

Sustainability 2022 Report

Publisher : Corum Inc.

Publication Date. September 2023

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Cover Story

Value Nature and Step Forward on Sustainability

The radiance of beauty and confidence comes from health

On the way of respecting nature and pursuing common good

Step by step

We're dedicated to responsible business operations and integrity management

Devoted to scientific rigor in research and innovation

Keep close tabs on efficacy and quality with the highest standards

Supply essential ingredients for personal care, cosmetic and
pharmaceutical industries

In a responsible and sustainable way for beauty and health



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Introduction

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- 0.2 Management's Statement
- 0.3 Sustainability Highlights for 2022
- 0.4 Awards and Recognition for 2022



0.1 About This Report (GRI : 2-2 、 2-3 、 2-4 、 2-5)

Reporting Principles

Corum Inc. (hereinafter referred to as "Corum", or the "Company") initiated its sustainability journey in the year 2021, marking the foundation of our commitment to sustainability. Starting from 2022, we have commenced the annual publication of our Corporate Sustainability Report. This report represents the second edition of our Corporate Sustainability Report. In this report, we have systematically documented the Company's governance, economic, environmental, and social objectives and accomplishments. Furthermore, Corum has meticulously gathered essential economic, environmental, and social issues from the global arena, and have drawn insights from reputable international sustainability assessments such as the CDP and EcoVadis frameworks. Through stakeholder surveys and robust analysis, we have conducted a substantive assessment, identifying and distinguishing the concerns of stakeholders and analyzing the matrix of operational impact. This comprehensive process allows us to pinpoint material topics, ultimately aiming to provide a complete representation of our communication with stakeholders.

This report adheres to internationally recognized principles for sustainability reporting—the latest version of the GRI Standards 2021 serves as the foundational framework. All identified material topics have been compiled using a comprehensive approach, ensuring disclosure of management policies and performance achievements for the benefit of stakeholders. Please refer to the index in the Appendix for a comparison of the relevant indicators of the GRI Standards, the latest version of the Global Sustainability Reporting Guidelines for 2021.

Scope and Basis of Calculation

The information disclosed in this report covers the ESG performance in the corporate sustainability operations of Corum from January 1, 2022 to December 31, 2022. The reporting scope of this report encompasses Corum's headquarters and Chiayi Plant. There were no instances of restatement of information during the reporting year. The financial results of economic operations are prepared in accordance with International Financial Reporting Standards (IFRS).

The Chairman of the Board of Directors is the issuer of this report. The internal management of the report is promoted by the Sustainability Committee of Corum, which invites the top executives or senior managers of each unit to serve as members to identify material topics, formulate an overall sustainability policy, and compile information and sustainability performance indicators for each department. The accuracy and completeness of data compiled by each department are first reviewed by their respective department heads. After this initial review, the data is then submitted to the Sustainability Development Office (concurrently headed by the Marketing Department) for coordination of content planning and editing. Subsequently, the data is presented to the Sustainability Committee, which is under the purview of the Chairman. Upon receiving approval from the Chairperson (Chairman of the Company), the report is finalized and issued. The data in this report has not been verified by an external independent third party. If there are any instances of estimations, they will be noted in the relevant chapters.

- The financial data are confirmed by Deloitte & Touche Taiwan and are expressed in New Taiwan Dollars (NT\$).
- The quality management system ISO 9001, the environmental management system ISO 14001, and the occupational safety and health management system ISO 45001 are certified by Bureau Veritas.

Report Publication

Publication cycle : Annually

Language : Traditional Chinese, English

Current Release : September 2023

Previous Release : September 2022

Next Release Version : Expected to be released in June 2024

In order to reduce the use of paper and to fulfill our corporate citizenship responsibility, this report is published electronically on the Company's website for readers' reference.

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Chinese Version



English Version

Comments and Feedback

If you have any suggestions or inquiries regarding the contents of this report, please contact us through the following contact information or "Contact Us" on the homepage of the Company's website.

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Corum Sustainability Official

0.2 Management's Statement (GRI : 2-2)

Message from the Chairman

Greetings to all stakeholders who are concerned about sustainability! Thank you for reading this second Corporate Sustainability Report of Corum.

As the COVID-19 pandemic has gradually abated, as soon as Taiwan announced the lifting of the quarantine policy in October 2022, we immediately geared up and set out to reconnect with the international market. We resumed participation in international cosmetic raw material expos, unveiling new products and innovative applications. In 2022, we continued to leverage our accumulated strengths and global distributor network, steadfastly adhering to a business strategy focused on enhancing product value. Simultaneously, the Company actively embraced sustainable management based on ESG principles and UN SDGs, aspiring to elevate operational performance through innovation in various aspects. With a strong commitment to sustainable development, we aim to accelerate our international expansion efforts and achieve our goals of long-term sustainability.

In 2022, Corum took significant steps to understand the risks and opportunities posed by ESG and climate change on its financials and operations. We joined the TCFD initiative (Task Force on Climate-related Financial Disclosures) to better assess these impacts. Internally, our Finance Center assumed the role of the highest responsible unit for operational risk management, such as formulating risk management policies and relevant standards, as well as overseeing the comprehensive implementation of operational risk management. Regular monthly updates on risk management operations are presented to the Chairman. Detailed information is presented in our TCFD report, which is included in this report. In addition, the Company has established a Corporate Sustainability Development Office, which is currently headed by the Marketing Department, to assist the Corporate Sustainability Committee in implementing its development strategies.

In terms of international reputation and export trade, Corum received the Taiwan Elite SME Award from Dun & Bradstreet in 2022. This recognition marked the Company's fifth consecutive win in this category. The award evaluation encompasses various comprehensive aspects, including export growth momentum, financial stress index, commercial bill transaction records, ESG governance, corporate integrity, and corporate social image. Winning this award is a clear affirmation of the Company's operational and business excellence.

In terms of occupational health and safety implementation, after receiving the OSH Excellence Unit Five-Star Award in 2021, we achieved further recognition in 2022 by being awarded the highest national-level Occupational Safety and Health Award by the Ministry of Labor. Receiving this accolade has greatly encouraged all of our employees, spurring us on the road to continuous improvement, advancing occupational safety, health sustainability, and striving to set a leading example for the biotechnology industry.

However, in terms of sustainable development performance, I believe that we still have room for improvement. In 2020, Corum received a Bronze Class rating in the EcoVadis sustainability assessment. In the 2022 Carbon Disclosure Project (CDP) Climate Change questionnaire assessment, we achieved a C rating in the "Awareness" category. The reason for this less than ideal result is that our previous carbon assessments only covered Scope 1 and Scope 2 emissions. This year, I have instructed the Sustainability Committee and relevant departments to expand our carbon assessment to include Scope 3 emissions, aligning with the spirit of ISO 14064. Our future goal is to reevaluate our carbon reduction targets, strategies, and direction based on the assessment data, whereby we shall aim to achieve third-party verification of ISO 14064, aiming to improve our ratings in international assessments like CDP and EcoVadis, thus accelerating our advancements in international competitiveness.



President of CORUM Inc.
Lee Pei-Min

李培民

Message from the Sustainability Office

Through stable business operations and concrete actions, Corum is steadfastly committed to becoming a reliable and trustworthy sustainability partner for our stakeholders. We firmly believe that the advancement of our R&D capabilities shall lay the foundation for our innovation. By integrating sustainable development and improving our carbon disclosure practices, we will be able to further solidify our corporate responsibility and create greater opportunities for Corum's continued growth and success.

0.3 Sustainability Highlights for 2022

Governance

Zero Information Security Incidents

ERP system has been upgraded and updated to optimize IT infrastructure and enhance maintenance and management operations.

IP-VC™
an innovative esterified vitamin C product, was launched.

Azelaic Acid Acne Control Active Ingredient obtained NaTrue Natural Organic International Certification

Azeclair®/P, a sebum normalizing agent that caters for oily and acne-prone skin by controlling excessive sebum secretion while brightening skin tone; Et-VC® a patented stable and multifunctional Vitamin C derivative; and GenoWhite® an advanced patented peptide that possesses fast dermal penetration, have all obtained trademark registrations.

The world's first azelaic acid powder foundation formula was launched.

The proportion of localized procurement was 75.78% in 2022, an increase of ↑ 5.78% from the previous year.

Supplier Sustainability Pledge : In 2022, a total of 74 suppliers participated, with 58 suppliers signing the pledge letter, achieving a completion rate of 78.38%. This represents an increase of ↑ 8.38% compared to the previous year.

ISO 9001:2015 quality management system standard certification renewed.

Rebound in the post-pandemic era : Corum returned to international trade fairs and exhibitions such as ICI Indonesia, Sepawa Germany, and in-cosmetics Asia.

Environmental

Further Achievements in Carbon Reduction for Domestic Consolidated Shipping

- Energy Consumption ↓ 8.84%
- CO₂ emissions ↓ 18.75% (significantly exceeding the UN carbon reduction target of 7.6%)

With an emphasis on the issue of climate change, Corum joined the Task Force on Climate-Related Financial Disclosures (TCFD) as a supporter.

Successful renewal of ISO 14001:2015 environmental management system certification.

CDP climate change questionnaire score rated at C (Awareness Level)

Completed Scope 3 of the Corporate Carbon Inventory for the first time, and continued to conduct Scope 1 and Scope 2.

Completely revamped cardboard boxes and sealing tapes to enhance brand recognition and environmental sustainability.

- Adopted 100% recycled pulp in primary colors
- Reduced printing area to 6.9%, which is far below the 50% standard recommended by the Environmental Protection Administration (EPA)'s "Guidelines for Packaging Reduction".

Social

Adoption of the national coastline, expanding the commitment of beach cleanup action.

In FY2022, about 40 kg of marine debris and garbage were removed from the beaches of Zhongjiao Bay, which is equivalent to a reduction of 0.0824 CO₂e in carbon emissions.

Achieved customer satisfaction score of **89.31** points (target 85 points).

Cumulative accident-free working hours reached **965,312** hours.

Launched corporate image videos to demonstrate core concepts and create corporate branding power

ISO 45001:2018 and CNS 15506:2011 (TOSHMS)
Re-assessment for Occupational Safety and Health Management System (OSHMS) Standard Verification Passed

The 2nd Corum Art Award held, with 105 entries participating, covering 17 elementary schools, 7 junior high schools, and 1 senior high school (vocational high school).

- Expanded awards program to northern Taiwan : Reindeer Children's Home in Taoyuan Southern Taiwan: Xinchuan Used Bookstore to allow more children to participate and strengthen the impact of the program.
- By introducing an Internet Popularity Award and encouraging audience comments, we enhance interaction and use this platform to help children's creations transcend Taiwan's borders, allowing their work to be showcased to the world.
- New analysis of winners' works, sharing insights and perspectives from the judging panel, providing participating students with the opportunity to learn from each other and gain valuable insights.
- The Best Progress Award has been added to boost children's confidence and encourage them to focus on positive progress.

Our book donation drive continues to spread the power of reading.

A total of 34 books on literature, history and philosophy were donated.

Charitable donations to support the Reindeer Children's Home.

The total amount of donations : NT\$500,000. Additionally, 45 units of toiletries, 49 pieces of children's clothing, and over a hundred gift items were donated.

0.4 Awards and Recognition for 2022



Corum was honored with the "2022 National Occupational Safety and Health Award for Small and Medium-sized Enterprises"

- Setting a benchmark and example of occupational safety and health in the biotechnology industry.
- This award is the highest award for occupational safety and health in Taiwan, and the winning companies all play a leading role as occupational safety and health leaders.

Won the "Top 1000 Elite SME Award for five consecutive years"

- Won Top 1000 Elite SME Award for five consecutive years.
- The 2022 Top 1000 Elite SME Award is centered around the theme "ESG Empowerment for Sustainable Business Evolution."
- Recognizes our efforts in ESG sustainability.
- Recognizes our international reputation and export competitiveness.



Chapter 1

Sustainable Corum

- 1.1 Corum's Sustainability Organizational Structure
- 1.2 Company Profile
- 1.3 Sustainable Development Strategies and Practices
- 1.4 Key Goals and Achievement Status for 2022



1.1 Corum’s Sustainability Organizational Structure (GRI : 2-13, 2-14, 2-16)

Sustainability Committee Introduction

In 2020, Corum established an “Energy Management Committee” to integrate environmental and sustainability management into its business operations while pursuing corporate development. In the four dimensions of supplier assessment, energy conservation and environmental promotion, labor welfare, and community engagement, we execute communication management and continuous improvement actions. We collaborate with customers, employees, suppliers, and key business partners, among other stakeholders, to collectively fulfill the specific commitments for sustainable energy development. By continuously advancing green chemical manufacturing and a green supply chain, we aim to achieve a symbiotic and harmonious relationship between our business and the environment.

In 2021, based on the “Energy Management Committee”, Corum reorganized and established the “Sustainability Committee” as the main unit responsible for the Company’s sustainability development. The Committee is chaired by the Chairman of the Board of Directors, with the Vice President serving as the Vice Chair, and the top executives of each department are members of the Sustainability Committee. The Sustainability Office is responsible for coordinating and supervising the committee, while the Corporate Governance Team, Sustainable Environment Team, and Social Inclusion Team are responsible for collecting and integrating various sustainability themes and resources into the Company’s internal organization and implementation. The Sustainability Committee meets twice a year to discuss the goals and results of each working group, and reports directly to the Chairman of the Committee. The number of meetings is flexibly adjusted when necessary in response to global trends and changes in regulations. In addition to the members of the Sustainability Committee, members of the working groups may be invited by the Chairman to participate in the meeting according to the content of the motion. The decisions made during Sustainability Committee meetings are documented, and after review by the Chairman, they are then delegated to the relevant working groups through the Sustainability Office for implementation.

Sustainability Committee Organizational Chart



Sustainability Committee Task Force Undertakings



Corporate Governance Team

Responsible for corporate governance planning (including performance plan), operational risk management, internal audit, financial performance, and Board of Directors governance practice.



Sustainable Environment Team

Responsible for the planning of the Company's environmental operations including environmental performance metrics planning and achievement demonstration such as green product supply chain (environmental considerations of product life cycle), energy conservation and carbon reduction, green resource utilization, and GHG audit.



Social Engagement Team

Responsible for the planning of the Company's social operations and social performance including employee remuneration and benefits, education and training, personnel structure, occupational safety and health, product safety, customer service, labor relations, public welfare activities, etc.

Sustainability Committee Operations



Corum's Sustainability Vision

The goals set by the Sustainability Committee are aligned with the United Nations Sustainable Development Goals (SDGs) and the material topics identified by the Company. This alignment involves examining the Company's development principles and management mechanisms across environmental, social, and governance aspects. Corum's long-term sustainability direction is rooted in the founder Mr. Lee Pei-Min's "people-centric" business philosophy. This philosophy is followed through with the transmission of visionary concepts from the leadership down to all levels within the organization. Under each component and material topic, tailored long-term goals are established, and based on business growth projections, mid-term plans and quantifiable or qualitative objectives are set.

1.2 Company Profile （GRI：2-1, 2-6）

Business Philosophy

Corum is committed to becoming a leader in the cosmetic raw materials industry. Our business philosophy is centered around "Inspiring Innovative Efficacy in Ingredients." Our goal and vision are to "engender a caring, healthy, sustainable, and beautiful world" Through continuous research and clinical testing, Corum's innovative ingredients adhere to the highest standards of efficacy verification and quality control, with the sole purpose of providing customers with better solutions for skin health and well-being.

- Customer-centric Service：Prioritizing customer satisfaction, dedicating efforts to provide timely and high-quality customer service, offering customers the latest trends, and nurturing marketing professionals with a global perspective.
- Product Safety and Innovation：Prioritizing the safety assessment, efficacy evaluation, and clinical assessment of raw materials: We collaborate with internationally certified laboratories to conduct safety and efficacy assessment tests. Moreover, we strictly prohibit animal testing in our business practices.

Production engineering, quality management, and sustainable production are the objectives of our production capacity research and development. We are fully committed to innovative research and development, studying high-quality ingredients. We pursue excellence in a responsible and ecologically sustainable manner, enhancing the value brought to the cosmetics and pharmaceutical industries.

Corporate Information

Company name	Corum Inc
Location of headquarters	6F., No. 360, Ruiguang Rd., Neihu Dist., Taipei City
Capital by the end of 2022 (Unit：NT\$ thousand)	75,000
Total number of employees	Taiwan：164 employees
Total number of operating locations	Name of country：Taiwan Number of operating locations：5 Taipei headquarters (Taipei City), sales office (Taichung City, Tainan City), R&D Center (New Taipei City), Chiayi factory (Chiayi County Minsyong Industrial Park)
Description of main products / services	Our vision is to become a global leader in manufacturing, delivering high-quality products and services that create value for customers and contribute to society. We are committed to continuous innovation and technology development to improve production efficiency and product quality while minimizing environmental impact. We will achieve our vision by meeting customer needs, providing high-quality pre-sales and after-sales services, and attracting and retaining outstanding talents. Corum provides a wide range of services, such as pre-sales consultation, product design, manufacturing, logistics and transportation, and after-sales service. Corum provides comprehensive manufacturing solutions, including product design, prototyping, manufacturing, logistics, transportation and after-sales service. Our team has rich industry experience and professional knowledge, and is able to provide customized services according to customers' needs and requirements. Our manufacturing processes follow stringent international standards to ensure product quality and safety. We also provide quick response and flexibility to meet customers' urgent needs. Our after-sales service team is always ready to answer customer questions and provide technical support, ensuring customer satisfaction and loyalty.
The geographical location of products / services provided and sales market	We have two business units, cosmetic ingredients, and pharmaceutical actives. Now, we serve customers across more than 40 countries.

Value Proposition

Corum aspires to play a leading role in the specialty chemicals manufacturing sector, bringing about a positive impact for stakeholders. We are committed to continuous efforts across environmental (E), social (S), governance (G), and supply chain (SC) dimensions, working towards creating a brilliant and beautiful future.

Environment : Establish a sound environmental management system and comply with the laws and regulations of each country as the basis for developing environmentally friendly products and processes.

Social : Emphasize labor rights and business integrity, and stress the need for employees to contribute to social welfare activities.

Governance : Continuously respond to international questionnaires, such as the CDP (Carbon Disclosure Project) and the EcoVadis rating platform (Supplier Sustainability Rating), in order to scrutinize the integrity of the governance structure.

Supply chain : Enhancing two-way communication and collaboration within the supply chain, implementing sustainable procurement based on self-assessment declarations and on-site assessments of upstream suppliers. For downstream distributors and customers, apart from conducting satisfaction surveys, continuous communication is maintained to implement consolidated shipping methods that contribute to carbon emissions reduction.

Company History

Corum was founded in 1987 with headquarters in Neihs Technology Park, Taipei, and the Chiayi factory was constructed in 1995 in the Minsyong Industrial Park. Corum is a leading upstream R&D and manufacturer of raw materials for cosmetics, personal care, household products, and pharmaceutical industry in Taiwan. The Company is also a globally renowned cosmetics group and OEM of innovative raw materials for biotechnology; currently, we have developed several dozen R&D patents to facilitate developments in Taiwan's biotechnology industry and accelerate innovation. Under the leadership of our Chairman Li Pei-Min, we uphold the principle of ethical management and people orientation to contribute to society and the environment. Moreover, we strive to help those in need through public welfare activities.

Our products include anti-aging active peptides, innovative vitamin C derivatives, heat sensation agent, cool sensation agent, patented whitening peptides, patented anti-dandruff ingredients, anti-hair loss ingredients, whitening and anti-pimple active ingredients, amino acid surfactants, and moisturizing humectants. The products are sustained through ongoing R&D, and clinical trials, as well as efficacy, quality, and quantity of the highest standards. Based on scientific rigor, innovation, and quality assurance, we can provide a full range of outstanding products and services globally. The Company is also dedicated to offering better solutions for more beautiful, healthier skin.

We uphold the principle of green chemistry in conducting R&D to minimize the environmental impact of our activities, as well as to manage the sustainability of resources and engage in responsible procurement. According to the United Nations' "Convention on Biological Diversity" and Brazil's "Biodiversity Law No. 13, 123/2015", none of the raw materials in our manufacturing process is classified as the extraction of ecological and genetic resources. Furthermore, all the countries we have purchased from comply with Access and Benefit Sharing (ABS) including the "Nagoya Protocol" and "Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), also known as the Washington Convention to facilitate the fair sharing of heritage resources.



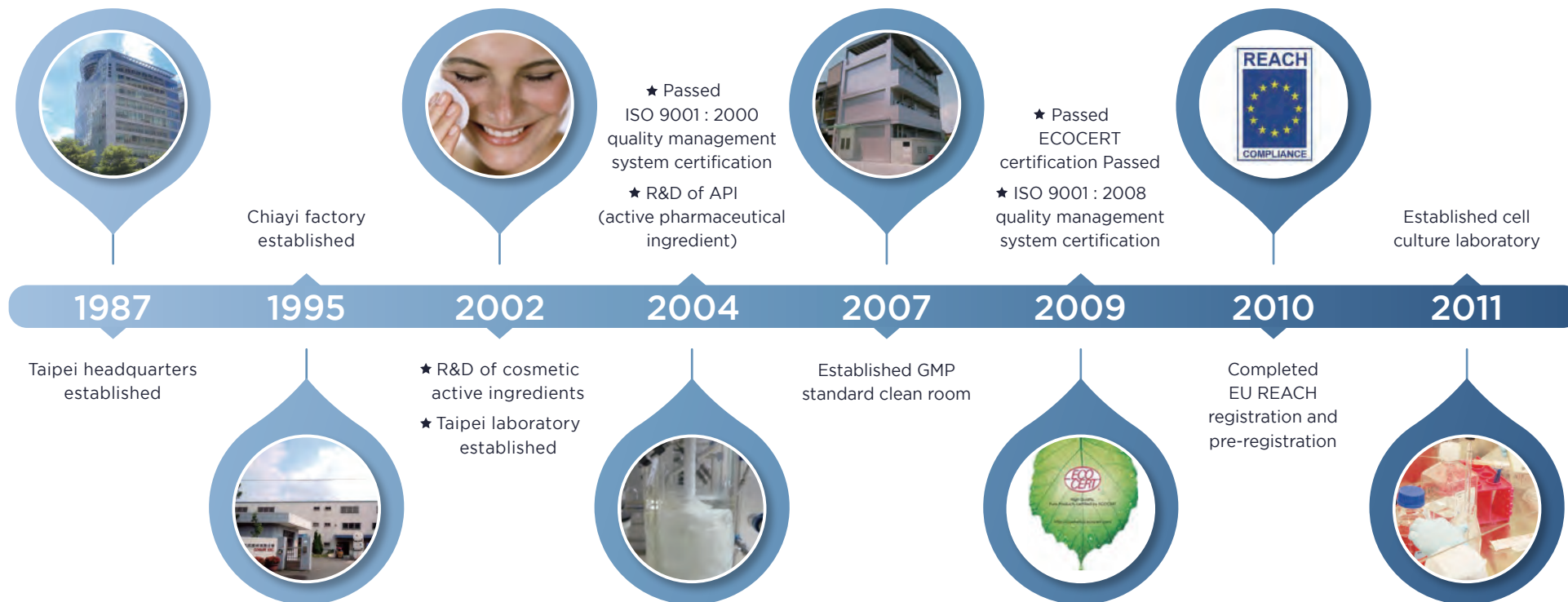
Our core objectives are closely related to the UN's SDGs, in turn providing us with a framework to evaluate how we can coordinate environmental impacts and social contributions more effectively instead of examining each problem independently. In terms of personnel, we have formulated a code of conduct policy to support gender equality, anti-discrimination, anti-child labor, anti-forced labor, workplace safety, freedom of association, collective bargaining rights, good health and welfare.

Concerning economic prosperity, we have targeted investments in infrastructure and energy projects, integrating SDGs at every stage to realize proactive and measurable social and environmental performance. In terms of environmental protection, we vigorously respond to CDP (Carbon Disclosure Project)'s climate change questionnaire and use the EcoVadis CSR scorecard to perform self-evaluations to manage operational risks and look after our stakeholders' interests. We aspire to contribute to economic development, minimize environmental impact, and generate benefits for local communities.

We perceive great importance in the establishment of management systems. Passing the ISO 9001 (quality management system), the ISO 14001 (environmental management system), and the ISO 45001 (occupational safety and health management system) certification enables us to control risks and elevate performance effectively. We constantly strive to improve our business process to optimize the utilization of rare natural resources, vigorously provide a work environment that cares about our employees' welfare, safety, and health, and generate sustainable economic contributions.

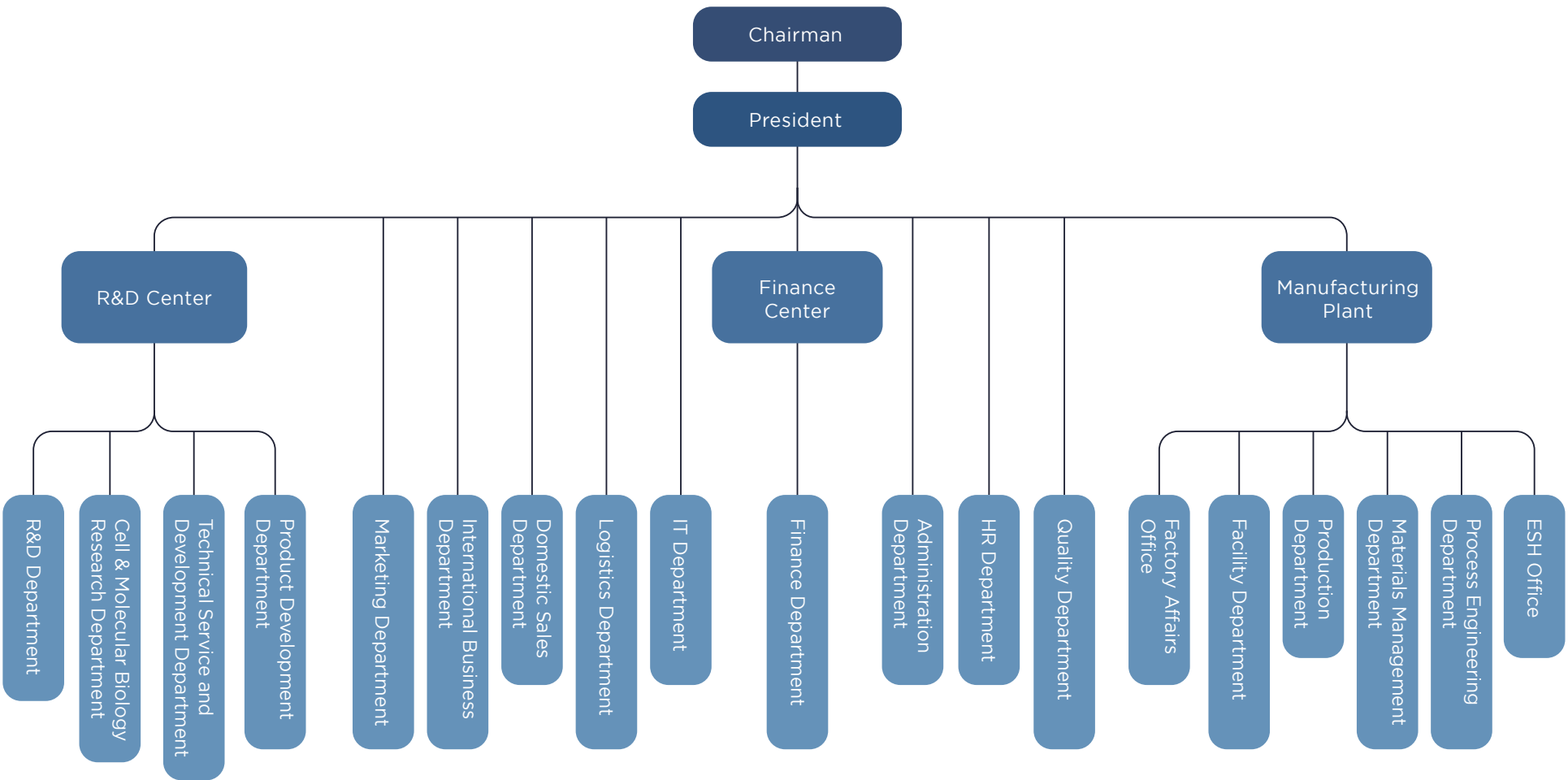


Milestones





Organization Chart



Global Locations

Corum’s headquarters is located in Neihu District, Taipei City. Additionally, we have business offices in Taichung and Tainan. Our research and development laboratory is situated in Xizhi District, New Taipei City, while our factory is based in Minxiong, Chiayi. Corum has established a solid relationship with many global companies to promote our high-quality products to various markets around the world.

台北辦公室



汐止實驗室



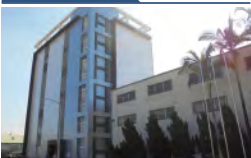
台中辦公室



台南辦公室



嘉義工廠



Global Partners

In the business relationships between Corum and its supply chain, customers, and distributors in 2022, there have been no changes in partnerships around the world except for Australia, Japan, and New Zealand compared to 2021.



No.	Country	Company
1	Australia	A S Harrison & Co Pty Limited Australia
2	Benelux	Safic-Alcan Benelux N.V.
3	Brazil	SARFAM Ind. Com. Imp. Ltda, member of Safic Alcan
4	Canada	Barentz Canada ULC
5	China	Elgin Chemicals (Chongqing) Co., Ltd.
6	Colombia	PRESQUIM SAS
7	Czech Republic	Safic-Alcan Cesko, s.r.o.
8	France	Safic-Alcan SAS
9	Germany	C.H.Erbslöh GmbH & Co. KG
10	Greece	CELLCO CHEMICALS SA
11	India	Vimal Lifesciences Pvt. Ltd.
12	Indonesia	PT Lautan Luas Tbk
13	Iran	Afra Chemie Atis
14	Israel	Myko Engineering
15	Italy	ACTIVE BOX SRL
16	Japan	H. Holstein Co., Ltd.

No.	Country	Company
17	Korea	HANJOO C&C CO., Ltd.
18	Malaysia	Chemical Solutions Sdn Bhd, an Azelis company
19	New Zealand	A S Harrison & Co Pty Limited New Zealand
20	Philippine	Wills International Sales Corporation
21	Poland	Safic Alcan Polska Sp. z.o.o
22	Portugal	Safic Alcan Portugal Sociedade Unipessoal, Lda
23	Russia	C.H.Erbslöh Russia O.O.O.
24	Spain	Safic-Alcan Especialidades, S.A.U.
25	Switzerland	C.H.Erbslöh Schweiz AG
26	Thailand	Chemico Inter Corporation Co., Ltd.
27	Turkey	SAFIC ALCAN KİMYA SANAYİ VE TİCARET A.Ş.
28	UK	Safic Alcan UK Limited
29	USA	Ross Organic, an Azelis Company
30	USA	DeWolf Chemical, an Azelis company
31	Vietnam	Chemico Vietnam Co., Ltd.

1.3 Sustainable Development Strategies and Practices (GRI : 2-22)

Sustainability Strategy Statement

We continue to uphold the 4C sustainability policy of Corum outlined in the 2021 Sustainability Report: Collaborative Supplier Management, Conscious Environmental Protection, Caring Labor Rights, and Corporate Social Engagement. These principles drive our pursuit of sustainable business development and harmonious coexistence with the environment. Building upon the aforementioned 4C policy framework, we have formulated five core operational principles at Corum. These principles shape our corporate culture and align with the Company's sustainability goals :

Quality consistency

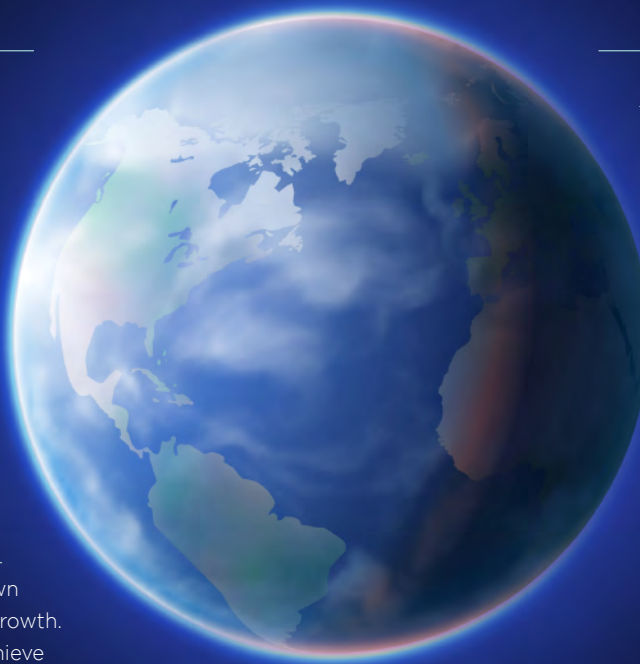
Under the operating standards with ISO certificates, quality consistency is our top priority.

Research and Development

With a vision to bring a better solution to skin health and well-being, we strive for R&D innovation, safety, and efficacy reliability. As a result, we now have dozens of patented ingredients and applications all over the world.

Creating a world of caring, beauty and sustainability

Our core aims align closely with UN SDGs and top down ESG management to pursue profitable & sustainable growth. By assuming social responsibilities, enterprises can achieve balanced development of economy, society and environment, and give back to the society.



Production Excellence

CORUM is the first biotech company in Taiwan awarded the National HSE Award and 5-Star Award for consecutive Occupational Safety and Health Excellent. Protecting workers is always our top priority. In addition, with the completion of Chia-yi P2 factory, our production capacity is expected to double and integrating ESG for a sustainable future.

Link up with the world

Corum also actively participate in exhibitions and technical seminars globally, to demonstrate products, and gear to the avant-garde practices. We are aware that sustainable development is a global challenge, and we also responded to international questionnaires to address the global issue of climate change.

Sustainability Blueprint

The 4C policy of corporate sustainability management		Execution method
Collaborative Supplier Management		Implement supplier management and risk evaluation. Conduct annual assessments on energy-saving, environmental protection, ecological label, and procurement sustainability-related aspects based on the suppliers' self-declaration and self-evaluation questionnaire content to improve business activities and form sustainable value promises.
Conscious Environmental Protection		1. Sound management system : ISO 9001 · ISO 14001 · ISO 45001 · ISO 22716  2. Comply with the 12 Principles of Green Chemistry, and use them as the basis for developing eco-friendly, harmless products and production processes.  Waste prevention  Atom economy  Less hazardous chemical synthesis  Designing safer chemicals  Safer solvents & auxiliaries  Design for energy efficiency  Use of renewable feedstocks  Reduce derivatives  Catalysts  Design for degradation  Real-time pollution prevention  Safer chemistry for accident prevention We prioritize labor and human rights and publish human rights policies and Code of Business Integrity. We conduct regular assessments of human rights risks and implement appropriate improvement actions, aiming to mitigate negative impacts on human right and ensure that the interests of stakeholders are not compromised. 1. Gender-equal human resources structure 2. Regardless of gender, age, religion, race, social status, and pedigree, everyone enjoys equal pay for equal work. 3. Prevent discrimination, hiring of child labor, overtime, or forced labor incidents through education and training. 4. Formulate Human Rights Policy of CORUM and CORUM Ethical Corporate Management Best Practice Principles, and regularly examine their performance. 5. Implement a biannual performance assessment mechanism. 6. Conduct a health examination every year to protect our employees' physical and mental wellbeing.
Corporate Social Engagement		We communicate with relevant organizations through the following channels : 1. Create a campus recruitment channel to develop a sustainable recruitment program. 2. Engage in technology innovation and scientific research through industry-academia collaboration. 3. Support a friendly environment and promotional activities. 4. Provide volunteer service for public welfare activities.

1.4 Key Goals and Achievement Status for 2022

Achievements in Promoting Key Goals for 2022

Enterprises play a crucial role in achieving sustainable development goals. Regular self-assessments: Corum has set up relevant policies and goals so that our employees can have a clearer direction to follow when facing various stakeholders. We develop short-, medium- and long-term strategies for each of the SDGs, as well as the direction of effort and performance for each goal. We integrate sustainable development with strategic objectives and take a holistic approach towards key stakeholders, ensuring mutual benefits for all parties involved.



• Legal Compliance

Executive Performance and Focus

In response to the revamped GRI Standards, which now require general disclosure without the option for core or general disclosure reporting, the Sustainability Committee executed 100% implementation of relevant legal compliance education and training in 2022. This report has also been compiled in accordance with general disclosure principles, emphasizing the execution of due diligence investigations. In 2022, there were no violation of laws and regulations.

As a specialty chemical industry, we comply with national laws and regulations to ensure the safety and compliance of our products and processes. We independently engage with various organizations for regulatory advice, such as : CLP risk classification, substance registration regulations, carbon footprint inventory calculation, etc. all of which ensure that the products manufactured by Corum are in full compliance with the current regulatory requirements.

Targets of 2021

Short-term targets :

Annual ESG-related legal training reached 90%

Medium to long-term targets :

1. Annual ESG-related legal training reached 100%
2. Zero violation

Achievements



• Operational Risk Management

Executive Performance and Focus

In 2022, ESG risk sustainability indicators were established and regularly reviewed annually :

1. Sustainability Material Topics
2. TCFD Risk and Opportunity Identification
Applied within the established risk management policy and procedures.

Targets of 2021

Short-term targets :

Establish sustainable metrics for ESG risks.

Medium to long-term targets :

100% effectiveness for ESG risk measures.

Achievements





• Information Security

Executive Performance and Focus

Corum has incorporated information security awareness into new employee training, and this practice was implemented throughout 2022. The IT Department periodically releases improvement measures, updates and maintains equipment systems to enhance information security management.

In response to the implementation of the new ERP system, during the initial system planning phase, permissions were categorized for users in various departments to enhance information security management.

Targets of 2021

Short-term targets :

Organize information security education and training to enhance the employees' awareness of information security and relevant responsibilities.

Achievements



Medium to long-term targets :

1. Introduced ISO 27001 information security management system.
2. Protect the Company's business activity information, and prevent unauthorized access and modification to ensure its correctness and integrity.
3. Make sure the Company's critical core systems maintain a certain level of system availability.



• Technology Innovation

Executive Performance and Focus

Corum's new products undergo a rigorous process from research and development to market launch. The development projects for these new products involve meticulous planning and strategic deployment, including close coordination between the R&D Center and the Marketing Department to gather and organize relevant knowledge as well as defining the product positioning. Subsequently, the Production and Process Engineering Department take over for the subsequent manufacturing phase. Product R&D knowledge base is retained in accordance with the above process.

Targets of 2021

Short-term targets :

Establish a product R&D knowledge bank.

Achievements



Medium to long-term targets :

1. Continue to develop new products and technology, and protect the R&D outcome with patents.
2. R&D of low-carbon products.
3. Expand the market and proactively participate in product certifications in various regional markets.



• Supply Chain Sustainability

Executive Performance and Focus

In 2022, the number of signed Supplier Sustainability Pledge Agreements reached 78.38%, denoting an increase of 8.38% compared to the previous year's figure.

In the future, we will strengthen communication with suppliers who have not yet signed the pledge and new suppliers to create a sustainable future together.

Targets of 2021

Short-term targets :

1. Include supplier sustainability in the supplier audit implementation assessment.
2. Continue to materialize the signing of supplier sustainability commitment.

