

CORUM

Inspire to Discover New Efficacy



Sustainability Report

2021

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Corum's ESG Report

Cover Story

Creating a World of Love, Beauty,
and Sustainable Development



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Introduction

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0.1 About Corum's Report

Reporting principles

The report is compiled according to the stakeholders' concerned topics and an analysis of Corum's relevant material topics during the reporting period, as well as the Global Reporting Initiative (GRI) Standards' latest core options. Please refer to the GRI Standards Index in the appendix of the report.

Reporting period and boundary

This is Corum's first ESG report (reporting period: January 1 to December 31, 2021). The report contains financial performance-related information that is compiled in accordance with the International Financial Reporting Standards (IFRS), including Corum and various reinvestment businesses in the consolidated financial statements. For various environmental and social performance metrics, the scope of disclosure consists of Corum's headquarters and the Chiayi factory.

Report release notes

Publication cycle: Annually
 Current issue: Published in September 2022
 Next issue: To be published in June 2023
 To support environmental protection and the paperless movement, as well as to fulfill our responsibilities as a corporate citizen, the report is published on the Company website in traditional Chinese and English
 Chinese: https://www.corum.com.tw/about_news_ch.php
 English: https://www.corum.com.tw/about_news.php
 For the readers' convenience.



Report quality assurance

The report's information and data were collected and compiled by our departmental colleagues and reviewed by various department executives before they are submitted to the Sustainability Committee for confirmation. Once the improvements and statistical data are completed, the report is presented to the Chairman for approval and publishing. The financial data of the report consists of financial report information from Deloitte, using NT\$ as the unit of calculation. The quality management system ISO 9001, environmental management system ISO 14001, and occupational safety and health management system ISO 45001 have obtained certification from international third-party verification agencies. The ESG report has not been verified by an external independent third party.

Contact information

Please refer to the electronic files published on the Company website for any errors, corrections, or updates to the report's information. If you have any opinions, suggestions, or inquiries about the content, please reach us via the following contact information.

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QR code of Corum's Company website

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0.2 Letter from the Chairman

2021 was still a very challenging year under the continuous influence of COVID-19 pandemic. After experiencing the strain on international supply bottlenecks in 2021 in the manufacturing industry, including shortages of labor and components, surging prices of raw materials and shipping rates, transportation backups, delayed delivery in ports, and pandemic lockdowns, we even more deeply realize that supply chain resilience and ESG (Environmental, Social, and Corporate Governance) are the decisive factors for sustainable operation.

Sustainable Environment, People-oriented

In the more than 30 years of manufacturing special chemicals for the cosmetic and pharmaceutical industries, Corum experiences the ups and downs of the industry, knowing that only continuous advance through knowledge and R&D can stand out in the fierce business competition. Therefore, as early as in 2004, the ISO 9001 Quality Management System was introduced to change the traditional manufacturing thinking and take root for sustainable development. Then, the ISO 14001 Environmental Management System and the ISO 45001 Occupational Health and Safety Management System were conducted successively. Our focus is on people. We treat the health and welfare of our employees as one of our priorities, along with focus on product quality and environmental sustainability. In 2021, Corum won the “Five Star Award of Occupational Health and Safety”, which further encourages us to continue investing our corporate resources in various energy-saving and carbon-reduction measures from within. By managing environmental impact, we strive to contribute to the wellbeing of the environment.

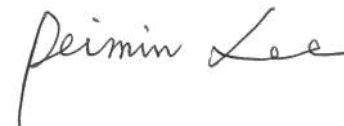
Sustainable Society, Expanding the Influence of Public Welfare

As a high-quality cosmetic and pharmaceutical ingredient producer, Corum actively responds to the UN SDGs, combining with our business activities and integrating corporate resources to promote public health and welfare. We mainly pay attention to the marine ecological environment and the science education of disadvantaged students in remote rural areas. We hold beach clean-up every two years and have established the “Corum Art in Science Award” to encourage students to showcase the artistic side of science in the appointed theme by submitting paintings to our annual creative art competition so as to cultivate their interest in the pursuit of scientific knowledge. We expect to promote the development of employees, their families and the local community through caring for the disadvantages, consoling police and volunteers, employee training and healthcare programs and various activities enlarging our social engagement.

Sustainable Governance, Common Prosperity and Common Good

2021 is the first year of Corum ESG. We have established the ESG Sustainability Committee, which consists of three groups: corporate governance, environmental sustainability, and social engagement. The short-term, mid-term and long-term business objectives of the company are linked to the implementation of our sustainable work as well as the pursuit of excellence. With a vision to bring a better solution to skin health and well-being, we strive for R&D innovation, scientific rigor, efficacy reliability and superior customer service with sustainability in mind. A sound corporate governance and sustainable development are our missions. Upholding a quality corporate culture and business integrity, we hope to fully communication with stakeholders, strengthen supply chain and teamwork, and promote information transparency and traceability through the publication of our ESG report. With our products and services, we intend to convey the philosophy of innovation, sustainability, high efficacy and a positive attitude towards life and beauty.

Chairman,




0.3 ESG Management Structure

Sustainability Committee structure and responsibilities

Corum founded the “Sustainability Committee” in 2021. As the primary decision-making and promoting unit of the Company’s sustainable development and management efforts, the Sustainability Committee comprises the Chairman, most senior executives of various departments, and other designated members. The organizational members include the Chairman, Vice Chairperson, the Sustainability Office, and three teams, namely the Corporate Governance Team, the Sustainable Environment Team, and the Social Engagement Team.

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.

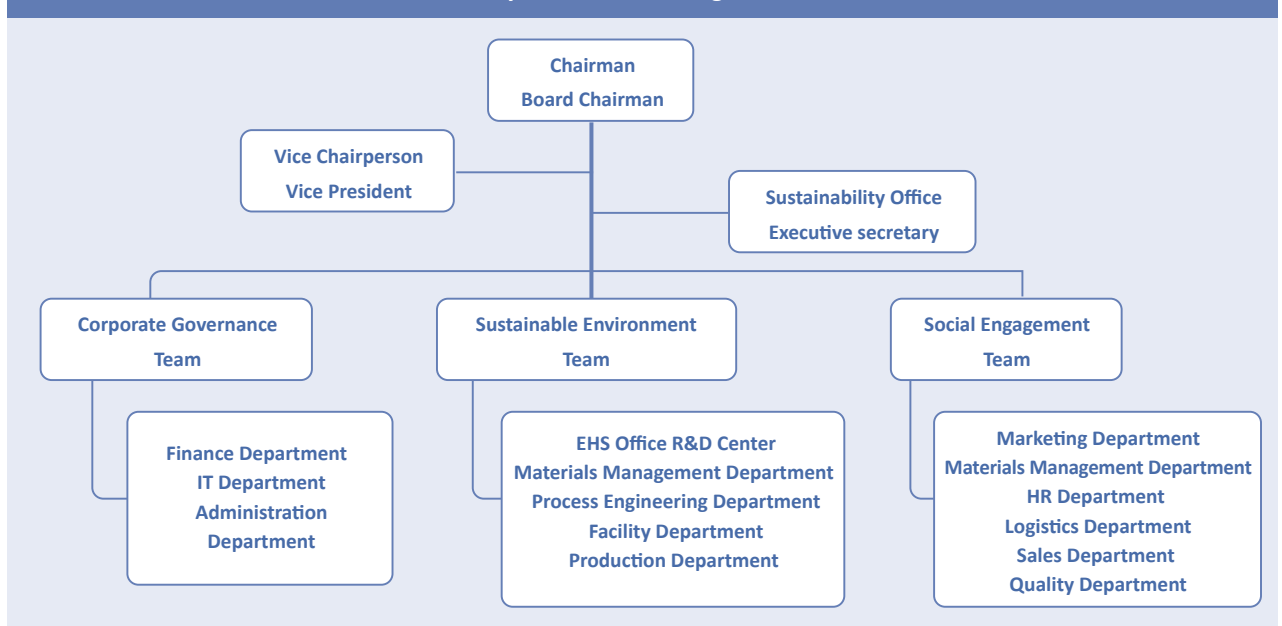
Functions of the Sustainability Committee

- ✓ Corporate sustainability work goal and strategy formulation
- ✓ Corporate sustainability promotion and supervision
- ✓ Corporate sustainability achievement review
- ✓ Handle other corporate sustainability-related affairs
- ✓ Review ESG report

Duties of the Chairman

- ✓ Formulate sustainable development policy
- ✓ Supervise the Sustainability Committee members in executing various policies and the preparation of the ESG report.
- ✓ Report the implementation status of sustainable development to the Board of Directors every year

Sustainability Committee organizational chart



0.4 Stakeholder Engagement and Material Topic Identification

Sustainability Committee meeting frequency and work items






In principle, the Sustainability Committee convenes a meeting twice a year to discuss the implementation target and outcome of various work teams. If necessary, the meeting frequency can be adjusted flexibly depending on changes in the environment or regulations. Besides members' routine meetings, the Chairman may also invite work team members to join the meeting depending on the content of the motion. Resolutions or discussions passed by the Sustainability Committee will be documented. After review by the Chairman, they will be forwarded to relevant units by the Sustainability Office to be implemented.

Investigation method and procedure



During the report's preparation process, a materiality analysis of the stakeholders' concerned topics is conducted to identify the stakeholders' concerned topics via a systematic analysis model. The topic's impact on the Company is also measured and used as a reference for preparing the report. We hope to engage in effective stakeholder communication through information disclosure and convey the Company's determination in corporate management, environmental protection, and social inclusion. In 2021, Corum's stakeholder concerned topic identification procedure is as illustrated below:




Corum’s stakeholder concerned topic identification procedure in 2021


Sequence	Item	Description	Outcome
1	 Identify stakeholders	The Company’s Sustainability Committee conducts an internal discussion with various departmental executives, taking into reference the stakeholder groups in the industry and following the five principles of AA1000 SES including Dependency, Responsibility, Influence, Diverse Perspectives, and Tension to identify six main stakeholders: employees, customers/dealers, suppliers/contractors/outsourcers, competent authorities, shareholders/investors, and media.	6 major stakeholder categories
2	 Summarize sustainability topics	The topic collection takes into consideration the context of sustainability, using the GRI Standards as the foundation in conjunction with the Taiwan Stock Exchange Corporation’s “Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies”. After considering benchmarking, company operations, and industry characteristics, we have summarized 25 corporate governance, environmental, and social-related topics for designing the questionnaire.	25 sustainable development topics
3	 Investigate concerned topics	To understand the stakeholders’ level of concern toward the sustainability topic, Corum has applied the online questionnaire to investigate the stakeholders’ concerned topics. Furthermore, the major influence of senior executives on corporate sustainability was investigated and used as a reference for ranking. A total of 78 questionnaires were retrieved, consisting of 63 concerned level-related questionnaires and 15 impact level questionnaires (Sustainability Committee member).	78 questionnaires were retrieved
4	 Identify material topics	By analyzing the questionnaires, a matrix of the concern score of various topics and the management’s impact on corporate sustainability was conducted. After discussions were made with the ESG report editorial team and external consultants, we identified 11 material topics in 2021 and disclosed our relevant management actions.	12 material topics
5	 Review and discussion	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.	Inaugural ESG report

Stakeholder engagement

<p>Stakeholder</p>  <p>Media</p>	<p>• Meaning of stakeholders to the Company</p> <p>The media is the most direct and swift communication channel for communicating brand image. The media represents the public’s advice and suggestion to the Company; hence the purpose of media reports and communication is to respond to the stakeholders’ concerned topics accordingly for the benefit of both parties. As a result, the Company’s positive image will be enhanced, thereby encouraging the ongoing advancement of the Company.</p> <p>• Concerned topics</p> <p>Occupational safety and health, legal compliance, product liability, energy conservation and carbon reduction, social engagement, and customer service.</p>	
Communication channel (feedback platform)	Communication frequency	Communication statistics for 2021
Sustainability topic questionnaire	Every year	<ul style="list-style-type: none"> • Sustainability topic survey: once
News releases, interviews or columns in international cosmetics magazines, our official website, social media	Non-regular	<ul style="list-style-type: none"> • News releases: 4 times • Interviews or columns in international cosmetics magazines: 10 times • News updates on the official website: 22 times • News updates on social media: 22 times • Human Rights Policy of CORUM and CORUM Ethical Corporate Management Best Practice Principles on the official website
<p>Stakeholder</p>  <p>Customer/ dealer</p>	<p>• Meaning of stakeholders to the Company</p> <p>Customers are an important partner of Corum; thus we listen to their needs, provide them with professional services, and monitor the industry trends in a bid to meet our customers’ goals and grow together.</p> <p>• Concerned topics</p> <p>Waste management, supply chain sustainability, customer service, legal compliance, occupational safety and health, product liability, technology innovation, operational business risk management, pollution prevention, energy conservation and carbon reduction, energy management, GHG emissions, and material consumption.</p>	
Communication channel (feedback platform)	Communication frequency	Communication statistics for 2021
Sustainability topic questionnaire, customer satisfaction survey	Every year	<ul style="list-style-type: none"> • Sustainability topic survey: once • Customer satisfaction survey: once
Corum Newsletter	Monthly	<ul style="list-style-type: none"> • One newsletter is announced on Corum’s website, WeChat Official Account, Line Business ID, and LinkedIn Business Account every month
Customer complaint handling	Real-time	<ul style="list-style-type: none"> • Customer complaints: 2, both are packaging-related and both have been improved
Official website, social media, inspection report, quality/legal compliance statement, product briefing, marketing and promotional activities, third-party report, sales visits	Non-regular	<ul style="list-style-type: none"> • Provide product reports or statements to accommodate the customers’ needs, organize marketing and promotional activities and product briefing • Human Rights Policy of CORUM and CORUM Ethical Corporate Management Best Practice Principles on the official website

<p>Stakeholder</p>  <p>Competent authority</p>	<p>• Meaning of stakeholders to the Company 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.</p> <p>• Concerned topics Market position, information security, GHG emissions, waste management, occupational safety and health, legal compliance, pollution prevention, energy conservation and carbon reduction, water resources management, energy management, ethical integrity, labor relations, product liability, and climate change response.</p>	
Communication channel (feedback platform)	Communication frequency	Communication statistics for 2021
Sustainability topic questionnaire	Every year	<ul style="list-style-type: none"> • Sustainability topic survey: once
Waste declaration, occupational accident monthly report declaration	Monthly	<ul style="list-style-type: none"> • Waste declaration: 12 times • Occupational accident monthly report: 12 times
Domestic chemical substance manufacturing and import declaration	Every year	<ul style="list-style-type: none"> • Chemical substance annual declaration and registration: once
Registration or declaration in other countries or international sustainability organizations	Every year	<ul style="list-style-type: none"> • Substance registration and declaration in other countries: once • Halal certification: once • COSMOS/EcoCert certification: once • RSPO member certification: once
Official website, participation in forums and seminars, official documents	Non-regular	<ul style="list-style-type: none"> • Continue to participate in forums and seminars hosted by government agencies to obtain the latest information and legal knowledge, as well as to exchange experience with other industry players • Human Rights Policy of CORUM and CORUM Ethical Corporate Management Best Practice Principles on the official website

<p style="text-align: center;">Stakeholder</p>  <p style="font-size: 1.2em; font-weight: bold; margin-top: 5px;">Shareholder/ investor</p>	<ul style="list-style-type: none"> ● Meaning of stakeholders to the Company The Company's investors and shareholders should receive the Company's material information fairly, uphold the spirit of integrity and corporate sustainability, open and transparent information, and maintain shareholder/investor equity. ● Concerned topics Economic performance, operational risk management, ethical integrity, and legal compliance. 	
Communication channel (feedback platform)	Communication frequency	Communication statistics for 2021
Sustainability topic questionnaire	Every year	● Sustainability topic survey: once
Financial report	Every year	● Corporate financial report publication: once
Business management meeting	Non-regular	● Convened by the Chairman to review and improve sustainability or business management-related issues
Official website, email, or mail	Real-time	● Respond to relevant information in accordance with regulations or shareholders' needs ● Human Rights Policy of CORUM and CORUM Ethical Corporate Management Best Practice Principles on the official website

<p style="text-align: center;">Stakeholder</p>  <p style="font-size: 1.2em; font-weight: bold; margin-top: 5px;">Supplier/ contractor/ outsourcer</p>	<ul style="list-style-type: none"> ● Meaning of stakeholders to the Company Corum strives to establish a long-term partnership with our partners to continue offering products and services that can satisfy the stakeholders' needs and realize corporate sustainability. ● Concerned topics Supply chain sustainability, legal compliance. 	
Communication channel (feedback platform)	Communication frequency	Communication statistics for 2021
Sustainability topic questionnaire	Every year	● Sustainability topic survey: once
Supplier evaluation and logistics/procurement personnel education and training	Every year	● Supplier evaluation survey: once ● Logistics and procurement personnel education and training: Obtain the latest information and legal knowledge through sustainable procurement seminars hosted by our main clients to optimize the supplier evaluation system and procedure
Official website	Non-regular	● Human Rights Policy of CORUM and CORUM Ethical Corporate Management Best Practice Principles on the official website

Stakeholder

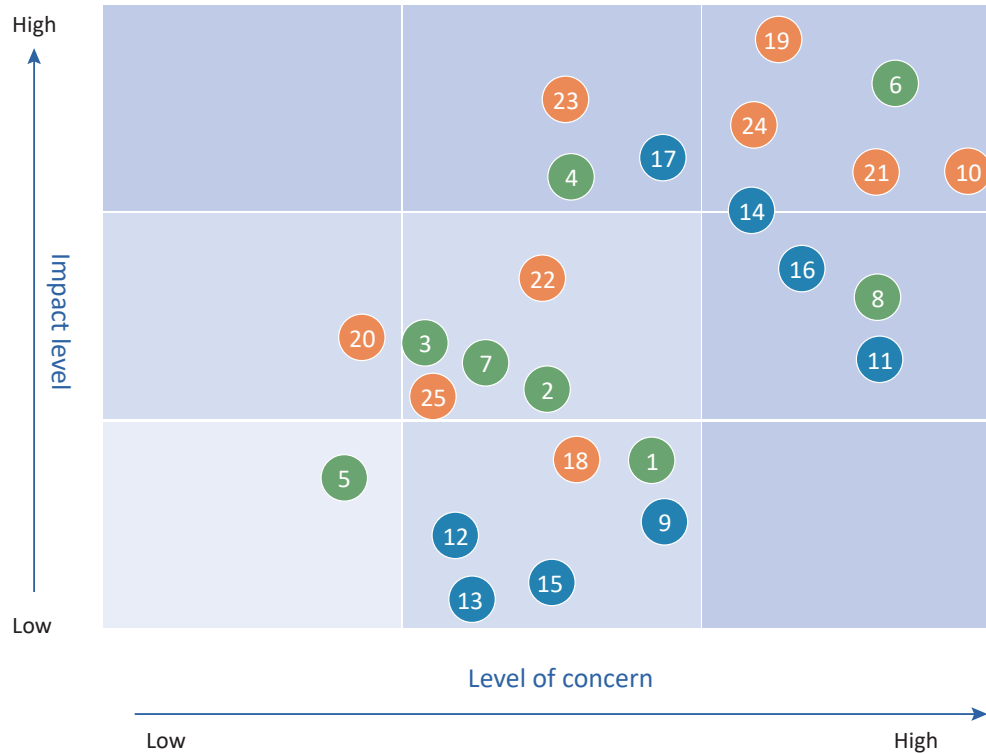
Employee

- **Meaning of stakeholders to the Company**
Employees are the most important partner in realizing Corum’s sustainable development. We strive to create a diverse, equal, and healthy work environment to grow and prosper with our employees.
- **Concerned topics**
Occupational safety and health, labor relations, employee diversity and equality, training and education, human rights assessment.

