service	49
Environmental protection	Discharge	CoreMax, subsidiaries	4. Green commitment	52
	Sewage and waste			
	Energy			
Good industrial relations	Employee-employer relations	CoreMax	5. Safe and happy workplace	62
	Industrial relations			
Training and education	Training and education	CoreMax	5.3 Employee education and training	74
Health, safety and disaster prevention	Occupational safety and health	CoreMax, contractors, suppliers	6. Workplace safety and disaster prevention management	82
	Local community			

## Plan and feedback

CoreMax values the opinions and suggestions of all its stakeholders. Apart from questionnaire surveys, the company has been continuously collecting feedback from its stakeholders through multiple channels to promptly and precisely understand their expectations of the company. The company highly values the communications with its stakeholders. Therefore, the company has appointed a special spokesperson who looks after the establishment of communication channels with the stakeholders through the column "Stakeholders" in the Corporate Social Responsibility Report section of the company's official website as well as through email (related\_party@coremaxcorp.com), telephone and fax. The important and prioritized issues will be incorporated in the company's annual work plan or in its objectives as the targets or indicators that CoreMax will strive to achieve in all aspects of its Corporate Social Responsibility Report operations.



# 1

## About CoreMax

1.1 Company Profile

1.2 Product and Service

1.3 Company Overview.

1.4 Participation in Organizations  
and Certifications



Project	Economic performance Management policy (Key subject: economic performance)
<b>Major reasons</b>	Economic performance is one of the key factors for the sustainable operation of an enterprise. If the economic performance of CoreMax was continuously poor, its survival would be questionable. Therefore, CoreMax must study how to strengthen the competitiveness and maximize the economic benefit of CoreMax to acquire long-term operating capacity. CoreMax will continue to pursue economic growth with stable business performance. CoreMax will strive to enhance product reliability, ensure employee stability, and to gain customers' cooperation and suppliers' trust so that all stakeholders can work together and jointly face the challenges and threats in the changing external environment.
<b>Boundary of the subjects</b>	The subject "economic performance" covers the entities in the consolidated statement.
<b>Limitation on the disclosure of the subject contents</b>	This Corporate Social Responsibility annual report only discloses relevant information about the "economic performance" of CoreMax and its subsidiaries.
<b>The objective of the management</b>	To effectively manage CoreMax's operational performance and operating risks.
<b>Policy</b>	Our policy is to make greater efforts in improving CoreMax's production process to improve its product quality by continuously developing new products and new applications to strengthen CoreMax's competitiveness and striving to create value for shareholders while fulfilling CoreMax's corporate social responsibility.
<b>Commitments and goals</b>	<ol style="list-style-type: none"> <li>1. Strengthening employee education and training.</li> <li>2. Making greater efforts in improving the production process for the purpose of bettering the product quality.</li> <li>3. Customer service enhancement.</li> <li>4. Quality control on materials from suppliers.</li> <li>5. Strengthen the organization of security and environmental personnel.</li> </ol>
<b>Resource</b>	<ol style="list-style-type: none"> <li>1. CoreMax has been continuously investing in product research and development, with a total investment of NT\$ 26,415,000 in 2019.</li> <li>2. With regards to the drastic price change of the metals market, a weekly inter-departmental business meeting and a purchasing department has been set up to discuss situations surrounding supply and demand, price changes in the market, and formulate strategies to reduce the risk of metal price fluctuations.</li> </ol>
<b>Complaints mechanism</b>	We greatly value the opinions of shareholders and have established the Spokesperson System and IR Contact to safeguard investors' rights and interests. Stakeholders may provide feedback through telephone, e-mail, CoreMax's website, and the Corporate Social Responsibility complaints window. Chih-Hsien Weng, Chief Financial Officer/(03)598-3101#3320/ Dennis.weng@coremaxcorp.com or Stakeholders' email address : related party @coremaxcorp.com.
<b>Corresponding measures</b>	<ol style="list-style-type: none"> <li>1. Senior business operation managers of CoreMax hold management meetings regularly.</li> <li>2. Regular board meetings are held to report operating performance to the directors.</li> <li>3. Annual business performance discussions are held by CoreMax.</li> <li>4. Tracking of the monthly business performance of the re-investment businesses.</li> <li>5. The audit committee meets at least once a quarter and makes its operations and performance evaluation methods public.</li> <li>6. In order to meet the requirements of customers' quality policy, the establishment and implementation of ISO 50001/ ISO 45001/ ISO 14064-1/ ISO 14646 framework started in Q4, 2019. Meanwhile, the certification for IATF 16949 Automotive Quality Management System, required by the automotive industry, was successfully obtained in Q4, 2019.</li> <li>7. Carrying out upgrades of the productivity efficiency and reconstruction of the battery material production line.</li> </ol>
<b>Management evaluation mechanism</b>	<ol style="list-style-type: none"> <li>1. Holding regular management meetings.</li> <li>2. Holding regular board meetings to report operating performance to the directors.</li> <li>3. Holding annual business performance discussions.</li> <li>4. Tracking monthly business performance of the re-investment businesses.</li> </ol>
<b>Performance and adjustment</b>	<ol style="list-style-type: none"> <li>1. The net profit attributable to the shareholders of the parent company was NT\$128,016 million, with an earnings per share of NT\$1.40.</li> <li>2. Spending on product development in 2019 was up 20% from 2018.</li> <li>3. Salary and welfare expenses for employees in 2019: NT\$335.010 million (consolidated)</li> </ol>

## 1.1 Company profile

### During the establishment

Established in 1992, CoreMax Corporation was a joint venture between SMC AG of and Uranus Chemicals Company Limited of Taiwan under the name of "Chempro Uranus Limited". In 1999, shareholders in Taiwan bought out all the shares of CoreMax from those of Switzerland, and changed the name to "CoreMax Corporation"

In 1992, CoreMax Corporation established the first production line to manufacture a series of oxidation catalysts required for producing PTA/DMT/IPA/TMA. In 1994, we built a catalyst recovery plan to provide regeneration service of waste catalyst for PTA/DMT/I-PA/TMA customers, minimizing customer cost and actualize the ideal of environmental protection.



### Expansion of operation

1. Catalyst product line : In response to the demands of the catalyst market, CoreMax began to expand and build factories to serve overseas customers: In 2001, CoreMax established the first catalyst overseas manufacturing plant in Kuantan, Malaysia to serve customers in South East Asia. Later, in November 2015, as the customers evacuated their factories and with shrinking operations, the plant ceased to operate. In November 2001, the second overseas catalyst production base was established in Zhuhai City, Guangdong Province, China to serve local customers. In 2004, the third overseas catalyst plant was built in Ningbo City, China to serve our massive customer in Ningbo and east China area. In October 2008, CoreMax Ningbo plant received the ISO9001 certificate issued by the International Organization for Standardization. In 2009, the fourth catalyst production base was built in Rayong Province, Thailand to provide catalyst products to customers in South East Asia. In August 2009, the headquarters in Taiwan received the ISO14001 certificate issued by the International Organization for Standardization. In 2011, the fifth overseas catalyst plant was constructed in Gulei Peninsular, Zhangzhou City, Fujian to serve PTA customers in surrounding area.
2. Advanced materials and battery materials : In order to expand product domain, CoreMax Corporation, in 1999, established the advanced materials and battery materials production line in the Hsinchu plant. The next year, it was awarded government funding of "Development Project of New Leading Products" by the Industrial Development Bureau of the Ministry of Economy Affairs of the R.O.C. to cooperate with "Material and Chemical Research Laboratories, Industrial Technology Research Institute" to develop high performance battery materials, engaging officially in the research and development in the discipline of battery materials. It specialized in producing cobaltous hydroxide and cobaltous oxide battery materials to export to North East Asia market. In 2008, it began to engage in the development of ternary cathode materials and set up a production plant in the following year. In 2010, a production line of nickel sulfate was set up in Toufen plant to supply materials for the electric vehicle markets. In response to the rapid growth of the electric vehicle market, the third Nickel (II) sulfate production line was established at the Toufen Plant in 2017. In the Q3 of 2018, CoreMax carried out upgrades of the previously established production lines to improve the capacity and efficiency of its production.

### Product expansion

Considering the goal of long-term development and expansion of product items, in August 2009, CoreMax invested in Heng-I Chemical to engage in the domains of fertilizer and semiconductor chemical materials. In 2014, we invested on URANUS CHEMICALS CO., LTD. to augment the production line in TFT LCD chemical materials, such as oxalic acid, etching solution, and more.



With different development plans implemented in different stages, the group has deployed three production bases in Taiwan: Hsinchu, Toufen, and Taichung. In the Mainland China, there are four production bases: Zhuhai, Ningbo, Jiangxi Tienjiang, and Zhangzhou. In Thailand, there is a catalyst plant in Rayong Province.

## The stock goes to the market

After years of development in its operation, CoreMax Corporation was listed on the stock market in 2010, to attract capital from the market and recruit talent to participate in the deployment and investment framework of related products. On December 1, 2011, it was listed over-the-counter officially. Later, with the development of equity, the scale of the corporation grew gradually. In 2017, it applied for a transfer to listed transactions. On September 8 in the same year, it was publicly listed on the Taiwan Stock Exchange Corporation.

### Information of CoreMax Corporation

Item	Content
Company' s name	CoreMax Corporation
Date of establishment	June 16, 1992
Date of OTC listing	December 1, 2011
Date of listing	September 8, 2017
Stock symbol	4739
Industrial classification	chemical industry
Company' s address	No.11, Wenhua Rd., Hsinchu Industrial Park, Hsinchu County
Chairman of the board	Chi-Cheng Ho
President	Chao-Hui Huang
Main business	Research and development, manufacturing and marketing of basic metal, specialty chemicals, electronic materials and battery material. Manufacturing the most reliable products to the customers.
Main products	Specialty chemicals and electronic materials made by metallic compound (cobalt, manganese and nickel)
Paid-in capital	NT\$ 930,293,000
Number of employees	161 employees (Hsinchu Plant and Toufen Plant), 128 employees (Heng I Chemical Co., Ltd.), 75 employees (Uranus Chemicals Co., Ltd.), 8 employees (CoreMax Zhuhai Chemical Co., Ltd.), 18 employees (CoreMax Ningbo Chemical Co., Ltd.), 5 employees (CoreMax(Thailand)), 28 employees (CoreMax (Zhangzhou) Chemical Co., Ltd.)

Note : On March 19th 2020, Chao -Hui Huang assumed the position of President.

## Structure of shareholders

Structure of shareholders of CoreMax Taiwan Corporation in 2019:

Unit: share

	Government authority	Financial institution	Other legal persons	Foreign institution and foreigner	Individual	Total
Number	0	3	46	37	11,519	11,605
Shares held	0	5,454,667	30,410,284	2,237,594	54,926,724	93,029,269
Shareholding ratio	0.00%	5.86%	32.69%	2.41%	59.04%	100.00%

## Business locations

### ✦ Taiwan area

Plant's name	Address	Main business and products
CoreMax Corporation (headquarter)	No.11, Wenhua Rd., Hsinchu Industrial Park, Hsinchu County	Specialty chemicals and electronic materials made by metallic compound (cobalt, manganese and nickel)
CoreMax Corporation (Toufen Plant)	No. 440, Zhonghua Rd., Toufen City, Miaoli County	Battery materials
Heng I Chemical Co., Ltd.	No. 440, Zhonghua Rd., Toufen City, Miaoli County	Organic/ chemical fertilizer
Uranus Chemicals Co., Ltd.	No.11, Wenhua Rd., Hsinchu Industrial Park, Hsinchu County	ITO Etching solution/oxalate/rare earth

### ✦ Overseas area

There are three business areas of CoreMax Corporation: Taiwan, China and Thailand; the main business locations in China are in Ningbo, Zhuhai, Zhangzhou and Jiangxi.

Business name	Address	Main business and products
Coremax(BVI) Corporation	British Virgin Islands	Investment of several businesses
CoreMax Zhuhai Chemical Co., Ltd	Langwan Road, Nanshui Chemical Industrial Zone, Nanshui Town, Zhuhai City, Guangdong, China 519050	Oxidation catalysts
CoreMax Ningbo Chemical Co., Ltd.	789 Fengming Road, Xiepu Town, Zhenhai District, Ningbo City, China 315204	Oxidation catalysts
CoreMax (Zhangzhou) Chemical Co., Ltd.	No. 30 Binhai Road, Gulei Port Economic Development Zone, Zhangzhou City, Fujian Province, P.R.C.	Oxidation catalysts
Coremax(Thailand) Co.Ltd.	Eastern Seaboard Industrial Estate (Rayong),64/62,Moo 4,Tambol Pluakdaeng,Amphur Pluakdaeng, Rayong 21140 Thailand.	Oxidation catalysts

Note: Jiangxi Tianjiang Materials Co., Ltd. stopped production in 2019.



CoreMax Zhuhai Chemical Co., Ltd



CoreMax Ningbo Chemical Co., Ltd.



Coremax(Thailand) Co.Ltd.



## Brief history of CoreMax

Time	Description
2019 Dec.	CoreMax obtained certifications of ISO 45001 Occupational Health and Safety Management Systems, ISO 14064-1 Greenhouse Gas Inventory Management System, ISO 14046 Water Footprint, ISO 50001 Energy Management Systems and IATF 16949 Automotive Quality Management System.
2018 Sep.	Carrying out upgrades of the productivity efficiency and reconstruction of the battery material production line
2017 June Aug. Oct.	CoreMax Corporation applied for listing on Taiwan Stock Exchange Corporation Certified by board of directors of Taiwan Stock Exchange Corporation and was listed in September The newly established third battery material production line begins mass production
2016 Dec.	Established third battery material production line in Toufen Area, Taiwan
2013 Mar.	Hengi Chemical Co. Ltd established Eighth Sulfuric Acid Plant
2011 July Dec.	CoreMax Corporation cooperated with strategic investor ITOCHU Corporation and raised cash of NT\$30,000,000 through private placement. The paid-in capital was raised to NT \$444,999,000. CoreMax Corporation established CoreMax (Zhangzhou) Chemical Co., Ltd., the fifth overseas catalyst production base in Gulei peninsula, Zhangzhou City, Fujian Province. CoreMax' s stock was officially listed and had capital increased by cash of NT\$41,300,000. The paid-in capital was raised to NT\$486,299,000.
2010 Mar. June Oct. Nov.	CoreMax's fourth overseas oxidation catalyst production line in the Thailand plant began mass production. CoreMax's Taiwan Toufen plant expanded its battery material production line. CoreMax's battery material production line in Toufen plant began mass production. CoreMax expanded to Emerging stock market.
2009 Mar. Aug. Nov.	CoreMax established CoreMax (Thailand) Co., Ltd. in Thailand and constructed the fourth overseas oxidation catalyst production line. Our company obtained ISO 14001 certification. CoreMax's Taiwan plant expanded the power battery production line.
2004 Sep.	CoreMax Ningbo Chemical Co., Ltd. was established in Ningbo City, Zhejiang Province, China, and the third overseas oxidation catalyst production line was established.
2003 Oct.	CoreMax expanded its battery material production line.
2002 Mar. Oct.	CoreMax's Kuantan plant in Malaysia began mass production and delivery. CoreMax's Zhuhai plant in China started mass production and delivery.
2001 Apr. July Nov.	CoreMax established CoreMax Malaysia Sdn. Bhd. in Kuantan, Malaysia and constructed the first overseas oxidation catalyst production line. Hengi Chemical Co. Ltd established automatic packaging compound fertilizer plant. CoreMax Zhuhai Chemical Co., Ltd was established in Zhuhai City, Guangdong Province, China, and the second overseas oxidation catalyst production line was constructed.
2000 July	CoreMax entered a contract with the Material and Chemical Research Laboratories of the Industrial Technology Research Institute to develop anode materials for high-performance lithium batteries.

Time		Description
2000	Dec.	CoreMax obtained the "Leading New Product Development Grant" for the "Development Project of High Performance Lithium Battery Cathode Material" from the Industrial Development Bureau of the Ministry of Economy Affairs. CoreMax's shareholders in Taiwan purchased all the shares held by SMC Pneumatik AG Switzerland, and renamed CoreMax as CoreMax Corporation.
1999	July	CoreMax built a production line for advanced materials and electronic materials.
1998	Jan.	CoreMax obtained the license for recycling and reusing deactivated catalysts issued by the Environmental Protection Department of the Executive Yuan.
1997	Mar.	CoreMax finished the construction of the second production line for deactivated catalyst recycling.
1996	Sep.	CoreMax was renamed as Taiwan CoreMax Chemical Co., Ltd.
	Oct.	CoreMax passed the ISO 9001 certification inspection.
1994	Dec.	CoreMax completed the construction of the first production line for deactivated catalyst recycling, which provided customers with deactivated catalyst regeneration service.
1992	June	June Uranus Chemicals Co., Ltd, Taiwan and CHEMPRO SA, Switzerland established CHEMPRO TAIWAN CO., LTD, a joint-venture plant in Hsinchu Industrial Park site for the production of cobalt acetate catalyst. The registered capital for the establishment was NT\$ 5 million.
1975	July	URANUS CHEMICALS CO., LTD. was established, the registered capital was NT\$ 3 million.
1961	May	Hengi Chemical Co. Ltd was established in Taipei, and the registered capital was NT\$ 0.1 million.

## Operation philosophy

CoreMax follows the established strategy of "whole-process product management" and strives to cultivate outstanding talents and innovative technology production, to provide high-quality products and services to meet customers' needs and improve CoreMax's business performance. CoreMax is committed to continuous improvements on all aspects of its operations and to create a common vision between colleagues.



We strive to provide high quality products and services to satisfy customer needs



Cultivating outstanding talents and innovating production technology



Improving CoreMax's business performance, commitment to continuous improvements



Continue improving and creating a common vision

## Business policy

- 1.Strengthening the management capability, improving the efficiency of operation process and reducing the operating cost.
- 2.Prioritizing personnel training, strengthening human capital and improving employee loyalty and satisfaction.
- 3.Expanding overseas businesses, increasing market share, improving service quality and maintaining good customer relation.
- 4.Strengthening R&D capabilities, diversifying products and improving the marketability of the products.
- 5.Effectively implementing the internal control system, internal audit and risk control system to ensure the financial and information security of CoreMax.



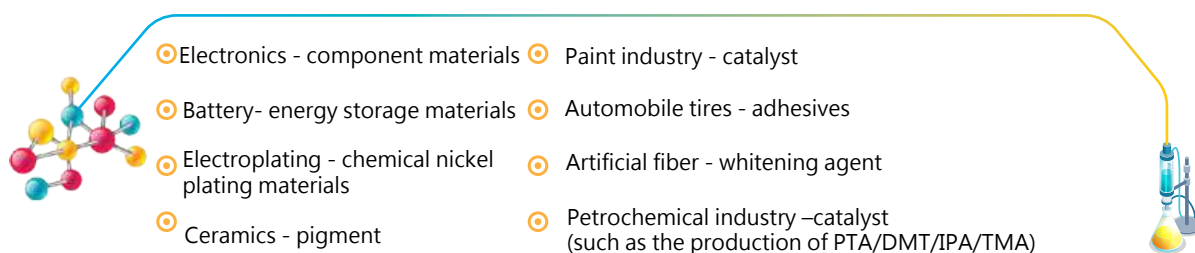


## 1.2 Products and services

CoreMax fully understands its responsibility to provide quality products that meet customer needs. CoreMax believes that the key factor which contributes to the exceptional quality of its products is its talents. Therefore, CoreMax has been following the quality policy as “providing high quality products to satisfy customers’ needs, and relying on outstanding talents to ensure continuous improvement,” and striving to cultivate professional talents and innovate its production technology. Through these efforts, CoreMax is able to continuously provide high quality products to satisfy its customers and improve its business performance.

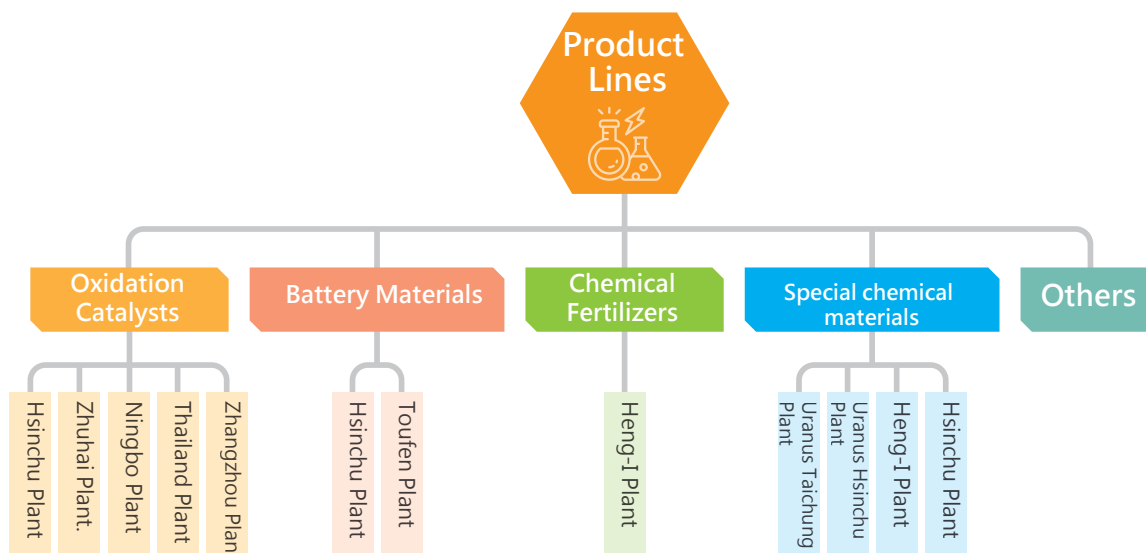
### Product and applications

The main market segments and fields of application of CoreMax’ s products:



Market	Product	Application
Catalyst	Cobalt acetate manganese acetate cobalt bromide solution manganese bromide solution Cobalt-manganese acetate solution Cobalt-manganese acetate bromine solution	As a catalyst for oxidation process, such as: the production of adipic acid, caprolactam, dimethyl terephthalate, terephthalic acid, isophthalic acid, and trimellitic anhydride.
	Cobaltous oxide Cobaltous hydroxide	Catalysts used for preparing recombination and other petrochemicals.
Color/ pigment/ paint drier	Cobalt acetate	Pigment and fiber dyestuff, paint and varnish catalyst.
	Manganese acetate	Pigment and fiber dyestuff, paint and varnish catalyst, Leather auxiliaries.
	Cobaltous oxide	As pigment for glass, ceramics, and enamel. As trace additives in animal and livestock feed.
	Cobaltous hydroxide	As pigment and paint catalyst for ceramics and enamel.
	Cobalt-manganese oxide	As pigment for ceramics and enamel.
Chemical fiber	Cobalt acetate	Whitener
	Manganese acetate	Catalyst for polymerization
Battery/ electronics	Cobaltous oxide Cobaltous hydroxide Mixed metal hydroxide cobalt sulfate	As a raw material for battery and electronic industry, such as rheostat, magnet, etc.
	Nickel sulfate	Raw materials for batteries and electroplating
Tire/rubber	Cobaltous hydroxide	tire adhesion promoter

## The structure of CoreMax Group's Product Lines



Category of product		Main products	Main applications
Oxidation catalysts		Crystal form (cobalt acetate, manganese acetate) Liquid form (cobalt acetate, manganese acetate)	Catalyzer for PTA oxidation reaction Whitening agent for PET polyester catalyzer for PTA oxidation reaction
Battery materials		Crystal form (cobalt acetate, manganese acetate) powder form (cobalt compound)	Lithium secondary battery anode material
Chemical fertilizers		Fertilizer	Plant nutrient
Specialty chemicals	Advanced materials	Powder form (cobalt compound)	Paint drier, tire adhesive Promoter
	Chemical materials	Sulfuric acid	Synthetic Chemicals
	Oxalic acid	Oxalic acid, potassium oxalate, potassium tetroxalate	For wash, marble stone grinding
	Oxide	Cerium oxide, lanthanum oxide, etc.	Fluorescent agent (powder) LED
	Electronic chemicals	Ammonium nitrate cerium, sulfuric acid	Panel etching, clean and etch wafer
Ceramics		Powder form (cobalt compound)	Glaze and Pigment of ceramics
Others		Trading of raw materials (cobalt, manganese, etc.)	It depends on the customer's need

## Sales regions

With years of conscientious business operation, CoreMax's products have successfully entered the Taiwan market as well as the regions outside Taiwan including Ningbo, Zhuhai, Zhangzhou and Thailand. CoreMax has been improving its business operation through continuous improvements on product quality and constant innovation in its technology. Today CoreMax's major export market is in Asia, where Japan accounts for the highest proportion of its sales, and the proportion of foreign sales in 2019 increased by 18.77% compared to 2018.



## Summary of the annual sales for the last three years

Monetary Unit: NT\$ thousand

Item	2017		2018		2019		
	Amount	Ratio	Amount	Ratio	Amount	Ratio	
Domestic	2,653,476	53%	3,070,075	48%	2,520,644	40%	
Over-seas	Asia	2,155,435	43%	3,130,629	50%	3,423,002	54%
	Europe, America	171,912	4%	109,933	2%	425,874	6%
Total operating revenue	4,980,823	100%	6,310,637	100%	6,369,520	100%	

## Sales status of the main products

### Business proportion of the main products

Monetary unit: NT\$ thousand

Product items	Year	2019	
		Net operating revenue	Ratio (%)
Oxidation catalysts		1,003,695	16%
Battery materials		3,302,869	52%
Fertilizers		683,665	11%
Specialty Chemicals		648,850	10%
Others		730,441	11%
Total		6,369,520	100%

## Research and development

CoreMax is committed to its research and development with regular and continuous investments every year. A total R&D investment of NT\$ 26,415,000 was made in 2019, and the achievements of these projects are in line with the schedule and requirements of CoreMax. Currently the R&D projects are still progressing in accordance with the plan made in previous phases.

- Development of battery materials: Developing transition metals and transition metallic oxide materials for new applications, with vertical and horizontal integration.
- Development of the recycling process for related metals in PTA production, to improve recycling capacity, efficiency, and quality.
- Improving the disposal efficiency and capacity of waste recycling business.
- Increasing the capacity of fertilizer production line.

The research and development results in 2019 are as follows:

- Developed nitrate (cobalt/manganese/nickel/lithium) for anode materials required by battery customers.
- Adjusted the process of new production line to reduce defectiveness and rework in subsequent production.
- Precipitation was adopted to reduce heavy metal in wastewater so as to avoid environmental pollution.

## Research and development expenses for the past three years

Monetary unit: NT\$ thousand; %

Year	2017	2018	2019
Research and development expenses	15,141	22,059	26,415
Proportion in total revenue	0.30%	0.35%	0.41%

## Plan for future research

### Short-term planning:

- 1.To improve the quality of existing products according to customers' requirements.
- 2.To improve the existing production process to make products with different physical properties and specifications.

### Medium-term and long-term plans:

- 1.Development of new generation secondary lithium battery raw materials
- 2.Development of new technology for cobalt, nickel, lithium recycling and new process for waste battery recycling, so as to improve the capacity, efficiency and quality of the recycling.

## 1.3 Business operation

CoreMax is an upstream supplier of raw metal materials, which does not directly face the end-consumers, so economic fluctuations in the market usually do not have direct impact on CoreMax' s revenue. Benefiting from its appropriate product lines and the adjustment on the business proportion of individual products, CoreMax has successfully avoided excessive concentration of its revenue which can cause related operating risks. Although CoreMax is operating in a competitive market, it can still maintain profits and contribute to its shareholders with its scientific and innovative business planning. In September 2017, CoreMax was officially listed on the Taiwan Stock Exchange.

In 2019, the drastic metal price volatility indirectly affected CoreMax's financial performance. In light of the dramatic price change of the metals market, a weekly inter-departmental meeting of business and purchasing department has been set up to discuss situations surrounding supply and demand, price changes in the market, formulate strategies to reduce the risk of metal price fluctuations. In 2019, CoreMax generated a consolidated operating revenue of NT\$ 6,369,520,000, with an operating profit margin of NT\$489,940,000. The revenue growth in 2019 as compared to 2018 was mainly due to the growth in CoreMax's operating scale. The after-tax net profit of 2019 was NT\$ 153,067,000, with earnings per share of NT\$1.40.

### CoreMax' s (the sole entity' s) employee wages & benefits and payments to the government for the last three years

Monetary unit: NT\$ thousand

Item	2017	2018	2019
Employee wages and benefits	124,846	129,602	139,540
Payments to the government (Corporate income tax)	24,083	40,010	Not declared
Payments to the government (penalties and fines)	N/A	N/A	N/A
Community investments	0	300	350
Dividend payments to shareholders	204,459	261,065	297,694

Notes: Payments to the government are provided when major standards are met.



## Condensed consolidated statement of profit and loss for the last three years

Monetary unit: NT\$ thousand

Item	Year	2017	2018	2019
Operating Revenue		4,980,823	6,310,637	6,369,520
Operating Profit Margin		762,320	780,810	489,940
Operating income(loss)		531,739	555,640	240,618
Non-Operating Income/ Expenses		(2,641)	(17,717)	(12,575)
Income Before Tax		529,098	537,923	228,043
Income from Continuing Operation		441,251	429,430	153,067
Loss from discontinued operation		0	0	0
Net Income (Loss)		441,251	429,430	153,067
Other Consolidated Income (Loss) (Income After Tax)		5,454	(3,667)	(15,646)
Total Consolidated Income (Loss)		446,705	425,763	137,421
Net Profit Attributable to the Owner of the Parent Company		411,530	393,022	128,016
Net Profit Attributable to Non- controlling Interests		29,721	36,408	25,051
The Consolidated Income (Loss) is Attributable to the Owner of the Parent Company		415,687	388,176	112,997
The Consolidated Income (Loss) Is Attributable to Non-Controlling Interests.		31,018	37,587	24,424
Earnings Per Share (NT\$)		5.40	4.63	1.40

### CoreMax' s economic objectives and vision

#### Short-term objectives

##### Marketing strategies

- Strive for long-term orders with reasonable price and stable quality, and increase CoreMax' s market share.
- In addition to the domestic market, actively explore the international market for foreign orders.
- Effectively and adequately communicate with customers, understand customers' demand for products, provide comprehensive solutions, and improve after-sales service to maintain long-term, cooperative relations and meet the diverse needs of customers.



#### Long-term objectives

##### Marketing strategies

- Customer-oriented while providing versatile services to customers, striving to improve customer satisfaction, and meeting customers' needs for different products.
- To cooperate with the development of new recycling technology and provide customized professional services. Additionally, it is our goal to foster partnerships and secure long-term orders to increase CoreMax' s profitability.
- Actively expand overseas markets to reduce the risk of market concentration.
- Actively cultivate professional sales personnel, enhance international marketing ability, and increase CoreMax's market share.

### Production strategies

- ⊙ Continue to implement ISO quality policy. CoreMax has obtained the ISO 9001 and 14001 certifications, and will continue to implement the ISO 9001 standards so as to enhance the quality concept and implement the quality system in the future.
- ⊙ Actively improve production capacity and production process to achieve rationality, systematism, and standardization in CoreMax' s production. By shortening the production cycle, improving the yielding rate, and strengthening education and training we can improve the quality of performance from our employees.
- ⊙ Reduce production cost and eliminate possible waste by manpower planning, resource sharing, job division, and process simplification. Adopt ERP systems to optimize purchasing cost and inventory cost.
- ⊙ Cooperate with customers by setting up overseas production base and expanding production capacity so that CoreMax can carry out production, shipment and delivery promptly and optimizes customer satisfaction. By doing so, CoreMax can increase its market share and maintain a stable business growth.
- ⊙ To meet the diversifying needs of its customers, CoreMax successively obtained the certifications of ISO 50001/ ISO 45001/ISO 14064-1/ ISO 14646 in 2019. The certification of IATF 16949 was also acquired to meet customers' requirements in the automotive industry.

### Financial planning

- ⊙ Keep close contact with banks and establish good relation-ship with them to strengthen the ability of fund procurement.
- ⊙ Seek low interest rate loans, such as strategic low interest rate loans, to reduce the cost of capital for CoreMax.
- ⊙ Strengthen the ability of capital management and risk control to reduce the risk of company' s operation.

### Production strategies

- ⊙ Continuously improve the quality of products and services.
- ⊙ Seek strategic alliance partners, integrate upstream and downstream industries, and strengthen supply chain quality and ability to reduce costs and improve operational efficiency and competitive advantage.
- ⊙ Actively seek cooperation with internationally known factories and develop emerging markets with plans. Strive for orders from internationally known factories to enhance market reputation as well as to increase CoreMax' s market share.
- ⊙ Grasp the future development of chemical fiber industry and secondary lithium battery market, focusing on the research and development of upstream raw materials of related products. Establish the technical self-reliance ability and enhance CoreMax' s image of a market leader with professional and innovative products and technologies.

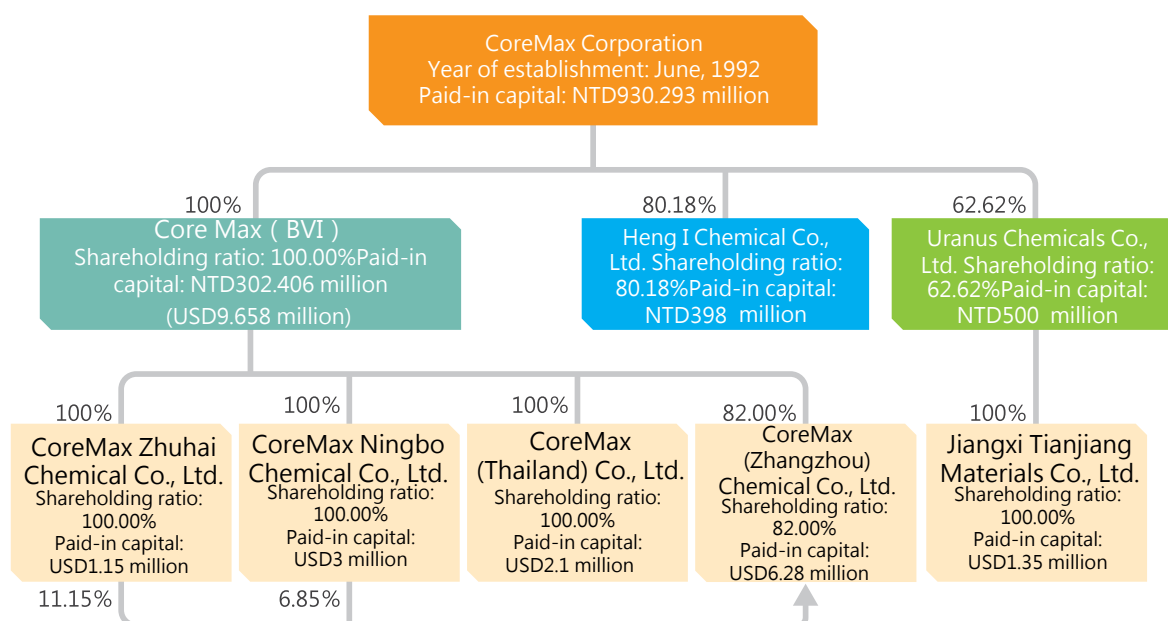
### Financial planning

- ⊙ Drive CoreMax to enter the capital market so as to increase CoreMax's financing channels and to obtain a diversified source of funds.
- ⊙ Enhance international financing capacity in line with the expansion of operation scale and the establishment of overseas bases.