Medium to long-term targets :

1. Encourage our suppliers to implement GHG audits.
2. Encourage our suppliers to formulate a carbon reduction plan to realize the country's goal of reducing GHG emissions to net zero by 2050.

Achievements



• Customer Service

Executive Performance and Focus

The customer satisfaction score for 2022 was 89.31, exceeding the target score of 85, and the number of customer complaints recorded in FY2022 was zero.

Corum upholds the belief of leading the industry, and aims to protect customers' rights and innovative services. Through questionnaires and data analysis, we aim to enhance customer experience and gain a precise understanding of customer needs, so as to enable customers to convey information more efficiently. We also aim to improve the quality of our services so that our customers are truly satisfied and entrust us with their needs.

Targets of 2021

Short-term targets :

Customer satisfaction score reached 85 points.

Medium to long-term targets :

1. Conduct annual customer satisfaction level surveys, reaching a score of over 90 points.
2. Maintain good customer relations and decrease customer complaints.

Achievements





Product Liability

Executive Performance and Focus

Chiayi P2 Plant's expansion has been successfully completed. The quality management system for active pharmaceutical ingredients (API), in accordance with the PIC/S GMP standard, is currently undergoing verification. No violations of occupational health and safety regulations have occurred in the product department. Additionally, Corum is continuously updating the Regulatory Information Sheet (RIS) documentation.

Targets of 2021	Achievements
Short-term targets :	✓
1. The P2 factory will be completed in 2023, and a quality management system that meets the PIC/S GMP standard for APIs was established and passed inspection. 2. 100% of our products do not violate health and safety regulations. 3. Continue to update the RIS system to comply with existing international regulations.	
Medium to long-term targets :	
1. Continue to optimize the product development process. 2. Products do not violate health and safety regulations. 3. Continue to pass the ISO 9001 quality management system certification.	



Waste Management and pollution prevention

Executive Performance and Focus

Due to factory expansion and increased production, there was a 26% rise in overall waste generation in 2022 compared to the previous year.

Targets of 2021	Achievements
Short-term targets :	✗
Wastes generated per tonne of production will be decreased by 1% in 2023 compared to 2021.	
Medium to long-term targets :	
Wastes generated per tonne of production will be decreased by 3% in 2026 compared to 2021.	



• Energy Conservation and Carbon Reduction

Executive Performance and Focus

In the fiscal year 2022, we conducted our first Scope 3 corporate carbon inventory, and expanded the scope of Scope 1 and Scope 2 inventory to include our Taipei headquarters, achieving a holistic assessment of our carbon footprint. The Scope 3 inventory follows the 80:20 principle, collecting emission data from key raw materials, suppliers, customers, and distributors. It also adheres to due diligence principles by gathering internal data. In the future, leveraging our greenhouse gas inventory results, we will promote energy management systems and incorporate external verification procedures. This initiative aims to enhance energy efficiency, reduce the environmental impact of our business operations, and work towards achieving net-zero emissions.

Targets of 2021	Achievements
Short-term targets :	✓
Complete GHG audits in 2023 in accordance with ISO 14064-1.	

Medium to long-term targets :
2021 will be used as the base year for subsequent reduction targets to gradually reduce scope 1 and scope 2 emissions by 3% every year (intensity unit).



• Occupational Safety and Health

Executive Performance and Focus

In the fiscal year 2022, there were no significant occupational accidents. Corum continues to accumulate incident-free work hours, reaching a total of 965,312 hours.

Targets of 2021	Achievements
Short-term targets :	✓
Zero major occupational disaster	

Medium to long-term targets :
Zero major occupational disaster



• Training and Education

Executive Performance and Focus

The ratio of education and training in 2022 is as follows :
Internal training: 100%
External training: 81% (Due to the severity of the pandemic, public courses could not be held, resulting in the achievement rate falling short of the 95% target).

Targets of 2021		Achievements
Short-term targets :		—
1. Submitted the “Education and Training Requirement Form for the Following Year” in Q4, achieving a punctuality rate of 100%. 2. For training proposals that are not included in the annual training requirement form, the “Provisional Education and Training Application Form” should be submitted. A compliance rate of 100% was achieved. 3. 100% internal training completion rate. 4. 95% external training completion rate.		
Medium to long-term targets :		
1. Continue to introduce new employees and retain talents. 2. Devise appropriate plans to let the old employees pass on their experience to the new employees. 3. Facilitate intergenerational interactions to bolster the Company’s knowledge management performance.		

Chapter 2

Stakeholder Communication

- 2.1 Material Topics Identification and Analysis Process
- 2.2 Material Topics Management Approach
- 2.3 Stakeholder Engagement and Approach



2.1 Material Topics Identification and Analysis Process （ GRI : 3-1, 3-2 ）

Corum analyzes global trends and collects concerns about sustainability issues from stakeholders through various methods such as social media platforms and questionnaire analysis. After internal meeting discussions and impact analysis, the Sustainability Committee and prioritize these concerns based on factors like dependency, responsibility, influence, diverse perspectives, and tension. This process generates a comprehensive understanding of stakeholder interests and material topics of concern.



Dependency	: Stakeholders who directly or indirectly rely on products, activities or services of Corum.
Responsibility	: Stakeholders whom Corum holds legal, operational, or ethical responsibilities.
Influence	: Stakeholders who have influence on the strategic or operational decisions of Corum.
Diverse Perspectives	: Stakeholders with different perspectives that can inspire Corum to gain new insights and opportunities.
Tension	: Stakeholders who are concerned about financial, economic, social, and environmental issues related to Corum.

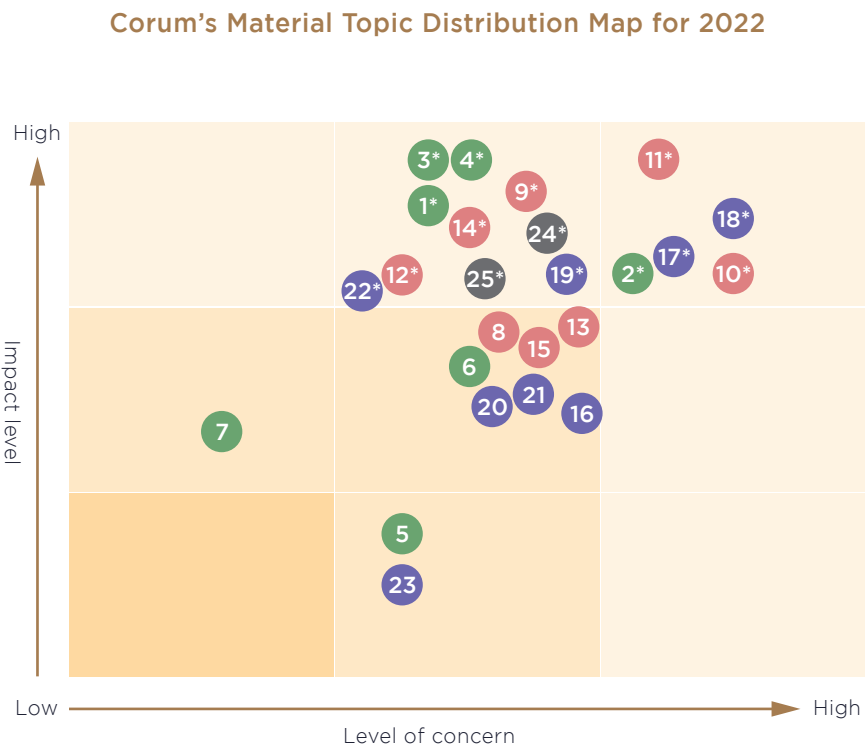
The six categories of stakeholders are: employees, customers/distributors, suppliers/contractors/outsourcers, competent authorities, board of directors and media.

Corum has developed effective communication strategies and channels for these six categories of stakeholders, and at the same time identifies 12 material topics that hold a significant impact on Corum and on the external economy, environment and people. The process of identifying material topics are to be conducted every two years, and the impact of the topics will be regularly reviewed so that the management team can effectively implement resource allocation and incorporate sustainable development strategies. In addition, positive and negative information will be disclosed simultaneously to provide stakeholders with a basis for optimized and informed decision-making and to respond to the expectations of stakeholders.

Corum’s Stakeholder Concerned Topic Identification Procedure in 2022

Identify stakeholders	Description Based on the five assessment principles of AA1000 Stakeholder Engagement Standard, engaged in internal discussions and impact analysis. Through the Sustainability Committee and considering factors such as dependency, responsibility, influence, diverse perspectives, and areas of tension, as well as the materiality determination process outlined in GRI Standards (2021), we defined a method for identifying material topics. Ultimately, our internal identification process confirmed six priority stakeholder engagement categories. Note : Shareholders/investors has been changed to the board of directors in the 2022 Annual Report.	Outcome 6 major stakeholder categories	Investigate concerned topics	Description To understand the level of stakeholder concern regarding sustainability topics, Corum has distributed an online questionnaire to stakeholders. Additionally, members of the Sustainability Committee have been provided with an impact assessment questionnaire to gauge the material impact of sustainability practices. These responses will serve as references for prioritizing topics based on their impact. A total of 100 concern questionnaires (minus 24 outliers) and 13 impact questionnaires were collected this year.	Outcome 113 questionnaires were retrieved
	Description The collection of sustainability themes is based on the guidelines of GRI Standards published by the Global Reporting Initiative (GRI), and makes reference to the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" of the Taiwan Stock Exchange and international databases such as MSCI ESG and SASB databases. This approach factors in benchmarking, company operations, industry characteristics, and more. A total of 25 topics have been identified, including corporate governance, environmental protection, social engagement, supplier management, and related subjects, all of which serve as the foundation for designing the questionnaire content.	Outcome 25 sustainable development topics		Description Through questionnaire analysis, the concern scores for each topic and the sustainability impact scores provided by the Sustainability Committee members are subjected to matrix analysis. Following this process and validation by the Sustainability Office, a total of 12 material topics were identified for FY2022. These topics are disclosed along with their relevant management actions.	Outcome 12 material topics
Summarize sustainability topics			Review and discussion	Description The Company will bolster the management of material topics, corresponding chapters, and boundary analysis identified, as well as disclose the relevant information in the ESG report. Every year, we will continue to review the material topics to determine if adjustments are necessary.	Outcome Inaugural ESG report

Materiality matrix



Environmental Aspect	Social Aspect	Corporate Governance Aspect	Supply Chain
1* GHG Emissions 2* Toxic & Waste Emissions 3* Water Management 4* Energy Management 5 Opportunities in Renewable Energy 6 Usage of Raw Material 7 Biodiversity	8 Innovative R&D and Forward Thinking 9* Product Liability 10* Customer Service 11* Occupational Safety and Health 12* Social Engagement 13 Labor Management 14* Human Rights 15 Training and Education	16 Economic Performance 17* Business Ethics 18* Legal Compliance 19* Information Security 20 Market Position 21 Critical Incident Risk Management 22* TCFD Report 23 Tax and Accounting	24* Supply Chain Management 25* Procurement Practices

註：依顏色區分環境面、社會面、治理面、供應鏈管理等，重大主題加標*號，統計如上表。

2022 Material Topic Statistics		
Environmental Aspect	Social Aspect	Corporate Governance Aspect & Supply Chain
GHG Emissions & TCFD Report Toxic & Waste Emissions Water Management & Energy Management	Product Liability Customer Service Occupational Safety and Health Social Engagement Human Rights	Business Ethics Legal Compliance Information Security Supply Chain Management & Procurement Practices
3	5	4

2.2 Material Topics Management Approach (GRI : 3-3)

Relationship between Material Topics and the Corum Value Chain in 2022

Material topic	Importance to operations	GRI Standards	Material topic, value chain, impact boundaries							Management guidelines, disclosed chapters	Page
			Corum		Customer/ Distributor	Competent Authority	Supplier/ Contractor/ Outsourcer	Media	Board of Directors		
			Head quarters	Chiayi factory							
GHG Emissions & TCFD Report	Climate change is closely interrelated to the sustainable survival of living organisms and human beings on earth, and also affects the sustainable operation of enterprises.	GRI 201-2 GRI 3-3								3.1 TCFD Report on Climate Governance and Greenhouse Gas Emissions	30
	Based on the sustainable development of environment-friendly and green manufacturing business operation, Corum focuses on the management of greenhouse gas emissions, and monitors or improves the reduction behavior, implements and strives to reduce the environmental impact of manufacturing and mitigates the impact of climate change.										
Toxic & Waste Emissions	Complying with the proper management, prevention, and recycling of environmental wastes and pollutants to minimize their impact on the economy, society, and the environment.	GRI 3-3 GRI 306-1-306-5								3.2 Emission of Hazardous Substances	48
Water Management & Energy Management	Corum is committed to improving the use and management of various energy sources. To ensure the sustainability and circularity of water resources, we aim to enhance energy efficiency, minimize waste, promote water-saving measures, and encourage the adoption of energy-efficient technologies.	GRI 3-3								3.3 Water Resource Management	51
		GRI 302-1-302-5 GRI 303-1-303-5								3.4 Energy Resource Management	53

Material topic	Importance to operations	GRI Standards	Material topic, value chain, impact boundaries						Management guidelines, disclosed chapters	Page	
			Corum		Customer/ Distributor	Competent Authority	Supplier/ Contractor/ Outsourcer	Media			Board of Directors
			Head quarters	Chiayi factory							
Business Ethics	Business ethics is a manifestation of integrity in business operations, a crucial means of gaining trust, and the foundation for establishing meaningful, long-term partnerships with various stakeholders. It embodies the philosophy of sustainable business at Corum.	GRI 2-23-2-26 GRI 3-3 GRI 205-1-205-3 GRI 206-1	●	●	●	●	●	●	●	5.2 Business Ethics	83
Legal Compliance	Legal compliance is the foundation of corporate responsibility Ensuring regulatory compliance and avoiding illegal actions that may result in legal liabilities and fines, while establishing a positive corporate image, are essential for ensuring the steady growth and sustainable operations of an enterprise.	GRI 2-23-2-27 GRI 3-3	●	●	●	●	●	●	●	5.3 Compliance	85
Information Security	The occurrence of information security incidents may result in disruption of company operations and cause information leakage. It is imperative to prevent information breaches and protect sensitive information to further enhance information security management.	GRI 3-3 GRI 418-1	●	●		●				5.4 Information Security	87

Material topic	Importance to operations	GRI Standards	Material topic, value chain, impact boundaries						Management guidelines, disclosed chapters	Page	
			Corum		Customer/ Distributor	Competent Authority	Supplier/ Contractor/ Outsourcer	Media			Board of Directors
			Head quarters	Chiayi factory							
Product Liability	The safety, efficacy, and regulatory compliance of cosmetic ingredients are closely tied to the health and safety of users. From the research and development phase to production and marketing, Corum takes responsibility at every stage, including manufacturing, testing, auditing,	GRI 3-3 GRI 417-1-417-3	●	●	●	●		●	6.1 Product Liability	93	
Supply Chain Management & Procurement Practices	In the era of globalization, the supply chain becomes an extension of corporate social responsibility, where the human rights and environmental requirements of the suppliers are an integral part of the enterprises' sustainability goals.	GRI 204-1							6.2 Procurement in Practice	97	
		GRI 3-3 GRI 308-1-308-2 GRI 409-1 GRI 414-1-414-2	●	●	●		●		6.3 Supply Chain Management	98	
Customer Service	By upholding high product quality standards and utilizing innovative research and development capabilities, we strive to offer consumers a diverse range of healthy products. We also listen to customer feedback, address problems and meet customer needs, and continue to enhance customer satisfaction through cyclical quality management approach.	GRI 3-3 GRI 416-1-416-2	●	●	●			●	6.4 Customer Service	100	

2.3 Stakeholder Engagement and Approach (GRI : 2-25, 2-29)

Types and Significance of Stakeholders

Corum assesses various parties that may be affected, including individuals, groups, organizations, and society. In the 2022 Sustainability Report, we have identified 6 categories of stakeholders. Throughout the sustainability management process, we continuously monitor and update the list of stakeholders to ensure comprehensive coverage of all relevant parties.

Customer / Distributors

Customers are important business partners of Corum, we value the voice of customers and feedback, and provide appropriate solutions, we maintain professional services and grasp the industry trends to achieve customer goals, to maintain the survival and development of the enterprise while ensuring appropriate profitability.

Competent Authority

Aside from complying with the government's relevant regulations, we also proactively cooperate with policy implementation, where a transparent, two-way communication channel is adopted to obtain the trust, support, and cooperation of the government.

Board of Directors

The Board of Directors plays an integral role in the sustainable development of Corum. They not only lead the formulation of sustainable strategies but also oversee the Company's sustainability performance, identify various risks, drive innovative systems, promote sustainable practices, and assess the Company's sustainability achievements.

Employee

Talent is the foundation of our enterprise, and colleagues are our valued business partners. We must offer competitive salaries, comprehensive benefits, a comfortable and secure working environment to attract exceptional talents and foster mutual growth and development. For Corum, employees are the key to the Company's sustainable development.

Supplier / Contractor / Outsourcer

We diligently ensure that services provided by suppliers/contractors/outsource partners align with Corum's standards and principles, aiming to satisfy customers. We establish long-term collaborative partnerships with them to jointly promote sustainable development and uphold the Company's values.

Media

Media serves as the most direct and rapid channel for conveying brand image. Through reports, press releases, interviews, and other forms, the Company communicates Corum's values, product and service advantages, and endeavors to shape a positive brand image among the public. Therefore, the purpose of media coverage and communication is to effectively address topics of stakeholder concern. This helps in understanding market needs, enhancing products and services, rectifying errors, and achieving continuous improvement.

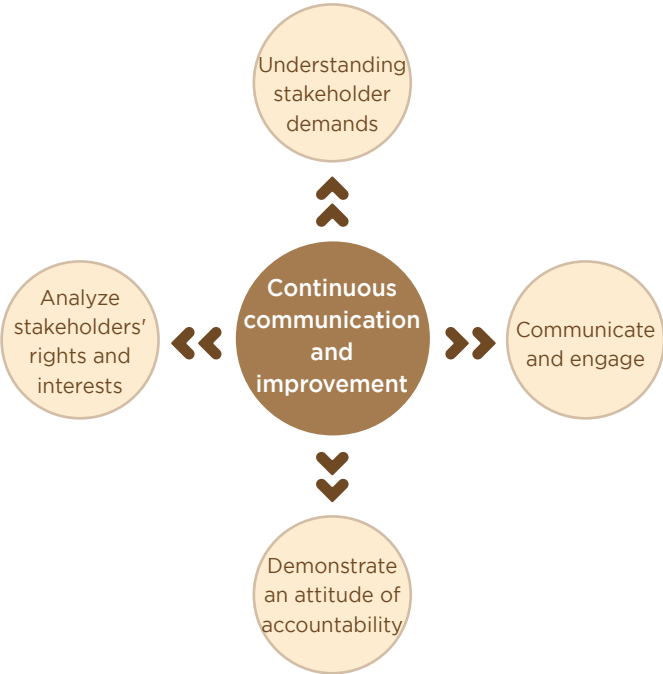


Communication Strategy Goals

Through a variety of channels, Corum engages with stakeholders, responds to stakeholder concerns, and proactively proposes strategies and actions to address them.



We welcome any feedback through our official Corum ESG website.



Frequency and Method of Communication

Type	Concerned topics	Communication channel (frequency)	Communication statistics for 2022
 Employee	Occupational Safety and Health Legal Compliance Toxic & Waste Emissions Labor Management	Internal meeting (Real-time)	Internal meetings are convened by various departmental executives to manage work targets and progress
		Executive reading club (Monthly)	Executive reading club : 11 sessions. Lecturers are invited to share their management or salesrelated books, knowledge, or experience with executives (unit directors or above) and sales employees
		Corum Newsletier, Social media (Monthly)	At least one newsletter is announced on Corum’s website, WeChat Official Account, Line Business ID, and LinkedIn Business Account every month (A total of 61 Chinese and English e-newsletters were published in 2022)
		Questionnaire on material topics of concern (Annually)	Survey on concern level of material topics : once
		Occupational safety and health proposal incentive (Quarterly/Annually)	Promote the 6S cultivation, quarterly and annual winners are commended and rewarded with a cash prize or gift vouchers as incentives (A total of 4 meetings were held in 2022)
		OHSC (Occupational Health and Safety Committee) (Quarterly)	SC (Occupational Health and Safety Committee) meetings : 4 times
		Health benefits (Every six months)	Health promotion lectures : 2 times
		Labor-management meeting (Quarterly)	Labor-management meetings : 4 times
		Education and training (Non-regular)	New employee education and training and pre-employment testing
		Official website (Non-regular)	At least one newsletter is announced on Corum’s website, every month
		Employee satisfactoon survey (Annually)	Employee satisfactoon survey : once

Type	Concerned topics	Communication channel (frequency)	Communication statistics for 2022
 Customer / Distributor	Information Security Legal Compliance Customer Service Product Liability Innovative R&D and Forward Thinking Supply Chain Management & Procurement Practices Business Ethics	Customer Satisfaction Survey (Annually)	Customer satisfaction survey : once
		Questionnaire on material topics of concern (Annually)	Survey on concern level of material topics : once
		Corum e-Newsletter, Social media platform (Monthly)	Publish at least 1 Chinese/English e-newsletter per month, published through e-mail newsletter, and on our official WeChat, Line, and LinkedIn accounts. (In 2022, a total of 61 e-newsletters were published in both English and Chinese.)
		Customer Complaint Handling (Real-time)	Customer complaint cases in 2022 : 0
		Responses on official website and raw material platform, product information updates (Real-time)	In 2022, we received 429 inquiries on the official website and raw material platform, and 24 product information updates.
		Quality regulatory statements, inspection reports, product briefing sessions, assistance and support for participation in international exhibitions, and business visits (As needed).	Provide inspection reports and declarations in response to customer needs and corporate announcements. From time to time, we organize product seminars in cooperation with domestic customers and local distribution agents in each country. Participated in 6 international raw material exhibitions in 2022 : Australian Society of Cosmetic Chemists (ASCC), in-cosmetics Korea, in-cosmetics Asia, SEPAWA Congress Germany, Indonesia Cosmetic Ingredients (ICI), Local seminar in Italy

Type	Concerned topics	Communication channel (frequency)	Communication statistics for 2022
 Competent Authority	Occupational Safety and Health	Questionnaire on material topics of concern (Annually)	Survey on concern level of material topics : once
	Toxic & Waste Emissions	Waste declaration, occupational accident monthly report declaration (Monthly)	Waste declaration : 12 times Occupational accident monthly report : 12 times
	Usage of Raw Material	Domestic chemical substance manufacturing and import declaration (Annually)	Chemical substance annual declaration and registration : once
	Biodiversity		
	Innovative R&D and Forward Thinking		
	Social Engagement	Registration or declaration in other countries or international sustainability organizations (Annually)	REACH Certification : once Halal certification : once COSMOS/EcoCert certification : once RSPO member certification : once NaTrue Certification : once
	Economic Performance		
	Business Ethics		
 Supplier / Contractor / Outsourcer	Legal Compliance	Participation in public symposiums and seminars, official correspondence, and public information (As needed).	Actively participate in relevant conferences and courses, and promptly respond to inquiries from competent authorities.
	Information Security		
	Legal Compliance	Questionnaire on material topics of concern (Annually)	Survey on concern level of material topics : once
	Supply Chain Management & Procurement Practices		
	Market Position	Supplier evaluation (Annually)	Supplier evaluation : once
	Business Ethics		
	Occupational Safety and Health		
	Customer Service	Supplier Sustainability Pledge Signing (Real-time)	Signing of Supplier Sustainability Pledge for new suppliers

Type	Concerned topics	Communication channel (frequency)	Communication statistics for 2022
 Media	GHG Emissions Occupational Safety and Health Legal Compliance Product Liability Customer Service	Questionnaire on material topics of concern (Annually)	Survey on concern level of material topics : once
		Press Releases (As needed)	3 press releases for media coverage
		Acceptance of interviews by international cosmetics magazines (As needed)	Interviews with international cosmetics magazines : once (Happi)
		Social media posts (As needed)	Publish at least one post per month in English and Chinese on social media platforms. (In 2022, a total of 61 e-newsletters were published in both English and Chinese.)
 Board of Directors	Usage of Raw Material Product Liability Customer Service Labor Management Economic Performance	Questionnaire on material topics of concern (Annually)	Survey on concern level of material topics : once
		Board meetings, training seminars, internal official correspondence (Irregular)	Meetings convened by directors, e.g., financial statements, business reports, strategic plans, risk assessment, and related regulations.

Chapter 3

Environmental Sustainability

- 3.1 GHG Emissions & TCFD Report
- 3.2 Toxic & Waste Emissions
- 3.3 Water Management
- 3.4 Energy Management
- 3.5 Usage of Raw Material
- 3.6 Biodiversity



3.1 GHG Emissions & TCFD Report (GRI : 201-2, 3-3)

Material Topic

GHG Emissions & TCFD Report

Importance to the Company

Climate change is closely interrelated to the sustainable survival of living organisms and human beings on earth, and also affects the sustainable operation of enterprises.

Based on the sustainable development of environment-friendly and green manufacturing business operation, Corum focuses on the management of greenhouse gas emissions, and monitors or improves the reduction behavior, implements and strives to reduce the environmental impact of manufacturing and mitigates the impact of climate change.

Policy commitment

Total participation, energy conservation and carbon reduction, and resource sustainability.

Short-term targets

Establish sustainable metrics for TCFD and ESG risks.

Complete GHG audits in 2023 in accordance with ISO 14064-1.

Medium to long-term targets

100% effectiveness for TCFD and ESG risk measures.

Reduced Scope 1+Scope 2+Scope 3 carbon emissions by 3% annually with 2022 as the base year (intensity unit: tCO₂e/per metric ton of product).

Annual resources invested and specific outcome

Introduced TCFD climate change risk management and review it annually to define the risks and opportunities under the TCFD framework in 2022.

First independent completion of greenhouse gas inventory (Scope 1, 2, 3), with the inventory scope comprehensively covering both Corum's Taipei headquarters and Chiayi Plant.

Domestic consolidated shipping solutions reduced carbon emissions by 20.9 tCO₂e and energy consumption by 74,552 kilojoules. Financial impact on the Company: Calculated total savings amounted to NT\$139,200 (US\$4,640).

Department responsible Grievance mechanism

Department responsible :
Finance Department

Grievance mechanism :
Via telephone or email

Department responsible :
EHS Office

Grievance mechanism :
Via telephone or email

Evaluation mechanism and performance

Evaluation mechanism :
High-level review meeting

Performance :
The Company has not experienced any material risk events under TCFD guidelines.

Evaluation mechanism :
EHS management committee review meeting

Performance:
The total GHG emissions in 2022 were 6,222.48 tonnes

Note : In the Environment, Health and Safety Committee (ESH Committee), "Environment" refers to the environment, while "Health and Safety" refers to occupational safety and health.

Response to Climate Change

Corum aligns itself with the international trends and in response to the global call for achieving net-zero emissions by 2050, we draw inspiration from the Task Force on Climate-Related Financial Disclosures (TCFD) released by the Financial Stability Board (FSB). This enables us to enhance our climate-related financial information disclosure in line with international standards. We have established a climate management strategy in line with international ESG standards. We are progressively enhancing our mechanisms for carbon inventory, climate risk, and opportunity management. We are integrating the concept of climate risk into our business services to ensure the Company possesses adequate knowledge and capabilities. Our aspiration is to systematically and step by step achieve the goal of net-zero emissions by 2050 in the future.

In this report, in addition to the regular review of material topics each year, we continue to uphold the following principles established in the previous year: These principles are derived from the TCFD framework, encompassing the core concepts of "Governance," "Strategy," "Risk Management," and "Metrics and Targets." Each year, we define climate governance-related risks and opportunities, aiming to provide stakeholders with insights into Corum's governance performance and responsive measures.

Governance



Corum's climate change-related discussions and management are conducted by the Sustainability Committee, while climate change-related resolutions are approved by the Board of Directors. The Sustainability Committee consists of subsidiaries including the Sustainability Office and three work teams : Corporate Governance Team, Sustainable Environment Team, and Social Engagement Team. The Sustainability Office is in charge of consolidating various work teams and generating TCFD assessment reports regularly for the Board of Directors as a reference for decision making.

Strategy



In response to the impact of climate-related risks and opportunities on the Company's strategy and financial plan, Corum has referred to TCFD's climate scenario analysis, implementing quantitative and qualitative climate scenario analyses to determine the response strategy. The Company takes into consideration the 2°C scenario (2DS) and engages in discussion at the Sustainability Committee meeting, where tools provided by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) are used to assess the physical risk scenario of climate change. The 2DS/RCP2.6 scenario was chosen as the Company's climate change physical risk scenario. The topic of climate change risks and opportunities is described in this scenario, focusing on physical risks and legal transition risks. Finally, climate risks and opportunities related to the Company's operations are identified, taking into reference manufacturing industry-related TCFD reports, where the timeframe of a decade is adopted to consider the Company's long-term business development. In particular, short-term, medium-term, and long-term are defined as a period of 1-3 years, 3-5 years, and 6-10 years, respectively.

Transitional Risk Scenario Analysis

According to the scenario analysis results announced by The Network of Central Banks and Supervisors for Greening the Financial System (NGFS), if the current situation continues, global temperatures will rise by 1.5°C by 2030, 2°C by 2050, and 3°C by 2090. In a 3°C warming scenario, global workforce could decrease by 10%, river floods could multiply, hurricanes and cyclones could increase, and global GDP might experience a 2% loss by 2040. On the other hand, if we can achieve net-zero emissions by 2050, although the global temperature will rise by 1.4°C in 2050, we will have the opportunity to change the living environment and economic conditions of our next generation.

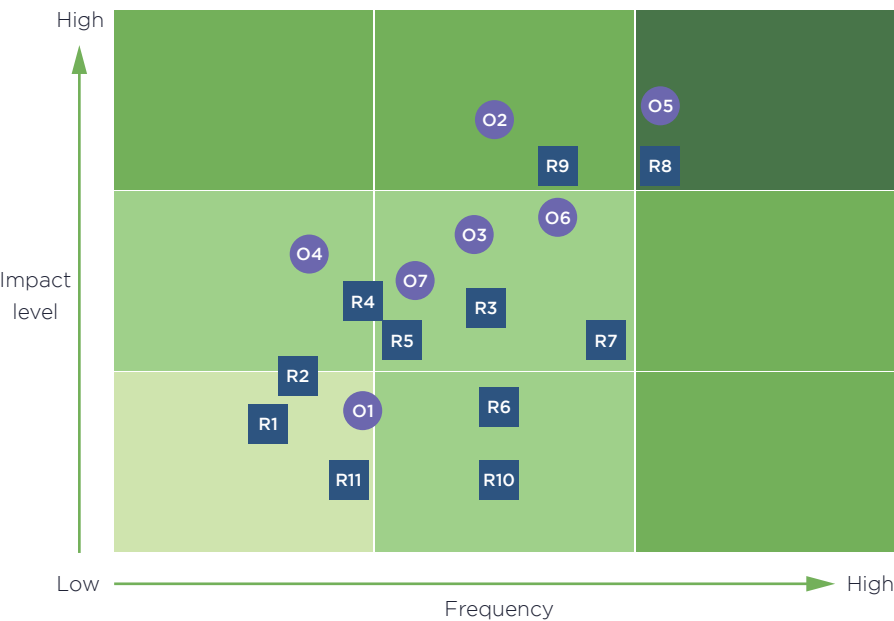
In the IEA 2DS scenario, as of February 2023, the carbon price in the European Union Emissions Trading System (ETS) has risen above EUR 100 per metric ton (approximately USD 107). This marks the highest carbon price level since the establishment of the EU ETS in 2005. Corum is not classified as a high-emission industry (such as power plants, aviation, and energy-intensive industries), and its products do not fall under carbon-intensive categories or items subject to EU carbon border adjustment taxes to prevent "carbon leakage." Therefore, in this scenario analysis, the transitional risk for Corum appears to be relatively low. However, as the Company's share of business in the European Union is approximately 26%, it's advisable to proactively plan and prepare for potential changes in carbon pricing and regulations to avoid losing our competitiveness in international trade due to the carbon tax in the future. Our countermeasure is to pre-calculate the EU carbon tax and conduct a scenario analysis, and gradually introduce a carbon footprint mechanism for our products. If the European Union were to adopt a carbon pricing scenario aligned with the IEA 2DS (2-Degree Scenario), targeting a global carbon emissions level of around 40 GtCO₂ per year between 2045 and 2060, it is anticipated that the carbon price in the EU would increase to EUR 196/tCO₂e by 2050. With this carbon price in mind, the Company could evaluate proposals for both the transportation and packaging of export products to the EU and the transportation and packaging of imported raw materials from the EU. This assessment can serve as a basis for evaluating the effectiveness of emission reduction efforts and for decreasing the carbon footprint of products during both the raw material procurement and manufacturing stages.

Physical Risk Scenario Analysis

The "Representative Concentration Pathways" (RCPs) are used as indicators based on the difference in radiative forcing between the years 2100 and 1750. These pathways are utilized to analyze future temperature and precipitation changes. RCP 2.6 is an increase in radiative forcing of 2.6 watts per square meter, indicating a scenario aimed at mitigating global warming.

Based on the comparison between the 2050 and 1986-2006 data provided by The Network of Central Banks and Supervisors for Greening the Financial System (NGFS), under the RCP 2.6 scenario, the carbon dioxide concentration is projected to be 421 ppm (parts per million), and Taiwan's workforce is expected to decrease by 2.3 percentage points (pp) by the year 2050. According to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), the estimated weather conditions in Taiwan for the year 2050 compared to the present indicate that the temperature is projected to rise by 0.92°C, and the rainfall is expected to increase by 4.36 millimeters per day. The average rainfall in Taiwan is 6.0 millimeters per day, which is equivalent to a 73% increase in rainfall. The rising temperatures will necessitate the implementation of cooling facilities in our company's premises. The increased rainfall could potentially lead to water-related issues, thereby raising the risk of damage to Corum's production equipment within the factory. This scenario would also entail higher maintenance costs for drainage systems and waterproofing projects, including expenses for preventative measures and post-event water drainage and sediment removal.

Corum’s TCFD Climate Risk and Opportunity Matrix for 2022



Corum assesses the impact and frequency of risks and opportunities, followed by conducting discussions to prioritize these risks and opportunities. Setting up different measures for short, medium and long term risks and opportunities, prioritizing acute and severe risks, and setting long term observation targets for chronic or minor risks.

1. The Company considers long-term business development over a 10-year period, with reference to some of the relevant manufacturing industry’s sustainability reports and TCFD reports, defining short-term as 1-3 years, medium-term as 3-5 years, and long-term as 6-10 years.
2. On the matrix chart, circular shapes represent risk topics, square shapes represent opportunity topics, and those with a highlighted background indicate significant risk and opportunity topics.