Communication channel (feedback platform)	Communication frequency	Communication statistics for 2021
Internal meeting	Real-time	<ul style="list-style-type: none"> ● Internal meetings are convened by various departmental executives to manage work targets and progress
Executive reading club	Monthly	<ul style="list-style-type: none"> ● Executive reading club: 10 sessions. Lecturers are invited to share their management or sales-related books, knowledge, or experience with executives (unit directors or above) and sales employees
Corum Newsletter	Monthly	<ul style="list-style-type: none"> ● One newsletter is announced on Corum’s website, WeChat Official Account, Line Business ID, and LinkedIn Business Account every month
Sustainability topic questionnaire	Every year	<ul style="list-style-type: none"> ● Sustainability topic survey: once
Occupational safety and health proposal incentive	Quarterly/annually	<ul style="list-style-type: none"> ● Promote the 6S cultivation, quarterly and annual winners are commended and rewarded with a cash prize or gift vouchers as incentives
OHSC (Occupational Health and Safety Committee)	Quarterly	<ul style="list-style-type: none"> ● OHSC (Occupational Health and Safety Committee) meetings: 4 times
Health benefits	Every six months	<ul style="list-style-type: none"> ● Health promotion lectures: 2 times
Labor-management meeting	Quarterly	<ul style="list-style-type: none"> ● Labor-management meetings: 4 times
Education and training	Non-regular	<ul style="list-style-type: none"> ● New employee education and training and pre-employment testing ● For the employee vocational education and training, we have achieved an achievement rate of 131% and 79% for internal training and external training, respectively
Official website	Non-regular	<ul style="list-style-type: none"> ● Human Rights Policy of CORUM and CORUM Ethical Corporate Management Best Practice Principles on the official website

Materiality matrix

Corum’s material topic distribution map for 2021

















Note: Color-coded to distinguish between environmental, social, and corporate governance aspects. Material topics are marked with a *. Refer to the following table for statistics.

Environmental aspect	Social aspect	Corporate governance aspect
1 Material consumption	9 Labor relations	18 Ethical integrity
2 Energy management	10* Occupational safety and health	19* Supply chain sustainability
3 GHG emissions	11* Training and education	20 Climate change response
4* Energy conservation and carbon reduction	12 Employee diversity and equality	21* Legal compliance
5 Biodiversity	13 Human rights assessment	22 Economic performance
6* Waste management	14* Product liability	23* Operational risk management
7 Water resources management	15 Social engagement	24* Information security
8* Pollution prevention	16* Technology innovation	25 Market position
	17* Customer service	

Material topic statistics		
Environmental aspect	Social aspect	Corporate governance aspect
Energy conservation and carbon reduction, Waste management, Pollution prevention	Occupational safety and health, Product liability, Technology innovation, Customer service, Training and education	Supply chain sustainability, Legal compliance, Operational risk management, Information security
3 Items	5 Items	4 Items

Relationship between material topics and Corum’s value chain

Material topic	Importance to operations	Material topic, value chain, impact boundaries								Management guidelines, disclosed chapters	Sustainable Development Goals (SDGs)	Page
		GRI Standards	Corum		Customer/dealer	Competent authority	Supplier/contractor/outsourcer	Media	Shareholder/investor			
			Headquarters	Chiayi factory								
Legal compliance	Legal compliance is the foundation of corporate responsibility. Only by materializing legal compliance can the company achieve steady growth and corporate sustainability.	GRI 307-1 GRI 419-1	●	●	●	●	●	●	●	1.3 Ethical Management		28
Operational risk management	In the process of pursuing corporate sustainability, in order to respond to environmental changes in the world, risk items that have a major impact on business activities are identified in advance and evaluated to establish a management mechanism and formulate action plans to prevent corporate operational risks. These are the cornerstone of sustainable development.	GRI 102-15	●	●	●				●	1.4 Total Risk Management		31
Waste management, Pollution prevention	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 306-1 GRI 306-2	●	●	●	●				3.1 Climate Governance and Action 3.2 Environmental Management	 	54 56
Supply chain sustainability	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 GRI 308-1 GRI 308-2 GRI 414-1 GRI 414-2	●	●	●				●	2.3 Vertical Integration and Supply Chain Management		45
Occupational safety and health	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. Instill the concept of working correctly and safely in our employees through promotional materials. Host OHSC (Occupational Health and Safety Committee) meetings every quarter to discuss and review relevant topics to prevent accidents and minimize risks.	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-10	●	●	●	●				4.1 Total Occupational Safety and Health Advancement		62

Material topic	Importance to operations	Material topic, value chain, impact boundaries								Management guidelines, disclosed chapters	Sustainable Development Goals (SDGs)	Page
		GRI Standards	Corum		Customer/dealer	Competent authority	Supplier/contractor/outsourcer	Media	Shareholder/investor			
			Headquarters	Chiayi factory								
Product liability	Through relevant product certifications, we can ensure the Company's products comply with international laws and regulations and customers' requirements. Moreover, we can provide customers with comprehensive services based on their product needs to consolidate different clientele.	GRI 417-1 GRI 417-2	●	●	●	●			●	2.1 Rigorous Execution and Quality Management		38
Customer service	With excellent product quality and innovative R&D capability, we offer consumers more diverse, healthy products, and listen to their feedback to elevate customer satisfaction levels through ongoing quality management.	GRI 417-1 GRI 417-2	●	●	●				●	2.4 Enthusiastic Service and Customer Satisfaction Management		49
Technology innovation	Make use of the professional technical team to continue refining the management process and product quality, and provide high-quality products free from harmful substances.	GRI 416-2	●	●	●					2.2 Innovative R&D and Forward Thinking		42
Energy conservation and carbon reduction	Climate change is closely related to the sustainability and survival of all organisms and human beings on Earth, and it has an indirect impact on corporate sustainability. In light of environmental friendliness, green manufacturing, and corporate sustainability, we continue to supervise and improve energy conservation and carbon reduction measures such as energy management, GHG emissions management and reduction, as well as lower the environmental impact of manufacturing in order to mitigate climate change-related impact.	GRI 302-1 GRI 302-4 GRI 305-5	●	●	●	●			●	3.1 Climate Governance and Action 3.3 Energy Resource Management	  	54 58
Information security	Information security incidents cause disruptions in the Company's operations and data leakage. In the information age, information security has become an inevitable topic.	GRI 302-1 GRI 302-4 GRI 305-5	●	●		●				1.5 Information Security Management		35
Training and education	Talent is the cornerstone of the company's development. Cultivating talents can also create a competitive advantage. To improve the ability of employees, the company actively participates in various government talent training projects. With the annual internal/external training plans of various departments, We enable our employees to grow together with the company.	GRI 404-1 GRI 404-2 GRI 404-3	●	●						5.3 Experience and Heritage		75

Material topic and risk management-TCFD climate change-related risks and opportunities disclosures framework

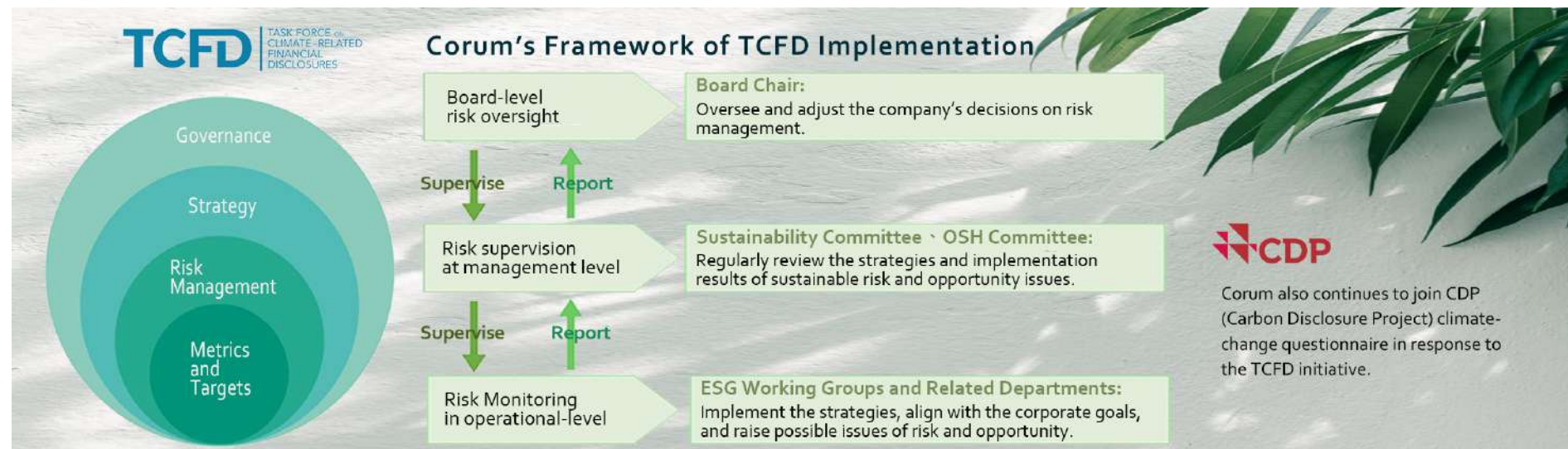
The Company plans a management guideline for material topics annually, and the performance is monitored and reviewed in Sustainability Committee meetings. Furthermore, the increasing intensity of extreme weather in recent years indicates that the global warming crisis is reaching a tipping point; therefore, countries around the world are paying more attention to the issue of climate change, and regulations in various countries/regions are being stipulated and revised to urge businesses to incorporate climate change into their corporate management. Besides identifying climate change-related operational risks, the Company also referred to the Task Force on Climate-Related Financial Disclosures (TCFD) announced by the Financial Stability Board (FSB) to include the four core disclosures of “governance”, “strategy”, “risk management”, and “metrics and targets” into business management. In addition, the Company’s governance performance is disclosed in the ESG report, allowing the stakeholders to understand the impact of Corum’s climate change-related risks and opportunities, as well as relevant response measures.

Governance

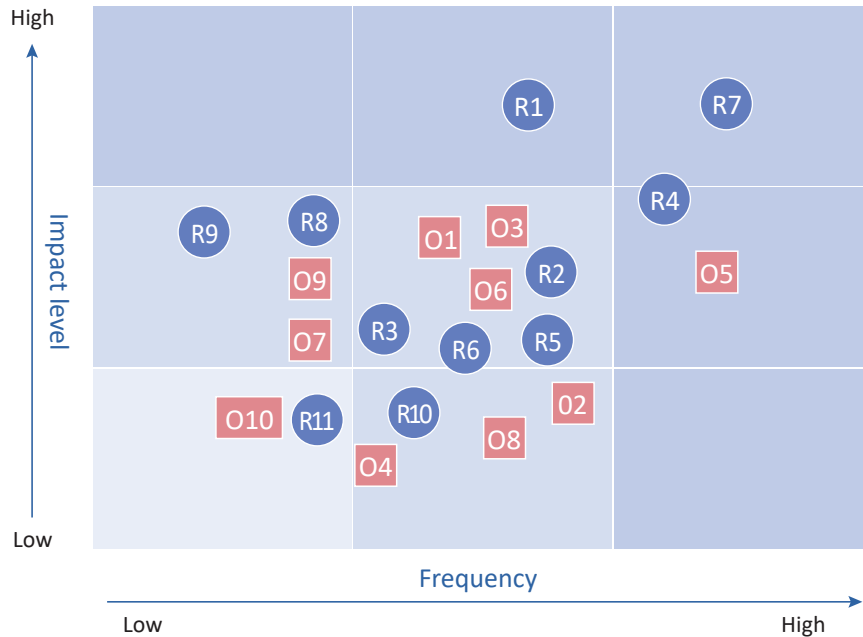
Corum’s climate change-related discussions and management are conducted by the Sustainability Committee, while climate change-related resolutions are approved by the Board of Directors. The Sustainability Committee consists of subsidiaries including the Sustainability Office and three work teams: Corporate 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.



Corum’s TCFD climate risk and opportunity matrix for 2021



Note 1: Short-term, medium-term, and long-term are defined as a period of 1-3 years, 3-5 years, and 6-10 years, respectively

Note 2: The circle above the matrix indicates the risk topic, the square represents the opportunity topic, while major risk and opportunity topics are highlighted.

Serial number	Climate change risk topic	Risk level	Time scope
R1	Increase GHG emissions pricing	High	Short-term, Medium-term, Long-term
R2	Reinforce the obligation of emissions reporting	Medium	Short-term
R3	Requirements and regulations for existing products and services	Medium	Medium-term, Long-term
R4	Replace existing products and services with low-carbon products	High	Short-term, Medium-term, Long-term
R5	Cost of low-carbon technology transition	Medium	Medium-term, Long-term
R6	Changes in customer behavior	Medium	Medium-term
R7	Changes in rainfall (water) patterns and extreme changes in climate patterns	High	Short-term, Medium-term, Long-term
R8	Increasing severity of extreme weather events such as typhoons and floods	Medium	Medium-term, Long-term
R9	The rising cost of raw materials	Medium	Medium-term, Long-term
R10	Rising average temperature	Medium	Medium-term, Long-term
R11	Rising sea level	Low	Long-term

Serial number	Climate change Opportunity topic	Opportunity level	Time scope
O1	Decrease water consumption	Medium	Medium-term, Long-term
O2	Apply a more efficient production and distribution process	Medium	Medium-term, Long-term
O3	Recycling	Medium	Medium-term, Long-term
O4	Use more efficient buildings	Medium	Medium-term, Long-term
O5	Apply more efficient transportation methods	High	Short-term, Medium-term, Long-term
O6	Use low-carbon energy	Medium	Medium-term, Long-term
O7	Apply incentive policies	Medium	Medium-term, Long-term
O8	Apply new technology	Medium	Medium-term, Long-term
O9	Engage in carbon trading market	Medium	Medium-term, Long-term
O10	Transition to decentralized energy	Low	Medium-term, 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 risks: Identified two major risks including a policy and regulation-related risk and a technical risk

Description: The Greenhouse Gas Reduction and Management Act will be changed to Climate Change Adaptation Act, and carbon fees will be levied for products with high direct or indirect emissions in 2024. Furthermore, the technical risk of replacing existing products with low-carbon products will be extended. These two risks may increase operating costs, but currently, the Company is not engaged in a high carbon emissions industry; hence the overall impact is immaterial. Besides implementing a GHG audit in 2023, the Company will also evaluate the feasibility of purchasing green electricity, installing solar power energy-saving equipment, and purchasing biomass energy. Carbon reduction targets will also be set.

2. Physical risks: Identified one major risk (immediate climate risk)

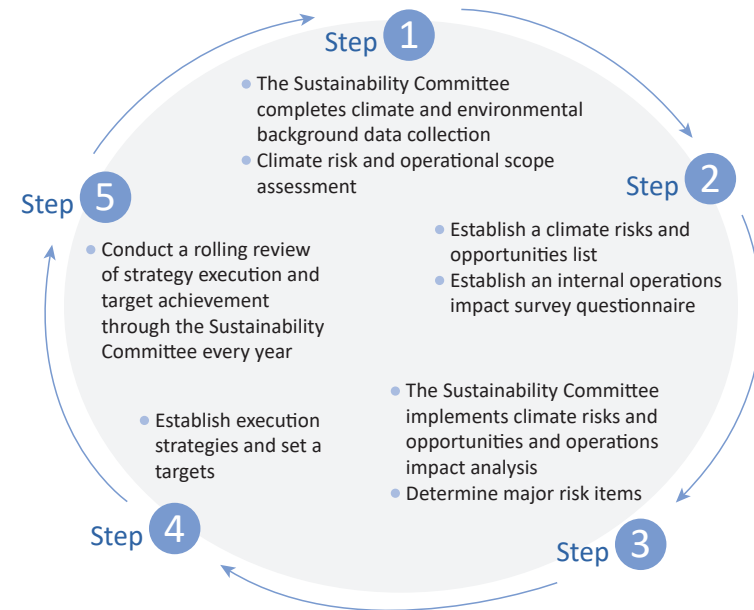
Due to the increasing frequency of extreme weather events, the resulting increase in typhoons and torrential rains may cause flooding of the Chiayi factory, in turn affecting factory operations. The potential financial loss is assessed. The Company’s response measures include maintaining the drainage system and formulating a typhoon and torrential rain contingency plan to reduce the immediate risks. At present, the factory’s waterproofing measures have been completed, and third-party certifications such as ISO 14001: 2015 environmental management system and ISO 45001: 2018 occupational safety and health management system have been introduced. The equipment regularly undergoes inspection and maintenance; thus the risk has an insignificant impact on the Company’s overall operations.

3. Resource efficiency opportunity: Identified one major opportunity (adopt more efficient transportation methods)

Description: After considering the efficient application of various resources, the Company is expected to implement the following measures:

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 management process



Note: The process describes how the Company conducts tracking and monitoring of climate change risks, collects data, and determines risk levels based on the risk matrix. The Sustainability Committee conducts an overall analysis, evaluation, and review before formulating the strategy and target. A rolling review of the performance is conducted annually.

Response to climate change risk and opportunity topic

Serial number	Risk and opportunity topic - Material topic	Impact on the Company's operations	Risk and opportunity response measures	Time frame
R1	Increase GHG emissions pricing	Climate change causes the temperature to rise; hence the EU has applied the carbon tax period to effectively prevent excessive GHG emissions, in turn increasing the Company's operating cost.	(1) Implement a GHG emissions audit and set the reduction target. (2) R&D of low-carbon products.	Short-term, Medium-term, Long-term
R4	Replace existing products and services with low-carbon products	Increased product development costs.	Develop or expand eco-friendly, recyclable products and carbon reduction services. We strive to establish a low-carbon product and service-inspired brand image via the following measures: (1) Use local raw materials. (2) Use recycled solvents (refer to the 12 Principles of Green Chemistry, current recycling rate is about 56-60%). (3) Expect to introduce ISO 14064 GHG audit in 2023. (4) Water consumption saved.	Short-term, Medium-term, Long-term
R7	Changes in rainfall (water) patterns and extreme changes in climate patterns	Based on the 2°C scenario analysis: Operational disruptions due to climate disasters, such as raw material and product transportation, IT equipment, or damaged production equipment causing disruptions in operation and increased operating costs.	(1) Installed drainage system and regular system maintenance. (2) Reinforced emergency power supply and backup system for information system and production equipment. Implement protection measures in advance when a heavy rain warning is issued.	Short-term, Medium-term, Long-term
O5	Adopt more efficient transportation methods	Help to decrease transportation-related expenses and carbon emissions.	Consolidated shipping is implemented to reduce shipping mileage and carbon emissions.	Short-term, Medium-term, Long-term

Metrics and targets

By the end of August 2022, a total of 101 companies in Taiwan have joined the TCFD initiative¹. Due to the high degree of internationalization and the fast integration with the world, Corum also joined the response to support the TCFD initiative. We look forward to increasing transparency in the disclosure of climate-related risks and opportunities and further setting goals to:y for the Board of Directors as a reference for decision making.

1. Average annual electricity saving rate of at least 1%.
2. Formulate the annual energy consumption standard value, improve and review energy consumption conditions every month, as well as allocate a budget for production process improvement and equipment replacement every year in a bid to lower energy consumption.
3. Implement a GHG emissions audit in accordance with ISO 14064-1 in 2023 to complete the self-audit GHG emissions report.
4. For the 2021 annual carbon audit, the scope 1, 2, and 3 emissions were 348.72, 1,193.15, and 94.10 tonnes of CO2e/year, respectively. The total annual emissions were 1,635.97 tonnes of CO2e/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).
5. 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 CO2 emissions, and a reduction of 68,495 KJ of energy consumption compared to 2020.

Note: TCFD official website: <https://www.fsb-tcfid.org/supporters/>



0.5 Corum’s Sustainable Development Strategy

The 4C policy of corporate sustainability management



Corporate growth should go hand in hand with sustainable management; hence Corum aims to realize the ultimate goal of corporate sustainability by protecting the natural environment and people’s welfare. To achieve this goal, we have incorporated environmental and sustainable management into our business operations and stipulated the 4C management policy that includes Collaborative Supplier Management, Conscious Environmental Protection, Caring for Labor Rights, and Corporate Social Engagement to conduct communication management and ongoing improvement. We are dedicated to improving energy-saving efficiency, environmental protection, and the creation of social values by constantly promoting green chemistry manufacturing and a green supply chain in the pursuit of co-prosperity for the Company and the environment.