## CoreMax' s Affiliated Enterprises

### Organizational Structure of CoreMax' s Affiliated Enterprises



Name of the investment company	CoreMax Corporation			
Name of the subsidiary	Nature of business	Percentage of equity held		
		2017	2018	2019
COREMAX (BVI) CORPORATION	Investment Company	100%	100%	100%
Heng I Chemical Co., Ltd.	Production and sales of chemical fertilizer, chemical raw materials, organic manure and organic fertilizers, and the export and import trade of the aforesaid business, and the recycling and regeneration of solvents and detergents.	80.18%	80.18%	80.18%
Uranus Chemicals Co., Ltd.	Production and sales of oxalic acid, organic acid, inorganic acid and their salt rare earth group compounds and their crystals.	83.60%	62.70%	62.62%

Name of the investment company	Coremax(BVI) Corporation			
Name of the subsidiary	Nature of business	Percentage of equity held		
		2017	2018	2019
CoreMax Zhuhai Chemical Co., Ltd	Production and sales of the series products of oxidation catalyst, sodium carbonate solution, wastewater treatment agent, exhaust gas absorber and cobalt compounds.	100%	100%	100%
CoreMax Ningbo Chemical Co., Ltd.	Production and processing of the series products of pure terephthalic acid oxidation catalyst, sodium carbonate solution, wastewater treatment agent, exhaust gas absorber and cobalt compounds.	100%	100%	100%

Name of the investment company	Coremax(BVI) Corporation			
Name of the subsidiary	Nature of business	Percentage of equity held		
		2017	2018	2019
COREMAX (THAILAND) CO., LTD.	Production and processing of the series of products of pure terephthalic acid oxidation catalyst, sodium carbonate solution, wastewater treatment agent, exhaust gas absorber and cobalt compounds.	100%	100%	100%
CoreMax (Zhangzhou) Chemical Co., Ltd.	Production, processing, and wholesale of the series of products of pure terephthalic acid oxidation catalyst, sodium carbonate solution, wastewater treatment agent, exhaust gas absorber and cobalt compounds. Regeneration treatment of deactivated oxidation catalyst.	70.06%	70.06%	82%

Name of the investment company	Uranus Chemicals Co., Ltd			
Name of the subsidiary	Nature of business	Percentage of equity held		
		2017	2018	2019
Jiangxi Tianjiang Materials Co., Ltd	Production and sales of oxalic acid, organic acid, inorganic acid and their salt rare earth group compounds and their crystals.	100%	100%	100%

## 1.4 Memberships and certifications

### Membership

In 2019, CoreMax successively joined, as a general member, the Manufacturers' Association of Hsinchu Industrial Park, the External Public Association of Hsinchu County Industrial Association, the Taiwan Battery Association, and the Chinese Human Resource Management Association.

Title of association	Position held	Contact unit
Taiwan Battery Association	General member	Marketing and Sale Division
Chinese Human Resource Management Association	General member	Management Division
Manufacturers' Association of Hsinchu Industrial Park	General member	Management Division
Hsinchu County Industrial Association	General member	Management Division





## CoreMax' s Joint Certifications Award Ceremony

CoreMax' s Quality Policy - "Meeting customer needs with high quality products, and continuously improving overall business performance through cultivation of professional talents" . CoreMax fully understands that it is our responsibility to provide excellent products that meet our customers' needs, and that talent is key in the pursuit of excellent quality. Therefore, CoreMax is committed to cultivating professional talent that will continuously incorporate innovations in its R&D and production technology, thus enabling CoreMax to produce high quality products to meet its customers' needs.

To achieve better customer quality management and occupational safety and health management in its operations and to meet its stakeholders' diversifying needs as well as the new trends in Global ESG (Environment, Social Responsibility, Corporate Governance), CoreMax, under the guidance of the professional consultants from the Industrial Sustainable Development Center and National Cheng Kung University(NCKU), has made plans to implement a number of management systems, and has set an objective to pass the third-party verification by the end of December 2019.

CoreMax' s Management Systems Implementation Team was officially established on December 3rd, 2018, which would be responsible for implementation of IATF 16949, ISO 45001 Occupational Health and Safety Management Systems, ISO 50001 Energy Management Systems, ISO 14046 Water Footprint,

ISO 14064-1 Greenhouse Gas Inventory Management System. Meanwhile, ISO 9001 Quality Management System Accreditation was launched at overseas plants for global reinvestment.

Since July 2019, the CoreMax team' s yearlong efforts to successfully integrate different management systems into CoreMax' s operations has resulted in CoreMax successfully obtaining certifications of ISO 14064-1 Greenhouse Gas Inventory Management System, ISO 45001 & ISO 14001 Occupational Health and Safety Management Systems and ISO 50001 Energy Management Systems. In October 2019, the Hsinchu headquarters and the Toufen Plant passed IATF 16949 verification. All CoreMax' s overseas plants for global reinvestment successively passed ISO 9001 verification in November. (Refer to the table below for details)

No.	Management System No.	Management System Name	Date verification was passed	Name of Plant
1	IATF 16949	Automotive Quality Management System	Nov., 2019	Hsinchu Plant, Toufen Plant
2	ISO 14001	Environmental Management Systems	Oct., 2019	Hsinchu Plant
3	ISO 45001	Occupational Health and Safety Management Systems	Oct., 2019	Hsinchu Plant, Toufen Plant
4	ISO 50001	Energy Management Systems	Nov., 2019	Hsinchu Plant
5	ISO 9001	Quality management system	Nov., 2019	Hsinchu Plant, Toufen Plant, 4 overseas plants
6	ISO 14064-1	Greenhouse Gas Inventory	Sep.,2019	Hsinchu Plant
7	ISO 14046	Water Footprint	Oct., 2019	Hsinchu Plant

In late November of 2019, CoreMax Corporation completed the verification of all its management systems ahead of schedule. In addition to appreciating our customers, CoreMax decided to hold a joint certification awards ceremony on December 19th, 2019, inviting Lloyd's Register Group Services Limited (LRQA) Taiwan Branch and SGS Taiwan to participate in the certification awards ceremony. At the same time, customers and suppliers were invited to be present, sharing the joy and witnessing the growth of CoreMax Corporation. The certification awards ceremony was also the perfect occasion to affirm the efforts of CoreMax' s team in upgrading CoreMax' s management systems, especially the acquisition of IATF 16949 Automotive Quality Management System certification, which improved CoreMax' s overall quality system.

In his speech, Mr. Ho, the Chairman of CoreMax Group welcomed the distinguished guests who have been providing guidance to CoreMax and witnessing CoreMax' s achievement of various management certifications. The chairman also acknowledged the great efforts made by the CoreMax staff, who achieved CoreMax' s goal of obtaining certifications ahead of schedule. In addition, all CoreMax' s overseas plants for global reinvestment have passed the verification for ISO 9001 Quality Management System. It is hoped that CoreMax will continuously improve its business performance and meet customers' diversifying needs through strict compliance with the management systems and constant staff motivation.



2019 CoreMax Joint Certification Awards Ceremony. Above is a group photo of Chairman Mr. Ho (in the middle of the front row) and colleagues.



2019 CoreMax Joint Certification Awards Ceremony. Above is a group photo of Chairman Mr. Ho (third from the right), ISDC of NCKU, LRQA and SGS.



Thailand Plant ISO 9001 Quality management system accreditation (2015)



Zhuhai Plant ISO 9001 Quality management system accreditation (2015)



Ningbo Plant ISO 9001 Quality management system accreditation (2015)



Zhangzhou Plant ISO 9001 Quality management system accreditation (2015)



Hsinchu Plant ISO 9001 Quality management system (2015)



Toufen Plant ISO 9001 Quality management system (2015)



ISO 14001 Environmental Management Systems (Hsinchu Plant)



ISO 45001 Occupational Health and Safety Management Systems (Hsinchu, Toufen Plant)



ISO 14064-1 Greenhouse Gas Inventory Management System



ISO 14046 Water Footprint accreditation



ISO 50001 Energy Management Systems



IATF 16949 Automotive Quality Management System (Hsinchu Plant)



IATF 16949 Automotive Quality Management System (Toufen Plant)



The institution and honor awarded The Bureau of Foreign Trade (BOFT) 2018 Excellent Exporters/Importers

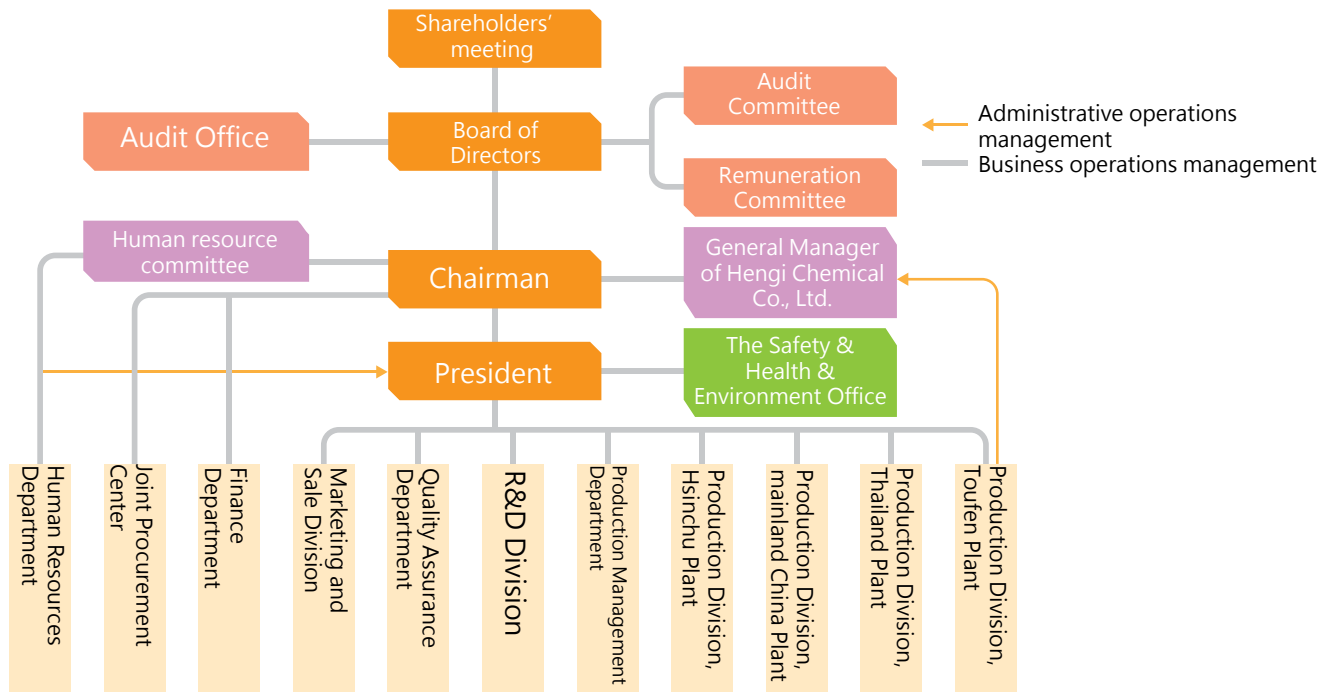


# 2

## Corporate Governance

- 2.1 Corporate Governance Structure
- 2.2 Business Operations with Integrity
- 2.3 Risk Management
- 2.4 Regulatory Compliance

## 2.1 Corporate Governance Structure



### Functions and responsibilities of CoreMax' s main departments

Department	Functions and Responsibilities
Marketing & Sales Division	<ul style="list-style-type: none"> <li>Responsible for new market developments and product sales, including product positioning, pricing, and establishment of marketing channels.</li> </ul>
Production Division	<ul style="list-style-type: none"> <li>Mainly responsible for product manufacturing, packaging and other related matters.</li> <li>Responsible for new product trial and mass production, process designing and organization.</li> <li>Responsible for coordinating the operation of quality control, material management, and manufacturing to ensure the quality of the product, production capacity, and logistics such as ensuring that delivery times meet the customers' requirements.</li> <li>Coordinating the resources of quality control, material management and manufacturing, and ensuring the effective use of the resources. Planning production and managing manpower, equipment, and materials in line with CoreMax' s annual plan.</li> </ul>
R&D Division	<ul style="list-style-type: none"> <li>Responsible for new product development and design, planning and implementation, product development and coordinating production transfer, establishment and execution of other development processes and systems.</li> <li>Specific project execution and follow-up.</li> <li>Evaluation and introduction of new technologies and products.</li> <li>Assisting manufacturing department to solve product problems, improve product yield and reduce cost.</li> <li>Establishing and implementing product design control procedures methods.</li> <li>Developing outstanding R&amp;D and technical ability in line with CoreMax' s business growth. Strengthening the competitiveness of CoreMax.</li> </ul>
Finance Department	<ul style="list-style-type: none"> <li>General affairs, administrative affairs, support and management.</li> <li>Responsible for the planning, management, application and maintenance of CoreMax's information system.</li> <li>Responsible for external legal affairs and document review.</li> <li>Responsible for the management of CoreMax's funds, budget, preparation of accounting data, cost settlements, taxes, and the establishment and execution of the accounting system.</li> <li>Responsible for stock affairs.</li> <li>Responsible for external affairs and public relations.</li> </ul>



Department	Functions and Responsibilities
Human Resources Department	<ul style="list-style-type: none"> <li>○ Planning and implementing the functions of human resources management, such as employee selection, development, and retention.</li> </ul>
Production Management Department	<ul style="list-style-type: none"> <li>○ Responsible for material management, including material purchasing, inventory and product delivery.</li> </ul>
Head office of operations	<ul style="list-style-type: none"> <li>○ Responsible for the inquiry, price comparison, bargaining, and purchasing of raw materials and equipment.</li> <li>○ Collects and analyzes supply &amp; demand of raw materials and market conditions.</li> </ul>
The audit office	<ul style="list-style-type: none"> <li>○ Plans, implements, and revises the internal control system.</li> <li>○ Establishes and implements the annual audit plan.</li> <li>○ Establishes and implements the self-inspection plans for all units and subsidiaries.</li> <li>○ Other matters to be implemented in accordance with laws and regulations.</li> </ul>

### The governance unit

To fulfill their responsibilities as supervisors, CoreMax board directors have, in accordance with the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” , established the “Rules and Procedures of Board of Directors Meetings” , and have implemented the “Code of Ethical Conduct” , which regulates board directors’ behaviors with the Principles for recusal due to conflicts of interest to improve CoreMax’ s governance functions with established regulations.

The regulations governing CoreMax’ s board meetings stipulate that the board meetings should be held at least once every quarter. Through these meetings the board directors of CoreMax can communicate with the financial and internal audit managers to understand CoreMax’s internal risk control, major litigation risk assessment, and internal audit report, etc. In addition, the management of CoreMax can, through the review of the annual audit plans and financial statements submitted by internal (audit office) and external (accountant) functions, conduct ongoing supervision on CoreMax’ s compliance with related laws and regulations governing listed companies and financial accounting standards as well as the progress in achieving CoreMax’ s goals. A total of 5 board meetings were held in 2019, during which the financial accounting and auditing units were arranged to report to the board. Through these meetings, CoreMax established a complete control system, reviewed the business performance and discussed important issues requiring the use of strategy with the purpose of maintaining the continuous growth of CoreMax and meeting the market demand. The subjects of the meetings included economics (International Financial Reporting Standards (IFRS) and investment expansion), environmental protection (RoHS, GP) and corporate social responsibility, etc. To better fulfill its responsibility of supervision, the board of directors has established the audit, compliance and risk management mechanisms to accompany CoreMax’ s existing internal auditing system.

The current CoreMax board directors were elected on May 26th, 2017 (Term of office: 3 years) in accordance with laws and regulations. Two more directors were elected on June 1st, 2018 for their outstanding professional qualifications, social experience, and moral standards. The board of directors consists of nine members with professional background and technical experience, including three independent directors who form the audit committee (the audit committee was established after the board meeting, and the former supervisor stepped down). All the independent directors have more than five years of working experience required by CoreMax’s business or have the qualifications of university or college lecturer or above from the relevant academic departments required by CoreMax’s business. These independent directors, in the spirit of detached independence, provide professional consultancy in operational, technical and financial aspects of CoreMax, and share the responsibility for CoreMax’ s strategies, operations and supervision. CoreMax’ s election of independent directors adopts candidate nomination systems, through which the candidates are submitted to the shareholders’ meeting for election after the examination of the qualifications of the candidates.



## Board members and positions of 2019

Update : 31/03/2020

Position	Name	Sex	Education and Experience	Position(s) held concurrently in CoreMax and/or in any other CoreMax,	Attendance rate in 2019
Chairman and President	Chi-Cheng Ho	Male	<p><b>Education:</b> Dept. of History, Soochow Univ.</p> <p>MBA, Missouri State University, USA</p> <p><b>Experience:</b> VP, RTA. USA</p>	<p>Chairman, CoreMax Corporation</p> <p>Chairman, Chang Xing Corp.</p> <p>Chairman, Cheng Rui Industrial Co., Ltd.</p> <p>Director, Heng I Chemical Co., Ltd.</p> <p>Director, Chengde Investment Ltd.</p> <p>Director, Hengmian Investment Ltd.</p> <p>Chairman, CoreMax (BVI) Corp.</p> <p>Chairman, CoreMax Zhuhai Chemical Co., Ltd.</p> <p>Chairman, CoreMax Ningbo Chemical Co., Ltd.</p> <p>Chairman, CoreMax (Thailand) Co., Ltd.</p> <p>Chairman, CoreMax (Zhangzhou) Chemical Co., Ltd</p> <p>Chairman and President, Uranus Chemicals Co., Ltd.</p> <p>Chairman, Jiangxi Tianjiang Materials Co., Ltd.</p>	100%
Director	Chi-Chao Ho Representative of Chang Xing Corp.	Male	<p><b>Education:</b> Dept. of Accounting, Hsing Wu University</p> <p><b>Experience:</b> Chairman of Orgchem Technologies, Inc.</p>	<p>Chairman, Heng I Chemical Co., Ltd.</p> <p>Director, Chang Xing Corp.</p> <p>Director, Cheng Rui Industrial Co., Ltd.</p> <p>Supervisor, Uranus Chemicals Co., Ltd.</p> <p>Director, Orgchem Technologies, Inc.</p> <p>Director, CoreMax Ningbo Chemical Co., Ltd.</p>	100%
Director	Hiroyuki, Sakurai Representative of ITOCHU Corporation	Male	<p><b>Education:</b> Kwansei Gakuin University</p> <p><b>Experience:</b> Chief, Orgchem Section, ITOCHU Corporation</p>	Chief, Chemicals Division, ITOCHU Corporation	80%
Director	Chih-Fa Cheng	Male	<p><b>Education:</b> Dept. of Accounting, National Ching Hsing University</p> <p><b>Experience:</b> CPA, EVERGREAT CPAs</p>	<p>CPA, EVERGREAT CPAs</p> <p>Director, Golden Point Asset Management Co., Ltd.</p> <p>Director, Yuan Futai Development Co., Ltd.</p> <p>Chairman, Semberg Investment Co., Ltd.</p> <p>Independent Director, Shin Zu Shing Co., Ltd.</p> <p>Director, Shih Her Technologies Inc.</p> <p>Independent Director, Hong Yi Fiber Ind. Co., Ltd</p> <p>Director, Kaibo Enterprice Co., Ltd.</p> <p>Director, Ezfly International Travel Agent Co., Ltd.</p> <p>Director, GSD TECHNOLOGIES CO.,LTD (Cayman)</p> <p>Director, Uranus Chemicals Co., Ltd.</p>	100%



Position	Name	Sex	Education and Experience	Position(s) held concurrently in CoreMax and/or in any other CoreMax,	Attendance rate in 2019
Director	Chi-Chou Ho	Male	<b>Education:</b> EMBA, National Chiao Tung Univ. <b>Experience:</b> Business VP, CoreMax Corporation	Shih Her Technologies INC. Director, Cheng Rui Industrial Co., Ltd. Director, Uranus Chemicals Co., Ltd. Director, Changyu Technology Co., Ltd. Supervisor, Heng I Chemical Co., Ltd. Supervisor, Chang Xing Corp.	100%
Director	Ching-Yuan Lai	Male	<b>Education:</b> Dept. of Chemistry, National Cheng Kung Uni. <b>Experience:</b> VP, Heng I Chemical Co., Ltd. Plant Manager, Xinchang Chemical Corporation Assistant Vice President, CAPCO	Director and President, Heng I Chemical Co., Ltd.	100%
In-dependent Director	I-Ping Hsu	Male	<b>Education:</b> Dept. of Aerospace Engineering, Tamkang Univ. Doctoral Program, Department of Mechanical Engineering, University of Wisconsin Milwaukee <b>Experience:</b> President, Hsinchu Transportation Co., Ltd.	Chairman, Hsinchu Transportation Co., Ltd. Chairman, Hsinchu Transportation Co., Ltd. Director, Dingwei Research and Development Co., Ltd. Chairman, E-Money Holding Co., Ltd.	60%
In-dependent Director	Wen-Tsung Wang	Male	<b>Education:</b> Dept. of Accounting, Feng Chia Univ. <b>Experience:</b> Senior Auditor, KPMG Partner CPA, Huimin United Accountants Office	Partner CPA, Bing-Cheng United Accountants Office Independent Director, SYSAGE Technology Co., Ltd. Supervisor, Emax Tech Co., Ltd. Director, Tian Ai Art Hall Co., Ltd.	100%
In-dependent Director	Yuan-Lung Chang	Male	<b>Education:</b> Dept. of Accounting, Tamkang Univ. <b>Experience:</b> CPA, Diligence United Accountants Office	CPA, Diligence United Accountants Office Independent Director, Kaibo Enterprise Co., Ltd. Independent Director, GSD Technologies Co., Ltd. Independent Director, Shin Zu Shing Co., Ltd.	100%



## Board directors and supervisors' attendance in further studies

CoreMax also arranges professional trainings for directors on an annual basis which cover the board's functions, evaluates the board's performance, and covers corporate ethics and various publicity matters which are also included in the training courses.

To encourage the directors to pursue further studies, CoreMax occasionally provides information on courses offered by the stock exchange or trading centers to directors and arranges suitable courses for further education. CoreMax also arranges suitable study courses covering all aspects of corporate social responsibility such as economics, environmental care, social obligations, human rights, etc. according to the directors' individual schedule. Relevant information and arrangements regarding directors' further studies for 2019 are provided below:

Position	Name	Dates	Organizer	Name of Course	Hours
Director	Chi-Cheng Ho	18/4/2019 3/5/2019	Corporate Organization Association Securities and Futures Institute	The reform of the shareholders' meeting and case study Education of Preventing Insider Trading in 2019	6
Director	Chi-Chao Ho	3/5/2019 2/8/2019	Securities and Futures Institute	Education of Preventing Insider Trading in 2019 Education of Insider Trading Law and Compliance for TWSE/TPEX Listed Companies in 2019	6
Director	Hiroyuki Sakurai	17/7/2019	Securities and Futures Institute	Education of Insider Trading Law and Compliance for TWSE/TPEX Listed Companies in 2019	3
Director	Chih-Fa Cheng	9/5/2019 5/8/2019	Securities and Futures Institute Taiwan Corporate Governance Association	Matters needing attention of the board of directors and the shareholders' meeting in 2019 Enterprise performance management and practices in implementing rewards systems	6
Director	Chi-Chou Ho	2/8/2019	Securities and Futures Institute	Education of Insider Trading Law and Compliance for TWSE/TPEX Listed Companies in 2019	3
Director	Ching-Yuan Lai	3/5/2019 2/8/2019	Securities and Futures Institute	Education of Preventing Insider Trading in 2019 Education of Insider Trading Law and Compliance for TWSE/TPEX Listed Companies	6
In-dependent Director	I-Ping Hsu	18/4/2019 2/8/2019	Corporate Organization Association Securities and Futures Institute	Education of Preventing Insider Trading in 2019	6
In-dependent Director	Wen-Tsung Wang	12/2/2019 19/4/2019 24/6/2019 5/8/2019 14/8/2019 23/8/2019 22/11/2019 9/12/2019 3/12/2019	Workshops given by the National Federation of CPA Associations of the R.O.C. Lectures and seminars approved by the National Federation of CPA Associations of the R.O.C.	Notes for repatriation of overseas funds Corporate tax settlement declaration for 2018 Family business succession planning Practical analysis of the latest tax laws and regulations Seminar on money laundering prevention Responsive measures for the amendments to the new CoreMax Act. Prevention of money laundering and combating the financing of terrorism North Region tax symposium Seminar on income tax and legacy tax	30
In-dependent Director	Yuan-Lung Chang	9/5/2019	Securities and Futures Institute	Discussing the responsibility of the board of directors and the board of supervisors based on securities criminal cases	3





## Manager's further studies

Position	Name	Dates	Organizer	Name of Course	Hours
Financial Chief	Zhi-Xian Weng	26/9/2019~27/9/2019	Accounting Research and Development Foundation	Continuing education for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12

## Remuneration Committee

The Remuneration committee was established under CoreMax's board of directors. In accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a CoreMax Whose Stock is Listed on the Stock Exchange or Traded Over the Counter" (hereinafter referred to as the "Regulations governing the power of the remuneration committee"), the board of directors should select independent professionals, in accordance with the provisions of Article 5 and Article 6 of the regulations governing the power of the remuneration committee, to plan and evaluate the remuneration policies and systems for CoreMax's directors, supervisors and managers in a professional and objective manner, and to make proposals to the board of directors. Until now, an independent and professional remuneration committee has been appointed to regularly review and evaluate the performance appraisals and remuneration policies, systems, standards and structures of CoreMax's top governance members (directors and supervisors) and senior managers. The compensation of the top management members and senior managers is determined according to CoreMax's business performance, the standards of the industry, and with the principle of safeguarding the rights and interests of the stakeholders. CoreMax's remuneration committee consists of 3 members, including I-Ping Hsu, Wen-Cong Wang and Yuan-Long Zhang. Three regular meetings were held by the remuneration committee in 2019. During the meetings, relevant policies, systems, standards and structures regarding the directors and supervisors' remuneration, distribution of employee profit sharing, employee salary adjustments, and employee performance bonuses were discussed. After the meetings, the resolutions were made into a meeting report and submitted to the board of directors.

### The operation of the remuneration committee

Position	Name	Sex	Attendance rate in 2019 (%)
Member	I-Ping Hsu	Male	100%
Member	Wen-Tsung Wang	Male	100%
Member	Yuan-Lung Chang	Male	100%

## Audit committee

To improve the functions of the board of directors and strengthen the management mechanism, in 2017, we established an audit committee and fully disclosed the operation and performance evaluation methods of the committee to the public information observatory and CoreMax website for reference. The audit committee is composed of three independent directors, whose term of office is three years. The audit committee should meet at least once a quarter, and may hold meetings at any time as required, and invite managers of relevant departments, internal auditors, accountants, legal advisers or other personnel to attend the meetings and provide necessary information. The primary purpose of the committee is to ensure the proper presentation of CoreMax's financial statements, the selection and appointment (discharge) of certified accountants and their independence and performance, the effective implementation of CoreMax's internal control, CoreMax's compliance with relevant laws and regulations, and the control of CoreMax's existing or potential risks.

In addition, CoreMax holds at least one meeting every quarter, as required by law, to review business performance and to discuss important strategic issues in accordance with the rules and procedures of the Board of Directors. The subjects for discussion include economics (International Financial Reporting Standards (IFRS), investment in expansion of production capacity), environmental protection (RoHS, GP) and CSR, etc.

## ⦿ The audit office

The audit office is an independent unit subordinate to the board of directors. Its main functions include planning, implementation and revision of the internal control system, the composing and implementation of the annual audit plan, the composing and implementation of the self-inspection plan of the units and subsidiaries, and other matters in accordance with the provisions of the laws and regulations. The audit committee provides management with a channel through which the management can understand the existing or potential defects in a timely manner. Apart from the reporting at the regular board meetings, the audit committee may report to the chairman or the general manager on a monthly basis or as necessary.

## ⦿ Information transparency



CoreMax regularly and irregularly discloses its financial information at the open information observatory and provides services to investors on CoreMax's website. A spokesman system is in place according to the regulations, and special personnel are appointed to be responsible for the collection and disclosure of CoreMax information. For the equity issues, a professional equity agency has been appointed to take responsibility for matters related to the equity, and to make monthly reports regarding the changes in the insider's equity.

## ⦿ Accounting and internal control

For business activities with a high risk of dishonesty and unethical behaviors, CoreMax has established effective accounting systems and internal control systems, which require that no external accounts or secret accounts are maintained. Additionally, reviews should be conducted upon occasion to ensure the effectiveness of the design and implementation of the system. The internal auditors should regularly check the compliance with the foregoing regulations and prepare audit reports to be submitted to the board of directors.

CoreMax has established an internal system of control, internal auditing system and various management measures. The implementation of these measures is checked by the auditors and external professionals (security traders, accountants) from time to time, which can fully reduce the risk of related personnel to CoreMax and protect the rights and interests of investors. In 2019, CoreMax had no penalty for violation of laws and no punishment for breaking the regulations of internal control system since there were no major defects or necessary actions to solve such issues identified in the year.

# 2.2 Management with integrity

 Project	Management with integrity Management policy (Key subject: Anti-corruption) 
<b>Major reasons</b>	Integrity is one of the most important factors in the sustainable development of an enterprise. Therefore, anti-corruption is one of the key aspects of management for the operation of an enterprise. We should always be alert to our behaviors, and carry out business activities with integrity to avoid the risk of unethical actions, because if anti-corruption is not performed sufficiently, corruption can cause not only economic loss in CoreMax' s business operations, but also a negative corporate image of CoreMax, which will, in turn, negatively influence the investors and other stakeholders' impression on CoreMax and their investment intentions.
<b>Boundary of the subjects</b>	The subject "anti-corruption" covers CoreMax and its subsidiaries.
<b>Limitation on the disclosure of the subject contents</b>	The "anti-corruption" subject of this CSR annual report only discloses relevant information about CoreMax' s (Hsinchu and Toufen plants) anti-corruption policies and actions.
<b>Management objectives</b>	To effectively manage and implement CoreMax' s anti-corruption related requirements and prevent corruption.
<b>Policy</b>	CoreMax' s philosophy values honesty, transparency, and accountability. CoreMax has established its business policies with integrity. CoreMax aims to create a sustainable business environment through the establishment of good corporate governance and risk control mechanisms.



Project	Management with integrity Management policy (Key subject: Anti-corruption)
<b>Objectives and targets</b>	Based on the CoreMax' s philosophy -- "honesty, transparency, and accountability" , CoreMax has established good corporate governance and risk control mechanisms to avoid corruption.
<b>Resources</b>	1.CoreMax has established the "plant working rules," the "employee handbook," the "employee rewards and punishment regulations," and related publicity documents. 2.CoreMax has an audit department.
<b>Complaints mechanism</b>	CoreMax has established effective communication channels for internal and external complaints. Stakeholders can give feedback by phone, email, and the CSR complaint window.
<b>Special actions</b>	1.Provide staff education and training. 2.Special telephone lines and mail boxes for consultation, complaint, and whistleblowing have been established. 3.CoreMax's external donations or sponsorship are all handled in accordance with relevant laws and internal regulations of CoreMax to prevent bribery and illegal political donations.
<b>Management evaluation mechanism</b>	An audit department is in place to ensure that all units carry out their business in compliance with relevant laws and regulations, such as CoreMax Act, the Securities and Exchange Act, the rules and regulations related to TWSE/GTSM listed companies, or other laws and regulations related to business practices, which is the prerequisite of ethical business management.
<b>Performance and adjustment</b>	1. In 2019, none of CoreMax's employees/suppliers were involved in any corruption, bribery, or extortion. 2. In 2019, there were no punishments due to violations of the law or violations of CoreMax' s internal control systems, and there was no major deficiencies or points to improve.

## Valuing morality and honesty

CoreMax complies with CoreMax Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Political Donations Act, the Anti-Corruption Act, the Government Procurement Act, the Act on Recusal of Public Servants Due to Conflicts of Interest, and the rules and regulations related to TWSE/GTSM listed companies, or other laws and regulations related to business practices. CoreMax believes that the compliance of these laws and regulation is the prerequisite of ethical business management.

In order to enhance ethical business management and meet the expectations of the investors and other stakeholders, the board of directors of CoreMax formally approved the "Code of Business Integrity" and the "Code of Ethical Conduct" in 2011. Trainings were also provided to employees at all business branches. CoreMax has established detailed operation procedures, an employee behaviors guide, and a reward and punishment system, and has ensured that all employees understand the importance of business integrity and professional ethics and are implementing them in their work.

The "Code of Business Integrity" stipulates that the directors, managers and all employees of CoreMax should not engage in any illegitimate interests or in any illegal or dishonest conduct in business, where the employees of CoreMax are prohibited from bribery, illegal political donations, inappropriate charitable donations or activities, inappropriate gifts or treatment, etc. The code also stipulates that the directors, supervisors and managers should avoid conflicts of interest and establish a sound internal control system for dishonest behaviors or business activities with high potential risks.

The "Code of Ethical Conduct" governs the ethical conduct of the directors, managers and all employees of CoreMax in the performance of their duties. The contents of the code covers the recusal of employees due to conflicts of interest, avoidance of the transmission of illegitimate benefits, prohibition from selfish gain, confidentiality of CoreMax and customers' information, fair trading and true reporting of transactions, proper use and maintenance of CoreMax assets, etc.