No.	Climate Change Risk Topic for 2022	Risk level	Time scope
R1	Increase GHG emissions pricing	Low	Long-term
R2	Reinforce the obligation of emissions reporting	Medium-Low	Long-term
R3	Requirements and regulations for existing products and services	Medium	Medium-term
R4	Replace existing products and services with low-carbon products	Medium	Long-term
R5	Cost of low-carbon technology transition	Medium	Medium-term
R6	Changes in customer behavior	Low	Long-term
R7	Changes in rainfall (water) patterns and extreme changes in climate patterns	Medium	Short-term
R8	Increasing severity of extreme weather events such as typhoons and floods	High	Short-term
R9	The rising cost of raw materials	High	Medium-term
R10	Rising average temperature	Low	Long-term
R11	Rising sea level	Low	Long-term

No.	Climate Change Opportunity Topic for 2022	Opportunity level	Time scope
O1	Decrease water consumption	Medium	Long-term
O2	Apply a more efficient production and distribution process	High	Medium-term
O3	Recycling	Medium	Long-term
O4	Shift to more efficient buildings (move to more energy efficient office space)	Medium	Long-term
O5	Apply more efficient transportation methods	High	Short-term
O6	Changing consumer preferences	Medium	Medium-term
O7	New product or service development through R&D innovation	Medium	Long-term

Risk Impact Assessment

No.	Risk type	Climate Change Risk Topic for 2022	Significant Potential Financial Impacts	Company-specific Description	Financial Impact Statement	Risk level	Time scope
R1	Emerging Regulations	Increase GHG emissions pricing	Increase in indirect (operating) costs	In January 2023, the Taiwanese government officially passed a bill renaming the previous "Greenhouse Gas Reduction and Management Act" to the "Climate Change Response Act." This act outlines the goal of achieving net-zero emissions by 2050 and initiates accompanying measures for carbon pricing. With respect to the carbon fee, the Company assessed the potential financial impact to be immaterial because the combined Scope 1 and Scope 2 values of the Company's greenhouse gas inventory were well below the government's regulated high emission threshold of 25,000 metric tons. As a result, both our operations and products are not subject to regulation or taxation under this act, leading to negligible impact on overall business operations. However, in anticipation of international carbon border adjustment mechanisms and to meet the international market demand for low-carbon products, a risk mitigation measure involves adopting ISO 14067 for product carbon footprint calculation and verification, which would present potential financial impacts.	At present, carbon border adjustment mechanisms have not been widely established among countries, and our products do not fall under high carbon emission categories. As a result, the potential financial impact of carbon border adjustment mechanisms has not been calculated.	Low	Long-term

R2	Emerging Regulations	Reinforce the obligation of emissions reporting	Increase in indirect (operating) costs	Taiwan's Financial Supervisory Commission (FSC) released the latest version of its "Sustainable Development Action Plan for TWSE- and TPEx-Listed Companies (2023)" in March 2023. This plan mandates that publicly listed companies with paid-in capital of less than NT\$2 billion must prepare a sustainability report starting from the year 2025. Currently, Corum is not a listed company and is not subject to the FSC's regulations. Despite this, we have taken the initiative to independently publish an annual corporate sustainability report. We consistently disclose greenhouse gas emission data for Scope 1, Scope 2, and Scope 3 emissions, reinforcing our commitment to emission reporting responsibilities and promoting ESG sustainable governance. Furthermore, starting from 2023, we are conducting a comprehensive greenhouse gas inventory in accordance with ISO 14064-1, aiming to present a holistic picture of our carbon emissions across various operational aspects. This effort involves establishing data collection and tracking mechanisms and revisiting our greenhouse gas reduction targets. In the future, we plan to implement ISO 14064-1 organizational-level greenhouse gas inventory verification procedures to further strengthen our reporting obligations.	Although Corum is not currently listed, we have proactively established a data collection system, conducted greenhouse gas inventories, and consistently published corporate sustainability reports. In the future, if the Company is listed on the TWSE or TPEx, or is required by new and emerging regulations to prepare a sustainability report and make related disclosures, we will have sufficient data and documents to prepare and submit the report. We currently evaluate the financial impact to be medium-low.	Medium-Low	Long-term

R3	Current Regulations	Requirements and regulations for existing products and services	Decrease in revenue due to lower demand for products and services	The Marketing Department of the Company is responsible for various aspects of product regulations and compliance, including regulatory inquiries, monitoring, testing, certification applications, patents, trademarks, substance safety, and global compliance for cosmetics. We provide a range of documents and information to serve our clients, such as Regulatory Information Sheets (RIS), Safety Data Sheets (SDS), Technical Data Sheets (TDS), and various types of statements.	Corum is primarily focused on exports and sells to over forty countries internationally. We have exclusive partnership arrangements with distribution agents in various countries. Therefore, while our Marketing Department oversees the consolidation of regulatory matters, our agents and clients in different countries also provide immediate feedback and share local regulatory updates. As a result, we assess the potential financial impact of this risk as medium.	Medium	Medium-term
	Technology	Replace existing products and services with low-carbon products	Decrease in revenue due to lower demand for products and services	From a manufacturing process perspective, the Company needs to introduce new technologies, equipment or energy sources to optimize its manufacturing processes to reduce waste, reduce energy consumption or improve energy efficiency in order to reduce emissions. In terms of downstream transportation, the Company continues to implement domestic consolidated shipping measures to reduce carbon emissions from product shipping.	The imperative for low-carbon products is an inevitable trend. Corum is actively engaged in process optimization and downstream transportation measures, and we have established a research and development incentive mechanism to encourage emission reduction in our processes. We also remain committed to adhering to the 12 Principles of Green Chemistry. Therefore, we assess the financial impact of this risk as medium.	Medium	Long-term

R5	Technology	Cost of low-carbon technology transition	Increase in capital expenditure	The Company's R&D center will be relocated in August 2023 to expand its space and introduce new equipment and technology for low-carbon technology transition. In addition, our factory plant may need to introduce new equipment, including energy management systems such as smart meters, smart water meters, smart gas meters, etc., as well as statistical systems for calculating process hours and real-time efficiency of equipment production, to inventory the carbon footprint calculation reports of the products, and then make technological adjustments and restructuring of the products that have high emissions.	The transition to low-carbon technologies is proposed and planned by the Company's R&D Center. The oversight and supervision of this transition will be a collaborative effort between the Board of Directors and the Finance Center. To support these initiatives, the R&D laboratory will be relocated to a new space in August 2023, allowing for a complete reconfiguration and expansion of the facility. Additionally, the laboratory equipment will be updated and upgraded to facilitate the introduction of new technologies.	Medium	Medium-term
	Market	Changes in customer behavior	Increase in credit risk	Overseen by the Finance Center, Corum's financial management is facilitated through an ERP system, which enables us to implement a credit limit control mechanism for each customer and distributor. This allows us to closely monitor sales conditions and request prompt updates from the business units regarding customer payments and credit statuses, thereby establishing payment terms and credit limits based on internal control processes.	The actual amount of doubtful accounts receivable loss in fiscal year 2022 was zero. To enhance our internal controls and auditing procedures, our company underwent a comprehensive ERP system update in 2022, led by the Finance Center. This update was aimed at providing more real-time and accurate operational information, ensuring the sustainability of our business. Furthermore, in 2023, the Finance Center collaborated with the IT Department to further promote the complete overhaul of our CRM system. This initiative aims to facilitate the comprehensive collection of business information, enabling us to promptly understand customer preferences and order statuses. Beyond facilitating customer opportunity management, the upgraded CRM system is particularly vital for thorough credit management evaluations based on key information.	Low	Long-term

R7	Severe Natural Factors	Changes in rainfall (water) patterns and extreme changes in climate patterns	Increase in indirect (operating) costs	Both Taiwan and various parts of the world have been experiencing an increase in the severity of extreme weather events, along with changing precipitation patterns. In 2022, Taiwan witnessed a decrease in overall rainfall and the number of rainy days, contributing to significant variations in the wet and dry periods across different regions. Such fluctuations in precipitation have heightened Taiwan's reliance on reservoir storage for water supply. However, the capacity of reservoirs poses an additional challenge in ensuring a consistent and reliable water supply.. Although the Company currently assesses the potential financial impact of changes in precipitation patterns to be low, there are still slight effects on our work and transportation schedules.	As highlighted in the 2021 Sustainability Report, Corum has taken proactive steps to address such challenges. We have implemented drainage systems and regularly maintain them to ensure proper functioning during heavy rainfall. Additionally, we actively advocate for water conservation measures. World Water Day, observed on March 22nd each year, provides an opportunity for our Marketing Department to continually communicate with employees, agents, and clients, urging them to raise their awareness about water conservation and encouraging actions that promote water-saving practices. The installation of water saving devices at water faucets has been completed by 2022. In addition, the plant has water storage facilities, so we are always prepared for emergencies.	Medium	Short-term
	Severe Natural Factors	Increasing severity of extreme weather events such as typhoons and floods	Direct Cost Increases	The increasing occurrence of extreme weather events such as typhoons and heavy rainfall can potentially lead to flooding, affecting employee attendance, transportation, and production. To address these challenges, the Company conducts regular cleaning and maintenance of the drainage system and has formulated emergency response plans for typhoons and rainstorms, which are included in the daily safety education drills to mitigate associated risks. Furthermore, we have established a 6S incentive competition program within our factory premises to promote safety, organization, and preparedness, emphasizing both daily safety practices and emergency response drills.	Typhoon leave (compulsory leave) directly leads to a reduction in working hours, which may in turn result in a decrease in production output. After assessment by the Finance Center, considering the flexibility of production capacity, if the number of days of compulsory leave due to typhoons or other natural disasters is within 7 days, the resulting shutdown losses are unlikely to significantly impact production capacity. In addition, the Company has formulated emergency evacuation measures and relocation, material and equipment management procedures to maintain productivity.	High	Short-term

R9	Market	The rising cost of raw materials	Direct Cost Increases	In recent years, factors such as the Russian-Ukrainian war, inflation, and the COVID-19 pandemic have led to increased energy costs and rising raw material prices, directly impacting our finances.	To mitigate these effects, the Company is taking three key actions: increasing local sourcing of raw materials, evaluating suppliers through sustainable project assessments, and establishing a diversified procurement system. These efforts aim to enhance supply chain flexibility and minimize the cost increases caused by raw material fluctuations.	High	Medium-term
	Long-term Natural Factors	Rising average temperature	Increase in indirect (operating) costs	Temperature variations (air, freshwater, seawater) represent a chronic change over a long period of time, and we will continue to monitor local temperature fluctuations in Taiwan. This includes ensuring the maintenance of operational equipment and having well-prepared emergency procedures.	Corum has always emphasized on the maintenance and management of the operation equipment, considering the temperature, humidity, sunshine, and ventilation direction of the plant, and confirming the installation location of each equipment through professional design, therefore, the financial impact of this risk is assessed to be low.	Low	Long-term
	Long-term Natural Factors	Rising sea level	Indirect (Operating) Costs	Sea level rise is a long-term natural change. The Company will continue to pay attention to the fluctuation of temperature, sea level rise, and related facilities maintenance, personnel management, and emergency response procedures in Taiwan.	The Company's factory plant is located in Minxiong Industrial Park, Chiayi County, Taiwan, at an elevation of 38 meters above sea level and 30 kilometers from the coastline. It is not situated in a coastal area and is also not close to any rivers. As a result, it is not within an area severely prone to flooding due to sea-level rise. Therefore, the Finance Center has assessed the risk of sea-level rise to be negligible.	Low	Long-term

Opportunity Impact Assessment

No.	Opportunity type	Climate Change Opportunity Topic for 2022	Significant Potential Financial Impacts	Company-specific Description	Financial Impact Statement	Opportunity level	Time scope
O1	Resource Efficiency	Decrease water consumption	Revenue growth from increased demand for our products and services	In 2021, we launched Azeclair® P, a new, more environmentally friendly active ingredient through process optimization. It was converted from liquid Azeclair® to powder, which dramatically improves purity, removes artificial preservatives, and reduces the weight of the raw material, as well as the carbon footprint of the process and transportation, and reduces the amount of water consumed. In addition to upgrading product quality and enhancing safety and ease of use, we also aim to meet the market's sustainable demands and environmental principles.	With increasing market attention and sales volume since the launch of the product, the financial impact is assessed to be medium based on a combination of sales performance and resources invested in the new manufacturing process.	Medium	Long-term
O2	Resource Efficiency	Apply a more efficient production and distribution process	Direct Cost Reduction	In November 2021, we completed the expansion of our P2 plant, which commenced production in 2022. The incorporation of advanced equipment and production processes facilitated an increase in production capacity, resulting in improved production efficiency and supply flexibility.	The utilization of more efficient production equipment in the P2 plant, following rigorous testing and adjustments, has enabled us to fulfill the increased orders for our key products. The assessment of the financial impact of this opportunity is deemed to be high.	High	Medium-term

O3	Resource Efficiency	Recycling	Direct Cost Reduction	The Company has established an R&D incentive system to encourage process optimization based on the "12 Principles of Green Chemistry". Currently, a number of flagship products have been optimized to use more efficient production processes, such as reducing solvent usage, increasing solvent recovery rate, and reducing energy consumption of equipment.	Through these process improvements, the solvent recovery rate for our main products has reached 56%. This environmentally-friendly approach not only maintains product quality and stability but also aligns with the international market's increasing emphasis on environmental concerns. The assessment of the financial impact of this opportunity is considered to be moderate.	Medium	Long-term
	Resource Efficiency	Shift to more efficient buildings (move to more energy efficient office space)	Increased revenue from increased production capacity	In 2022, the Company acquired five new office spaces to serve as the new location for our expanded R&D Center. This expansion aims to increase the scale of our existing laboratories, introduce new technologies, and enhance our research and development capabilities and speed. The completion and relocation are expected to take place in the second quarter of 2023.	The new cutting-edge R&D Center will facilitate more efficient communication and technical discussions among the various laboratories within the Company. Collaboration across specialized fields such as chemistry, biochemistry, molecular biology, and histology will be optimized, enabling us to jointly develop effective, safe, and stable active ingredients. This move is anticipated to boost our research and development velocity, efficacy studies, and ultimately contribute to product development and future revenue growth. The assessment of the financial impact of this opportunity is considered to be medium.	Medium	Long-term

O5	Resource Efficiency	Apply more efficient transportation methods	Reduced indirect (operating) costs	Since 2021, Corum has been implementing domestic consolidated shipping measures to reduce the number of transportation trips. This strategy aims to decrease carbon emissions and energy consumption associated with transportation, serving as a tangible effort to address climate change.	Through the implementation of consolidated shipping models, the reduction in transportation trips directly contributes to lowering our domestic shipping expenses. The assessment of the financial impact of this opportunity is considered to be high.	High	Short-term
O6	Products and Services	Changing consumer preferences	Revenue growth from increased demand for our products and services	In recent years, the natural disasters brought about by the aggravation of climate change have made people realize the importance of sustainable development of the environment; this awareness extends to the beauty and cosmetics industry as well. When we examine the ingredients, processes, and packaging of beauty and skincare products, we can uncover issues related to the natural or organic nature of the ingredients, controversies surrounding animal testing, and the generation of substantial waste during manufacturing. Each step in the process contributes to pollution and harm to the environment in ways that are often difficult to fathom. In response to the growing trend of "eco-friendly beauty" in Western markets and the strong demand for natural/organic certifications for cosmetic ingredients, Corum has proactively and continuously invested manpower and resources to apply for natural/organic sustainability certifications for our products. This includes initiatives such as: NaTrue, COSMOS, RSPO, etc. Achieving these sustainability certifications from reputable organizations in the beauty industry ensures that our clients (cosmetic manufacturers) and end consumers (cosmetic users) have increased trust in our raw materials, knowing that they are environmentally friendly, animal-friendly, and safe.	While increasing the number of applications for eco-friendly/natural/organic certifications for our products will increase labor and costs, it will also enable us to grasp the changing needs of consumers and meet the demands of the international market. By adhering to the defined criteria and screening processes of these certifications, we can also demonstrate that our products undergo low-pollution, low-energy consumption, resource-efficient processes, ensuring safety, and being environmentally friendly. This endows customers with even more confidence when choosing our products. This action also aligns with the Company's goal and commitment to environmental sustainability and net-zero carbon sustainability. The financial impact of this opportunity is assessed to be medium.	Medium	Medium-term

07	Products and Services	New product or service development through R&D innovation	Revenue growth from increased demand for our products and services	In addition to honing our chemical synthesis research and development capabilities, in recent years, we have also developed our research and development capabilities in plant tissue culture and extraction, focusing on the research of high potency plant activities and the development of new products.	The resources required for new technology and product development is substantial. However, considering the demand and prospects of the plant-based ingredient market, along with factors like climate change, cultivation methods, pesticide use, and planting areas, we utilize innovative biological extraction and cultivation techniques to develop plant-based materials suitable for cosmetics. This approach allows us to overcome the aforementioned influencing factors and pursue the development of novel ingredients. The financial impact of this opportunity was assessed to be medium.	Medium	Long-term

Risk Management



The Company's Sustainability Committee engages in discussions in the "TCFD climate change-related financial disclosure discussion meeting", which calls upon the members to discuss and identify climate change-related risks and opportunities. The structure recommended by TCFD is introduced to the discussion content, while transition risks (policies and regulations, technology, market, reputation), physical risks (immediate risks, long-term risks), and opportunities (resource efficiency, energy source, products/services, markets, and resilience) are discussed and identified.

1. Transition market risks : Identified 1 major risk.

(The rising cost of raw materials)

We have identified a high-risk factor for climate change management as "increase in raw material costs". Climate change brings about natural disasters and climatic events such as floods, droughts, hurricanes, etc., which can lead to road disruptions, hampering the transportation of raw materials or products. This disruption in transportation can easily result in interruptions in the supply of raw materials. Additionally, the reform of carbon taxation systems in various countries worldwide is also causing an increase in raw material costs, thereby increasing operational expenses for the Company. The Company will consider how to cope with this risk in the future :

1. Increase the proportion of local sourcing of raw materials.
2. Stabilize prices by establishing long-term supply contracts and a backup supplier system.
3. We are gradually implementing a plan to replace high-carbon footprint raw materials with those that have lower carbon footprints. This involves reconfiguring the composition of product raw materials to optimize efficacy while mitigating their environmental impact. By enhancing the substitutability and diversity of resources, we are actively developing alternative materials to ensure the stability of our operations.

2. Physical immediate risks : Identified 1 major risk.

(Increasing severity of extreme weather events such as typhoons and floods)

Taiwan is located in the Pacific Ring of Fire, prone to seismic activities, and it is also situated along the main path of typhoons in the northwest Pacific region. Due to these factors, our company places significant emphasis on the impact and management of extreme weather events like typhoons and floods. Our ability to respond to extreme climate events and adjust production with flexibility is closely tied to the occupational health and safety management performance of our factory plant and the effectiveness of our emergency response measures. A healthy, zero-hazard and highly responsive factory relies on the implementation of rigorous safety policies by all employees on a daily basis in order to make timely, immediate and flexible adjustments to production in response to short-, medium- and long-term climate change issues. Starting from 2019, the Company's ESH Committee has launched the "6S Competency - Workplace Five-Year Incentive Plan" within the ISO 9001 management framework. We have established a rewarding mechanism that includes quarterly and annual awards in the form of bonuses or gift certificates. This initiative aims to encourage every employee in the factory to enhance the effectiveness of occupational safety and health management.

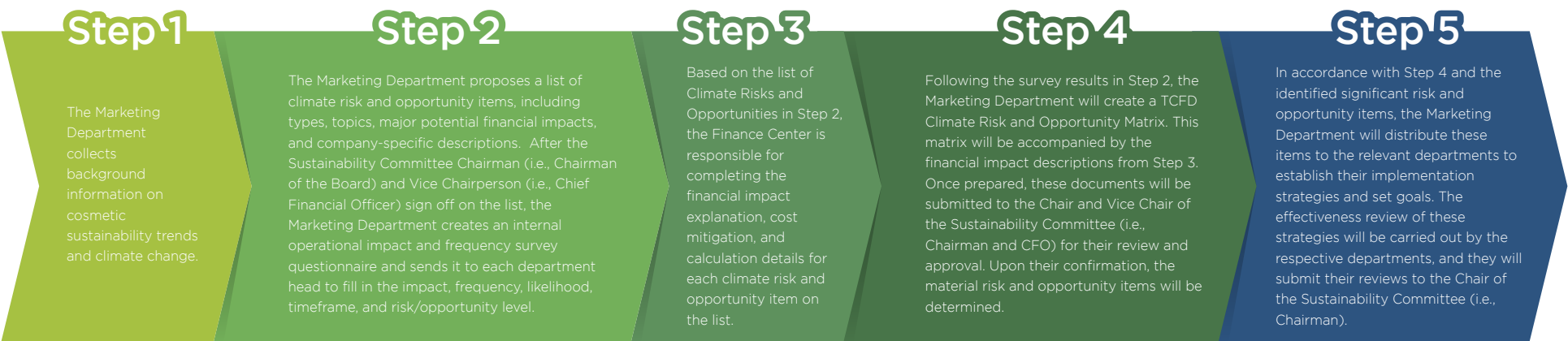
3. Resource efficiency opportunities : Identified 2 major opportunities.
(Apply a more efficient production and distribution process & Apply more efficient transportation methods)

In order to optimize the application of resource efficiency, Corum has set up a research and development incentive mechanism based on the "12 Principles of Green Chemistry" to encourage the optimization of manufacturing processes, including the reduction of energy consumption, the reduction of waste in manufacturing processes, the recycling of solvents, the enhancement of purity quality, the improvement of production efficiency, the increase of batch yields, and so on, so as to fundamentally enhance the efficiency of resources.

We also take into consideration the impact of transportation efficiency on our operations and the environment, such as energy consumption and carbon emissions during the transportation process being critical environmental factors. To address this, we continue to pursue the significant opportunities identified in the year 2021. Through efficient logistical planning and optimal selection of transportation methods, we aim to save operational costs and reduce energy consumption. Our strategies include :

1. Plan the optimal transportation solution to reduce transportation costs and carbon emissions.
2. Take advantage of the CRM platform to increase distribution process efficiency, customer stickiness, and customer satisfaction in order to generate better sales forecasts and reports.
3. Continue to monitor the carbon trading market and developments in international carbon pricing to evaluate the feasibility of engaging in the carbon trading market in the future.

TCFD Risk and Opportunity Management Process



Response to Climate Change Risk and Opportunity Topic					
Type	Risk and Opportunity Topic - Material Topic	Impact on the Company's Operations	Risk and Opportunity Response Measures	Financial Impact Statement	Time scope
Physical immediate risks	R8 Increasing severity of extreme weather events such as typhoons and floods	Weather events, such as flooding and extreme high temperatures, may cause direct disaster impacts and increase the Company's operating costs.	1. Formulate [6S Competency - Workplace Five-Year Incentive Plan] and set up factory plant incentive mechanism to maintain daily safety and emergency disaster prevention drills. 2. Enhance drainage and regular maintenance systems. 3. Strengthen information and equipment, such as emergency power supply and backup power mechanism. Take precautionary measures when heavy rainfall warnings are issued.	In addition to generating direct catastrophic impacts, there are also various indirect effects that need to be considered. These may include decreased productivity, the need for emergency evacuation measures and relocation, and damage to materials and equipment. To maintain stable operations in the face of such challenges, the Company must establish relevant management procedures and plans. The 6S Competency - Workplace Five-Year Incentive Plan of our factory plant awards winners NT\$3,000 in cash rewards or gift vouchers every quarter and NT\$10,000 in cash rewards or gift vouchers every year.	Short-term
Transition market risks	R9 The rising cost of raw materials	Rise in the Company's operating costs.	1. Increase the proportion of local sourcing of raw materials. 2. Stabilize prices by establishing long-term supply contracts and a backup supplier system. 3. Increase the substitutability and diversity of raw materials and develop opportunities to substitute raw materials to maintain stable operations.	Rising costs of raw materials poses a negative impact on the Company's finances, resulting in a decrease in operating profit and gross profit margin, which will affect the overall operation of the Company. In FY2022, the cost of major raw materials for major products will increase by 42% compared to FY2021, resulting in an increase of NT\$1 million/year (approximately USD33,330) in overall operating costs. Since Corum established a diversified procurement system, it can effectively enhance the stability and flexibility of the supply chain, reduce the risk, and stabilize the fluctuation of raw material prices to mitigate impact on the Company.	Medium-term

Resource efficiency opportunities	O2 Apply a more efficient production and distribution process	Reduce production costs and enhance competitiveness.	We have established a research and development incentive mechanism based on the "12 Principles of Green Chemistry" to encourage process optimization. This includes reducing energy consumption, minimizing waste in processes, solvent recovery, enhancing purity and quality, improving production efficiency, and increasing batch yields, which contribute to fundamentally elevating resource efficiency.	To implement green production and align with greenhouse gas reduction targets, we not only award research and development bonuses from time to time but also recognize and reward proposal contributors with commendations or higher based on project benefits. Additionally, we provide performance-based annual bonuses according to our employee performance management policy. In 2022, a total of 4 employees were rewarded, with the bonuses paid out by January of the following year.	Medium-term
	O5 Apply more efficient transportation methods	Help to decrease transportation-related expenses and carbon emissions.	To change our customer service process and approach, we have adopted a domestic consolidated shipping logistics to reduce shipping distance and carbon emissions.	In 2022, the domestic consolidation shipping initiative reduced 93 delivery trips, reduced carbon emissions by 20.9 tCO2e, energy consumption by 74,552 kilojoules, and transportation kilometers by 30,622. Financial impact on the Company: calculated total savings of about NT\$139,200 (USD 4,640).	Short-term

Remarks : Based on the average internal transportation cost per trip (Chiayi to Tainan: NT\$1,200; Chiayi to Taichung: NT\$1,500; Chiayi to Taipei: NT\$1,800), a total of NT\$139,200 was calculated to be saved in transportation costs.



Metrics and Targets

Corum recognizes the transitional opportunities that arise from addressing the challenges of "Climate Governance Response." We are committed to collaborating with our clients to embark on a journey towards a low-carbon and green economy transformation. Together, we aim to mitigate the impacts of climate change and contribute to a more sustainable future. In order to realize and implement a sustainable path, we have formulated various indicators based on the TCFD climate risks and opportunities, and reviewed the achievement status in order to realize the purpose of protecting the global environment.

● Disclosure of Scope 1, 2 and 3 GHG Emissions and Related Risks

In accordance with the ISO 14064-1 standard guidelines, the greenhouse gas verification situation of Corum's greenhouse gas emissions is disclosed in the Company's operation boundary covering the operation-related greenhouse gas emissions, for details, please refer to the following chapter "Greenhouse Gas Emissions".

● Metrics and Targets of Transitional Risks and Opportunities

1. The average annual electricity saving rate should be more than 1%.
2. Formulate the annual energy consumption standard value, improve and review energy consumption conditions every year, as well as allocate a budget for production process improvement and equipment replacement every year in a bid to lower energy consumption.
3. Introduce greenhouse gas inventory system, energy management system, and water resource management system to complete the product carbon footprint initiative.
4. Starting from the base year of 2022, we are committed to annually reducing the combined Scope 1 + Scope 2 + Scope 3 emissions by 3% per ton of product (measured in tCO₂e per metric ton of product). This progressive reduction in emissions is aligned with our goal to achieve net-zero carbon emissions (carbon neutrality) by the year 2050.
5. Develop the concept of circular economy and reduce waste generation, reducing waste per ton of production capacity by 1% in 2023 compared to 2021; achieving a 3% reduction in waste per ton of production capacity in 2026 compared to 2021.
6. Evaluate the purchase of green power and the use of renewable energy to meet national reduction targets.

● Metrics and Targets of Physical Risks and Opportunities

1. Zero incidents leading to significant operational disruptions.
2. Develop incentive mechanisms and emergency disaster preparedness drills to ensure adequate risk control and enhance operational resilience in the face of extreme weather conditions.
3. Expand the impact of consolidated shipping program to improve the efficient use of resources.

The Status of Corum’s 2022 TCFD Target Achievement Status.

Targets Set in 2021	2022 Achievement Status and Descriptions
Average annual electricity saving rate of at least 1%.	The average annual energy saving rate for 2022 was -93.19%, which did not meet the target set for the year 2021. The main reason for this was the official commencement of production at the Chiayi P2 Plant, which led to a significant increase in overall energy consumption.
Formulate the annual energy consumption standard value, improve and review energy consumption conditions every year, as well as allocate a budget for production process improvement and equipment replacement every year in a bid to lower energy consumption.	In 2022, energy use was higher than that in 2021, mainly due to the fact that the Chiayi P2 Plant was officially put into production and the overall energy consumption increased significantly.
Implement a GHG emissions audit in accordance with ISO 14064-1 in 2023 to complete the self-audit GHG emissions report.	In 2022, Corum completed the carbon inventory calculation for Scope 3 for the first time.
For the 2021 annual carbon audit, the scope 1, 2, and 3 emissions were 348.72, 1,193.15, and 94.10 tonnes of CO ₂ e/year, respectively. The total annual emissions were 1,635.97 tonnes of CO ₂ e/year. 2021 will be used as the base year for subsequent reduction targets to gradually reduce scope 1 and scope 2 emissions by 3% every year (intensity unit).	In 2022, Scope 1 emissions were 656.18 metric tCO₂e/year, Scope 2 emissions were 2,359.82 tCO₂e/year, and Scope 3 emissions were 3,206.48 tCO₂e/year, for a total of 6,222.48 tCO₂e/year in 2022. The increase in total emissions in 2022 is primarily due to the commencement of production at the new P2 plant in Chiayi, as well as the completion of the initial calculation for Scope 3 emissions. These factors have contributed to the overall rise in greenhouse gas emissions for 2022. In alignment with the goal of achieving "Net- Zero Carbon Emissions (Carbon Neutrality) by 2050," Corum has adopted 2022 as the new baseline year. In 2022, a comprehensive inventory was conducted following the guidelines of ISO 14064-1 and the Greenhouse Gas Emission Reduction and Management Act: There are 15 categories in Scope 1, Scope 2, and Scope 3, so we have changed to 2022 as the base year in order to meet the representativeness and to further set the carbon reduction target. Our carbon reduction goal is to achieve a yearly reduction of 3% in the intensity data of Scope 1 + Scope 2 + Scope 3 emissions (measured in tCO₂e /metric ton of product) from the baseline year. The carbon intensity data for the base year (2022) is 7.1751, and 3% is 0.2153, which means that our target is to reduce the carbon intensity data by 0.2153 per year. It is estimated that there will be a cumulative reduction of 6.0284 by 2050, which is still 16% (1.1467) short of the base year carbon intensity of 7.1751. Further effort is required to evaluate and incorporate other feasible practices.
Continue to promote the consolidated shipping policy. The goal is to decrease the number of customers with more than 14 annual shipments to less than 18 by 2024. At present, the benefits of consolidated shipping in 2021 include a reduction of 28,134 km of shipping mileage, a decrease of 17.6 tonnes of CO ₂ emissions, and a reduction of 68,495 KJ of energy consumption compared to 2020.	In 2022, Corum achieved further advancements in carbon reduction performance through our consolidated shipping measures. The energy consumption has been reduced by an even greater margin of 8.84% compared to 2021, and the CO ₂ carbon emissions have also further decreased by 18.75%. This significant achievement surpasses the UN annual target of reducing carbon emissions by 7.6%. In 2022, there were 30 customers with over 14 shipments, indicating the need to continue efforts in effective communication with these clients.

Remarks :

1. In 2021, the carbon emissions statistics for Scope 1 and Scope 2 were based on the Chiayi Plant as the primary reporting boundary. However, in the reporting year of 2022, the carbon emissions statistics were reported for the entire operations of Corum, including various locations such as the Taipei headquarters (Taipei City), business offices (Taichung City, Tainan City), R&D Center (New Taipei City), and the factory plant (Minxiong Industrial Park, Chiayi County).

2. Corum fully supports the TCFD Initiative. Please access TCFD’s official website and search the list of supporters: <https://www.fsb-tcfd.org/supporters/>.

Greenhouse Gas Emissions (GRI : 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7)

In light of emerging environmental awareness, Corum expects to improve our performance in environmental protection and social values, as well as to achieve the benefits of environmental sustainability by incorporating green management and energy conservation plans into our business operations. The Company has introduced the ISO 14001: 2015 environmental management and obtained certificates from third-party accreditation units. In terms of environmental topics such as GHG, energy, air pollution, wastewater discharge, and waste disposal, we will continue to improve our performance in a bid to minimize environmental impact and damage.

In light of global climate change, the tightening of international carbon management regulations, and the increasing awareness of low-carbon consumption, governments, and enterprises around the world are beginning to place greater emphasis on environmental sustainability. In supporting the government's policy on environmental protection and energy conservation, Corum also sees them as one of the most important action goals in combating climate change. Under the leadership of the Sustainability Committee Chairman Li Pei-Min, the Company's approach to combating climate change is reviewed regularly, and the TCFD framework is applied to identify risks and opportunities. Metrics will be formulated based on the identification outcome to implement goal management in order to mitigate the financial impact of climate change on our operations.

In 2022, Corum initiated a comprehensive carbon inventory to expand the collection and re-examination of data to identify opportunities for energy saving and carbon reduction, and to review reasonable target setting. The greenhouse gas emission data of the last three years are listed in the table below. The reasons for the increase in total emissions are analyzed as follows.

- (1) Chiayi P2 Plant entered operations in 2022, which increased energy usage and led to an increase in total GHG emissions in 2022.
- (2) Inclusion of inventory data from 15 categories in Scope 3 of the upstream and downstream value chain led to an increase in total GHG emissions in 2022.
- (3) In addition to the Chiayi Plant, the scope of the report includes various operating locations such as the Taipei headquarters (Taipei City), business offices (Taichung City, Tainan City), R&D Center (New Taipei City), and the factory plant (Minxiong Industrial Park, Chiayi County).
- (4) Direct emission sources for greenhouse gases in 2022 were not only limited to fixed energy sources but also included emissions from fugitive sources, mobile sources, and process-related sources.

In order to establish realistic goals and actively participate in voluntary emission reductions, we have adjusted our baseline year to 2022. The revised emission reduction target and scope are as follows: an annual reduction of 3% (combined for Scope 1, Scope 2, and Scope 3 emissions) intensity (per metric ton of product). This adjustment reflects our commitment to effectively address climate change and promote sustainable practices. In addition to meeting the requirements of CDP disclosure, we also aim to demonstrate consistency and transparency. This is intended to enable meaningful comparisons between greenhouse gas inventories and reduction measures. In the future, based on a foundation of audits, we aim to address all relevant issues factually and coherently, ensuring a seamless approach in response to the market's demand for a low-carbon economy and to promote both the mitigation and adaptation of climate change.

Corum’s GHG emissions between 2020-2022 (tonne of CO2e)

Year \ GHG	Scope 1 (tonnes of CO2e/year)	Scope 2 (tonnes of CO2e/year)	Scope 3 (tonnes of CO2e/year)	Total emissions (tonnes of CO2e/year)
2020	300.60	958.00	-	1,258.60
The ratio of various scopes	24%	76%	-	100%
2021	348.72	1,193.15	94.10	1,635.97
The ratio of various scopes	21%	73%	6%	100%
2022	656.18	2359.82	3206.48	6,222.48
The ratio of various scopes	10.55%	37.92%	51.53%	100%

Remarks.

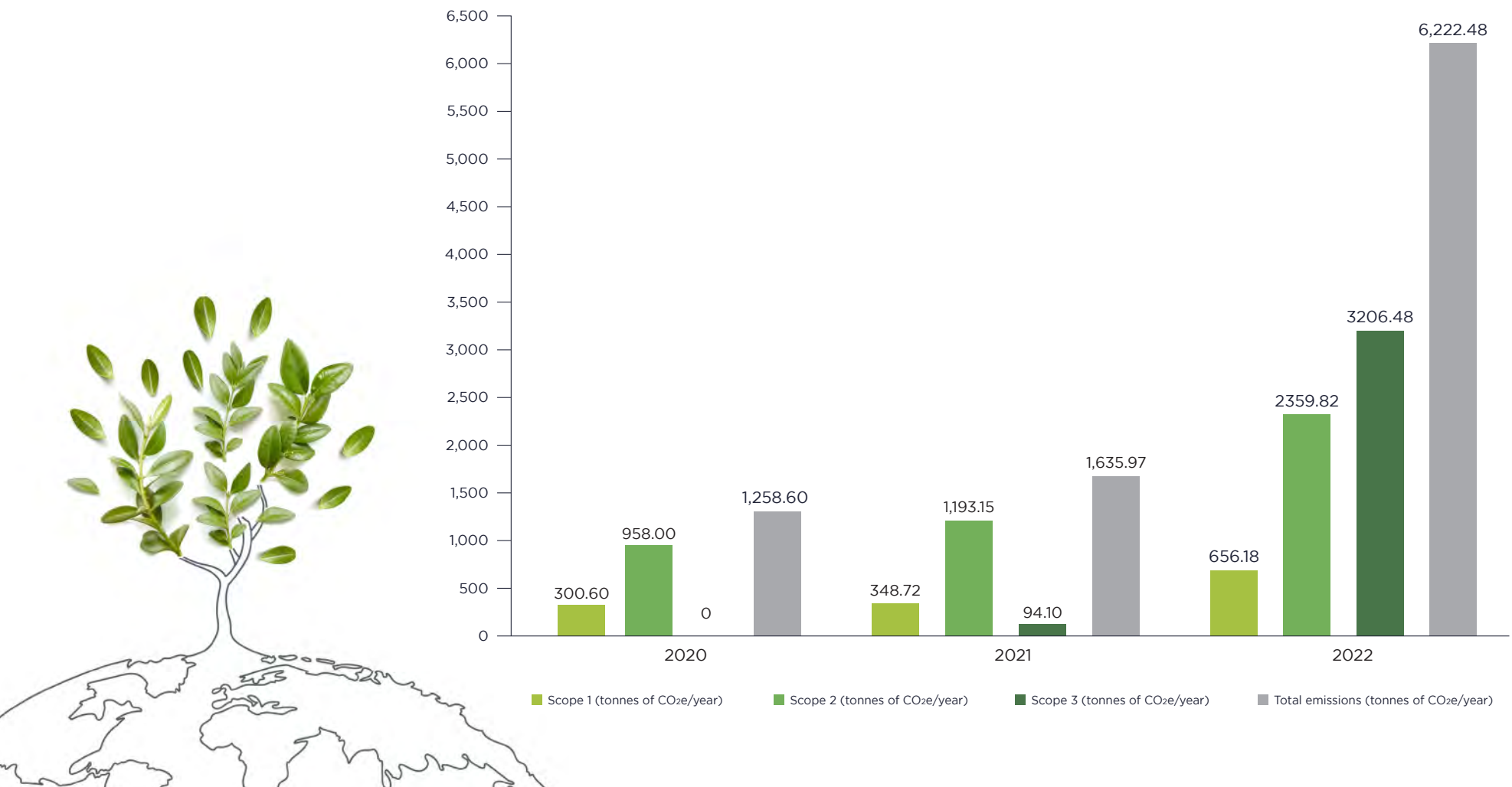
1. The reporting boundary for CO2 emissions statistics in 2022 encompasses all operational locations of Corum, including Taipei headquarters (Taipei City), business offices (Taichung City, Tainan City), R&D centers (New Taipei City), and factories (Minxiong Industrial Park, Chiayi County). The greenhouse gas emissions in 2022 exceeded those of the year 2021 primarily due to an increase in production capacity. Furthermore, the inclusion of emissions from all 15 categories of Scope 3 has contributed to the overall increase in greenhouse gas emissions.

2. Commencing in the year 2021, the Scope 3 inventory was included. In that year, only Category 7, "Employee Commuting," was included for assessment. The calculation method was based on an internal survey of our employees' commuting methods, combined with data from Taiwan's Ministry of Economic Affairs, Bureau of Energy, and the Industrial Technology Research Institute's (ITRI) database, incorporating the average number of working days in a year and transportation emission factors. Referring to the Industrial Technology Research Institute's Product Carbon Footprint Information Network: For gasoline-powered passenger cars, the emission is 0.115 kg CO2e per kilometer; for motorcycles, the emission is 0.0951 kg CO2e per kilometer. According to the ISO 14064-1 standard for organizational greenhouse gas inventory, the emission quantity is calculated as follows: Emission Quantity = Activity Data * Emissions Factor * GWP, where GWP is referenced from the IPCC's Sixth Assessment Report.

In 2022, a comprehensive assessment of Scope 3 emissions was conducted, encompassing 15 categories. This was carried out following the principles of the 80/20 rule and due diligence, aiming to reduce uncertainty wherever feasible. Assumptions and scenario analyses were disclosed based on factual information, aiming to provide meaningful comparability of greenhouse gas data. All emissions within the defined boundary were recorded and reported, along with explanations for exclusions, ensuring that relevant information on greenhouse gases can be compared meaningfully, with the aim of meeting the information disclosure needs of both internal and external stakeholders for decision-making purposes.

3. The calculated greenhouse gas types include : carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride. The Company does not emit ozone depleting substances (ODS) or other significant gases, and excludes them from the calculation on the basis of a 5% significance threshold in accordance with the ISO14064-1 inventory principle. Greenhouse gas inventories are compiled using the "operational control method".

Corum’s GHG emissions between 2020-2022 (tonne of CO2e)



Scope 3 Calculation

In line with "Taiwan's Pathway to Net-Zero Emissions in 2050", as well as the CDP Carbon Disclosure Questionnaire and EcoVadis Sustainability Assessment requested by our customers, Corum has been actively promoting the greenhouse gas inventory operation in recent years to build up the Company's greenhouse gas inventory capability. In 2023, we will conduct the first inventory of all the operation areas of Corum, including: Chiayi Plant, Taipei Headquarters, New Taipei City R&D Center, Taichung Office and Tainan Office. In 2023, a complete inventory of Scope 3 emissions across 15 categories was conducted for the first time, aiming to connect the entire supply chain for collaborative carbon reduction efforts. This initiative also aims to enhance the quality of sustainability reporting, increase transparency of information, and strengthen corporate governance practices.

Scope 3 Items and Emission Categories	Relevance	Emissions (tonnes of CO2e/year)	Percentage of total carbon emissions in 2022	Scope of Calculation
Category 1 : Purchased Goods and Services	Relevant and calculated	2521.902	40.5294%	The scope of this inventory is the products and services procured by Corum in 2022. In accordance with the 80/20 rule and the spirit of due diligence, the focus was placed on selecting the most significant suppliers both domestically and internationally for categories such as cardboard boxes, printed materials, photocopy paper, and major chemical raw materials. Within this scope, the carbon emissions associated with the procurement of these products and services were calculated.
Category 2 : Capital Goods	Relevant and calculated	0.41	0.0066%	The scope of this inventory is the carbon emissions of notebook equipment purchased by Corum in 2022.
Category 3 : Fuel and Energy Related Activities (Not included in Scope 1 or 2)	Relevant and calculated	0	0	The scope of this inventory is the fuel and energy activities of Corum that are not included in Scope 1 or Scope 2 in 2022. Since Corum did not engage in the procurement of coal, pyrolysis low sulfur fuel oil, and also does not participate in energy extraction or transportation activities, there are no emissions in this category.
Category 4 : Upstream Transportation and Distribution	Relevant and calculated	0	0	In this inventory scope, which aligns with Category 1, following the principles of the 80/20 rule and due diligence, we have identified the most significant suppliers for the procurement of paper boxes, printed materials, photocopy paper, and key chemical raw materials, both domestically and internationally. After investigation, there is no carbon emission in this category because the associated shipping cost is paid by the suppliers, not by us.