Sustainable development strategy aspect | 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.

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.



Conscious Environmental Protection



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

Sustainable development strategy aspect | Execution method



Caring for Labor Rights

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

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.

0.6 Sustainability Performance Highlights

Social aspect



Selected as a company with outstanding occupational safety and health performance by the Ministry of Labor from 2018 to 2021. Received the Outstanding Five-Star Award in 2021.



The P2 factory was completed in November 2021 to increase the production capacity of active ingredients for cosmetics, API, and pharmaceutical intermediates, making it an important asset in expediting an increase in our global market share. Corum’s planned carbon reduction target: Using 2021 as the base year, gradually decrease scope 1 and scope 2 emissions by 3% every year (intensity unit) to respond to SDG 13 “Climate Action” and “net zero emissions” target proposed by the International Energy Agency.

Corporate governance aspect

Environmental aspect



Social aspect




Corum hosted the “Corum Art Promotion Award - Passion for science - student creative drawing contest” briefing in October 2021. A total of 69 submissions were received from 15 elementary schools, nine junior high schools, and three senior high schools in remote townships.





In 2021, we reduced shipping mileage through the consolidated shipping program, thereby lowering carbon emissions, energy consumption, and logistics expenses. Saving a total of 17.6 tonnes of CO2e and 68,495kj of energy.



Introduced ISO 45001: 2018 occupational safety and health system and apply risk management to thoroughly explore the risk situation from a business, management, and operational aspect. Every employee proactively participates in education and training and emergency drills to bolster and reinforce their safety awareness, thereby achieving zero occupational disasters and employee health promotion. The aim is also to elevate the workers' awareness through multiple health lectures.

In 2021, we accumulated a total of **725,680** hours of zero disaster work hours.



Gender equal human resources structure

In 2021, our male-to-female employee ratio was **84:67**, about **1.38:1**.



Annual training

In 2021, every employee received an average of **66.4** hours of training.





1

Corporate Governance

- 1.1 The Corum Spirit and Business Empire
- 1.2 Business Deployment and Performance
- 1.3 Ethical Management
- 1.4 Total Risk Management
- 1.5 Information Security Management

1.1 The Corum Spirit and Business Empire

Company profile

Company name	CORUM
Location of headquarters	6F., No. 360, Ruiguang Rd., Neihu Dist., Taipei City
Capital by the end of 2021 (Unit: NT\$ thousand)	75,000
Total number of employees	Taiwan: 151 employees
	Name of country: Taiwan
Total number of operating locations	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 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 geographical location of products/services provided and sales market	Our products are sold in over 40 countries worldwide including Australia, Belgium, the Netherlands, Luxemburg, Brazil, Canada, China, Columbia, the Czech Republic, France, Germany, Greece, India, Indonesia, Iran, Italy, Korea, Malaysia, New Zealand, the Philippines, Poland, Portugal, Russia, Spain, Switzerland, Thailand, Turkey, the UK, the US, Vietnam, etc.

	Vision	Engender a caring, healthy, sustainable, and beautiful world
Business philosophy	Customer-first service	<ul style="list-style-type: none"> • Emphasis on customer satisfaction • Dedicated to offering timeous and high-quality customer service • Provide the customers with the latest trends • Sales personnel with a global perspective
	Product safety and innovation	<ul style="list-style-type: none"> • Safety evaluation Collaborate with internationally-certified safety evaluation laboratories to conduct standard tests including skin irritation, skin allergies, eye irritation, cytotoxicity, and Ame’s test. • Efficacy assessment Collaborate with internationally-certified laboratories to carry out biopsy tests, such as melanin experiments and wound healing experiments. Develop a cell experimental platform to assess the efficacy of active ingredients/specialty ingredients, as well as to identify their mechanisms of action and pathways. • Clinical evaluation We prohibit animal testing and work with internationally-certified laboratories to conduct clinical trials to evaluate the efficacy of active ingredients/specialty ingredients and test subject clinical research and analysis.

Corum was founded in 1987 with headquarters in Neihu 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.

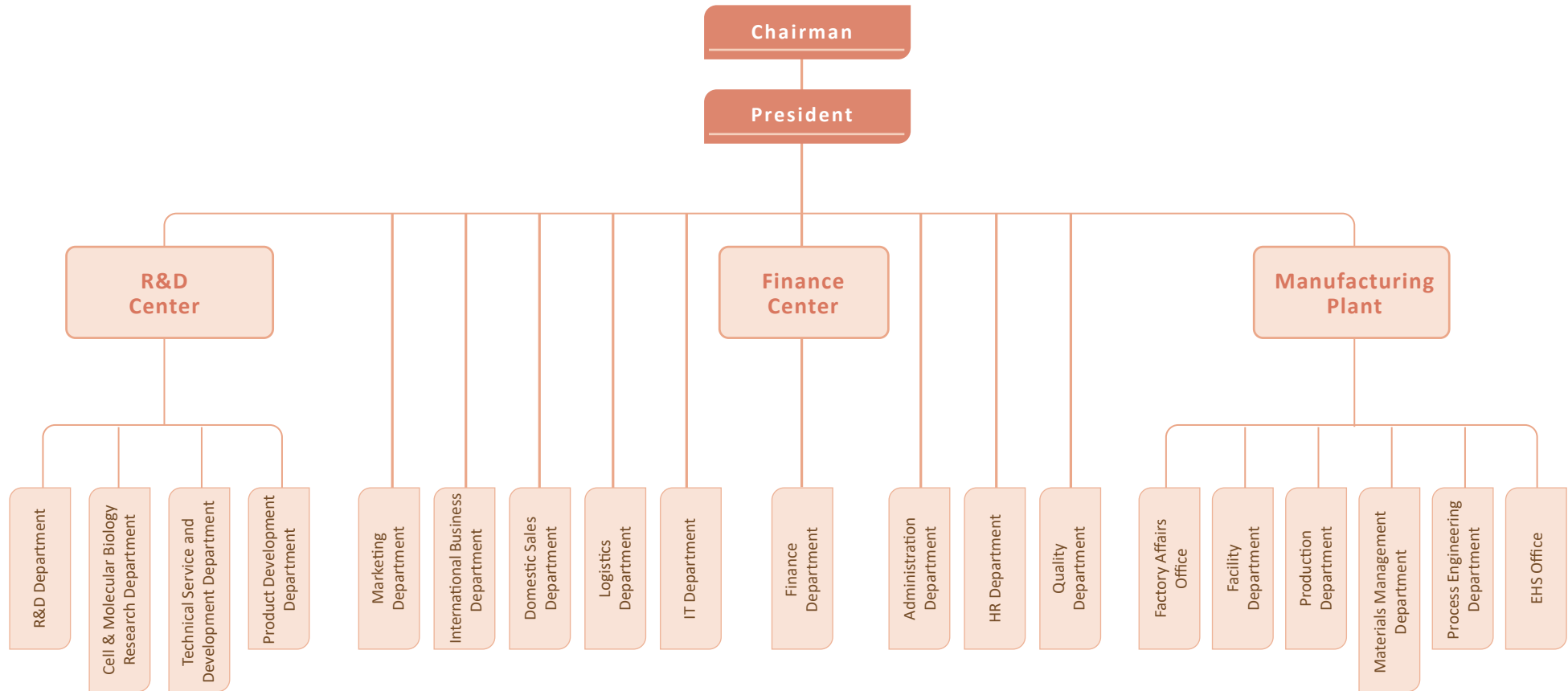
Our core objectives are closely related to the UN's SDGs, in turn providing us with a framework to evaluate how we can coordinate environmental impacts and social contributions more effectively instead of examining each problem independently. In terms of personnel, we have formulated a code of conduct 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.

Company organizational chart



Company history



Taipei headquarters established



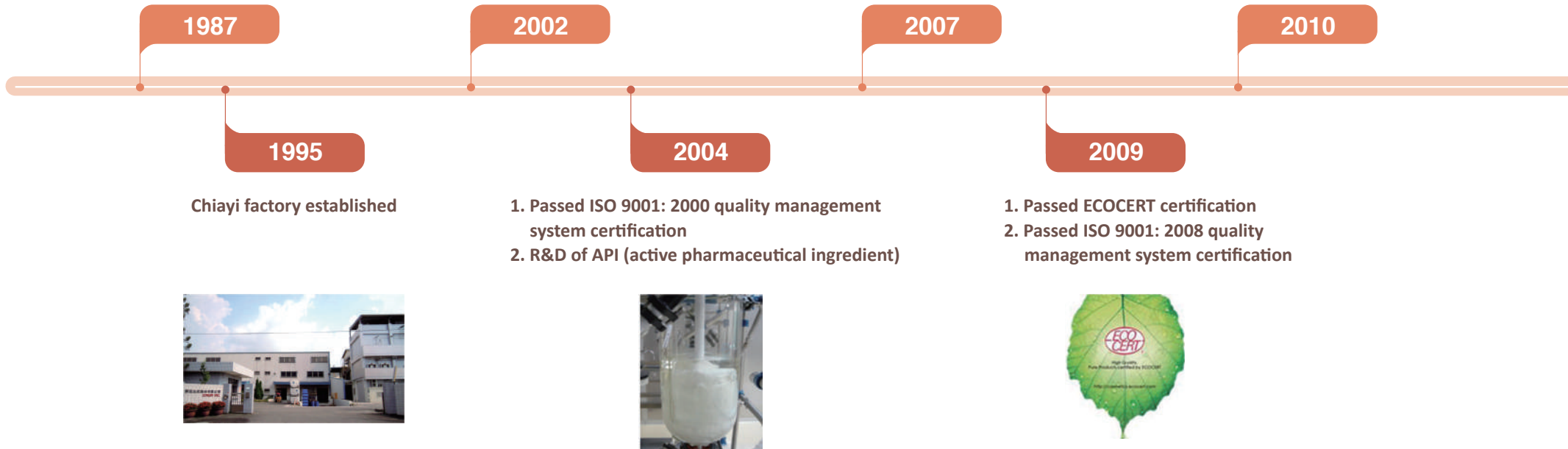
1. R&D of cosmetic active ingredients
2. Taipei laboratory established



Established GMP standard clean room



Completed EU REACH registration and pre-registration





- 1. Passed ISO 22716: Cosmetics - Good Manufacturing Practices (GMP) certification
- 2. Passed Halal certification

- 1. Launched drug quality management GMP facility construction
- 2. Passed ISO 9001: 2015 quality management system certification

- 1. NCE contract manufacturing
- 2. Obtained Dun & Bradstreet Certificate
- 3. Developed active pharmaceutical/cosmeceutical ingredients R&D technology

2013

2018

2020

2011

2016

2019

2021

Established cell culture laboratory

Passed ISO 14001: 2015 Environmental management system certification

- 1. Passed ISO 45001 occupational safety and health management system certification
- 2. Obtained RSPO membership
- 3. Passed COSMOS certification

Completed the P2 factory expansion



1.2 Business Deployment and Performance

In 2021, the world was faced with the impact of the COVID-19 pandemic, the China-United States trade war, climate change, and information security. In pursuit of steady development, the Company has continued to focus on the maintenance of global channels and ongoing product R&D. In response to the customers' growing need for cosmetic ingredients and API, Corum has continued to expand its investment, and the P2 factory expansion project was completed by the end of 2021. The P2 factory has introduced Hastelloy® piping and reaction tank, whose exceptional anticorrosive performance has endowed the manufacturing process with greater flexibility. The expansion has not only increased production capacity and expedited the Company's global expansion but also bolstered our niche in the Asian market to enhance Corum's long-term competitiveness amid the trend of supply chain regionalization.

During the expansion process, Corum will also examine the new and old production lines within the factory to optimize the overall performance and materialize environmental protection and carbon reduction. In response to low carbon transition, we will continue to achieve innovations in sustainable chemistry through the 12 Principles of Green Chemistry. Optimize production process and product quality to realize carbon reduction and sustainability. In general, the Company's business performance in 2021 was on target.

The Company has created an intricate global sales channel network to offer our customers worldwide timeous service. A list of our global sales agents is provided below:

No.	Country	Company	No.	Country	Company
1	Australia	Chemiplas Australia	16	Korea	HANJOO C&C CO., Ltd.
2	Benelux	Safic-Alcan Benelux N.V.	17	Malaysia	Chemical Solutions Sdn Bhd
3	Brazil	SARFAM Ind. Com. Imp. Ltda	18	New Zealand	A S Harrison & Co Pty Limited
4	Canada	Barentz Canada ULC	19	Philippine	Wills International Sales Corporation
5	China	Elgin Chemicals (Chongqing) Co., Ltd.	20	Poland	Safic Alcan Polska Sp. z o.o
6	Colombia	PRESQUIM SAS	21	Portugal	Safic Alcan Portugal Sociedade Unipessoal, Lda
7	Czech Republic	Safic-Alcan Cesko, s.r.o.	22	Russia	C.H.Erbslöh Russia O.O.O.
8	France	Safic-Alcan SAS	23	Spain	Safic-Alcan Especialidades, S.A.U.
9	Germany	C.H.Erbslöh GmbH & Co. KG	24	Switzerland	C.H.Erbslöh Schweiz AG
10	Greece	CELLCO CHEMICALS SA	25	Thailand	Chemico Inter Corporation Co., Ltd.
11	India	Vimal Lifesciences Pvt. Ltd.	26	Turkey	SAFIC ALCAN KIMYA SANAYI VE TİCARET A.Ş.
12	Indonesia	PT Lautan Luas Tbk	27	UK	Safic Alcan UK Limited
13	Iran	Afra Chemie Atis	28	USA	Ross Organic, an Azelis Company
14	Israel	Myko Engineering	29	USA	DeWolf Chemical, an Azelis company
15	Italy	ACTIVE BOX SRL	30	Vietnam	Chemico Vietnam Co., Ltd.

Regional distribution of Corum's global sales agents



1.3 Ethical Management

Material Topic

Legal compliance

Importance to the Company

Legal compliance is the foundation of corporate responsibility. Only by materializing legal compliance can the company achieve steady growth and corporate sustainability.

Policy commitment

Zero violation

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

Annual resources invested and specific outcome

- (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.

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 2021

Corum's core values are inspired by legal compliance and integrity, and the Company engages in business in the spirit of integrity and legal compliance. To ensure the implementation of ethical business philosophy within the Company, we have always attached great importance to our colleagues' ethics; the HR Department promotes the Company's internal integrity regulations to the new employees when they are reporting for duty to cultivate their integrity awareness. At the same time, the management is required to lead by example and comply with the principle of integrity in an effort to foster the Company's ethical culture.

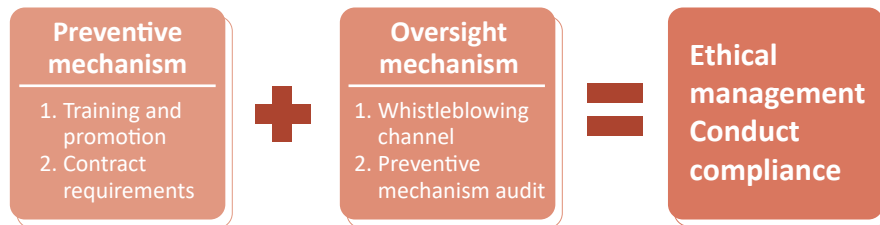
Corum's HR Department is responsible for promoting the principle of ethical management. The "Corum Ethical Corporate Management Best Practice" was formulated, and a corresponding contact person was appointed to let stakeholders express their opinions. If our colleagues have questions about the Company's 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.

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.

In regards to business interaction, 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.

To embed ethical concepts in our colleagues’ business process, the HR Department will progressively devise online ethical training for in-service colleagues in the future, where senior executives will convey the importance of the Company’s ethical culture to the colleagues during meetings. Meanwhile, the HR Department should implement, check, and evaluate the effectiveness of the preventive measures in place with the management, as well as report the execution outcome of the compliance of various business processes to the Board of Directors every year. In 2021, no ethics-related complaints were received internally or externally.

Ethical business management guidelines



Legal compliance

Corum communicates the Company’s internal ethical regulations to our new employees when they are reporting for duty. Due to the wide range of legal regulations, different departments will implement internal and external training for the colleagues after obtaining information on revisions to the law through interaction with government agencies or media reports in order to ensure the Company’s operations comply with various regulations.

- (1) In terms of corporate governance, Corum continues to follow the Corporate Governance Best-Practice Principles in a bid to increase colleagues’ legal compliance awareness.
- (2) Concerning personnel management, internal meetings are held to promote the Company’s core values of ethics and integrity. Through the formulation of a series of regulations, implementation of a self-review system, and establishment of a whistleblowing channel and whistleblower protection mechanism, we have created a comprehensive legal compliance firewall. The management leads by example, demanding our colleagues to make sure that their business conducts comply with the law or the Company’s policies and internal regulations. The compliance status is examined through annual review meetings, and compliance guidelines are formulated for our colleagues, demanding them to comply with the “Human Rights Policy of CORUM and CORUM Ethical Corporate Management Best Practice Principles”, irrespective of their position, rank, and location. The content includes work environment guidelines, equal opportunity, confidentiality clause, prohibition of part-time work, avoidance of conflicts of interest, prohibition of giving or receiving gifts, and compliance with 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. To prevent the Company from being punished for violating fair competition and antitrust laws, we have especially stipulated relevant codes of conduct, which should be complied with by the Company’s management and employees while conducting business activities to lower the risk of breaking the law. The abovementioned measures were implemented for the sake of engaging in industrial competition by following the principle of integrity and fairness, thereby fostering a corporate culture of legal compliance and establishing a trustworthy, respected reputation for the Company.

(3) In terms of personnel training, to elevate our colleagues' professional ethics and legal compliance awareness, we have created internal regulations in accordance with the law, where the HR Department and other responsible departments work together to provide colleagues from different departments and ranks with relevant legal training. For instance, we provide colleagues with corresponding training based on their respective responsibilities including orientation training, physical courses, cross-unit promotion, and external training. Moreover, legal compliance guidelines are announced on posters in the Chiayi factory and on the Company website to allow our colleagues to stay in touch with the latest regulations at any time.

(4) Regarding occupational safety and health, Corum has introduced the ISO 14001 environmental management system and ISO 45001 occupational safety and health management system, and we have formulated the oversight, audit, and performance management regulations to ensure that the Company complies with environmental protection and occupational safety requirements during the product manufacturing process. Through an effective, circular operational environment and occupational safety management system, we can detect potential problems and take the appropriate management and preventive actions to protect the Company from damages.

In terms of overall legal compliance practice, Corum did not incur any violations involving corporate governance, securities trading, environmental protection, labor rights, occupational safety, leakage of customer privacy, marketing label, and product liability in 2021.

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
BTHU 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		

Dun & Bradstreet Certificate



Note: Corum obtained the Dun & Bradstreet Certificate and received an international exclusive identity (D-U-N-S Number), which helps to increase the trust of our global partners and enhance international exposure and trade opportunities through the D&B Global Directory.



1.4 Total Risk Management

Material Topic

Operational risk management

Importance to the Company

While pursuing corporate sustainability, we strive to identify and evaluate risk items that have a major impact on business activities early to respond to changes in the global environment, thereby establishing a management mechanism and formulating action plans to avoid the Company's operational risks. This is the very foundation of corporate sustainability.

Policy commitment

Shape a risk culture Implement effective prevention and control.

Short-term targets

Establish sustainable metrics for ESG risks.

Medium to long-term targets

100% effectiveness for ESG risk measures.

Annual resources invested and specific outcome

- (1) Completed the formulation of risk management policies and procedures.
- (2) Completed the identification and processing of ESG-related risks.
- (3) Introduced TCFD climate change risk management.