In addition, CoreMax has established the “Rules for Staff Rewards and Punishments” and the “Rules for Performance Appraisal” . Apart from work performance, the assessment items also include work attitudes, ethical practices, etc. The “Rules for Staff Rewards and Punishments” specifies the conditions for which awards and punishments are given. CoreMax expects to improve its management through the functions of employee selection, recruitment, cultivation, and retention combined with effective objective management and a performance appraisal system.

#### Mechanism For The Prevention Of Insider Trading

To prevent insider trading and improper disclosure of information, CoreMax has established the Procedures for Handling Material Inside Information, which are applicable to directors, managers, and all employees of CoreMax to ensure the consistency and correctness of the information released to the outside world. It also stipulates that anyone who knows any information pertaining to materials shall not disclose it to others, nor shall he/she seek or collect any information on materials not disclosed by CoreMax which is not related to his/her position for the purpose of preventing insider trading.

#### Ethical Management And Moral Behavior Training

Training courses on integrity and ethical conduct are arranged for new recruits, and 100% of the new recruits are trained. In fact, CoreMax arranges courses and trainings on ethical issues every year. It also holds irregular meetings or seminars to promote the concept of ethical corporate management to all its staff to eradicate corruption.

#### Whistleblower System

In addition to the formulation of organizational regulations, establishment of responsible unit and enhancement of integrity education, a disciplinary system has been established within CoreMax. To prevent dishonest behavior, channels for internal and external complaints and whistleblowing have also been provided to fully implement the prevent measures against dishonest behaviors.

## 🏠 Anti-corruption policy and communication procedures

CoreMax’ s business philosophy values honesty, transparency, and accountability. CoreMax has established its business policies with integrity. CoreMax aims to create a sustainable business environment through the establishment of good corporate governance and risk control mechanisms. The board of directors and the management of CoreMax have declared in various public occasions that they will operate CoreMax with integrity. CoreMax has not formally assessed the risk of corruption in each of its operating units, but the “Plant Working Rules,” the “Employee Handbook,” the “Employee Rewards and Punishment Regulations,” and related publicity documents have included the anti-corruption regulations. In addition, CoreMax has established employee training programs to ensure that everyone in CoreMax understands the rules and regulations. Procedures and guidelines for the prevention of dishonest behaviors have also been published in the corporate governance section of the corporate website.

CoreMax understands that corruption and unethical practices in business operation can lead to damage of CoreMax’ s reputation and losses suffered by many stakeholders. In order to mitigate the risk of corporate corruption, three codes of conduct have been formulated, namely the procedures and guidelines for the prevention of dishonest behaviors, the “Code of Business Integrity” and the “Code of Ethical Conduct” .Promotion campaigns on integrity and ethical behaviors are conducted regularly and on the orientation day of new employees, so as to form a good corporate culture with integrity. CoreMax requires all its employees and business partners to comply with the code of conduct with the highest standards. Suppliers’ social responsibilities and behavioral norms are published on CoreMax’ s website, which prohibits any supplier from bribing/offering illegitimate benefits to any of CoreMax’ s unit/or employee or relative. CoreMax requires all its employees to abide by the discipline and relevant regulations of CoreMax, and “integrity and morality” are included in the items of employee performance assessment conducted semiannually to encourage employees to be appropriate in their words and deeds, thus establishing an ethical culture among all employees of CoreMax. Each newly recruited employee will undergo a 12-hour training the day they report to CoreMax, including the course for integrity and ethics (1 hour), and the training also includes Code of Service and Discipline provided in the second chapter of the Work Rules.

CoreMax adheres to the highest ethical standards for both its internal personnel and external partners, and provides on its public website the social responsibility and code of conduct for suppliers that prohibits any form of bribery and/or improper transmission of benefits by suppliers to any CoreMax unit and/or individual employees or their relatives or friends. If any of the above unethical behaviors are



discovered, the supplier will be subject to suspension and legal action in accordance with relevant regulations and laws. In the case of any damage, including but not limited to damage to the reputation of CoreMax, CoreMax will also claim for damages from the supplier involved, constantly proclaiming that its moral standards are inviolable. Although CoreMax does not specifically publicize its standards of ethics to its customers, there are procedures and guidelines for the prevention of dishonest behaviors in the corporate governance section of CoreMax' s official website.

CoreMax' s audit department ensures that all units carry out their businesses in compliance with relevant laws and regulations, such as CoreMax Act, the Securities and Exchange Act, the rules and regulations related to TWSE/GTSM listed companies, or other laws and regulations related to business practices, which is the prerequisite of ethical business management. CoreMax's external donations or sponsorship are all handled in accordance with relevant laws and internal regulations of CoreMax to prevent bribery and illegal political donations, and CoreMax has never been and will never be involved in any public policy lobbying or political contributions.

## Recusal of board directors due to conflicts of interest

According to the rules for board meetings, if a board director or officer of CoreMax represented by the director has interests in a specific meeting subject, and due to which CoreMax' s interests may be harmed, the director may present his views in the meeting, but will be prohibited from participating in relevant discussions and voting, and should recuse himself from site of these proceedings. In addition, the board director should not exercise the voting rights on behalf of other directors. The provisions in paragraph 2 of Article 206 and paragraph 2 of Article 180 of CoreMax Act should be applied to the directors who are not allowed to exercise their voting rights under the preceding paragraph and the resolution of the board meeting of CoreMax. In 2019, board director Ho Chi Cheng recused himself, three times, from voting due to his conflict of interest.

To maximize the interests of customers, shareholders, and employees, CoreMax' s board of directors carefully considers every proposal listed in the agenda of the board meetings and accurately assesses the potential risks to CoreMax's operation. The selection and appointment of directors are conducted in accordance with the relevant laws and regulations of the stock exchange. The candidate nomination system is adopted in the process, where the board of directors and the shareholders who meet the requirements of the statutory shareholding ratio nominate the directors, handle the announcement, and review the nomination in accordance with the procedures prescribed by law. To avoid conflicts of interest in the top governance unit (the board), CoreMax follows the following procedures to exercise strict control, including:


1. All new directors are required to sign a letter of consent for being appointed. In the letter of consent, the new directors must declare that they will comply with Article 23 of CoreMax Act, and faithfully perform their duties and fulfill their obligation of being a qualified member of the management.
2. All directors are required to sign a declaration stating that they have ascertained the contents regarding the recusal in relation to the exercise of voting rights under Article 206 of CoreMax Act and the legal consequence of the breach.
3. A system for the recusal of board directors due to conflicts of interest has been established in accordance with the rules for board meetings.

Thanks to the high ethical and self-disciplinary standard of the directors and the use of proper mechanisms, no conflict of interest has occurred since the establishment of the board.

## Internal and external advisory on ethics, integrity, and the reporting (whistleblowing) mechanism


CoreMax and its directors, supervisors, managers, staff and beneficial owners, when carrying out business activities, are prohibited from directly or indirectly offering, promising, requesting, or accepting any form of illegitimate benefits. This includes rebates, commissions, and facilitation payments, or, through other means such as offering to or accepting any illegitimate benefits from customers, agents, contractors, suppliers, public servants or other stakeholders. However, if aforesaid behaviors do not breach the laws of the place where the business operates, it should not be subject to the prohibition.

To improve the supervising function of corporate governance, CoreMax has established the internal and external advisory services and the annual employee interview mechanism which facilitates employees' awareness of the advisory and whistleblowing channels. These channels serve as the consultancy for issues about ethics and integrity enquired by employees and stake-holders, and serves as complaint channels when rights and interests are infringed. The establishment of these channels has enhanced the communication of interests between CoreMax and its employees, customers, suppliers and investors.



Internal  
channels

- Head of the Administrative Department \ Human resources supervisor: (hr@coremaxcorp.com)  
Telephone: 03-5983101, extension: 3316, 333, 2140
- Immediate supervisor
- Auditors
- The General Manager' s email address.



External  
channels

Externally CoreMax provides an anonymous whistleblower "feedback email" (info@coremax- corp.com) on its official website. In addition, CoreMax discloses its spokesman' s contact information at the open information observatory for communicating with external investors. If any wrongdoing is found in the management of CoreMax, the whistleblower can directly report it to CoreMax. The human resources unit, led by the management, will carry out investigation and provide corrective measures and punishment resolution according to the working rules. CoreMax has established the internal control mechanism in accordance with the law, through which the audit unit regularly assesses CoreMax's risks and makes audit plans and carries out relevant inspections according to the plans. The audit unit regularly reports the results of the audit to the board of directors to enable the management to understand and improve management effectiveness. CoreMax continuously adheres to its principles of ethical business operation so as to maintain good business integrity and prevent corruption.

## 2.3 Risk Management

To control the major risks that CoreMax may face in its functions including sales and marketing, production and operation, human resources planning, progress of new product development, and financial accounting control, it has established the "Internal Control System" and the "Rules Governing Internal Audit Implementation" and the "Risk Management Regulations." Any amendment of these rules is subject to the approval of the board of directors. The audit office reports directly to the board of directors and assists the board and management in monitoring internal processes and systems, where it ensures implementation of the annual audit plans, effectiveness of the internal control system, reliability of the financial reports and compliance with related laws and regulations. In addition, the audit office provides timely suggestions for improvement to the management, to effectively manage various internal systems and implement the supervision mechanisms and risk management. CoreMax regularly holds high-level management meetings in one to two months to track and discuss related matters such as personnel, products, and future development of each production line of the group. CoreMax has assessed the risk items and has worked out countermeasures for each of them.



Risks	The impact on CoreMax and countermeasures
 <p>Important policy and legal changes at home and abroad</p>	<p>In addition to compliance with the relevant domestic and international laws and regulations, CoreMax pays considerable attention to the trends of domestic and foreign policy development and the changes in laws and regulations, so that it can fully grasp and respond to the changes in the market environment in its daily operations. Therefore, as of the date of publication of the annual report, changes in domestic and foreign policies and laws had not had a significant impact on CoreMax's financial and business performance.</p>
 <p>Technological change and industrial change</p>	<p>CoreMax constantly pays attention to the technological evolution of the industry in which its businesses are operated and can quickly grasp the trends of the industry. In addition, CoreMax continuously strengthens and improves its own research and developmental ability, and actively expands the application fields of its products and services in the market. Therefore, technological changes and industrial changes have a positive impact on CoreMax.</p>
 <p>Risk assessment on concentrated purchase</p>	<p>Most of the top ten suppliers of our CoreMax are well-known foreign suppliers of metal materials, chemical raw materials and fertilizer raw materials. The proportion of purchase from a single supplier is less than 30%, so there is no situation of concentrated purchase. In the aspect of metal materials, the world's metal supply is currently an oligopoly, and the world's major metal suppliers have established business relationship with CoreMax. CoreMax usually allocates the amount of procurement according to the cost and pays considerable attention to the trends of the raw material market. In addition, CoreMax maintains contact with more than two suppliers for the purchase of major raw materials, and regularly carries out supplier investigation and evaluation to ensure the stability of supply, so the risk of concentrated purchase can be reasonably controlled by CoreMax.</p> <p>Considering the above, CoreMax actively evaluates the market information and market situation, and continuously develops excellent, high-quality suppliers in its purchasing practice, to disperse the risk of concentrated purchase from a single supplier. Therefore CoreMax has no risk of excessive concentrated purchase.</p>
 <p>Risk assessment on concentrated sales</p>	<p>CoreMax's main customers are manufacturers of oxidation catalyst, power battery materials, compound fertilizer and chemical materials for special uses. The products of CoreMax are mainly applied in industries such as chemical fiber, secondary lithium battery, agriculture and electronics, etc., and are sold to well-known companies and agents in aforesaid industries. Since CoreMax has a large variety of products and a wide range of downstream applications, so the ratio of a single customer to the net revenue is not higher than 30%, which shows CoreMax's customers are relatively scattered, and there are no concentrated sales. Based on its industrial experience, CoreMax will continue to develop new customers and product applications with its stable product quality, to spread the risk of sales without relying too heavily on a single customer or customer source. CoreMax has stable business relationship with CoreMax's customers, and the quality of the products offered by CoreMax can sufficiently satisfy their needs. Therefore, CoreMax is able to have long-term cooperative relationship with well-known domestic and foreign companies.</p>

Due to the gradual normalization of extreme climate in recent years, energy conservation and carbon reduction are no longer just a slogan of enterprises, but important indicators of fulfillment of corporate social responsibility. In addition to identification of operational risks, CoreMax adopted the Task Force on Climate-related Financial Disclosures (TCFD) released by the International Financial Stability Board in 2020, exposing climate-related information in four thematic areas: governance, strategy, risk management, and metrics and targets. Through implementation of TCFD, CoreMax can understand its risks and opportunities associated with climate change, and can mitigate and adapt to the operational impacts brought by climate change.

## Framework for exposing the risks and opportunities associated with climate change

### Governance

CoreMax takes its Quality Assurance Department as the responsible unit of risk management to identify risks and opportunities to the management system every year. The identification of risks associated with climate change is discussed and assessed by the CSR editorial team and has not yet been reported to the board.

### Strategy

The result of the assessment shows that CoreMax' s potential climate-related risks and opportunities are:

#### Physical risk – Long term

**Increasing extreme weather events - drought leads to risk of water shortage :**

Increasing extreme weather events have led to an increase in the frequency of droughts. CoreMax's existing water storage facilities and water storage capacity can support its operations for only 3-7 days after water supply is cut off. Failure to restore water supply will expose CoreMax to the situation that it cannot carry out production due to water shortage, which will pose a high financial impact.

Water shortage scenario simulation	Financial impact	Coping strategy
Long drought without rain. Water supply suspension in 1 week.	No impact	CoreMax currently has a water storage facility with a capacity of 500 m <sup>3</sup> , enough for a week's supply of water after water supply suspension.
Long drought without rain. Water supply suspension for 1-2 weeks.	Increase in manufacturing cost Drop in revenue	1. Arranging water trucks to transport water 2. Cutting down production volume
Water supply suspension for more than 3 weeks	Increase in fixed assets	Building up sewage recycling and treatment equipment to reduce the dependence on tap water.

#### Opportunities for products and services

**Meeting customers' needs :**

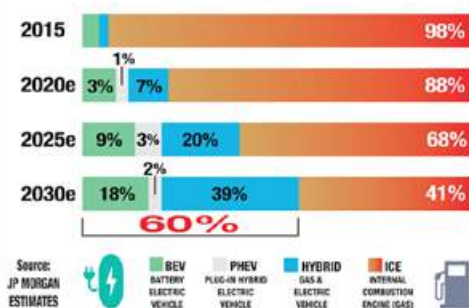
Today's customers are paying more attention to green environmental protection issues. If CoreMax can meet customers' needs or provide products or services with better environmental protection concepts, it will help CoreMax get more sales opportunities. Therefore, CoreMax has introduced a number of environmental management systems, including ISO 14001 Environmental Management System, ISO 50001 Energy Management System, ISO 14064-1 Greenhouse Gas Inventory Management System, and ISO 14046 Water Footprint. The introduction of the above systems has made CoreMax' s products and service quality even higher than its customers' requirement, which, in addition to enhancing the corporate image of CoreMax, is also expected to increase its operating revenue.

#### Opportunities brought by new trend in the market

In line with environmental trends :

The electric vehicle market is growing due to environmental trends and regulatory requirements. JP Morgan' s reports show that the demand for battery materials is expected to rise as the proportion of electric vehicles in the world will have risen to 60% by 2030, which will lead to increase in CoreMax' s operating revenue.

**By 2030 (In 11 yrs) EVs and Hybrids will account for 60% of all global vehicle sales**



### Risk management

Referring to information associated with climate change and the TCFD framework, CoreMax' s CRS editorial team, based on CoreMax' s industrial characteristics, discusses and identifies transformation risk (Policy and regulations, technology, market and reputation), physical risk (Immediate risk, long-term risk) and opportunity (Resource efficiency, energy sources, products/services, market, resilience). On the other hand, the team also identifies short, medium, and long-term risks and opportunities associated with climate change based on the impact posed by the risks and opportunities on CoreMax' s operations and the likelihood of occurrence.



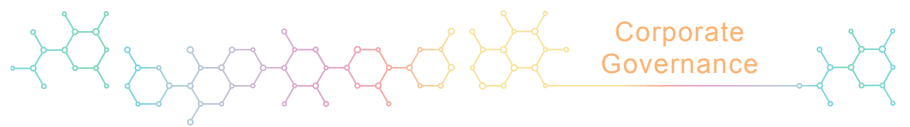


Metrics and targets

CoreMax has introduced the ISO 14001 Environmental Management System, ISO 14064-1 Greenhouse Gas Inventory Management System, ISO 14046 Water Footprint, and ISO 50001 Energy Management System, and is continuously carrying out environmental compliance and carbon reduction related activities.

## 2.4 Regulatory Compliance

Project	Regulatory compliance Management policies (Key subjects: environmental protection compliance, social and economic compliance)
Major reasons	Enterprises must comply with the environmental, social, economic and other related regulations of the places where they operate. It is the obligation and responsibility of the enterprises to follow laws and regulations without any violation. Failure to comply with environmental regulations may result in penalties (fines/time limits for improvement/ceasing work). This may affect the normal operation of a CoreMax. Therefore, compliance with regulations is essential for the operation of CoreMax and its implementation of corporate social responsibility.
Boundary of the subjects	The subject "regulatory compliance" covers CoreMax and its subsidiaries.
Limitation on the disclosure of the subject contents	The "regulatory compliance" subject of this CSR annual report only discloses relevant information about CoreMax' s (Hsinchu and Toufen plants) environmental, social, and economic compliance.
Management objectives of the subjects	Compliance with government regulations, following CoreMax' s principles of business integrity, and fulfilling CoreMax' s corporate social responsibility.
Policy	Compliance with government regulations, updating CoreMax' s regulations from time to time, and verifying whether CoreMax follows regulatory standards.
Objectives and targets	Compliance with the government' s environmental, social and economic laws and regulations, and ensuring the implementation of the laws and policies.
Resources	To implement ethical management, trainings and meetings are organized to strengthen the legal awareness of supervisors and staff at all levels.
Complaints mechanism	Stakeholders may provide feedback through the telephone, e-mail, and CSR complaint window.
Special actions	<ol style="list-style-type: none"> <li>1. Organizing relevant trainings and meetings to improve legal awareness.</li> <li>2. To ensure CoreMax' s compliance with relevant laws and regulations and avoid unnecessary penalties, CoreMax always pays close attention to relevant domestic and international policies and laws that may have a significant impact on CoreMax's operation and finance, with the purpose of creating a high-quality industrial and business environment.</li> <li>3. Compliance with government laws and regulations, such as CoreMax Act, the Securities and Exchange Act, the rules and regulations related to TWSE/GTSM listed companies or other laws and regulations related to business practices, and environmental and social regulations.</li> </ol>
Management evaluation mechanism	In accordance with the internal management review procedures of ISO 9001 and ISO 14001, CoreMax conducts an annual PDCA effectiveness assessment on environmental and internal management to ensure the implementation of quality and environmental policies.
Performance and adjustment	<ol style="list-style-type: none"> <li>1. In 2019, CoreMax had no events that violated the health and safety regulations for products and services and regulations governing marketing and sales. Meanwhile there was no legal action taken against CoreMax for anti-competitive behavior, anti-trust and monopolistic conduct.</li> <li>2. In 2019, CoreMax had no violation of customer privacy or data leakage events.</li> <li>3. As of 2019, there had been no gender or racial discrimination cases, or labor complaints of human rights violations against CoreMax. CoreMax had not violated indigenous rights, or experienced external human rights reviews or any event that may negatively impact the assessment on CoreMax' s performance. In addition, there had not been any complaint about forced labor, child labor, restriction on free association, discrimination and overtime work, etc. against CoreMax, nor has there been any violations that have resulted in lawsuits.</li> <li>4. CoreMax received no major penalties due to environmental violations in 2019.</li> </ol>



To ensure that CoreMax is in compliance with all relevant laws and regulations, we will keep a close eye on any domestic or foreign policies and regulations that may have an impact on CoreMax's business and financial performance. CoreMax expects to contribute to the creation of a quality business environment through its efforts on compliance with the laws and regulations. CoreMax has established Internal Control Systems, System of Accounts, Corporate Governance Best Practice Principles, Corporate Social Responsibility Best Practice Principles, the Specific Ethical Management Practices and the Programs to Forestall Unethical Conduct, Including Operational Procedures, Guidelines, Regulations Governing Loaning of Guarantees by Public Companies, Management of Liabilities, Commitments, and Contingencies, Personal Information Protection and Administration System, and Measures for Pollution Prevention and Control, striving to ensure its compliance with laws & regulations and the success of its sustainable operation.

CoreMax values professional competence when selecting and recruiting employees. CoreMax provides equal employment opportunities to job candidates, regardless of their ethnic groups, gender, age, disability, religion, nation, constellation, blood type or other characteristics that are protected by the law against discrimination. CoreMax attaches great importance to employees' work rights and equality of gender and remuneration for men and women, where equality and anti-discrimination are in the core of CoreMax' s employee policy. To fulfill its corporate social responsibility regarding employee treatment, CoreMax integrates social responsibility concepts of equal employment, respect for human rights, diversity of employees, prohibition of child labor, and prohibition of forced labor into its employee selection and recruitment processes. Relevant working conditions are provided in accordance with the relevant provisions of the Labor Standards Act. As of 2019, there have been no gender or racial discrimination cases, or labor complaints of human rights violations against CoreMax. CoreMax has not violated indigenous rights, or experienced external human rights review or any event that may negatively impact the assessment on CoreMax' s performance. In addition, there have not been any complaints about forced labor, child labor, restriction on free association, discrimination and overtime work, etc. against CoreMax.

CoreMax complies with the principles of fair, open and appropriate industrial competition. CoreMax prohibits its employees from collaborating with competitors in the industry to conduct joint fixed price, market division, customer division, competitive bidding, agreement connotation, monopolies, or boycotting suppliers or customers. CoreMax's compliance with relevant laws and regulations and its competition in the industry is conducted on a fair and open basis. In terms of products and services, CoreMax attaches great importance to the confidentiality and privacy of customer information. In 2019, there were no violations of laws and regulations on information and labeling of products and services, and there were no violations of customer privacy or data leaks.

CoreMax complies with the relevant regulations and norms of occupational safety and health management, strives to achieve the goal of zero injury accidents and zero environmental accidents, and establishes a healthy and safe workplace. In 2019, there was one case of work-related injury, no occupational diseases, occupational disasters or deaths, and no major violation of occupational safety and health regulations. In terms of environmental regulation compliance, CoreMax managed environmental risks and reduced negative impact on the environment effectively through continuous improvement on energy management, emission, pollution prevention and other aspects, with the aim of pursuing sustainable business operation and environment. In 2019, no major fines were imposed on CoreMax.





# 3

## Supplier Management as well as Products and Services

3.1 Supplier management

3.2 Product Responsibility  
and Customer Service



 <b>Project</b> ▼ <b>Supplier social responsibility Management policy</b> (Key subject: supplier environmental assessment and supplier social assessment) 	
<b>Major reasons</b>	To implement the management of sustainable supply chain, it is necessary to have a better management mechanism to prevent and avoid the environmental and social impacts caused by the enterprise itself and the supply chain in the operation process. In addition, the social and economic assessment of the supply chain has become one of the subjects which are given more and more attention by laws and stakeholders. Therefore, CoreMax needs to actively request and implement supply chain social responsibility management, and to establish a sustainable supply chain with a win-win strategy to strengthen CoreMax's sustainable competitiveness.
<b>Boundary of the subjects</b>	The scope of impacts related to the subject of supplier environmental assessment and supplier social assessment mainly only covers CoreMax and its suppliers.
<b>Limitation on the disclosure of the subject contents</b>	Therefore, this subject in the 2019 CSR report only discloses the relevant information of CoreMax and its suppliers.
<b>Management objectives</b>	Implement suppliers' social responsibility management and jointly enhance the sustainable development of CoreMax.
<b>Policy</b>	Strengthen the implementation of supply chain sustainable development, ensure that the suppliers, in the process of providing products and services, comply with the standards and regulations governing energy conservation, environmental protection, labor safety and human rights, and actively fulfill their social responsibilities and continuously make improvements.
<b>Promise</b>	Grow with the suppliers, and work together on sustainability.
<b>Objectives and targets</b>	Raw material suppliers cooperating with CoreMax are required to sign the "Supplier Social Responsibility and Code of Conduct" (the code), which will be taken as one of the conditions of supplier selection.
<b>Complaints mechanism</b>	CoreMax's stakeholders may submit their feedback through telephone, e-mail, CoreMax's website and the CSR complaints window.
<b>Special actions</b>	<ol style="list-style-type: none"> <li>1. Raw material suppliers cooperating with CoreMax have been required to sign the "Supplier Social Responsibility and Code of Conduct"</li> <li>2. From 2018, semiannual evaluations, where the "Supplier Evaluation Form" is used, are conducted on raw material and packaging material suppliers who have had more than 3 transactions with CoreMax. For enhanced control and faster response, the evaluations, since 2019, have been conducted quarterly on suppliers who have had more than 2 transactions with CoreMax.</li> <li>3. CoreMax has adopted OECD guidelines to obtain information on the smelters of Cobalt which is used in its products.</li> <li>4. CoreMax has formulated the annual audit plan for raw material and packaging material suppliers and has visited the suppliers for on-site auditing.</li> <li>5. CoreMax has conducted environmental, health and safety (ESH) surveys with raw material and packaging material suppliers.</li> <li>6. CoreMax has conducted a quality system survey with raw material and packaging material suppliers, who are required to obtain ISO-9001 accreditation.</li> <li>7. CoreMax has conducted a second party audit for domestic suppliers of automotive raw materials in accordance with IATF 16949.</li> </ol>
<b>Management evaluation mechanism</b>	<ol style="list-style-type: none"> <li>1. Conduct supplier evaluations annually, where the "Supplier Evaluation Form" is used.</li> <li>2. Company will carry out ongoing tracking of the implementation of the supplier quality and environmental management system by questionnaires.</li> <li>3. CoreMax conducts on-site examinations in accordance with the "Annual Audit Plan for Raw Material and Packaging Material Suppliers" .</li> </ol>
<b>Performance and adjustment</b>	<ol style="list-style-type: none"> <li>1. In 2018, CoreMax distributed the "Supplier Corporate Social Responsibility Code of Conduct" to 29 domestic raw material and packaging material suppliers to complete, 100% of whom replied.</li> <li>2. In 2019, a total of 21 suppliers were assessed, 100% of whom were deemed as "qualified" .</li> <li>3. In 2019, 7 cooperating Cobalt suppliers were surveyed with the Cobalt Report Template, 100% of whom replied.</li> <li>4. In 2019, CoreMax distributed the Due Diligence Policy for a Responsible Global Supply Chain to 11 cooperating suppliers of Cobalt and Nickel, 100% of whom replied.</li> <li>5. In 2019, CoreMax conducted on-site examinations for 5 suppliers.</li> <li>6. In 2019, CoreMax distributed "Questionnaire on Environmental Management, Safety and Health of Contractors / suppliers" and " Supplier Quality System Questionnaire" to 31 domestic raw material and packaging material suppliers.</li> </ol>



### 3.1 Supplier Management

With increasingly serious social, environmental, and human rights issues, supply chain management has become a key subject in sustainable operations for global corporations. CoreMax fully understands that its supply chain partners are not only important to the continuous growth of its corporate operation, but are also essential to the success of CoreMax' s sustainable development. CoreMax will continue to be committed to maintaining a fair and legitimate relationship with its suppliers and will strive to build a win-win cooperative relationship by sharing resources with its supply chain partners and learning and growing together with them.

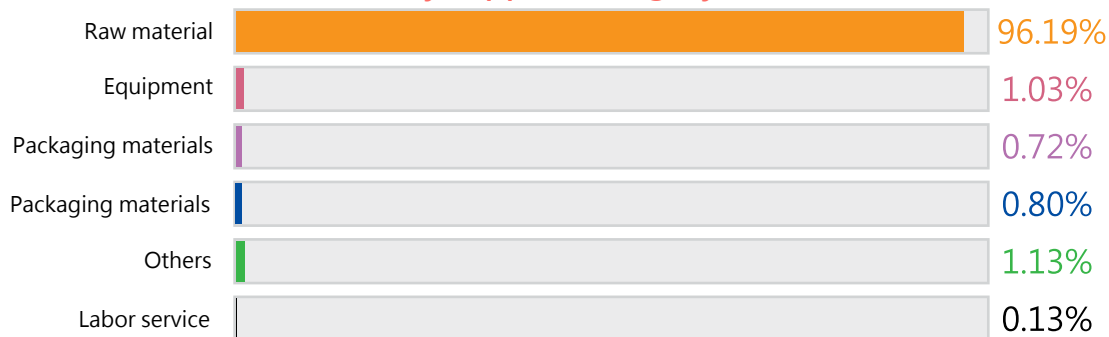
CoreMax relies entirely on imports for its main raw materials, and the prices of the raw materials are easily affected by fluctuations in the international market. Taking this into consideration, CoreMax, apart from strengthening its manufacturing and R&D capabilities, takes sustainable operation of its business partners as an important consideration in its purchasing activities.

#### 📦 An overview of the suppliers

To establish sustainable business operations based on energy conservation, environmental protection, labor safety and human rights, etc., CoreMax is working closely with its suppliers to achieve higher ethical standards, respectful human rights, sustainable environment, better labor rights, and safer and healthier workplaces. CoreMax regards its suppliers as its long-term business partners and hopes to establish a stable and close professional relationship with the suppliers and achieve joint development based on mutual trust. Meanwhile, CoreMax also actively develops new suppliers to avoid monopoly.

The purchase of the raw materials, namely nickel, cobalt, and bromine, constitute the main purchase cost of CoreMax. Since Taiwan has no supply of the related minerals, CoreMax has to rely on foreign imports. However, CoreMax promises that, under the same conditions, purchase localization and employment of domestic labor is prioritized when purchasing other raw materials and equipment, or obtaining engineering contracts, etc. Due to the growth of business and the rise of raw material prices in 2018, the proportion of raw material purchase reached 96.8% over the course of the year. In 2019, CoreMax saw a steady development in its businesses. There was no significant difference between the total purchase amount and that of the previous year, of which the raw material purchase amount accounted for 96.19%.

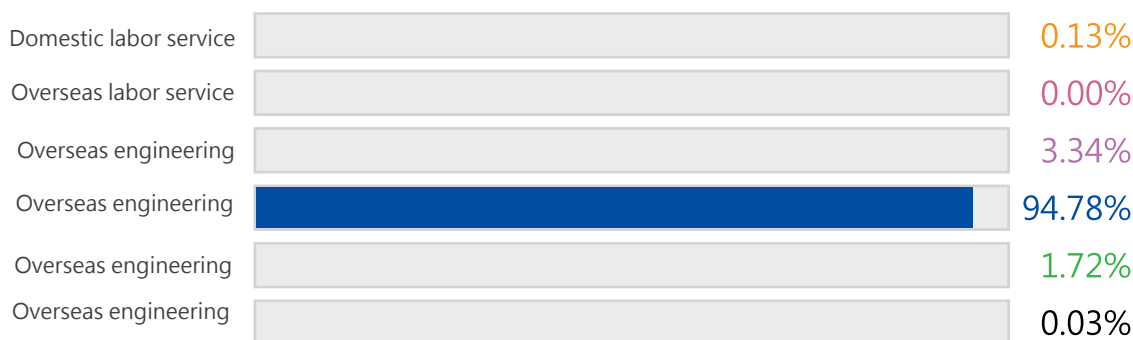
Proportion of purchase amounts by supplier category in 2019



CoreMax' s raw material purchases are constrained by Taiwan' s lack of resources where the amount of imported raw materials accounts for more than 90% of the total purchase amount. In 2019, the proportion of overseas purchases amounted to 94.81%, and of that domestic purchases were 5.19%, mainly due to the falling price of international raw materials and upgrades of old production lines.

### Proportion of domestic and overseas purchase amounts by category in 2019

Category of contract	Procurement regions	2019		
		Number of customers	Purchase Amount (Thousand)	Ratio of Purchase Amount
Labor service	Domestic	11	4,957	0.13%
	Overseas	0	0	0.00%
Trading	Domestic	184	122,792	3.34%
	Overseas	25	3,485,603	94.78%
Engineering	Domestic	52	63,113	1.72%
	Overseas	1	1,013	0.03%
Total		273	3,677,478	100.00%



### Supplier social responsibility management

In 2019, there were a total of 273 suppliers that had transactions with CoreMax, including 26 foreign manufacturers and 247 domestic manufacturers. To avoid interruption of material supply caused by external factors, CoreMax has been actively developing a second or third supplier. When selecting new suppliers, priority is given to those with related ISO accreditation. In addition, CoreMax aims to cultivate long-term business partners to pursue the sustainable operation and mutual growth through close cooperation in operation. Apart from the materials and equipment which are not domestically supplied, CoreMax focuses on domestic suppliers for other materials, which not only ensures better mobility and faster delivery, but also contributes to domestic economic development and employment rates. Moreover, the aforesaid practices can help CoreMax reduce its cost and energy consumption. Additionally, CoreMax and its suppliers are contributing to environmental protection through practices such as the suppliers' recycling and regeneration of resources.

#### Signing of the supplier social responsibility and code of conduct

To ensure the implementation of the supplier's corporate social responsibility, CoreMax has formulated the "Supplier Corporate Social Responsibility and Code of Conduct" (the code), which is applicable to all the companies that supply goods or services to CoreMax, its subsidiaries, the joint ventures, or branches. CoreMax requires all the suppliers and relevant companies of the supply chain and their employees to abide by the code. In 2018, CoreMax required its raw material suppliers to sign the "Supplier Social Responsibility and Code of Conduct" (the code). In 2019, CoreMax developed two additional domestic suppliers, both of whom were required to sign the code. At present, 100% of CoreMax's domestic suppliers have signed the code. International suppliers, depending on their scale and level of perfection within their systems, may provide their signed Corporate Social Responsibility Reports as the equivalent to signing the code, or provide other signed versions as appropriate. So far, all the top 10 international suppliers have completed the survey.



The code covers seven items as described below:

**(1) Responsibilities and obligations of suppliers**

1. Suppliers agree to fulfill their corporate social responsibility and implement the code within the enterprise and other upstream and downstream supply chain enterprises. Suppliers must cooperate with CoreMax to carry out field reviews and make improvements and take the corrective measures required by CoreMax.
2. Suppliers agree to fulfill their corporate social responsibility and implement the code within the enterprise and other upstream and downstream supply chain enterprises. Suppliers must cooperate with CoreMax to carry out field reviews and make improvements and take the corrective measures required by CoreMax.