Scope 3 Items and Emission Categories	Relevance	Emissions (tonnes of CO2e/year)	Percentage of total carbon emissions in 2022	Scope of Calculation
Category 5 : Waste Generated in Operations	Relevant and calculated	330.39	5.3097%	The scope of this inventory encompasses the carbon emissions from the business waste generated by Corum in 2022. Given that the total waste generation from the Taipei headquarters, New Taipei R&D Center, and the offices in Taichung and Tainan collectively accounts for less than 5% of the total, they have been excluded from the calculation. Thus, the carbon emissions from the business waste generated by the Chiayi Plant are considered within the calculation scope.
Category 6 : Business Travel	Relevant and calculated	6.32	0.1015%	The scope of this inventory is the carbon emissions from business travel and lodging of Corum employees in 2022.
Category 7 : Employee Commuting	Relevant and calculated	98.26	1.5791%	The scope of this inventory is the carbon emissions from transportation services availed by Corum employees when commuting in 2022.
Category 8 : Upstream Leased Assets	Relevant and calculated	0	0	During the assessment of greenhouse gas emissions sources for Corum in 2022, no greenhouse gas emissions were identified from upstream leased assets. Therefore, there are no emissions to report in this category.
Category 9 : Downstream Transportation and Distribution (Domestic shipments including sample delivery, transportation carbon emissions)	Relevant and calculated	240.80	3.8698%	The scope of this inventory is the downstream transportation carbon emissions generated from the shipment of genuine goods and samples to customers paid by Corum in 2022. Since all export shipping costs are paid by customers or distributor agents, this category only counts the carbon emissions from domestic shipments paid for by Corum.
Category 10 : Processing of Sold (Intermediate) Products	Relevant, excluded from calculation	0.37	0.0060%	The scope of this assessment involves selecting downstream customers who have undergone greenhouse gas emissions assessment in 2022. The assessment includes Category 1 and Category 2 emissions and calculates the percentage allocation to Corum, which is used to determine the carbon emissions in this category.

Scope 3 Items and Emission Categories	Relevance	Emissions (tonnes of CO2e/year)	Percentage of total carbon emissions in 2022	Scope of Calculation
Category 11 : Use of Sold Products	Relevant and calculated	0.16	0.0026%	As a manufacturer of raw materials for cosmetics, we used a scenario analysis to calculate the carbon emissions generated from selling products that require refrigeration in 2022 and the use of refrigerators to store them for 1 year.
Category 12 : End-of-Life Treatment of Sold Products	Relevant and calculated	0	0	As a manufacturer of raw materials for cosmetics, we used a scenario analysis to calculate that in 2022, the total amount of products sold that were scrapped by customers in 2022 was zero due to the demand-driven production to fulfill orders.
Category 13 : Downstream Leased Assets	Relevant and calculated	0	0	In Corum's assessment of greenhouse gas emission sources, no greenhouse gas emissions generated from downstream leased assets were found, so there were no emissions in this category.
Category 14 : Franchises and Authorized Distributors	Relevant and calculated	7.83	0.1258%	The scope of this inventory covers the greenhouse gas emissions assessment conducted for the fiscal year 2022 by Corum, specifically focusing on selected collaborating distributors who have participated in the greenhouse gas inventory process. The assessment includes categories 1 and 2 emissions, along with the distribution percentage attributed to Corum, which is utilized to calculate the carbon emissions for this category.
Category 15 : Investments	Not Relevant	0	0	No greenhouse gas emissions from investments were found in the assessment of greenhouse gas emission sources of Corum, therefore, there are no emissions in this category.
Total of Scope 3		3206.48	51.5306%	

Remarks :

1. The reporting boundary for Scope 3 carbon emissions statistics includes primarily the Taipei headquarters (Taipei City), business offices (Taichung City, Tainan City), R&D Center (New Taipei City), Chiayi Plant (Chiayi County Minxiong Industrial Park).
2. In response to the CDP international questionnaire, the three categories of the scope are presented with reference to the GHG Protocol.

This is the first time that Corum has conducted a Scope 3 calculation , and it includes the complete operational scope of the Company. Through the Scope 3 calculation , we have identified that "Category 1: Purchased Goods and Services" is the largest source of emissions within Scope 3. This highlights the importance of engaging with upstream suppliers to take action for emissions reduction. In the future, we will develop emissions reduction proposals based on this direction. When establishing the "Diversified Procurement System" internally, we will also consider the carbon management and goals of our suppliers as part of the evaluation process.

The carbon emissions related to our customers and distributor agents are classified into categories 9, 10, and 14, with category 9 being the primary contributor. To reduce the carbon emissions from domestic shipping, our company has been implementing domestic consolidated shipping measures since 2021, achieving year-on-year reduction results. Please refer to the following for the relevant performance data: Energy Saving Achievements - Domestic Consolidated Shipping

Even though the downstream transportation and distribution costs for exports are covered by the purchasing party, we still intend to analyze the frequency of transportation and carbon emissions. We aim to encourage more customers and authorized distributors to learn from us and implement the "consolidated shipping for carbon reduction" measures, thereby reducing the carbon dioxide emissions generated during the transportation processes.

In addition, we plan to develop more low-carbon and environmentally friendly products to meet customer needs and market trends. Furthermore, we also need to consider and pay attention to climate-related import and export carbon tax policies or equivalent policies, and formulate reasonable carbon credit allocation rules based on stability, consistency, fairness and representativeness.

Energy Saving Example - Domestic Consolidated Shipping

Corum takes proactive steps in engaging domestic clients who have shipped more than 14 times in the previous year. The Domestic Sales Department communicates with these clients to regulate their shipment frequencies and encourages them to consolidate their orders. The goal is to reduce the number of trips for delivery trucks, decrease mileage, and ultimately lower transportation costs.



Short-term targets (2022)	Medium-term targets (2024)	Long-term targets (2027)
More than 14 annual shipments Fewer than 20 customers	More than 14 annual shipments Fewer than 18 customers	More than 14 annual shipments Fewer than 15 customers



Energy conservation goals

- (1) Target : Convince customers with more than 14 shipments last year to consolidate their orders to reduce the number of shipments.

(2) If the number of shipments of a single product after deducting the consolidated shipments still exceeds 5, the annual shipments of that parcular product must be decreased by 15%, and the total shipments must be decreased by 10%.

Further Achievements in Carbon Reduction for Consolidated Shipping

In 2021, a reduction of 17.6 tCO₂e and a decrease in energy consumption of 68,495 kilojoules were achieved.

In 2022, a reduction of 20.9 tCO₂e and a decrease in energy consumption of 74,552 kilojoules were achieved.

In 2022, Corum is proud to have achieved further advancements in carbon reduction performance through our consolidated shipping measures. The energy consumption has been reduced by an even greater margin of 8.84% compared to 2021, and the CO₂ carbon emissions have also further decreased by 18.75%. This significant achievement surpasses the UN annual target of reducing carbon emissions by 7.6%. We will continue to implement the consolidated shipping measures for domestic customer shipments and gradually develop feasible carbon reduction strategies based on the statistics from Scope 3 emissions.

Note 1 : The mileage is calculated by multiplying the hypothetical shipping distances of the regions with the highest number of shipments in December 2022 in the north, central, and south regions by the number of shipments in various regions and totaled.

Note 2 : Gasoline commercial trucks emit 0.626kg of CO₂e/km.

Note 3 : Calculated based on small trucks with an engine displacement of 1.5L, consuming 0.0746 liters of fuel per kilometer.

Note 4 : 1 liter of gasoline=7,800kcal, 1kcal=4.184J.

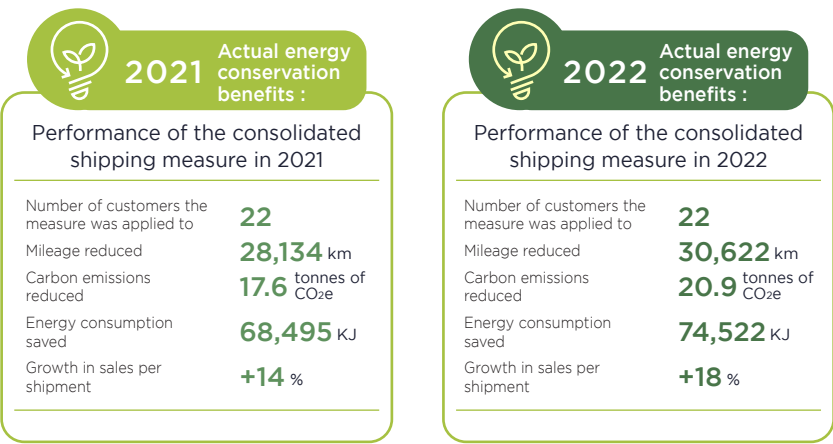
Above energy conservation calculations are conducted based on ITRI's Carbon Footprint Information Platform and Bureau of Energy, MOEA

Carbon Emissions Reduction Performance Review :

In light of the goal of achieving "Net-Zero Carbon Emissions (Carbon Neutrality) by 2050," we have established intensity-based carbon reduction targets, with the intensity unit being tCO₂e/ton of product.

Inclusion Targets and Excluded Items: The targets cover Scope 1, Scope 2, and Scope 3 emissions. Excluded from the targets are the five categories within Scope 3: Category 3, Category 4, Category 8, Category 13, and Category 15, as emissions in these categories are zero, as they are not generated in Corum's business operations.

Base Year : 2022
Base year intensity target value : 7.1751 tCO₂e/ton of product
Target :Reduce the intensity data of the base year by 3% per year (unit: tCO₂e/ton of product) , i.e. 0.2153 reduction in intensity data per year.
Reporting Year : 2022
Carbon Reduction Achievements in the Reporting Year : A total of 20.98 tCO₂e was reduced, which translates to an intensity figure of 0.0242, accounting for 0.34% of the total.



Carbon Reduction Actions in 2022	Carbon Reduction Achievements in 2022	Calculation
Beach Clean-up Activity	Reduced 0.08 tCO ₂ e	According to the Taiwan Carbon Footprint Information Platform of the Environmental Protection Administra- tion, for every 1 kilogram of garbage output reduction (1 kilogram of recycled waste), about 2.06 kilograms of CO ₂ e emissions are reduced. In 2022, a total of 40 kilograms of garbage was reduced from the beach cleanup activities, which translates to a carbon reduction of 82.4 kilograms of CO ₂ e (about 0.08 tCO ₂ e).
Domestic Shipping Consolidation Measures	Reduced 20.9 tCO ₂ e	According to the Taiwan Carbon Footprint Information Platform of ITRI and the Bureau of Energy of the Ministry of Economic Affairs, gasoline-powered commercial light trucks emit 0.626kg CO ₂ e per kilometer. In 2022, a total of 30,622 kilometers of domestic consoli- dated shipping was reduced, which translates to a carbon reduction of 20.9 tCO ₂ e.
Total	Reduced 20.98 tCO ₂ e	

Assessment : In alignment with the goal of achieving "Net- Zero Carbon Emissions (Carbon Neutrality) by 2050," Corum has adopted 2022 as the new baseline year. In 2022, a comprehensive inventory was conducted following the guidelines of ISO 14064-1 and the Greenhouse Gas Emission Reduction and Management Act : There are 15 categories in Scope 1, Scope 2, and Scope 3, so we have changed to 2022 as the base year in order to meet the representative- ness and to further set the carbon reduction target.

Our carbon reduction goal is to achieve a yearly reduction of 3% in the intensity data of Scope 1 + Scope 2 + Scope 3 emissions (measured in tCO₂e /metric ton of product) from the baseline year. The carbon intensity data for the base year (2022) is 7.1751, and 3% is 0.2153, which means that our target is to reduce the carbon intensity data by 0.2153 per year. It is estimated that there will be a cumulative reduction of 6.0284 by 2050, which is still 16% (1.1467) short of the base year carbon intensity of 7.1751. Further effort is required to evaluate and incorporate other feasible practices.

3.2 Toxic & Waste Emissions (GRI : 3-3, 306-1, 306-2, 306-3, 306-4, 306-5)

Material Topic	Medium to long-term targets
Toxic & Waste Emissions	Wastes generated per tonne of production will be decreased by 3% in 2026 compared to 2021.
Importance to the Company	Annual resources invested and specific outcome
Complying with the proper management, prevention, and recycling of environmental wastes and pollutants to minimize their impact on the economy, society, and the environment.	Continuous waste reduction measures are on track to achieve a 1% reduction by 2023 compared to 2021.
Policy commitment	Department responsible Grievance mechanism
Adhered to the principle of source management, production process waste reduction, and end-of-line control to minimize environmental impact.	Department responsible : EHS Office Grievance mechanism : Via telephone or email
Short-term targets	Evaluation mechanism and performance
Wastes generated per tonne of production will be decreased by 1% in 2023 compared to 2021.	Evaluation mechanism : Quarterly review by the OHSC (Occupational Health and Safety Committee) Performance : The total waste generated in 2022 was 925.03 tonnes

Four Major Environmental Policies

To prevent waste generation from operational activities and throughout the value chain, as well as to manage the potential impacts of waste, Corum has established four major environmental policies. Furthermore, the Company has set up contingency indicators for harmful substance emissions, including waste reduction, air pollution prevention and control, and waste management.

Waste Reduction

We promote the following waste reduction principles, focusing on garbage classification and rejecting the use of single-use utensils, as well as setting up recycling bins to reduce the amount of household garbage and cultivate environmental protection awareness, in order to achieve the purpose of waste reduction.

- Garbage Sorting : Ensure that garbage is separated into recyclables, compostables and other garbage.
- Reduce Plastic Use : Avoid single-use plastic products such as plastic bags, bottles, straws, etc. and choose reusable alternatives such as glass containers and stainless steel straws.
- Increase Recycling and Reuse : Encourage and support recycling programs to ensure that recyclables go into the proper recycling process.
- Reduce the Amount of Domestic Waste : Buy products in the right portions and minimize food waste.
- Cultivate Environmental Awareness : Educate yourself and others about the importance of waste reduction and sustainable lifestyles. Promote environmental awareness through publicity, educational programs and community involvement.

Air Pollution Prevention and Control

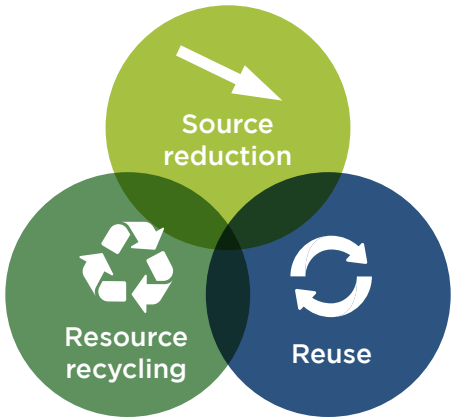
In terms of air pollution management actions, Corum has established the "Air Pollution Prevention and Control Facilities Operation Procedures". In accordance with local regulations in Taiwan and by meeting the facility requirements stipulated by local authorities, the Company has obtained the "Operating Permit for Fixed Pollution Sources." Within our internal operations, cleanliness is required, and we have established ISO-standard operating procedures for the operation of related preventive and control equipment. For example: Stainless Steel Reactor Tank Operation Guidelines. In addition, we regularly analyze the levels of key air pollutants and monitor environmental air quality. We have installed scrubbers to reduce the emissions of air pollutants. Regular training for personnel is conducted, and third-party monitoring and analysis reports are generated periodically to ensure the achievement of air pollution management objectives.



Waste Management

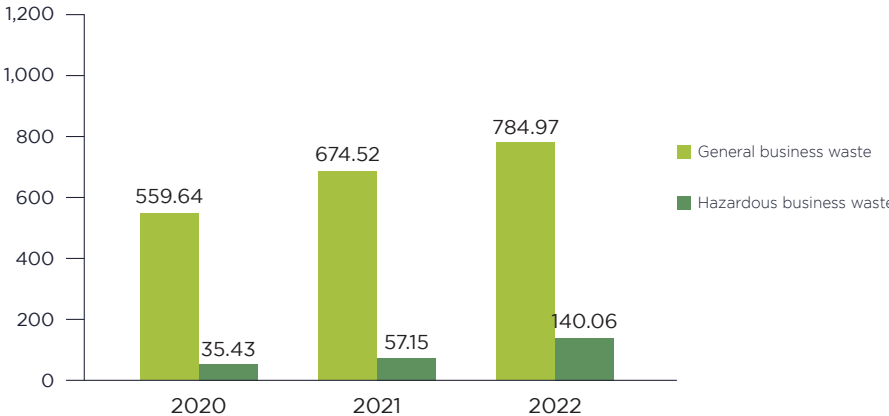
For the industrial waste generated by Corum, we classify and store them in accordance with applicable management regulations and the chemical characteristics of each waste, and then appoint qualified vendors to recycle and remove them.

Waste Management Principles



Waste management emphasizes source reduction followed by waste resource recycling and disposal by contractors in compliance with relevant laws and regulations. Before waste disposal is outsourced to contractors, we first categorize, collect, store, and manage wastes in the factory. Suitable waste disposal firms are chosen to clear the waste and declare its final destination in accordance with environmental laws before eventually handing it over to the treatment plant. Currently, all wastes are processed domestically and there is no problem with international processing and waste leakage. Corum's wastes consist of general business waste and hazardous business wastes.

Wastes Generated by Corum between 2020-2022 (tonne)



The total amount of waste generated in 2022 was 925.03 metric tons, an increase of 26.4% compared to 2021's 731.67 metric tons. The reason for this increase is that the Chiayi P2 Plant has been put into operation, resulting in an increase in the amount of waste produced.

Corum’s wastes are generated during the production process or by the laboratory, and there are also employees’ domestic wastes such as waste wood and waste plastic. When the wastes stored in the factory reach a certain amount, they will be disposed of by EPA-registered and approved contractors. Furthermore, annual audits of the disposal contractors are conducted to ensure the legitimacy of their operations.

Disposal and Transfer of Waste in 2020-2022

	2020	2021	2022
Hazardous business wastes (tonne)			
C-0301 (the flash point of the waste liquid is less than 60°C(except for alcohol waste with an ethanol volume concentration of less than 24%))	35.39	57.15	140.06
C-0299 (other corrosive industrial waste mixtures)	0.04	0	0
General business waste (tonne)			
D-0299 (waste plastic or its mixture)	11.05	3.81	6.98
*D-0902 (inorganic sludge)	9.44	21.48	29.58
D-1504 (non-hazardous organic waste liquid or waste solvent)	498.93	609.38	711.86
D-2302 (non-halogenated organic waste chemicals)	2.47	0	0.76
*Waste paper	10.53	12.13	8.63
General garbage	27.22	27.72	27.16
Total	595.07	731.67	925.03

Note : All waste is transported out and disposed of externally, and in accordance with the new GRI guidelines for disclosure, the total waste generation is compiled excluding wastewater.

Disposal of Waste in 2022

	2022
Hazardous business wastes (tonne)	
Incineration	140.06
General business waste (tonne)	
Incineration	746.76
Thermal Treatment	29.58
Recycling	8.63
Total	925.02

Note : Except for D-0902 (inorganic sludge) treated by thermal methods and waste paper processed through recycling, all other waste is disposed of through incineration.



3.3 Water Management (GRI : 3-3, 303-1, 303-2, 303-3, 303-4, 303-5)

Material Topic

Water Management

Energy Management

Importance to the Company

Corum is committed to improving the use and management of various energy sources. To ensure the sustainability and circularity of water resources, we aim to enhance energy efficiency, minimize waste, promote water-saving measures, and encourage the adoption of energy-efficient technologies.

Policy commitment

Improving water efficiency, enhancing water risk management throughout the upstream and downstream supply chain, and conserving water resources.

Comply with applicable laws and regulations to enhance energy-saving efficiency, use of green products and raw materials in order to achieve the set energy-saving goals.

Short-term targets

1. Reducing emissions of pollutants.
2. Ensuring water resource allocation to address potential water-related risks.
3. Actively manage and promote water conservation measures, such as installing water-saving devices and rainwater harvesting systems.

1. For electricity consumption: Introduce energy-saving lighting and air-conditioning facilities.
2. For natural gas consumption: Replacement of equipment with models featuring higher energy-saving efficiency.
3. Cargo shipping: Communicate with domestic (and foreign) customers to formulate relevant energy-saving shipping measures.

Medium to long-term targets

1. Implement ISO 46001 Water Efficiency Management System to reduce water consumption footprint and enhance transparency in water resource information.
 2. Conduct water resource education and training to promote greater awareness and understanding.
1. Establish an energy monitoring system and implement the ISO 50001 energy management system.
 2. Evaluate the purchase of green electricity.

Annual resources invested and specific outcome

Starting from 2022, we began recording recycled water volumes and continuously developing products with low water consumption processes.

Continuously carry out transportation measures for domestic shipments, and gradually develop relevant feasible carbon reduction plans through the statistics of Scope 3.

Department responsible Grievance mechanism

Department responsible : EHS Office

Grievance mechanism : Via telephone or email

Department responsible : EHS Office

Grievance mechanism : Via telephone or email

Evaluation mechanism and performance

Evaluation mechanism :
Quarterly review by the OHSC (Occupational Health and Safety Committee)

Performance : There was no violation of laws and regulations on water quality and discharge requirements in 2022.

Evaluation mechanism :
Quarterly review by the OHSC (Occupational Health and Safety Committee)

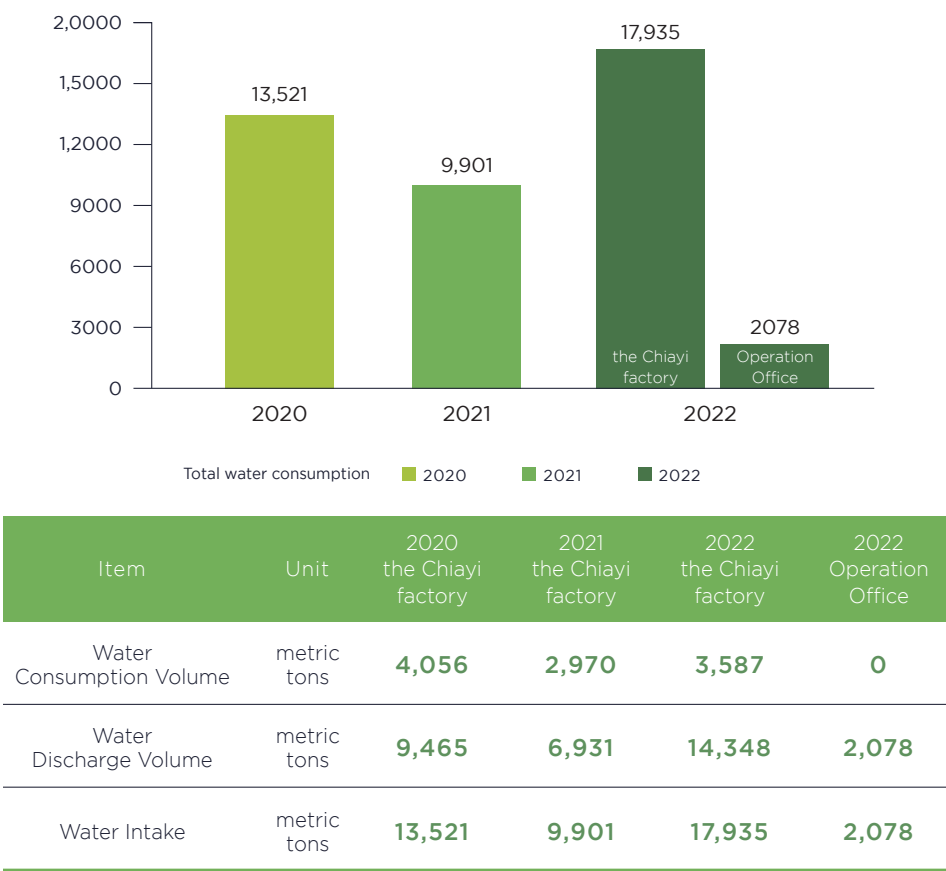
Performance : In 2022, the domestic customer shipment consolidation transportation scheme resulted in an energy savings of 74,552 kilojoules.

Corum attaches great importance to water quality inspection and wastewater discharge management, and the water intake of the office and factory meets the standards stipulated by the law and has no significant ecological impact on the water source. The Chiayi Plant is located in Minxiong Township, Chiayi County, adjacent to Niu Chou River. The discharged water is commissioned to qualified environmental testing organizations, and samples are taken regularly for testing, and meets the acceptance standards of the Minxiong Industrial Park Service Center's Sewage Treatment Plant, and is incorporated into the Service Center's Sewage Treatment Plant for final treatment. We are dedicated to enhancing our water resource efficiency management system and developing a circular water utilization model. The water used for boilers in our Chiayi Plant is condensate recycling, whereby the soft water produced from water softeners is supplied to the boilers through general tanks, and the steam produced from the boilers is supplied to the reactor equipment or heat exchangers, condensed into condensate, and then returned to the general tanks for recycling; water used for the various offices and service locations is only supplied to the employees and partially to our customers and it has a minimal impact on water resources. The water is mainly used for drinking, air conditioning systems, cleaning, and other general purposes. In 2022, no violation of water quality and discharge requirements occurred in Corum's Chiayi Plant. We adhered to legal requirements by submitting monthly waste disposal records, monitoring, and managing wastewater treatment. The total amount of wastewater treated at the Chiayi Plant in 2022 was 466.25 metric tons. Furthermore, in 2022, the total water intake from the public water supply was 17,935 metric tons, which represents an 81% increase compared to the year 2021. This increase can primarily be attributed to the commencement of production at the Chiayi P2 Plant. Additionally, the inclusion of water consumption from Corum's business office locations in this year's report has contributed to the overall increase in water consumption for the year.

Corum will further develop both long-term and short-term water resource plans, which will include identifying water resource needs, evaluating water resource availability, and formulating water resource development and utilization strategies. This is to ensure the sustainable supply of water resources. Furthermore, we also advocate for the following water-saving measures :

1. Water Resource Protection : Reduce the discharge of pollutants and protect the ecological environment of water sources.
2. Allocation of Water Resources : Ensure rational use of water resources and stabilize the allocation and scheduling of water resources.
3. Water Conservation : Promote water-saving equipment and technology to improve the efficiency of water resources utilization.

Corum's Water Consumption between 2020-2022 (m³)



Remarks :

1. Water consumption = Water intake - Water discharge

2. Water intake for Corum is solely sourced form Taiwan Water Corporation or Taipei Water Department. There is no groundwater or other water sources.

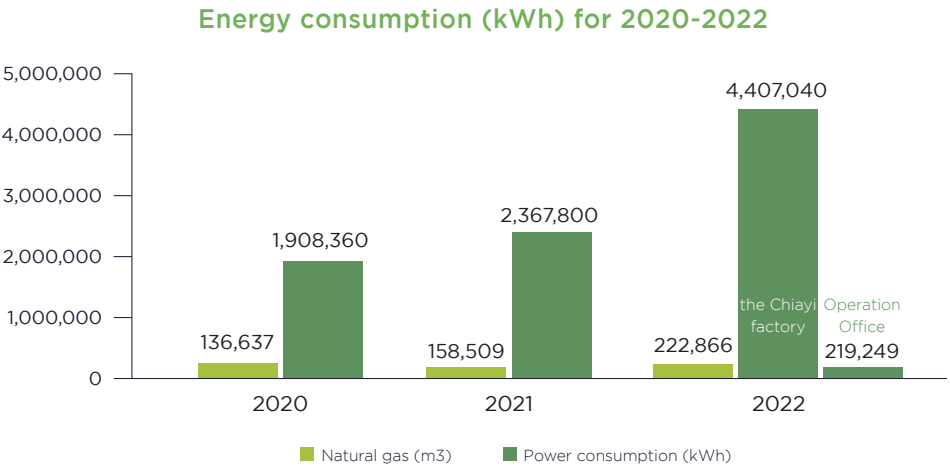
3. Starting from 2022, water consumption for business office locations is calculated using the following method: Total water consumption for each area in 2022 * Distribution ratio based on the number of Corum employees in each area.

4. 1 cubic meter = 1000 liters = 1000 kilograms = 1 metric ton.

3.4 Energy Management (GRI : 3-3, 302-1, 302-2, 302-3, 302-4, 305-5)

Energy Conservation and Carbon Reduction

In terms of energy management, the reporting boundary includes the Taipei headquarters (Taipei City), business offices (Taichung City, Tainan City), research and development center (New Taipei City), and the main factory (located in Minxiong Industrial Area, Chiayi County). All of these locations primarily use non-renewable energy sources. As calculated by the Finance Center, the amount of energy used by the Chiayi Plant as a percentage of its total operating costs in 2022 was 8.3%. The following table summarizes the natural gas and electricity used by the Chiayi Plant from 2020 to 2022. The main reason for the higher electricity cost in 2022 is attributed to the Chiayi P2 Plant coming into production in 2022, resulting in an overall higher energy consumption. Compared to 2021, electricity consumption increased by 85.4% (including high voltage electricity) and natural gas consumption increased by 40.6%.



Remarks :

- 1. Corum does not use renewable energy in terms of fuel consumption, nor does it sell electricity, heating, cooling, or steam.
- 2. Based on the Bureau of Energy, MOEA's electricity emissions coefficient is 0.509 kg CO₂e/kWh and gas emissions coefficient is 2.2 kg CO₂e/m³.
- 3. Starting from 2022, the calculation of electricity consumption of business offices is based on the following formula : total kWh of electricity consumption in each district in FY2022 * the allocation ratio of the number of Corum employees in each region.

Total energy activities and consumption of Corum in 2022

Energy Related Activities	Total Energy Consumption (MWh)
Consumption of Purchased or Acquired Electricity	4,626.29
Consumption of Purchased or Acquired Thermal Energy	2,466.90
Consumption of Purchased or Acquired Cooling Energy	0.08
Total	7,093.27

Actual Energy Saving Cases

As a Taiwanese firm, one of Corum's most important tasks in minimizing local environmental impact and fostering sustainability is to decrease carbon emissions. According to the current investigation, CO₂ is the most significant greenhouse gas (GHG) emitted in Taiwan, accounting for 95.36% of all GHG emissions. In particular, shipping is ranked third (13.61%).

In 2022, apart from completing the Scope 3 calculation for the first time, Corum continued to plan measures for energy conservation, carbon reduction, and enhancing energy efficiency. However, some projects have not yet yielded specific carbon reduction benefits, we will continue to monitor them closely in the future.

1. Consolidated Shipping

Commitment : Continuing the consolidated shipping measures, for customers with more than 14 shipments in the previous year, Corum seeks to regulate their product shipping frequency. We engage and advise these customers to implement consolidated shipping practices, aiming to reduce the number of truck trips, decrease mileage, and simultaneously lower transportation costs.

Risk management : The Domestic Sales Department communicates with the selected customers and continues to advise them on the importance of consolidating shipments.

Short-term targets (2022)

More than **14** annual shipments
Fewer than **20** customers

Medium-term targets (2024)

More than **14** annual shipments
Fewer than **18** customers

Long-term targets (2027)

More than **14** annual shipments
Fewer than **15** customers

 **Energy conservation goals**

(1) Target : Convince customers with more than 14 shipments last year to consolidate their orders to reduce the number of shipments.

(2) If the number of shipments of a single product after deducting the consolidated shipments still exceeds 5, the annual shipments of that parcular product must be decreased by 15%, and the total shipments must be decreased by 10%.

Further Achievements in Carbon Reduction for Consolidated Shipping

In 2021, a reduction of 17.6 tCO₂e and a decrease in energy consumption of 68,495 kilojoules were achieved.

In 2022, a reduction of 20.9 tCO₂e and a decrease in energy consumption of 74,552 kilojoules were achieved.

In 2022, Corum is proud to have achieved further advancements in carbon reduction performance through our consolidated shipping measures. The energy consumption has been reduced by an even greater margin of 8.84% compared to 2021, and the CO₂ carbon emissions have also further decreased by 18.75%. This significant achievement surpasses the UN annual target of reducing carbon emissions by 7.6%. We will continue to implement the consolidated shipping measures for domestic customer shipments and gradually develop feasible carbon reduction strategies based on the statistics from Scope 3 emissions.

 **2021** Actual energy conservation benefits :

Performance of the consolidated shipping measure in 2021

Number of customers the measure was applied to	22
Mileage reduced	28,134 km
Carbon emissions reduced	17.6 tonnes of CO₂e
Energy consumption saved	68,495 KJ
Growth in sales per shipment	+14 %

 **2022** Actual energy conservation benefits :

Performance of the consolidated shipping measure in 2022

Number of customers the measure was applied to	22
Mileage reduced	30,622 km
Carbon emissions reduced	20.9 tonnes of CO₂e
Energy consumption saved	74,522 KJ
Growth in sales per shipment	+18 %

Note 1 : The mileage is calculated by multiplying the hypothetical shipping distances of the regions with the highest number of shipments in December 2022 in the north, central, and south regions by the number of shipments in various regions and totaled.

Note 2 : Gasoline commercial trucks emit 0.626kg of CO2e/km.

Note 3 : Calculated based on small trucks with an engine displacement of 1.5L, consuming 0.0746 liters of fuel per kilometer.

Note 4 : 1 liter of gasoline=7,800kcal, 1kcal=4,184J.

Above energy conservation calculations are conducted based on ITRI's Carbon Footprint Information Platform and Bureau of Energy, MOEA

2. Energy Consumption Control at the Chiayi Factory

Commitment : Electricity is our largest energy use, followed by gas and natural gas. Currently, the Chiayi Plant has deployed an electricity monitoring method by installing separate zone meters to monitor the electricity consumption in different areas. This approach allows for detailed recording of energy usage, and regular reviews of fluctuations to promptly capture dynamic information for performance analysis. We also focus on the production side of our products and make process improvements to maximize energy efficiency and reduce energy consumption. In the future, we will gradually establish an energy monitoring system to conduct real-time monitoring and data analysis of energy usage. This will enable us to promptly identify issues and opportunities for improvement in energy efficiency. By leveraging our energy management system, we will implement the tracking and management of energy measurements and energy indicators.

Risk management : The Chiayi Plant has records to control energy usage, and if abnormalities are found, the causes will be identified and improvements will be made. Since the factory's GHG emissions are relatively low, simple carbon emissions values are recorded for control purposes.

3. Energy Conservation Campaigns

Commitment : We promote the concept of energy conservation and carbon reduction among our employees, encouraging them to develop the habit of turning off air conditioning when not in use. We also participate in initiatives such as "Earth Hour 60+" and "World Water Day" advocated by the World Wide Fund for Nature (WWF), aiming to raise awareness about global warming and promote energy conservation. These efforts reflect our commitment to the spirit of energy conservation and carbon reduction.

Risk management : Corum will continue to support climate actions by organizing various energy conservation activities to decrease carbon emissions and energy consumption.

4. Energy Saving Measures in the Office Environment

Commitment : We have adjusted the air-conditioning temperature of our office environment to a constant 26°C, and we expect to replace old lighting with LED lighting equipment in 2023 to improve energy efficiency and reduce carbon emissions, thus fulfilling our responsibilities as corporate citizens.

Risk management : Corum conducts regular maintenance and upgrading of the office environment, and utilizes equipment with higher energy efficiency in order to achieve the goal of energy saving.

3.5 Usage of Raw Material

Green Procurement

The environmental impact of a product throughout its lifecycle is determined by more than 80% of factors during the design phase. Therefore, Corum actively manages the use of chemicals in the product manufacturing process with a proactive approach. We pledge that our launched products do not contain any Substances of Very High Concern (SVHC) as announced under the "Registration, Evaluation, Authorization, and Restriction of Chemicals" (REACH) legislation. We adhere to the European Union's RoHS (Restriction of Hazardous Substances) green environmental standards and constantly monitor updates to relevant regulations. We promote green procurement management and ensure that materials provided by suppliers do not contain hazardous substances. Additionally, our company refrains from using raw materials containing harmful chemicals in the production process.

Green Product

Corum has established a comprehensive environmental controlled substance management procedure as follows:

We comply with the 12 Principles of Green Chemistry by investing resources in the R&D of green chemical products, which is consistent with the SDGs such as using recycled solvents. Our current recycling rate is 56-60%. We identify and confirm that the Company's products comply with the safety regulations of various markets. Additionally, all our raw material inspections, production processes, intermediate product, and final product inspections are carried out according to the International Council for Harmonisation (ICH) guidelines and GMP regulations. Moreover, our product stability monitoring and testing have been verified. In 2021, Corum's products did not violate any product and safety regulations.

The 12 Principles of Green Chemistry



Waste
prevention



Atom
economy



Less hazardous
chemical synthesis



Designing
safer
chemicals



Safer
solvents &
auxiliaries



Design for
energy
efficiency



Use of
renewable
feedstocks



Reduce
derivatives



Catalysts



Design for
degradation



Real-time
pollution
prevention



Safer chemistry
for accident
prevention

Development of Circular Economy Concepts

Choosing sustainable raw materials is pivotal for both business operations and supply chain management. In addition to adhering to the "12 Principles of Green Chemistry", Corum advocates for the development of a circular economy model. Through material recycling and reuse, we aim to reduce resource consumption and waste generation.



Safety in Material Management

In light of increasing developments in hazardous substance regulations, in 2022, the European Commission published the European Union (EU) 2022/1531, Omnibus Act V. The regulation has added some carcinogenic, mutagenic and reprotoxic (CMR) substances, which are not allowed to be used in cosmetics ingredients. Corum actively responds to the international hazardous substances standards, examines the safety of raw materials, and fulfills its corporate social responsibility.

Packaging Design

According to a research report by the World Economic Forum and the Ellen MacArthur Foundation in 2016, it was pointed out that the majority of packaging is used only once, and only 5% of the massive plastic waste generated after use is effectively recycled. As the topic "packaging material sustainability" has started to gain traction, Corum insists on using 100% recycled pulp in its carton packaging design to avoid the use of single-use plastics. In addition, the printing area of labels on cartons has been reduced to 6.9%, which is well below the 50% standard recommended by the Environmental Protection Administration (EPA) in its "Guidelines for Packaging Reduction", thus minimizing the waste of ink. In the future, we plan to reduce the waste of space inside the package, such as standardizing the specifications of packaging materials, to further reduce the packaging volume of the product to reduce the use of materials. While ensuring product safety during shipping, we aim to optimize space utilization and minimize damage that can occur when transporting products of different sizes simultaneously, with the aim of enhancing transportation efficiency.

Recycling and Regeneration Programs

We are evaluating the planning and development of a recycling program to treat discarded products in order to extract and recycle valuable raw materials. Through chemical treatment, physical separation, or other techniques, we aim to reduce the demand for new raw materials, thereby mitigating the potential environmental impact during the end-of-life phase of products. The packaging materials used in the factory are all purchased externally rather than produced in-house. The primary packaging materials are manufactured using new raw materials, and the paper cartons used are made from recycled materials certified by FSC, which allows for recycling and reuse. In 2022, the percentage of packaging materials purchased as recycled materials is 7.89%.

Note : The percentage of recycled and reused materials used = (Total amount of recycled and reused materials used / Total amount of materials used) * 100. The calculation is based on the weight of purchased paper boxes divided by the total amount of materials used.

3.6 Biodiversity

Biodiversity Commitment

The latest UN report points out that promoting sustainable management of biodiversity is one of the essential elements of sustainable action, as it builds climate resilience and ensures that ecosystems can support human livelihoods.