Department responsible Grievance mechanism

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

Evaluation mechanism and performance

Evaluation mechanism: High-level review meeting
Performance: The execution outcome of the risk items is 100% in line with the target

Faced with an ever-changing business environment, the Corporate Governance Team of the Company's Sustainability Committee is in charge of planning and implementing risk management-related activities. Risk management encompasses corporate governance, environmental, and social aspects. Focusing on various responsible departments, we have launched relevant risk evaluation operations to ensure the Company's sustainability goals are achieved by evaluating the risk probability and the level of its impact on the Company, as well as responding to specific high-risk items.

Currently, the material financial impact is defined by Corum's Finance Center based on calculations of 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 caused by economic uncertainty. For instance, currency risks caused by inflation.

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 structure

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.

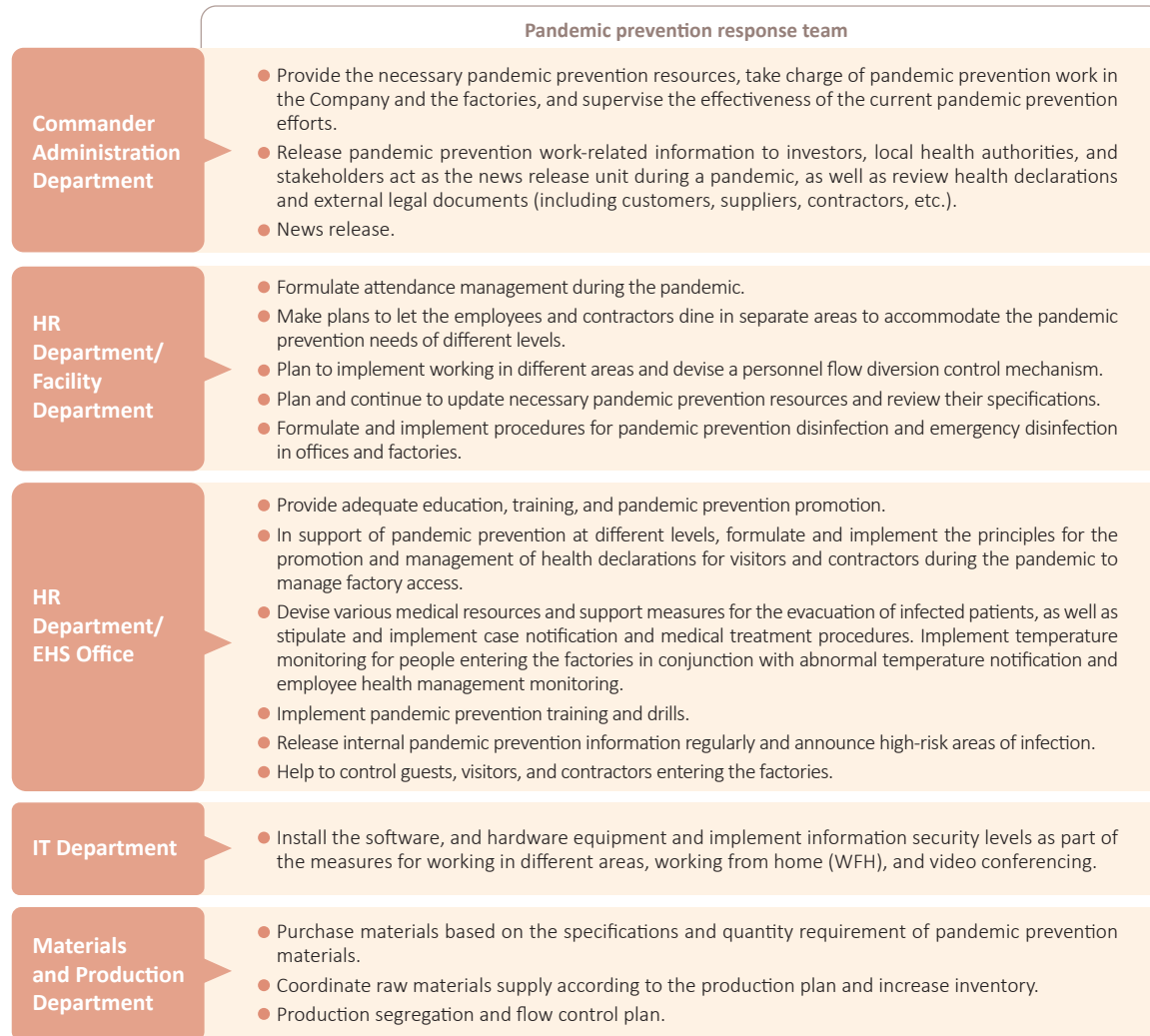
Corum's risk items and response strategies in 2021

	Risk aspect	Response strategy
Corporate Governance	Financial aspect	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.

	Risk aspect	Response strategy
Corporate Governance	Information security risk	<ul style="list-style-type: none"> ● 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.
	Environmental pollution	<ul style="list-style-type: none"> ● 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.
Environmental aspect	Climate change risk	<ul style="list-style-type: none"> ● 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.

	Risk aspect	Response strategy
Social aspect	Occupational disaster risk	<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● 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.

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.

1.5 Information Security Management

Material Topic

Information security

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.

Policy commitment

Information security equals corporate security

Short-term targets

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

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.

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.

Department responsible Grievance mechanism

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

Evaluation mechanism and performance

Evaluation mechanism:
Information work meeting:
Performance:
Zero information security events in 2021

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.
- 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.





2

Brand Team

- 2.1 Rigorous Execution and Quality Management
- 2.2 Innovative R&D and Forward Thinking
- 2.3 Vertical Integration and Supply Chain Management
- 2.4 Enthusiastic Service and Customer Satisfaction Management

2.1 Rigorous Execution and Quality Management

Material Topic

Product liability

Importance to the Company

Product safety affects the health and safety of end-users, consequently, Corum has implemented a quality management system, and the Company complies with relevant laws and regulations to make sure that our customers' quality and performance requirements are met.

Policy commitment

Quality first, extraordinary production, R&D innovation, ongoing improvement, and customer satisfaction.

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.

Annual resources invested and specific outcome

- (1) The P2 factory expansion project: Establishment of factories, production facilities, equipment, and analytical instruments that meet the PIC/S GMP standard for APIs was completed at a cost of NT\$600 million. The project was completed in November 2021 and it is in the process of final acceptance.
- (2) Product composition, safety, and efficacy tests for new products (Epi-On™, C-Pep™, Quintup, Azeclair® P, IP-VC™) were carried out for NT\$1.17 million.

Department responsible Grievance mechanism

Department responsible:
Quality Department, Product Development Department
Grievance mechanism:
Via telephone or email

Evaluation mechanism and performance

Evaluation mechanism:
Quality management and review meeting
Performance:
In 2021, 100% of our products did not violate health and safety regulations



Corum is a global upstream R&D manufacturer of cosmetics, personal care, household, and pharmaceutical products. Inspired by the business philosophy of “quality first, extraordinary production, R&D innovation, ongoing improvement, customer satisfaction”, we understand product safety affects the health and safety of end users. Consequently, Corum’s products undergo the most rigorous efficacy verification and quality control from R&D to production and transportation. We are committed to realizing the quality management system and abiding by laws and regulations in a bid to satisfy our customer's demand for quality and performance.

Product information

Corum’s products involve two major industrial fields including the bespoke development of raw materials for cosmetics and toiletries, as well as the active ingredients of APIs and pharmaceutical intermediates. In terms of cosmetic raw materials, our unique products include diverse anti-aging active peptides, patented vitamin C derivatives, Ester-C, special raw materials (heat sensation agent/cool sensation agent), patented anti-dandruff ingredients, patented anti-hair loss ingredients, patented anti-pimple active ingredients, patented skin nourishing active ingredients, amino acid surfactants, various moisturizing humectants, and hydro emollients, making Corum a globally renowned cosmetics group and OEM of innovative raw materials for biotechnology applications. Since 2004, Corum has expanded into a new field to provide customized production processes and OEM production to assist US pharmaceutical firms to develop new drugs, providing them with APIs and key intermediates for CRO commissioned R&D

and CMO commissioned production, in turn accommodating the pharmaceutical firms’ needs for APIs from preclinical to clinical trial stages. Therefore, we have invested in the construction of the P2 factory, a brand new, GMP-certified six-story factory that was completed in late November 2021. The new factory complies with PICs GMP and US GMP standards and is dedicated to the production of new drugs as well as APIs and key intermediates for generic drugs.



Quality control

In terms of product manufacturing, Corum’s products are sustained through ongoing research, clinical testing, and the highest standards of efficacy and quality control. From R&D and cell experiments to mass production, our products undergo a stringent review and assessment process. Furthermore, we have passed the ISO 9001: 2015 quality management system, ISO 14001: 2015 environmental management system, and ISO 45001: 2018 occupational safety and health management system certification to create a high-caliber safety production system. In the last three years, none of Corum’s products violated health and safety regulations.

Quality management

High quality is the cornerstone of Corum’s corporate value, and all of our products are manufactured according to ISO 9001:2015-verified SOPs, from R&D, and manufacturing to transportation, experts and specialized personnel are assembled as a close-knit team to coordinate with one another and ensure the integrity of our products. The internal QA (Quality Assurance) and QC (Quality Control) Section of the Company’s Quality Department manages and oversees the production process in accordance with SOPs and regulations to ensure the products’ consistency and high quality.

Corum formulated the "Quality Risk Management Procedure" in 2017, through which various units register important internal/external quality topics and the stakeholders’ needs and expectations on the “List of the Organization’s Internal and External Quality Topic and the Needs of the Stakeholder”. Furthermore, risk and opportunity evaluation is conducted through the “Response Plan for the Risks and Opportunities Associated with the Organization’s Internal and External Quality Topics and the Needs of the Stakeholders”. Every year, material quality topics such as “Supplier Corrective Action Request (SCAR)”, “Customer Complaint Handling Form”, “Internal Audit and Correction Form”, and “Customer Needs Identification Form” are converted into the “Quality Risk Management and Response Measure Form” to conduct a risk and opportunity assessment, where response strategies and control measures are adopted to minimize the impact on products and services and enhance our competitiveness.



ISO 9001 certificate

Laboratory R&D safety testing instructions

- Collaborate with internationally certified safety assessment laboratories
- Standard tests include skin irritation, skin allergies, eye irritation, cytotoxicity, and Ame’s test



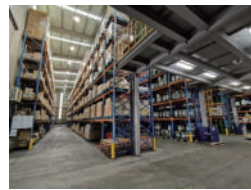
- Collaborate with internationally-certified laboratories to carry out biopsy tests (such as melanin experiments and wound healing experiments)
- Develop a cell experimental platform to assess the efficacy of active ingredients/specialty ingredients, as well as to identify their mechanisms of action and pathways.

- Work with internationally-certified laboratories to conduct clinical trials to evaluate the efficacy of active ingredients/specialty ingredients and test subject clinical research and analysis
- Animal testing is strictly prohibited

QC laboratory



Inside the warehouse



Manufacturing process safety control instructions



Corum only selects internationally recognized cosmetic raw materials listed in the International Nomenclature of Cosmetic Ingredients (INCI) for R&D purposes, and the personnel of the responsible department regularly determines whether the raw materials are still classified as safe.



Corum selects qualified suppliers through the “Procurement Management Procedure” and “Supplier Management Procedure”. The quantity and item of each batch of raw materials are verified in accordance with the “Inspection and Identification Management Procedure”, and the QC of the Quality Department must inspect to confirm the quality of the raw materials before they are stored in the warehouse.



Product manufacturing must be conducted in accordance with ISO 9001:2015 quality management system procedures and regulations, where the QA and QC of the Quality Department will engage in joint management and supervision to ensure the products’ reliable quality and efficacy. The final products undergo final testing according to the “Inspection Standards Manual” or customers’ requirements to make sure that the quality and efficacy comply with the regulations or customers’ needs.



Before warehousing, dedicated personnel will conduct a full inspection of the packaging specification and quantity based on the “Warehousing Order” and “Inspection Report”. Moreover, the products will be shipped by a qualified shipping company with which Corum has a long-term partnership according to the specifications of the customer's order.

Safe usage

Every chemical substance produced by Corum comes with three essential files, namely TDS (Technical Data Sheet), SDS (Safety Data Sheet), and RIS (Regulatory Information Sheet). The content includes user instructions, product information, and compliance statements for customers in different countries. Additionally, the Marketing Department is responsible for regularly monitoring the latest legal requirements and updating or adjusting the contents of the three files promptly in accordance with the regulations to ensure their correctness.

The product SDS is compiled based on the United Nations 16-chapter regulations, where hazard classification and labeling comply with the requirements of the UN GHS regulations, EU CLP regulations, China GHS regulations, and US HCS regulations. All of Corum's products comply with international product/service information and labeling requirements, and there were no product information and labeling regulation violations in the last three years.

TDS Technical Data Sheet

Documents that reflect the products' specifications, performance, quality indicators, usage, and storage conditions

SDS Safety Data Sheet

Documents that reflect the substance's composition information, physicochemical, explosive performance, toxicity, environmental hazards, safety instructions, storage conditions, emergency leakage treatment, and transportation regulations

RIS Regulatory Information Sheet

Declaration of compliance documents for the use of substances in cosmetics in various countries including the current legal registration status of the substances in chemicals and cosmetics in different countries



2.2 Innovative R&D and Forward Thinking

Material Topic

Technology innovation

Importance to the Company

Make use of the professional technical team to continue refining the management process and product quality, and provide high-quality products free from harmful substances.

Policy commitment

Uphold the corporate culture of innovation, teamwork, and efficiency to attain customer satisfaction, pursue sharing among all employees, and fulfill our social responsibilities.

Short-term targets

Establish a product R&D knowledge bank.

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.

Annual resources invested and specific outcome

Completion of product R&D for Azeclair® P.

Department responsible Grievance mechanism

Department responsible: R&D Center (consists of subsidiaries such as the R&D Department, Cell & Molecular Biology Research Department, Technical Service and Development Department, and Product Development Department)
Grievance mechanism: Via telephone or email

Evaluation mechanism and performance

Evaluation mechanism: R&D project meeting
Performance: Targets for 2021 were achieved as expected

Innovative R&D concepts

Enhancing people's welfare and health is the essence of our R&D work. Driven by our core values, Corum is committed to discovering new benefits and better cosmetic solutions to endow the beauty industry with higher values and introduce more benefits for people everywhere. We are dedicated to establishing uncompromising standards throughout the entire R&D process by integrating our scientific capabilities, thereby maintaining the consistency of the products, and allowing us to quickly adapt to rapid changes in the cosmetics/pharmaceuticals market and the needs of the industry.

Synthetic research

Corum's researchers specialize in the synthesis of active ingredients for cosmetics and drugs. We have developed several compounds through multi-step synthesis in the laboratory, which is also capable of conducting sophisticated physical and chemical analyses to standardize our products. The Company's GMP-compliant chemical synthesis laboratory facility is capable of scale-up pilot production.

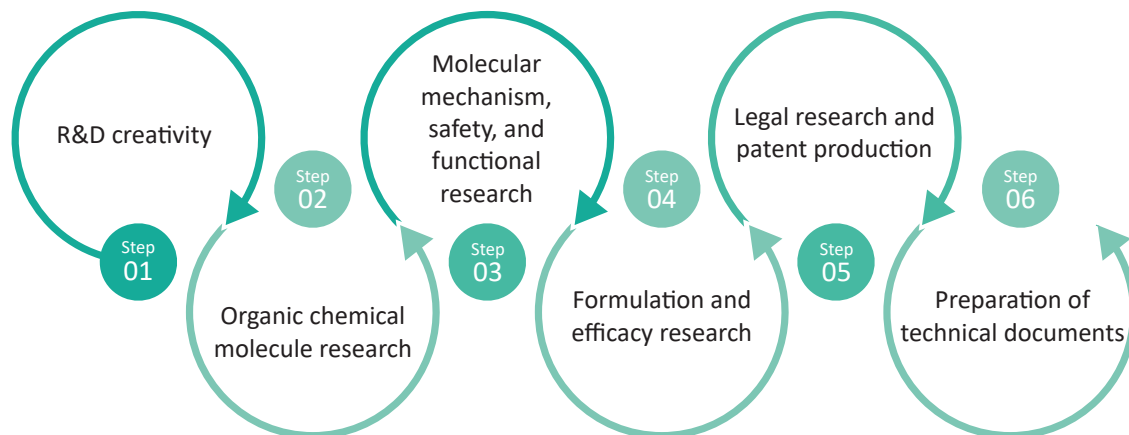
Biochemical research

Corum's cell laboratory conducts safety and efficacy assessments of active ingredients to help us expedite the launch of innovative products onto the market. By relying on our biochemical specialists' expertise in the fields of molecular and cellular biology, we have devised myriads of cell culture techniques and solutions to study the mechanisms of active ingredients in greater detail. Our analysis platform allows us to study gene expression, epigenetic regulation, protein expression and localization, enzymatic activity, and signaling pathways to confirm product properties based on scientific evidence.

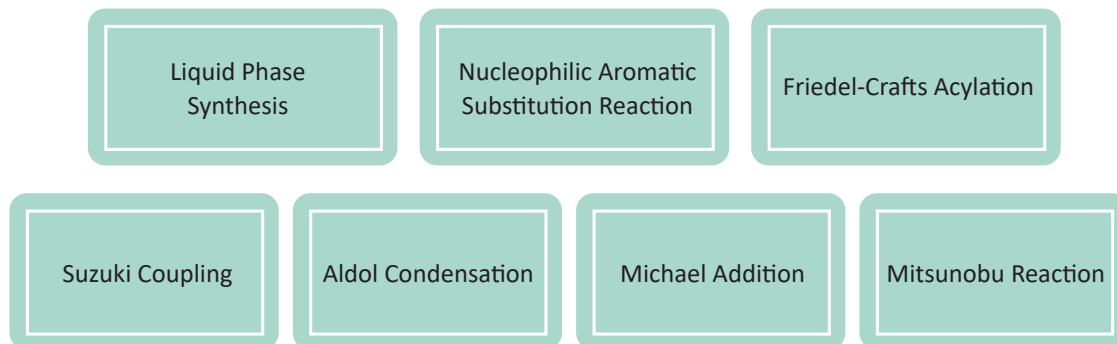
Application and formulation research

Corum's application team meticulously studies the stability and compatibility of our products under diverse environmental and formulation conditions. Formulators specialize in creating novel formulations, providing you with instructions and new concepts on product use. Our team's objective is to promote trend-setting application technology and offer technical support for formulation design.

Rigorous R&D process



Chemical synthesis reactions used in the manufacturing process



The core technology of Corum lies in the organic synthesis of oligopeptides, amino acid derivatives, and heterocyclic compounds. For decades, we have been engaged in the R&D of amino acid prodrugs and peptide drugs. Modified branched-chain amino acids are often used to enhance drug specificity, biological activity, and resistance to proteolysis. By applying synthetic modeling, assembly, and pairing techniques, we have transformed natural and unnatural amino acid building blocks into novel peptides and amino acid derivative-related APIs and pharmaceutical intermediates, where the production scale was increased from a laboratory level to a kilogram level.

Utilizing a brand new goal-oriented functional group conversion platform, we can convert natural and unnatural amino acid building blocks into unique derivatives that can be applied to the synthesis of novel chemical entities during the early drug discovery process. Corum owns more than 28 innovative patents, of which 17 are novel peptides and unnatural amino acids-related. Corum's R&D team is capable of multiple chemical reactions to synthesize complex APIs and pharmaceutical intermediates.