**(2) Ethical standards**

CoreMax requires all its employees and business partners to comply with the code of conduct with the highest standards. CoreMax prohibits any supplier from bribing/offering illegitimate benefits to any of CoreMax' s unit/or employee or relatives. If any of the above unethical behaviors are discovered, the supplier will be subject to suspension and legal action in accordance with relevant regulations and laws. In case of any damage, including but not limited to reputation, CoreMax will also claim for damages from the supplier involved.

**(3) Respect for human rights**

1. Suppliers must implement the policy of equal rights and freedom for all their employees, and prohibit any discrimination in employee recruitment, promotion, wages or related work rights due to gender, religion, race, class, social status, political party, nationality, belief, age, disability, marital status, gender orientation or other reasons. The suppliers must not have any form of misconduct or violation of laws such as threat, harassment, corporal punishment, mental or physical coercion, verbal violence or other improper or illegal acts.
2. In terms of the prohibition of child labor, suppliers should strictly comply with the International Labor Organization Convention, the United Nations Convention on the Rights of the Child and relevant laws and regulations of the regions where the suppliers operate their businesses. The suppliers must require their upstream and downstream supply chain enterprises to comply with the aforesaid laws and regulations.

**(4) Environmental sustainability**

1. Suppliers should comply with the relevant environmental laws and regulations of the country in which the suppliers operate their businesses, and actively pursue the goal of a green environment, energy saving and carbon reduction, and continuously implement and improve their plans to fulfill their corporate social responsibility of environmental sustainability.
2. Suppliers must strictly comply with all relevant laws on prohibitions or restrictions on the use of toxic substances, and carry out the operations stipulated in the laws, such as disposal, trans- port, storage, recycling, and reuse of toxic substances. The suppliers must be committed to reducing the environmental impacts from all forms of pollution including but not limited to water waste, gas waste, noise and other wastes, in accordance with relevant laws and regulations. The suppliers should provide adequate training for the workers who are engaged in this work, and announce the relevant matters needing attention in the workplace.

**(5) Privacy and intellectual property rights**

Suppliers must use appropriate security measures to protect all CoreMax's information, electronic data, intellectual property and technology to ensure the security of CoreMax and its suppliers' intellectual property. Suppliers can only obtain CoreMax's confidential information under the authorization of the confidentiality agreement and must fulfill their obligations. These obligations include not disclosing the confidential information and not using the information beyond the authorization of the agreement to protect the information from being misused or disclosed without authorization. The suppliers, on the other hand, may also require CoreMax to take security measures to protect confidential information authorized by the suppliers. Suppliers should not use CoreMax's trademark, images or other copyrighted materials, and should not use counterfeits unless expressly authorized.

**(6) Workplace health and safety**

1. Suppliers should comply with the relevant laws and regulations governing workplace health and safety issued by the country where the suppliers operate their businesses and

within the international community and agree to the provisions in the “Workers’ Safety and Discipline Commitment Letter,” the “Workers’ Safety and Health Commitment Letter,” and the “Manufacturers’ Statement on Safety, Health and Environmental Protection.”

2. Suppliers should provide sufficient education and training to ensure that the employees have the knowledge and skills related to labor safety and health, in addition to the personnel with labor safety certificates and licenses as required by laws and regulations.

#### (7) Sources of DRC conflict-free minerals

1. Suppliers should avoid the use of minerals from the DRC and its neighboring countries and regions, CoreMax will continue to promote reliable mineral sources and expects suppliers to communicate to upstream companies
2. Suppliers should avoid the use of minerals from the DRC and its neighboring countries and regions, CoreMax will continue to promote reliable mineral sources and expects suppliers to communicate to upstream companies

### ⊕ Due Diligence Management for a Responsible Global Supply Chain

It is CoreMax’ s promise to adopt OECD’s Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidelines). To fulfill its corporate social responsibility and practice international organization-justice, CoreMax obtains information on the smelters of cobalt, which is used in its products, with the Conflict Minerals Reporting Template provided by the Responsible Minerals Initiative (RMI). A computerized Information System is used to conduct the investigation and levels of risks are set to meet different customers’ needs and comply with the laws and regulations. In the future, CoreMax will continue to focus on mitigating the impact of the mining issue.

CoreMax’s Due Diligence Management for a Responsible Global Supply chain contains the following steps:

1. CoreMax conducted supplier investigation through the cobalt Report Template of the Conflict Minerals investigation form to identify smelters and the sources of materials. In 2019, 7 cooperating Cobalt suppliers were surveyed with the Cobalt Report Template, 100% of whom replied.
2. CoreMax formulated the “Due Diligence Policy for a Responsible Global Supply Chain” and published it on its website on November 1st 2019, which, in the meantime, was also distributed to Cobalt and Nickel Suppliers. In 2019, the policy was distributed to 11 cooperating suppliers of Cobalt and Nickel.
3. CoreMax identified/evaluated risks of its suppliers, and formulated strategies to cope with and mitigate the identified risks through the due diligence investigation procedure based on the levels of risks set by the computerized information systems.

### ⊕ Supplier’s environmental management, safety and health, and quality system survey

In 2019, CoreMax conducted the environmental health and safety (ESH) survey with raw material and packaging material suppliers whose products had been determined to pose significant environmental concern or an unacceptable risk. The “Questionnaire on Environmental Management, Safety and Health of Contractors / Suppliers” was distributed to 31 suppliers, making them aware of CoreMax’ s ESH Policy.

In 2019, CoreMax conducted a quality system survey with raw material and packaging material suppliers who conducted frequent domestic transactions. The “Supplier Quality System Questionnaire” was distributed to 31 suppliers who were also required to obtain ISO 9001 accreditation. 100% of the suppliers replied. CoreMax also conducted a second party audit for domestic suppliers of automotive raw materials in accordance with IATF 16949.





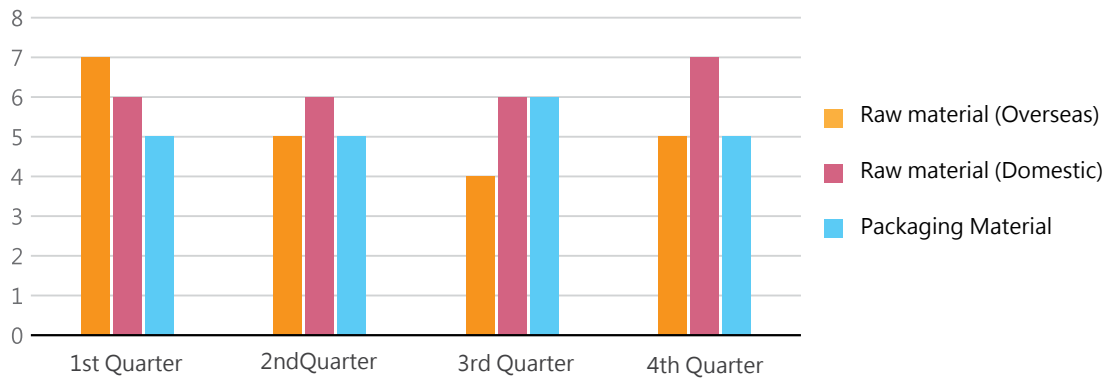
### ⊕ Supplier evaluation

In addition to requiring suppliers to sign the "Supplier Social Responsibility and Code of Conduct", the supplier evaluations have been conducted quarterly on suppliers who have had more than 2 transactions with CoreMax since 2019, which, on the basis of the Supplier Evaluation Form provided by CoreMax, scored the product quality, delivery time, price, and other aspects. These statistics and data collected through the evaluation will be used as a basis for determining the distribution of purchase quantities and whether to have future cooperation.

In 2019, CoreMax evaluated domestic and overseas raw material suppliers and domestic packaging material suppliers every quarter, and all evaluation results were qualified.

	Raw material (Overseas)	Raw material (Domestic)	Packaging Material
1st Quarter	7	6	5
2nd Quarter	5	6	5
3rd Quarter	4	6	6
4th Quarter	5	7	5

Number of suppliers evaluated by CoreMax in 2019



### ⊕ Audit for Suppliers

In addition to supplier evaluations, CoreMax also establishes annual audit plan for raw material and packaging material suppliers and visits suppliers for on-site auditing, which mainly covers the aspect of product quality and environment, etc. In 2019, five suppliers were audited, among which two were foreign suppliers and three were domestic suppliers. In 2020, CoreMax will continue to set a supplier audit plan, and it is expected to audit 7 domestic suppliers to continuously implement its supply chain management.



2019 Cobalt/ Nickel supplier on-site examination

## 3.2 Product responsibility and customer service

Project	Customer privacy Management policy (Key subject: customer privacy)
<b>Major reasons</b>	After the analysis of the degree of attention and impact communicated by the stakeholders, it shows that the subject of customer privacy is relatively important to CoreMax. It can reduce CoreMax's legal risks and better protect customer rights and personal privacy, and enhance CoreMax's good image.
<b>Boundary of the subjects</b>	The impact scope of the subject of customer privacy covers CoreMax and its customers.
<b>Limitation on the disclosure of the subject contents</b>	The subject of customer privacy in this annual report will disclose relevant information about CoreMax.
<b>Management objectives</b>	CoreMax collects personal data for lawful and specific purposes to the extent that it is necessary to do so, and the customer data it has collected will be kept in CoreMax's database to ensure the safety and accuracy of personal data in accordance with the law and the provisions of relevant laws and regulations. CoreMax should also make necessary updates at any time according to the provisions, and complete the establishment of personal data management units and personal data management policies to achieve the purpose of personal data protection.
<b>Policy</b>	To prevent the spread of computer virus, CoreMax installs enterprise antivirus software on all computers and regularly updates the virus database. All computers of CoreMax are equipped with firewall to avoid hacker intrusions. Business data and technical documents are stored in the host computer and backed up regularly to ensure security of the data storage. An access control system is equipped in the computer room. For host or ERP system queries and operations, the system must be logged in with an account name and password to avoid leaks of business data.
<b>Complaints mechanism</b>	Customers may make use of face-to-face interviews, telephones, e-mails and other channels to make complaints to CoreMax.
<b>Special actions</b>	CoreMax conducts an annual "customer satisfaction survey" which is used as a reference for formulating business policies.
<b>Management evaluation mechanism</b>	CoreMax operates its information systems in accordance with ISO 9001 information system management procedures, and regularly reviews and updates these systems. The audit unit conducts an annual audit of the management mechanism to ensure its effectiveness.
<b>Performance and adjustment</b>	<ol style="list-style-type: none"> <li>1. In 2019, a total of 12 questionnaires were issued to domestic and foreign customers, among which, domestic customers' satisfaction was scored at 96 points, up 9 points from last year, and foreign customers' satisfaction was scored at 94 points</li> <li>2. As of 2019, there have been no complaints about invasion of customer privacy and loss of customer data.</li> </ol>

### Product responsibility

In order to safeguard the future environment and human health, while at the same time ensuring the functions of the EU internal market and industrial competitiveness, the EU proposed a chemical policy: To encourage the replacement of existing hazardous chemicals with less hazardous chemicals, there are incentives for the development of safe chemicals, and integrating ecological, economic and social development to achieve the goal of sustainable development. However, chemicals are very important to the production processes of most of Taiwan's manufacturing enterprises. The implementation of the EU's new chemical policy will not only impact the trade of chemicals themselves but will also affect the downstream industries that use chemicals in the production processes. CoreMax understands the importance of this policy and its corporate social responsibility. Therefore, CoreMax has strict requirements on its products. CoreMax' s product labeling adopts the Globally Harmonized System (GHS) for chemicals, the Safety Data Sheet (SDS) is prepared, and 100% complying with the requirements of GHS for chemicals.

CoreMax' s main products are certified by SGS Taiwan. Proportion of customer demand: 75% Nickel Sulfate, 75% Cobalt Sulfate, 75% Cobalt Oxide. In 2019, there were no violations of regulations governing health and safety of products and services. Additionally, there were no violations of regulations, voluntary norms governing products, or service information and labeling that occurred.



Cobalt oxide test report



Cobalt sulfate test report



Nickel sulfate test report

### Customer privacy and confidentiality

For a long time, CoreMax has attached great importance to the customer privacy and intellectual property rights. In addition to signing confidentiality agreements with customers to protect their confidential information, CoreMax has established relevant standards to avoid the occurrence of data leaks in its operations to protect the rights and interests of customers.

Since its establishment in 1992, CoreMax has been adhering to the business philosophy of customer first, expecting stable cooperative relations with customers, and jointly creating social value. Special personnel have been appointed to manage the files with codes for the protection of customer privacy. In addition, a database authority has been set for the internal ISO program QP-63-02-information system management procedure. When the colleagues need to access the database, they need to fill in the application form and get the relevant department to sign it before entering the database. In this way, the best protection is ensured. As of 2019, there have been no complaints about invasion of customer privacy or loss of customer data.

### ★Feedback of customer satisfaction

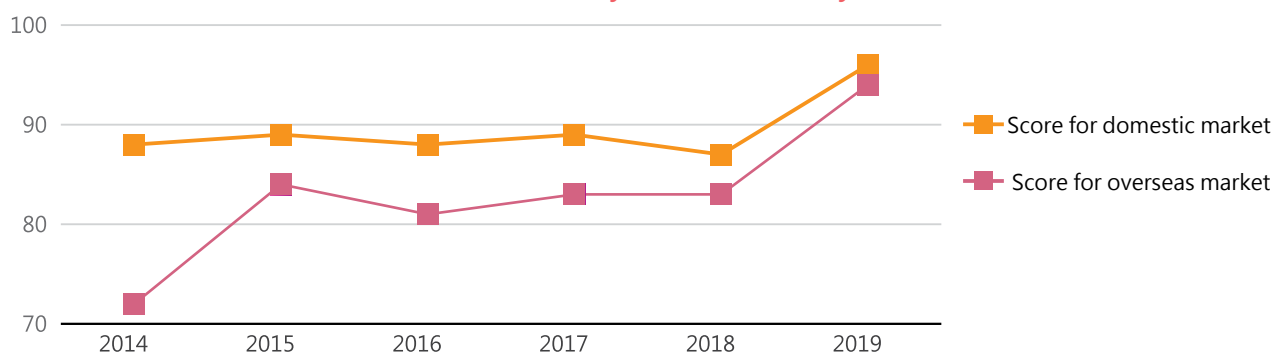
To ensure that the requirements and expectations of customers are clearly understood by CoreMax, and to achieve customer satisfaction through supervision and measurement, CoreMax has formulated the “customer satisfaction procedures” and the “communication management procedures”, which are used to measure the customer feedback and market response related to the quality of CoreMax’s products and services.

CoreMax conducts the customer satisfaction questionnaire survey every November, and the survey items include two sample customers with an annual turnover of NT\$ 5 million to NT\$ 20 million, two sample customers of NT\$ 20 million to NT\$40 million, two sample customers of NT\$40 million to NT\$60 million, two simple customers of NT\$60 million to NT\$80 million, and all customers with an annual turnover of NT\$80 million and above. In addition, three simple customers are surveyed monthly at the time of shipment and the “email records for after-sales survey” are filled out, or the “customer visit/after-sales service records” are fill out after personal visit, where investigations on quality, price, delivery time, cooperation, and other items are conducted. The data of the survey are collected and analyzed for improvement purposes.

Customer complaints are handled and reported by the marketing and sales department. Complaints (both written and oral) received by any other unit should be handed over to marketing and sales department for unified handling and reporting. The personnel who handle complaints need to log in the “list of customer complaint cases”, and to handle customer complaints effectively according to the “customer complaint handling procedures” established by CoreMax. The purpose of handling customer complaints is to meet customers’ demand for product quality. The defects reported by customers are dealt with seriously, and effective countermeasures are put toward improvement.

CoreMax conducts an annual “customer satisfaction survey” used as a reference for formulating business policies. In 2019, a total of 12 questionnaires were issued to domestic and foreign customers. Among these, domestic customers' satisfaction was scored at 96 points, and foreign customers' satisfaction was scored at 94 points. CoreMax' s customer satisfaction has remained positive over the years. The analysis of the results of “customer satisfaction survey” shows that the aspects with a high degree of satisfaction in domestic sales include product delivery time, the personnel' s cooperativeness, after-sales services and telephone manners of sales personnel, while the aspects with high degree of satisfaction in overseas sales include product delivery time, personnel' s cooperativeness, after-sales services, and telephone manners.

### CoreMax' s customer satisfaction survey scores in recent years







# 4

## Green Promise

- 4.1 Energy and greenhouse gas management
- 4.2 Water resource
- 4.3 Pollution prevention and management
- 4.4 Conservation measures and environmental protection expenditures

CoreMax understands that one of the key factors for sustainable business operations is the proper management and efficient use of energy. Therefore, CoreMax strives to save energy and reduce carbon emissions, and to do its best to fulfill its corporate social responsibilities as well as the obligations to the environment as earth's citizen. CoreMax has complied with relevant laws and regulations to continuously prevent pollution and has improved its work on energy conservation with the aim of building a safe and healthy workplace in a pollution-free environment, to achieve the goal of sustainable development.

 <b>Project</b>	<b>Environmental protection Management policy</b> (Key subject: Energy, emission, water waste, and other wastes) 
<b>Major reasons</b>	Pollution has caused serious environmental problems. Environmental management of energy conservation, emissions, water waste, and other wastes have been an important subject that confronts enterprises. If proper management of energy conservation, emission, water waste, and other wastes is not implemented, CoreMax may face regulatory penalties in the future. This may affect the sustainable operation of CoreMax. Therefore, the effective management of energy, emission, water waste, and other wastes can reduce the overall cost and risk of CoreMax' s operation and fulfill its corporate social responsibility.
<b>Boundary of the subjects</b>	The impact scope of the subject of environmental protection covers CoreMax and its subsidiaries.
<b>Limitation on the disclosure of the subject contents</b>	In this annual report, the subject regarding energy, emission, water waste, and other wastes will reveal the information about CoreMax' s environmental management.
<b>Management objectives</b>	To manage environmental risks effectively, CoreMax continuously improves the management of energy, emission, pollution prevention, and other such aspects to comply with regulations and mitigate negative environmental impacts. By doing so, CoreMax can pursue the sustainability of its business operation.
<b>Policy</b>	<ul style="list-style-type: none"> <li> <span style="color: orange;">⦿</span> <b>Environmental Policy (ISO 14001)</b>                          Strictly comply with laws and regulations and strive to protect the environment                          Promote environmental awareness through education and training                          Improve production efficiency and implement pollution prevention                          Fulfill corporate social responsibility, achieve both economic and environmental success                     </li> <li> <span style="color: orange;">⦿</span> <b>Energy Policy(ISO 50001)</b>                          Fulfill corporate social responsibility                          Practice green procurement and improve energy efficiency                          Implement continuous improvement and realize green and sustainable operation                     </li> </ul>
<b>Objectives</b>	<ol style="list-style-type: none"> <li>1.Prevent pollution, effectively reduce pollution emissions and reduce the cost.</li> <li>2.Mitigate the use of raw materials, energy and other resources at the source, and reduce the production of pollutants and wastes. In this way, both production cost and environmental protection can be managed effectively.</li> <li>3.Number of defects identified by environmental protection unit =0</li> <li>4.Work safety incident rate=0</li> <li>5.Training hours – firefighting hours ≥8 hours                          Chemical leakage hours ≥ 2hours                          Environmental protection hours ≥ 2 hours                          Work safety hours ≥ 4 hours</li> </ol>
<b>Resources</b>	In order to comply with the environmental regulations of the government and fulfill the environmental responsibilities of CoreMax, a total of NT\$ 6.356 million was spent on environmental protection in 2018. <ol style="list-style-type: none"> <li>1. Air pollution control costs: NT\$0.2 million.</li> <li>2. Water pollution control costs: NT\$0.6 million.</li> <li>3. Waste disposal (general waste) costs: NT\$ 5.569 million.</li> </ol>
<b>Complaints mechanism</b>	Stakeholders may provide feedback by telephone, e-mail, or through the CSR complaint window.



Project		Environmental protection Management policy (Key subject: Energy, emission, water waste, and other wastes)
Special actions	1.CoreMax has introduced ISO 14001, ISO 9001 and ISO 50001 International Management System, and successfully passed relevant verifications. 2.In 2019, CoreMax implemented the Greenhouse Gas Inventory Management System and obtained ISO 14064-1 Greenhouse Gases Verification Statement. 3.The announcement/notice of environmental subject: Publicize CoreMax's environmental policy, goals, targets, and plans of environmental management through trainings, meetings, or announcements. In 2019, CoreMax implemented the replacement of lighting equipment and optimal management for the operation of the air compressor system. 4.All wastes are disposed by qualified waste disposal companies and are regularly tracked and checked by the Environmental Safety Office to ensure the legality and safety of the disposal.	
Management evaluation mechanism	CoreMax is based on ISO 50001, ISO 14001 internal management to review procedures. CoreMax conducts annual evaluation of its energy efficiency and management of the environment with the PDCA Cycle Model to ensure the appropriate implementation of the environmental policies.	
Performance and adjustment	1.In 2019, environmental spending increased by NT\$772,000 compared to 2018. 2.In 2019, energy conservation measures reduced electricity use by 344,889 degrees (about 1,241.6GJ), equivalent to a reduction of greenhouse gas emissions of 258.7 tons CO <sub>2</sub> e. 3.There were no hazardous substance leaks in 2018. 4.Both air pollution control and water pollution control management met the emission standards set by the Environmental Protection Administration in 2018.	

## 4.1 Energy and greenhouse gas management

The scarcity of energy on the earth has become the most important issue today. However, use of energy will produce CO<sub>2</sub>, resulting in the greenhouse effect and global warming. So, the effective management of energy is urgent. CoreMax has always attached great importance to environmental protection issues and established related systems with practical actions. To effectively manage energy use and improve energy efficiency, CoreMax has imported ISO 14001, ISO 9001 International Management System and ISO 50001 Energy Management Systems and obtained relevant certifications. These certifications have enabled CoreMax to reduce its energy costs and carbon emissions, thus building a better and greener image of CoreMax. We are committed to continuous improvement of our environmental impact, reducing overall operational risks, and fulfilling our corporate social responsibility.

The main energy sources of CoreMax are purchased electricity and steam. To effectively reduce the environmental impact of the greenhouse effect, energy management schemes for office and public areas are also launched to enhance colleagues' awareness of energy conservation. Plant areas of CoreMax carry out effective energy control according to the status of the environmental management system. In addition to internal inspection conducted by the environmental safety office of the plant areas, external inspection institutions are also invited to conduct inspections and put forward suggestions for improvement.

### Use of raw materials

The main raw materials of CoreMax are hydrochloric acid, caustic soda liquid, etc. These substances are non-renewable raw materials. A total of 3,470 metric tons were used in 2019. CoreMax maintains a good relationship with individual suppliers and signs supply contracts every year to ensure the supply is secure. Any shortage beyond the contract volume can be obtained on the spot market at spot price.

The use of raw materials in the past three years

Unit: metric ton

Raw materials	2017	2018	2019
hydrochloric acid	1,337	1,205	1,095
sulfuric acid	1,763	1,635	1,575
Others	12,447	8,311	800
Total	15,546	11,151	3,470

## Direct energy use

The energy sources of CoreMax include gasoline, diesel, liquefied petroleum gas (LPG), heavy oil, purchased steam, and electricity. Purchased steam is the main type of energy that accounts for approximately 77% of the total amount of energy consumed annually. The total energy used in 2019 was 538,392.92 gigajoules, and the energy intensity increased by 10.9% since 2018. The energy use in the past three years is shown in the table below.

### Energy usage in the last three years

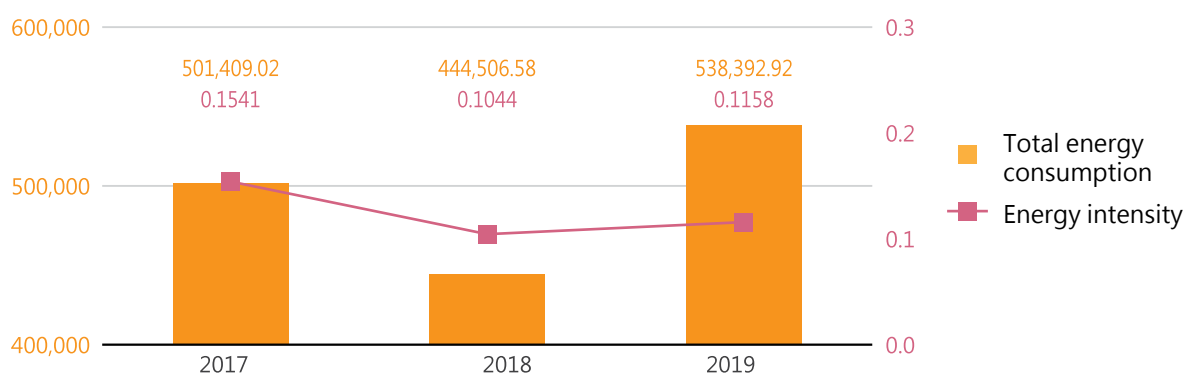
Category	Unit	2017	2018	2019
Gas	GJ	161.46	187.25	149.86
Diesel	GJ	698.58	737.14	746.11
Liquefied petroleum gas	GJ	2,109.33	2,053.81	2,716.60
Heavy oil	GJ	50,810.50	94,449.28	85,634.76
Power	GJ	33,120.68	34,307.76	34,377.38
Purchased vapor	GJ	414,508.48	312,771.34	414,768.19
Total energy consumption	GJ	501,409.02	444,506.58	538,392.92
Individual income	Thousand	3,254,621	4,258,258	4,648,931
Energy intensity (Total energy consumption/ Individual income)	GJ/Thousand	0.1541	0.1044	0.1158

**Notes:**

1. For various energy calorific value conversion coefficients, please refer to the 6.0.3 version of the Environmental Protection Administration greenhouse gas emission coefficient management form. Electricity 1 Kwh = 3,600 KJ, Gasoline 1 L = 7,800 kcal, 1 GJ = 109 joules

2. Source of information: Gasoline use in 2018 = total amount of gasoline divided by average gasoline price. The use of diesel, LPG, heavy oil, and purchased steam are calculated based on the actual purchased quantity. The use of electricity is the total use of the monthly electricity bills of all plants.

### Energy usage intensity, EUI in the last three years



## Energy conservation and emission reduction strategy

In line with the trend of global energy conservation, CoreMax has been continuously implementing strategies for saving energy and reducing carbon emissions. Through upgrades, replacing its facilities, and optimization of management measures, CoreMax is able to improve its energy efficiency consistently thereby saving energy and reducing carbon emissions. In 2019, CoreMax replaced lighting equipment and optimal management with the operation of an air compression system, which was estimated to reduce electricity use by 344,889 degrees per year (about 1,241.6GJ), equivalent to a reduction of greenhouse gas emissions of 183 tons CO<sub>2</sub>e.





### Energy saving measures and estimated energy saved in 2019

Energy saving measures	Details	Cost reduced (Ten Thousand / Year)	Estimated energy saved (kWh)	Estimated energy saved (GJ)	Equivalent reduction of greenhouse gas emissions (tons CO2e)
P2A lighting energy conservation improvement	Mercury lamps were replaced with LED lamps	172,872	57,624	207.45	30.71
energy conservation improvement of air compressor system	Operation optimization, reduced load operation	861,795	287,265	1,034.15	153.11
Amount		1,034,667	344,889	1,241.60	183.83

Note: = Electricity saved (degree) \*0.533 kg CO2e.

### Greenhouse gas management

To strengthen its Greenhouse Gas management, the CoreMax Hsinchu Plant imported the ISO 14064-1 Greenhouse Gas Inventory Management System in 2019 and obtained the Greenhouse Gas Verification Statement. CoreMax' s major sources of energyCoreMax are gas, diesel, LPG, Heavy oil, purchased steam, and electricity. Additionally, the consumption of purchased steam constitutes the largest part of all energy consumption. In 2019, the Greenhouse gas emissions produced by Part 1 was 6,794.84 tons CO2e. Another part of the greenhouse gas emission was produced by the purchased electricity and steam, which was 28,395.88 metric tons of CO2e. So, the total greenhouse gas emission was 35,190.72 metric tons of CO2e. The emission intensity was 0.0076 metric tons CO2e / NT \$1,000 revenue.

### CO2 emissions in the last three years

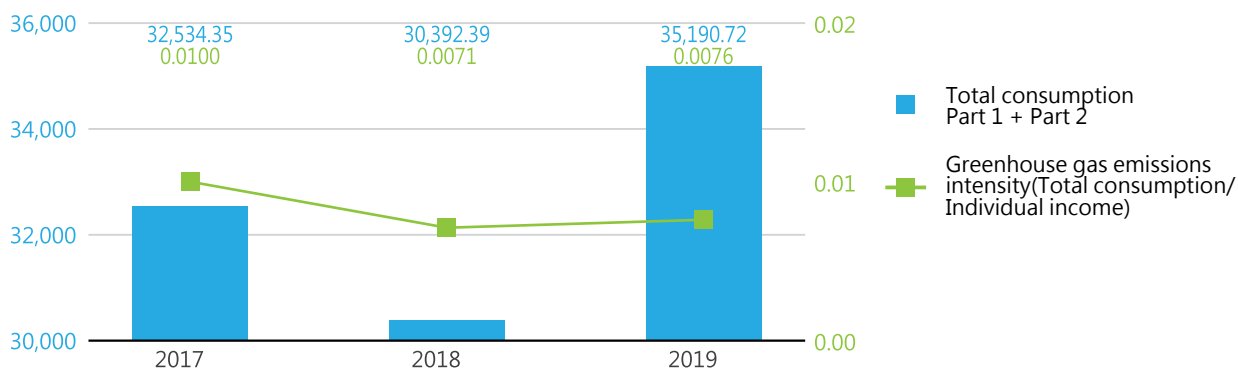
Category	Unit	2017	2018	2019
Gas	metric tons of CO2e	11.68	13.55	10.40
Diesel	metric tons of CO2e	51.98	54.85	55.33
LPG	metric tons of CO2e	133.30	129.79	96.15
Heavy oil	metric tons of CO2e	3,948.27	7,339.25	6,632.96
Purchased steam	metric tons of CO2e	23,292.22	17,575.37	23,306.12
Electricity	metric tons of CO2e	5,096.91	5,279.58	5,089.76
Part 1	metric tons of CO2e	4,145.23	7,537.44	6,794.84
Part 2	metric tons of CO2e	28,389.12	22,854.95	28,395.88
Total consumption = Part 1 + Part 2	metric tons of CO2e	32,534.35	30,392.39	35,190.72
Individual income	Thousand	3,254,621	4,258,258	4,648,931
Greenhouse gas emissions intensity (Total consumption/ Individual income)	metric tons of CO2e/ thousand	0.0100	0.0071	0.0076

Notes:

- 1.Types of greenhouse gas emissions: Carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), and sulfur hexafluoride (SF6).
- 2.Method for calculating the volume of greenhouse gases: operational control method.
- 3.The standards applied are ISO 14064-1.
- 4.Methodology used: Global Warming Potential (GWP) is calculated by using the global warming potential value in the fourth assessment report of IPCC 2007, the emission coefficient method and the mass balance approach.
- 5.Calculation tools used include ISO 14064-1 and the "Greenhouse Gas Inventory Record Form" 3.0.0 (Revised)

6.The source of the conversion coefficients used: The latest Greenhouse Gas Emission Coefficient Management Table (Version 6.0.4) released by the Environmental Protection Administration of the Executive Yuan.  
 7.Part 2, including purchased electricity, is calculated in accordance with the public notice released by Bureau of Energy, Ministry of Economic Affairs: 2017 power discharge coefficient =0.554 kg CO<sub>2</sub>e; 2018 power discharge coefficient =0.554 kg CO<sub>2</sub>e; 2019 power discharge coefficient =0.533kg CO<sub>2</sub>e  
 8.The above data was collected by CoreMax itself. (CoreMax Hsinchu Plant passed the ISO 14064-1 verification in 2018. However, the above table contains information on greenhouse gas emissions from both the Hsinchu Plant and the Toufen Plant, so the above data have not been verified by any third party).

### Greenhouse gas emissions intensity in the last three years



## 4.2 Water resource

### Water resource management

Water management also plays a key role in CoreMax' s sustainable development. In the context of the challenges of climate change, water conservation not only reduces the environmental footprint of CoreMax, but also ensures that CoreMax has stronger self-management resilience in an uncertain environment. Therefore, in 2019, CoreMax will start to promote the ISO 14046 product water footprint and passed relevant verification in October of the same year. CoreMax will actively carry out water consumption investigation and improve assessment and water-saving planning. More water-saving measures will be taken to reduce the use of production water to achieve CoreMax' s water-saving goals.

CoreMax' s plants in Taiwan are in Hsinchu Industrial Park and Toufen Industrial Park respectively.

According to the World Research Institutes Water Resources Risk Assessment Tools, the water resource pressure in the area where CoreMax operates is rated as "low-medium risk(1-2)". CoreMax's water source is the Baoshan Reservoir (the water yield is 829,000 CMD), accounting for about 0.00026% of the water supply from the reservoir. CoreMax' s use of water has no potential impact on local water supply, and the water used contains no underground water, water obtained from conservation areas, areas of biodiversity, or protected or restored habitats.

Hsinchu Plant' s water consumption in 2019 was 28.54 million litres, down by about 15.13% from 2018. The total wastewater emission in 2019 was 22.83 million liters, down 22.21% from 2018.