Corum carries out sustainable development through its Sustainability Committee. Every year, the effectiveness is reviewed in management meetings chaired by the Chairman and supported by the Sustainability Report. We do not engage in manufacturing, production, or resource extraction activities in protected areas, habitats of endangered species, or within ecosystems.

Corum R&D follows the 12 Principles of Green Chemistry to minimize the impact on the environment, manage resources in a sustainable manner, and purchase responsibly. In accordance with Brazil's Biodiversity Law (Law No. 13,123/2015), we have established policies in procurement and quality to ensure that all raw materials used in our manufacturing process avoid genetic resources and genetically modified organisms. We also comply with relevant regulations, including following the Nagoya Protocol and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), to facilitate the fair sharing of benefits arising from the utilization of genetic resources.

We have published on our official website: "Corum Code of Business Integrity" and "Corum Human Rights Policy", which independently regulate and disclose our public commitment to business integrity, fairness, legal compliance, ethical sourcing, and biodiversity-related principles. The management team focuses on responsible consumption, fair trade and sustainable sourcing, and engages in communication with suppliers. In our supply chain management process, we conduct risk assessments of our suppliers through supplier self-declarations and annual assessment questionnaires. This assessment helps us evaluate the performance of our suppliers, improve our business activities, and establish mutually sustainable value commitments. To raise awareness of the importance of biodiversity, we have completed a revised version of our supplier assessment questionnaire, incorporating regulatory compliance and biodiversity, and have developed a 'Supplier Code of Conduct', which suppliers are required to sign up to and comply with in order to protect nature.

In 2022, 74 suppliers were asked to complete the sustainable procurement assessment questionnaire, with 58 completing and returning the questionnaires. Based on the statistics, 19 suppliers have indicated their endorsement of biodiversity requirements, with oversight at the board level or senior management level. This represents a 10% increase compared to the number of companies that acknowledged biodiversity issues in 2021. In addition, a total of 7 suppliers indicated that they will gradually establish biodiversity management measures in the next two years, while the remaining 32 suppliers indicated that they have not yet formulated biodiversity-related plans.

After internal discussions, we have come to the conclusion that the general public does not have a good understanding of biodiversity-related issues, and that we should strengthen education and training on the subject. In the future, we will continue to implement sustainable procurement assessment questionnaires, engage in international advocacy and declarations, develop internal policies, conduct education and public awareness activities, all aimed at raising awareness and involvement among various stakeholders in climate change, energy efficiency, fair trade, responsible genetic resource acquisition, biodiversity, and ecological conservation.



Chapter 4

Social Engagement

- 4.1 Care for Labor and Human Rights
- 4.2 Occupational Safety and Health
- 4.3 Workplace Health Promotion
- 4.4 Spreading Corum's Vitality
- 4.5 Participation in External Initiatives and Labor Unions



4.1 Caring for Labor and Human Rights

(GRI : 2-7, 2-8, 2-23, 2-24, 3-3, 401-1, 401-2, 401-3, 402-1, 405-1, 406-1, 407-1, 408-1, 409-1)

Material Topic Human Rights	Short-term targets Employee satisfaction score reached 70 points	Department responsible Grievance mechanism Department responsible : HR Department Grievance mechanism : Via telephone or email
Importance to the Company Employees are the most important business partners of the Company, and a harmonious employer-employee relationship forms the foundation for continued business development and success. We are committed to building a diversified, equal and healthy working environment in order to grow and develop together with our employees.	Medium to long-term targets 1. Conduct employee satisfaction survey annually and achieve a satisfaction score of 75 or more. 2. Maintain a positive employee relationship, enhance organizational harmony, and consequently boost company morale.	Evaluation mechanism and performance Evaluation mechanism : Annual satisfaction survey Performance : The average employee satisfaction score for 2022 is 68.13.
Policy commitment Through the "Three Highs" policy of offering high salaries, fostering solid career development, and providing great care, we aim to motivate our colleagues to strive for higher goals, thus creating a positive cycle of growth and improvement.	Annual resources invested and specific outcome In 2022, we conducted an employee satisfaction survey through online e-questionnaires to better understand the thoughts of our employees, and used the results of the survey as a basis for improvement.	

Employee Profile

Faced with increasing competition, Corum appreciates that growing with our employees is the only way to achieve corporate success. Consequently, we are committed to offering our employees generous benefits, comprehensive talent training programs, caring for their lives, and protecting labor rights in order to retain outstanding talent, elevate the overall quality of the Company and gain a competitive edge in the industry.

We actively create a positive labor-employment relationship, communicate with stakeholders, and respect the rights and interests of both parties.

Corum is a leading upstream R&D and manufacturer of raw materials for cosmetics, personal care, household products, and the pharmaceutical industry in Taiwan. Headquartered in Neihu Technology Park, Taipei, our factory is located inside the Minsyong Industrial Park in Chiayi, hiring only local Taiwanese talents. As of the end of 2022, we have 159 full-time employees with non-fixed term contracts and 5 part-time employees. In particular, there are 92 male and 72 female employees, accounting for 56.10% and 43.90% of the entire workforce, respectively.

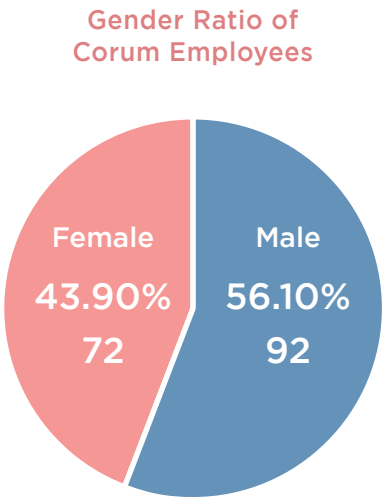


Table of Employee Types between 2021-2022

Employee analysis		2021				2022			
Total employee number		151				164			
Employment contract and type		Non-fixed term	Full-time	Fixed term	Part-time	Non-fixed term	Full-time	Fixed term	Part-time
性 別	Male	84	84	0	0	92	92	0	0
	Female	67	66	0	1	67	72	5	0
區 域	Operation Office	45		0		48		0	
	the Chiayi factory	106		0		111		5	

Note :

1. Employment contracts are divided into non-fixed term employees (full-time) and fixed term employees (short-term).

2. Employment type is divided into full-time employees (weekly work hours reach statutory work hours) and part-time employees (work hours do not reach statutory work hours but only part of the work hours).

3. Compared to 2021, the overall number of employees in 2022 increased by 13, or 8.6%.

Table of Employee Structure for 2022

Diversified indicators			2022	
			Number of people	Percentage
employee	Gender	Male	11	52%
		Female	10	48%
	Age	Under 30 years of age	0	0%
		Between 30-50 years of age	9	43%
		Over 50 years of age	12	57%
	Education	Graduate school	13	62%
		College and university	7	33%
		Below senior high school	1	5%
	Gender	Male	11	61%
		Female	7	39%
Entry level executive	Age	Under 30 years of age	0	0%
		Between 30-50 years of age	16	89%
		Over 50 years of age	2	11%
	Education	Graduate school	4	22%
		College and university	14	78%
		Below senior high school	0	0%
General staff	Gender	Male	70	56%
		Female	55	44%
	Age	Under 30 years of age	30	24%
		Between 30-50 years of age	89	71%
		Over 50 years of age	6	5%
	Education	Graduate school	27	22%
		College and university	82	66%
		Below senior high school	16	13%

Note :

- 1. Middle and senior executive: represents executive above the managerial level; entry level executive : represents executive below the section level; the rest are general staff.
- 2. Calculation method: Percentage of direct staff under 30 years of age = (total number of general staff under the age of 30 at the end of the year/total number of general staff at the end of the year)*100%



Labor Management

Analysis of New Employees and Employee Resignations for 2021-2022							
Analysis of new employees		2021			2022		
		Total number	Number of new employees	New employee hiring rate	Total number	Number of new employees	New employee hiring rate
Total number of employees in the year		151	34	22%	164	53	32%
Age	Under 30 years of age	25	15	60%	30	18	60%
	Between 30-50 years of age	112	19	16%	114	34	29%
	Over 50 years of age	14	0	0%	20	1	0.05%
Gender	Male	84	19	22%	90	19	20%
	Female	67	15	22%	72	34	47%
Analysis of employee resignations		Total number	Number of employee resignations	Employee turnover rate	Total number	Number of employee resignations	Employee turnover rate
Total number of employees in the year		151	34	22%	164	40	25%
Age	Under 30 years of age	25	14	56%	30	11	36%
	Between 30-50 years of age	112	19	16%	114	27	23%
	Over 50 years of age	14	1	7%	20	2	0.1%
Gender	Male	84	19	22%	92	12	13%
	Female	67	15	22%	72	28	38%

Note :

1. New employee hiring rate = (total number of new employees in the category in the year/total number of employees in the category in the year)*100%

2. Turnover rate = (total number of resigned employees in the category in the year/total number of employees in the category in the year)*100%

Maintaining a Healthy Turnover Rate

In order to ensure a healthy talent mobility and long-term growth needs, Corum expects that the employee turnover rate should be maintained at a healthy range of 10% to 15%. In 2022, the employee turnover rate was 25.4%, which is an increase of 2.9% compared to 2021. This increase can be primarily attributed to two main factors. Firstly, the rapid growth of the high-tech industry in recent years has led to intense competition in the talent market, resulting in increased mobility among professionals. Secondly, the recruitment volume in 2022 significantly rose compared to previous years. Specifically, the new employee turnover rate in 2022 was 35%, which is a notable increase from the 2021 rate of 10.8%. The retention rate of new recruits in 2022 is lower than that of 2021. An appropriate level of employee turnover can indeed facilitate healthy workforce mobility. However, if turnover becomes excessively high, the costs incurred due to employee separations, recruitment expenses, training costs, and the inefficiencies and losses associated with new employees being unfamiliar with their roles can become significant. Such losses could ultimately erode the Company's profitability and impede its growth. Starting from 2022, the HR Department has initiated online care surveys for new and departing employees. These surveys aim to explore both intrinsic and extrinsic factors contributing to turnover. The insights gained from these surveys will facilitate introspection and adjustment of the organization's recruitment, education and training, performance evaluation, and other critical operational aspects. This will help identify actionable measures that can be integrated into these key areas to effectively reduce the turnover ratio.

Corum's Diversified Recruitment Channels

In addition to posting online job advertisements, recruitment channels include headhunting, internal employee referrals, campus recruitment, campus job fairs, job fairs organized by the Ministry of Labor, and joint job fairs organized by local governments.

Employee Benefits

Corum offers a competitive remuneration and benefits system to attract exceptional talents. The remuneration standards of new employees are formulated according to criteria such as the education and experience of the talents required. The overall remuneration takes into consideration factors such as employees’ professional knowledge and skills, performance, work quality and timeliness, innovativeness, and planning ability, formulating a reasonable and competitive remuneration system. Furthermore, Corum also provides Mid-Autumn Festival and Dragon Boat Festival bonuses, wedding gifts, maternity gifts, and bereavement condolences. The Company and Chiayi Plant have set up breastfeeding rooms for nursing mothers. Regular activities such as occupational safety and fire training, as well as health check-ups, are conducted to ensure employee well-being. We have established a regular performance review system to facilitate the continuous professional growth of employees at all levels. Each year, we comprehensively consider operational goals, performance, and potential impacts of future operating environments across different regions in the extent of salary adjustments, which ensures an appropriate adjustment of employee salaries. Regular performance evaluations are conducted annually to serve as the basis for salary adjustments, promotions, and the distribution of performance bonuses. This approach rewards employees who demonstrate exceptional performance and significant contributions. Performance evaluations for all employees are conducted without any gender bias. The rate of employees undergoing regular performance evaluations stands at 100%. Department supervisors are responsible for conducting performance evaluations and training for their team members. This process aims to provide guidance, encouragement, support, and career counseling to employees, helping them progress toward their individual career goals and aspirations.

In addition to the statutory labor/health insurance and leave system, Corum’s Welfare Committee also plans diverse welfare measures every year, ranging from subsidies for employee recreational activities, various bonuses, and subsidies, as well as employee shopping discounts from affiliated businesses. In 2022, the biennial company trip coincided with uncertainties created by the COVID-19 pandemic, hence gift vouchers were distributed instead.

Employee Welfare Measures

- Group accident insurance
- Special leave, maternity leave, parental leave
- Gifts for the three major festivals and bonuses, wedding and funeral subsidies, year-end bonuses
- Sales personnel are entitled to subsidies, parking subsidies, and company cell phones for using the private vehicles for company purposes
- Flexible working hours system
- Good work environment
- Free employee health examination
- Domestic and overseas company trips or gift vouchers and subsidies
- Teambuilding meals and year-end banquet prize-drawing.
- Employee shopping discount
- Maternity and infant care and partner agencies
- Stable pension system

• Flexible working hours system

For indirect employees, the Company offers a flexible working time window of half an hour before and after the fixed daily working hours. Within this framework, and while maintaining the total working hours unchanged, employees can flexibly adjust their start and end times. This not only enhances employee productivity and work efficiency but also aids in striking work-life balance. Additionally, in response to the prevention and control of severe infectious diseases such as COVID-19, and in line with government policies, the Company has established a plan for zone-based office arrangements and remote work. This plan is accompanied by a set of work guidelines; when faced with a resurgence of severe infectious diseases, the plan can be promptly activated, providing employees with flexible work arrangements to ensure their safety and well-being.

• Good work environment

To improve employee work performance, the Company provides them with a bright, comfortable work environment, rest area, and employee cafeteria. Furthermore, independent, discreet breastfeeding rooms are available in various business locations for our female employees and mothers in need.

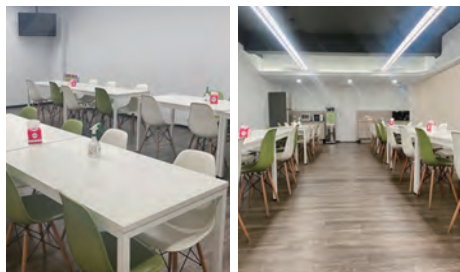
Breastfeeding room in Taipei



Breastfeeding room in Chiayi



Employee cafeteria in Chiayi



Conference area and rest area in Taipei



• Free employee health examination

Corum cares about our employees' physical health, thus the Chiayi factory provides all the employees with free employee health examinations every year. The Factory Affairs Office is responsible for planning and arranging for employees to undergo health examinations at the designated medical care organizations. The outcome of the health examination will be monitored closely by the EHS Office, and the Factory Affairs Office will make arrangements for occupational nurses to conduct health consultations and care to look after the physical and mental health of our employees. Health examinations for employees in the rest of the Company are planned and arranged by the HR Department, where employees are sent to our partner hospitals for health examinations depending on the employees' age.

In 2022, 99% of our employees underwent health examinations. A total of 106 people participated in the health examination plan, of which 105 people completed the health examination. Out of 90 people, 89 completed their health examinations, and all 16 people in the other regions completed their health examinations.

Employee health examination



- **Domestic and overseas company trips or gift vouchers and subsidies**

The Welfare Committee frequently organizes diverse employee activities such as the family day or company trips. However, these activities were suspended in 2022 due to the pandemic, and travel subsidies were handed out instead. The activities will be resumed after the pandemic is over.

- **Teambuilding meals and year-end banquet prize-drawing.**

To foster development and motivate employees as well as enhance team cohesion, Corum provides an annual "meal allowance" for departments. This initiative allows colleagues to organize teambuilding meals or entertainment activities, enabling them to relax and bond outside of work, fostering a positive atmosphere and strengthening interpersonal relationships. In order to thank colleagues for their hard work and to bring supervisors and employees closer together, the Company sets up a budget every year to organize a year-end banquet and a prize-draw lottery.

- **Employee shopping discount**

Our employees are entitled to discounts for Fee's products from AMUN CORPORATION, an affiliated business of Corum. During the employee shopping month, each employee will receive NT\$5,000 worth of employee discount for products contained in the list (at original prices).

Taipei HQ Year-end Banquet



Chiayi Plant Year-end Banquet



- **Maternity and infant care and partner agencies**

Corum has carefully selected 2 contracted childcare partner institutions, including the Tianxin Kindergarten in Chiayi County and the Taipei Modern Kindergarten. Employees can benefit from preferential childcare arrangements for their infants and toddlers, providing them with childcare welfare services. This initiative addresses the childcare needs of employees with young children, allowing them to work with peace of mind.

• Stable pension system

Corum has designed a retirement pension system for employees, which includes a defined benefit plan as outlined by the "Labor Standards Act," as well as a contribution plan as stipulated by the Taiwanese "Labor Pension Act." In addition to the legally required contributions to the pension fund of employees, the Company also conducts pension reserve fund actuarial assessments annually by commissioning professional accounting consultants. This ensures that adequate provisions are made, safeguarding the rights of employees to receive retirement benefits in the future.

In October 2022, Corum announced a scheme for employees applicable to the old pension system of Taiwan. Under this scheme, employees under the old pension system are given the option to choose whether to claim their individual old pension system benefits ahead of time. They do not need to wait until they meet the conditions specified by the Labor Standards Act for pension benefits. This allows employees to access their old pension service retirement benefits earlier, providing them with the flexibility to use the funds as needed. Furthermore, employees who choose to claim their old pension system retirement benefits early can still retain their employment rights within the Company. As a result of mutual agreement between labor and management, a total of 23 employees have applied to settle their pension funds according to the old pension system.

Parental Leave

• Statistics on unpaid parental leave applications and reinstatement at the end of the term

Regarding employees' applications for unpaid parental leave, the Company fully complies with the relevant legal regulations and procedures. Employees on unpaid parental leave are also eligible to apply for reinstatement upon the expiration of the parental leave period. In 2022, the retention rate for both male and female employees was 100%. Corum continues to introduce more welfare programs with the aim of addressing the declining birth rate issue and promoting gender equality.

Remarks :

1. After completing six months of employment, employees are eligible to apply for unpaid parental leave until their child reaches the age of three. The duration of the unpaid parental leave can last until the child turns three years old, with a maximum limit of two years. For an employee concurrently caring for two or more children, the period of unpaid parental leave should be combined, with the duration capped at the care period for the youngest child for a maximum of two years. This calculation is applicable to employees applying for maternity subsidies.
2. Reinstatement rate = total number of employees actually reinstated after parental leave (B)/total number of employees who should have reinstated after parental leave (A) x 100%.
3. Retention rate = Total number of employees who are still in service 12 months after returning from unpaid parental leave (D) / Total number of employees reinstated after taking unpaid parental leave in the previous reporting period (C) x 100%.

Item	Gender	2022
Number of employees eligible to apply for unpaid parental leave in the current year, Remark 1	Male	1
	Female	1
	Total	2
Number of applicants who applied for unpaid parental leave in the current year	Male	0
	Female	1
	Total	1
The number of employees expected to be reinstated after end of unpaid parental leave period (A)	Male	0
	Female	1
	Total	1
The number of employees expected to be reinstated after end of unpaid parental leave period and actually returned to work (B)	Male	0
	Female	1
	Total	1
Reinstatement rate (B/A), Remark 2	Male	0
	Female	100%
The number of employees in the previous year expected to be reinstated after end of unpaid parental leave period and actually returned to work (C)	Male	0
	Female	1
	Total	1
Total number of employees who are still in service 12 months after reinstatement from unpaid parental leave (D)	Male	0
	Female	1
	Total	1
Retention rate (D/C), Remark 3	Male	0%
	Female	100%

Employee Rights and Benefits

Corum adheres to domestic labor laws and regulations, upholding a "people-centric" approach by formulating and implementing relevant human resource policies and internal regulations. Based on the principle of equal employment opportunities, Corum implements measures to provide equal job opportunities to all job seekers. We fully comply with relevant regulations such as the "Labor Standards Act," "Employment Service Act," "Act of Gender Equality in Employment," and "Implementation Regulations for the Protection of Maternal Health for Female Workers," valuing human rights and employees' occupational safety and health. We prioritize maintaining a safe work environment, establishing a friendly workplace, and strictly prohibiting any form of tangible or intangible sexual harassment or discrimination. We adhere to the law, refrain from compelling employees to work overtime, provide legal compensation, and respect employees' rights to association. We take suggestions from internal partners to create positive labor-employer relationships.

Furthermore, to ensure that employees can maintain a healthy work-life balance, we provide diverse welfare benefits and adhere to the leave regulations outlined in the Labor Standards Act, care for and support employees and their families, with the aim of retaining and nurturing outstanding young talents within our workforce. Retirees are provided with pensions in accordance with the "Employee Pension Payment Rules", while laid-off employees are provided with severance pay and wages in advance in accordance with the work rules, in order to assist them in securing their livelihood after retirement or during the period of seeking employment. The notice periods for changes in operations are as follows :

1. If an employee has worked for more than three months but less than one year, he/she shall be given notice ten days in advance.
2. If an employee has worked for more than one year but less than three years, he/she shall be given notice twenty days in advance.
3. If an employee has worked for more than three years, he/she shall be given notice thirty days in advance.

Human Rights and Anti-discrimination

Corum is committed to preventing discrimination or unfair treatment because of employees' gender, age, religious belief, place of ancestry, birthplace, language, thinking, class, physical and mental disability, race, political party, sexual orientation, marital status, appearance, facial features, astrological sign, blood type, and previous trade union membership. Furthermore, regarding ILO Conventions, Labor Standards Act, and the UN Convention on the Rights of the Child and Convention on the Elimination of All Forms of Discrimination against Women, the Company issued a "Code of Conduct Statement" in 2018 as our human rights policy. We strive to comply with human rights-related laws and regulations as well as the prohibition of discrimination and payment of legal remuneration.

Human Rights Policy of CORUM



Corum respects the rights of employees to collective bargaining and to participate in assemblies, and holds quarterly labor-management meetings in accordance with the law, in order to coordinate labor-management relations, promote labor-management cooperation, and improve the efficiency of the work of the employees.

To protect the employees' human rights, Corum has established the following grievance channels for workplace abuse and sexual harassment prevention: hotline and email, both are manned by the HR Department. We strive to achieve the annual goal of "zero complaints" and create a friendly workplace. In 2022, one complaint concerning workplace abuse was received. The incidents were resolved effectively after the HR Department contacted relevant units based on the problems and reported them to senior management. The outcome was also communicated to employees.

Statistics on the number of complaints and inquiries concerning the prevention of workplace abuse and sexual harassment in 2022

Item and year	2022
Number of complaints concerning workplace abuse	1
Number of complaints concerning sexual harassment	0

The HR Department promotes human rights, equal rights, anti-discrimination awareness, as well as the type and method of grievance channel adopted by the Company to protect the employees to make sure they understand the concepts. To promote the "Code of Conduct Statement" issued in 2018, five training sessions were conducted for employees in the Chiayi factory in 2019, and 2 training sessions were arranged specifically for female employees in the factory. Thereafter, the HR Department conducts human rights and anti-discrimination training for new employees every year.

Anti-Child Labor

Child labor refers to the employment of children in work that deprives them of their childhood, interferes with their ability to attend regular schooling, and is mentally, physical-ly, socially, or morally harmful to them. "Child labor" refers to the employment of any worker who is under the age of 15, or under the age of compulsory education, or the minimum age for employment in that country/region (whichever of these three criteria results in the highest specified age). At Corum, we believe that children's health and education are of the utmost importance. We prohibit the employment of child labor in our supply chain and conduct regular audits to confirm supplier compliance. Once child labor is detected in the supply chain, the following measures will be taken to improve the situation :

Anti-Child Labor Remedial Measures Established by Corum

- Upon discovering child labor, the supplier must immediately remove the underage worker from their work.
- The supplier employing the underaged worker is required to arrange for the child to undergo occupational health check-ups at authorized institutions to ensure that their health has not been adversely affected during the performance of work. If any health issues are identified and are attributed to the work, all medical and living expenses incurred shall be fully covered by the supplier.
- The supplier shall immediately contact and send the child worker back to his/her family and bear the related transportation cost.
- The supplier shall continue to pay wages until the child worker reaches the legal working age.
- The supplier shall confirm that the child worker has completed his/her compulsory education and provide the relevant supporting information to Corum.
- The unit that discovered the instance of child labor shall notify the highest-level executive of the relevant business unit and deliberate on the measures to be taken.
- Corum will conduct unannounced audits within 6 months to confirm whether the supplier is still at risk of employing child labor.



Employee Satisfaction

Employee satisfaction plays a pivotal role in fostering a long-term, stable organizational relationship within the Company, and is an integral part of our commitment to upholding "Employee Rights and Needs." In pursuit of this commitment, Corum not only refines employee welfare policies and internal regulations to increase internal employee satisfaction, but also places great emphasis on fostering conducive interdepartmental relationships and collaboration within the organization. We invest resources in training new supervisors in requisite management skills, communication techniques, and attitudes, as well as utilizing diverse communication channels to listen to employee needs and expectations. Additionally, we actively and promptly address issues raised by employees, focusing on active and prompt improvement. In 2022, Corum conducted an employee satisfaction survey through an online questionnaire. This enabled us to gain better insights into employees' perspectives on the Company. The survey results were analyzed by the HR Department to determine significant directions for internal organizational adjustments. Employees are recognized as essential assets and a central focus for the Company. By enhancing and optimizing internal policies based on the survey findings, the Company aimed to foster a virtuous cycle of exceptional growth and development.

- **Increase Level of Satisfaction**

How a company treats its employees directly influences how those employees treat the Company's customers. The satisfaction of employees has a direct impact on the satisfaction of the Company's customers. Improving employee loyalty to the Company, emphasizing employee satisfaction, and understanding the level of satisfaction are the critical avenues to effective changes. The indirect goal is customer satisfaction, which is also necessary for the long-term stable development of the enterprise.

Four Major Development Directions of Corum to Enhance Employee Satisfaction



• Satisfaction Survey

At the end of each year, Corum takes the initiative to implement employee satisfaction survey. Starting from 2022, the Company has planned the methodology for the employee satisfaction survey. This includes defining the scope of the survey questionnaire and creating an online electronic survey. The HR Department announces and distributes the survey questionnaire to all colleagues for completion. After collecting and organizing the data, thorough data analysis is conducted. Subsequently, an employee satisfaction survey report is compiled. Based on the insights gained from employee satisfaction, the Company devises subsequent improvement action plans and measures.

Employee Satisfaction Survey Process



The employee satisfaction survey focuses on gathering feedback from employees regarding their overall assessment of the Company's "corporate culture, career development, internal services, and remuneration and benefits." The questionnaire content is designed to collect information in these areas, and the chosen method of statistical analysis appropriately reflects areas that can be adjusted and improved. Conducting satisfaction surveys. The satisfaction survey can also increase the Company's understanding of its employees and identify areas where the Company can make progress. By doing so, the organization aims to enhance overall employee satisfaction, ultimately progressing toward becoming a happy workplace.

Employee Satisfaction Survey 2022

Year	Score	Improvement description
2022	70	The employee satisfaction survey was conducted through an online questionnaire, with an overall average score of 68.13 points. This score did not meet the annual target of 70 points. In 2023, there will be a change in the survey operation timeframe to September-October, avoiding the period of January-February during the Lunar New Year holidays.

Note : For 2022, an online questionnaire survey was conducted, resulting in an overall average score of 68.13 points, which did not meet the annual target of 70 points. Further in-depth analysis indicates that the main factor was a lower-than-expected questionnaire response rate for this year. Following discussions during internal management meetings, it has been decided that in 2023, there will be a change in the survey timeframe to September-October, avoiding the period of January-February during the Lunar New Year holidays.

Corum Human Rights Policy Objectives

Employees are the most important business partners of the Company, and a harmonious employer-employee relationship forms the foundation for continued business development and success. We are committed to building a diversified, equal and healthy working environment in order to grow and develop together with our employees.

• Human Rights Policy

In order to maintain sustainable development and to protect the basic human rights of all employees, customers and stakeholders, Corum follows the principles enshrined in the United Nations Universal Declaration of Human Rights, the United Nations International Labor Organization, and other international human rights treaties, and respects the internationally recognized basic human rights, including freedom of association, including freedom of association, care for vulnerable groups, eradication of all forms of forced labor, elimination of employment and workplace discrimination, and strict compliance with labor regulations in the respective jurisdictions where the Company operates in. Corum fully complies with the provisions of the Labor Standards Act and has never employed any child laborers, and has not employed any child laborers under the age of 16 since its inception until 2022, and has not engaged in any forced labor situations.

• Human Rights Commitment

Based on the fundamental human right of equal employment opportunities, we hire employees based on their professional qualifications and experience, without any consideration of race, beliefs, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, marital status, appearance, disability, or previous union membership. In 2022, there were no instances of human rights violations or discrimination in our hiring practices. Talent is the foundation of our business, and attracting exceptional talents and fostering a friendly work environment are ongoing goals that Corum is committed to achieving. Sound labor relationships can increase the employee's sense of solidarity and enhance the Company's production value.



Human Rights Policy and Management Approach

Human Rights Policy	Subjects of evaluation	Source of risk	Target management	Management and risk mitigation measures
Workplace inclusivity	Physically and mentally disabled employees	Interviewing (interview supervisors and job seekers)	Adequate employment of employees with physical and mental disabilities	In accordance with the People with Disabilities Rights Protection Act ◆ According to the People with Disabilities Rights Protection Act, the Company employs a sufficient number of employees with physical and mental disabilities. ◆ Ensure a barrier-free work environment that is friendly to employees with physical and mental disabilities.
Maternity protection	Female employees during pregnancy, within one year after childbirth (including but not limited to normal delivery), and while breastfeeding	◆ Workload ◆ Working hours	Creating an environment where female employees can comfortably experience pregnancy, childbirth, and breastfeeding their infants	◆ Leave of absence in accordance with the Company's work rules. ◆ Strictly adhering to labor laws, promoting gender equality at work, and complying with regulations related to the protection of maternal health for female employees. ◆ Providing flexible breastfeeding facilities and breastfeeding rooms.
Child labor	Job seekers and new employees	During interviews and reporting for work	No employment of child labor	◆ Employment in accordance with the Company's work rules. ◆ Prohibition of employment of persons under 16 years of age. ◆ Require applicants to state their date of birth in the documents required for interviews and ensure the accuracy of the information, and review identity documents when reporting for work.
Discrimination and sexual harassment	All employees	◆ During interviews (interview supervisor and job seeker) ◆ Supervisor-subordinate or peer employee interactions ◆ Internal communication channels	No instances of discrimination and sexual harassment	◆ Investigation and handling of sexual harassment complaints in accordance with the Company's sexual harassment prevention and control measures. ◆ Ensure compliance with non-discrimination laws and regulations. ◆ Provide website information on gender equality and employee complaint mailboxes for employees to express their opinions immediately. ◆ Regularly organize sexual harassment prevention awareness courses to enhance the concept of gender equality among supervisors and employees. ◆ Establishment of a sexual harassment complaint handling committee to handle related cases in a fair manner.

4.2 Occupational Safety and Health

(GRI : 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

Material Topic

Occupational Safety and Health

Short-term targets

Zero major occupational disaster

Department responsible Grievance mechanism

Department responsible :
EHS Office

Grievance mechanism :
Via telephone or email

Importance to the Company

Fostering a healthy workplace culture through safety and health management is very important. Through the operation and promotion of the management system, we can effectively decrease potential risks, prevent accidents, and protect the workers' physical and mental well-being, as well as the company's assets and operations.

Medium to long-term targets

Zero major occupational disaster

Evaluation mechanism and performance

Evaluation mechanism :
Every quarter, the OHSC (Occupational Health and Safety Committee) is responsible for tracking and reviewing the Company's occupational safety and health performance

Performance :
Zero major occupational disasters from 2017-2022

Policy commitment

Risk management
Legal compliance
Ongoing improvement
Healthy workplace

Annual resources invested and specific outcome

1. Continuously implement ISO 45001 and TOSHMS System
2. Annual occupational safety and health training.
3. Corum was honored with the "2022 National Occupational Safety and Health Award for Small and Medium-sized Enterprises"

Corum has already introduced ISO 45001: 2018 occupational safety and health system and obtained certification from a third-party accreditation organization. Furthermore, potential hazards are explored through the business, management, and operational aspects of risk management. At the same time, we encourage each employee to vigorously participate in education and training, emergency drills, and numerous health lectures to bolster their occupational safety awareness, in turn achieving zero occupational disasters, employee health promotion, zero pandemic confirmed cases, enhanced awareness among workers, as well as realizing the Company's goals and outlook.

Corum established the OHSC (Occupational Health and Safety Committee) according to the Occupational Safety and Health Act, which consists of 19 people including 11 members nominated by the factory: Chairman, Vice Chairperson, executives from various units, safety and health personnel, environmental protection specialist, and fire protection management personnel. The union will nominate eight people, accounting for more than 1/3 of the committee to comply with the law.

The OHSC (Occupational Health and Safety Committee) convenes quarterly meetings focusing on labor safety and health matters, where proposals are discussed and the majority vote system is implemented to formulate target plans. Meeting minutes are also prepared. Resolutions passed in the meeting are monitored by the executive secretary, and a performance report will be presented in the next meeting in the hope of minimizing the employees' hazards and risks. Besides establishing the OHSC (Occupational Health and Safety Committee), weekly factory meetings and annual internal audits and review meetings are conducted for regular review purposes.

Workers Covered by the Occupational Safety and Health Management System in 2022			
Management system/law	Inspection type	Number of people	Ratio
Occupational Safety and Health Act	Labor inspection	90	100%
	Internal audit	90	100%
ISO 45001	External verification	90	100%

In order to comply with and implement the requirements of the TOSHMS System, we actively promote environmental health and safety performance and continuous improvement. All employees are committed to executing the following environmental health and safety policies :

1. Compliance with Environmental Health and Safety Regulations : We adhere to domestic and international environmental health and safety regulations, as well as specific customer requirements. We ensure timely communication to employees, relevant contractors, and visitors to ensure compliance.
2. Prevention of Hazardous Incidents : We implement factory environmental health and safety risk management, actively seek improvement opportunities, and enhance health promotion. Our efforts are aimed at preventing environmental pollution, diseases, and injuries.
3. Enhance Environmental Health and Safety Management Performance : We strengthen two-way communication and participation among employees, ensuring that they fully understand the Company's principles and actively engage in improving management performance.
4. Continuous Improvement: Regularly review the operation effectiveness of the environmental safety and health management system to ensure continuous improvement of the system.

Occupational Safety and Health Promotion and Implementation Policy

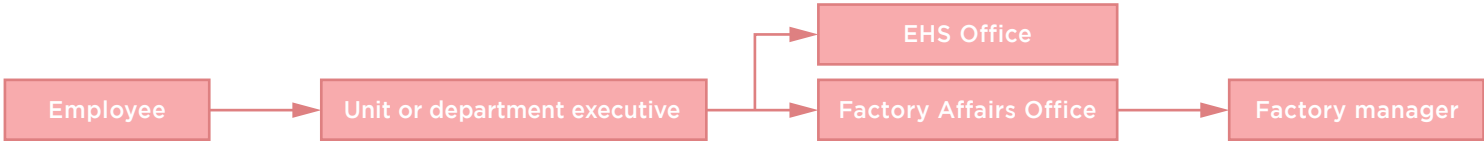
Procurement management	Select protective gear, equipment, and supplier that comply with regulations based on the supplier evaluation and procurement process.
Contractor management	Formulate and announce the contractor management regulations to manage the contractors as well as maintain construction safety and quality within the factory.
Emergency drills	Respond to contingencies in accordance with the accident investigation and handling management regulations. Prepare accident investigation cards and distribute them to our colleagues in the factory, allowing them to better understand the accident handling process.
Production equipment safety protection	Formulate and announce the management regulations according to relevant laws and regulations in conjunction with regular inspection plans for machinery, equipment, and electrics in the factory.
Chemical management	Hazardous chemicals are labeled, categorized, and stored. Furthermore, chemical management regulations are devised according to relevant laws and regulations along with the implementation of chemical control banding (CCB) and other items that must be reported.

Emergency Response

Corum has formulated relevant occupational safety and health contingency measures and management operations, as well as conducted the necessary training. Enabling relevant personnel to become familiar with the necessary knowledge and skills so that they can respond and handle different stages of a disaster effectively to minimize loss. If an accident occurs, findings of the preliminary accident investigation and handling process should be submitted according to the accident investigation and handling management regulations.

Corum’s Chiayi Factory Accident Reporting Procedure

1. Internal and External Accidents (including transportation) Reporting Process



The witness should notify the relevant department or unit executive immediately after an accident has taken place, provided that the individual can do so in a safe environment. If the executives cannot be reached, call the factory manager right away.

For traffic accidents, one should first report it to the police before following the above procedure to notify the department or unit executives.
If superiors cannot be reached in time, notify the department or unit executives via text message. Call the factory manager on the phone if necessary.
If an accident takes place on a holiday, the subsequent document process should be completed on weekdays.

2. Grievance Channels for Illegal Practices at the Workplace

The Company’s consultation and grievance channels for workplace abuse are as follows:

1. Grievance hotline and dedicated email
2. The grievance mailbox is installed in the security office
3. The grievance mailbox of the Chiayi factory is installed in the suggestion box in the employee locker room

Corum’s Chiayi factory is equipped with an emergency response plan and an emergency response team. The team will respond to an exigent situation immediately. The crisis response education, training, and fire drill are held every six months, where new employees are required to operate the fire extinguisher and train their self-safety management skills with other colleagues through simulation exercises so that they can implement corresponding measures before the disaster escalates and minimize the impact and damage from the crisis.

In 2022, 3 simulation exercises were conducted according to the emergency response plan, and fire escape and first aid-related training were carried out for our employees in collaboration with firefighters. According to the plan, employees are grouped as follows: on-site commander of various factories, reporting and first aid team, security and communication, evacuation guidance, and safety personnel. This is to allow our colleagues to cope with emergencies and minimize personnel injury and environmental impact.

Occupational Safety and Health Accomplishments

The accomplishments of the Company’s occupational safety and health policy in 2021 are outlined below :

Risk management and hazard identification	Occupational health service	Education and training
Corum has formulated occupational safety and health risk evaluation and management regulations, where each department conducts a risk evaluation in October every year according to the nature of its operations. Based on various departments’ evaluation outcomes, high-risk hazards are ascertained, and methods such as elimination, substitution, and engineering control are applied to lower the likelihood of risks occurring. For instance: We have proactively participated in relevant occupational safety activities in Chiayi County and voluntarily joined safety and health groups organized by the Chiayi County Government to exchange information with businesses in the County.	Corum provides employees who have worked for the Company for more than a year with free annual employee health examinations. We have signed a contract with St. Martin de Porres Hospital to provide on-site occupational medical care and health care service in the factory. We grade our employees’ health and offer them one-on-one consultations and advice. Relevant units also host health lectures and health promotion activities based on diverse needs. For instance: In light of the recent popularity of road running, the Company sponsors employees and encourages them to participate in road running activities every year.	At the end of every year, Corum fills in the expected curriculum for the next year based on the annual education and training requirement form. When there are media reports about occupational disasters in related industries, besides analyzing the cause, we also launch safety awareness campaigns on similar risks in the factory. Education and training in the factory are provided free of charge, and the Company has kept an archive of all the courses implemented. Education and training sign-in forms and questionnaires are also distributed.

Through workplace hazard identification, evaluation, and control, Corum strives to minimize hazards in the work environment for the workers. Meanwhile, occupational injury case studies are prepared to educate our colleagues and elevate their safety and prevention awareness in an effort to achieve the safety management goal of “zero disasters”, “zero violation”, and “zero infection”. No production process safety and transportation-related accidents occurred in 2022.