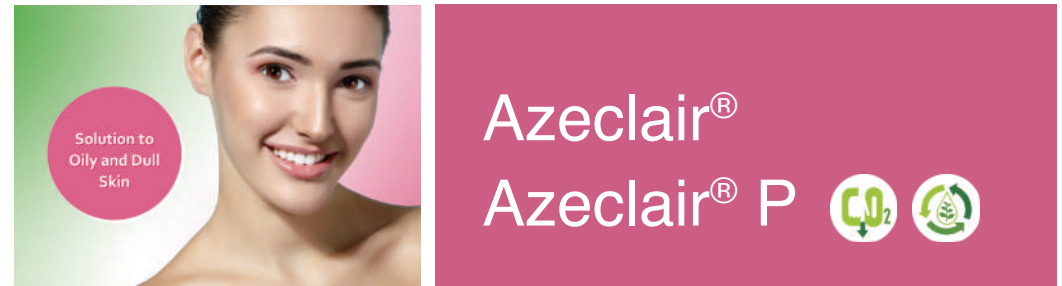
R&D performance

As global GHG emissions reach an unprecedented level and cause severe climate change, environmental protection is an urgent social responsibility. As a socially responsible manufacturer of cosmetic raw materials, Corum has incorporated ESG into our operations, and we have adopted emergency actions to respond to climate change and its impact on the environment based on SDG 13: Climate Action of the United Nations.

In early 2021, we unveiled more eco-friendly versions of active ingredients. By removing water from Azeclair® P (INCI: Potassium Azeloyl Diglycinate), it is 70% lighter, thereby decreasing the carbon footprint in the shipping and production of finished cosmetic products. The shipping weight is further lowered by 33%, significantly reducing overall CO2 emissions by 11-15%.

Azeclair® P is suitable for oily and acne-prone skin, demonstrating exceptional performance in sebum normalization, skin whitening, moisturization, and anti-pollution. It is mild and non-irritating to the skin and mucous membranes. It is an ideal ingredient for skincare masks and clear solutions designed for pore cleansing and dull skin treatment. Azeclair® P is in a powder form with higher purity and does not contain preservatives. It is highly water-soluble and compatible with a wide range of cosmetic ingredients.

Corum strives to continuously improve our product line through operational excellence and innovation to minimize our environmental impact and contribute to a more sustainable society in conjunction with our employees, and upstream and downstream partners. We aim to reduce CO2 emissions, value natural resources, minimize waste and abide by the 12 Principles of Green Chemistry. The 2021 annual R&D results are compiled and illustrated below:



Description and efficacy

Azeclair® P is modified from Azeclair®, which reduces water consumption and weight in the powder form, thereby reducing the carbon footprints associated with the production and shipping process.

Azeclair® P is a sebum balance conditioner that controls sebum secretion and whitens the skin. The product mitigates oily skin by inhibiting the excessive secretion of sebum and brightening the skin tone. Its benefits include safety, stability, and compatibility with other raw materials.

Azeclair® P is suitable for aqueous systems such as cleaning products, clear liquids, gels, gel creams, and oil-in-water emulsions.

Benefits

Azeclair®/Azeclair® P

- Regulates sebum secretion
- Brightens the skin and mitigates acne scars
- Highly water soluble
- Outstanding chemical stability
- Good cosmetic ingredient compatibility
- Non-irritating to the skin

Azeclair® P

- Does not contain preservatives
- Water-saving
- Carbon footprint reduction

Relevant certifications

Halal certification
Vegan certification
Inventory of Existing Cosmetic Ingredients in China (IECIC)

2.3 Vertical Integration and Supply Chain Management

Material Topic

Supply chain sustainability

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.

Policy commitment

The Company demands our suppliers to comply with local laws and regulations and the CORUM Ethical Corporate Management Best Practice Principles. 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.

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.

Annual resources invested and specific outcome

- (1) Completed the optimization of the supplier evaluation system.
- (2) Formulated the CORUM Ethical Corporate Management Best Practice Principles and published it on the official website.

Department responsible Grievance mechanism

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

Evaluation mechanism and performance

Evaluation mechanism:
Management review meetings are held annually to conduct a rolling review of supplier performance.
Performance:
In 2021, the local procurement ratio reached 70%.

Corum is committed to providing customers with legitimate, high-quality, and safe products and services, and we also strive to implement zero occupational disasters, environmental protection, and pollution prevention-related work in a bid to fulfill our responsibilities in achieving corporate sustainability. Raw materials and consumables purchased by the Company are compliant with relevant regulations as well as environmental 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.

To materialize a sustainable supply chain, we have implemented supplier management and risk evaluation and conducted 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.

Starting in 2021, Corum has demanded our suppliers' management or top executive sign the "Supplier Sustainability Commitment" to ensure that they comply with Corum's code of conduct to implement sustainable operations.



Supply chain management

Corum has joined forces with suppliers to fulfill economic, environmental, and social responsibility, laying a firm foundation for the supply chain's 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 besides ensuring 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 67 manufacturers in 2021, including the selection of six new suppliers and the annual evaluation of 61 existing suppliers, achieving a 100% audit rate. A sustainable procurement evaluation was conducted for 67 manufacturers, all of which have met the Company's requirements.

In 2021, no supplier was disqualified due to social responsibility-related issues such as environment, human rights, and occupational safety. Besides, a total of 47 suppliers signed the "Supplier Sustainability Commitment" in 2021 and complied with environmental and sustainability management requirements, accounting for 70% of all suppliers. We plan to have 90% and 100% of our suppliers sign the agreement by 2022 and 2023, respectively.

Corum continues to purchase from suppliers with higher environmental management scores using the supplier self-evaluation questionnaire mechanism. In 2021, 70% of the Company's total purchases were made from suppliers with higher environmental management scores.

Supply chain integration and risk diversification responses

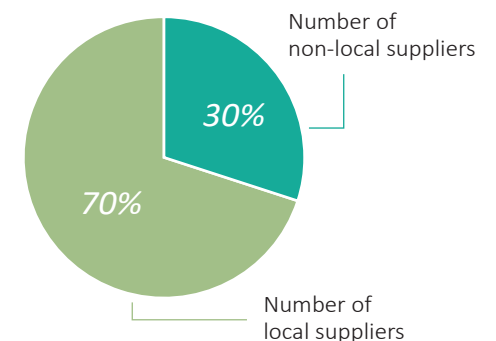
Corum has always perceived suppliers as our strategic partners, and we believe in supporting our suppliers and growing with them. Corum's main production location is Taiwan, we choose to collaborate with local suppliers in a bid to foster local industrial clusters and developments in the regional economy. 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.

Lower the environmental impact of raw material transportation

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 of the report for specific performance-related details. Corum reinforces supply chain resilience through local procurement and ESG management. In 2021, 70% of our procurements were made from local suppliers.

Ratio of local procurement in 2021



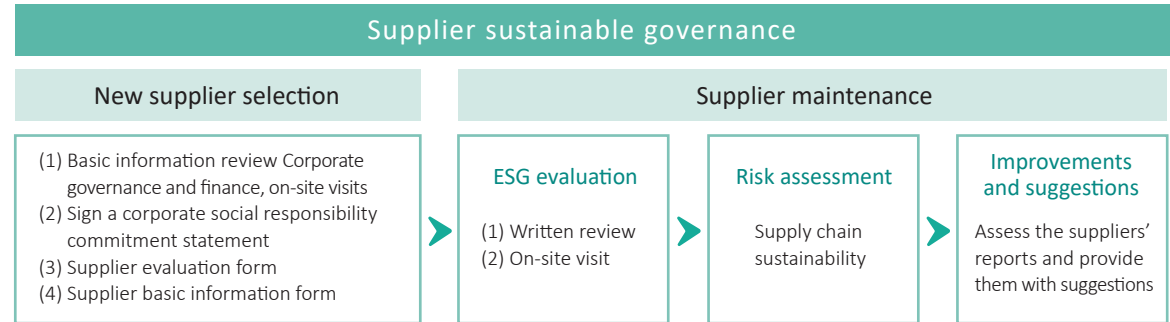
Note: Local procurement refers to purchases made from suppliers in Taiwan.

Sustainable supply chain management framework

To achieve a sustainable supply chain management framework and build a more comprehensive, sophisticated sustainable supply chain, Corum has formulated the following strategic goals for supplier management:

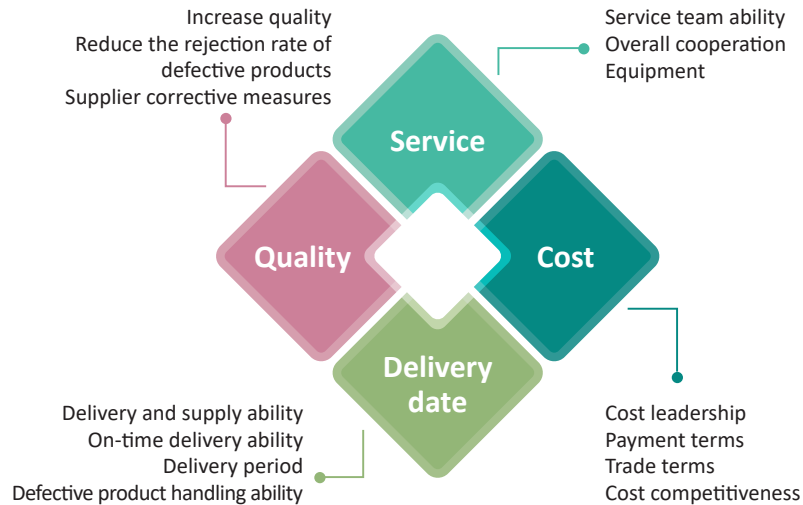
- New supplier selection:** Except for raw material suppliers designated by the customers, Corum selects new suppliers based on ISO 9001 quality standards and management indicators that comply with local environmental regulation standards and preventive measures. All of our new suppliers have been chosen 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.



Note: Due to the pandemic, the written review approach was adopted instead of on-site visits in 2021.





Supply chain performance evaluation



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.

Biodiversity management

 <p>Governance</p>	<p>In Corum, we have an ESG Committee responsible for the sustainable development and management via PDCA cycle. The Committee annually reports to the chairman for the initiatives of the ESG and SC management including ecological biodiversity-related matters.</p>
 <p>Strategy</p>	<ol style="list-style-type: none"> 1. Code of Conduct is a symbol of our commitment to sustainability. It compiles our public commitments on business integrity, impartiality, legal compliance, ethical sourcing, and biodiversity-related principles. The management team highly focuses on responsible consumption, fairtrade and sustainable sourcing. We also published CORUM Ethical Corporate Management Best Practice Principles on the website to communicate with suppliers. 2. Our R&D follows the 12 Principles of Green Chemistry to minimize the environmental impact of our activities and to manage the sustainability and responsible sourcing of resources. We have a policy in procurement to maintain all the raw materials in our manufacturing process do not belong to the Brazilian Access to Genetic Resources and Associated Traditional Knowledge, according to the Biodiversity Law, 13, 123/2015, and are sourced in countries with Access and Benefit Sharing (ABS) regulations in place including the Nagoya Protocol and the Convention on International Trade of Endangered Species (CITES) to promote fair sharing of benefits arising from the utilization of genetic resources.
 <p>Risk management</p>	<p>In our supply chain management, we conduct supplier risk evaluation via supplier's self-declaration statements and the annual appraisal questionnaire, to assess supplier's performances, improve our business activities and build mutually sustainable value commitment. To raise the awareness of the importance of biodiversity, in 2020 we further revised the supplier's appraisal questionnaire to include biodiversity and announce our corporate code of conduct for suppliers to sign back and comply with.</p>
 <p>Metrics and targets</p>	<p>In 2021, there were total 67 suppliers entitled to do the appraisal questionnaire of sustainable sourcing, and over 20% of them replied that they have endorsed biodiversity-related management and would follow it. We hope to enhance our supplier's consciousness and the level of implementation in energy conservation, fairtrade, appropriate access to genetic resources, ensuring biodiversity and ecological protection.</p>



2.4 Enthusiastic Service and Customer Satisfaction Management

Material Topic

Customer service

Importance to the Company

Satisfying customers' needs is the bedrock of an enterprise's survival because customers are the protagonists of corporate management, and they represent an important value to an enterprise's existence.

Policy commitment

Customer satisfaction

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.

Annual resources invested and specific outcome

In 2021, we computerized the customer satisfaction survey by distributing electronic questionnaires and updating the questionnaire content and analytical methods.

Department responsible Grievance mechanism

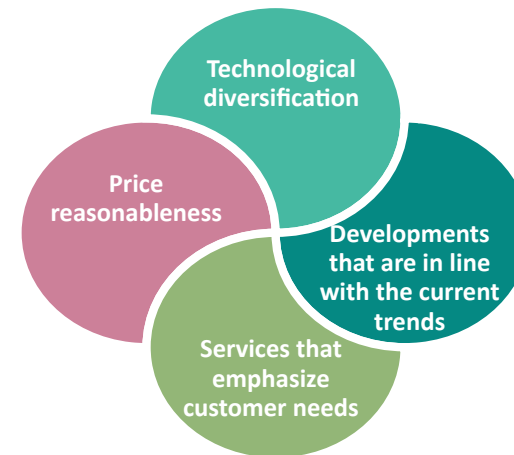
Department responsible:
Sales Department
Marketing Department
Grievance mechanism:
Via telephone or email

Evaluation mechanism and performance

Evaluation mechanism:
Annual satisfaction survey
Performance: The annual satisfaction score for 2021 was 84 points

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 to train our sales personnel's communication skills and attitude, listen to the customers' needs and expectations via diverse communication channels, as well as implement swift improvements based on customer complaints. In 2021, introduced a new customer satisfaction survey approach featuring electronic questionnaires and new questionnaire contents that can reflect the customers' thoughts on the Company more accurately. The survey results were analyzed by the Marketing Department and used as a reference for adjusting subsequent customer services. The customers' trust in the Company's quality and services serves as the most important impetus to our ongoing operation.

Four major development directions of Corum to enhance customer satisfaction



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.

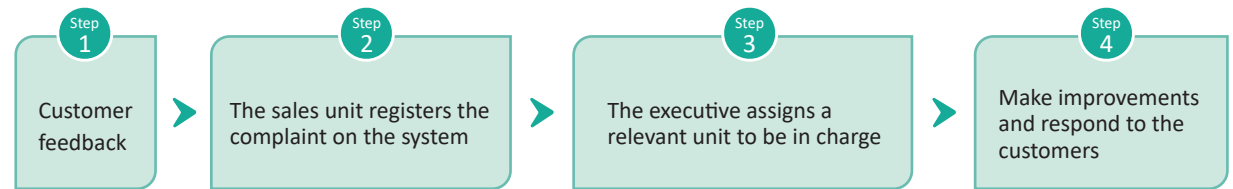
Corporate image

- 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 between 2019-2021

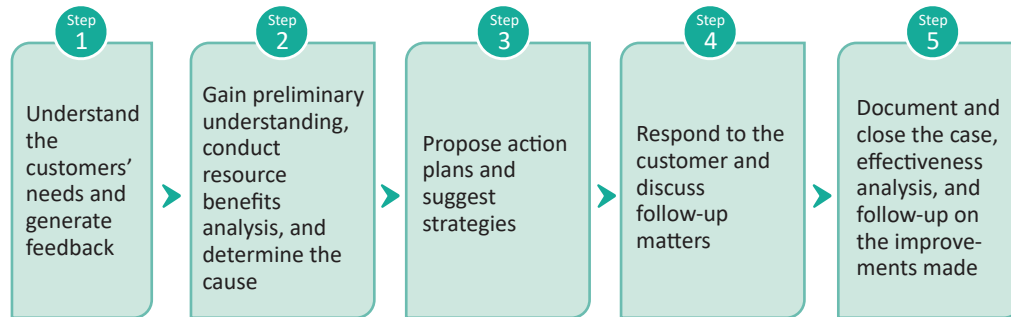
Year	Total number	Content	Improvement description
2019	8	<p>Abnormal product pH level.</p> <p>The top seal of the aluminum bag is torn open.</p> <p>Torn paper bag.</p> <p>INCI labeling error.</p> <p>There is no label on the barrel.</p> <p>Barrel leakage * 2.</p> <p>Abnormal odor of the product.</p>	<p>Improved effectively after adjusting the production process.</p> <p>Change the aluminum bag seal conditions.</p> <p>Adjust the bag sealer configuration and reinforce manual inspection.</p> <p>Quality assurance and verification steps have been added to the label printing process.</p> <p>Serial numbers have been added to label printing to make sure the quantity is consistent.</p> <p>Effective improvement was made by changing the lid design.</p> <p>Product odor was improved effectively by increasing the purity of the raw materials.</p>
2020	4	<p>Black impurities were discovered in the products' aqueous solution.</p> <p>Black spots were discovered in the products.</p> <p>The date on the label is inconsistent with COA.</p> <p>The safety cover was not secured, causing the content to overflow.</p>	<p>New equipment was introduced to mitigate the problem.</p> <p>New equipment was introduced to mitigate the problem.</p> <p>Review the label printing and confirmation process.</p> <p>Review the warehousing process and strengthen inspection.</p>
2021	2	<p>Foreign objects were found in the product barrel.</p> <p>The vacuum packaging of the product is compromised and leaking.</p>	<p>Effective improvement was made by changing the bottling technique.</p> <p>Change the desiccant's position to prevent rubbing, and reinforce the inspection of packaging materials.</p>



Customer satisfaction survey

At the end of every year, Corum voluntarily conducts a customer satisfaction survey. In 2021, a new customer satisfaction survey method was introduced, where the Sales Department selects a specific group of customers, sends them the online questionnaire, confirms and follows up on the data collection status before the Marketing Department conducts a data measurement and analysis, as well as generates a customer satisfaction survey summary score card. Material quality topics are converted into quality risk management and contingency measures based on customer satisfaction level information.

Customer satisfaction survey process



The new customer satisfaction survey features new questionnaire content to collect feedback on the Company's four major dimensions of "corporate image, customer satisfaction, service quality, and overall evaluation". The new analytical and statistical technique adequately reflects advantages that the Company must maintain and disadvantages that must be reviewed and improved in order to confirm the risks and opportunities. The survey is expanded to include domestic and overseas customers, where key accounts and customer classification are carried out using the CRM system. Sample surveys are conducted by setting a ratio, where customer feedback allows relevant departments to elevate their capabilities and competitiveness for the sake of enhancing customer satisfaction. We expect to utilize the questionnaires to let our customers understand the Company's core values and progressively optimize the Company's internal performance.

Customer satisfaction survey for 2019-2021

Year	Score	Improvement description
2019	91	Customers offered high scores across the board, with a standard score of over 80 points, and nothing was marked as dissatisfactory
2020	90	Customers offered high scores across the board, with a standard score of over 80 points, and nothing was marked as dissatisfactory
2021	84	The new 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.

Note 1: The old customer satisfaction survey was carried out in 2019 and 2020, where sales personnel conducted face-to-face interviews using paper surveys. In 2021, the new customer satisfaction survey was conducted and analyzed using online questionnaires.

Note 2: Online questionnaires were administered in 2021, resulting in a total average score of 84.27 points, just shy of the annual target of 85 points. An analysis revealed that this is attributed to a low questionnaire recovery rate this year, hence after a discussion at the management review meeting, it was decided that the 2022 questionnaire will be administered in October and November to avoid the December holiday.



3

Environmental Protection

- 3.1 Climate Governance and Action
- 3.2 Environmental Management
- 3.3 Energy Resource Management
- 3.4 Water Consumption Management

3.1 Climate Governance and Action

Material Topic

Waste management and pollution prevention

Energy conservation and carbon reduction

Importance to the Company

Complying with the proper management, prevention, and recycling of environmental wastes and pollutants to minimize their impact on the economy, society, and the environment.

Building on the concept of eco-friendliness, green manufacturing, and corporate sustainability, we continue to supervise energy conservation and carbon reduction management and GHG emissions management or implement improvement and reduction measures. We will also strive to reduce the environmental impact of manufacturing and production to mitigate climate change's influence.

Policy commitment

Adhered to the principle of source management, production process waste reduction, and end-of-line control to minimize environmental impact.