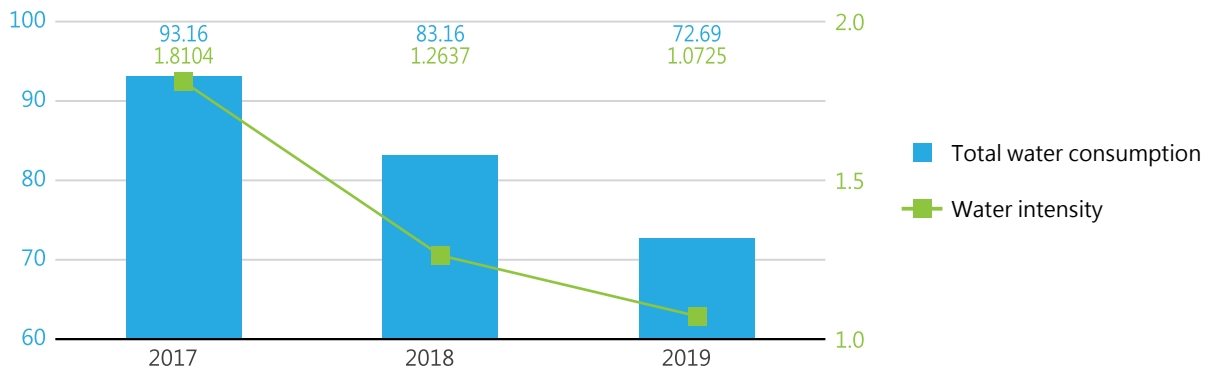


### Water consumption in the past three years

Item	Unit	2017	2018	2019
Intake water	million litres	93.16	83.16	72.69
Discharge water	million litres	34.23	29.35	22.83
Consumption water	million litres	58.93	53.81	49.86
Individual income	billion	32.55	42.58	46.49
Water consumption intensity (Total water consumption/ Individual income)	million litres/billion	1.8104	1.2637	1.0725

Note : Consumption water = Intake water - Discharge water °

### Water consumption intensity in the past



### Water pollution control

The water used by CoreMax' s plants in Taiwan comes entirely from the Taiwan Water Corpora-tion. Currently, there is no water recycling or measures for reuse in the plants. The Hsinchu plant has established relevant water treatment procedures and applied for the water discharge permit in accordance with the Water Pollution Control Act. In Hsinchu Plant, wastewater, after being centrally treated in the sewage system of the industrial park, is emitted into Jiadong Rive. The Toufen Plant has no wastewater generated in its production process, and has only domestic sewage, which is treated in the plant and discharged to Zhonggang Creek. The water waste produced by CoreMax can stay within the discharge standards after the treatment in the plant, so there is no significant impact on the local environment.

### Water Pollution Test Results in the Last Three Years

Item of water pollution testing	2017		2018		2019	
	Emission Standard (ppm)	Monitoring Value (ppm)	Emission Standard (ppm)	Monitoring Value (ppm)	Emission Standard (ppm)	Monitoring Value (ppm)
Chemical Oxygen Demand COD(mg/L)	480	96.0~208.0	480	115.0~339.0	480	287.0~305.5
Biochemical Oxygen Demand BOD(mg/L)	400	17.3~69.3	400	33.4~67.8	400	119.0~120.0
Suspended Solids SS(mg/L)	400	4.1~10.1	400	11.4~15.9	400	14.4~20.0

Note: The test results were obtained by the Hsinchu Industrial Park Operations Center and a third-party external testing unit.

## 4.3 Pollution prevention and management

CoreMax believes that pollution prevention is one of the important responsibilities of an enterprise in its commitment to environmental sustainability. Therefore CoreMax established the pollution prevention program on the basis of the ISO 14001 Environmental Management System. The program is driven by a "PDCA (Plan-Do-Check-Act)" management model to evaluate its effectiveness and continuously improve the environmental management of CoreMax. CoreMax believes that if it reduces the use of raw materials, energy, and other resources at the source and mitigates the production of pollutants and waste, both production cost and environmental protection can be managed effectively. The environmental regulations established by the Taiwanese government are among the strictest in the world due to Taiwan's narrow geographical boundaries, large population, and highly concentrated factories. As for the increasingly stringent environmental standards, CoreMax closely monitors the environmental standards issued by the government and evaluates the environmental practices in its plants. If any risk of violation of laws or standards is identified, preventive measures to incite improvement will be taken promptly.

For the prevention of air pollution and sludge waste disposal, CoreMax has established relevant prevention and control measures and implemented the measures in its operations in accordance with the laws and regulations. Through the execution of these measures, CoreMax can enable all its facilities to perform at their maximum efficiency for the prevention of environmental pollution.

### Air pollution control

In its air pollution emission, only volatile organic compounds (VOCs) are emitted by CoreMax Hsinchu plant, and no particulate pollutants (Par), sulfur oxides (SOx), nitrogen oxides (NOx), hazardous air pollutants (HAP), particulate matter (PM), or other sources of air pollution are emitted.

#### Air pollution emissions in the last three years

Item of air pollution testing	2017			2018			2019		
	Emissions (kg)	Emission Standard (ppm)	Average annual monitoring value (ppm)	Emissions (kg)	Emission Standard (ppm)	Average annual monitoring value (ppm)	Emissions (kg)	Emission Standard (ppm)	Average annual monitoring value (ppm)
Volatile Organic compounds	2,738.99	≤ 0.674g/s	-	754.293	≤ 0.674g/s	-	1,786.43	≤ 0.674g/s	-

Notes :

1.For the annual average monitoring value, please refer to the permit. The monitoring can be conducted one year before the permit is extended.(Permit expiration date : 05/16/2020)

2.Calculations are done in accordance with the "Stationary Pollution Source Air Pollutant Emissions Standards" of Environmental Protection Administration of the Executive Yuan.

3.The Toufen Plant does not have a stationary pollution source; therefore, no reporting is required.

### Waste disposal

CoreMax is concerned with the development of the government's environmental policy and the direction of legislative development. CoreMax sends staff to attend all the public hearings and explanatory meetings related to CoreMax's policies and regulations to acquire the latest information. Through ISO 14001 practices and an annual audit plan, CoreMax can ensure its compliance with environmental regulations. To achieve its goal of zero environmental defect, CoreMax actively implements the internal inspections and regularly reviews and revises its work standards to strengthen the control at source. During the reporting period, there were no leaks of hazardous substances.

The waste generated by the plants of CoreMax is all general waste including inorganic sludge waste, waste of plastic mixtures, waste of wood mixtures, domestic garbage, refractory material wastes, fiber waste or other cotton cloth mixtures There is no hazardous waste generated. The total volume of waste in 2019 was 548.21 metric tons, and inorganic sludge waste constituted the largest part, which was 483.36 tons.



The increase in the rest of the waste was due to CoreMax' s "6S tidy up action" . CoreMax is not in breach of Articles 1, 2, 3 or 8 of the annex of Basel Accord, and has no waste transported abroad. There were no major leaks of hazardous substances in 2019.

CoreMax executes waste disposal in accordance with the environmental protection regulations of the competent authorities, mainly by means of outsourcing. CoreMax has signed contracts with qualified waste removal and disposal companies that meet the requirements of relevant laws and regulations. CoreMax tracks the transportation routes and the final disposal sites of the wastes by the vehicle GPS positioning system. Meanwhile, the colleagues of the environmental safety office also accompany the vehicles and confirm the waste disposal sites (at least once a year) to ensure that the outsourced companies properly handle all kinds of waste according to the law. The key points of CoreMax' s inspections include checking the flow direction of downstream products and communicating with waste disposal companies about the problems encountered in the disposal process. By discussing and solving problems with the waste disposal companies, CoreMax can improve the efficiency of waste disposal and avoid additional environmental burden and risk of pollution.

At CoreMax, sludge waste is classified properly after it is generated, and then stored in designated places according to the regulations. A computerized system is used to control the clearance, disposal, and flow of sludge waste. CoreMax, apart from reporting sludge waste for disposal, confirms the collection of the waste done by the waste disposal company within 48 hours, faster than what is required by the regulations. After reporting, CoreMax also ensures that the waste disposal company provides commitment documents for proper disposal, as required by the regulations, for future reference.

### Waste disposal in recent three years

Category of waste disposal	Nature	Way of disposal	2017		2018		2019	
			Weight (Ton)	Ratio (%)	Weight (Ton)	Ratio (%)	Weight (Ton)	Ratio (%)
Inorganic sludge waste	Non-hazardous	Physics	198.98	76.67	431.09	83.69	483.36	88.17
Waste plastic mixture	Non-hazardous	In-cineration	13.31	5.13	20.44	3.97	14.54	2.65
Waste wood mixture	Non-hazardous	In-cineration	12.97	5.00	18.43	3.58	13.63	2.49
Consumer waste	Non-hazardous	In-cineration	28.94	11.15	32.14	6.24	20.09	3.66
Waste refractory material	Non-hazardous	Physics	5.33	2.05	11.64	2.26	14.18	2.59
Fiber mixture, or cotton cloth mixture, etc.	Non-hazardous	In-cineration	-	-	1.38	0.26	2.41	0.44
Total weight of waste			259.53	100.00	515.12	100.00	548.21	100.00

Note: The weight of waste is the actual generation of the plants every year, so the data of 2017 is revised at the same time.



## 4.4 Measures for energy saving and environmental protection expenditure

The scarcity of energy on the earth has become the most important issue today. However, use of energy will produce CO<sub>2</sub>, resulting in the greenhouse effect and global warming, so the effective management of energy is urgent. The main energy sources of CoreMax are purchased electricity and steam. To effectively reduce the environmental impact of the green-house effect, energy management schemes for office and public areas are launched to enhance colleagues' awareness of energy conservation.

CoreMax's statistics truthfully reflect CoreMax's expenditure on environmental hygiene, energy saving & carbon emissions reduction, movement toward sustainability, and other activities. The main costs are still incurred in environmental testing, pollution prevention & control, equipment operation and maintenance, etc. CoreMax' s total environmental spending in 2019 was about NT\$6,356,000, up 13.83% from the last year.

### Environmental protection expenditure in the past three years

Unit: NT\$ thousand

Item	2017	2018	2019
Air pollution control cost	109	187	181
Water pollution control cost	2,726	814	606
Cost of waste disposal (general waste)	1,406	4,583	5,569
<b>Total</b>	<b>4,241</b>	<b>5,584</b>	<b>6,356</b>





# 5



## Safe and Happy Workplace

5.1 Employees

5.2 Employee' s Right and Benefits



5.3 Employee Education and Training



 <b>Project</b>	<b>Quality Labor relations Management policy</b> (Key subject: Employee-employer relations, Labor relations) 
<b>Major reasons</b>	CoreMax regards all its employees as important assets for sustainable development. With stable and outstanding employees, CoreMax can have steady and continuous growth. Therefore, it has always been the focus of CoreMax to maintain good communication and provide the proper channels to promote smooth communication with employees. Additionally, CoreMax strives to provide perfect working conditions and employee benefits. CoreMax strives to achieve sustainable development through its human resource functions including employee selection, recruitment, cultivation, and retention.
<b>Boundary of the subjects</b>	The impact scope of the subject of employee-employer relations mainly covers CoreMax.
<b>Limitation on the disclosure of the subject contents</b>	The subject of employee-employer relations reveals information on CoreMax' s employee recruitment and employee benefits, etc.
<b>Management objectives</b>	Establish a working environment with harmonious labor relations and create a happy and safe environment.
<b>Policy</b>	<ol style="list-style-type: none"> <li>1.Human rights policy: Implement the norms of personal freedom and non-discrimination, employ the disadvantaged and the disabled, and with no child labor in any of CoreMax' s subsidiaries. The management of labor relations such as employee job adjustment is also in line with the labor and security regulations in Taiwan, Mainland China, and elsewhere.</li> <li>2.Staff welfare policy: Establishment of Staff welfare committee, maximizing employee benefits.</li> <li>3.Industrial communication policy: In order to listen to the opinions and voices of colleagues, CoreMax holds quarterly labor-management meetings. Through the fair and effective communication mechanisms such as the employee opinion feedback channel, among other such mechanisms, CoreMax can understand the voice of colleagues and promptly deal with these issues to promote a harmonious labor relation and create a win-win situation for CoreMax and its employees.</li> <li>4.Remuneration policy: CoreMax is committed to the construction of a better work system, and to provide competitive remuneration and transparent and institutionalized performance appraisal and promotion mechanisms. To attract and retain like-minded and outstanding talents to drive the growth of CoreMax, it has established a professional and comprehensive training system for its employees and strives to construct a safe and healthy workplace.</li> <li>5.CoreMax strictly complies with various labor laws and regulations including the Employment Services Act, Labor Standards Act, Occupational Safety and Health Act, Labor Pension Act, Employee Welfare Fund Act and the Labor Union Act.</li> <li>6.CoreMax has implemented the regulations governing labor retirement. A labor retirement reserve supervision committee has been established to manage the retirement reserve according to the laws.</li> <li>7.CoreMax' s human resource units provides internal complaint channels for employees. A gender equality complaint handling committee and an investigation team have also been established.</li> <li>8.CoreMax adheres to its policy of anti-bullying. CoreMax does not allow anyone to force or coerce any unwilling personnel to carry out labor activities. Harassment, physical abuse, or threats are forbidden by CoreMax.</li> <li>9.Equal pay for equal work: The starting salary of all grassroots employees is 40% higher than the basic salary. There is no pay gap due to gender differences. The ratio of the average pay of male and female employees at all levels and at all operation points is 1:1.</li> <li>10.Treating everyone equally without any discrimination: Regardless of gender, age, ethnic group, nationality, political or religious beliefs, employee remuneration is based on factors such as job grade, position, education, and work experience as well as work performance.</li> </ol>
<b>Promise</b>	CoreMax strictly complies with government laws, corporate regulations, work rules and agreements between the employees and the employer.
<b>Objectives and targets</b>	CoreMax believes that a sound personnel system with multiple communication channels can encourage employees' participation in CoreMax' s management including sustainable development and can ultimately achieve a harmonized industrial relationship.
<b>Resources</b>	<ol style="list-style-type: none"> <li>1.Total staff salary and welfare expenditure in 2019: NT\$ 335.009 million (Consolidated)</li> <li>2.Full-time employees who do not hold the position of supervisor: The total salary was NT \$ 100.385 million.</li> </ol>
<b>Complaints mechanism</b>	Stakeholders may make comments or complaints through telephone, email (hr@coremaxcorp.com), CoreMax's website, or the CSR complaint window.





 <b>Project</b>	<b>Quality Labor relations Management policy</b> (Key subject: Employee-employer relations, Labor relations) 
<b>Special actions</b>	<ol style="list-style-type: none"> <li>1.All employees need to undergo a semiannual performance appraisal which considers both the "Results" and the "Process" . The results of the appraisals are used as the basis for the consideration of promotions, salary adjustment, bonus payment, staff development and training needs, etc.</li> <li>2. "Conduct of integrity and morality" is also included in the semiannual employee performance appraisals to encourage employees to practice their words and deeds in an ethical manner, and to foster a culture of integrity among all employees of CoreMax.</li> <li>3.To jointly create and maintain a good working environment, CoreMax holds regular employee welfare committee meetings, at which employees are encouraged to fully reflect their views and needs to the management of CoreMax for improvement.</li> <li>4.To promote harmonious employee and employer relations, CoreMax holds regular staff and management meetings to establish an effective communication mechanism.</li> <li>5.CoreMax also holds end of the year employee activities and organizes domestic and overseas travels for employees. Departmental dinners are held quarterly while festival and birthday coupons are awarded to employees. In addition, various allowances are given to employees for weddings, funerals, celebrations, and childbirth, etc.</li> <li>6.CoreMax allocates the pensions for employees according to the local statutory retirement system. Currently, 100% of employees participate in the retirement plan, and pensions for 2019 were fully allocated.</li> <li>7.Apart from the employees who have less than 3 months service at CoreMax, employees are subject to performance appraisals in accordance with the regulations.</li> </ol>
<b>Management evaluation mechanism</b>	<ol style="list-style-type: none"> <li>1.Departmental reports by functions are conducted twice a month: The purpose of the report is to review the progress in achieving the departmental goals and to coordinate with departments to solve problems. Resources and assistance are also available from CoreMax to cope with the progress in the goals.</li> <li>2.Employee performance appraisals are held twice a year: The purpose of the appraisal is to review the progress of individual goals, work performance and outcomes, and to plan necessary employee trainings for professional development, and to identify employees with potential for development.</li> <li>3.Regular labor and management meetings are held to solve any dispute regarding employee and employer relations through adequate negotiation and communication between the two parties.</li> </ol>
<b>Performance and adjustment</b>	<ol style="list-style-type: none"> <li>1.To maintain smooth communication between labor and management, labor and management meetings were held for 4 times in 2019, with 50% of labor representatives and 50% of management representatives respectively, which is better than the requirements of relevant laws and regulations.</li> <li>2.In 2019, CoreMax employed 25 Filipino employees (15.53% of the total number of employees) and 2 employees with physical and/or mental disorders (1.24% of the total number of employees).</li> <li>3.Equal remuneration systems have been established by CoreMax. The basic salary ratio between female and male employees at the same post level is 1:1, and the ratio between the standard salary and the local minimum wage is about 1:1.34.</li> <li>4.As of 2019, there have been no gender or racial discrimination cases or labor practices complaints of human rights violations, and there have been no violations of Indigenous rights. In addition, there has been no forced labor, child labor, prohibition of free association, discrimination, forced overtime work, complaints, or other violations.</li> <li>5.The labor and management relations are harmonious. In 2019, there were no labor disputes or other issues in CoreMax' s labor and management relations.</li> <li>6.The ratio of male and female employees who have been subject to appraisals in 2019 is 100%.</li> <li>7.Total compensation for full-time CoreMax employees in non-supervisory positions in 2019 increased by 9.31% compared to 2018, where the average salary increased by 2.79% and the median of salary by 11.09%.</li> <li>8.The positions of senior supervisors are all filled by Taiwan employees, a 100% employment localization rate.</li> </ol>

## 5.1 Employees

### 🏠 Recruitment and appointment policy

CoreMax is a merit-based company which recruits and appoints employees through open and transparent channels, mainly including social recruitment and employment service centers. Other channels include professional talent hunters and employee recommendations. Through these channels, CoreMax can obtain high-quality human resources.

CoreMax fulfills its social responsibilities including equal employment, respect for human rights, diversity of employees, prohibition of child labor and prohibition of forced labor in its employee selection and recruitment process in accordance with relevant laws and regulations of the government and company itself. To treat every employee equally, it is stipulated in CoreMax' s Human Rights Policy that the way to talk to the employees and the attitude and behavior towards them shall not be differentiated on the basis of race, class, language, thought, religion, political party, place of origin, place of birth, gender, gender orientation, age, marital status, appearance, facial features, disability, horoscope, blood type, or past membership in any labor union.

CoreMax regards all its employees as important assets of sustainable development. "Equality and anti-discrimination" are the core concepts of CoreMax' s employee policy. CoreMax strives to establish a workplace that respects human rights and values professional capability, and to provide labor conditions in accordance with relevant provisions of the Labor Standards Act. Forced labor is forbidden in any of CoreMax's operations, and there has been no violation of human rights or deprivation of human dignity. In addition to the establishment of regulations governing the prevention of discrimination, complaint and punishment of sexual harassment, investigations, and settlements are carried out for established complaint cases. At the same time, the internal documents and rules such as the "Work Rules," the "Detailed Rules for Sexual Harassment Prevention," and the "Human Rights Policy," etc., all explicitly declare the protection of employees' human rights, including the laws and regulations, freedom of employment, humane treatment, and prohibition of discrimination and sexual harassment. In addition, CoreMax has also established effective multi-channels communication mechanism, sound salary and welfare, and trainings and courses for employees' development.

As of 2019, there have been no gender or racial discrimination cases or labor complaints of human rights violations, and there have been no violations of indigenous rights. In addition, there has been no forced labor, child labor, prohibition of free association, discrimination, forced overtime work, complaints or other violations.

### 🏠 Human resources structure

CoreMax' s business operations are not only based in Taiwan. CoreMax has expanded its operations to other Asian regions, with subsidiaries in Mainland China' s Zhuhai, Ningbo, Zhangzhou, and in Thailand' s Rayong and other regions. All the subsidiaries follow the policy of the parent company to recruit and employ local people as staff, with the philosophy of quickly supplying locally made products to customers. All employees of CoreMax are directly employed without outsourced labor or dispatched labor. There is no significant change in the number of employees during the reporting period. The labor force is stable, efficient and productive.

CoreMax Taiwan plant by the end of 2019, the total number of employees in CoreMax' s Taiwan plants is 161 people (135 men and 26 women), including 25 foreign employees. In the staff structure, 96 are direct personnel and 65 are indirect personnel. The indirect personnel include 24 supervisors (6 junior supervisors, 11 mid-level supervisors, and 3 senior supervisors), among which there are 7 female supervisors. Female supervisors account for about 29% of the supervisors. In addition, senior management is all domestic employees, and the ratio of local senior managers is 100%, total 3 persons.

The distribution of employees at CoreMax' s Taiwan plants based on gender, age, and seniority during the reporting period is shown in the table below:



## Human resource structure and distribution of employees 2019

Contract type	Full-time employees						Total
	Male			Female			
Sex							
Age	Under 30	30-50	Over 51	Under 30	30-50	Over 51	
Taiwan plants	28	95	12	5	20	1	161

Notes:

- 1.The above information is obtained by the HR system based on the current employees as of December 31, 2019. There are no assumptions in the data.
- 2.Taiwan plants include the Hsinchu and Toufen plants.
- 3.All employees are permanent and full-time employees (including 25 foreign employees), and there are no part-time or temporary employees.
- 4.In 2018, the non-employee workers in the plants included the contractors, three security personnel, and two cleaners. The main operation activities in the plants were mainly carried out by CoreMax' s employees.
- 5.Senior managers are defined as those above the rank of deputy general manager.

In addition to its headquarters in Taiwan, CoreMax also has subsidiaries and manufacturing sites in Mainland China. We believe that it is our responsibility and obligation to take care of local residents. Therefore, we try our best to recruit local residents and hope to promote and contribute to the economic development of the local community.

In light of globalization, CoreMax strives to establish a multi-cultural workplace. In addition to local employees, CoreMax also recruits foreign employees, so that CoreMax and employees can learn the customs and cultures of different countries and carry out international exchanges, to obtain more viewpoints and thoughts from different perspectives. In addition, we attach great importance to social care. We maintain a number of places for people with physical and mental disabilities every year, and give them opportunities to use their talents and meet their life needs. In 2019, CoreMax employed 25 Filipino employees (15.53% of the total number of employees) and 2 employees with physical and/or mental disabilities (1.24% of the total number of employees). The following table shows the ratios for age and gender of CoreMax's multicultural team:

## Distribution of employees' education in 2019

Classification	Sex	Male	Female	Total
Number of employees	Managers	20	7	27
	Professionals	20	3	23
	Administrative	2	11	13(including 1 disabled employee)
	Technicians	93	5	98 (including 25 foreign employees and 1 disabled employee)
Total		135	26	161
Average age		36.39	36.35	36.37
Average tenure		4.43	6.85	5.64
Education	Ph.D.	0	0	0
	Master	8	0	8
	College	81(including 25 foreign employees)	26	107(including 25 foreign employees)
	High school	46	0	46

## Distribution of employee diversity, ages and genders in 2019

Age	Under 30				35-50				Over 51				Total	
	Male		Female		Male		Female		Male		Female			
Sex	Number (person)	Ratio (%)	Number (person)	Ratio (%)	Number (person)	Ratio (%)	Number (person)	Ratio (%)	Number (person)	Ratio (%)	Number (person)	Ratio (%)	Number (person)	Ratio (%)
The disabled	0	0	0	0	2	1.24	0	0	0	0	0	0	2	1.24
Foreign employee	7	4.35	0	0	18	11.18	0	0	0	0	0	0	25	15.53

To meet the needs of its operation and development, CoreMax' s Taiwan Plants recruited a total of 41 new employees in 2019. (34 males and 7 females), including 1 mid-level supervisor. In 2019, the company saw a new recruitment rate of 25.47% and a separation rate of 24.84%.

## New recruitment and turnover rate in 2019

Classification	New recruitment rate						Quitting rate					
	Male		Female		Total		Male		Female		Total	
Age	Number (person)	Ratio (%)	Number (person)	Ratio (%)	Number (person)	Total Ratio (%)	Number (person)	Ratio (%)	Number (person)	Ratio (%)	Number (person)	Total Ratio (%)
Under 30	11	6.83	4	2.48	15	9.32	9	5.59	2	1.24	11	6.83
30-50	23	14.29	3	1.86	26	16.15	25	15.53	4	2.48	29	18.01
Over 51	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	34	21.12	7	4.34	41	25.47	34	21.12	6	3.72	40	24.84

Notes:

- The above information is obtained by the HR system based on the current employees as of December 31, 2019. There are no assumptions in the data.
- The number of new/separated employees includes foreign employees, trainees and those who were transferred to/from a subsidiary of the Group, and the number of new employees does not deduct the number of separated employees during the period.
- New recruitment rate of the age group of male and female = number of newly recruited male and female employees in this age group in 2018 / total number of employees at the end of 2019.
- The quit rate of male and female employees in this age group = the number of separated male and female employees in this age group in 2018 / the total number of employees at the end of 2019.
- The number of separated employees includes those who have left the company voluntarily or been fired and those who have left due to retirement, expiration of their employment contracts and transfer to a subsidiary of the Group.

## The minimum announcement period for operational changes

We attach great importance to the factors of employee turnover. Exit interviews are held between the former employee and supervisor or human resources personnel for each case to understand the reasons and make necessary improvements, to provide a better workplace, system, and enhance employee loyalty.

CoreMax complies with the regulations governing the procedures for the notice of employment termination. CoreMax requires that the notice period for termination of labor contracts should be as follows:

- (1) if the employee has worked continuously for more than 3 months but less than 1 year, the notice should be given 10 days in advance.
- (2) If the employee has worked continuously for more than 1 year but less than 3 years, the notice should be given 20 days in advance.
- (3) If the employee has continuously worked for more than 3 years, the notice should be given 30 days in advance.

In terms of position change, the direct supervisor of the employee involved in the position change should discuss the change with the employee several weeks ahead of the change of the position. If the employee is content with the change, the announcement for the change can then be made as scheduled.



## 5.2 Employee's Right and Benefits

### Better pay structures than peers in the industry

CoreMax's salary is based on education and relevant experience, and the base salary does not vary by gender. At the same time, CoreMax, according to the salary survey results of the science park, evaluates the salary level of the market and the overall economic indicators to make appropriate adjustments and plans for the employee's salary. Employees of CoreMax are paid according to the local salary level surveyed and the positions held in CoreMax regard-less of gender, age, marital status, political preference, race, etc. Under CoreMax's equal pay system, ratio of the basic salary paid to female and male employees of the same position and grade is 1:1. The starting salary of operators, engineers, administrative staff, and operational supervisors is determined according to their relevant work experience, professional qualifications and education. (For example, the starting salary for all new operator employees is above NT\$31,000, which is 1.34 times the basic salary NT\$ 23,100 stipulated in Taiwan's Labor Standards Act in 2019).

CoreMax's employees are paid better than the requirements under the Labor Standards Act. The company's per capita salary in December 2019 was higher than the average salary in Taiwan released by Directorate General of Budget, Accounting and Statistics, Executive Yuan. At present, the starting salary of directly employed staff is more than 1.34 times the average salary, higher than the salary level of the industry (75% or more). In addition, employees also enjoy monthly performance bonuses, a surplus dividend, and an end of the year bonus. In 2018, the employees of CoreMax received 16 months' salary on average. Employee performance bonuses, dividend, end of the year bonus, and other non-fixed rewards are distributed based on the individual contribution of the employee's, achievement rate of key performance indicators, and performance appraisal results. In addition, the company provides information on the salary of its full-time employees in compliance with the "Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" published by the Taiwan Stock Exchange, as shown in the table below:

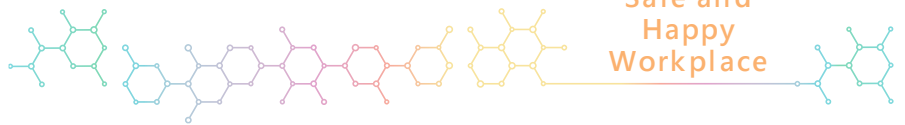
#### Overview of Employee Remuneration Information

Subject	2017	2018	2019
Number of employees	122	142	151
Total employee Remuneration (NT\$ Thousand)	73,467	91,832	104,329
"Average" salary (NT\$ Thousand)	602	646	691
"Median" of salary (NT\$ Thousand)	523	550	635

CoreMax offers competitive salary, superior employee benefits, fair pay benchmarks, and equal opportunities for advancement. The company also distributes a surplus dividend and year-end bonus according to employees' performance, sharing business achievement with colleagues to attract and retain outstanding talents.

### Fair performance appraisal system

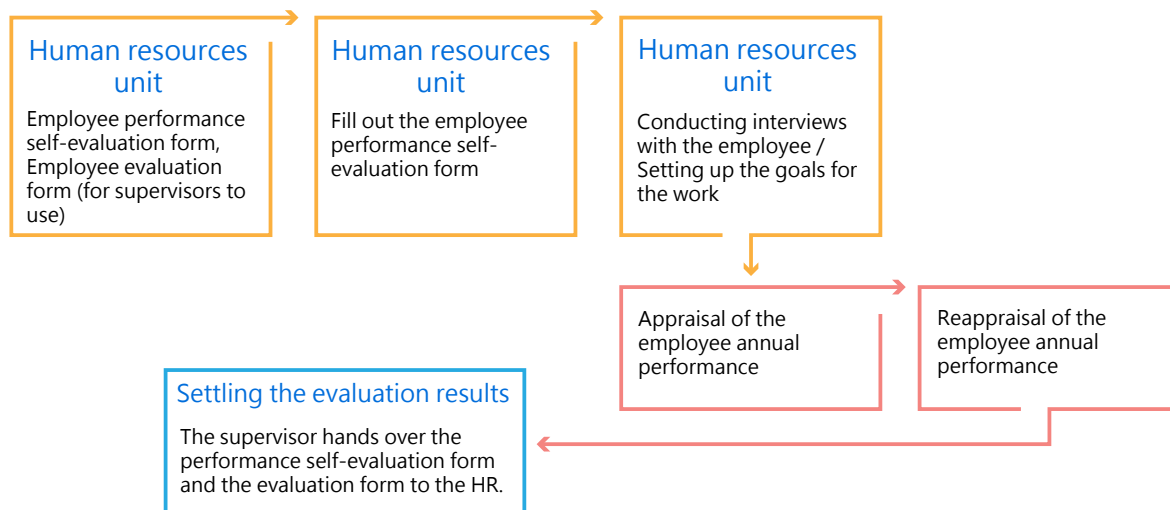
CoreMax's performance management and development system aims to improve employees' individual performance and the overall performance of CoreMax. With the two-way communication and staff development plan, CoreMax's system evaluates the performance with fair and reasonable evaluation procedures. The entire staff needs to undergo the semiannual performance evaluation which takes into consideration both the "results" and the "process." The results of the evaluation is taken as the basis for determining job promotions, salary adjustments, bonus payments, and the training needs for staff development. CoreMax attaches great importance to the consistency and fairness in payroll practices and management. Each employee is paid according to their academic and professional experience. As for the cash bonus and employee dividend, the total amount of bonuses and the mode of distribution is proposed to the board of directors according to CoreMax's business performance as a whole to ensure that the amount of the payment is closely linked to CoreMax's financial and operating performance. Then, the amount of bonus for



each individual employee is determined by considering the employee's work responsibilities, contributions, and the results of his/her performance evaluation. Salaries and performance bonuses paid by CoreMax do not vary due to differences in gender, age, religion, race, skin color, marital status, physical and/or mental disabilities, nationality, political party, constellation, or blood type.

To achieve the objectives of "distinguishing and developing talents", CoreMax has established the "Objective management and performance appraisal" mechanism which contains three major steps, namely, "Initial goal setting," "Mid-term goal reviewing," and a "Final performance evaluation." All employees of CoreMax are subject to performance appraisals, and the appraisal of all employees except those who have been working for less than 3 months should comply with the regulations. In 2019, only the Chairman and 4 employees who have been employed for less than 3 months were not subject to the performance appraisal, and the remaining 156 employees participated in the performance appraisal (26 females and 130 males). The proportions of male and female employees who received the appraisal were both 100%, which shows that CoreMax has no gender discrimination and provides employees with a fair opportunity for promotion and development.

### CoreMax's performance appraisal process



Reviewing the past



Looking to the future

#### Annual business management meeting

The purpose of the annual business management meetings is to analyze the internal and external environment of the company, find out the key factors of success, and set the annual business goals. To achieve the company's goals, the functional departments set departmental goals to support the achievement of the company's overall targets. Then, the department managers distribute the tasks to employees to set individual goals served as the support to the departmental goals.

#### Departmental report made twice a month

The purpose of the departmental meetings is to review the progress of department goals and coordinate the departments to solve problems. The company provides timely resources to monitor the status and progress of target achievement.

#### Employee performance appraisal twice a year

The employee performance appraisal aims to make plans for employees' work, training and development by reviewing the past individual objectives and work performance, as well as to identify employees with developmental potential.



## Employee benefits system


CoreMax attaches great importance to the retention of talented employees, ensuring equal work opportunities and reasonable performance evaluation system for employees, which is superior to other salary and bonus systems in the industry. Recruitment localization is a policy among all the long-term HR policies established by CoreMax. CoreMax also ensures that all of its employees are covered and secured by insurance and pension schemes. In addition to pursuing a healthy and safe workplace, CoreMax also pays attention to employees' psychological health. Domestic and overseas travels and leisure activities are organized to help employee relieve stress and improve their physical and psychological health. The employee benefits provided by CoreMax' s subsidiaries meet or are even superior to the requirements of the labor laws and regulations established by the local government, making CoreMax' s domestic and overseas employees feel safe and protected.

CoreMax regularly holds welfare committee meetings for employees to fully reflect their needs and report to the management for improvement, so as to jointly maintain and create a good working environment. The welfare committee organizes cultural and health activities, quarterly dinners and travel activities, and provides maternity subsidies, holiday gifts and vouchers, emergency aid fund, etc. When CoreMax issues new shares, 10% of the total amount of new shares will be reserved for employees to purchase to motivate employees and improve employee cohesiveness and productivity.

In addition to providing a sound personnel system, CoreMax insists on providing employees with comprehensive welfare, leisure, and relaxation facilities, so that employees can relax physically and mentally after work. At the same time, the various activities can enhance the interaction and friendship among colleagues to establish a happy and harmonious workplace. All employees employed by CoreMax are protected by the Labor Standards Act of the government and the mutual agreement between the employer and the employees. The employees of CoreMax are entitled to the following benefits:

- ⊙ Domestic and overseas travels
- ⊙ Good insurance coverage (Labor insurance, health insurance, group insurance, cancer insurance and travel safety insurance)
- ⊙ The pension fund under the new system is allocated at the rate of 6% per month. The pension fund under the old system is fully allocated.
- ⊙ Education and training courses are fully subsidized.
- ⊙ Free regular health examinations and free health examinations for supervisors
- ⊙ Employee dividends and shareholding
- ⊙ Emergency payment, hospital consolation payment and funeral allowance
- ⊙ Wedding red envelope
- ⊙ Maternity gift: NT\$30,000 per child (NT\$ 100,000 for the third child)
- ⊙ Gifts for the three festivals, gift voucher for May 1st, and birthday gift voucher
- ⊙ Quarterly departmental meal allowance
- ⊙ Club activities - Weekly aerobic yoga

In addition to the statutory labor insurance system, CoreMax also provides group insurance (life insurance, accident insurance, and medical insurance) and plans to extend the premium to dependents at a lower cost. CoreMax understands that a sound insurance system enables employees to work without worries.