Occupational Safety Risk Identification and Specific Actions

In order to establish an occupational safety risk map, Corum follows ISO 45001 management system requirements and relevant regulations to ensure that workers assess the level of job hazards. We review existing policies and welfare programs, identifying high-risk job roles and implementing necessary measures for their safety.

Identification Methods	Risk Topic	Causes	Target	Management Actions	Performance
Following ISO 45001 risk identification guidelines, Corum conducts assessments based on the Company's environmental health and safety risk assessment management procedures, questionnaire surveys, self-checks, and other communication channels.	Three Highs (high blood pressure, high cholesterol and high blood sugar)	The lifestyle and dietary habits of modern people, along with a lack of exercise, give rise to lifestyle-related diseases.	Health check rate 90%	1. Signed a service contract with St. Martin's Hospital in Chiayi for on-site occupational doctor and a professional nurse to provide clinical services. 2. Provide health check services 3. Encourage employees to participate in road running activities	2022 Health Check Rate 99% : Organized 2 health promotion seminars.
	Traffic Accidents	The risks associated with employees' commuting to work and business travel by employees that involve transportation.	Zero Traffic Accidents	1. Traffic Safety Promotion Courses 2. Establishment of a Notification Mechanism 3. Health Condition Tracking 4. Reducing non-essential business travel activities and providing travel subsidies.	In 2022, there were 0 traffic fatalities and 2 injuries.

Statistics on Annual Occupational Disasters and Occupational Safety and Health Management Accomplishments for 2020-2022

Item	2020	2021	2022
Disabling frequency rate (FR)	0	0	0
Disabling severity rate (SR)	0	0	0
Occupational disease rate (ODR)	0	0	0
Total number of fatal accidents	0	0	0
Traffic accidents	1	2	2

Note :

1. Calculation : Disabling frequency rate (FR)=(Number of people with disabling injuries/total work hours)x106; disabling severity rate (SR)=(Total days lost due to disabling injuries/total work hours)x106; occupational disease rate (ODR)=(Total number of people with occupational diseases/total work hours)x200,000.

2. Traffic accidents refer to collisions and falls, hence motorcycle/car defensive driving promotional materials are sent to the injured. These are identified in the risk assessment form to educate employees on regular maintenance.



Corum's zero disaster work hour record



Cumulative total of 725,680 hours in 2021
Cumulative total of 965,312 hours in 2022.



Taiwan Occupational Safety and Health Management System Certification (TOSHMS)



Corum's ISO 45001 certificate

4.3 Workplace Health Promotion

(GRI : 404-1, 404-2)

In response to the changing landscape of society and the economy, the International Labour Organization (ILO) and the World Health Organization (WHO) advocate that occupational safety and health services for workers are fundamental rights. Corum adheres to the principles of ILO and WHO, as well as legal requirements, actively planning, promoting, and implementing health-related initiatives. These initiatives cover three main aspects: health services, health education, and a healthy work environment.

Corum achieves this by providing on-site services with contracted occupational health nurses on a weekly basis. These services encompass disease prevention campaigns, health education outreach programs, health seminars, employee preventive healthcare consultations, and health check-ups. With the aim of safeguarding employee health, we focus on health risk assessment, health management, health promotion, and assessment and recommendations for workplace hazards. Additionally, we provide employees with health education to ensure that health issues do not interfere with their work and to facilitate comprehensive health care for workers in the workplace.

Corum conducts health promotion courses at least twice a year, including activities such as yoga, dietary guidance, anti-smoking and alcohol awareness, infectious disease prevention, and HIV education. We also extend our efforts beyond the workplace by participating in external events like the National Half Marathon in Chiayi City.

Collections of Health Promotion Activities of Corum



Taiwan is located in the Pacific Ring of Fire, prone to seismic activities, and it is also situated along the main path of typhoons in the northwest Pacific region. Due to these factors, our company places significant emphasis on the impact and management of extreme weather events like typhoons and floods. Our ability to respond to extreme climate events and adjust production with flexibility is closely tied to the occupational health and safety management performance of our factory plant and the effectiveness of our emergency response measures. A healthy, zero-hazard and highly responsive factory relies on the implementation of rigorous safety policies by all employees on a daily basis in order to make timely, immediate and flexible adjustments to production in response to short-, medium- and long-term climate change issues. Starting from 2019, the Company's ESH Committee has launched the "6S Competency - Workplace Five-Year Incentive Plan" within the ISO 9001 management framework. We have established a rewarding mechanism that includes quarterly and annual awards in the form of bonuses or gift certificates. This

initiative aims to encourage every employee in the factory to enhance the effectiveness of occupational safety and health management.

Remarks : 6S is Sort, Set in Order (Straighten or Stabilize), Shine (Scrub or Sweep), Standardize, Sustain, Safety

Highlights of the 2022 6S Campaign



Award ceremony for the
champion of the 6S
competition - annual champion

Award ceremony for the
champion of the 6S
competition - season champions

Award ceremony for the
champion of the 6S
competition - season champions

Corum has been dedicated to creating a safe workplace environment and safeguarding the health of our employees for many years. In 2022, we were recommended by the Southern Region Occupational Safety and Health Center to participate in the Ministry of Labor's National Occupational Safety and Health Award competition. We were honored to receive the National Occupational Safety and Health Small and Medium Enterprise Special Award, which recognizes our efforts over the past five years in promoting a friendly workplace, health promotion, and implementing occupational safety measures.

CORUM's Won the "2022 National Occupational Safety and Health Award"



Description of Annual Education and Training Conditions in 2022

Having an adaptive learning and development system is the only way to realizing corporate sustainability, hence Corum has always valued our employees' growth and training. Corum continues to provide a comprehensive training structure including three major themes such as orientation training, professional training, and leadership and management skill training. We offer employees diverse learning and development resources during different stages of their careers. In addition to job-related professional requirements, we hope to let our employees cultivate cross-disciplinary thinking and learning capability. Faced with the fast-changing digital era, talent cultivation must respond quickly to trends, bridge the gap between talent demand and supply, and maintain innovative thinking at all times in an effort to respond to the diverse needs associated with the changing industry in the future.

Youth's Employment Ultimate Program

Objective :

Targeting young people aged 15 to 29 who lack work experience or professional skills, industrial resources are consolidated to allow the training unit to implement "job training" according to the needs of the hiring units, providing young people with practical vocational training.

Achievement :

- (1) Case number 24724 : 5 people joined the training, and 3 people completed training, totaling 750 days of training.
- (2) Case number 34298 : 3 people joined the training, 1 person in training, totaling 158 days of training.

Executive Reading Club

Objective :

From 08:30 to 09:00 on a chosen day in the middle of every month, executives above the section level and sales personnel are invited to listen to a keynote speaker sharing his/her thoughts on management and sales-related book in the form of a presentation. The aim is to achieve the benefits of sharing experience and heritage. As a specific plan for the implementation of employee functions. During the pandemic, executives and colleagues are encouraged to attend the program online using Teams to maintain safe interaction and continuous learning.

Achievement :

- (1) A total of 11 executive reading club meetings were held in 2022.
- (2) Reading list: Nicht gekauft hat er schon: So denken Top-Verkäufer, Accountability, Learn to be a man before you do it, Leaders eat last, Communicate with the trend, People who communicate with the trend and are considerate and considerate are the most popular and everything goes smoothly, If I were a rabbit's coach, We Need to Talk: How to Have Conversations that Matter, Stephen Curry: Beyond the Court, Mindset : The New Psychology of Success, Scale: Simple Laws in a Complex World.

Company Annual Training

Objective :

Corum values employee education and training, enabling our staff to discover their potential, enhance their professional skills, broaden their career horizons, and cultivate future management talents and leaders.

Achievement :

- (1) Annual budget of NT\$124,820.
- (2) Total training hours : 9,233 hours
- (3) Average training hours per employee : 15.7 hours.
- (4) Course completion rate : 100%.
- (5) Achieved 100% internal training completion rate.
- (6) Achieved 81% external training completion rate. The external training target of 95% was not achieved because the classes could not be opened due to the pandemic.

Hours of Annual Education and Training in 2022

	Total employee number	Total group hours	Group average hours
scale of positions	General staff	125	7,886
	Entry level executive	18	1,293
	Middle and senior executive	21	54
Gender	Male	92	2,436
	Female	72	6,797
	合 計	164	9,233

4.4 Spreading Corum’s Vitality （GRI：203-1, 3-3, 413-1）

Material Topic

Social Engagement

Importance to the Company

In the process of promoting sustainable development, social engagement has been identified as a pivotal issue. Governments, non-profit organizations, and businesses are all actively encouraging citizen engagement in social affairs and providing support and resources for it. Social engagement strengthens social democracy and public administration, enhances social trust and cultural identity, and helps build a more just, equal and inclusive society. The principle of "people-centric" not only represents the internal employee philosophy of the Company but also extends this concept to Corum’s involvement in corporate social responsibility. We aspire to contribute to making society a better place through this approach.



Policy commitment

We have continued to implement the sustainable charity goals outlined in last year’s sustainability report. We aspire to leverage Corum’s influence on the local community and actively promote the integration of United Nations SDGs and other goals into everyday life through various mediums such as online platforms.

1. Sustainable protection of marine ecosystems and beach cleanup activities.
2. Promoting art and environmental protection and humanities, such as Corum Art Prize and Science Painting Competition.
3. Science education for disadvantaged children in rural areas, book donations.

Short-term targets

Hold beach cleanup activities 1-2 times a year
Extend the sponsorship program of Reindeer Children’s Home
Set up book donation boxes to call for more people to participate in the book donation drive.

Medium to long-term targets

2030 Goal: Increase Participation in 5 new Philanthropic Programs.
2050 Goal: Corum SDG Principles: Sustainable Society, Expanding the Impact of Philanthropy

Annual resources invested and specific outcome

Since social participation was not listed as a material topic in the previous year, it is listed as a material topic for the first time in this year.
Currently, the social engagement activities of Corum are proposed by the Marketing Department. The results of these activities are documented year by year and published on the Company’s official website.

Department responsible Grievance mechanism

Department responsible :
Marketing Department
Grievance mechanism :
Via telephone or email or website

Evaluation mechanism and performance

Evaluation mechanism :
Marketing Department meeting.
Performance :
Achievements recorded on the "Coastal Clean-up Adoption System (Environmental Protection Administration, Executive Yuan)".
The official website publishes the results of the activities.

Charitable Activities Organized by Corum in 2022

Participating group	Event description	Activity Achievements
Jinshan District Sanitation Team (New Taipei City Government)	In an effort to expand our influence and raise awareness about ocean pollution, in 2022, Corum officially adopted a section of the public coastline located at Zhongjiao Bay Beach in Jinshan District, New Taipei City, on Taiwan's northern coast. In September 2022, we organized a beach cleanup event to encourage our employees, their families, friends, and the community to join in clearing marine debris. Becoming a beach adopter signifies a commitment to action, demonstrating our dedication to protecting the oceans and reducing waste. Moving forward, the Company plans to conduct beach cleaning activities at least twice a year, in alignment with the review process of the New Taipei City government.	The beach cleaning activity in September 2022 removed 40 kilograms of marine debris and garbage, equivalent to reducing 0.08 tCO ₂ e of carbon emissions.
Xin Chuan Nonprofit Organization in Chiayi (Minxiong, Shuishang branch library, Dalin branch library)	THE 2 nd CORUM ART IN SCIENCE AWARD	Total number of works : 88 Total number of beneficiary schools : 25 elementary, junior high schools, and senior (vocational) high schools. Total amount of scholarships donated : NT\$18,000 Total number of donated gifts : 86
Reindeer Children Home (RCH) in Taoyuan	THE 2 nd CORUM ART IN SCIENCE AWARD	Total number of artworks : 17 Donation of scholarships : NT\$17,000 Gifts donated : 12 items
Reindeer Children Home (RCH) in Taoyuan	Sponsorship Program	Donated NT\$500,000, with NT\$300,000 from Corum, and a personal donation of NT\$200,000 from the Chairman. Daily toiletries and necessities : 45 items Children's clothing : 49 items

Participating group	Event description	Activity Achievements
Xin Chuan Nonprofit Organization in Chiayi (Minxiong, Shuishang branch library, Dalin branch library)	"Books Bring HopeLove in Chiayi"	Total collected : 34 books on literature, history and philosophy, market value: NT\$13,977.
Local police officers and firefighters	Community Engagement Activity: In 2022, Corum supported the local police and fire department by sending beverages to the fire station and police station as a token of appreciation to the on-duty personnel during the three major public holidays.	Total : NT\$3,960
World Water Day and Earth Hour	Promoted the event on social media platforms to raise awareness of energy saving and carbon reduction.	Publish on the Company's official website and social media platforms, so that all stakeholders can work together with Corum to respond to this issue.
Talent Cultivation	Collaboration between industry-research alliances and government agencies	Corum actively fosters collaboration with academic institutions, professional organizations, and other businesses to facilitate interdisciplinary learning and exchange of talents. Externally, we collaborate with National Tsing Hua University and join research and industry alliances. We also partner with government agencies such as Taiwan Jobs for the "Stable Employment Program." Internally, we engage in corporate training initiatives, participate in webinars and seminars organized by our clients and distributors, and encourage our employees to take on challenging projects and roles. While contributing the knowledge gained back to society, we are also proactively setting the groundwork for Corum's future human resource development strategies.

Spreading Corum’s Vitality, Achievements of Corum’s Social Inclusion Efforts :



We have signed an agreement with the New Taipei City Government to participate in the Environmental Protection Administration's Coastal Cleanup Adoption Program.

Since 2018, Corum has been organizing a volunteer beach cleanup activity every two years, providing employees with the opportunity to experience the joy of service and contribute to the community.

Starting from FY2022, Corum has signed a contract with the New Taipei City Government to adopt the coastline of Zhongjiao Bay, Jinshan District, New Taipei City, increasing the frequency of beach cleaning from once every two years to 1-2 times per year, and responding to the New Taipei City Government’s invitation to clean up the city’s beaches. In September 2022, after Corum adopted the coastline, the first beach cleanup event was conducted, resulting in the collection of approximately 40 kilograms of marine debris. This effort is equivalent to reducing 0.0824 tCO2e in carbon emissions. Moving forward, the outcomes of each beach cleaning event are reported to the "Coastal Clean-up Adoption System" of the Environmental Protection Administration, to ensure traceability and accountability.

According to the Taiwan Carbon Footprint Information Platform of the Environmental Protection Administration, for every 1 kilogram of garbage output reduction (1 kilogram of recycled waste), about 2.06 kilograms of CO2e emissions are reduced.



Community engagement activities to support local police and firefighters in Chiayi.

Corum expresses its appreciation and support to the local community by providing beverages to on-duty personnel from the fire department, police station, and other relevant units during major public festivals. This gesture aims to enhance the community’s sense of security and unity. Through these interactions, effective communication and coordination are fostered, leading to a better understanding of the community’s dynamics, which enables quicker responses to emergency situations.

Talent Cultivation

Corum actively fosters collaboration with academic institutions, professional organizations, and other businesses to facilitate interdisciplinary learning and exchange of talents. Externally, we collaborate with National Tsing Hua University and join research and industry alliances. We also partner with government agencies such as Taiwan Jobs for the "Stable Employment Program." Internally, we engage in corporate training initiatives, participate in webinars and seminars organized by our clients and distributors, and encourage our employees to take on challenging projects and roles. While contributing the knowledge gained back to society, we are also proactively setting the groundwork for Corum’s future human resource development strategies.



Reindeer Children's Home, Sponsorship Support Program

In 2022, in addition to organizing the painting competition, Corum partnered with its affiliate company, Amun Corporation to donate a total of NT\$500,000 along with nearly a hundred items of supplies (including Fee's children's personal care products, Jacardi children's clothing, and gifts). This contribution aims to support the care and well-being of the children at the Reindeer Children's Home. Through concrete actions, we demonstrate our support for the Reindeer Children's Home and underprivileged communities. Simultaneously, we aim to inspire others to join in fostering and aiding these efforts, creating a ripple effect of positive impact.



The 2nd Corum Art Award - Love of Science Drawing Contest

Since 2021, Corum has been cooperating with the Zhonghua Xinchuan Think Tank Association - Minxiong Xinchuan Used Bookstore to organize the first Corum Art Award. Starting from 2022, we have further collaborated with "Reindeer Children's Home" in Taoyuan, working hand in hand with this charitable social welfare organization. Together, we provide a platform for underprivileged students to engage in science learning and unleash their creativity. We encourage students to explore science education through the enjoyable medium of drawing. This initiative aligns with the UN SDGs, demonstrating our commitment to concrete actions for a sustainable future. During the second edition of the Corum Art Award ceremony, we introduced three special segments: "Champion Artwork Analysis," "Internet Popularity Award Viewer Comments," and the "Best Progress Award." These segments were designed to enhance the overall experience and engagement of the event.

1. Champion Artwork Analysis :

In this segment, the judging panel will provide an explanation of the composition and content of the winning artwork. They will share their perspectives and thoughts on the piece, offering participants a chance to learn from each other and gain insights into the judging process.

2. Internet Popularity Award :

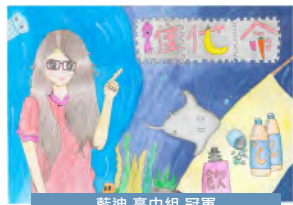
From the 235 responses, we captured the voters' comments on the works. Corum's distributor agents are located in more than 40 countries around the world, and this year's online contest has many enthusiastic comments from overseas viewers, which we use as a platform to let our children's works go beyond Taiwan and be seen by the world.

3. Best Progress Award :

This is the second time for the children of Xinchuan to participate in the contest, and it is very encouraging to see that many of the honorable mention/merit works from the previous year's contest have improved to become the winners/runners-up of this year's contest.



2022
The 2nd CORUM Art
in Science Award



藍迪 高中組 冠軍



新傳 國中組 冠軍暨網路人氣獎



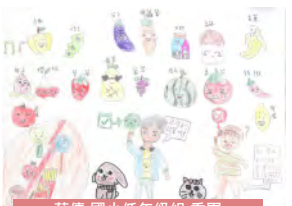
藍迪 國中組 亞軍



新傳 國小高年級組 亞軍



藍迪 國小高年級組 季軍

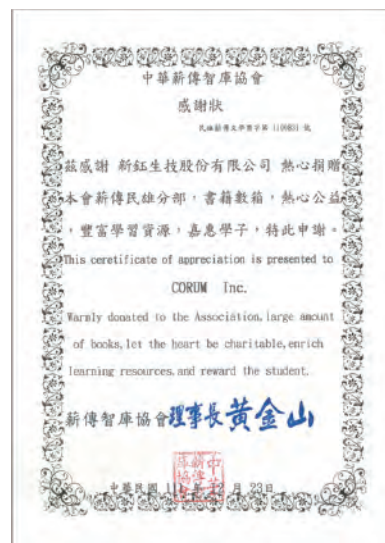


新傳 國小低年級組 季軍



"Books for Hope, Love in Chiayi"

In 2022, our initiative of donating books with love is ongoing. We are collecting used books to donate to various branches of the "Xinchuan Used Bookstore" in Chiayi. This enables students who enjoy reading to find books they love, endows a new life to old books, promotes resource recycling, and contributes to fostering a culture of learning through reading. In 2022, Corum raised a total of 34 books on literature, history, and philosophy to inject resources and enhance the reading environment in remote areas where resources are scarce. We hope that through education, we can turn our destiny around and help children in remote areas to find ways to grow and enhance their competitiveness.



World Water Day and Earth Hour

Corum is dedicated to integrating Environmental, Social, and Governance (ESG) principles into our corporate operations. This commitment involves strengthening the sustainable management of water resources and reducing the environmental impact of production waste. Through the publication of this post, we aim to inspire more individuals to engage in creative thinking, application, and sharing of water-saving ideas. Together, we can participate in this initiative and contribute to a more sustainable future. In addition to these efforts, we continue to participate in the "Earth Hour 60+" event, raising awareness about global warming and promoting energy conservation. Through our involvement, we aim to encourage people to take action and show their commitment to a more sustainable and energy-efficient future. The World Wildlife Fund launched the inaugural Earth Hour 60 in March 2007 to demonstrate its support for climate action. Now, more than 18,000 landmarks throughout over 190 countries and regions support the international environmental protection movement. Let's support the initiative with concrete actions – by turning off lights when not needed!



Earth Hour 2022
Take Actions to Shape Our Future

4.5 Participation in External Initiatives and Labor Unions (GRI : 2-28)

Corum actively interacts with various professional organizations, including attending seminars and workshops. These activities provide opportunities for learning new technologies and sharing experiences, fostering closer connections with both industry peers and professionals from different fields.

We not only sponsor and support various educational training programs organized by public associations but also contribute to the compilation of industry publications and the spread of information. Through continuous learning and enhancement of professional knowledge, we seek to keep abreast of new trends and technologies, but also to promote the sustainable development of the industry. The following is a list of the public associations and non-profit organizations in which Corum participated in 2022.

Corum’s participation in external organizations and initiatives

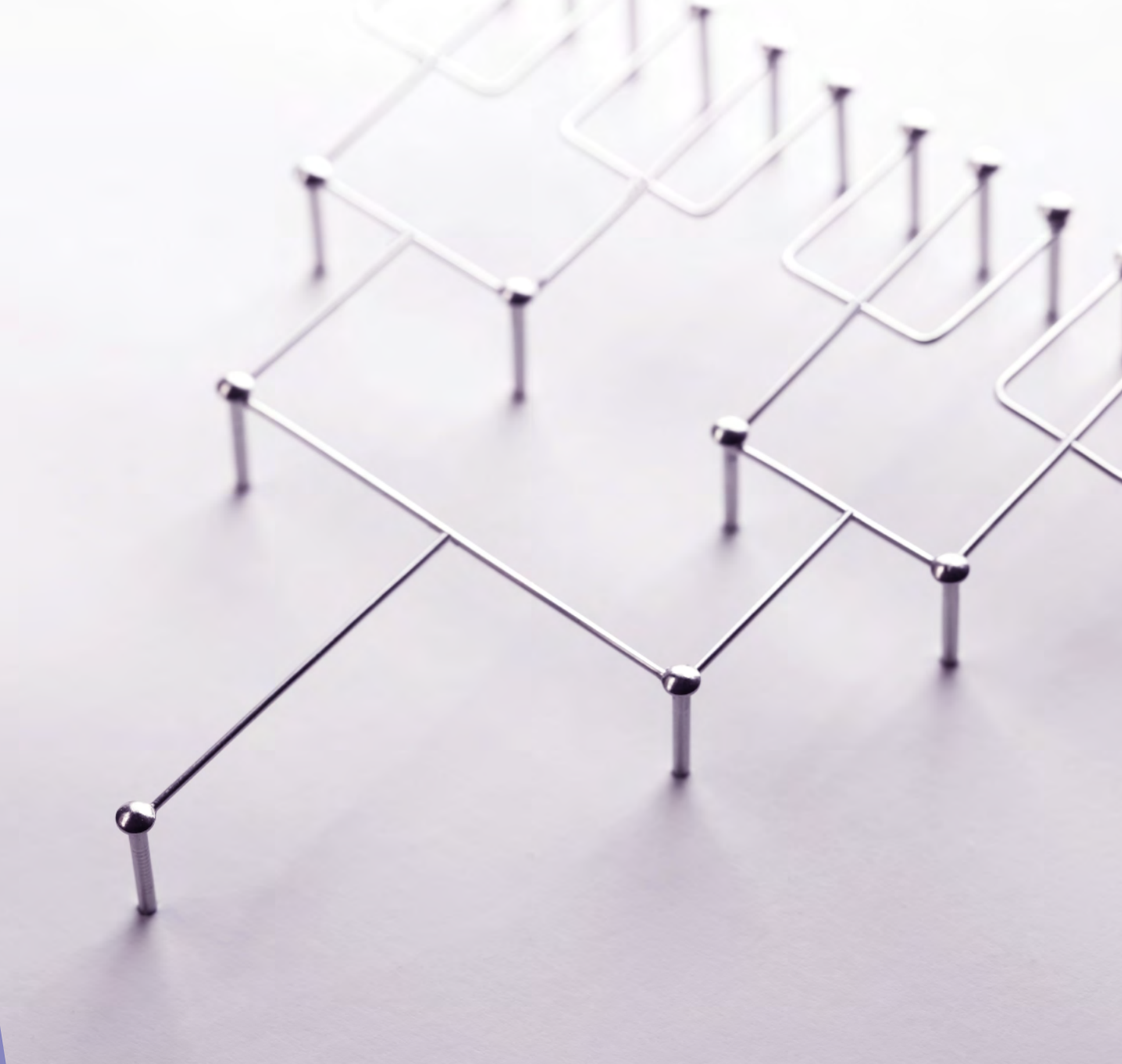
Importers and Exporters Association of Taipei / member	Chiayi Hsien Industrial Association / member
Touqiao Industrial Zone United Manufacturers’Association/member	National Tsing Hua University Bio-App Biotechnology Industry and Research Alliance/member
Roundtable on Sustainable Palm Oil (RSPO)/member	Taiwan Halal Integrity Development Association/member
Task Force on Climate-Related Financial Disclosures (TCFD) Initiative/supporter	New Taepei Coemetics Industry Association/supporter



Chapter 5

Corporate Governance

- 5.1 Corporate Governance
- 5.2 Business Ethics
- 5.3 Legal Compliance
- 5.4 Information Security
- 5.5 Due Diligence on Operational Opportunities and Risk



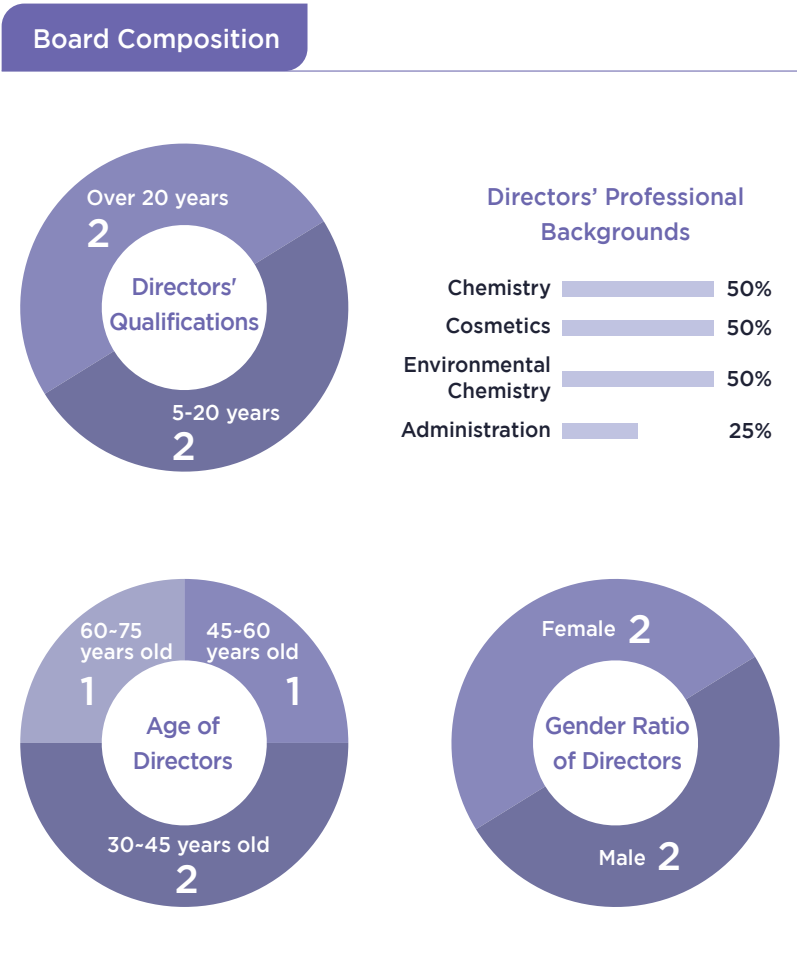
5.1 Corporate Governance （ GRI : 2-9, 2-10, 2-11, 2-12, 2-13, 2-15, 2-17, 2-18, 2-19, 2-20, 2-21 ）

Core Objectives and Governance Vision

The Board of Directors is the highest governance unit of Corum and is responsible for overseeing and executing all aspects of the Company's business, and plays a leadership role in the sustainable development and operation of the enterprise. We uphold principles of integrity, business ethics, and regulatory compliance while maintaining a balanced consideration of the interests of all stakeholders, including employees, customers, suppliers, environmental aspects, and the broader society. We are committed to actively fulfilling our corporate social responsibilities.

Board Composition and Diverse Intellectual Background

In 2022, the Board of Directors of Corum consisted of 4 seats. If a director has any objections or reservations, these should be documented in the minutes of the board meeting. This practice aims to reconcile and manage conflicts of interest among various stakeholders, ensuring that directors can fulfill their responsibilities while enhancing the effectiveness of the Board's functions and the Company's overall performance. Among the four directors, there are two female directors, accounting for 50% of the total. Furthermore, we have established standards for the professional knowledge, skills, experience, diversity of backgrounds including gender, and independence required for members of the board of directors and senior executives. The directors of Corum possess professional backgrounds in chemistry, cosmetics, environmental chemistry, etc. In the year 2021, external consultants were engaged to guide the preparation of the ESG Sustainability Report, provide training on GRI Standards, TCFD Disclosure Guidelines, and SASB Standards. These initiatives aim to enhance the diversity and innovative thinking within the board of directors. Since Corum is not a publicly traded company, there is currently no established procedure for director elections.



Board Operations and Performance Evaluation

Corum holds periodic board meetings to review the Company's operational performance, discuss sustainability strategy topics, and address material topics. These matters encompass economic, environmental, and social aspects, as well as risks and opportunities. During these meetings, subsequent actions are confirmed, and relevant responsibilities are either assigned directly or delegated to appropriate units. Follow-up reports are generated to track progress, enabling timely adjustments and decision-making. Corum also conducts periodic reviews of the Board's performance, during which the directors assess various aspects such as the operations and culture of the Board and its functional committees, management of internal and external relationships, and self-evaluation. These evaluations are internally compiled and analyzed by the Company. The findings are then reported during board meetings, and recommendations for improvement are proposed.

Continuing Education of Directors

Corum arranges training courses for directors from time to time to enhance their skills and knowledge in various operational areas related to the economy, environment, and society. This helps the directors keep abreast of the latest trends and improve their expertise in these important domains. The training for directors is aligned with the annual strategic development priorities, ensuring that the courses offered are relevant and in line with the Company's strategic direction. To ensure that directors are well-informed about the Company's affairs, we regularly provide them with updates on revenue and the latest industry information. Additionally, we offer information related to economic, environmental, and social issues relevant to the Company from time to time.

Remuneration Policy

• Provide competitive remuneration packages.

Corum has established a robust and employee-oriented human resource policy to create a secure working environment. Employee remuneration is aligned with the Company's operational objectives and profitability performance. It takes into account factors such as the employee's professional knowledge and skills, job responsibilities, performance achievements, and long-term commitments.

Corum is dedicated to talent recruitment and employs an open selection process to attract employees. We provide equal job opportunities regardless of gender, age, marital status, race, religion, or origin. Furthermore, we are committed to workplace equality, ensuring that both men and women have equal opportunities for fair competition and development. We actively promote gender equality and support workplace diversity to foster a more inclusive and diverse work environment. In order to uphold the rights of workers from disadvantaged groups, Corum actively employs individuals from disadvantaged backgrounds, including indigenous people and those with disabilities. We provide these individuals with equal job opportunities and the same salary and benefits as other employees. As of the end of 2022, Corum has employed a total of 1 person with disabilities.

Salary Information for Non-supervisory Full-time Employees

Year	Number of non-supervisory full-time employees	Average salary for non-supervisory full-time employees (in NT\$'000).	Median salary for non-supervisory full-time employees (in NT\$'000).
2021	110	622	594
2022	140	629	594
Difference	+30	+7	0

In 2022, the average salary for full-time non-supervisory employees at Corum was NT\$629,000, while the median salary was NT\$594,000. These figures show a synchronized growth in the number of full-time employees, average salary, and median salary compared to the year 2021. The average monthly income is equivalent to more than twice the minimum wage in Taiwan. The "median salary" is higher than the median total salary of NT\$506,000 for employed workers in the industrial and service sectors as published by the Directorate-General of Budget, Accounting and Statistics (DGBAS) for 2021. In order to continuously attract, develop, and retain talents, the Company has executed the salary adjustment plan for 2022, providing employees with the most competitive remuneration and benefits.

Remuneration Ratio for Females/Males from 2021-2022

Employee Category	2021		2022	
	Fixed Salary	Annual Remuneration	Fixed Salary	Annual Remuneration
Management Level	73 : 100	72 : 100	78 : 100	83 : 100
Mid-level Management	99 : 100	88 : 100	96 : 100	91 : 100
General staff	97 : 100	92 : 100	96 : 100	85 : 100

Note: The gender pay gap between male and female employees at Corum is gradually decreasing year by year. Due to the nature of the Company's industry, female employees are mostly in administrative roles, while male employees are predominantly engaged in on-site factory work and receive additional allowances and project bonuses more frequently than administrative staff. As a result, the total remuneration for male employees tends to be higher than that of female employees.

● Directors' Remuneration and Senior Management Performance-based Remuneration

The Board of Directors and the Remuneration Committee, in order to motivate senior management to pursue the achievement of the Company's performance and profit targets, while also focusing on the Company's long-term competitiveness and sustainable development. Senior management can be categorized into executives with business responsibilities and those with general staff responsibilities. In addition to their base salary, the compensation of senior management is linked to the achievement of performance indicators for their teams and results they lead, calculating performance bonuses. Helps to motivate teams to pursue excellence and improve corporate performance.

5.2 Business Ethics
(GRI : 2-23, 2-24, 2-25, 2-26, 3-3, 205-1, 205-2, 205-3, 206-1)

Material Topic

Business Ethics

Short-term targets

Overall coverage rate of employees who took the "Integrity in Business Education and Training" course $\geq$ 90%.

Regularly announce information on new/amended laws and regulations.

Importance to the Company

Business ethics is a manifestation of integrity in business operations, a crucial means of gaining trust, and the foundation for establishing meaningful, long-term partnerships with various stakeholders. It embodies the philosophy of sustainable business at Corum.

Policy commitment

Based on the principle of ethical business conduct, Corum engages in commercial activities with fairness and transparency. We strictly prohibit bribery and corruption, and we strictly adhere to laws and regulations, refraining from providing illegal political contributions. We also reject any involvement in improper charitable donations or sponsorships, ensuring that our business practices are lawful and compliant, while safeguarding the Company's reputation. Unreasonable gifts, entertainment, or other improper benefits, infringement of intellectual property rights, and unfair competition, and preventing products or services from causing harm to stakeholders.

Medium to long-term targets

Establishment of a corporate culture of integrity management and sound development.

Annual resources invested and specific outcome

Won Top 1000 Elite SME Award for five consecutive years.

Department responsible Grievance mechanism

Department responsible :
HR Department

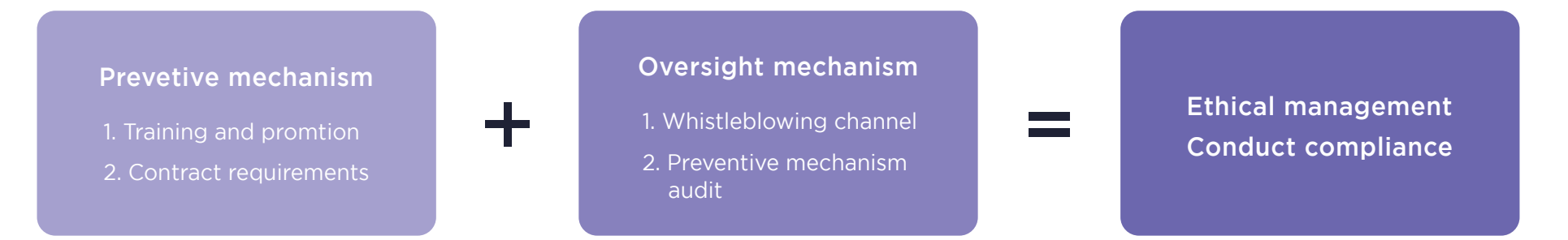
Grievance mechanism :
Via telephone or email

Evaluation mechanism and performance

Evaluation mechanism :
High-level review meeting

Performance :
Zero violation in 2022

Ethical Business Management Guidelines



Business ethics is the display of honest management, Corum’s colleagues should explain the Company’s ethical management policy and relevant regulations to the other party during the transaction process. Moreover, they may not provide, promise, demand, or accept any form of improper benefits either directly or indirectly. At the same time, transactions with unethical agents, suppliers, customers, or other business partners should be avoided. If the business or cooperative partners are found to exhibit unethical conduct, evaluations should be conducted to determine whether to blacklist them to materialize the Company’s ethical management policy. Furthermore, we have included Corum’s ethical management policy into both parties’ contract terms, stipulating the relevant regulations and requirements in the contract. Should any party engage in business activities suspicious of unethical conduct, the other party reserves the right to unconditionally terminate or rescind the contract at any time.

Corum’s HR Department is responsible for promoting the principle of ethical management. The “Corum Ethical Corporate Management Best Practice” was formulated, and a corresponding contact person was appointed to let stakeholders express their opinions. If our colleagues have questions about the Company’s integrity internal regulations, besides searching for relevant information on the official website, they can also consult the HR Department via diverse channels such as email or telephone.

In addition to the “Corum Code of Business Integrity,” we have established various codes of conduct tailored to different stakeholders, such as the Employee Code of Conduct, Supplier Code of Conduct, and Corporate Social Responsibility Statement. These guidelines aim to ensure the concrete implementation of ethical business practices across various aspects of our business operations. In the future, we will gradually evaluate external certification systems that incorporate business ethics, such as ISO 27000, RCMS (Responsible Care Management System), RC14001 (Responsible Care 14001), and other anti-corruption certifications such as Ethic Intelligence, Trace, and more.

Anti-corruption Rules, Regulations and Commitments

To ensure the implementation of ethical conduct and integrity in the Company, and to serve the purpose of sustainable development, Corum has established and regularly disseminates various codes of conduct. Through internal meetings, the Company promotes integrity and ethics as core values, which is manifested through a series of regulatory formulations, self-assessment practices, establishment of reporting channels, and protection mechanisms for whistleblowers, thereby constructing a robust compliance firewall. The management team leads by example, requiring every colleague to ensure that their conduct adhere to laws, company policies, and regulations. Through high-level review meetings, compliance is evaluated, and guidelines for conducting business are formulated. All employees of the Company, regardless of their positions, ranks, or locations, are required to abide by the "Corum Code of Business Integrity" and "Corum Human Rights Policy." These policies cover areas such as workplace standards, equal opportunities, confidentiality clauses, prohibition of dual employment and avoidance of conflicts of interest, prohibition of giving and receiving gifts, and adherence to proper business etiquette. Improve our corporate image through measures such as respecting employees and customers, whistleblower protection and immunity, etc. to ensure the Company's sustainable management and development.