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

Short-term targets

Wastes generated per tonne of production will be decreased by 1% in 2023 compared to 2021.

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

Medium to long-term targets

Wastes generated per tonne of production will be decreased by 3% in 2026 compared to 2021.

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).

Annual resources invested and specific outcome

Formulated waste management regulations.

- (1) The domestic consolidated shipping has resulted in an energy conservation of 68,495 kJ.
- (2) Develop products using low water consumption processes, saving water by 26.8% in 2021 compared to 2020.

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: The total waste generated in 2021 was 956.09 tonnes

Evaluation mechanism: Quarterly review by the OHSC (Occupational Health and Safety Committee)
Performance: The total GHG emissions in 2021 were 1,635.97 tonnes



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.

Corum's energy-saving actions

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.

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%), and we have proposed three energy conservation campaigns.

1. Consolidated shipping

Commitment: We have tallied the customers with more than 14 shipments in 2021 to persuade them to consolidate their orders by regulating the frequency of the shipment of their goods. The goal is to reduce the number of round trips and mileage driven by trucks, as well as lower the cost of shipping. This is Corum's first step toward realizing green transportation.

Risk management: The Domestic Sales Department communicates with chosen customers to convince them of the importance of consolidated shipping.

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

2. Energy Consumption Control at the Chiayi Factory

Commitment: The bulk of our energy consumption involves electricity, followed by gas and natural gas. We have installed energy control devices throughout the factory to record energy consumption details and examine variations regularly. The aim is to monitor the latest information at all times to analyze performance.

Risk management: The Chiayi factory controls and keeps a record of all energy consumption; if anomalies are discovered, the cause will be determined to implement improvement measures. 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 so that they can keep a good habit of turning off air conditioners that are not in use. We also support the World Wildlife Fund's "Earth Hour 60+" and "World Water Day", as well as regularly organize beach cleanup and Corum Art Promotion Award to evoke people's awareness of global warming and energy conservation.

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



3.2 Environmental Management



Corum's approach is based on the four major environmental policies:

Energy conservation and carbon reduction

Set yearly carbon reduction goals and implement production process improvements to maximize energy benefits and minimize energy consumption. The office thermostat is set at 26°C because lowering carbon emissions is our duty as corporate citizens.

Waste reduction

Promote waste classification and zero disposable tableware. Install recycling bins to reduce household waste and achieve the objective of waste reduction

Business waste disposal

Business wastes are controlled according to relevant regulations, where wastes are categorized and stored based on their chemical properties before they are disposed of by qualified contractors.

Green procurement

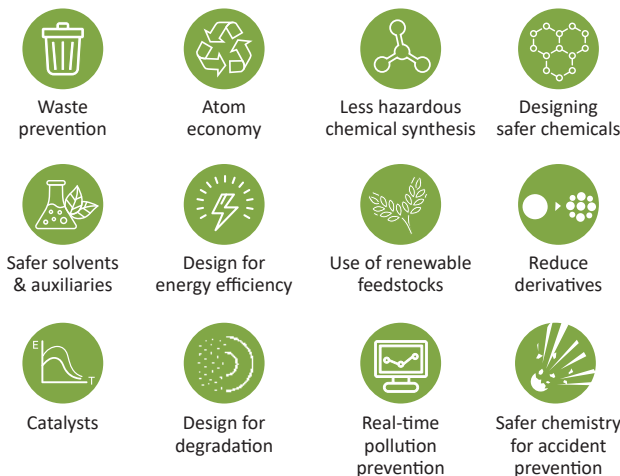
Corum guarantee that our products do not contain substances of very high concern (SVHC) announced by the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH). We abide by the Restriction of Hazardous Substances (RoHS)'s environmental protection regulations to promote green procurement management. Apart from demanding our suppliers that their raw materials may not contain harmful substances, the Company never uses raw materials that contain harmful substances during production.

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



Emergency response

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 2021, two 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.

Waste management

All business wastes generated by Corum are recycled and disposed of by qualified contractors.

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:

1. General business waste

1. D-0299 (waste plastic or its mixture)
2. D-0902 (inorganic sludge)
3. D-1504 (non-hazardous organic waste liquid or waste solvent)
4. D-1506 (waste (sewage) water with a pH of 6.0-9.0)
5. D-2302 (non-halogenated organic waste chemicals)

2. Hazardous Business Wastes

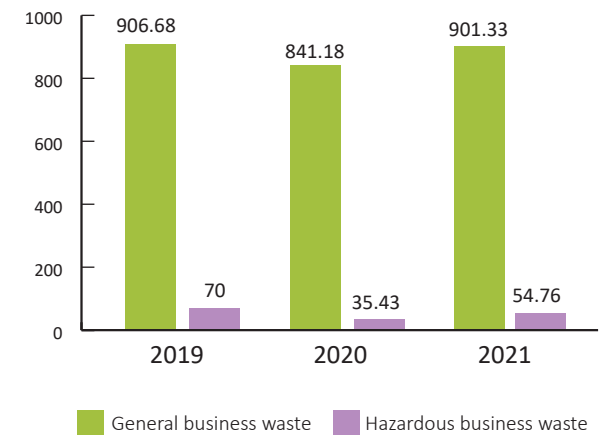
1. C-0301 (the flash point of the waste liquid is less than 60°C (except for alcohol waste with an ethanol volume concentration of less than 24%))
2. C-0299 (other corrosive industrial waste mixtures)

The abovementioned 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.

Waste management principles



Wastes generated by Corum between 2019-2021 (tonne)



3.3 Energy Resource Management

In terms of energy resource management and GHG audit, considering the environmental aspect and the main source of carbon emissions is the Chiayi factory, the reporting boundary of the carbon emissions statistics is the Chiayi factory. According to calculations by the Finance Center, current energy consumption by the Chiayi factory accounts for 6.5% of its total operating cost. The table below illustrates the gas and electricity consumption of the factory from 2019 to 2021, and the reason for the higher electricity consumption in 2021 is elaborated below:

1. In 2019 and 2020, since very little change was made to the equipment, variations in gas and electricity consumption were negligible. As the P2 factory expansion was completed in 2021 and commenced trial production, overall energy consumption showed a significant increase. When official mass production begins in the future, we will need to continue recording and observing the energy consumption conditions.
2. Currently, the electricity monitoring approach is adopted, where electricity meters are installed in various regions to monitor their respective electricity consumptions. Besides checking for abnormal electricity consumption in the factory, we can focus on power-hungry equipment to discuss and come up with improvement solutions.

Electricity consumption	Factory electricity consumption (kWh)	Factory gas (m ³)
2019	1,890,720	136,492
2020	1,908,360	136,637
2021	2,376,800	158,509

3. The GHG audit focuses on scope 1 (direct emissions, gas is the main source of emissions at the Chiayi factory), scope 2 (indirect emissions, purchased electricity is the main source of emissions at the Chiayi factory), scope 3 (other emissions consisting of transport emissions by employees commuting to work).

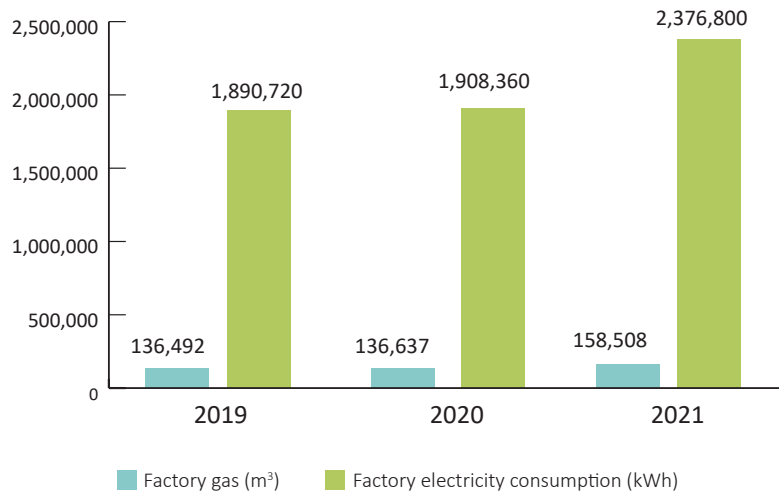
The total GHG emissions in 2021 were 1,635.97 tonnes of CO₂ e. Carbon emissions calculation is based on ISO 14064-1.



Year	GHG	Scope 1 (tonnes of CO ₂ e/year)	Scope 2 (tonnes of CO ₂ e/year)	Scope 3 (tonnes of CO ₂ e/year)	Total emissions (tonnes of CO ₂ e/year)
2019		300.28	962.38	---	1,262.66
The ratio of various scopes		24%	76%		100%
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%

Note: Scope 3 audit was implemented in 2021 on carbon emissions generated by our employees commuting to work. The calculation is based on a census of our internal employees' mode of commuting combined with the annual average working days and transport emissions coefficient from the Bureau of Energy, MOEA, and the Industrial Technology Research (ITRI). Please refer to the notes for further details.

Energy consumption at the Chiayi factory (kWh)



Note 1: Based on the Bureau of Energy, MOEA's electricity emissions coefficient in 2021 (0.502 kg CO₂e/kWh) and gas emissions coefficient (2.2 kg CO₂e/m³).

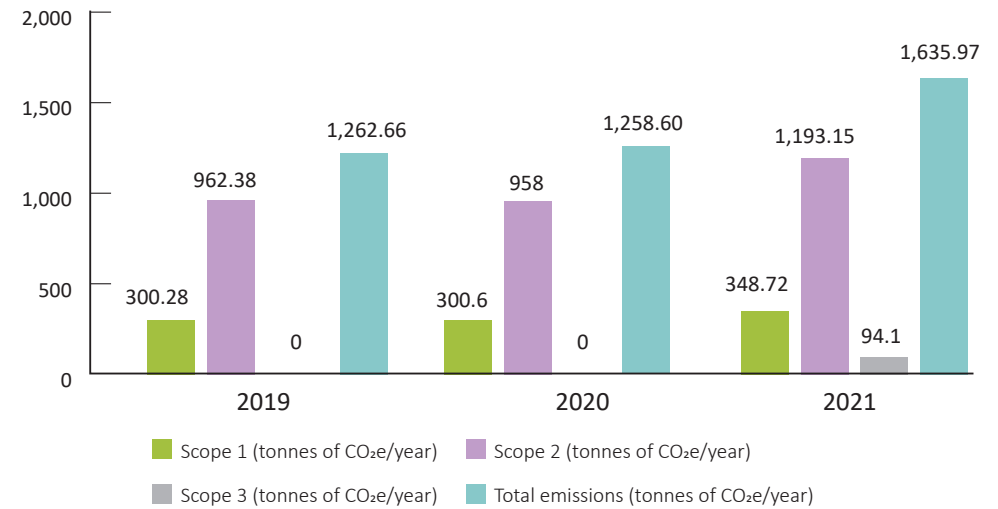
Note 2: The higher GHG emissions in 2021 compared to 2020 were due to an increase in production capacity.

Note 3: Referring to ITRI's Carbon Footprint Information Platform, gasoline passenger cars emit 0.115kg of CO₂e/km while motorcycles emit 0.0951kg of CO₂e/km.

Note 4: Calculated based on cars with an engine displacement of 2,000cc, consuming 0.0714 liters of fuel per kilometer. Calculated based on motorcycles with an engine displacement of 150cc, consuming 0.0223 liters of fuel per kilometer.

Note 5: Refer to the Bureau of Energy, MOEA's website, 1 liter of gasoline=7,800kcal, 1kcal=4.184J.

Corum's GHG emissions between 2019-2021 (tonne of CO₂e)



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 particular product must be decreased by 15%, and the total shipments must be decreased by 10%.



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 %

Note 1: The mileage is calculated by multiplying the hypothetical shipping distances of the regions with the highest number of shipments in December 2021 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.

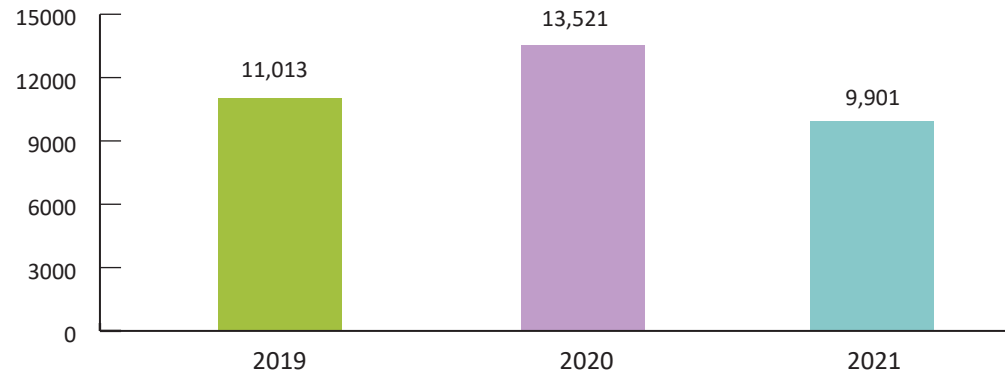
Above energy conservation calculations are conducted based on ITRI's Carbon Footprint Information Platform and Bureau of Energy, MOEA

3.3 Water Consumption Management

Corum perceives great importance in water quality inspection and waste/sewage water discharge management. The water withdrawal of our offices and factories complies with legal regulations and standards, exerting no significant ecological impact on water sources. The Chiayi factory is situated by the Niuchou River in Minxiong Township, Chiayi County, and our effluent sample is tested by qualified environmental testing agencies regularly. The test results meet the EPA, Executive Yuan's effluent discharge standards. There was no violation of laws and regulations on water quality and discharge requirements in 2021.

The Chiayi factory's wastewater is recovered in the form of condensate water: Soft water generated by the water softener is supplied to the boiler via the water tank, where the steam from the boiler is supplied to the reaction equipment or heat exchanger before it is condensed into condensate water and returned to the water tank for reuse.

Corum's water consumption between 2019-2021 (m³)





4

Safety Advancement

- 4.1 Total Occupational Safety and Health Advancement
- 4.2 Occupational Safety and Health Accomplishments
- 4.3 Foster a Friendly and Healthy Workplace

4.1 Total Occupational Safety and Health Advancement

Material Topic

Occupational safety and health

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.

Policy commitment

Risk management
Legal compliance
Ongoing improvement
Healthy workplace

Short-term targets

Zero major occupational disaster

Medium to long-term targets

Zero major occupational disaster

Annual resources invested and specific outcome

- (1) Continue to implement ISO 45001.
- (2) Annual occupational safety and health training.
- (3) Received the "Outstanding Occupational Safety and Health Unit Five-Star Award" from the Ministry of Labor.

Department responsible Grievance mechanism

Department responsible:
EHS Office
Grievance mechanism:
Via telephone or email

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 in 2021

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 2021

Management system/law	Inspection type	Number of people	Ratio
Occupational Safety and Health Act	Labor inspection	83	100%
	Internal audit	83	100%
ISO 45001	External verification	83	100%

Occupational safety and health advancement and practice

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.

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

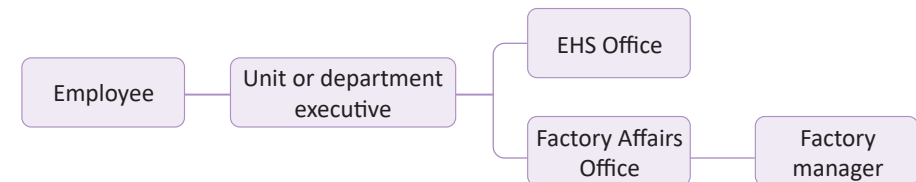
1. Internal and external accidents (including transportation) reporting process

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

4.2 Total Occupational Safety and Health Advancement

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

Risk management and hazard identification

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.

Occupational health service

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.

Education and training

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 2021.

Statistics on annual occupational disasters and occupational safety and health management accomplishments between 2019-2021

	2019	2020	2021
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	1	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.

Note 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



Occupational safety and health management system certificate



ISO 45001 certificate

4.3 Foster a Friendly and Healthy Workplace



With changes in society and the economy, the International Labour Organization (ILO) and the World Health Organization (WHO) advocate that workplace safety and health services are workers' basic rights. Corum also supports the intentions of ILO and WHO, complying with laws and regulations to vigorously promote and implement health-related activities that encompass three major dimensions: health services, health education, and a healthy work environment.

The Company hires occupational health nurses to provide on-site services on a weekly basis. The services include disease prevention and treatment promotion, health care promotion, health lectures, preventive health care consultation, and employee health examination. To safeguard the health of our employees, we emphasize services such as health risk assessment, health management, health promotion, and workplace hazard assessment. Through the promotion of health education and concepts, we hope to prevent our employees' health problems from affecting their work. At the same time, the aim is to implement worker health place in the workplace. Additionally, we host at least one semiannual health-promotion course including yoga, balanced diet, tobacco, alcohol, betel nut and drug prevention, infectious disease prevention, and AIDS education. The courses are expanded outside the factory to encourage our employees to partake in the Run Chiayi Half Marathon and other activities.

We understand that a zero-hazard and healthy work environment relies on the implementation of a safety culture for all our employees in everyday life. To elevate the Company's overall image and foster a safe production environment, Corum has implemented the 6S principle (sort, set in order, standardize, shine, sustain, and safety) in 2019 to progressively improve the workplace. By changing the personnel's awareness, production becomes more refined and safer, and unnecessary waste is prevented. We also expect to provide our colleagues with a pleasant, safe, work environment through quality improvement. To encourage our employees to continue their participation and practice, we have devised the following incentive mechanisms:

- ✓ The quarterly winner will be commended in the OHSC (Occupational Health and Safety Committee) meeting and awarded a cash prize of NT\$3,000 or a gift voucher.
- ✓ The annual winner will be commended in the year-end banquet and awarded a cash prize of NT\$10,000 or a gift voucher.

Photos of Corum's health promotion activities



For many years, Corum has been dedicated to creating a safe workplace and protecting the health of our employees. In 2021, we received the Outstanding Occupational Safety and Health Unit Five-Star Award from the Ministry of Labor. Receiving the award three years in a row is a testament to Corum's achievements in promoting a friendly workplace, health promotion, and implementing occupational safety over the last three years.

Corum received

Five-Star Award

Outstanding Occupational Safety and Health Unit from the Ministry of Labor



Highlights of the 2021 6S campaign



Award ceremony for the champion of the 6S competition



Position of cleaning implements



6S training meeting



Pipeline tidying and labeling



5

Talent Cultivation

- 5.1 Employee Profile
- 5.2 Listening and Caring
- 5.3 Experience and Heritage

5.1 Employee Profile

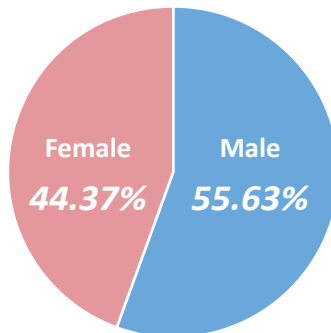
Faced with increasing competition, Corum appreciates that growing with our employees is the only way to achieve corporate success. Consequently, we are committed to offering our employees generous benefits, comprehensive talent training programs, caring for their lives, and protecting labor rights in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

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 2021, we have 151 full-time employees with non-fixed term contracts and one part-time cleaning personnel. In particular, there are 84 male and 67 female employees, accounting for 55.63% and 44.37% of the entire workforce, respectively.

Table of employee types between 2019-2021

Employee analysis		2019				2020				2021			
Total employee number		138				151				151			
Employment contract and type		Non-fixed term	Full-time	fixed term	Part-time	Non-fixed term	Full-time	fixed term	Part-time	Non-fixed term	Full-time	fixed term	Part-time
Gender	Male	72	72	0	0	83	83	0	0	84	84	0	0
	Female	66	65	0	1	68	67	0	1	67	66	0	1
Region	Taipei	49		0		49		0		45		0	
	Chiayi	89		0		102		0		106		0	

Gender ratio of Corum employees



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

Note 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).

Note 3: There was no significant change in the number of employees this year.