- 1.National health insurance
- 2.Labor insurance
- 3.Group insurance: life insurance, accident insurance and medical insurance
- 4.Cancer insurance: cancer claims for the first time, cancer care, death caused by cancer
- 5.Overseas travel safety insurance, one-year commercial insurance policy.

CoreMax employee welfare activity in 2019



Festival gifts



Year-end lucky draw



Employee health checks



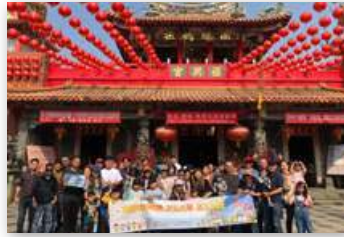
Departmental dinner party







Domestic travel - Alishan



Domestic travel - Kaohsiung



Domestic travel - Xiamen

## Employee-employer communication

CoreMax firmly believes that harmonious labor relations are crucial to achieving efficiency, high productivity, and satisfactory business performance in a company. Therefore, CoreMax values the communication of employees' opinions and encourages the use of open communication channels to improve employee morale and create a harmonious working environment to maintain good employee relations and a smooth two-way communication channel.

CoreMax respects employees' freedom and right of association and assembly as provided by law, and is committed to providing unobstructed communication channels, including labor and management conferences and annual employee interviews, to integrate all resources and work together towards the common goal. Although CoreMax does not have a labor union, we attach great importance to the opinions of colleagues, and regularly hold CoreMax's labor and management conferences. There were 4 labor and management conferences held in 2019, with 50% of labor representatives and 50% of management representatives, meeting the requirements of relevant laws and regulations. The labor and management conferences invite colleagues from all over CoreMax to participate and provide suggestions so the management can learn colleagues' opinions on management and welfare system, as a reference for future policy making and system improvement. So far, the relationship between the employers and the employees has been harmonious, and there have been no labor disputes or any events that need coordination between the employer and the employees.

As early as in 2004, CoreMax established the employee welfare committee (hereinafter referred to as the welfare committee), where the members were elected by the employees to manage the welfare funds independently. The committee sets various subsidy standards and handles diversified staff activities according to the needs of the employees. In addition to various subsidies, the annual employee welfare allowance for 2019 also covers various activities, including end of the year travel, hiking, end of the year dinners, talent competitions, recreational activities, and health lectures.

- 1.The employee welfare committee formulates welfare policies that meet the needs of the staff.
- 2.Ensuring two-way communication at labor and management conferences.
- 3.Establishing the annual employee interview mechanism to listen to employees' opinions.



2019 Labor and management conferences

## Retirement system

CoreMax provides pension funds for each employee in accordance with the statutory retirement system in different regions, and the employees' participation rate in the retirement plan is 100%. In Taiwan, according to the Labor Standards Act and the Labor Pension Act, employees who have been employed since June 30, 2005 (inclusive) are entitled to the annuity under the old pension system, but are entitled to the annuity under the new pension system only after they choose to be eligible for the new pension system. The old pension is paid in full to the old retirement reserve account at the Bank of Taiwan at the rate of 2% of the salary of each employee with the old pension. Under the new pension system, 6% will be allocated to the individual pension account on a monthly basis according to the pension level of each worker eligible for the new pension system. In addition to the 6% pension allocated by the employer, the employee may choose a pension ranging from 0% to 6% based on his/her own pension level and may deposit it into the individual pension account. By the end of 2019, one person has chosen to retire under the old pension system while 160 employees under the new pension system.

## Suspension without pay

CoreMax also gives a variety of leaves according to the Labor Standards Act, if there is a need for a longer leave due to infant care or serious injuries or other conditions, an employee may apply for suspension without pay. After the expiration of the leave period, the employee may apply to reinstate their position. During the reporting period, one employee applied for suspension without pay. In addition, CoreMax provides its female and male staff with maternity leave, paternity leave and parental leave in accordance with the "Act of Gender Equality in Employment," "Regulations for Implementing Unpaid Parental Leave for Raising Children", and handles "suspension without pay" for staff's parental leave and job restoration in accordance with the regulations. In 2019, two male employees applied for the "suspension without pay" due to infant care, and no job restorations after expiration of parental leave were applied due to other personal or family issues.

### CoreMax's Statistics on Suspension without Pay for Parental Leave for 2019

Item	Male	Female	Total
Number of eligible employees for "suspension without pay" for parental leave (A)	14	6	20
Actual number of employees who applied for "suspension without pay" for parental leave in the year (B)	2	0	2
Number of employees who were eligible for job restorations after expiration of parental leave in the year (C)	2	0	2
Actual number of employees who applied for job restorations (D)	0	0	0
Actual number of employees whose jobs were restored from parental leave in the preceding year (E)	0	0	0
Number of employees who have remained on the job for a year after job restorations at the end of parental leave in the preceding year (F)	0	0	0



Item	Male	Female	Total
Reinstatement rate% (D/C)	0	N/A	0
Job retention rate % (F/E)	N/A	N/A	N/A

Note:

- 1.The number of eligible employees for “suspension without pay” for parental leave (A) in 2019 is calculated on the basis of the number of employees who took paternity and maternity leave from January 1st 2017 to December 31st 2019.
- 2.The number of employees who were eligible for job restorations after expiration of parental leave in 2019 (C) equals to the number of employees who applied for suspension without pay due to parental leave during the period from 2017 to 2019 and whose period of leave ended in 2019.
- 3.Reinstatement rate = Actual number of employees who applied for job restorations (D) ÷ Number of employees who were eligible for job restorations after expiration of parental leave in the year (C)
4. Retention rate = Number of employees who have remained on the job for a year after job restorations at the end of parental leave in the preceding year (F) ÷ Actual number of employees whose jobs were restored from parental leave in the preceding year

## 5.3 Employee Education and Training

Project	Training and education Management policy (Key subject: Training and education)
Major reasons	CoreMax regards all its employees as important assets for sustainable development. With stable and outstanding employees, CoreMax can have steady and continuous growth. Therefore, talent cultivation is an important issue to CoreMax. CoreMax, according to the needs of various departments, provides diversified education and training to employees to strengthen the competitive-ness of CoreMax, which is conducive to the long-term sustainable development of CoreMax.
Boundary of the subjects	The impact scope of the subject of training and education mainly covers CoreMax.
Limitation on the disclosure of the subject contents	In the annual CSR report, the subject of training and education will reveal relevant information about CoreMax’ s employee training and education.
Management objectives	“Improving the quality of human resources” by cultivating outstanding professionals with the company’s Business Principles is the core of our human resource policy. With diversified trainings for our employees, we aim to improve the overall competitiveness of our employees and CoreMax, and commit to sustainable development of CoreMax.
Policy	Systematic training of all-round professional and technical personnel, as well as good employee ethics and social care awareness.
Promise	CoreMax treats employees equally and provides the most appropriate career planning and diversified training courses to help each employee improve the knowledge and skills needed for their career development and job functions.
Objectives and targets	Develop annual education training programs in line with the company’s operating policies and objectives: In order to comply with CoreMax goals, departmental development and the objectives of individual professional growth, and to improve the competitive-ness of CoreMax and its employees, CoreMax integrates its internal and external resources, oversees the business environment and future trends, and provides its employees diversified training courses.
Resources	In response to market changes and diversified demands of various departments, the company’s training resources are not only provided by internal managerial employees and senior staff as lecturers, but also by an external professional management consultant. In addition, the “Industrial talent investment program” advocated by the Industry Association and the government is of great help to the training of the company’ s employees. In 2019, the total expenditure on staff education and training was NY\$ 430,294, with a total of 5,746 hours.
Complaints mechanism	Stakeholders may submit their views or complaints through telephone, email (hr@coremaxcorp.com), CoreMax’s website, or the CSR compliant window.

Project	
<b>Special actions</b>	<p><b>Training and education Management policy</b> (Key subject: Training and education)</p> <ol style="list-style-type: none"> <li>1.Orientation system: seven categories including new employee orientation, know-how training, on-the-job training, ISO quality system training, ESH system training, executive management trainings, and common knowledge trainings.</li> <li>2.In 2019, the company introduced IATF 16949 Automotive Quality Management System and obtained the certifications.</li> <li>3.In 2019, the company introduced ISO 45001 Occupational Safety and Health Management System and obtained the certifications.</li> <li>4.In 2019, the company introduced ISO 50001 Energy Management System and obtained the certifications.</li> <li>5.CoreMax provides CSR training courses to the CSR team of CoreMax every year.</li> <li>6.In 2019, an after-training satisfaction survey was conducted for executive talent training courses.</li> <li>7.The training on the knowledge of labor &amp; employment law was provided in 2019 (2 hours per person) to improve colleagues' understanding of the law.</li> <li>8.New recruits are given a 12-hour education and training course on the orientation day, which includes rules and regulations, human rights policy, courses about integrity and ethics, work rules and disciplines, and general training about safety, health, and hazardous substances.</li> <li>9.Through the "Annual education training program", CoreMax provides systematic training of professional and technical talents, and cultivates good employee ethics and social care.</li> <li>10.CoreMax values individual career development and develops training programs for employees at different levels. Through the implementation of the annual training plan and the provision of training time and financial subsidies, CoreMax encourages its employees to take the initiative in lifelong learning and to enhance their abilities to adapt to the new demands of the business environment.</li> </ol>
<b>Management evaluation mechanism</b>	<ol style="list-style-type: none"> <li>1.Departmental reports made twice a month: The purpose of the departmental meetings is to review the progress of department goals and coordinate the departments to solve problems. CoreMax provides timely resources to monitor the status and progress of target achievement.</li> <li>2.Employee performance appraisal twice a year: The employee performance appraisal aims to make plans for the employees' work, training, and development by reviewing the past individual objectives and work performance, as well as to identify employees with developmental potential.</li> </ol>
<b>Performance and adjustment</b>	<ol style="list-style-type: none"> <li>1.In 2019, the average hours of classroom training courses per person was 35.69 hours, an increase of 14.51 hours compared with that of 2018. The total number of hours increased by 2357.5 hours compared to 2018, and the expenditure on staff training increased by NT\$48,472 over 2018.</li> <li>2.The score for the degree of satisfaction towards the executive talent training courses was 4.78 point (Out of 5 points).</li> </ol>

## 🏠 Cultivation of talents

CoreMax regards employees as its most important assets, so talent cultivation is one of CoreMax's important tasks. In order to improve the competitiveness of CoreMax and its employees, CoreMax integrates its internal and external resources and oversees the business environment and future trends to plan diversified training courses for employees to cope with the development of different departments.

CoreMax makes an annual education plan with diversified trainings for its employees. To improve the competitiveness of CoreMax and its employees, CoreMax integrates its internal and external resources and oversees the business environment and future trends to set company targets, departmental goals, and the objectives of individual professional development. The types of education and training provided by CoreMax can be classified into new employee trainings, on-the-job trainings, professional and functional trainings, trainings for different levels of employees, general knowledge trainings, and self-development trainings to enhance the overall competitiveness of the team.



## Education and training system



### ⊕New employee training

To establish employee-employer relations and effective communications, all newly recruited employees are given pre-job training on their orientation day, including CoreMax' s business principles, company profile, organizational chart, organization and personnel system introduction, human rights policy publicity, code of professional ethics, Compliance with company discipline, training on occupational safety and health as well as environmental awareness, quality system and quality awareness courses. The rich course content enables new employees to understand the business principles of the company, establish a sense of identity with CoreMax, and quickly integrate into the CoreMax family. Furthermore, labor contracts between the company and its employees stipulate the rights and obligations of both parties. A total of 41 new recruits completed the pre-job training courses in accordance with the regulations this year.

CoreMax has been implementing the pre-job professional training system for new employees. According to the job description, complete training courses on work-related knowledge and skill are established for every new employee, so that the new employee can smoothly integrate into the work environment and give full play to his/her strengths.



— New employee training —

### ⊕On-the-job trainings

Establish the pre-job training plan and evaluation mechanism, according to the job description, job nature and individual abilities of the position, and in the forms of job assignment, job instruction, and guidance as well as engagement in specific projects.

### ⊕Professional and functional training

These trainings are given to improve employees' professional competence in the fields of production, quality assurance, environmental works, information technology, business, human resources, research and development, finance, etc. The purpose of these trainings is to improve employees' work performance and the competitiveness of the teams, there were a total of 4,387 hours of professional training courses provided in this year.

To promote management system accreditation, CoreMax, in 2019, provided inspection and certification training courses for IATF 16949 Automotive Quality Management System, ISO 45001 Occupational Health and Safety Management Systems, ISO 50001 Energy Management Systems, carbon footprint and water footprint. In 2019, there were 45 classes, for a total of 2040.5 hours, on ISO system training provided by the company, and 509 employees attended the classes.



Training on IATF 16949 Automotive Quality Management System



Training of ISO 45001 Occupational Safety and Health System.



ISO 50001 Energy Management Systems



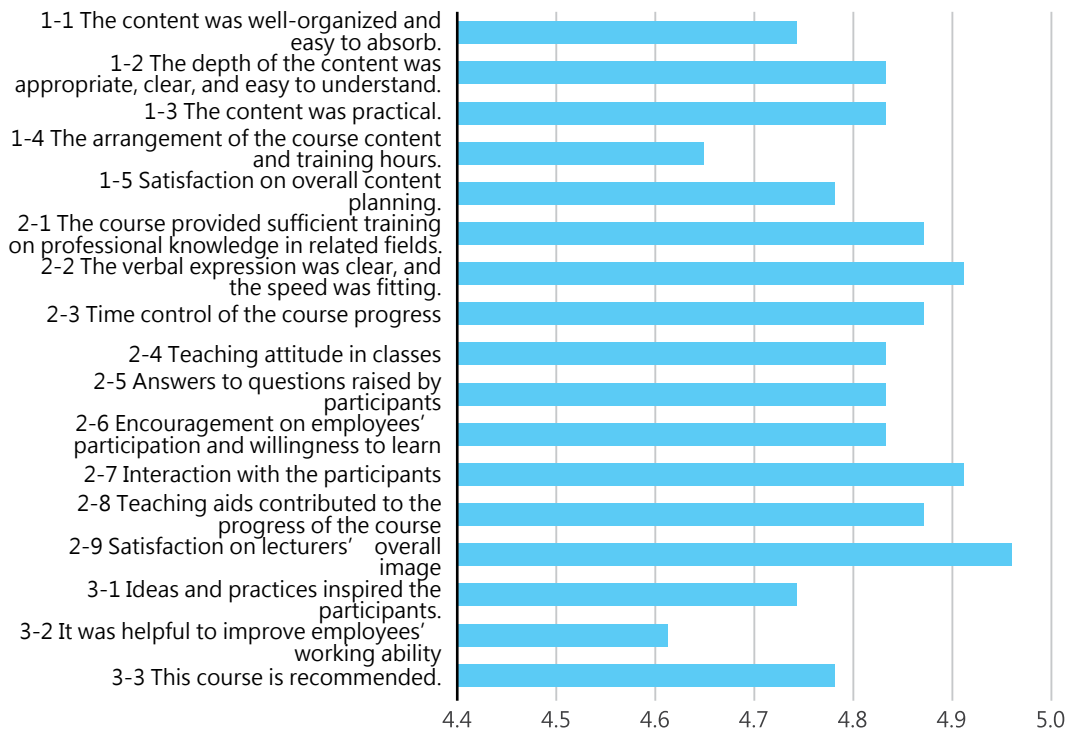
### Management trainings for employees at different levels

The management trainings for employees at different levels are designed to train employees with the knowledge and skills required for individual career development and the development of CoreMax and various departments.

#### Executive management trainings:

Managerial employees play an important role in the operation of an organization. These trainings provide the management and leadership skills required in managerial positions at different levels; In recent years, due to the rapid growth of the company, it is necessary to cultivate competent managers in various fields. Therefore, CoreMax has organized a management competency development course for new managers, with 30 participants and a total of 420 training hours. The course structure and contents are very practical and are highly appreciated by the participants in the after-training satisfaction survey.

#### Satisfactory on the management competence development course designed for new managers



#### Technical personnel training:

These trainings provide the knowledge, technical skills, and work attitudes required for technical positions, and employees can obtain operational licenses through certification of professional skills.





management competency development course

### ⊕Common knowledge trainings

To support CoreMax's overall vision and objectives in its development, CoreMax has launched the courses for common knowledge trainings. These trainings provide opportunities for the employees to have a common sense of teamwork to achieve the overall goals of CoreMax. At CoreMax, in addition to professional competence, we also value colleagues' personal development. By providing these trainings CoreMax enables its colleagues to achieve balanced development in their professional field and personal life.

CoreMax conducts training on employee rights and interests, work safety, environmental protection, work rules, personnel system, human rights policy, integrity and code of ethics, Labor Standards Act, and sexual harassment prevention measures, etc. on the day when new employees report to work. The 12-hour training enables employees to understand the company's values, corporate culture, and relevant regulations, so as to help them integrate into the working environment as soon as possible. In addition, the company organized labor & employment law knowledge course in 2019 to improve employees' legal knowledge, which, through a 2-hour training course, enabled colleagues to raise their awareness of the law, so as to protect their own rights and avoid infringing others' rights.



General law course





Every year the company, in accordance with relevant laws and regulations, strengthens employees' ability to rescue themselves through CoreMax' s fire training and the chemical disaster awareness courses, and has established its self-defense Firefighting Team, which is responsible for training staff on firefighting. The team conducts training courses with real fire in appropriate fields and teaches employees how to identify fire accidents through smoke. In addition to relying on the Self-defense Firefighting Team to train employees in firefighting, the company also invited firefighters from the Xin Gong Firefighting Team of Hsinchu County to teach employees about basic chemical disasters and escape skills. The firefighters made full use of various facilities of the training center and simulated various fire situations to strengthen the employees' capabilities of responding to different types of disasters.



Fire Training and Education

### Self-development trainings

CoreMax encourages its employees to pursue external training opportunities. In addition to acquiring professional skills in the workplace, colleagues can also participate in forums, seminars, language trainings, computer skills trainings, etc. organized by other training institutions. By doing so, employees can attain new knowledge and skills that are beneficial for their personal development.

In response to the rapid changes in the external environment, the fierce competition in the industry and the trend of internationalization, CoreMax strives to create an atmosphere of internal learning, and actively cultivates and retains talents through the better planning of employee training and development system to encourage all employees to make joint efforts to achieve the goals of the company. CoreMax not only provides education and training about the employee rights and interests, labor safety regulations, and Occupational Safety and Health Act and Labor Standards Act immediately after they are hired, but CoreMax also provides education and training courses of different levels in the process of talent development. Training programs are designed to train employees with the knowledge and skills required for individual career development and the development of CoreMax and various departments. These trainings, including new personnel trainings, work safety and health trainings, professional courses, common knowledge courses, supervisor management courses, etc., provide knowledge and skills required in an employee' s personal development and in the development of CoreMax. In 2018, the average number of hours spent in classroom training courses per person was 21.18 hours. This was an increase of 4.25 hours compared with that of 2017. The total number of hours increased by 815 hours compared with 2017. The total expenditures on employee training was NT\$382,122. As the company introduced multiple management system accreditation in 2019 and provided employees with resources through education and training, the employees' understanding of the management systems was strengthened. In 2019, the average number of hours spent on training classes per person was 35.69 hours (33.66 hours for male employees and 46.23 hours for female employees), an increase of 14.51 hours per person compared to 2018. In 2019, the total number of hours on training classes increased by 2,357 hours compared to 2018, and staff training expenses totaled NT\$430,594.

### 2019 CoreMax Employee Training Hours Statistics- By Employees Category

Hours	Total training hours			Average training hours		
	Male	Female	Total	Male	Female	Total
Managers	1,097	463	1,560	54.85	66.14	57.78
Professionals	1,676.5	263.5	1,940.0	83.83	87.83	84.35
Administrative	64	330	394	32	30	30.31
Technicians	1,706	145.5	1,851.5	18.34	29.1	18.89
Total	4,543.5	1,202	5,745.5	33.66	46.23	35.69

Notes:

1. Average training hours for male/female employees of all categories = Total training hours for males/females of the category ÷ Total number of males/females of the category at the end of the year
2. Average staff training hours = Total staff training hours ÷ Total number of employees at the end of the year
3. The above training expenses shall be borne by CoreMax.

## Education and training of security personnel

The Security personnel stationed at CoreMax are assigned by Kuohsing Security Co. Ltd. All personnel are assigned after completing relevant job training. In addition, they are required to receive 2 hours of security personnel training every month. The course content includes traffic management training, case sharing, and prevention of re-occurrence of the security issues in the area of duty. In addition, the courses provide the security personnel with knowledge about CoreMax regulations, the laws and regulations published by the competent authority and human rights laws, to avoid violations of basic human rights by police personnel when on duty. All security personnel are also required to observe relevant norms of social conduct.







# 6

## Workplace Safety, Disaster Prevention and Managements

6.1 Healthy Workplace

6.2 Disaster Prevention and Management

6.3 Community Contribution and Participation

 <b>Project</b>	<b>Health, safety, and disaster prevention management policy</b> (Key subject: Occupational Safety and Health, Local community) 
<b>Major reasons</b>	Maintaining the safety and health of all personnel (in and out of the plant, and for community residents) is the fundamental basis on which CoreMax can operate continuously. Improper management of safety and health may not only cause CoreMax to face legal ramifications, but even can use the casualties of its employees. In serious cases, it may cause business interruption. Therefore, providing a healthy and safe environment for employees and ensuring the safety of community is CoreMax' s obligations as well as responsibilities to the society.
<b>Boundary of the subjects</b>	The impact scope of the subject "Occupational Safety and Health, Local Community" covers the safety and health management, emergency response management, and other matters related to CoreMax, its contractors and suppliers.
<b>Limitation on the disclosure of the subject contents</b>	The subject "Occupational Safety and Health, Local community" in this annual report mainly reveals the safety and health related information of CoreMax and its contractors which operate in CoreMax' s plant areas.
<b>Management objectives</b>	CoreMax protects the safety of employees through management, pollution prevention and preventing hazards · injuries and diseases, and striving to build cleaner production processes and a safer and friendlier working environment.
<b>Policy</b>	<ol style="list-style-type: none"> <li>1.Prevention ahead: to implement prevention of hazards, injuries, and diseases.</li> <li>2.Compliance with laws: to abide by laws and regulations and fulfill the company' s social responsibility.</li> <li>3.Establishment of systems: to establish orientation to facilitate employees' consultation and participation.</li> <li>4.Continuous improvement: to reduce the risk of job disasters and ensure the safety of personnel</li> </ol>
<b>goals</b>	<ol style="list-style-type: none"> <li>1.To establish a healthy and safe working environment, CoreMax strictly complies with relevant laws and regulations governing occupational safety and health, and strives to achieve zero workplace injuries and zero environmental accidents.</li> <li>2.At least 4 hours for work safety training per year.</li> <li>3.By continuously improving facility standards as well as safety and health operation procedures, CoreMax is actively constructing a safe and healthy workplace to prevent occupational injuries and illnesses, and to protect labor safety and health.</li> </ol>
<b>Resources</b>	<ol style="list-style-type: none"> <li>1.CoreMax conducts disaster prevention workshops and emergency drills on a regular basis.</li> <li>2.CoreMax provides regular health examination for employees, and arranges special physical examination for employees with high rate of occupational illnesses and for employees who perform high-risk work.</li> <li>3.CoreMax provides protective equipment required by laws and regulations to ensure the safety and health of employees.</li> <li>4.ISO 45001 occupational safety and health management system was imported.</li> </ol>
<b>Complaints mechanism</b>	Stakeholders can give feedback or make complaints and suggestions for improvement through telephone, email, CoreMax's website and the CSR complaint window.
<b>Special actions</b>	<ol style="list-style-type: none"> <li>1.The company acquired ISO 45001 occupational safety and health management certification in 2019.</li> <li>2.Developing annual target program.</li> <li>3.Implementing regulatory identification and complying with statutory requirements</li> <li>4.Assessing and identifying major operational risks.</li> <li>5.Carrying out internal audit to confirm the effectiveness of implementation</li> <li>6.Implementing improvement plan to correct nonconformance.</li> <li>7.Implementing the Regulations Governing Internal Emergency Response Measures and carrying out disaster prevention drill</li> <li>8.Employee health inspection and staff care</li> </ol>
<b>Management evaluation mechanism</b>	<ol style="list-style-type: none"> <li>1.Every Monday, CoreMax reviews the labor safety issues that had occurred in the previous week, and asks its employees to strictly comply with the work-safety related regulations.</li> <li>2.Every month, the company reports to all management levels the work safety issues occurring in the preceding month.</li> <li>3.In accordance with ISO 14001 Internal Management Review Procedures, the company conducts an annual PDCA effectiveness assessment on occupational health and safety to ensure its continuous applicability, appropriateness, and effectiveness.</li> </ol>



Project

Health, safety, and disaster prevention management policy  
(Key subject: Occupational Safety and Health, Local community)



Performance and adjustment

- 1.No employees suffered from occupational diseases in 2019.
- 2.Neither fatal occupational disasters nor deaths due to occupational injuries in 2019.
- 3.In 2019, there were no relevant safety accidents in or outside the plants.
- 4.In 2019, the company's operating environmental monitoring was carried out according to the plan, and the results met the standards.

## 6.1 Healthy Workplace

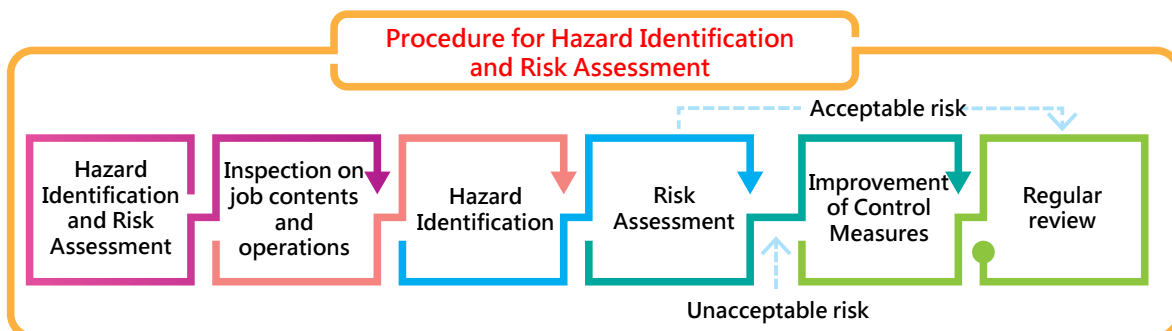
### Occupational Safety and Health Management

To protect employees' occupational safety, CoreMax has not only formulated environmental safety and Health policies, but also established program files of the "Occupational Safety and Health Management" system for each of its plants, which could strictly control the details of each work place. In addition to Hsinchu Plant and Toufen Plant' s acquisition of ISO 45001:2018 certification, the company requires all other plants to meet the standards of ISO 45001:2018 to ensure that all employees and external workers who are stationed at the plants are not exposed to hazards or injured due to improper operation. Relevant certifications cover occupational hazard identification, emergency response, and contractor management, which ensure employee work safety through program file control and repeated PDCA verification. The "Occupational Safety and Health Management" system is applicable for all personnel in the plant areas (including external workers who are stationed at the plants), of which, CoreMax conducts an internal audit and external audit every year to implement the occupational safety and control. Meanwhile, the company requires all plants to carry out the orientation to significantly enhance workers' awareness and knowledge of good safety.

### Occupational Hazard Identification and Risk Assessment

CoreMax attaches great importance to employees' occupational safety and health, and its identification of hazards and risk assessment covers all health and safety hazards in and out of the plant that are likely to affect the health and safety of personnel. It also covers routine and non-routine activities of all people entering the plant (including contractors and visitors) and contractors stationed at the plant. The president of the company reviews and supervises hazard identification, risk assessment and other operations, and the supervisors carry out detailed risk identification after the president' s approval.

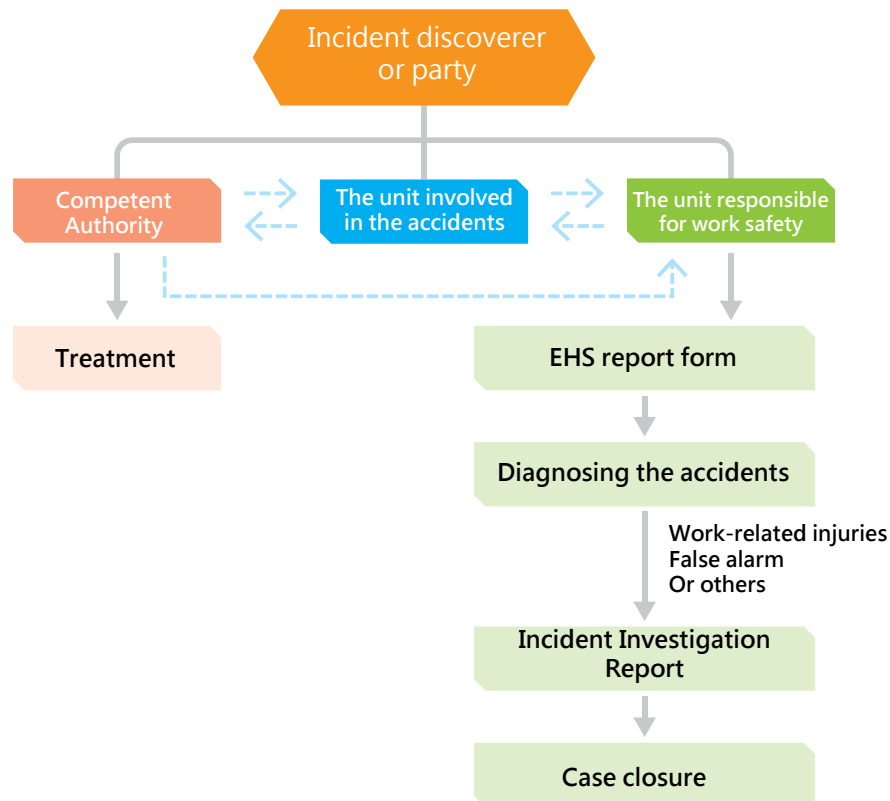
For example, the Hsinchu Plant on-site engineers perform hazard identification in accordance with the "Hazard Identification, Risk Assessment and Control Procedure" annually or when necessary, and complete the "Hazard identification and risk assessment form" as a basis for policy making and hazard management. To cope with the newly identified risks, the Management Review Board regularly convenes and holds multiple meetings with occupational health and safety management offices and supervisors of different units to review and approve the revision of the policies and procedures, and the risk rating standards and risk controls are also irregularly revised according to CoreMax requirements. When there are changes in equipment and operational procedures, occupational disasters, or needs to implement corrective measures for non-conformities, hazard identification and risk assessment will be conducted accordingly, with relevant risks listed, and medium and high risk factors will be strictly controlled. CoreMax is committed to the goal of zero occupational injuries.



### ⊕Event-Causing Subject Control and Prevention

Since false alarms are an important indicator of potential risks, CoreMax uses EHS Management System to track incidents, report investigations and carry out corrective measures, and provide protection to workers reporting incidents, hazards, risk and opportunities from retaliation in the Management handbook. To facilitate the implementation of health and safety management mechanisms and improve its health and safety and environmental performance, the company detects and corrects the unsafe behavior of on-site personnel and improves the unsafe operating environment and equipment as early as possible. Site supervisors at all levels patrol the site regularly to inspect the behavior and working condition of the staff and supporting workers from partner plants and give motivation and prompt correction. If any employee or supporting worker violates the operation safety procedures or has unsafe behavior or is found in unsafe conditions, the supervisors will communicate to the personnel concerned and correct the unsafe conditions immediately in the principle of not affecting the operation safety.

### Incident Reporting and Investigation Procedures



### ⊕Workers' participation, consultation, and communication

To ensure internal consensus in implementing the health and safety and environmental management systems, CoreMax holds regular meetings on environmental, health and safety (EHS) issues in accordance with occupational safety and health management system (ISO 45001) to facilitate communication and consultation among the company's departments, all levels of employees and external stakeholders and build a safe working environment for its employees. CoreMax defines the responsibilities of its responsible units and the members concerned through Communications Management Procedures, and their responsibilities should include the development and review of relevant procedures in addition to their participation in formulation of health and safety policies. CoreMax holds regular EHS meetings every week, which are attended by department supervisors and employee representatives to review, coordinate, and advise on issues related to work safety and health. The number of employee representatives accounts for about 50% of the total number of the participants of EHS meetings. In addition to EHS meetings, the president of the company holds regular monthly meetings to discuss environmental, health and safety (EHS) issues and EHS management performance.

To achieve continuous improvement on its safety and health management system, CoreMax's management representative hosts the Management Review Board's Meeting every year to review the results of the year's environmental, health and safety (EHS) activities and management performance of the company, making efforts to improve the company's works of safety and health management, accident



prevention, energy and resource conservation and workplace health. In order to reduce the potential risks to the safety, health, and environmental protection, the meeting sets CoreMax' s annual EHS targets and performance indicators and proposes concrete and feasible improvement plans for implementation.

### ⊕ Contractor Safety and Health Management

CoreMax understands that contractors are an important part of its occupational health and safety management. The contractors' personnel may pose potential risks to plant operation, which may lead to loss of lives, equipment, and property if these personnel do not behave carefully. To implement the EHS measures and protect the safety and health of its contractors and workers hired by the contractors, CoreMax conducts comprehensive assessments when selecting suppliers, considering the supplier' s Health and Safety Management System (whether they have obtained ISO 45001 certification), number of work incidents, whether they have a good industrial safety organization and Inspection plan, whether they have a good construction safety control plan and emergency response plan, etc. CoreMax has established the "Contractor operation management procedure" to ensure that all contracted projects comply with relevant regulations and to control the risks that may cause losses to the plants.

To ensure safety and health of contractors and their employees and to protect the equipment and facilities of the plants, contractors entering and exiting the plants must comply with CoreMax's occupational health and safety regulations. Relevant units of the company will hold contractor safety meeting before the operation, requiring contractors to carry out operations at the places under their control to sign the letter of consent for safety compliance prior to the commencement of the project. The company will also inform the contractor of the project hazards, requiring the contractor to complete safety and health training before performing all work activities in the plants, and hold meeting on work hazards before performing all work activities every day. In 2019, CoreMax's contractors had no work-related accidents or absences from work due to loss of work capability.