In order to prevent the Company from being penalized for violating fair competition and antitrust laws and regulations, we take the above policies as a guideline for our management and employees to follow when engaging in business practices and to reduce the risk of violating the law. By adhering to the principles of integrity and fairness in competing in the industry, Corum fosters a corporate culture of regulatory compliance. This effort is geared towards establishing a reputable and respected company image that can be trusted. By doing so, we provide our colleagues with a clear direction when engaging with various stakeholders.

Whistleblowing System and Protection Measures

Corum has established a corporate culture system that prioritizes integrity and transparency. This includes the establishment of dedicated units to handle and investigate reports, as well as the provision of reporting hotlines and email channels for both internal and external parties. Confidentiality of the whistleblower's identity is maintained, and any adverse personnel actions against internal employees who report wrongdoing are strictly prohibited. Anonymous reporting is also allowed, aiming to actively prevent acts of dishonesty, fraud, and criminal behavior. Meanwhile, we have set up diverse whistleblowing channels, allowing our stakeholders to file complaints via the Company website or the HR Department's email (anonymous and named). The facts and evidence of the report will be clarified, and the Company will take appropriate disciplinary measures depending on the seriousness of the circumstances. The content of the report and the whistleblower's identity will be kept confidential, and the Company will protect the whistleblower and employees partaking in the investigation process to prevent unfair retaliation or treatment.

Complains/Whistleblowing Channel

HR Email : hr@corum.com.tw

Stakeholder Engagement : marketing.support@corum.com.tw

Violations of Business Integrity and Ethics

In 2022, Corum was not involved in any incidents related to fraudulent activities, insider trading, anti-competitive practices, antitrust and monopolistic behaviors, market manipulation, and other integrity-related matters. Through internal assessments, no material corruption risks, legal disputes, or penalties were identified during this period. To further instill the concept of ethical integrity in the execution of business processes among employees, the HR Department will progressively plan to provide online integrity training for current employees. Additionally, senior executives are tasked to emphasize the importance of corporate integrity culture to the employees during meetings and gatherings. This approach aims to enhance and reinforce the understanding of ethical values within the organization.

Won the D&B Top 1000 Elite SME Award for Five Consecutive Years

D&B selects the top 1000 most export competitive SMEs from a global database of 1.46 million SMEs. In 2022, D&B added a new indicator: "ESG Index", which is designed to utilize the ESG dataset of about 240,000 publicly listed and non-publicly listed enterprises. This data includes indices such as Corporate Payment Index, Financial Stress Index, Export Growth Rate, Export Tier, total exports exceeding US\$500,000 over the last three years with no record of bounced checks, and absence of negative litigation history, which aims to identify outstanding companies across various industries.

With unwavering commitment over the years, Corum has achieved the honor of being listed for five consecutive years. Receiving this award not only exemplifies our concerted efforts but also underscores our commitment to ethical business practices.



2022 D&B Top 1000
Elite SME Award

5.3 Legal Compliance (GRI : 2-23, 2-24, 2-25, 2-26, 2-27, 3-3)

Material Topic	Medium to long-term targets
Legal Compliance	1. Annual ESG-related legal training reached 100% 2. Zero violation.
Importance to the Company	Annual resources invested and specific outcome
Legal compliance is the foundation of corporate responsibility Ensuring regulatory compliance and avoiding illegal actions that may result in legal liabilities and fines, while establishing a positive corporate image, are essential for ensuring the steady growth and sustainable operations of an enterprise.	1. Established legal identification and management system. 2. Zero violation of ESG regulations in internal and external grievances. 3. Zero violation as determined by the competent authority.
Policy commitment	Department responsible Grievance mechanism
Zero violation	Department responsible : HR Department Grievance mechanism : Via telephone or email
Short-term targets	Evaluation mechanism and performance
Annual ESG-related legal training reached 90%	Evaluation mechanism : High-level review meeting Performance : Zero violation in 2022

Compliance and Response Actions

Compliance with regulations is a bedrock for the sustainable operation of an enterprise. To achieve the goal of sustainable business, all employees of Corum continuously monitor the legal norms and related developments within the scope of their responsibilities through the various departments or functional units within the organization. They also establish internal regulations based on the laws and regulations of the respective countries where the Company operates, and adhere to all laws relevant to the operation. This approach ensures the realization of Corum’s goals and policies regarding regulatory compliance.

Operational Aspect	Compliance with Laws and Regulations
Business Operations and Marketing	Criminal Code, Fair Trade Law, Consumer Protection Act, Trademark Act, Copyright Act, International and National Laws, Personal Data Protection Act.
Financial and Organizational Planning	Company Act, Money Laundering Control Act
Protection of Internal and Customer Data	Trade Secrets Act, Personal Data Protection Act
HR Policy and Management	Labor Standards Act, Employment Service Act, Labor Incident Act, Act of Gender Equality in Employment Act, Labor Insurance Act

When a new employee reports to work, Corum will inform him/her of the Company's internal regulations on business integrity. Due to the extensive variety of regulations, each department stays informed about regulatory amendments through interactions with government agencies or media reports. Subsequently, each department provides education and training to respective employees to ensure the Company's operations comply with various regulations and to determine whether any violations constitute material breaches. In terms of overall occupational health and safety, Corum continues to adhere to corporate governance practices and is committed to enhancing the compliance awareness of its employees.

- In terms of education and training, in order to enhance employees' awareness of professional ethics and compliance with regulations, we establish internal regulations based on legal requirements. The HR Department collaborates with other responsible departments to provide regular regulatory training for employees of different departments and levels. We also continuously educate all employees through courses, seminars, case studies, and other methods to illustrate legal examples. This ensures that employees at all levels of the Company are familiar with various regulations and relevant laws. Training content is tailored to employees' varying roles and responsibilities, including aspects such as new employee orientation training, physical courses, cross-departmental awareness programs, and external training. We utilize methods such as posters and announcements on the Company's website to promote regulatory compliance guidelines, ensuring that employees have continuous access to regulatory information. This approach enables employees to stay informed about regulations at all times.
- In terms of occupational safety and health, Corum has introduced the ISO 14001 environmental management system and ISO 45001 occupational safety and hygiene management system, and has formulated monitoring, auditing, and performance management methods to ensure that the Company meets the requirements of environmental protection and occupational safety during the production process of its products, and that it can detect potential problems through the effective cyclical operation of the environmental and occupational safety and hygiene management systems and take timely control and preventive measures to avoid causing any potential problems.



Regulatory Compliance and Implementation

In response to international regulations and trends, apart from complying with the regulatory requirements of various national government agencies, such as EU/UK REACH registration and ECHA chemical regulations, Corum, is even more proactive in addressing international organizational certifications to meet customer demands. These certifications include Leaping Bunny, ECOCERT/COSMOS, NATRUE, Halal certification, and Roundtable on Sustainable Palm Oil (RSPO), among others.

In 2022, Corum completed NATRUE certification for azelaic acid for the first time, and we also plan to complete the promotion of other products in 2023. Furthermore, we also plan to promote the RSPO supply chain certification of products in response to the protection of biodiversity in palm oil plantations, the prohibition of deforestation for palm cultivation, the protection of land rights and labor rights, and the sustainable development of the economy.

In 2022, Corum recorded no instances involving violations of economic, environmental, or social regulations that resulted in penalties. There were also no incidents of corruption or illegal actions suppressing free market competition or unfair monopolistic behavior. Looking forward to 2023, Corum will continue to uphold regulatory compliance as a paramount principle and core value of its corporate governance. This commitment aims to achieve the goal of enforcing regulatory compliance and thereby mitigating potential legal risks, both direct and indirect, including but not limited to financial or reputational losses, that may arise in the course of its operations.

5.4 Information Security (GRI : 3-3, 418-1)

Material Topic

Information Security

Short-term targets

Organize information security education and training to enhance the employees' awareness of information security and relevant responsibilities.

Department responsible Grievance mechanism

Department responsible :
IT Department
Grievance mechanism :
Via telephone or email

Importance to the Company

Information security incidents cause disruptions in the Company's operations and data leakage. In the information age, information security has become an inevitable topic.

Medium to long-term targets

1. Introduced ISO 27001 information security management system.
2. Protect the Company's business activity information, and prevent unauthorized access and modification to ensure its correctness and integrity.
3. Make sure the Company's critical core systems maintain a certain level of system availability.

Evaluation mechanism and performance

Evaluation mechanism :
Information work meeting
Performance :
Zero information security events in 2022

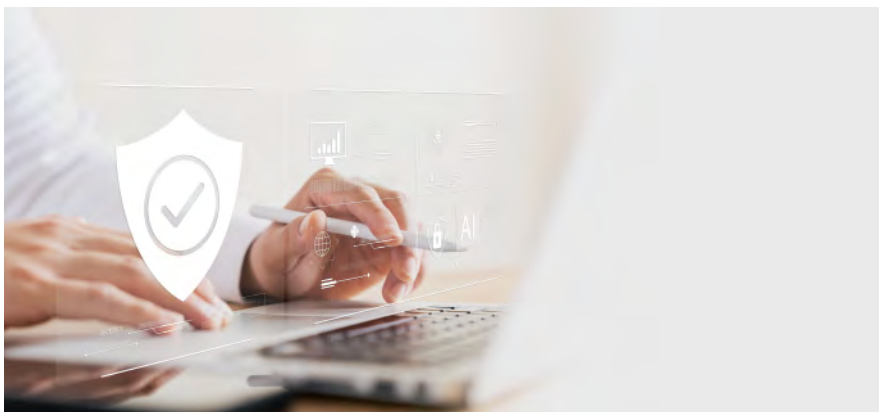
Policy commitment

Information security equals corporate security

Annual resources invested and specific outcome

1. Form an information security team.
2. Complete database inventory and backup, and restore ERP database to the test area at least every 6 months to ensure the feasibility of disaster recovery.
3. Execute vulnerability scanning and emergency response.
4. Complete ERP system optimization.

With the high level of development in the information age, the Company is vulnerable to unpredictable security risks while enjoying the benefits of convenience. In serious cases, the Company's information network and business may be interrupted, causing enormous damage to the Company and the stakeholders. The Company's highest-ranking executive is the IT executive, who is in charge of planning and promoting the information security measures of the headquarters and factories. An "information security team" is formed consisting of executives from IT and other units. It must engage in security prevention, crisis handling, and audit operations.



Information Security Policy

Abide by information security-related laws and provide adequate protection measures for the Company's information asset to ensure its confidentiality, integrity, and availability, acting as the highest guiding principle for the Company's information security management and operations.

- Abide by information security-related laws and provide adequate protection measures for the Company's information asset to ensure its confidentiality, integrity, and availability, acting as the highest guiding principle for the Company's information security management and operations.
- Regularly assess potential hazards' impact on the Company's information assets, formulate contingency and recovery plans for important information assets and key services. This is to make sure the ongoing operation of the Company.
- Encourage our employees to implement information security protection, establish relevant regulations and information security responsibilities, concepts, and conducts.
- Contractors, customers, or third-party personnel that have used or linked to the Company's information environment must adhere to the Company's information security policy and related regulations.

Information Security Management Mechanism and Solution

- User authorization management: The user must grant different authorizations according to different security levels.
- Operating system user authorization security management: Install the operating system in accordance with the Company's regulations and join the Company domain for centralized management. The operating system must receive regular security updates, while antivirus software must be installed on the Company's servers and computers. Furthermore, updates, scan engine, and virus codes are downloaded automatically every day. Measures for regularly renewing the user password.
- Application software security management: Besides installing the application software, tool software, and software suites needed for IT operations, installation of other special software requires separate applications and approval before it can be installed.
- Set up a screening mechanism for prohibited software and URLs in the firewall settings to deny access to prevent affecting network quality and security.
- Network communication security management: External VPN (remote) access and internal access (file transfer (FTP), instant messaging, special connection (HTTPS), and other network applications) must be reviewed by the information unit and approved by the executive in charge before access is granted.
- Application system security management: The information unit must restrict the access and update of the source code to authorized personnel, and set different program execution authorizations for different users based on the business needs.
- Backup management: System disaster recovery and database backup management-related measures are in place.
- Asset management: Conduct asset serial number management and regular inventory of equipment and personal computers in the data center.
- The online training method is applied to educate users on the security mechanism of operating system configuration and operation. The source and infection method of current viruses (Trojan horses, backdoors, worms, etc.) are explained to enhance the users' knowledge of security protection.

Zero Information Security Incidents

Based on statistical data, there were zero (0) cybersecurity incidents reported in 2022. Additionally, there were no fines imposed by regulatory authorities for personal data breaches during this period. We regularly evaluate all possible security hazards and factors and events that may affect the Company's information assets, and review emergency response and recovery plans to ensure the continuity of the Company's operations.

ERP System Upgrade

In 2022, Corum undertook a comprehensive update of its Enterprise Resource Planning (ERP) system, optimizing IT infrastructure and streamlining maintenance and management operations. In 2023, Corum is planning to implement a Business Intelligence (BI) reporting tool to enhance its operations. This tool will enable swift tracking of sales performance and financial reports, facilitating in-depth insights and analysis. This move is aimed at significantly improving operational efficiency by providing real-time access to crucial data, allowing for prompt action to enhance overall performance.

Protection of Personal Data

Corum's official website has established a clear privacy policy in which we do not collect "personal identifiable information" from you through this website. We may collect "non-personally identifiable information" such as your domain name, browsing patterns of your site, the date and time you visit the site, demographic information, and the address of the site from which you linked to us. We may use the information provided by our customers to create or deliver newsletters or market surveys containing product information, cosmetic tips or other promotions to you and to develop marketing programs. However, we will not sell or rent your personal information to third parties without your consent.

Corum will do its best to protect customer information. We have taken various technical and organizational measures to protect your personal information from loss or misuse. In this way, we protect our systems in accordance with the applicable security controls in the Data Security Standard.

5.5 Due Diligence on Operational Opportunities and Risk (GRI : 2-25)

Risks and opportunities arising from global trends and circumstances may affect the profitability of the business. Through the Corporate Governance Team of the Sustainability Committee, we are responsible for the implementation of business planning activities related to risk management, which covers the areas of corporate governance, the environment, and society. With each functional department at its core, we initiate relevant risk assessment operations. We assess the probability of risk occurrence and its impact on the Company, and subsequently develop risk responses for specific high-risk projects. This approach aims to continuously enhance our business competitiveness and influence, ensuring that we are well-prepared to address a variety of potential risks and capitalize on business opportunities, ultimately achieving the goal of sustainable operations.

Substantial financial or strategic impact, as defined by the Company's Finance Center, is calculated based on the following four major types of financial risks :

1

Operational
risk

For example, the losses incurred by one day of factory shutdown. Operational risks include personnel risk, system risk, procedural risk, equipment risk, and indirect cost risk.

2

Market risk

Market risk is mainly derived from economic uncertainty or general economic downturn. For instance, currency risk arising from inflation, currency tightening, resulting in decreased consumer spending and market momentum recession, which impacts the Company's revenue.

3

Credit risk

Evaluate accounts payable (AP) and accounts receivable (AR) to manage cash flow and sufficient liquidity to sustain business and continued profitability.

4

Legal risk

Tax compliance and possible changes in tax rules, tax incentives, fines, etc.

Corum’s Risk Management Policy

Risk item	Responsible department	Risk business item
Strategic risk	Chairman’s office	Stipulates the Company’s future operational policy.
Investment risk	Chairman’s office	Risks include short-term investment market price fluctuations such as overconcentration of reinvestment targets, high-risk and high-leverage operations, derivative financial product transactions, and wealth management, as well as a long-term investment in the operation, regulation, and management of investee companies.
Operational and market risk	President Sales Department Various relevant department	Execute product R&D, production, and sales based on the Company strategy, as well as commit to the improvement of production technology and quality, and the reduction of costs to increase the Company’s profitability.
Financial and liquidity risk	Finance Department	Hedging of interest rates and exchange rates, bank transaction limit management, relationship maintenance, etc.
Customer credit risk	Finance Department	Customer credit limit formulation and review, management, and collection of AR.
Legal risk	Administration Department	Review contracts, Company authorization and decrease corporate legal risks to protect the Company’s tangible and intangible assets.
Worker Safety risk	EHS Office	Focusing on the safety and health hazards and specific risk factors at the workplace as well as the safety and health policy, the Company has implemented safety and health management and enhanced its management performance.
Information security risk	IT Department	Risks such as conventional and digital information security and confidentiality, inability to verify information content and processing technique, inability to access information when needed, and the use of relevant assets.
Environmental risk	EHS Office	Risks such as GHG emissions management, carbon rights management, energy management, compliance with international and local environmental laws, or environmental evaluation requirements.
Human resources risk	HR Department	The human rights topics of employees or suppliers include but are not limited to labor relations, child labor, forced labor, and talent development management, including but not limited to risks related to talent recruitment, retention, and development.

Corum’s Risk Items and Response Strategies for 2022

Risk aspect		Response strategy
Corporate Governance Financial aspect	Interest rate fluctuations	• The Company has exhibited a sound financial structure, and it is complemented by the conservative and prudent utilization of funds. Moreover, full-time personnel has been appointed to monitor financial information at all times, while financial tools are used to minimize the risk of interest rate fluctuations by applying a conservative and prudent approach.
	Exchange rate fluctuations	• Lower the net position of USD and RMB to decrease exchange rate risk. • The Company's financial personnel constantly gather exchange rate fluctuation-related information and refer to financial information provided by banks and investment institutions to monitor the exchange rate fluctuations in real-time. • Open a foreign currency deposit account and regulate the foreign currency positions based on capital needs and exchange rate trends.
	Credit risk	• Dedicated personnel has been appointed for the determination of the other party's credit line, credit approval, and other monitoring procedures to ensure that appropriate actions have been adopted for the collection of overdue receivables. In addition, review the recoverable amount of each receivable to make sure that appropriate impairment losses for uncollectible receivables have been reported.
Product competition	Market competition	• Maintain close contact with our customers to understand and cater to their latest needs. Also, visit customers with R&D and technical personnel to gain insight into the future trends of our customers' products in order to respond by developing new products. • Innovation in R&D technology and obtaining patents to ensure we belong in the group of global leaders. • Obtain and maintain the trademark.
Corporate Governance	New infectious disease	• Form a task force. • Continue to monitor the pandemic information and make adjustments according to the government's regulations. • Implement the deputy mechanism. • Implement new infectious disease response measures and pandemic prevention mechanisms.
	Information security risk	• Manage file and equipment security, perform a regular backup of the entire system, and execute defragmentation to save disk space and increase the system's performance. • As far as equipment security is concerned, access control and data center control should be enforced, while data center equipment should be maintained and managed. In addition, data center security measures should be regularly inspected. • Set authorization management and realize the internal control cycle of information security. • Implement off-site backup systems. • Regularly outsource information security inspections.

Risk aspect		Response strategy
Environmental aspect	Environmental pollution	• Abide by waste management regulations, regularly conduct a qualification review of waste disposal contractors and confirm the final destination of disposed waste to ensure that the waste generated by Corum can be adequately disposed of. • Implement environmental aspect risk identification and establish a control mechanism for potential sources of pollution. • Conduct quarterly OHSC (Occupational Health and Safety Committee) meetings to review environmental control performance. • Implement law identification and comply with the government's regulations.
	Climate change risk	• Concerning water resources management, we need to respond to water restrictions and water rotations during a water shortage. Consequently, besides collecting water reservoir intelligence, we must also monitor the water consumption trend and promote water-saving measures including the use of reclaimed water. • When a typhoon warning is issued, the typhoon prevention headquarters is established to monitor the typhoon's development and the current conditions in the factory. Typhoon forecasts are issued within the factory to allow our personnel to effectively understand the typhoon's conditions and implement typhoon prevention measures to minimize the impact of the typhoon. When a flood occurs, the typhoon prevention headquarters will coordinate manpower to respond to and resolve different situations, and implement post-flood recovery work. • Implemented ISO 14001 environmental management system • Introduced TCFD climate change risk management, and a rolling review is conducted every year. • In supporting the government's energy conservation policy, we plan to introduce ISO 14064-1: 2018 GHG audit in 2023. • Comply with government regulations and customer needs.
Social aspect	Occupational disaster risk	• Employees are important assets, thus we strive to protect their workplace safety to prevent the potential costs and risks associated with occupational disasters. Continue to implement ISO 45001 management system to implement hazard identification and management. Regularly hold OHSC (Occupational Health and Safety Committee) meetings to propose recommendations on the employer's safety and health policy, as well as to review, coordinate, and recommend safety and health-related matters to let employees protect one another and work with peace of mind. We also aim to promote a disaster-free work hour record.
	Lack of labor Risk	• Vigorous promotion of equipment automation: The Company has vigorously promoted equipment automation to address a lack of labor. An equipment automation center was created to integrate and share equipment automation resources and expand investment in equipment automation, where machines are used to reduce manual labor intensity and simple, repetitive actions. • Strengthen personnel retention: Improve employee remuneration and benefits, pay attention to employee care, and strive to lower the employee resignation rate.
	Raw material supply Risk	• To address the uncertainties associated with the supplier's supply of goods, in addition to the development and transfer of supplier countries, we have also adopted hedging procurement to minimize the risk of supply interruption. • Apply the logistics collection mechanism and demand our suppliers to increase the groupage ratio of container shipments and reduce the risk of loose cargo control.

Risk Response to Critical Events

● Response to Climate Change

In the face of the global climate change crisis, the highest management position responsible for climate-related issues within the Company, under the Board of Directors, is held by the Chief Financial Officer (CFO). The CFO also serves as the Vice Chairman of the Corum Sustainability Committee, and regularly reports to the Chairman of the Board. Following the TCFD framework, the Company conducts opportunity and risk analysis and disclosure related to climate matters. The CFO manages the annual budget for climate governance-related activities, including expenditures related to low-carbon transition products (including research and development technologies). Climate-related issues are integrated into the Company's strategy, and the CFO directly reports to the Chairman of the Board on the assessment of relevant risks and opportunities.

In addition, the Marketing Department is responsible for promoting corporate sustainability issues delegated by the Board of Directors, publishing corporate sustainability reports, and responding to evaluations from projects such as the CDP Carbon Disclosure Project and the EcoVadis Supply Chain Sustainability Assessment.

● COVID-19 Pandemic Prevention Measures

Besides forming a pandemic prevention response team, Corum has also implemented the following :

1. Request various units to reinforce environmental cleaning and disinfection management.
2. Request the employees to wear masks, take body temperatures every day, and conduct self-health management. If abnormal health conditions are discovered, the Company will immediately try to understand, monitor the situation, and provide relevant assistance in pandemic prevention.
3. To minimize employee interaction, elevator traffic is diverted, and the building's security door only allows people to leave, no entry is permitted. Visitors or people exhibiting abnormal health conditions are prohibited from entering the building.
4. Meetings or client visits are carried out online to decrease cluster infection.
5. Monitor the Central Epidemic Command Center's latest directives and respond swiftly.
6. Depending on the needs of various units, relevant computer files and reports are backed up by scanning, external hard drives, or flash drives so that colleagues working from home may continue their work and ensure normal business operation.
7. Various units form LINE groups, save cell phone numbers, emails, or other communication information, allowing personnel to contact at any time, thereby decreasing the risk of cross-infection due to contact.
8. Employees who must work from home for a certain reason or are quarantined at home should refer to the information management regulations if they need to connect to the Company's intranet via VPN.

Pandemic prevention response team

Commander

- Provide the necessary pandemic prevention resources, take charge of pandemic prevention work in the Company and the factories, and supervise the effectiveness of the current pandemic prevention efforts.

Administration
Department

- Release pandemic prevention work-related information to investors, local health authorities, and stakeholders act as the news release unit during a pandemic, as well as review health declarations and external legal documents (including customers, suppliers, contractors, etc.).
- News release.

HR Department /
Facility Department

- Formulate attendance management during the pandemic.
- Make plans to let the employees and contractors dine in separate areas to accommodate the pandemic prevention needs of different levels.
- Plan to implement working in different areas and devise a personnel flow diversion control mechanism.
- Plan and continue to update necessary pandemic prevention resources and review their specifications.
- Formulate and implement procedures for pandemic prevention disinfection and emergency disinfection in offices and factories.

HR Department /
EHS Office

- Provide adequate education, training, and pandemic prevention promotion.
- In support of pandemic prevention at different levels, formulate and implement the principles for the promotion and management of health declarations for visitors and contractors during the pandemic to manage factory access.
- Devise various medical resources and support measures for the evacuation of infected patients, as well as stipulate and implement case notification and medical treatment procedures. Implement temperature monitoring for people entering the factories in conjunction with abnormal temperature notification and employee health management monitoring.
- Implement pandemic prevention training and drills.
- Release internal pandemic prevention information regularly and announce high-risk areas of infection.
- Help to control guests, visitors, and contractors entering the factories.

Materials and
Production Department

- Purchase materials based on the specifications and quantity requirement of pandemic prevention materials.
- Coordinate raw materials supply according to the production plan and increase inventory.
- Production segregation and flow control plan.

IT Department

- Install the software, and hardware equipment and implement information security levels as part of the measures for working in different areas, working from home (WFH), and video conferencing.

Chapter 6

Responsible Manufacturing

- 6.1 Product Liability
- 6.2 Procurement Practice
- 6.3 Supply Chain Management
- 6.4 Customer Service



6.1 Product Liability （ GRI : 3-3, 417-1, 417-2, 417-3 ）

Material Topic	Medium-term targets	Department responsible Grievance mechanism
Product Liability	1. Establish a quality management system that meets PIC/S GMP standards for APIs and passed inspection. 2. Establish a quality management system that complies with Efficacy GMP standards for cosmetic raw materials and pass all requisite inspections.	Department responsible : The Quality Assurance (QA) and Quality Control (QC) sections of the Quality Department are dedicated units responsible for product quality within the Company. They operate under the purview of the Board of Directors and report directly to the Chairman. These departments are independent units that provide regular updates and reports to the Board of Directors.
Importance to the Company	Long-term targets	Grievance mechanism :
The safety, efficacy, and regulatory compliance of cosmetic ingredients are closely tied to the health and safety of users. From the research and development phase to production and marketing, Corum takes responsibility at every stage, including manufacturing, testing, auditing, and quality management. This holistic approach ensures that we meet customer demands and deliver products of the quality and efficacy they require.	1. Continuous optimization of product development process. 2. Products do not violate health and safety regulations. 3. Continuously pass ISO 9001, Efficacy GMP, PIC/S GMP quality management system verification.	Via telephone or email
Policy commitment	Annual resources invested and specific outcome	Evaluation mechanism
"Inspire to Discover New Efficacy" is the corporate slogan of Corum, and it represents our shared goal. The Company has developed five major policies (operating principles) based on the aforementioned goals to shape the corporate culture and align with the Company's sustainability objectives: Quality first, extraordinary production, R&D innovation, ongoing improvement, and customer satisfaction.	1. In 2022, there was no violation of product health and safety related laws and regulations. 2. There has been no violation of product information and labeling laws and regulations in the past three years. 3. In 2022, a comprehensive revamp was undertaken for our paper boxes and sealing tapes. The new design features boxes made from 100% recycled paper pulp in their original colors. Additionally, the printing area has been minimized to just 6.9%, significantly below the 50% reduction threshold recommended by the Environmental Protection Administration's "Guidelines for Packaging Reduction". These initiatives represent a significant step towards our commitment to sustainable development.	Quality management and review meeting
Short-term targets		
1. 100% of our products do not violate health and safety regulations. 2. 100% of Corum's products do not violate product information and labeling laws and regulations.		



Product Information

Cosmetic Ingredients and Active Pharmaceutical Ingredients (API) are our two major business units. Up to date, we have developed over a hundred cosmetic ingredients. Our product line includes: Anti-aging active peptides, innovative vitamin C derivatives, thermosensitive agents, cooling agents, patented whitening peptides, patented anti-dandruff ingredients, patented anti-hair loss ingredients, brightening and anti-acne active compounds, amino acid-based surfactants, mild surfactants, water-soluble oils, emollients, and more. Our focus lies in the upstream supply chain of the personal care and beauty industry. We are dedicated to innovating research and development of raw materials, efficacy, and technological applications to provide consumers with healthier, more efficient, and ecologically sustainable lifestyles.

Customized development of active pharmaceutical ingredients and drug intermediates began in 2004, with Corum collaborating with over 15 U.S. pharmaceutical companies on more than 200 projects. We provide commissioned R&D services of raw materials and critical intermediates under the Contract Research Organization (CRO) and Contract Development and Manufacturing Organization (CDMO) model. Our production scale can reach several hundred kilograms to meet the raw material requirements of pharmaceutical companies from pre-clinical to clinical trial stages.

In order to expand our business and services, we have constructed the Chiayi P2 Plant, a new 6-story factory that complies with Good Manufacturing Practices (GMP). The construction was completed at the end of November 2021, and the plant officially commenced operations in 2022. The Chiayi P2 plant is in the process of applying for PIC/S GMP certification, which is expected to be obtained in 2024-2025.

Quality Management

The manufacturing of cosmetic raw materials and APIs is closely related to regulations and the health and safety of users. Therefore, product compliance, effectiveness, safety, and stability are particularly emphasized. As a globally significant supplier of cosmetic active ingredient raw materials, Corum is committed to researching and producing high-quality active ingredient materials. Our production system holds various ISO certifications, including ISO 9001 Quality Management Certification, ISO 14001 Environmental Management System Certification, and ISO 45001 Occupational Health and

Safety Management System Certification. These certifications establish a high-standard safety production system, promoting responsible manufacturing and product liability management.

Quality excellence is the primary operational principle of Corum. We have established a quality risk management procedure, wherein each unit submits an annual "List of the Organization's Internal and External Quality Topic and the Needs of Stakeholders" and a "Response Plan for the Risks and Opportunities Associated with the Organization's Internal and External Quality Topics and the Needs of Stakeholders". These documents undergo risk and opportunity assessments, ensuring a comprehensive approach to quality management. Major quality issues are addressed by the Quality Department based on sources such as "Corrective and Preventive Action Requests," "Customer Complaint Forms," "Customer Needs Identification Forms," or "Audit Corrective Action Requests." These issues are then transformed into "Quality Risk Management and Response Measure Form", where relevant response measures are implemented. This approach ensures customer needs are met and enhances product competitiveness.

R&D and Production Safety Management

Corum has fully equipped research laboratories, including a cellular and molecular laboratory, an organic synthesis laboratory, a formulation application laboratory, and a fundamental research laboratory. These labs are dedicated to the research, development, and optimization of various products. Our efforts encompass laboratory-scale processes, pilot processes, pilot-scale processes, and the commercialization of production processes. We spare no effort in conducting experiments to ensure the quality, safety, and efficacy of our products. From R&D, production to sales, we insist on continuously improving our quality system and cultivating talents. Through continuous research and clinical trials, Corum's products adhere to the highest standards of efficacy validation and quality control. We maintain these standards through ongoing research, clinical testing, and rigorous efficacy and quality control measures. Based on scientific rigor, innovation, and quality assurance, we are today able to provide exceptional wide-ranging products and services globally. We are committed to offering better solutions for beautiful and healthy skin.

R&D

Stability and Physicochemical Assessment :

- 100% of the products are subjected to rigorous physical and chemical testing and have passed the stability test.

Safety Assessment :

- Ensure the use of internationally recognized and INCI-listed raw materials for research and development, and regularly verification by responsible department personnel whether the raw materials remain safe ingredients.
- Continuous process optimization studies are conducted in accordance with the 12 Principles of Green Chemistry guidelines to minimize the use of raw materials, chemicals and reagents, energy resources, and to evaluate more environmentally friendly solvents and reagents.
- Corum collaborates with internationally accredited safety assessment laboratories to deliver tests, including cell toxicity, mutagenicity, skin irritation, eye irritation, and skin sensitization tests.
- Corum has developed formulations that are more environmentally friendly, utilizing ingredients with lower environmental impact, such as glycerin. Our peptide series products are all PEG-Free, making them more environmentally conscious.

Efficacy Assessment :

- We have established a number of cellular platforms to evaluate the efficacy and activity of our products and to confirm the pathways of application.
- We cooperate with international accredited efficacy research laboratories to conduct biopsy tests and human clinical trials to evaluate the efficacy and activity of our products.
- We strictly prohibit animal testing.

Procurement

- We painstakingly select the source of natural raw materials and thoroughly eliminate genetically modified substances and substances with potential health and safety concerns.
- Through procurement management and supplier management processes, we choose qualified suppliers who not only meet quality specifications but also demonstrate environmental sustainability actions and commitments to biodiversity.
- Each batch of incoming materials is inspected and identified in accordance with the inspection and identification management procedures, and then confirmed by the Quality Control (QC) Section of the Quality Department before being stored in the warehouse.

Production

- Standard operating procedures, work instructions, and project implementation records are in place to identify and regularly evaluate risks.
- Evaluate and take measures in accordance with cosmetic safety regulations to minimize the production or toxicity of hazardous substances and to protect the health and safety of consumers.
- Continuously improve the manufacturing process through process optimization and take relevant measures to recover organic solvents, achieving a recovery rate of 56% for organic solvents since 2018, and continue to maintain it.
- Production and manufacturing are carried out in accordance with ISO 9001 Quality Management System procedures. The Quality Assurance (QA) and Quality Control (QC) sections of the Quality Department jointly oversee and manage the process to ensure product quality stability.
- Each batch of products is subject to final inspection in accordance with the inspection standard to ensure that the quality and validity of the products comply with laws and regulations and product requirements.

Storage,
Packaging and
Shipping

- Emergency plans and response procedures are in place for leakage and spillage incidents.
- Employees are trained to safely handle and manage hazardous materials, raw materials and finished products.
- Confirming specifications and quantities based on the inbound inventory document and quality inspection report before storage.
- Long-term cooperation with qualified transportation providers for shipping and delivery, with no transportation violations in 2022.
- In 2022, we completely revamped our carton boxes and sealing tapes, and use 100% recycled paper pulp in the original color for carton boxes.
- In 2022, we proactively responded to the promotion of the "Guidelines for Packaging Reduction" by the Environmental Protection Administration and reduced our printing area to 6.9%, which is well below the recommended 50%. This action aligns with our commitment to sustainable development.
- In accordance with the law, we label substances, label dangerous goods, store, handle, and transport them, and regularly review regulations to ensure that material information labels are updated, and there were no incidents of non-compliance in 2022 or the past three years.
- Our plastic packaging includes 1.2L plastic bottles and 20L-120L plastic drums, all of which are made from highly recyclable and reusable HDPE material. The packaging is visibly marked with the recycling symbol, and in accordance with the classification coding system established by the Society of the Plastics Industry, we also label the abbreviation representing the plastic material below the symbol. This allows our customers to easily identify the material and aids in reducing environmental pollution.

Quality Management

The manufacturing of cosmetic raw materials and APIs is closely related to regulations and the health and safety of users. Therefore, product compliance, effectiveness, safety, and stability are particularly emphasized. As a globally significant supplier of cosmetic active ingredient raw materials, Corum is committed to researching and producing high-quality active ingredient materials. Our production system holds various ISO certifications, including ISO 9001 Quality Management Certification, ISO 14001 Environmental Management System Certification, and ISO 45001 Occupational Health and Safety Management System Certification. These certifications establish a high-standard safety production system, promoting responsible manufacturing and product liability management.

Quality excellence is the primary operational principle of Corum. We have established a quality risk management procedure, wherein each unit submits an annual "List of the Organization's Internal and External Quality Topic and the Needs of Stakeholders" and a "Response Plan for the Risks and Opportunities Associated with the Organization's Internal and External Quality Topics and the Needs of Stakeholders". These documents undergo risk and opportunity assessments, ensuring a comprehensive approach to quality management. Major quality issues are addressed by the Quality Department based on sources such as "Corrective and Preventive Action Requests," "Customer Complaint Forms," "Customer Needs Identification Forms," or "Audit Corrective Action Requests." These issues are then transformed into "Quality Risk Management and Response Measure Form", where relevant response measures are implemented. This approach ensures customer needs are met and enhances product competitiveness.

Marketing Labels and Legal Compliance

Corum has extensive experience in various aspects such as compiling product information documents, registration declarations, communicating with regulatory authorities, creating customer raw material profiles, and addressing product-related inquiries. We are well-equipped to offer global regulatory registration services to our clients. Information regarding the registration status of chemicals in different countries and the compliance of cosmetic product usage is transparently disclosed in the Regulatory Information Sheet (RIS) documents. Corum's Marketing Department is responsible for the management of TDS (Technical Data Sheet), SDS (Safety Data Sheet) and RIS (Regulatory Information Sheet), and makes timely updates and adjustments to ensure compliance with the United Nations GHS regulations, EU CLP regulations, and China GHS regulations. CLP regulations, China GHS regulations and U.S. HCS regulations. There were no violations of any health and safety-related regulations in 2022, and there have been no incidents of non-compliance with product information and labeling regulations in the past three years.

All of Corum's products have been rigorously evaluated in accordance with applicable regulations, including the source of raw materials, hazardous substances, safety instructions for use, and recycling precautions. For each chemical substance we produce, we provide three essential accompanying documents: TDS (Technical Data Sheet), SDS (Safety Data Sheet), and RIS (Regulatory Information Sheet). TDS serves to outline the specifications, characteristics, quality indicators, usage, and storage conditions of the product.

SDS, or Safety Data Sheet, is a document that provides information about the composition of a substance, its physical and chemical properties, explosive performance, toxicity, environmental hazards, as well as safe handling, storage conditions, recycling precautions, emergency response for leaks, and transportation regulatory requirements. Our SDS documents are prepared following the United Nations' 16-section format, adhering to hazard classification and labeling requirements as specified by the United Nations' GHS regulations, the EU's CLP regulations, China's GHS regulations, and the United States' HCS regulations.

RIS is a declaration of compliance for the use of substances in cosmetic products in various countries and is divided into five chapters. The first chapter describes the identification of the chemical name of the substance, the origin statement, the composition of the substance, the content of the natural source of ISO 16128, and the manufacturing process. The second chapter is the Precautionary Statement. 100% of the products have been tested and confirmed to be free of hazardous substances such as: Allergens/Fragrance Allergens, Bovine/Spongiform Encephalopathy Risk Factors, Carcinogenic/Mutagenic/Reproductive Toxicity, 1,4-Dioxane, Diethylene Glycol/Ethylene Glycol Ethers, Formaldehyde, Genetically Modified Organisms (GMOs), Heavy Metals, Hormones/Phthalates/Bisphenols, Latex, Microorganisms, Nanomaterials, Radiation, Parabens and Sulfates, Paraffin, Pesticides, Plastic Microbeads, Polycyclic Aromatic Hydrocarbons (PAHs), Silicone Oil, Volatile Organic Compounds (VOCs), Wheat and Gluten, etc. Chapter 3: Regulatory status of chemical and cosmetic substances in various countries, such as California Proposition 65, European Union Cosmetics Regulation and Restriction of Use Appendix, Southeast Asian Cosmetic Regulations, Canadian Cosmetic Restriction of Use Regulations, China Chemical/Cosmetic Directory Registration, Japanese Cosmetic Regulations, Taiwan Ministry of Health and Welfare Cosmetic Regulations, U.S. FDA Cosmetic Restriction of Use Regulations, Australian Cosmetic Regulations, Brazilian Cosmetic Regulations, Halal Certification, Kosher, Non-Animal Source / Vegan Declaration, Non-Animal Testing (Cruelty-Free), RSPO Certification, EU Substances of High Concern, and so on. Chapter 4 is about the status of registration of chemicals in UK and EU. Chapter 5 is the statement of Fair Trade, Biodiversity, Corporate Social Responsibility and Sustainable Development Goals.