To recruit and retain talent, Corum conducts recruitment through various channels including job banks, schools, county and city government employment service websites, and campus recruitment fairs. We adopt the principle of equal employment for talent employment, evaluating our employees' functional suitability based solely on their personal academic experience, not on their 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. They will not be discriminated against or treated differently because of the above reasons. At present, the number of male and female employees is equal, and most of them are between 30-50 years of age.

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.

Note 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%

Note 3: There was no significant change in the number of employees this year.

Note 4: The ratio of male and female management over the last three years was equal, and the number of females was slightly higher than that of males.

Table of employee structure between 2019-2021

Diversified indicators			2019		2020		2021		
			Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	
Employee	Middle and senior executive	Gender	Male	10	50%	11	46%	8	40%
			Female	10	50%	13	54%	12	60%
		Age	Under 30 years of age	0	0%	0	0%	0	0%
			Between 30-50 years of age	15	75%	19	79%	12	60%
			Over 50 years of age	5	25%	5	21%	8	40%
		Education	Graduate school	12	60%	14	58%	12	60%
	College and university		7	35%	9	38%	7	35%	
	Below senior high school		1	5%	1	4%	1	5%	
	Entry level executive	Gender	Male	9	53%	10	59%	12	60%
			Female	8	47%	7	41%	8	40%
		Age	Under 30 years of age	1	6%	1	6%	0	0%
			Between 30-50 years of age	15	88%	16	94%	18	90%
			Over 50 years of age	1	6%	0	0%	2	10%
		Education	Graduate school	4	24%	2	12%	3	15%
	College and university		11	65%	13	76%	15	75%	
	Below senior high school		2	11%	2	12%	2	10%	
	General staff	Gender	Male	53	52%	62	56%	64	58%
			Female	48	48%	48	44%	47	42%
Age		Under 30 years of age	25	25%	40	36%	25	23%	
		Between 30-50 years of age	72	71%	66	60%	82	74%	
		Over 50 years of age	4	4%	4	4%	4	3%	
Education		Graduate school	24	24%	29	26%	28	25%	
	College and university	65	64%	69	63%	71	64%		
	Below senior high school	12	12%	12	11%	12	11%		

Analysis of new employees and employee resignations between 2019-2021

Analysis of new employees and employee resignations		2019		2020		2021	
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Total number of employees in the year		138	-	151	-	151	-
New employee hiring rate (Note 1)							
Age	Under 30 years of age	20	77%	25	61%	15	44%
	Between 30-50 years of age	20	20%	14	14%	19	18%
	Over 50 years of age	2	20%	1	11%	0	0%
Gender	Male	26	36%	23	28%	19	23%
	Female	16	24%	17	25%	15	22%
Employee turnover rate (Note 2)							
Age	Under 30 years of age	21	81%	7	17%	14	41%
	Between 30-50 years of age	15	15%	18	18%	19	18%
	Over 50 years of age	2	20%	2	22%	1	7%
Gender	Male	24	33%	12	14%	19	23%
	Female	14	21%	15	22%	15	22%

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%

Note 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%

Corum values talent retention, hence the Factory Affairs Office and HR Department will analyze the reasons for the employees' resignations through employee care or interviews and report them to senior management. Furthermore, we pay attention to the adaptability of our new employees from time to time, conducting physical and mental care for pregnant employees and assigning more convenient parking spaces for them. The aim is to let our employees work with peace of mind and enjoy work, so as to retain experienced talents, lower turnover rate, and ensure the Company's competitiveness.



5.2 Listening and Caring

Corum strives to abide by local labor and human rights-related regulations. We have stipulated clear remuneration, benefits, leave, and retirement-related regulations to protect our employees' remuneration and welfare. Furthermore, we have devised comprehensive education, training, performance evaluation, and promotion systems, and we also held regular employee communication meetings and employee activities, and dinner parties. By listening to the needs and expectations of our employees, we can foster harmonious labor relations and create a happy workplace.

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. Moreover, gifts for the three festivals, wedding, and funeral subsidies are provided, while a breastfeeding room has been created, and activities such as work safety, fire safety training, and health inspection are conducted. Every year, the Company considers the operating goals and performance in various regions in conjunction with the potential impact of the future business environment to adjust remuneration in a bid to provide our employees with adequate remuneration and benefits. A performance review is carried out annually as a basis for remuneration adjustments, promotions, and bonuses to reward employees with excellent performance and major contributions.

The employee performance evaluation results are also provided to the executives of different departments, allowing them to communicate the employees' strengths and weaknesses to them, in turn achieving the benefit of inspiring the employees' potential and improving or elevating their work performance. During the probation period, the employees' probational performance evaluations are conducted in two separate stages, 30 days and 90 days after they first started working for the Company.

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 2020, the biennial company trip coincided with uncertainties created by the COVID-19 pandemic, hence gift vouchers were distributed instead.

Percentage of employees with regular performance and career development reviews

Employees reviewed in 2021		Number of people reviewed	Total employee number	Percentage
Gender	Male	79	84	94
	Female	64	67	96
Category	Middle and senior executive	19	20	95
	Entry level executive	18	20	90
	General staff	106	111	95

Note: The number of people reviewed does not include the Chairman, the Vice Chairman, part-time employees, and eight employees who reported for duty after November 1, 2021.

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
- ✓ Overtime meal expenses
- ✓ Good work environment
- ✓ Free employee health examination
- ✓ Domestic and overseas company trips or gift vouchers and subsidies
- ✓ Spring dinner party and year-end banquet lottery draw
- ✓ Employee shopping discount
- ✓ Maternity and infant care and partner agencies
- ✓ Statutory retirement system

Good work environment

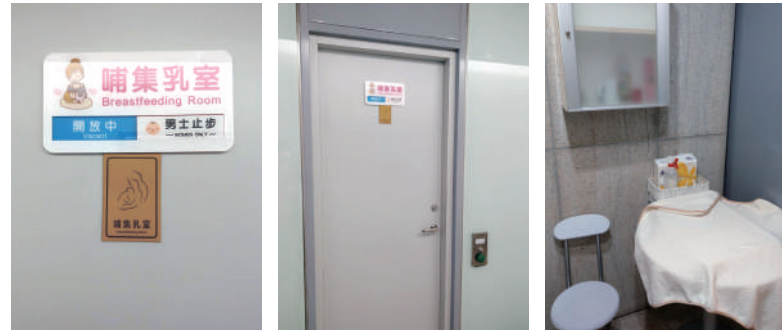
To improve employee work performance, the Company provides them with a bright, comfortable work environment, rest area, and employee cafeteria. Furthermore, independent, discreet breastfeeding rooms are available in various business locations for our female employees and mothers in need.

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 Administration Department, where employees are sent to our partner hospitals for health examinations depending on the employees' age.

In 2021, 92% of our employees underwent health examinations. A total of 112 people participated in the health examination plan, of which 103 people completed the health examination. Out of 90 people, 81 completed their health examinations, and all 22 people in the other regions completed their health examinations.

Breastfeeding room in Taipei



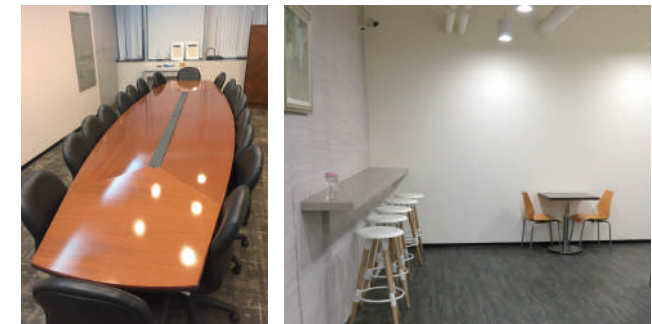
Breastfeeding room in Chiayi



Employee cafeteria in Chiayi



Conference area and rest area in Taipei



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 2021 due to the pandemic, and travel subsidies were handed out instead. The activities will be resumed after the pandemic is over.

Spring dinner party and year-end banquet lottery draw

Corum appreciates the hard work put in by our employees, so to let them understand the benefits of working for the Company, a budget is allocated annually to host spring dinner parties and year-end banquet lottery draws to let everyone enjoy a fantastic time. Due to the pandemic in the reporting year, the Welfare Committee organized an open lottery in the restaurant, allowing our colleagues to spend time together and enjoy a great time away from their busy work schedules.

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).

Maternity and infant care and partner agencies

To let our employees with small children work with peace of mind, Corum has chosen two partner childcare institutions Tianxin Kindergarten in Chiayi County and Meidun Kindergarten in Taipei to provide them with discounted childcare services.

Statutory retirement system

According to the regulations of "Labor Standards Act" and "Labor Pension Act", the Company allocates 2% of our colleagues' monthly salary to the old pension fund plan, which is handed over to the Labor Pension Fund Oversight Committee and deposited into a special account of the Bank of Taiwan. For those opting for the new retirement system, the Company will allocate 6% of the employee's monthly salary to the Individual Labor Pension Account of the Ministry of Labor, while our employees are also free to voluntarily allocate 0%~6% of their monthly salary to ensure they can enjoy life after retirement with peace of mind.

Labor-management communication and employee rights protection

In order to listen to our employees' feedback, Corum offers a wide range of communication channels including regular labor-management meetings or an effective grievance mechanism to protect the rights of our employees. Furthermore, we provide different types of communication channels to let our employees express their opinions. On the other hand, the Company can also offer them constructive responses in a bid to facilitate interactive, harmonious labor relations.

Communication channel

Labor-management meeting

Held quarterly, a total of four meetings were convened in 2021.

Communication and grievance channel

Various communication channels including an employee suggestion box, grievance hotline, and feedback email are created to allow our employees to express their opinions toward the Company in a safe, discreet manner.

New employee care

An adaptability interview is conducted by the Factory Affairs Office and HR Department within the first month of the new employees' arrival. A workplace mentor system is established in the factory to introduce the Company environment to the new employees. We also provide a friendly work environment to let new employees quickly blend into the Corum family.

The Youth's Employment Ultimate Program

- The government's "Youth's Employment Ultimate Program" arranges workplace mentors for young new employees under the age of 29, and the participants need to submit biweekly journals. The mentors offer guidance based on the training content. After the participants fill in their learning feedback, the mentors will provide them with comments and encouragement before forwarding the feedback to the department executive for review and signature. The Company hopes to demonstrate the importance of the younger generation by providing young new employees with timely feedback. Moreover, the workplace mentors' personal leadership increases intergenerational interactions, reduces intergenerational gaps, and enhances management empathy.
- In 2021, a total of 12 people (8 participants and 4 workplace mentors) attended the program.

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.

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 Administration Department. We strive to achieve the annual goal of "zero complaints" and create a friendly workplace. From 2019 to 2021, one complaint concerning workplace abuse and sexual harassment was received. The incidents were resolved effectively after the Administration 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 between 2019-2021

Item and year	2019	2020	2021
Number of complaints concerning workplace abuse	0	0	1
Number of complaints concerning sexual harassment	0	0	1

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.

Human Rights Policy of CORUM



Statistics on the number of people who underwent human rights training between 2019-2021 and training hours

Statistics on human rights training	Number of people who underwent human rights training	Total hours	Total employee number	Percentage of employees trained
2019	109	175	138	79%
2020	40	40	151	26%
2021	34	34	151	23%

5.3 Experience and Heritage

Material Topic

Training and education

Importance to the Company

Talents are the bedrock of corporate development, hence cultivating talents generates competitive advantages.

Policy commitment

Locate suitable talents, propose a plan and devise an adequate talent development program to allow employees to grow with the Company.

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.

Annual resources invested and specific outcome

- (1) In 2021, the Company's annual training expenditure was NT\$146,030.
- (2) A total of 30 people joined the Youth's Employment Ultimate Program and 4 completed the plan.
- (3) A total of 27 courses were proposed for the corporate human resources improvement plan, which was attended by 235 people over 51 sessions.

Department responsible Grievance mechanism

Department responsible: Factory Affairs Office
HR Department
Grievance mechanism: Telephone

Evaluation mechanism and performance

Evaluation mechanism:
(1) 100% internal training completion rate
(2) 95% external training completion rate
Performance:
(1) Achieved 131% internal training completion rate
(2) Achieved 79% external training completion rate

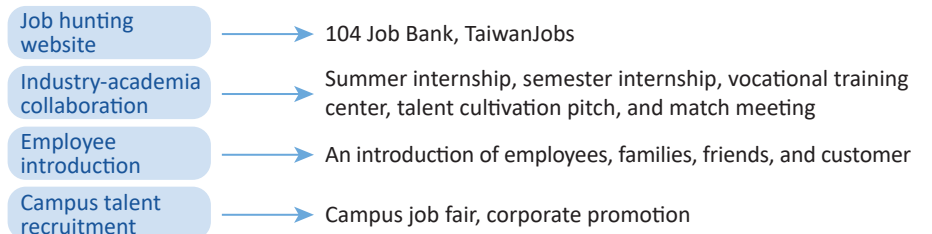
To cultivate Corum's core talents, various departments are required to formulate their annual training programs at the end of each year, focusing on the job functions and talent development direction of various positions to propose the "Education and Training Requirement Form for the Following Year". If special needs arise during the year, applications can be made through the "Provisional Education and Training Application Form". The training course content encompasses occupational safety, environmental management, and industry-related regulations. Furthermore, the training courses are coordinated by the Factory Affairs Office and HR Department to ensure the course is properly executed for the sake of reinforcing the employees' job skills and inspiring their potential.

In 2021, we proposed 100% internal training completion rate (achieved 131%) and 95% external training completion rate (achieved 79%). The external training target was not achieved because the classes could not be opened due to the COVID-19 pandemic.

As of 2020, Corum has vigorously applied and participated in various talent cultivation projects launched by the government, including the long-standing "Youth's Employment Ultimate Program", which trains talents to meet the Company's specific needs. In 2021, we applied for the "Corporate Human Resources Upliftment Program (Da Ren Ti) for the first time to offer comprehensive on-the-job training opportunities and resources through the creation of a sophisticated employee training mechanism. Besides strengthening the employees' vocational skills, the program also serves to enhance the Company's competitiveness.

When recruiting talents, Corum upholds the principle of equal opportunities to recruit talents that meet the Company's beliefs and needs through a fair, open recruitment channel and selection method. After the employees are interviewed and hired, they must sign a labor contract that specifies the duration of the probation period. After passing the probation period, orientation training, and performance evaluation, they will be officially hired.

Corum's diverse talent recruitment channels



Description of annual education and training conditions in 2021

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: five people joined the training, and three people completed training, totaling 750 days of training.
- (2) Case number 34298: three people joined the training, one person in training, totaling 162 days of training.

Corporate Human Resources Upliftment Program (Da Ren Ti)

Objective: The government helps enterprises to carry out advanced training for on-the-job employees, expand training benefits, constantly improve human resources quality, accumulate national human capital, elevate competitiveness, and implement vocational training for employment insurance.

Achievement:

- (1) Total subsidy approved: NT\$258,900
- (2) A total of 27 courses were planned, which were attended by 235 people over 51 sessions.
- (3) One physical class was conducted for 5 students. Due to the escalating pandemic, subsequent classes were not conducted and therefore no subsidies were obtained from the government.

Company annual training

- (1) Annual budget of NT\$146,030.
- (2) Total training hours: 10,028 hours
- (3) Average training hours per employee: 66.4 hours.
- (4) Course completion rate: 58%.
- (5) Achieved 131% internal training completion rate.
- (6) Achieved 79% external training completion rate. The external training target of 95% was not achieved because the classes could not be opened due to the pandemic.

Executive reading club

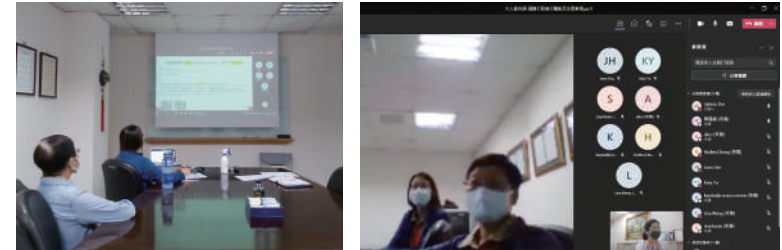
Objective: From 08:30 to 09:00 on a chosen day in the middle of every month, executives above the section level and sales personnel are invited to listen to a keynote speaker sharing his/her thoughts on management and sales-related book in the form of a presentation. The aim is to achieve the benefits of sharing experience and heritage.

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 ten executive reading club meetings were held in 2021.
- (2) Reading list: The Art of Strategy, Marketing 4.0, 5-minute Business School, Predictably Irrational, Moneymakers' Art of Conversation, Train Your Willpower, NO NONSENSE Attract New Customers, The Context Marketing Revolution, Learning Leadership From Confucius, and The Compound Effect.

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.



Da Ren Ti training photos



Youth's Employment Ultimate Program training photos



Executive reading club photos

A photograph of a person's hands, wearing a dark, textured sweater, raised against a sunset sky. The hands are positioned to form a heart shape, with the sun shining through the center. The sky is filled with soft, golden clouds, and the overall scene is warm and inspiring.

6

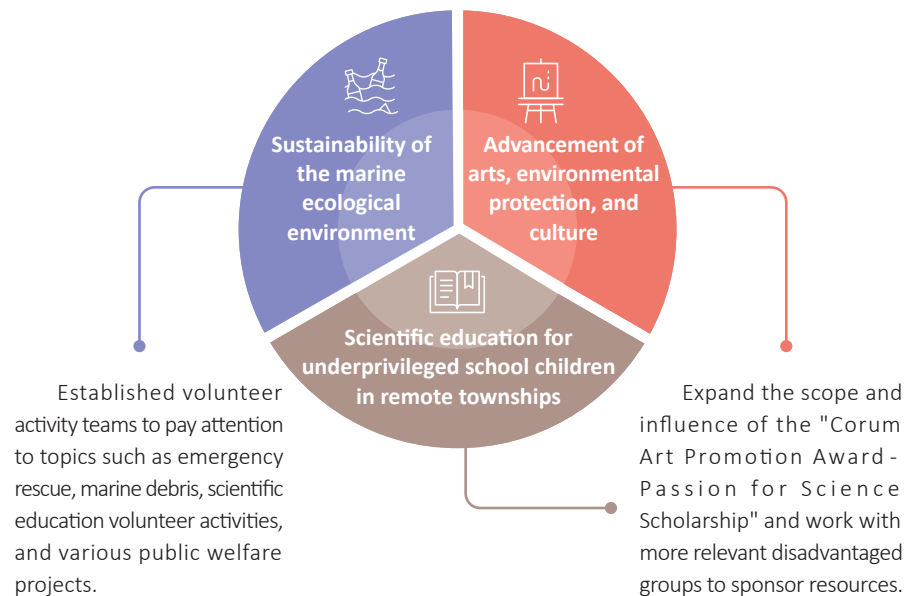
Social Engagement

- 6.1 Public Welfare and Being a Good Neighbor
- 6.2 Corum Art Promotion Award
- 6.3 Give Back to Society and Talent Cultivation

6.1 Public Welfare and Being a Good Neighbor

Corum is a company with deep roots in Taiwan, in order to give back to the community and fulfill our corporate social responsibilities, we have been monitoring social topics for a long time, consolidating our core knowledge and services with the group resources to engage in public welfare. We pay attention to the marine ecological environment and collaborate with local NPOs to support scientific education of underprivileged school children in remote townships in the hope of underpinning local community developments, advancing public welfare, and leading by example. We also intend to foster a sense of identity and cohesion among our employees and encourage them to engage in public welfare together in a bid to make society a better place. Our public welfare sustainability goals are:

Corum's public welfare sustainability goals



Public welfare activities and the amount of money donated in 2021

Participating group	Event description	Amount of money donated/quantity
Xinchuan Used Bookstore Chiayi County Shuishang Branch	"Books Bring HopeLove in Chiayi"	Collected and donated 45 children's books
Xinchuan Used Bookstore Chiayi Minxiang Main Store and Shuishang Branch	"Corum Art Promotion Award-Passion for Science Scholarship"	A total of 69 submissions were received from 15 elementary schools, nine junior high schools, and three senior high schools in remote townships
Local police officers and firefighters	Show appreciation to local fire bureaus and police stations	NT\$4,266

Charitable book donation



As a local business in Chiayi, Corum launched the "Books Bring Hope- Love in Chiayi" social inclusion campaign in 2021, urging our employees to collect children's books that are being used at home and donate them to Xinchuan Used Bookstore Chiayi County Shuishang Branch, so that disadvantaged school children may borrow good books for free and acquire new knowledge, in turn, bridge the urban-rural education resource gap and engender a local ecosystem with common good qualities. In 2021, we collected 45 children's books and donated them to Xinchuan Used Bookstore Chiayi County Shuishang Branch for the benefit of school children in remote townships.