### ⊕ Statistics of Occupational Injuries

Due to the occupational disaster caused by improper operation of the stacking machine in the plant in 2014, CoreMax's industrial safety staff, the accident unit, and relevant personnel conducted accident investigations and analyzed the cause of the accident to prevent a similar occurrence from happening in the future. The investigators proposed measures for improvement that can continuously reduce and avoid the recurrence of industrial safety accidents. For the two consecutive years of 2017 and 2018, CoreMax's employees and workers (contractors, 2 security personnel and 2 cleaners) had no workplace injuries.

CoreMax' s statistics of occupational injuries for 2019 showed no major occupational disaster and work-related death; however, there was 1 recordable occupational injury (1 person), which resulted in a loss of 11 working days, with an occupational injury rate (FR): 3.17, lost day rate (LDR): 34 and a Frequency-Severity indicator: FSI0.32. This incident was mainly caused by the blockage at the bottom of the barrel tank. When the method of reverse blowing was used to eliminate the blockage, the liquid was filled with instantaneous pressure, and then the liquid came into contact with the victim, causing minor burns. CoreMax has reassessed the position of the ball plug valve at the bottom and revised the SOP to avoid recurrence.

### Statistics of occupational safety performance in recent three years

Item(s)		2017	2018	2019
Lost day rate ( LDR )	Female lost day rate	0	0	0
	Male lost day rate	0	0	40
	Total lost day rate	0	0	34
Absence rate (AR)	Female Absence rate (AR)	6.10%	9.64%	9.90%
	Male Absence rate (AR)	5.09%	12.92%	6.72%
Occupational disease rate (ODR)	Female occupational disease rate	0	0	0
	Male occupational disease rate	0	0	0

Item(s)		2017	2018	2019
Number of annual deaths	Female number of deaths	0	0	0
	Male number of deaths	0	0	0
Rate for occupational injury deaths	Female rate for occupational injury deaths	0	0	0
	Male rate for occupational injury deaths	0	0	0
	Total rate for occupational injury deaths	0	0	0
Fatal occupational injury rate (excluding number of deaths)	Female fatal occupational injury rate	0	0	0
	Male fatal occupational injury rate	0	0	0
	Total fatal occupational injury rate	0	0	0
Occupational injury rate (including number of deaths and severe occupational injuries)	Female occupational injury rate	0	0	0
	Male occupational injury rate	0	0	3.73
	Total occupational injury rate	0	0	3.17

Notes:

- 1.The work safety data does not include employees' traffic accidents on the way to and from work.
- 2.During the period from 2017 to 2019, no occupational disasters happened to non-employee workers.
- 3.Lost day rate (LDR)= (Number of workdays lost / total number of hours worked) x 1,000,000
- 4.Absence rate (AR)= (Number of days absent) percentage of [(Average number of employees) x (number of workdays)] \*100%.
- 5.Occupational injury death rate = Number of deaths due to occupational injuries/working hour x 1,000,000.
- 6.Fatal occupational injury rate = Number of severe occupational injuries (excluding number of deaths)
- 7.Occupational injury rate = Recordable occupational injury rate
- 8.Absentee rates include special leave, work injury leave, sick leave, personal leave, absence from work, physiological leave, maternity leave, paternity leave, prenatal check-up leave, funeral leave, marriage leave, and family care leave. During the period from 2017 to 2018, the occupational injury absence rate (AR) was 0. In 2019, the occupational injury absence rate (AR) was 0.03%.

## Staff Health Check

CoreMax greatly values the health of its employees and has done a lot to ensure the physical and mental health of its employees. In addition to regular physical examinations and health care, the company regularly arranges diversified and rich health promotion activities to create a healthy working environment and corporate culture for its employees.

To provide better health care to its employees, CoreMax provides a regular physical examination every two years, which exceeds what is required by the regulations, including general physical examination and supervisor physical examination, and special physical examinations for employees with high incidence rate and risk of occupational diseases are also available. For the employees with abnormal health condition, the company will track and manage the employee's health condition and provide necessary individual health consultation, care, and guidance, so that the employee can better understand their own health status. The Administrative Department will file and manage the medical examination results of employees, conduct one-on-one consultations with the employees, comprehensively evaluate their work nature, life habits, family history and other factors and will provide suggestions for improvement on the employees and the company. The Administration Department will also include employees at high risk of overload on the list of special care and encourage them to participate in health-related activities to reduce the occurrence of abnormal conditions. The company will conduct follow-up care every 3 months if the employee meets the criteria for illness case.

To ensure physical and mental health of its employees, especially maternal employees, and protect them from physical hazard, chemical hazards, ergonomic hazards, CoreMax has established health protection plan and environmental monitoring plan to conduct hazard assessment, classified management, work environment improvement and hazard prevention. In addition, the company provides employees whose jobs that are specifically hazardous to health as specified by the "Labor Health Protection Rules" with special





medical examinations, when starting the jobs or switching positions, and periodic annual medical examinations. These jobs that are specifically hazardous to health normally involve the exposures to noise, dust, manganese, nickel and their chemical compounds.

In line with the government' s policies on maternal care and the health and safety of young children, the company does not employ underage staff, and does not assign pregnant or lactating female employees to positions that are harmful to infants. To prevent the diseases caused by shift work, night work, long work hours and other abnormal workload, the company has established the "Prevention plan and overwork management of abnormal workload-induced diseases" , under which, one-on-one follow-up management measures, such as risk assessment and classified management, are taken to prevent the occurrence of cerebral/cardiovascular diseases. In 2019, no CoreMax employees suffered from occupational illness.

### The number of staff who received health examinations in the past three years

Year	2017	2018	2019
Items for general physical examination	1.General	5.Blood, Urine	
	2.Vision	6.Biochemistry test	
	3.BMI	7. Cytoscreen diagnostic	
	4.Hearing	8.Precise instrument screen	
	* The items mentioned-above are a routine test for labors.		
Number of persons have a general physical examination	49	-	116
Items for special physical examination	Noise, dust, manganese, nickel		
Number of persons have a special physical examination	27	78	105



Health examination

CoreMax regards its employees as its most important assets, which is also the company's strategy of improving workplace safety and health. The company encourages employees to practice a healthy lifestyle and create a healthy and safe workplace. The management of the company also takes proactive action to support and participate in various health promotion activities. In 2019, the company' s health promotion activities (yoga, aerobics) attracted a total of 480 participations.



Health Promotion Activities

## 6.2 Disaster Prevention and Management

### Disaster prevention

CoreMax' s safety and health management has evolved from passive compliance to active establishment of disaster prevention measures. With its systematic, regular and continuous control measures, CoreMax can effectively prevent disasters and minimize the potential risks and losses.

Project	Contents
<p>Maintenance and inspection of all equipment</p>	<ol style="list-style-type: none"> <li>1. CoreMax conducts annual inspection in accordance with the "Regulations Governing the Certification and Declaration of Public Safety Inspection of Buildings" .</li> <li>2. CoreMax assigns external parties to conduct firefighting inspections every year in accordance with the "Fire Services Act" .</li> <li>3. CoreMax carried out monthly fire safety equipment inspections in accordance with the "Fire Services Act" .</li> <li>4. CoreMax assigns external parties to conduct inspections on high and low voltage equipment every year in accordance with the "Occupational Safety and Health Act" .</li> <li>5. CoreMax assigns external parties to carry out lift inspections and maintenance every month in accordance with the "Occupational Safety and Health Act" .</li> <li>6. CoreMax assigns external parties to carry out electrical equipment inspection and maintenance every month.</li> </ol>
<p>Disaster prevention measures and response</p>	<ol style="list-style-type: none"> <li>1. CoreMax, in accordance with the "Occupational Safety and Health Act" has established the safety and health management plans to prevent occupational accidents.</li> <li>2. CoreMax conducts four hours of self-defense fire marshalling training every six months in accordance with the "Fire Services Act" .</li> <li>3. Every year, CoreMax assigns site safety and health personnel, operation supervisors, operation personnel, fire management personnel, security personnel to trainings provided by external parties in accordance with the "Occupational Safety and Health Act" and the "Fire Services Act" .</li> <li>4. CoreMax carries out chemical emergency response every year in accordance with the ISO 14000.</li> <li>5. CoreMax has established the emergency response team responsible for reducing the impact on personnel and property in case of emergency.</li> </ol>
<p>Physical health</p>	<ol style="list-style-type: none"> <li>1. CoreMax provides physical examination for new staff, regular physical examination for in-service staff every year or every two years in accordance with the "Occupational Safety and Health Act" .</li> <li>2. CoreMax carries out drinking water inspections quarterly in accordance with the "Drinking Water Management Act" .</li> <li>3. CoreMax carries out work environment inspections every six months in accordance with the "Occupational Safety and Health Act" .</li> </ol>
<p>Notification of hazardous factors in the contractor's operation</p>	<p>CoreMax controls contractors' operations containing hazardous factors and notifies all personnel of the hazards in accordance with the "Occupational Safety and Health Act" .</p>
<p>Ongoing monitoring and audits</p>	<p>For the environmental safety operation of the plants, CoreMax has established a complete audit procedure, as well as routine inspections, high-risk operation inspections, and supervisor inspections in addition to carrying out various environmental inspections and personnel work environment inspection in accordance with the laws. By doing so, CoreMax can continuously improve its environmental safety performance.</p>



## Occupational Health and Safety Training

Safety is the fundamental basis of manufacturing and quality yield. CoreMax complies with the laws and regulations of occupational safety and health in Taiwan, providing its employees annual training program on occupational health and safety and upholding the spirit of continuous improvement. Through total employee involvement and mutual assistance in safety procedures, CoreMax hopes to successfully build a healthy and safe workplace where it can effectively prevent accidents, improve employees' safety and health, and protect its assets.

### Health and Safety

The company holds weekly safety and environmental protection meetings regularly to promote occupational health and safety, traffic safety, relevant training programs, Labor Inspections Office' s disaster prevention activities, and provides training to new employees on a regular basis.

### Inspections and Audits

The company's Environmental Safety Office and department supervisors often conduct inspections and audits in the workplace, checking the critical control points and taking photos for future reference. Units with defective points are required to make improvements within the specified time limit and reply with photos of such improvement for recordation.

### Employee Training

CoreMax, in accordance with laws and regulations, regularly carries out safety and health and fire training, including self-defense firefighting team training (once per half a year), environmental protection training, safety and health training and chemical leakage drill, to strengthen employee' s awareness of health and safety and prevent and reduce occupational disasters. In 2019, the company provided 214 hours of courses on occupational health and safety. The courses include :

Training course	Content	Number of participants	Hour(s)	Total hours
Self-defense firefighting team training	Training on use of fire extinguisher, salvage class/safety protection class/refuge guidance class/rescue class/reporting class formation training, outdoor fire hydrant drills	36	4	144
Environmental protection training	Publicity of laws and regulations, handling stationary pollution sources, disposal of water pollution source, waste storage training	6	2	12
Safety and health training	Elevated operation/fire prevention/hanging /confined space operation and other precautions	42	1	42
Chemical leakage drill	Emergency response, abnormal accident drill	8	2	16

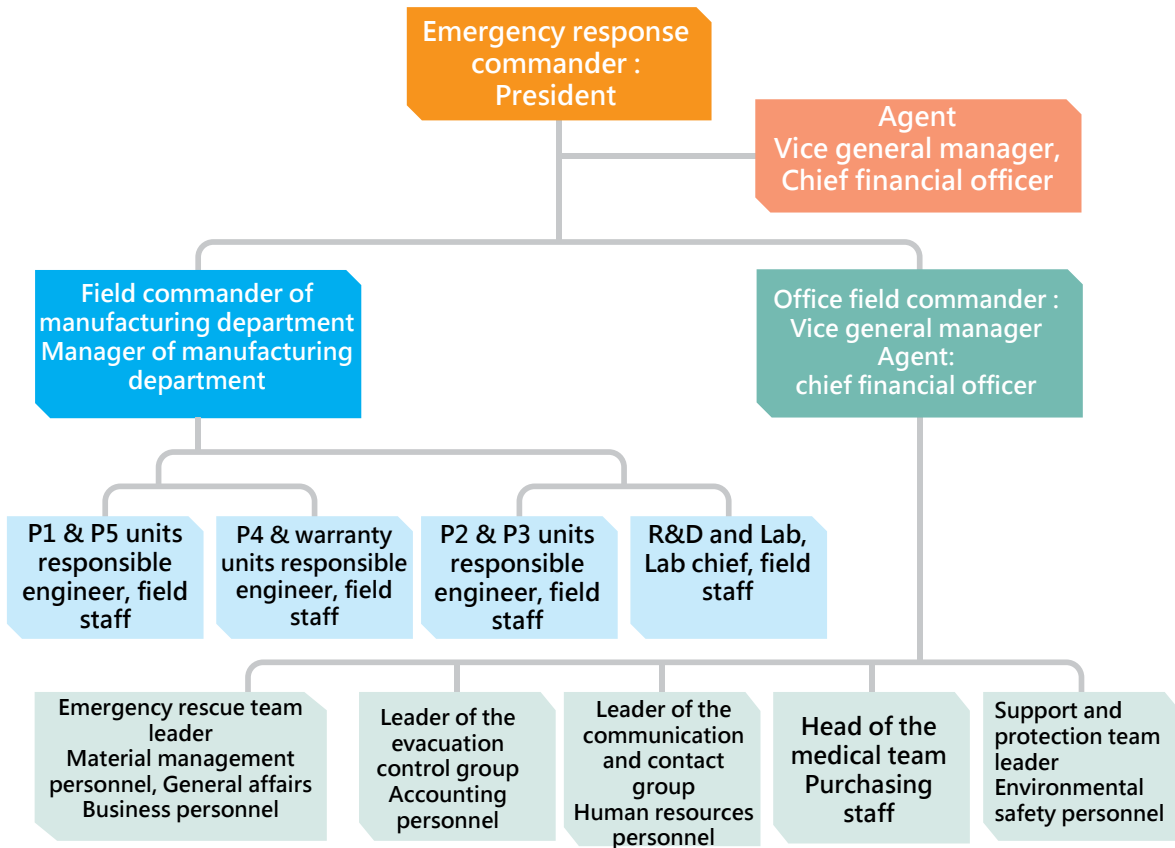
## Emergency Response Management

### Internal Management of the Plant Area

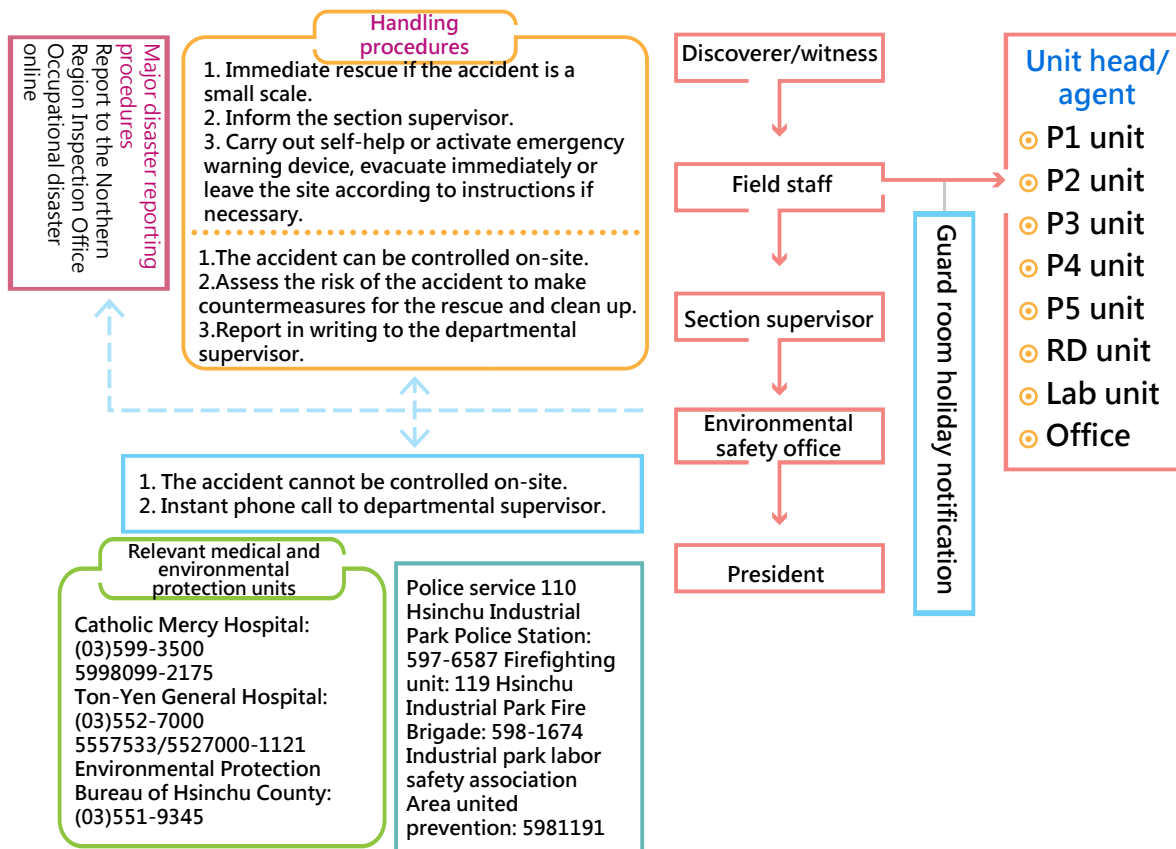
To implement CoreMax' s environmental policy and achieve the objectives and targets, CoreMax has consistently provided appropriate trainings to all of its employees to ensure that all the employees are familiar with relevant laws and regulations and have the skills needed for environmental management. Through participation in these trainings, the employees acquire better awareness and understanding of various environmental impacts, their roles and responsibilities in environmental management and the environmental consequences of abnormal practices.

CoreMax has established the "Regulations Governing Internal Emergency Response Measures" to regulate the organization, communication and emergency treatment when accidents occur. In addition, CoreMax has also established an emergency response team to mobilize and allocate existing human resources, equipment, external support in the fastest and most effective way in the event of disasters to exert the function of mutual assistance. CoreMax requires all its work units to improve organization and response capability in the event of an emergency notified by the administrative system. By doing so, the management of CoreMax can fully understand the situation, give correct instructions, minimize the impact and loss caused by accidents on the environment, personnel, equipment and production activities, to quickly clear the accident areas, and recover the production activities.

## The Organization Structure of Coremax' s Emergency Response Team

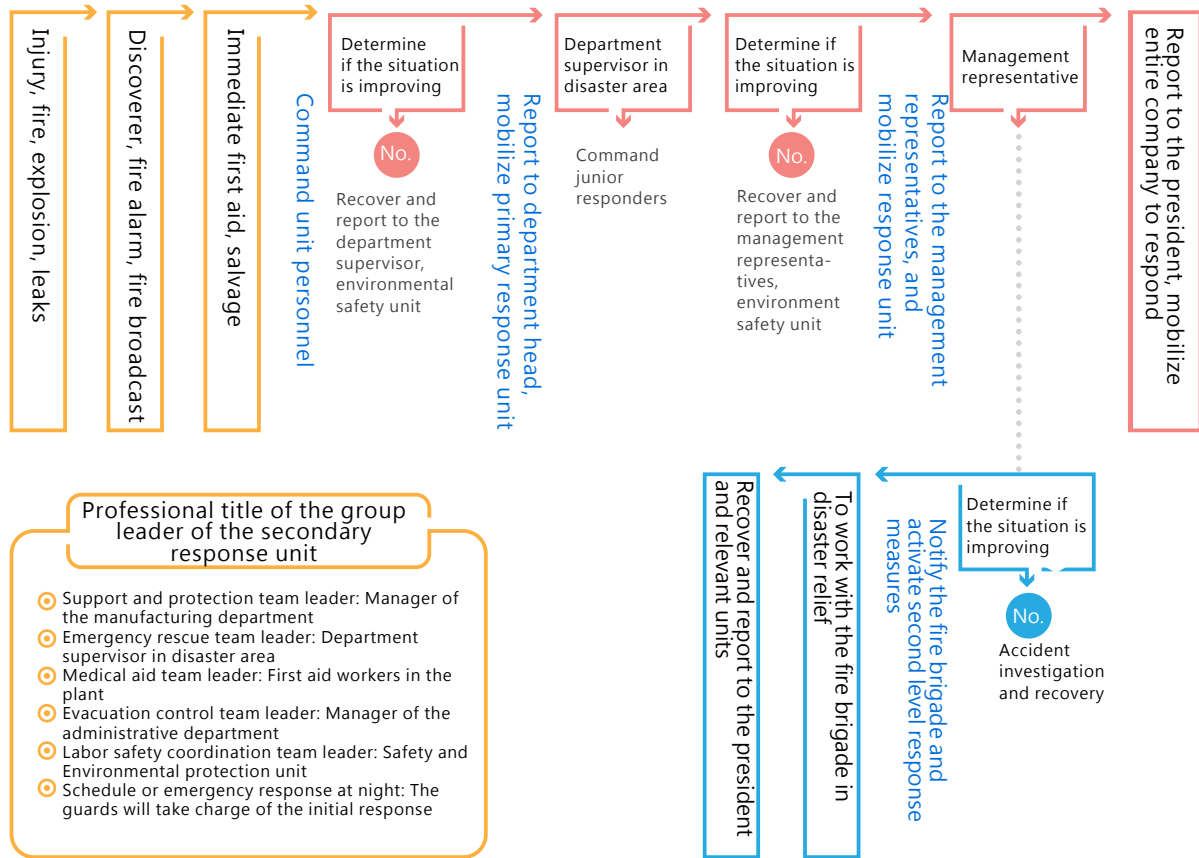


### Internal emergency reporting procedures





### Emergency response process



CoreMax has regulated the disaster control procedures and emergency notification procedures in the established "Regulations governing the management of emergency response measures". To equip all departments and related personnel with the necessary knowledge and skills to deal with abnormal situations and accidents, and to mobilize human resources quickly to eliminate disasters, all units should give necessary emergency training and simulation to operators. All emergency response personnel and the operators of the emergency response material should participate in the training. Trainings on emergency response should be carried out regularly. All departments should carry out drills for emergency response after the completion of trainings. The plan for drills should be established 7 days in advance of the scheduled emergency response drill to learn the contents and process of the emergency response drill for reference. The disaster prevention department should be notified 2 days before the drill. Photos should be taken during the drill, review meeting should be conducted after the drill, and records should be kept for reference. The emergency response plan should be reviewed and revised after the drill or actual situation, to improve the plan and enhance employees' awareness of crisis response.

CoreMax' s objective of safety, health and environmental protection is not only to comply with laws and regulations, but also to make every effort to achieve "zero injury accidents" and "zero environmental accidents." CoreMax firmly believes that "zero injury accidents" and "zero environmental accidents" are the most important basis for the sustainable development of CoreMax. Beside the emergency response training and drills, CoreMax's past safety performance can best prove that "zero injury accidents" is achievable. The "emergency response plan" covers the organizational structure, process and action plan, equipment preparation, trainings, etc. against each type of disaster. Field drills are held every June and December to ensure that all personnel in the plants are equipped with emergency response capabilities to protect the safety of life, company equipment, property, and to maintain the normal operation of CoreMax.

CoreMax conducted comprehensive drills on June 5th and December 18th, 2019. The contents of the drills included firefighting knowledge, escape and evacuation, the use of various firefighting equipment, fire marshalling and review. On December 5th, 2019, the company carried out the drill for chemical leakage emergency response, strengthening the staff's emergency handling capacity for chemical leakage and testing the CoreMax' s emergency response unit' s capability of handling abnormal conditions.



Fire prevention seminar, use of fire extinguishers



Training of the self-defense firefighting team



## Emergency response measures

### 1 Public security training and publicity

Establish the work rules for labor safety and health, which have the following parts:

- 1.Labor safety and health management , as well as the responsibilities of different management levels
- 2.Equipment maintenance and inspection
- 3.Work safety and health standards
- 4.Trainings
- 5.Health guidance and management measures
- 6.First aid and rescue
- 7.Preparation, maintenance and use of protective equipment
- 8.Accident notification and report
- 9.Other matters concerning safety and health

### 2 The safety management of car tank filling

Establish the operation regulations of liquid tanker and detail the standard operation procedures to ensure the safety of operators.

### 3 The safety management of contractors

Establish the management regulations for contractors, especially for personnel, vehicle and materials. Carry out safety trainings in the construction area before construction, and ask the contractor's operation personnel to sign a safety discipline commitment against the occurrence of accidents and disasters.

### 4 Safety inspection

To ensure the effectiveness of operation and facilities in the plants, the safety and environmental protection unit and the site supervisor will conduct regular plant inspections on safety, health, environmental protection, firefighting, and other practices. In order to identify any possible hazards in its plants, CoreMax attaches great importance to 6S practices and chemical management. It irregularly checks the condition of hanging appliances and use of personal protective equipment, and actively observes the applicability of mechanical protection. CoreMax consistently cooperates with relevant units to develop appropriate solutions, to achieve prevention in advance. For the safety defects, the safety and environmental protection unit will immediately inform the relevant work units to confirm and make corresponding improvements and hold regular additional meetings to review the case of defectives and discuss the preventive measures for the whole plant, to avoid the recurrence of similar defects in the plant. In this way, standards, regulations, regular supervision, and assessments can be established to track the progress of improvement.

### 5 Fire accident emergency response program

To improve staffs' ability to deal with crises, CoreMax holds regular emergency response drills every six months in response to emergencies. Under the Fire accident emergency response program, the staff of CoreMax is organized into a command center, notification team, firefighting team, refuge guidance team, safety protection team, and rescue team. When the fire occurs, the division of labor can minimize disaster. The drill teaches the staff to use emergency equipment and to be familiar with the plant environment and fire escape route to enhance the staff' s self-rescue ability. CoreMax also carries out regular fire safety training in accordance with the regulations, equips all staffs with firefighting knowledge, and makes sure they are familiar with the location and functions of firefighting equipment and appliances. With the hardware and software of firefighting equipment in the plants, the drill can teach the staff self-rescue firefighting skills to reduce the harm in the case of fire.

## ⊕ Plant External Management

CoreMax is located in Hsinchu Industrial Park. In order to establish a cooperative relationship of labor safety and health in Hsinchu industrial area, and to prevent and reduce the severity of disasters, the management center has established Hsinchu Industrial Park Labor Safety and Health Association to protect enterprises' property as well as their labor safety and health, and promote labor-capital harmony and sustainable development of the enterprises. Through various tasks and the area joint defense mechanism, enterprises in the industrial park can establish the shared information related to manufacturing, processing, storage and transportation of the companies in the industrial area, and collect and coordinate disaster relief resources from enterprises, civil organizations, governmental organizations, medical institutions and other sources in the neighboring areas, so as to help enterprises in the industrial area to immediately locate the source of danger and get the resources needed to respond. By doing so, CoreMax can report the accident quickly, assist the accident plant, and contact the disaster relief unit to respond effectively.

Meanwhile, the Hsinchu Industrial Park Labor Safety and Health Association holds an off-site emergency response workshop every six months to share relevant cases throughout the country and publicize emergency response measures. CoreMax also sends personnel to attend the workshop and cooperate in the various off-site response procedures of the industrial park. In 2019, CoreMax' s designated employees attended a total of 6 workshops.

## ★ Transport Management

### ⊕ Internal Management of The Plant

The labelling of CoreMax' s products fully complies with the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). The Safety Data Sheet (SDS) is also completed for the products. Based on the system, CoreMax' s products are classified and managed. Appropriate labelling is also made on the products to meet the requirements of domestic and international laws governing the management of chemicals. By doing so, CoreMax can prove that the production, quality and transport of its products meet relevant laws and regulations. SDS is also available for each product so that the safety of the products can be ensured. The labelling of the GHS system can clearly show the hazards of the products and protect the end users, transporters, and the employees. CoreMax has established the regulations governing transport operation management and other related operation procedures directly related to transport. The purpose of doing this is to establish the relevant inspection procedures for the process from loading or unloading of the goods in the transporting vehicle at the designated plant or site to departure of the vehicle from the plant to ensure the quality of products and the safety of loading and unloading operations. By doing so, CoreMax can manage and assess the performance of the transportation company. CoreMax' s products and raw materials are transported without significant environmental impact. To prevent occupational disasters and ensure the safety and health of workers, CoreMax provides safety trainings for new employees. Every Monday, CoreMax reviews the labor safety issues from the past week and provides education to enhance employees' awareness of labor safety. In addition, the "Rules of Operating Tank Cars Containing Liquids" has been specially established for the safety management of tank vehicle filling according to the nature and operation mode of the equipment to ensure the safety of the staff and property.

#### Objective

The objective is to regulate the unloading of chemical materials from tank cars in plant areas to ensure the safety of the operation.

#### Scope

Suitable for acetic acid, hydrochloric acid, ammonia, caustic soda liquid, sulfuric acid, liquid oxygen, high polymer, and other chemicals.





**Instruction to tank car driver**

When working in the plant, tank car drivers should comply with the “Rules of Operating Tank Cars Containing Liquids” and with the following regulations:

1. The tanker car should be fitted with a flame brake before entering the plant.
2. Do not bring matches, lighters or other kindling into the plant. Smoking is prohibited in non-designated areas.
3. Inform the guard and the contact person of the plant that the goods are being carried, and request the guard to inform the receiving staff.
4. The driver should follow the designated route, drives the tank car at a speed lower than 25 km per hour to the weighbridge for weighing, and then drives to the designated unloading site. The driver is not permitted to take any unauthorized driving route or to park in any unauthorized plant areas. (Informed by the receiving personnel).
5. Tank car drivers should wear safety shoes when working in the plant. Slippers, sandals or bare feet are not permitted when working in the plant.
6. Do not act in unauthorized plant area without permission.
7. Do not litter or urinate at will.
8. Do not use any device or equipment in plant area without permission.
9. If it is necessary for tanker car drivers to participate in unloading operation and operate the equipment of the plant, the drivers should wear personal safety protection equipment, such as safety helmet, protective mask, safety goggles, chemical protective clothing, chemical gloves, etc.
10. During unloading, the driver should monitor the unloading situation in a place with safe distance from the site at all times. Unauthorized departure, rest, or sleep in the driver's seat is not permitted.
11. Unauthorized personnel or unrelated things will not be permitted to enter the plant with the vehicle.
12. The following equipment and documents should be prepared in the tanker car for inspection (For details, refer to the “Rules of Operating Tank Cars Containing Liquids” ).
13. Before unloading the tanker car, the driver should do the prescribed work properly (For details, refer to the “Rules of Operating Tank Cars Containing Liquids” ): Park the tanker car at the designated unloading site.
14. After unloading of the materials from the tank car:
  1. The operator stops the pump and turns off the inlet and outlet valve. Then, the driver turns off the unloading valve of tank car and disconnects the material hose. The liquid products left inside are collected in the barrel for recycling.
  2. Turn the grounding wire power switch to OFF, disassemble the grounding wire from the tanker car, and then return the grounding wire to position.
  3. Empty tank car following the prescribed route to the weighbridge for weighing, and receive the weight chart.
  4. Drive out of the plant area following the prescribed route, and go through the exit formalities at the guard room.

**Responsibility of Receiving Staff**

1. During unloading, the receiving staff shall, at all times, keep alert and monitor unloading within a safe distance on site and shall not leave without authorization. If a receiving clerk must leave temporarily due to another receiving task or other factors, he/she shall first coordinate with another receiving clerk to replace them. In the case where the driver must supervise the material receiving process, the driver should be informed of the matters needing attention and emergency countermeasures.
2. Receiving materials should be performed by following the procedures for receiving those specific materials, using the specific equipment, and it should meet the requirement on receiving those particular materials.

### ⊕Plant External Management

CoreMax is located in Hsinchu Industrial Park. To establish a cooperative relationship of labor safety and health in Hsinchu industrial area, and to prevent and minimize the impact of disasters, the management center has established the Hsinchu Industrial Park Labor Safety and Health Association and has launched an effective off-site joint emergency response mechanism to minimize the loss caused by accidents. CoreMax has actively attended relevant emergency response workshops and cooperated with various procedures.

## 6.3 Community Contribution and Participation

To help children in correctional institutions and social welfare agencies, CoreMax purchased gift boxes of cakes and cookies baked by the children of the correctional institutions as the festival presents or staff benefits for the employees. In addition, CoreMax also donated the emergency fund to the Hukou Township Office and provided "The World" magazines to the primary and secondary school students to encourage them to study diligently.

- ⊙ 01/2019 CoreMax sponsored the monthly publication titled, "Reading, a way to a bright future for children" (Future children and future youth) organized by "The World" magazine. Magazines were given to the students of 12 primary schools near CoreMax' s Toufen plant and 10 primary schools in remote areas (3 consecutive years)
- ⊙ 01/2019 CoreMax donated NT\$ 100, 000 as emergency fund to the Hukou Township Office.
- ⊙ 08/2019 Purchased lunchboxes from Children Are Us, a social welfare agency, as CoreMax' s staff benefits for the employees who had health examinations.
- ⊙ 09/2019 Purchased Mid-Autumn Festival gift boxes from Hukou hsiangyuan Education and Nursing Institute as CoreMax' s staff benefits for the employees.



———— sponsored "Reading, a way to a bright future for children" organized by "The World" magazine ————



———— Donation of emergency fund to the Hukou Township Office. ————



———— Purchased Mid-Autumn Festival gift boxes from Hukou hsiangyuan Education and Nursing Institute ————



# Appendix

## Appendix I : Independent Auditor's Report



安侯建業聯合會計師事務所

KPMG

台北市11049信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 11049, Taiwan (R.O.C.)

Telephone 電話 + 886 2 8101 6666  
Fax 傳真 + 886 2 8101 6667  
Internet 網址 kpmg.com/tw

### Independent Limited Assurance Report

To CoreMax Corporation:

We were engaged by CoreMax Corporation (“CoreMax”) to provide limited assurance over the selected information attached as Appendix I on the Corporate Social Responsibility Report of CoreMax (“the Report” or “the Subject Matter”) for the year ended December 31, 2019.

#### Reporting Criteria of the Subject Matter

CoreMax shall prepare the selected information in accordance with the Article 4-2 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by Listed Companies (“the Regulation”) and the Core Option of Global Reporting Initiative Standards (“GRI Standards”) issued by Global Sustainability Standards Board as set forth in Appendix I.