We have long been adhering to the attitude of integrity in communication with customers. Throughout the processes of product development, research and development, quality inspection, storage management, product introduction, labeling, and after-sales service, we adhere to strict regulations. We invest significant resources in ensuring product safety and reliability because we deeply understand that building a brand requires consistent effort, while damaging a brand can happen in an instant. The pursuit of excellence has no shortcuts; the only way is to take one step at a time, carefully examining each aspect and continuously improving and optimizing.

Customer Health and Product Safety Management

While providing high-quality and innovative products, we also safeguard the safety of our customers. Corum is committed to upholding "Conscientious Production." The Quality Control (QC) and Quality Assurance (QA) Sections of the Quality Department are responsible for monitoring and ensuring this commitment. We have established processes for production inspection, product safety checks, product recall procedures, risk lists and plans for internal and external issues, quality objective projects, quality risk management, and response measures. This organizational structure is directly overseen by the Chairman of the Board and is reinforced by ISO 9001 Quality Management Certification to ensure internal efficiency in management. We have established mechanisms for optimization and improvement to maintain consistent and stable chemical safety, product quality, and service standards.

Innovative R&D Product Performance in 2022

With more than 27 patents to date, Corum maintains a continuous commitment to innovative research, resulting in the acquisition of over 27 patents to date. Our approach involves introducing fresh perspectives to products and gradually refining and optimizing them. This includes developing new formula applications, obtaining natural and organic certifications, undergoing regulatory registration procedures, and completing comprehensive product trademark registrations. By aligning with market trends and meeting customer demands, we aim to enhance the competitive advantage of our products and brand.

Azelaic Acid has passed the international NaTrue Certification.



Azelaic Acid is NaTrue Approved

www.corum.com.tw

Corum's Azelaic Acid has been a pioneering brand in the industry for over three decades. Sourced entirely from natural origins and produced through advanced processes, it boasts potent anti-acne properties. Its exceptional formula also ensures a pleasant sensation when applied to the skin. In 2022, Corum obtained the international NaTrue certification, a symbol of trustworthiness, verifiability, and global applicability for truly natural ingredients. This certification also acknowledges Corum's commitment to upholding high-quality standards and stringent oversight over the sustainable sourcing and overall manufacturing processes.



CERTIFICATE

IP-VC™ New Product Launch

In 2022, Corum launched IP-VC™: an innovative esterified form of vitamin C. The newest product is IP-VC™. We have pioneered the development of an innovative esterified vitamin C derivative (INCI : Tetrahexyldecyl Ascorbate). This active ingredient boasts exceptional and highly stable skin brightening capabilities along with powerful antioxidant effects. It aids in boosting collagen production and strengthening the extracellular matrix, effectively promoting radiant, fair, supple, and hydrated skin.



Pioneering Innovative Formulation Development



In addition to innovative research on raw materials, Corum also continues to refine the technology release of innovative formulations in order to focus on market trends and meet diversified customer needs.

In 2022, in response to the trend of skin minimalism, we introduced several innovative formulas, including the Pink Lady and Color Crush dual-layer serum with multiple colors, the luscious and lightweight supercharged Vitamin C facial oil, and the groundbreaking Azelaic Acid powder compact formula! These formulations not only showcase our ability to diversify the applications of raw materials but also demonstrate Corum's expertise in formula development and its understanding of market trends.

Et-VC®, GenoWhite®, and Azeclair® obtained trademark registration.



Corum has applied for trademark registration in accordance with the law, and has gradually completed the trademark registration of Et-VC®, GenoWhite®, and Azeclair® in 2022, which not only enhances the protection of Corum as a trademark owner, but also completes the right to authorize the use of the customer, and is also a concrete implementation of the compliance with the laws and regulations.

6.2 Procurement Practices (GRI : 3-3, 204-1)

Material Topic

Procurement Practices & Supply Chain Management

Short-term targets

1. Include supplier sustainability in the supplier audit implementation assessment.
2. Continue to materialize the signing of supplier sustainability commitment.

Department responsible Grievance mechanism

Department responsible :

Logistics Department

Grievance mechanism :

Via telephone or email

Importance to the Company

In the era of globalization, the supply chain becomes an extension of corporate social responsibility, where the human rights and environmental requirements of the suppliers are an integral part of the enterprises' sustainability goals.

Medium to long-term targets

1. Encourage our suppliers to implement GHG audits.
2. Encourage our suppliers to formulate a carbon reduction plan to realize the country's goal of reducing GHG emissions to net zero by 2050.

Evaluation mechanism and performance

Evaluation mechanism :

Management review meetings are held annually to conduct a rolling review of supplier performance.

Performance :

In 2022, the local procurement ratio reached 75.78%, the data gradually rises.

Policy commitment

The Company demands our suppliers to comply with local laws and regulations and the Corum Ethical Corporate Management Best Practice. During procurement, we will take into account our social responsibilities and environmental benefits and prioritize the purchasing of eco-friendly products and services to strike a balance between economic and environmental benefits. We are committed to fulfilling corporate social responsibilities such as environmental protection, energy-saving, and carbon reduction with our upstream and downstream suppliers in an effort to create a sustainable supply chain.

Annual resources invested and specific outcome

1. Completed the optimization of the supplier evaluation system.
2. Formulated the Corum Ethical Corporate Management Best Practice and published it on the official website.

Corum incorporates sustainable procurement into the goals of social responsibility and sustainable development to become the guardian of the green earth as its own responsibility, and introduces the concepts of energy saving and carbon reduction, climate change risk response, and workers’ occupational safety rights into its procurement practices. Our primary consideration is to take into account economic, social, and environmental sustainability indicators. We purchase raw materials and consumables in compliance with relevant laws and regulations, as well as environmental protection and safety requirements. To achieve this goal, we have complied with the requirements of ISO 9001 international quality management system, ISO 14001 environmental management, and ISO 45001 occupational safety and health management system, as well as made ongoing improvements according to PDCA to attain corporate sustainability.

Supply Chain Integration and Risk Diversification Responses

Corum has always perceived suppliers as our strategic partners, and we believe in supporting our suppliers and growing with them. Corum’s main production location is Taiwan, we choose to collaborate with local suppliers in a bid to foster local industrial clusters and developments in the regional economy. Our long-term suppliers have worked with the Company for numerous years, offering a stable supply source. Considering that our suppliers are changed from time to time due to circumstances such as raw material quality, price, and cooperation, we are not exposed to the risk of raw material supply interruptions caused by centralized purchasing from only a few suppliers.

Gradually Increasing Ratio of Localized Procurement

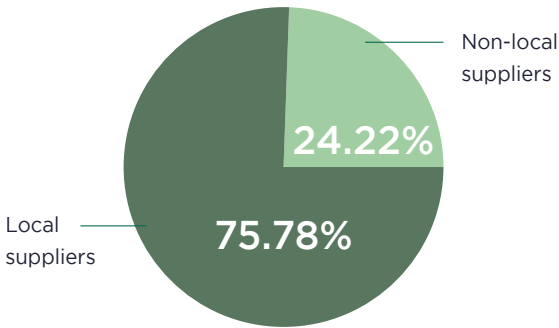
As technology continues to advance and industrial output continues to increase, damage to the environment is also on the rise, in turn evoking global attention on the topic of environmental protection. The objective of the 2015 United Nations Climate Change Conference (COP 21) is to achieve legally binding measures that can resolve the problem of climate change and mitigate global warming. Regarded as “the world’s best last chance” to save Earth, COP21 vows to improve the deteriorating conditions of climate change by controlling average global warming to within 1.5°C above pre-industrial levels. The meeting is regarded as the most iconic international agreement on global warming in history, hence Corum also upholds the principle of COP21 by taking the suppliers’ geographical location into consideration during the supplier selection process. Aside from considerations such as delivery period, timeliness, and shipping cost, we also aim to lower the environmental impact and damage generated by long-range transportation of raw materials.

Besides choosing local suppliers, we also need to consider the risk of centralized procurement from the same region. Our solution is to ensure the trucks and containers are fully loaded, and make use of ocean freight as much as possible while minimizing air freight because the CO2 emissions generated by ships are far lower than that of air freight, which in turn reduces shipping-related CO2 emissions. In 2021, we adopted the domestic consolidated shipping solution, please refer to Chapter 3.1 GHG Emissions & TCFD Reportof the report for specific performance-related details.

Corum reinforces supply chain resilience through local procurement and ESG management. In 2022, 75.78% of our procurements were made from local suppliers , an increase of 5.78% from the previous year.

Ratio of Local Procurement in 2022

Note : Local suppliers refer to suppliers in Taiwan.



6.3 Supply Chain Management (GRI : 3-3, 308-1, 308-2, 409-1, 414-1, 414-2)

Corum has adopted the UN SDGs as the direction of our procurement practices and supply chain management, demonstrating our corporate social responsibility. To realize a sustainable supply chain, we have implemented supplier management and risk assessment practices. Before engaging in business with suppliers, we request them to provide self-declarations and complete assessment questionnaires. Based on our evaluations of suppliers in areas such as energy conservation, environmental protection, eco-labels, and sustainable procurement, we conduct annual assessments to improve business activities and establish sustainable value commitments. We also require our suppliers to adhere to internationally recognized standards concerning human rights, labor rights, regulatory compliance, anti-corruption, and anti-forced labor, which also enhances the Company's positive social image.

When introducing new suppliers, Corum requires suppliers' management or top executives to sign the "Supplier Sustainability Pledge". This guideline is based on references such as the "Universal Declaration of Human Rights" and the "International Labour Organization Declaration on Fundamental Principles and Rights at Work". It encompasses labor standards, occupational health and safety, environmental standards, ethical norms, management system standards, and the preservation of biodiversity. By adhering to the "Corum Code of Business Integrity," this pledge ensures collaboration with suppliers, partners, and stakeholders to collectively promote sustainable development goals.

Corum has joined forces with suppliers to fulfill economic, environmental, and social responsibility, laying a firm foundation for supply chain sustainability.

Policy commitment	• Maintain a long-term, strategic alliance with the suppliers • Encourage the suppliers to fulfill their corporate social responsibilities and build a sustainable supply chain • Ensure quality, technology, and delivery capability
Resource integration	• Formulate diverse supply chain management procedures • Assemble a supplier evaluation team
Evaluation mechanism	• Supplier performance evaluation system • Annual supplier performance evaluation • Supplier sustainability and social responsibility audit

Corum completed an annual evaluation for 74 manufacturers in 2022, including the selection of 7 new suppliers and the annual evaluation of 67 existing suppliers, achieving a 100% audit rate. A sustainable procurement evaluation was conducted for 74 manufacturers, all of which have met the Company's requirements. Besides, there is no supplier was disqualified due to social responsibility-related issues such as environment, human rights, and occupational safety.

To further enhance supplier management, we designed the "Supplier Material Management Questionnaire" in 2022. This questionnaire targets specific suppliers who provide raw materials used in our key products, focusing on the quality and supply status of these raw materials. We have also finalized an updated version of the Supplier Assessment Questionnaire, incorporating regulatory compliance and biodiversity considerations. Additionally, we have established a "Supplier Code of Conduct" that all suppliers are required to sign and adhere to, promoting collective efforts to safeguard the natural environment.

In 2022, a total of 58 suppliers signed and returned the "Supplier Sustainability Pledge", indicating their commitment to environmental and sustainable management practices. This constitutes 78.38% of the overall supplier base, marking an increase of 8.38% compared to the previous year. However, this progress falls short of the set goal of 90%. The reason for not reaching the set goal of 90% is that some foreign suppliers have indicated that they already have their own published sustainability strategy statements. In response to this situation, for the upcoming year, we plan to consider the sustainability statements published by these suppliers as their commitment to Corum's sustainability efforts. We anticipate achieving 100% signing of the "Supplier Sustainability Pledge" by 2023. Through supplier self-assessment questionnaires, Corum continues to procure from vendors with demonstrably higher scores in environmental sustainability management.

Supply Chain Performance Evaluation

After becoming Corum's qualified suppliers, they must undergo regular evaluations, and the outcome of the evaluations will be an important reference for determining the procurement strategy. The Procurement Department discusses with relevant departments to create a list of key raw material strategic suppliers. The list is updated every six months. Select strategic suppliers of key raw materials for various product lines and those who have been chosen as strategic suppliers will be given priority during the Company's procurement process to increase their purchase volume.

Sustainable Supply Chain Management Framework

In order to implement a sustainable supply chain management framework and establish a more comprehensive and holistic sustainable supply chain, Corum has established management strategy goals for both new and existing qualified suppliers; we have set up monitoring and evaluation mechanisms to ensure the achievement of sustainable development goals within the supply chain. The details are explained as follows:

New supplier selection : Except for raw material suppliers designated by the customers, Corum selects new suppliers based on ISO 9001 quality standards and management indicators that comply with local environmental regulation standards and preventive measures. All of our new suppliers have been chosen according to the above criteria. New suppliers must be verified whether the specifications and quality of their raw materials are satisfactory through the supplier evaluation form mechanism. Furthermore, new suppliers are subject to random on-site visits or written reviews every year. After passing the two processes of the supplier evaluation form and design and development change order, a decision will be made on whether to select the supplier as Corum's supplier, where a corporate social responsibility commitment statement will be signed to become a qualified supplier of Corum.

Qualified supplier maintenance : We request our suppliers to guarantee complete service and delivery date, and unsatisfactory suppliers who cannot deliver products on time will be blacklisted. To implement sustainable management, we conduct annual on-site visits or written reviews on our suppliers to realize supply chain sustainability management. Corum increases its responsibility to the supply chain by disclosing the status of supplier management practices. At the same time, we elevate the awareness of our internal and external personnel and suppliers through regular employee and supplier education or training.

Corum Supplier Evaluation



Supplier Sustainable Governance



Note : Due to the pandemic, the written review approach was adopted instead of on-site visits in 2022.

6.4 Customer Service (GRI : 3-3, 416-1, 416-2)

Material Topic	Medium to long-term targets
Customer Service	1. Conduct annual customer satisfaction level surveys, reaching a score of over 90 points. 2. Maintain good customer relations and decrease customer complaints.
Importance to the Company	Annual resources invested and specific outcome
By upholding high product quality standards and utilizing innovative research and development capabilities, we strive to offer consumers a diverse range of healthy products. We also listen to customer feedback, address problems and meet customer needs, and continue to enhance customer satisfaction through cyclical quality management approach.	In 2022, we adjusted the timing of questionnaire distribution and processing, achieving an average score of 89.31 points, surpassing the target of 85 points.
Policy commitment	Department responsible Grievance mechanism
Services that Emphasize Customer Needs	Department responsible : Sales Department Grievance mechanism : Via telephone or email
Short-term targets	Evaluation mechanism and performance
Customer satisfaction score reached 85 points	Evaluation mechanism : Annual satisfaction survey Performance : The annual satisfaction score for 2022 was 89.31 points

Four Major Development Directions of Corum to Enhance Customer Satisfaction

Outstanding customer service fosters long-term, stable customer relations; hence it is an integral part of corporate sustainability. In order to materialize “services that emphasize customer needs”, Corum not only strives to meet the customers’ needs in product quality and the R&D of new products but also values customer relations. We have invested resources in training our sales personnel in communication skills and attitude. Through various communication channels, we listen to customer needs and expectations. We actively and swiftly address customer complaints and issues, aiming to enhance customer trust in our product quality and services. This serves as our primary driving force for ongoing operations.



Improve Service Quality

Provide customers with the best service and improve our service quality. The Sales Department conducts comprehensive sales personnel training by introducing the concept of “services that emphasize customer needs” and preparing the “Customer Service Management Manual” to ensure service quality and smooth communication. The objective is to resolve customers’ problems quickly, protect their rights and cater to their needs to attain the greatest satisfaction.

Service scope of the Sales Department

Education and training

- Professional education and training for honing the response and complaint-handling skills of our sales personnel and sales assistants.
- Improve the concept of customer first for our sales personnel.
- Regular internal education and training.

Communication channel

- Regularly host product seminars.
- The sales executive visits customers from time to time to gain insight into the service quality of the sales personnel and provide any necessary assistance.
- Conduct joint visits with relevant departments.

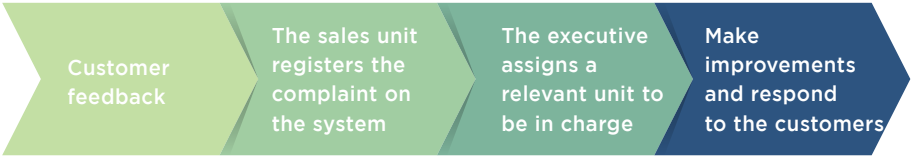
Corporate image

- Offer customers comprehensive services to shape a good corporate image.
- Establish a sustainable corporate culture.

Customer Complaint Mechanism

Corum values our customers’ valuable feedback, hence we have established clear customer grievance channels, product return/exchange, and compensation application procedures based on the ISO 9001 : 2015 quality management system. Moreover, we collect customer feedback through customer visits, grievance channels on the Company website, email, and sales survey questionnaires. The sales unit will register the “Customer Needs Identification Form” or “Customer Complaint Handling Form” on the system, completely documenting feedback, needs, cause, and process, and the executive will assign a unit responsible for launching application research or analyzing the cause to propose suitable improvement solutions for the customers.

Customer Complaint Handling Procedure



Every customer can file a complaint through diverse channels, and each customer complaint involves the sales executive contacting the customer in person to understand the situation and follow up on the problem until improvements are made and responded to the customer. Every year, the statistical data is reviewed in the management review meeting and the results are followed-up and discussed to formulate relevant corrective and preventive measures. Risk disposal and opportunities are managed to prevent the same problems from occurring repeatedly. The Company’s customer complaints over the last three years have been improved through corrective measures. A fast and effective customer service system can process the customers’ problems quickly and directly to improve service quality, bolster customer satisfaction, and forge good customer relations, in turn making the Company a trusted, most preferred choice.

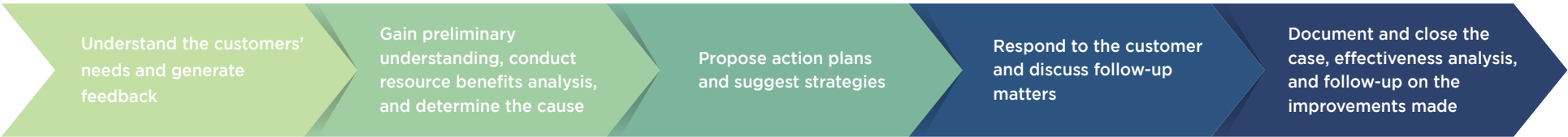
Customer Complaint Statistics for 2022

Year	Total number	Content	Improvement description
2022	0	No customer complaints	There were no customer complaints in 2022.

Customer Satisfaction Survey

Corum continues to conduct annual customer satisfaction surveys. In 2022, our customer satisfaction score reached 89.31, exceeding our target of 85. We understand that meeting customer needs is the foundation of our business survival. Customers play a central role in our operations and are a vital value of our continued existence. As a result, we have established an internal mechanism for service quality and process management. Each year, we review our customer complaint management process and conduct customer satisfaction surveys. In 2021, we updated the Customer Satisfaction Operation Manual to refine our approach. We expanded the sample size of surveyed customers, revised the questionnaire set, and transitioned to using online electronic surveys for data collection. This change aims to gain a more comprehensive understanding of customer opinions and feedback, ensuring that all needs are properly addressed. By comprehensively measuring customer satisfaction with Corum's products and services, we are committed to continuous optimization of our service management processes. Based on customer satisfaction information, if there is a material quality topic, it will be turned into quality risk management and countermeasures.

Customer Satisfaction Survey Process



The customer satisfaction survey questionnaire collects feedback information from customers on the four major aspects of Corum, namely, "corporate image, product quality, service quality, and overall evaluation", in order to analyze and reflect the Company's strengths that need to be maintained steadily and the weaknesses that need to be reviewed and improved, and to confirm the existence of risks and opportunities, and to expand the survey to include both domestic and foreign customers. We utilize our CRM system to establish Key Accounts and customer segmentation, applying a proportionate sampling approach for conducting surveys. The feedback received from customers is used to enhance our business capabilities, improve competitiveness, and elevate customer satisfaction across relevant departments. We aim to facilitate the understanding of our Company's values by customers through these surveys and gradually optimize internal performance.

Customer Satisfaction Survey for 2021-2022

Year	Score	Improvement description
2021	84	The customer satisfaction survey was conducted via online questionnaires, resulting in a total average score of 84.27 points, just shy of the annual target of 85 points. In 2022, the questionnaire survey will be administered in October and November to avoid the December holiday.
2022	89.31	Adjusting the questionnaire operation time, the total average score is 89.31, achieving the target of 85 points.

Remarks : In 2022, the questionnaire survey was administered in October and November to avoid the December holiday. Upon reviewing the low response rate of the customer satisfaction survey, the Company's management team discussed the issue and decided to take proactive measures. In the upcoming year, the survey timeline will be advanced to commence in the second quarter, allowing more time for the completion of the survey, analysis, and review.

Customer Service

In order to introduce Corum to a wider audience, we produced a corporate image video in the year 2022. This video provides insight into our Company's developmental journey, core values, operational principles, and our commitment to sustainability. We hope that through this video, you will gain a deeper understanding of our dedication to creating a world filled with care, health, and beauty. Additionally, we have actively participated in international exhibitions, aiming for Corum to shine on the global stage.

Participation in international exhibitions in 2022



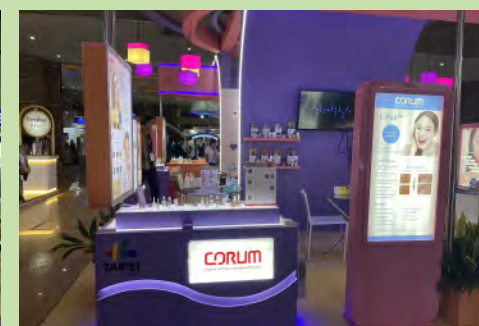
Australian Society of Cosmetic Chemists
(ASCC)



in-cosmetics Korea



in-cosmetics Asia



Indonesia Cosmetic Ingredients (ICI)



SEPAWA Congress Germany



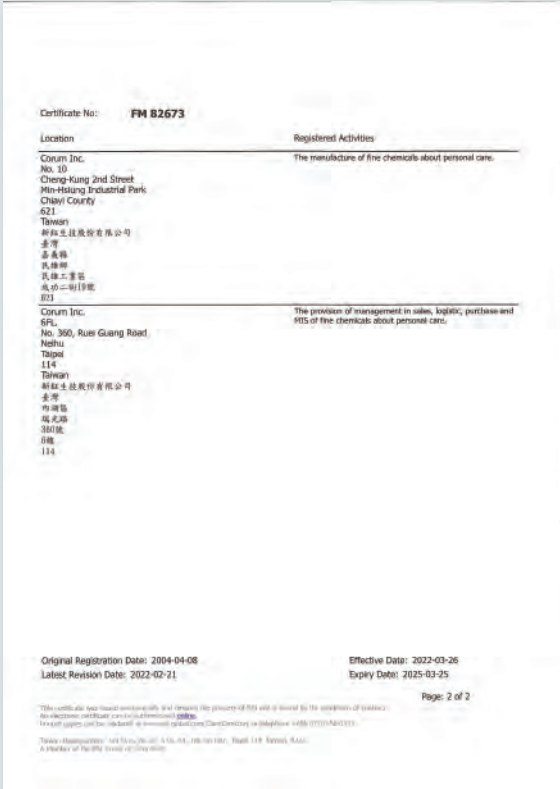
Local seminar in Italy

Appendix

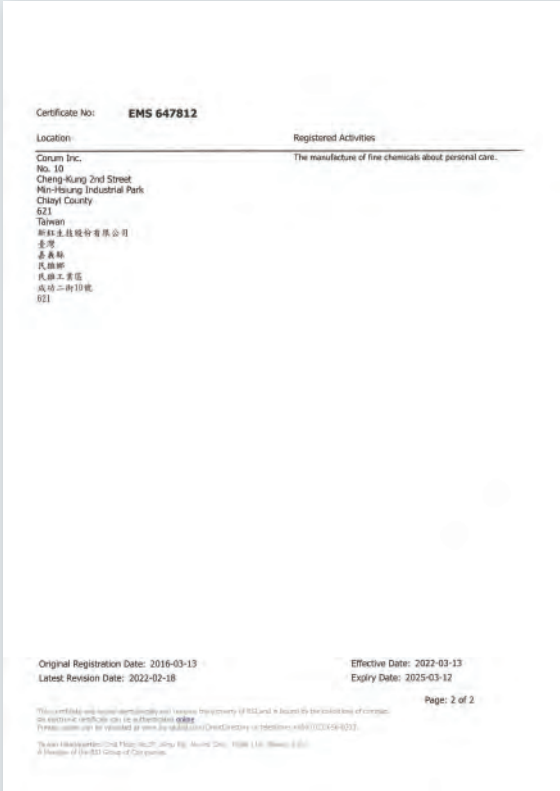
- ISO 9001 certificate
- ISO 14001 certificate
- ISO 45001 certificate
- ISO 22716 certificate
- Taiwan Occupational Safety and Health Management System Certification (TOSHMS)
- Global Reporting Initiative's Sustainability Reporting Guidelines GRI Standards Index
- UN Global Compact Comparison Table
- ISO 26000 Social Responsibility Standards Comparison Table
- SASB Standards Comparison Table



ISO 9001 certificate



ISO 14001 certificate



ISO 45001 certificate



Certificate of Registration

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM - ISO 45001:2018

This is to certify that:

Chiaiyi branch ,Corum Inc. No. 10 Cheng-Kung 2nd Street Min-Hsiung Industrial Park Chiayi County 621 Taiwan	新旺生建設股份有限公司 嘉義分公司 嘉義縣 民雄鄉民雄工業區 成功二街10號 621
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Holds Certificate No: **OHS 705491**
and operates an Occupational Health & Safety Management System which complies with the requirements of ISO 45001:2018/ONS 45001:2018 for the following scope:

The manufacture of fine chemicals about personal care.
個人護理品之化學品之製造

For and on behalf of BSI:



Michael Lam – Managing Director Assurance, APAC

Originally Registration Date:	2019-02-20	Effective Date:	2022-02-20
Latest Revision Date:	2022-05-04	Expiry date:	2025-02-19



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Location	Registered Activities
Chiaiyi branch ,Corum Inc. No. 10 Cheng-Kung 2nd Street Min-Hsiung Industrial Park Chiayi County 621 Taiwan 新旺生建設股份有限公司 嘉義分公司 嘉義縣 民雄鄉民雄工業區 成功二街10號 621	The manufacture of fine chemicals about personal care.

Originally Registration Date	2019-02-20	Effective Date	2022-02-20
Latest Revision Date	2022-05-04	Expiry date	2025-02-19

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ISO 22716 certificate



Taiwan Occupational Safety and Health Management System Certification (TOSHMS)



Global Reporting Initiative’s Sustainability Reporting Guidelines GRI Standards Index

Usage statement	Corum has reported content from January 1 to December 31, 2022 in compliance with GRI guidelines.
GRI	GRI 1: Foundation 2021

GRI 2 : General Disclosures 2021

Material topics are marked with a ★

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	2-4	Restatements of information	0.1 About This Report	02	
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	2-30	Collective bargaining agreements	4.1 Care for Labor and Human Rights	81	
			4.2 Occupational Safety and Health	95	

GRI 3 : Material Topics 2021

Topic	Disclosure Title	Explanation	Report Contents	Page	Note
Material Topics	3-1	Process to determine material topics	2.1 Material Topics Identification and Analysis Process	26	
	3-2	List of material topics	2.1 Material Topics Identification and Analysis Process	26	
	3-3	Management of material topics	2.2 Material Topics Management Approach	29	

Economic Aspect

★ GHG Emissions & TCFD Report

GRI 3 : Material Topics 2021	3-3	Management of material topics	3.1 GHG Emissions & TCFD Report	40	
GRI 201 : Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	3.1 GHG Emissions & TCFD Report	40	

Indirect Economic Impacts

GRI 203 : Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	4.4 Spreading Corum's Vitality	103	
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★ Supply Chain Management & Procurement Practices

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GRI 204 : Procurement Practices 2016	204-1	Proportion of spending on local suppliers	6.2 Procurement Practice	136	

★ Business Ethics

GRI 3 : Material Topics 2021	3-3	Management of material topics	5.2 Business Ethics	114	
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	205-2	Communication and training about anti-corruption policies and procedures	5.2 Business Ethics	114	
	205-3	Confirmed incidents of corruption and actions taken	5.2 Business Ethics	114	
GRI 3 : Material Topics 2021	3-3	Management of material topics	5.2 Business Ethics	114	
GRI 206 : Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	5.2 Business Ethics	114	

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	302-2	Energy consumption outside of the organization	3.4 Energy Management	74
	302-3	Energy intensity	3.4 Energy Management	74
	302-4	Reduction of energy consumption	3.4 Energy Management	74
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GRI 3 : Material Topics 2021	3-3	Management of material topics	3.3 Water Management	72
GRI 303 : Water and Effluents 2018 Management Policy	303-1	Interactions with water as a shared resource	3.3 Water Management	72
	303-2	Management of water discharge-related impacts	3.3 Water Management	72
GRI 303 : Water and Effluents 2018	303-3	Water withdrawal	3.3 Water Management	72
	303-4	Water discharge	3.3 Water Management	72
	303-5	Water consumption	3.3 Water Management	72
Biodiversity				
GRI 304 : Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	3.6 Biodiversity	79

★ GHG Emissions & TCFD Report

GRI 3 : Material Topics 2021	3-3	Management of material topics	3.1 GHG Emissions & TCFD Report	40
GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.1 GHG Emissions & TCFD Report	40
	305-2	Energy indirect (Scope 2) GHG emissions	3.1 GHG Emissions & TCFD Report	40
	305-3	Other indirect (Scope 3) GHG emissions	3.1 GHG Emissions & TCFD Report	40
	305-4	GHG emissions intensity	3.1 GHG Emissions & TCFD Report	40
	305-5	Reduction of GHG emissions	3.1 GHG Emissions & TCFD Report 3.4 Energy Management	40 74
	305-6	Emissions of ozone-depleting substances (ODS)	3.1 GHG Emissions & TCFD Report	40
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.1 GHG Emissions & TCFD Report	40

★ Toxic & Waste Emissions

GRI 3 : Material Topics 2021	3-3	Management of material topics	3.2 Toxic & Waste Emissions	69
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	306-2	Management of significant waste-related impacts	3.2 Toxic & Waste Emissions	69
GRI 306 : Waste 2020	306-3	Waste generated	3.2 Toxic & Waste Emissions	69
	306-4	Waste diverted from disposal	3.2 Toxic & Waste Emissions	69
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★ Supply Chain Management & Procurement Practices

GRI 3 : Material Topics 2021	3-3	Management of material topics	6.3 Supply Chain Management	138
GRI 308 : Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	6.3 Supply Chain Management	138
	308-2	Negative environmental impacts in the supply chain and actions taken	6.3 Supply Chain Management	138

Social Aspect				
★ Human Rights				
GRI 3 : Material Topics 2021	3-3	Management of material topics	4.1 Care for Labor and Human Rights	81
GRI 401 : Employment 2016	401-1	New employee hires and employee turnover	4.1 Care for Labor and Human Rights	81
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1 Care for Labor and Human Rights	81
	401-3	Parental leave	4.1 Care for Labor and Human Rights	81
Labor Management				
GRI 402 : Labor / Management Relations 2016	402-1	Minimum notice periods regarding operational changes	4.1 Care for Labor and Human Rights	81
★ Occupational Safety and Health				
GRI 3 : Material Topics 2021	3-3	Management of material topics	4.2 Occupational Safety and Health	95
GRI 403 : Occupational Health and Safety 2018 Management Policy	403-1	Occupational health and safety management system	4.2 Occupational Safety and Health	95
	403-2	Hazard identification, risk assessment, and incident investigation	4.2 Occupational Safety and Health	95
	403-3	Occupational health services	4.2 Occupational Safety and Health	95
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.2 Occupational Safety and Health	95
	403-5	Worker training on occupational health and safety	4.2 Occupational Safety and Health	95
	403-6	Promotion of worker health	4.2 Occupational Safety and Health	95
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2 Occupational Safety and Health	95
GRI 403 : Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	4.2 Occupational Safety and Health	95
	403-9	Work-related injuries	4.2 Occupational Safety and Health	95
	403-10	Work-related ill health	4.2 Occupational Safety and Health	95
Labor Management				
GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	4.3 Workplace Health Promotion	100
	404-2	Programs for upgrading employee skills and transition assistance programs	4.3 Workplace Health Promotion	100
	404-3	Percentage of employees receiving regular performance and career development reviews	4.3 Workplace Health Promotion	100

Diversity and Equal Opportunity

GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.1 Care for Labor and Human Rights	81
	405-2	Ratio of basic salary and remuneration of women to men	5.1 Corporate Governance	112

Non-discrimination

GRI 406 : Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4.1 Care for Labor and Human Rights	81
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Freedom of Association and Collective Bargaining

GRI 407 : Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.1 Care for Labor and Human Rights	81
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Child Labor

GRI 408 : Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	4.1 Care for Labor and Human Rights	81
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Forced or Compulsory Labor

GRI 409 : Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1 Care for Labor and Human Rights 6.3 Supply Chain Management	81 138
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★ Social Engagement

GRI 3 : Material Topics 2021	3-3	Management of material topics	4.4 Spreading Corum's Vitality	103
GRI 413 : Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	4.4 Spreading Corum's Vitality	103
	413-2	Operations with significant actual and potential negative impacts on local communities	4.4 Spreading Corum's Vitality	103

★ Supply Chain Management & Procurement Practices

GRI 3 : Material Topics 2021	3-3	Management of material topics	6.3 Supply Chain Management	138
GRI 414 : Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	6.3 Supply Chain Management	138
	414-2	Negative social impacts in the supply chain and actions taken	6.3 Supply Chain Management	138

★ Customer Service

GRI 3 : Material Topics 2021	3-3	Management of material topics	6.4 Customer Service	141
GRI 416 : Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	6.4 Customer Service	141
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	6.4 Customer Service	141

★ Product Liability				
GRI 3 : Material Topics 2021	3-3	Management of material topics	6.1 Product Liability	130
GRI 417 : Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	6.1 Product Liability	130
	417-2	Incidents of non-compliance concerning product and service information and labeling	6.1 Product Liability	130
	417-3	Incidents of non-compliance concerning marketing communications	6.1 Product Liability	130
★ Information Security				
GRI 3 : Material Topics 2021	3-3	Management of material topics	5.4 Information Security	120
GRI 418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.4 Information Security	120

UN Global Compact Comparison Table

Category	The Ten Principles of the UN Global Compact		Chapter	
Human Rights	Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2 : make sure that they are not complicit in human rights abuses.		4.1 Care for Labor and Human Rights 4.1 Care for Labor and Human Rights	81
Labour	Principle 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;		4.1 Care for Labor and Human Rights	81
	Principle 4 : the elimination of all forms of forced and compulsory labour;		4.1 Care for Labor and Human Rights	
	Principle 5 : the effective abolition of child labour; and Principle 6 : the elimination of discrimination in respect of employment and occupation.		4.1 Care for Labor and Human Rights 4.1 Care for Labor and Human Rights	
Environment	Principle 7 : Businesses should support a precautionary approach to environmental challenges;		3.1 GHG Emissions & TCFD Report	40
	Principle 8 : undertake initiatives to promote greater environmental responsi bility; and		Chapter 3 Environmental Sustainability	39
	Principle 9 : encourage the development and diffusion of environmentally friendly technologies.		Chapter 6 Responsible Manufacturing	129
Anti-Corruption	Principle 10 : Businesses should work against corruption in all its forms, including extortion and bribery.		5.3 Legal Compliance	118

ISO 26000 Social Responsibility Standards Comparison Table

Material Aspect		Chapter
Organizational Governance	Decision-making processes and structures	1.1 Corum's Sustainability
		Organizational Structure
		5.1 Corporate Governance
Human Rights	Due diligence	4.1 Care for Labor and Human Rights
	Human right risk situations	4.1 Care for Labor and Human Rights
	Avoidance of complicity	4.1 Care for Labor and Human Rights
	Resolving grievances	4.1 Care for Labor and Human Rights
	Discrimination and vulnerable groups	4.1 Care for Labor and Human Rights
	Civil and political rights	4.1 Care for Labor and Human Rights
	Economic, social and cultural rights	4.1 Care for Labor and Human Rights
	Fundamental principles and rights at work	4.1 Care for Labor and Human Rights
Labour Practices	Employment and employment relationships	4.1 Care for Labor and Human Rights
	Conditions of work and social protection	4.1 Care for Labor and Human Rights
	Social dialogue	4.4 Spreading Corum's Vitality
	Health and safety at work	4.2 Occupational Safety and Health
	Human development and training in the workplace	4.3 Workplace Health Promotion
Environment	Prevention of pollution	Chapter 3 Environmental Sustainability
	Sustainable resource use	Chapter 3 Environmental Sustainability
	Climate change mitigation and adaptation	3.1 GHG Emissions & TCFD Report
		5.5 Due Diligence on Operational Opportunities and Risk

Material Aspect		Chapter
Fair Operating Practices	Anti-corruption	5.3 Legal Compliance
	Fair competition	5.3 Legal Compliance
	Promoting social responsibility in the value chain	1.3 Sustainable Development Strategies and Practices
	Respect for property rights	6.3 Supply Chain Management
Consumer Issues		6.1 Product Liability
	Protecting consumers' health and safety	6.1 Product Liability
	Sustainable consumption	6.4 Customer Service
	Consumer service, support, and complaint and dispute resolution	6.4 Customer Service
	Consumer data protection and privacy	6.4 Customer Service
	Access to essential services	6.4 Customer Service
	Education and awareness	6.4 Customer Service
Community Involvement and Development	Community involvement	4.4 Spreading Corum's Vitality
	Education and culture	4.4 Spreading Corum's Vitality
	Employment creation and skills development	4.3 Workplace Health Promotion
	Wealth and income creation	1.3 Sustainable Development Strategies and Practices
	Health	4.4 Spreading Corum's Vitality
	Social investment	4.4 Spreading Corum's Vitality
		4.4 Spreading Corum's Vitality

SASB Standards Comparison Table

Sustainability Accounting Standards Board-Chemicals		Code	Chapter	Note
Greenhouse Gas Emission	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.1 RT-CH-110a.2	3.1 GHG Emissions & TCFD Report	
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CH-130a.1	3.4 Energy Management	
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress Number of incidents of non-compliance associated with water quality permits, standards, and regulations Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.1	3.3 Water Management	
		RT-CH-140a.2		
		RT-CH-140a.3		
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	3.2 Toxic & Waste Emissions	
Workforce Health and Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.1	4.2 Occupational Safety and Health	
		RT-CH-320a.2		
Safety and Environmental Stewardship of Chemicals	Discussion of strategy to develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	6.1 Product Liability	
Genetically Modifier Organism	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	Our company has no genetically modified products.	
Management of Legal and Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	5.3 Legal Compliance	
Operational Safety, Emergency Preparedness and Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR) Number of transport incidents	RT-CH-540a.1	4.2 Occupational Safety and Health	
		RT-CH-540a.2		

Sustainability 2022 Report