#### Management’s Responsibility for the Report

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

#### Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements No. 1 – “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation and to issue an independence limited assurance conclusion on whether the selected information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Company.

#### Independence, Professional Standards and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In addition, we applied Statements of Auditing Standard No. 46 – “Quality Control for Public Accounting Firms” in the Republic of China. Accordingly, we maintained a comprehensive system of

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quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

#### **Summary of Work Performed**

Our main work on the selected information included:

- Obtain and review the report of CoreMax;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the information reported.
- On the basis of the understanding obtained from the above matters, perform analytical procedures on the report and if necessary, select samples to test for acquiring sufficient and appropriate evidence.

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

#### **Inherent limitations**

The Report for the year ended 2019 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of CoreMax. Therefore, the different stakeholders may have different interpretations of such information.

#### **Conclusion**

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected information has not been properly prepared, in all material aspects, in accordance with the Reporting Criteria.

#### **Other Matters**

The management of CoreMax is responsible for the maintenance of its website, which according to its report, we shall not be responsible for any further changes on the information or its applicable reporting criteria, nor be responsible for reconducting any assurance work after the issuance date of the Report.

KPMG

Taipei, Taiwan (Republic of China)  
May 25, 2020

#### **Notes to reader**

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



Appendix I : Summary of the Selected Information

No.	Corresponding Section	Reference Page	Selected Information	Reporting Criteria	The Regulation/ GRI Standards
1	6.1 Healthy Workplace	86-87	<ul style="list-style-type: none"> <li>■ CoreMax's statistics of occupational injuries for 2019 showed no major occupational disaster and work-related death; however, there was 1 recordable occupational injury (1 person), which resulted in a loss of 11 working days, with an occupational injury rate (FR) : 3.17, lost day rate (LDR) : 34 and a Frequency-Severity indicator : FSI 0.32. This incident was mainly caused by the blockage at the bottom of the barrel tank. When the method of reverse blowing was used to eliminate the blockage, the liquid was filled with instantaneous pressure, and then the liquid met the victim, causing minor burns. CoreMax has reassessed the position of the ball plug valve at the bottom and revised the SOP to avoid recurrence.</li> <li>■ Statistics of occupational safety performance in 2019 :               <ul style="list-style-type: none"> <li>- Lost day rate (LDR) Female : 0 ; Male : 40 ; Total : 34</li> <li>- Absence rate (AR) Female : 9.90% ; Male : 6.72%</li> <li>- Occupational disease rate (ODR) Female : 0 ; Male : 0</li> <li>- Number of annual deaths Female : 0 ; Male : 0</li> <li>- Rate for occupational injury deaths Female : 0 ; Male : 0</li> <li>- Fatal occupational injury rate (excluding number of deaths) Female : 0 ; Male : 0</li> <li>- Occupational injury rate (including number of deaths and severe occupational injuries) Female : 0 ; Male : 3.73 ; Total : 3.17</li> </ul> </li> <li>■ During the period from 2017 to 2019, no occupational disasters happened to non-employee workers.</li> <li>■ During the period from 2017 to 2018, the occupational injury absence rate (AR) was 0. In 2019, the occupational injury absence rate (AR) was 0.03%.</li> </ul>	<ul style="list-style-type: none"> <li>■ Details on Performance of Occupational Safety and Health by CoreMax</li> </ul>	<p>Article 4-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</p>
2	6.2 Disaster Prevention and Management	90-95	<ul style="list-style-type: none"> <li>■ Emergency Response Management               <ol style="list-style-type: none"> <li>1. Internal management of the plant area                   <ol style="list-style-type: none"> <li>(1) CoreMax has established the "Regulations Governing Internal Emergency Response Measures" to regulate the organization, communication and emergency treatment when accidents occur. In addition, CoreMax has also established an emergency response team to mobilize and allocate existing human resources, equipment, external support in the fastest and most effective way in the event of disasters to exert the function of mutual assistance. CoreMax requires all its work units to improve organization and response capability in the event of an emergency notified by the administrative system. By doing so, the management of CoreMax can fully understand the situation, give correct instructions, minimize the impact and loss caused by accidents on the environment, personnel, equipment and production activities, to quickly clear the accident areas, and recover the production activities.</li> </ol> </li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>■ "Regulations Governing Internal Emergency Response Measures" and "Rules for labor safety and health" set by CoreMax</li> </ul>	<p>Article 4-2 Operations with significant actual and potential negative impacts on local communities</p>



No.	Corresponding Section	Reference Page	Selected Information	Reporting Criteria	The Regulation/ GRI Standards
			<p>(2) Trainings on emergency response should be carried out regularly. All departments should carry out drills for emergency response after the completion of trainings. The plan for drills should be established 7 days in advance of the scheduled emergency response drill to learn the contents and process of the emergency response drill for reference. The disaster prevention department should be notified 2 days before the drill. Photos should be taken during the drill, review meeting should be conducted after the drill, and records should be kept for reference. The emergency response plan should be reviewed and revised after the drill or actual situation, to improve the plan and enhance employees' awareness of crisis response.</p> <p>(3) CoreMax conducted comprehensive drills on June 5th and December 18th, 2019. The contents of the drills included firefighting knowledge, escape and evacuation, the use of various firefighting equipment, fire marshalling and review. On December 5th, 2019, the company carried out the drill for chemical leakage emergency response, strengthening the staff's emergency handling capacity for chemical leakage and testing the CoreMax's emergency response unit's capability of handling abnormal conditions.</p> <p>(4) Emergency response measures</p> <p>A. Public security training and publicity : Establish the work rules for labor safety and health.</p> <p>B. The safety management of car tank filling.</p> <p>C. The safety management of contractors.</p> <p>D. Safety inspection.</p> <p>E. Fire accident emergency response program</p> <p>2. Plant External Management</p> <p>The Hsinchu Industrial Park Labor Safety and Health Association holds an off-site emergency response workshop every six months to share relevant cases throughout the country and publicize emergency response measures. CoreMax also sends personnel to attend the workshop and cooperate in the various off-site response procedures of the industrial park. In 2019, CoreMax's designated employees attended a total of 6 workshops.</p>		
3	6.2 Disaster Prevention and Management	95-97	<p>■ Transport Management</p> <p>1. Internal Management of the Plant</p> <p>(1) The labelling of CoreMax's products fully complies with the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). The Safety Data Sheet (SDS) is also completed for the products. Based on the system, CoreMax's products are classified and managed. Appropriate labelling is also made on the products to meet the requirements of domestic and international laws governing the management of chemicals. By doing so, CoreMax can prove that the production, quality and transport of its products meet relevant laws and regulations.</p>	<p>■ "Emergency Response Plan" set by CoreMax</p>	



No.	Corresponding Section	Reference Page	Selected Information	Reporting Criteria	The Regulation/ GRI Standards
			<p>(2) CoreMax has established the regulations governing transport operation management and other related operation procedures directly related to transport. The purpose of doing this is to establish the relevant inspection procedures for the process from loading or unloading of the goods in the transporting vehicle at the designated plant or site to departure of the vehicle from the plant to ensure the quality of products and the safety of loading and unloading operations. By doing so, CoreMax can manage and assess the performance of the transportation company.</p> <p>(3) CoreMax's products and raw materials are transported without significant environmental impact. To prevent occupational disasters and ensure the safety and health of workers, CoreMax provides safety trainings for new employees. Every Monday, CoreMax reviews the labor safety issues from the past week and provides education to enhance employees' awareness of labor safety. In addition, the "Rules of Operating Tank Cars Containing Liquids" has been specially established for the safety management of tank vehicle filling according to the nature and operation mode of the equipment to ensure the safety of the staff and property.</p> <p>2. Plant External Management CoreMax is located in Hsinchu Industrial Park. To establish a cooperative relationship of labor safety and health in Hsinchu industrial area, and to prevent and minimize the impact of disasters, the management center has established the Hsinchu Industrial Park Labor Safety and Health Association and has launched an effective off-site joint emergency response mechanism to minimize the loss caused by accidents. CoreMax has actively attended relevant emergency response workshops and cooperated with various procedures.</p>		
4	3.1 Supplier Management	45-47	<p>■ In 2019, there were a total of 273 suppliers that had transactions with CoreMax, including 26 foreign manufacturers and 247 domestic manufacturers. To avoid interruption of material supply caused by external factors, CoreMax has been actively developing a second or third supplier. When selecting new suppliers, priority is given to those with related ISO accreditation. In addition, CoreMax aims to cultivate long-term business partners to pursue the sustainable operation and mutual growth through close cooperation in operation. Apart from the materials and equipment which are not domestically supplied, CoreMax focuses on domestic suppliers for other materials, which not only ensures better mobility and faster delivery, but also contributes to domestic economic development and employment rates. Moreover, the aforesaid practices can help CoreMax reduce its cost and energy consumption. Additionally, CoreMax and its suppliers are contributing to environmental protection through practices such as the supplier's recycling and regeneration of resources.</p>	<p>■ "The Supplier Management Procedure", "The Supplier Social Responsibility and Code of Conduct" and "Due Diligence Management for a Responsible Global Supply Chain" set by CoreMax</p>	Article 4-2 Negative environmental or social impacts in the company itself and its supply chain and actions taken

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No.	Corresponding Section	Reference Page	Selected Information	Reporting Criteria	The Regulation/ GRI Standards
			<ul style="list-style-type: none"> <li>■ To ensure the implementation of the supplier’s corporate social responsibility, CoreMax has formulated the “Supplier Corporate Social Responsibility and Code of Conduct” (the code), which is applicable to all the companies that supply goods or services to CoreMax, its subsidiaries, the joint ventures, or branches, CoreMax requires all the suppliers and relevant companies of the supply chain and their employees to abide by the code. In 2018, CoreMax required its raw material suppliers to sign the “Supplier Social Responsibility and Code of Conduct” (the code). In 2019, CoreMax developed two additional domestic suppliers, both of whom were required to sign the code. At present, 100% of CoreMax’s domestic suppliers have signed the code. International suppliers, depending on their scale and level of perfection within their systems, may provide their signed Corporate Social Responsibility Reports as the equivalent to signing the code, or provide other signed versions as appropriate. So far, all the top 10 international suppliers have completed the survey.</li> <li>■ Due Diligence Management for a Responsible Global Supply Chain               <ol style="list-style-type: none"> <li>1. CoreMax conducted supplier investigation through the cobalt Report Template of the Conflict Minerals investigation form to identify smelters and the sources of materials. In 2019, 7 cooperating Cobalt suppliers were surveyed with the Cobalt Report Template, 100% of whom replied.</li> <li>2. CoreMax formulated the “Due Diligence Policy for a Responsible Global Supply Chain” and published it on its website on November 1st 2019, which, in the meantime, was also distributed to Cobalt and Nickel Suppliers. In 2019, the policy was distributed to 11 cooperating suppliers of Cobalt and Nickel.</li> <li>3. CoreMax identified/evaluated risks of its suppliers, and formulated strategies to cope with and mitigate the identified risks through the due diligence investigation procedure based on the levels of risks set by the computerized information systems.</li> </ol> </li> <li>■ Supplier’s environmental management, safety and health survey In 2019, CoreMax conducted the environmental health and safety (ESH) survey with raw material and packaging material suppliers whose products had been determined to pose significant environmental concern or an unacceptable risk. The “Questionnaire on Environmental Management, Safety and Health of Contractors/ Suppliers” was distributed to 31 suppliers, making them aware of CoreMax’s ESH Policy.</li> </ul>		
5	3.1 Supplier Management	48	<ul style="list-style-type: none"> <li>■ In addition to requiring suppliers to sign the “Supplier Social Responsibility and Code of Conduct”, the supplier evaluations have been conducted quarterly on suppliers who have had more than 2 transactions with CoreMax since 2019, which, on the basis of the Supplier Evaluation Form provided by CoreMax, scored the product quality, delivery time, price, and other aspects. These statistics and data collected through the evaluation will be used as a basis for determining the</li> </ul>	<ul style="list-style-type: none"> <li>■ “The Supplier Management Procedure”, “Supplier Evaluation Form” and “Raw Material and Packaging Material Supplier</li> </ul>	





No.	Corresponding Section	Reference Page	Selected Information	Reporting Criteria	The Regulation/ GRI Standards
			<p>distribution of purchase quantities and whether to have future cooperation.</p> <ul style="list-style-type: none"> <li>■ In 2019, CoreMax evaluated domestic and overseas raw material suppliers and domestic packaging material suppliers every quarter, and all evaluation results were qualified.</li> <li>■ In addition to supplier evaluations, CoreMax also establishes annual audit plan for raw material and packaging material suppliers and visits suppliers for on-site auditing, which mainly covers the aspect of product quality and environment, etc. In 2019, five suppliers were audited, among which two were foreign suppliers and three were domestic suppliers. In 2020, CoreMax will continue to set a supplier audit plan, and it is expected to audit 7 domestic suppliers to continuously implement its supply chain management.</li> </ul>	Audit Plan" set by CoreMax	
6	4.3 Pollution prevention and management	59	<ul style="list-style-type: none"> <li>■ In its air pollution emission, only volatile organic compounds (VOCs) are emitted by CoreMax Hsinchu plant, and no particulate pollutants (Par), sulfur oxides (SOx), nitrogen oxides (NOx), hazardous air pollutants (HAP), particulate matter (PM), or other sources of air pollution are emitted.</li> <li>■ Air pollution emissions in 2019 :               <ul style="list-style-type: none"> <li>- Volatile Organic compounds                   <ul style="list-style-type: none"> <li>• Emissions(kg) : 1,786.43</li> <li>• Emission Standard(ppm) : ≤0.674g/s</li> </ul> </li> </ul> </li> </ul>	■ Details on Air pollution detection by CoreMax	GRI Standards 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions
7	4.2 Water resource	58	<ul style="list-style-type: none"> <li>■ The water used by CoreMax's plants in Taiwan comes entirely from the Taiwan Water Corporation. Currently, there is no water recycling or measures for reuse in the plants. The Hsinchu plant has established relevant water treatment procedures and applied for the water discharge permit in accordance with the Water Pollution Control Act. In Hsinchu Plant, wastewater, after being centrally treated in the sewage system of the industrial park, is emitted into Jiadong Rive. The Toufen Plant has no wastewater generated in its production process, and has only domestic sewage, which is treated in the plant and discharged to Zhonggang Creek. The water waste produced by CoreMax can stay within the discharge standards after the treatment in the plant, so there is no significant impact on the local environment.</li> <li>■ Water Pollution Test Results in 2019 :               <ul style="list-style-type: none"> <li>- Discharge water : 22.83 million liters</li> <li>- Item of water pollution testing :                   <ul style="list-style-type: none"> <li>A. Chemical Oxygen Demand COD (mg/L)                       <ul style="list-style-type: none"> <li>• Emission standard : 480 PPM</li> <li>• Monitoring value : 287.0~305.5ppm</li> </ul> </li> <li>B. Biochemical Oxygen Demand BOD (mg/L)                       <ul style="list-style-type: none"> <li>• Emission standard : 400 PPM</li> <li>• Monitoring value : 119.0~120.0ppm</li> </ul> </li> <li>C. Suspended Solids SS (mg/L)                       <ul style="list-style-type: none"> <li>• Emission standard : 400 PPM</li> <li>• Monitoring value : 14.4~20.0ppm</li> </ul> </li> </ul> </li> <li>■ The test results were obtained by the Hsinchu Industrial Park Operations Center and a third-party external testing unit.</li> </ul> </li></ul>	■ Details on Wastewater Discharge and Water pollution detection by CoreMax	GRI Standards 306-1 Water discharge by quality and destination
8	4.3 Pollution prevention and management	59	<p>CoreMax is concerned with the development of the government's environmental policy and the direction of legislative development. CoreMax sends staff to attend all the public hearings and</p>	■ "The Waste Management Procedure" set by	GRI Standards 306-2 Waste by type and

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No.	Corresponding Section	Reference Page	Selected Information	Reporting Criteria	The Regulation/GRI Standards
			<p>explanatory meetings related to CoreMax's policies and regulations to acquire the latest information. Through ISO 14001 practices and an annual audit plan, CoreMax can ensure its compliance with environmental regulations. To achieve its goal of zero environmental defect, CoreMax actively implements the internal inspections and regularly reviews and revises its work standards to strengthen the control at source. During the reporting period, there were no leaks of hazardous substances.</p>	CoreMax	disposal method
9	4.3 Pollution prevention and management	60	<ul style="list-style-type: none"> <li>■ CoreMax executes waste disposal in accordance with the environmental protection regulations of the competent authorities, mainly by means of outsourcing. CoreMax has signed contracts with qualified waste removal and disposal companies that meet the requirements of relevant laws and regulations. CoreMax tracks the transportation routes and the final disposal sites of the wastes by the vehicle GPS positioning system. Meanwhile, the colleagues of the environmental safety office also accompany the vehicles and confirm the waste disposal sites (at least once a year) to ensure that the outsourced companies properly handle all kinds of waste according to the law. The key points of CoreMax's inspections include checking the flow direction of downstream products and communicating with waste disposal companies about the problems encountered in the disposal process. By discussing and solving problems with the waste disposal companies, CoreMax can improve the efficiency of waste disposal and avoid additional environmental burden and risk of pollution.</li> <li>■ At CoreMax, sludge waste is classified properly after it is generated, and then stored in designated places according to the regulations. A computerized system is used to control the clearance, disposal, and flow of sludge waste. CoreMax, apart from reporting sludge waste for disposal, confirms the collection of the waste done by the waste disposal company within 48 hours, faster than what is required by the regulations. After reporting, CoreMax also ensures that the waste disposal company provides commitment documents for proper disposal, as required by the regulations, for future reference.</li> </ul>	■ "The Waste Management Procedure" set by CoreMax	
10	4.3 Pollution prevention and management	60	<ul style="list-style-type: none"> <li>■ Waste disposal in 2019 :                             <ul style="list-style-type: none"> <li>A. Way of disposal : Physics (Non- hazardous)                                     <ul style="list-style-type: none"> <li>▪ Inorganic sludge waste : 483.36 Ton</li> <li>▪ Waste refractory material : 14.18 Ton</li> </ul> </li> <li>B. Way of disposal : In-cineration (Non- hazardous)                                     <ul style="list-style-type: none"> <li>▪ Waste plastic mixture : 14.54 Ton</li> <li>▪ Waste wood mixture : 13.63 Ton</li> <li>▪ Consumer waste : 20.09 Ton</li> <li>▪ Fiber mixture, or cotton cloth mixture, etc. : 2.41 Ton</li> </ul> </li> </ul> </li> </ul>	■ Details on Waste Disposal and Waste Produced by CoreMax	
11	2.4 Regulatory Compliance	41	<p>In terms of environmental regulation compliance, CoreMax managed environmental risks and reduced negative impact on the environment effectively through continuous improvement on energy management, emission, pollution prevention and other aspects, with the aim of pursuing sustainable business operation and environment. In 2019, no major fines were imposed on CoreMax.</p>	■ "Total Monetary Amount of Penalties" and "Total Number of Instances of Non-Compliance with Laws and	GRI Standards 307-1 Non-compliance with environmental laws and regulations



No.	Corresponding Section	Reference Page	Selected Information	Reporting Criteria	The Regulation/ GRI Standards
				Regulations**	
12	5.1 Employees	67	<ul style="list-style-type: none"> <li>■ New recruitment and turnover rate in 2019 :               <ul style="list-style-type: none"> <li>- New recruitment rate                   <ul style="list-style-type: none"> <li>A. Under 30 :                       <ul style="list-style-type: none"> <li>Male : 11 person ∙ 6.83% ;</li> <li>Female : 4 person ∙ 2.48% ;</li> <li>Total : 15 person ∙ 9.32%</li> </ul> </li> <li>B. 30-50 :                       <ul style="list-style-type: none"> <li>Male : 23 person ∙ 14.29% ;</li> <li>Female : 3 person ∙ 1.86% ;</li> <li>Total : 26 person ∙ 16.15%</li> </ul> </li> <li>C. Over 51 :                       <ul style="list-style-type: none"> <li>Male : 0 person ∙ 0.00% ;</li> <li>Female : 0 person ∙ 0.00% ;</li> <li>Total : 0 person ∙ 0.00%</li> </ul> </li> </ul> </li> <li>- Quitting rate                   <ul style="list-style-type: none"> <li>A. Under 30 :                       <ul style="list-style-type: none"> <li>Male : 9 person ∙ 5.59% ;</li> <li>Female : 2 person ∙ 1.24% ;</li> <li>Total : 11 person ∙ 6.83%</li> </ul> </li> <li>B. 30-50 :                       <ul style="list-style-type: none"> <li>Male : 25 person ∙ 15.53% ;</li> <li>Female : 4 person ∙ 2.48% ;</li> <li>Total : 29 person ∙ 18.01%</li> </ul> </li> <li>C. Over 51 :                       <ul style="list-style-type: none"> <li>Male : 0 person ∙ 0.00% ;</li> <li>Female : 0 person ∙ 0.00% ;</li> <li>Total : 0 person ∙ 0.00%</li> </ul> </li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Details on New recruitment rate and Quitting rate by CoreMax</li> </ul>	GRI Standards 401-1 New employee hires and employee turnover
13	5.3 Employee Education and Training	80	<ul style="list-style-type: none"> <li>■ In 2019, the average number of hours spent on training classes per person was 35.69 hours (33.66 hours for male employees and 46.23 hours for female employees), an increase of 14.51 hours per person compared to 2018. In 2019, the total number of hours on training classes increased by 2,357 hours compared to 2018, and staff training expenses totaled NT\$430,594.</li> <li>■ 2019 CoreMax Employee Training Hours Statistics- By Employees Category :               <ul style="list-style-type: none"> <li>- Managers :                   <ul style="list-style-type: none"> <li>A. Total training hours :                       <ul style="list-style-type: none"> <li>Male : 1,097 hours ;</li> <li>Female : 463 hours ;</li> <li>Total : 1,560 hours</li> </ul> </li> <li>B. Average training hours :                       <ul style="list-style-type: none"> <li>Male : 54.85 hours ;</li> <li>Female : 66.14 hours ;</li> <li>Total : 57.78 hours</li> </ul> </li> </ul> </li> <li>- Professionals :                   <ul style="list-style-type: none"> <li>A. Total training hours :                       <ul style="list-style-type: none"> <li>Male : 1,676.5 hours ;</li> <li>Female : 263.5 hours ;</li> <li>Total : 1,940.0 hours</li> </ul> </li> <li>B. Average training hours :                       <ul style="list-style-type: none"> <li>Male : 83.83 hours ;</li> </ul> </li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Details on Hours of Training per employee by CoreMax</li> </ul>	GRI Standards 404-1 Average hours of training per year per employee





No.	Corresponding Section	Reference Page	Selected Information	Reporting Criteria	The Regulation/ GRI Standards
			<p>Female : 87.83 hours ; Total : 84.35 hours</p> <p>- Administrative :</p> <p>A. Total training hours : Male : 64 hours ; Female : 330 hours ; Total : 394 hours</p> <p>B. Average training hours : Male : 32 hours ; Female : 30 hours ; Total : 30.31 hours</p> <p>- Technicians :</p> <p>A. Total training hours : Male : 1,706 hours ; Female : 145.5 hours ; Total : 1,851.5 hours</p> <p>B. Average training hours : Male : 18.34 hours ; Female : 29.1hours ; Total : 18.89 hours</p>		
14	3.2 Product Responsibility and Customer Service	50	<ul style="list-style-type: none"> <li>■ CoreMax has attached great importance to the customer privacy and intellectual property rights. In addition to signing confidentiality agreements with customers to protect their confidential information, CoreMax has established relevant standards to avoid the occurrence of data leaks in its operations to protect the rights and interests of customers.</li> <li>■ Special personnel have been appointed to manage the files with codes for the protection of customer privacy. In addition, a database authority has been set for the internal ISO program QP-63-02-information system management procedure. When the colleagues need to access the database, they need to fill in the application form and get the relevant department to sign it before entering the database. In this way, the best protection is ensured. As of 2019, there have been no complaints about invasion of customer privacy or loss of customer data.</li> </ul>	<ul style="list-style-type: none"> <li>■ "Ethical code of conduct" and "Information system management program" set by CoreMax</li> </ul>	<p>GRI Standards 418-1</p> <p>Substantiated complaints concerning breaches of customer privacy and losses of customer data</p>



# Appendix II: GRI content index table

## General revelation

GRI 102 General disclosure: 2016

Category/Subject	GRI Standards disclosure item	Corresponding chapter	Page Number	Omit/Remark
<b>1.Organization profile</b>				
Core	102-1	Organization name	1.1 Company Profile	11
Core	102-2	Activity, brand, products and services	1.2 Product and Service	16
Core	102-3	Location of the headquarters	1.1 Company Profile	11
Core	102-4	Business point	1.1 Company Profile	11
Core	102-5	Ownership and legal forms	1.1 Company Profile	11
Core	102-6	Market for the services	1.1 Company Profile 1.2 Product and Service	11 16
Core	102-7	Organizational scale	1.1 Company Profile	11
Core	102-8	Information about employees and other workers	5.1 Employees	65
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Core	102-10	Significant changes in organizations and their supply chains	1.1 Company Profile	11
Core	102-11	Precautionary principle or policy	2.3 Risk Management	37
Core	102-12	External initiative	Editorial Policy 1.4 Memberships and certifications	3 23 External initiative has not been signed by the company
Core	102-13	Membership in a public society	1.4 Memberships and certifications	23
<b>2.Strategy</b>				
Core	102-14	Statement of decision makers	Message from Chairman	2
Overall	102-15	Key impacts, risks and opportunities	2.3 Risk Management	37
<b>3.Ethics and integrity</b>				
Core	102-16	Value, principle, standards, and code of conduct	1.1 Company Profile 1.2 Product and Service 2.2 Business Operations with Integrity	11 16 33
Overall	102-17	Mechanisms for ethical recommendations and concerns	2.2 Business Operations with Integrity	33
<b>4.Governance</b>				
Core	102-18	Governance structure	2.1 Corporate Governance Structure	27
Overall	102-22	The composition of the supreme governing body and its committees	2.1 Corporate Governance Structure	27
Overall	102-23	President of the supreme governing body	2.1 Corporate Governance Structure	27
Overall	102-24	Nomination and selection of the supreme governance body	2.1 Corporate Governance Structure	27

Category/ Subject	GRI Standards disclosure item	Corresponding chapter	Page Number	Omit/ Remark
Overall	102-25	Conflicts of interest	2.2 Business Operations with Integrity	33
Overall	102-27	Group knowledge of the supreme governance body	2.1 Corporate Governance Structure	27
Overall	102-30	Effectiveness of risk management process	2.1 Corporate Governance Structure	27
Overall	102-31	An examination of economy, environment and social themes	2.1 Corporate Governance Structure	27
Overall	102-32	The supreme governance body' s role in sustainability reporting	Editorial Policy	3
Overall	102-36	The process of determining compensation	2.1 Corporate Governance Structure	27
<b>5.Stakeholder communication</b>				
Core	102-40	Stakeholder group	Contact for Stakeholders	5
Core	102-41	Collective agreement	--	-- No labor union formed No collective agreement signed either
Core	102-42	Identify and select stakeholders	Contact for Stakeholders	5
Core	102-43	Guidelines for communicating with stakeholders	Contact for Stakeholders 3.2 Product Responsibility and Customer Service	5 49
Core	102-44	Key subject and concerns raised	Contact for Stakeholders	5
<b>6.Reporting practices</b>				
Core	102-45	The entities contained in the consolidate financial statements	1.3 Company Overview	19
Core	102-46	Define the boundary of report content and subject	Contact for Stakeholders	5
Core	102-47	List of key subjects	Contact for Stakeholders	5
Core	102-48	Information re-editing	Editorial Policy	3
Core	102-49	The report changes	Editorial Policy	3
Core	102-50	The report time	Editorial Policy	3
Core	102-51	Date of the last report	Editorial Policy	3
Core	102-52	The report period	Editorial Policy	3
Core	102-53	Contact person who can answer questions related to the report	Editorial Policy	3
Core	102-54	Declaration on reporting in accordance with GRI guidelines	Editorial Policy	3
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Core	102-56	External guarantee/assurance	Editorial Policy Appendix I : Independent Auditor's Report	3 98



# Particular subjects

“\*” marks significant subjects

Category/ Subject	GRI Standards disclosure item	Corresponding chapter	Page number	Omit/ Remark
<b>200 Economic indicators</b>				
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<b>300 Environmental indicators</b>				
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Category/Subject	GRI Standards disclosure item	Corresponding chapter	Page number	Omit/Remark
*GRI 302: Energy 2016	103-1 Explain key subjects and their boundaries	4. Green Promise	52	
	103-2 Management policy and its elements	4. Green Promise	52	
	103-3 Evaluation of management policy	4. Green Promise	52	
	302-1 Energy consumption within the organization	4.1 Energy and Greenhouse Gas Management	54	
	302-3 Energy intensity	4.1 Energy and Greenhouse Gas Management	54	
GRI 303: Water and effluent 2018	303-3 Intake water	4.2 Water Resource	57	
	303-4 Discharge water	4.2 Water Resource	57	
	303-5 Consumption water	4.2 Water Resource	57	
GRI 304: Biological diversity 2016	304-1 The organization's self-owned, leased and managed business points or adjacent areas located in protected zones or other areas of high biodiversity.	4.2 Water Resource	57	CoreMax is located within an industrial park, and the neighboring area is not an environmentally protected one.
	304-2 Activities, products, and services that have a significant impact on biodiversity	--	--	
	304-3 Protected or rehabilitated habitats	--	--	
	304-4 The species growing in the operation-affected habitats that are listed on the IUCN red list and the national conservation list.	--	--	
*GRI 305: Emissions 2016	103-1 Explain key subjects and their boundaries	4. Green Promise	52	
	103-2 Management policy and its elements	4. Green Promise	52	
	103-3 Evaluation of management policy	4. Green Promise	52	
	305-1 Direct (category 1) greenhouse gas emissions.	4.1 Energy and Greenhouse Gas Management	54	
	305-2 Indirect Energy (category 2) greenhouse gas emissions	4.1 Energy and Greenhouse Gas Management	54	
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*GRI 306: Waste water and waste 2016	103-1 Explain key subjects and their boundaries	4. Green Promise	52	
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*GRI 308: Supplier environ- mental assessment 2016	103-1 Explain key subjects and their boundaries	3. Supplier Management as well as Product and Service	42	
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	308-1 Adopt environmental standards for screening new supplier(s)	3.1 Supplier Management	44	
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*GRI 401: Employee- employer relations 2016	103-1 Explain key subjects and their boundaries	5. Safe and Happy Workplace	62	
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	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	5.2 Employee's Right and Benefits	68	
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*GRI 402: Employee- employer relations 2016	103-1 Explain key subjects and their boundaries	5. Safe and Happy Workplace	62	
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*GRI 403: Occupational safety and health 2016	103-1 Explain key subjects and their boundaries	6. Workplace Safety, Disaster Prevention and Management	82	
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*GRI 403: Occupational safety and health 2016	403-1 Occupational Health and Safety Management Systems	6.1 Healthy Workplace	84	
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*GRI 404: Training and education 2016	103-1 Explain key subjects and their boundaries	5.3 Employee Education and Training	74	
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GRI 410: Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	5.3 Employee Education and Training	74	
GRI 411: Indigenous rights 2016	411-1 Incidents involving violations of indigenous rights	5.1 Employees	65	No violation of indigenous rights
GRI 412: Human rights assessment 2016	412-1 Operational activities that receive human rights reviews or human rights impact assessments	--	--	
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*GRI 413: Local community 2016	103-1 Explain key subjects and their boundaries	6. Workplace Safety, Disaster Prevention and Management	82	
	103-2 Management policy and its elements	6. Workplace Safety, Disaster Prevention and Management	82	
*GRI 414: Supplier social assessment 2016	103-3 Evaluation of management policy	6. Workplace Safety, Disaster Prevention and Management	82	
	413-2 Operational activities that have a significant or potentially negative impact on the local community.	6.2 Disaster Prevention and Management	89	
	103-1 Explain key subjects and their boundaries	3. Supplier Management as well as Product and Service	42	
*GRI 414: Supplier social assessment 2016	103-2 Management policy and its elements	3. Supplier Management as well as Product and Service	42	
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	414-1 Select new supplier(s) based on social norms	3.1 Supplier Management	44	
	414-2 Negative social impact of the supply chain and actions taken in response	3.1 Supplier Management	44	
GRI 415: Public policy 2016	415-1 Political contribution	2.2 Business Operations with Integrity	33	Un-related matters
GRI 416: Customers' health and safety 2016	416-1 Assess the impact of product and service categories on health and safety	3.2 Product Responsibility and Customer Service	49	
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	103-1 Explain key subjects and their boundaries	3.2 Product Responsibility and Customer Service	49	
*GRI 418: Customer privacy 2016	103-2 Management policy and its elements	3.2 Product Responsibility and Customer Service	49	
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	418-1 Complaints of confirmed invasion of customer privacy or loss of customer data	3.2 Product Responsibility and Customer Service	49	
*GRI 419: Socio-economic compliance 2016	103-1 Explain key subjects and their boundaries	2.4 Regulatory Compliance	40	
	103-2 Management policy and its elements	2.4 Regulatory Compliance	40	
	103-3 Evaluation of management policy	2.4 Regulatory Compliance	40	
	419-1 Violating laws and regulations in the social and economic fields	2.4 Regulatory Compliance	40	

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<b>Additional guidelines for the chemical industry by the Financial Supervisory Commission</b>				
Additional guidelines for the chemical industry (1)	Describe the categories of work-related injuries, calculate the rate of injuries, occupational diseases, loss of working days, absences from work, and the number of work-related deaths.	6.1 Healthy Workplace	84	
Additional guidelines for the chemical industry (2)	Operational activities that have a significant or potentially negative impact on the local community.	6.2 Disaster Prevention and Management	89	
Additional guidelines for the chemical industry (3)	Concrete and effective mechanisms and practices adopted by the companies and their suppliers to reduce the negative impact on the environment or society.	6.2 Disaster Prevention and Management	89	
Article 4 of the Financial Supervisory Commission	The number of full-time non-supervisory employees of an enterprise, the average and median of the salary paid to full-time non-supervisory employees, and the difference between the aforesaid three figures and the previous year	5. Safe and Happy Workplace	62	
	Corporate governance of climate-related risks and opportunities, actual and potential climate-related impacts, how to identify and assess the indicators and objectives for managing climate-related risks and subjects.	2.3 Risk Management	37	