Event poster for Corum's charitable book donation campaign

Beach cleanup activity



Taiwan is surrounded by the ocean and the marine ecological environment is an integral part of our lives. Since 2018, Corum has held the biennial corporate beach cleanup campaign in Q4 to remove waste and restore the ocean's pristine environment. In 2018, we called upon 25 employees to partake in the inaugural Stone Trench of Laomei Coast beach cleanup activity in New Taipei City, collecting more than 50kg of beach waste. In 2020, we held the beach cleanup activity and environmental protection lecture entitled "Relationship Between Environment, Life, and Health" at the beautiful Qianshuiwan in Sanzhi, New Taipei City in north Taiwan. A total of 19 employees participated in the event and contributed to environmental protection.



Photos of Corum's beach cleanup campaign



Neighborhood watch

Corum's Chiayi Factory has always maintained a good relationship with the local communities. We proactively participate in neighborly and community watch activities. Whether it is a regional joint defense organization in the service area or a promotional meeting hosted by the service center, we will provide materials or send representatives to attend the activity. Furthermore, to show our appreciation for the local fire brigade and police station's enthusiasm for serving the communities, we will provide them with beverages or mineral water on behalf of the Company before the three major festivals to thank them for their hard work in keeping the community safe.

Earth Hour



In 2021, Corum continued to partake in the "Earth Hour 60+" campaign in a bid to evoke people's awareness of global warming and energy conservation. 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. We continue to support the movement by taking action, turning off unnecessary lights for one hour at 20:30 on March 27, 2021, to protect the planet.



Corum's Earth Hour event poster

6.2 Corum Art Promotion Award - Passion for Science Scholarship



Starting in 2021, Corum has joined forces with the Xinchuan Used Bookstore in Chiayi to host the “Corum Art Promotion Award” and promote the concept of “combining science with art education” and cultivate students’ interest in scientific reading and the art of painting, as well as inspire their creativity and observation. To this end, we invited art professionals to join our team to form an expert judging panel for the sake of elevating the fairness and credibility of the contest. We encourage underprivileged students from Xinchuan to study science and express their creativity, in turn cultivating their interest in pursuing knowledge. Additionally, we provide scholarships as an incentive, thereby contributing to the diverse developments of education in remote townships.

The theme of painting is combined with the most important contemporary social topics to set the theme of “Cleaning Operation During the Pandemic” for 2021. Students learn about the current pandemic situation and establish the right mindset for scientific pandemic prevention by viewing online science-themed films or reading science-related books. A total of 69 were received from 15 elementary schools, nine junior high schools, and three senior high schools in remote townships. We also hope that all participating students can “unleash their creativity and fall in love with science”.



Corum Art Promotion Award event poster

Award-winning creations
of the inaugural
Corum Art Promotion Award

新鈺藝術推廣獎 第一屆 冠軍

高中組 國中組 國小高年級組 國小中低年級組

新鈺藝術推廣獎 第一屆 亞軍

高中組 國中組 國小高年級組 國小中低年級組

新鈺藝術推廣獎 第一屆 季軍

高中組 國中組 國小高年級組 國小中低年級組

6.3 Give Back to Society and Talent Cultivation

To assist the unemployed or youths to understand the conditions of the industry and workplace, Corum has maintained good interaction with the Continuing Education Center of NTUST. For its numerous pre-employment training or industry elite classes, we will participate in the human resource pitch and match meeting held before the completion of different classes depending on time and feasibility. We dispatch our management executives to the meetings to share the prospects of the biotechnology industry and relevant job openings. Besides supporting the event wholeheartedly, we also provide detailed explanations and career guidance for diverse job-hunting inquiries on-site to fulfill our social responsibilities. In 2021, Corum dispatched one management executive to attend six classes.

Talent cultivation pitch and match meeting

Course	Time invested
E-commerce marketing class	2021/01/05 on-site pitch and match meeting
Slashie sales savant training class	2021/01/28 on-site pitch and match meeting
Project management and administrative talent practical class	2021/11/18 online pitch and match meeting
Cross-border e-commerce intensive practical training class	2021/11/22 online pitch and match meeting
New social media marketing practical class	2021/11/22 online pitch and match meeting
Big data smart marketing practical class	2021/11/30 online pitch and match meeting

Photos of Corum's talent cultivation





Appendix

- ISO Management System
ISO 9001 certificate
ISO 14001 certificate
ISO 45001 certificate
ISO 22716 certificate
- 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 Management System Certificate

ISO 9001 certificate

bsi. 

Certificate of Registration

QUALITY MANAGEMENT SYSTEM - ISO 9001:2015

This is to certify that: **Corum Inc.** 新紐生科技股份有限公司
 No. 10 臺灣
 Cheng-Kung 2nd Street 嘉義縣
 Min-Hsiung Industrial Park 民雄鄉
 Chiayi County 民雄工業區
 621 成功二街10號
 Taiwan 621

Holds Certificate No: **FM 82673**
 and operates a Quality Management System which complies with the requirements of ISO 9001:2015 for the following scope:
 The manufacture of fine chemicals about personal care.
 個人護理精細化學品之製造

For and on behalf of BSI: 
Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2004-04-08 Effective Date: 2022-03-26
 Latest Revision Date: 2022-02-21 Expiry Date: 2025-03-25
 Page: 1 of 2

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This certificate was issued electronically and remains the property of BSI and is issued by the conditions of contract.
 An electronic certificate can be authenticated qms.bsi.com.
 Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +886 (0)22636-0333.
 Taiwan Headquarters: 2nd Floor, No.37, 3-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
 A Member of the BSI Group of Companies.

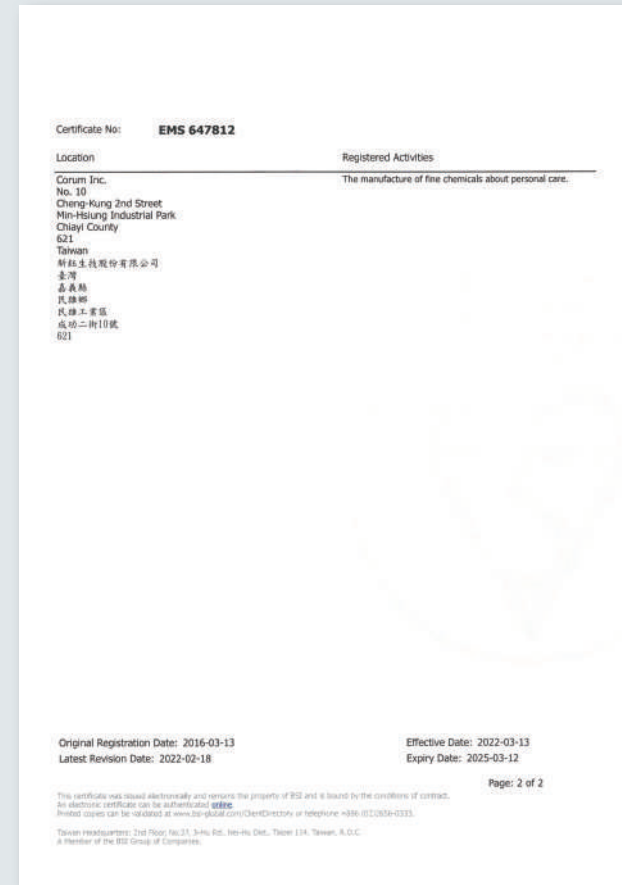
Certificate No: **FM 82673**

Location	Registered Activities
Corum Inc. No. 10 Cheng-Kung 2nd Street Min-Hsiung Industrial Park Chiayi County 621 Taiwan 新紐生科技股份有限公司 臺灣 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.
Corum Inc. 6FL No. 360, Rueli Guang Road Niedhu Taipai 114 Taiwan 新紐生科技股份有限公司 臺灣 內埔區 瑞光路 360號 6樓 114	The provision of management in sales, logistic, purchase and MIS of fine chemicals about personal care.

Original Registration Date: 2004-04-08 Effective Date: 2022-03-26
 Latest Revision Date: 2022-02-21 Expiry Date: 2025-03-25
 Page: 2 of 2

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 Taiwan Headquarters: 2nd Floor, No.37, 3-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
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ISO 14001 certificate



ISO 45001 certificate

bsi.  
By Royal Charter

Certificate of Registration

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM - ISO 45001:2018

This is to certify that: Chiayi branch ,Corum Inc. 新紅生技股份有限公司
No. 10 嘉義分公司
Cheng-Kung 2nd Street 臺灣
Min-Hsiung Industrial Park 嘉義縣
Chiayi County 民雄鄉民雄工業區
621 成功二街 19 號
Taiwan 621

Holds Certificate No: **OHS 705491**

and operates an Occupational Health & Safety Management System which complies with the requirements of ISO 45001:2018/CNS 45001:2018 for the following scope:

The manufacture of fine chemicals about personal care.
個人護理精細化學品之製造

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

Page 1 of 2

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Taiwan Headquarters: 2nd Floor, No. 37, 3-Hu Road Nei-Hu Dist., Taipei 11492, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

Certificate No: **OHS 705491**

Location	Registered Activities
Chiayi branch ,Corum Inc. No. 10 Cheng-Kung 2nd Street Min-Hsiung Industrial Park Chiayi County 621 Taiwan 新紅生技股份有限公司 嘉義分公司 臺灣 嘉義縣 民雄鄉民雄工業區 成功二街 19 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

Page 2 of 2

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Taiwan Headquarters: 2nd Floor, No. 37, 3-Hu Road Nei-Hu Dist., Taipei 11492, Taiwan, R.O.C.
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ISO 22716 certificate



Global Reporting Initiative's Sustainability Reporting Guidelines GRI Standards Index

Material topics are marked with a ★

Topic	Disclosure Title	Explanation	Report Contents	Page	Note
GRI 102 : General Disclosures					
Organizational Profile	102-1	Name of the organization	1.1 The Corum Spirit and Business Empire Company profile	22	
	102-2	Activities, brands, products, and services	1.1 The Corum Spirit and Business Empire Company profile	22	
	102-3	Location of headquarters	1.1 The Corum Spirit and Business Empire Company profile	22	
	102-4	Location of operations	1.1 The Corum Spirit and Business Empire Company profile	22	
	102-5	Ownership and legal form	1.1 The Corum Spirit and Business Empire Company profile	22	
	102-6	Markets served	1.1 The Corum Spirit and Business Empire Company profile	22	
	102-7	Scale of the organization	1.1 The Corum Spirit and Business Empire Company profile 5.1 Employee Profile	22 68	
	102-8	Information on employees and other workers	5.1 Employee Profile	68	
	102-9	Supply chain	2.3 Vertical Integration and Supply Chain Management	45	
	102-10	Significant changes to the organization and its supply chain	---		None
	102-11	Precautionary Principle or approach	1.4 Total Risk Management	31	
	102-12	External initiatives	1.3 Ethical Management	28	Corum's participation in external organizations and initiatives, such as RSPO, HALAL and TCFD
	102-13	Member of associations	1.3 Ethical Management	28	
Strategy	102-14	Statement from senior decision-maker	0.2 Letter from the CEO	02	
	102-15	Key impacts, risks and opportunities: The content of the corporate social responsibility report mentioned in the preceding paragraph of 3-2 shall cover relevant environmental, social and corporate governance risk assessments, and set relevant performance indicators to manage the identified major topics. Paragraph of 4-1-4-2 shall cover corporate governance of climate-related risks and opportunities, actual and potential climate-related impacts, how to identify, assess and manage climate-related risks and targets for climate-related issues.	0.4 Stakeholder Engagement and Material Topic Identification	04	
			1.4 Total Risk Management	31	
★ Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	1.3 Ethical Management	28	
	102-18	Governance structure	0.3 ESG Management Structure	03	

★ Governance

★ Governance	102-21	Consulting stakeholders on economic, environmental, and social topics	0.4 Stakeholder Engagement and Material Topic Identification	04	
	102-25	Conflict of interest	1.3 Ethical Management	28	
Stakeholder Engagement	102-40	List of stakeholder groups	0.4 Stakeholder Engagement and Material Topic Identification	04	
	102-41	Collective bargaining agreements	5.1 Employee Profile	68	
	102-42	Identifying and selecting stakeholders	0.4 Stakeholder Engagement and Material Topic Identification	04	
	102-43	Approach to stakeholder engagement	0.4 Stakeholder Engagement and Material Topic Identification	04	
	102-44	Key topics and concerns raised	0.4 Stakeholder Engagement and Material Topic Identification	04	
Reporting Practices	102-45	Entities included in the organization's consolidated financial statements	0.1 About Corum's Report	01	
	102-46	Defining report content and topic Boundaries	0.4 Stakeholder Engagement and Material Topic Identification	04	
	102-47	List of material topics	0.4 Stakeholder Engagement and Material Topic Identification	04	
	102-48	Restatements of information	---		This year is the first report. The information has no effect and reason for restatement.
	102-49	Changes in reporting	---		This year is the first report, and there is no change in the report
	102-50	Reporting periods	0.1 About Corum's Report	01	
	102-51	Date of most recent report	0.1 About Corum's Report	01	
	102-52	Reporting cycles	0.1 About Corum's Report	01	
	102-53	Contact point for questions regarding the report	0.1 About Corum's Report	01	
	102-54	Claims of reporting in accordance with the GRI Standards	0.1 About Corum's Report	01	
102-55	GRI content index	---		GRI Index	
102-56	External assurance	---		Without report assurance	

Economic Aspect

★ Regulatory Compliance

GRI 103 : Management Approach 2016	103-1	Explanation of material topic and its Boundary	0.4 Stakeholder Engagement and Material Topic Identification	04	
	103-2	The management approach and its components	1.3 Ethical Management	28	
	103-3	Evaluation of the management approach	1.3 Ethical Management	28	
GRI 307 : Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	1.3 Ethical Management	28	
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	1.3 Ethical Management	28	

★ Operational Risk Management

GRI 103 : The Management Approach 2016	103-1	Explanation of material topic and its Boundary	0.4 Stakeholder Engagement and Material Topic Identification	04	
	103-2	The management approach and its components	1.4 Total Risk Management	31	
	103-3	Evaluation of the management approach	1.4 Total Risk Management	31	
GRI 201 : Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	0.4 Stakeholder Engagement and Material Topic Identification	04	

★ Information Security					
GRI 103 : Management Approach 2016	103-1	Explanation of material topic and its Boundary	0.4 Stakeholder Engagement and Material Topic Identification	04	
	103-2	The management approach and its components	1.5 Information Security Management	35	
	103-3	Evaluation of the management approach	1.5 Information Security Management	35	
Custom Performance	---	Zero information security event	1.5 Information Security Management	35	
★ Supply Chain Sustainability					
GRI 103 : Management Approach 2016	103-1	Explanation of material topic and its Boundary	0.4 Stakeholder Engagement and Material Topic Identification	04	
	103-2	The management approach and its components	2.3 Vertical Integration and Supply Chain Management	45	
	103-3	Evaluation of the management approach	2.3 Vertical Integration and Supply Chain Management	45	
GRI 308 : Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	2.3 Vertical Integration and Supply Chain Management	45	
	308-2	Negative environmental impacts in the supply chain and actions taken	2.3 Vertical Integration and Supply Chain Management	45	
GRI 414 : Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	2.3 Vertical Integration and Supply Chain Management	45	
	414-2	Negative social impacts in the supply chain and actions taken	2.3 Vertical Integration and Supply Chain Management	45	
Procurement Practices					
GRI 204 : Procurement Practices 2016	204-1	Proportion of spending on local suppliers	2.3 Vertical Integration and Supply Chain Management	45	
Anti-corruption					
GRI 205 : Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	1.3 Ethical Management	28	
	205-3	Confirmed incidents of corruption and actions taken	1.3 Ethical Management	28	
★ Technology Innovation					
GRI 103 : Management Approach 2016	103-1	Explanation of material topic and its Boundary	0.4 Stakeholder Engagement and Material Topic Identification	04	
	103-2	The management approach and its components	2.2 Innovative R&D and Forward Thinking	42	
	103-3	Evaluation of the management approach	2.2 Innovative R&D and Forward Thinking	42	
Custom Performance	---	Annual R&D project completion rate	2.2 Innovative R&D and Forward Thinking	42	
Environmental Aspect					
★ Energy Conservation and Carbon Reduction					
GRI 103 : Management Approach 2016	103-1	Explanation of material topic and its Boundary	0.4 Stakeholder Engagement and Material Topic Identification	04	
	103-2	The management approach and its components	3.3 Energy Resource Management	58	
	103-3	Evaluation of the management approach	3.3 Energy Resource Management	58	
GRI 302 : Energy 2016	302-1	Energy consumption within the organization	3.3 Energy Resource Management	58	
	302-4	Reduction of energy consumption	3.3 Energy Resource Management	58	

Water					
GRI 303 : Water 2018	303-3	Water withdrawal	3.4 Water Consumption Management	60	
GRI 303 : Water 2018	303-4	Water consumption	3.4 Water Consumption Management	60	
Emissions					
GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.3 Energy Resource Management	58	
	305-2	Energy indirect (Scope 2) GHG emissions	3.3 Energy Resource Management	58	
	305-5	Reduction of GHG emissions	3.3 Energy Resource Management	58	
★ Waste Management					
GRI 103 : Management Approach 2016	103-1	Explanation of material topic and its Boundary	0.4 Stakeholder Engagement and Material Topic Identification	04	
	103-2	The management approach and its components	3 Environmental Protection	53	
	103-3	Evaluation of the management approach	3 Environmental Protection	53	
GRI 306 : Effluents and Waste 2020	306-1	Waste generation and significant waste-related impacts	3.2 Environmental Management	56	
	306-2	Management of significant waste-related impacts	3.2 Environmental Management	56	
	306-5	Disclosure 306-5 Waste directed to disposal	3.2 Environmental Management	56	
Social Aspect					
★ Product Liability					
GRI 103 : Management Approach 2016	103-1	Explanation of material topic and its Boundary	0.4 Stakeholder Engagement and Material Topic Identification	04	
	103-2	The management approach and its components	2.1 Rigorous Execution and Quality Management	38	
	103-3	Evaluation of the management approach	2.1 Rigorous Execution and Quality Management	38	
GRI 416 : Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.1 Rigorous Execution and Quality Management	38	
Labour Relations					
GRI 401 : Labour Relations 2016	401-1	New employee hires and employee turnover	5.1 Employee Profile	68	
	401-2	Benefits provides to full-time employees that are not provided to temporary or part-time employees	5.2 Listening and Caring	71	
★ Occupational Safety and Health					
GRI 103 : Management Approach 2016	103-1	Explanation of material topic and its Boundary	0.4 Stakeholder Engagement and Material Topic Identification	04	
	103-2	The management approach and its components	4. Safety Advancement	61	
	103-3	Evaluation of the management approach	4. Safety Advancement	61	
GRI 403 : Occupational Safety and Health 2018	403-1	Occupational health and safety management system	4. Safety Advancement	61	
	403-2	Hazard identification, risk assessment, and incident investigation	4. Safety Advancement	61	
	403-3	Occupational health services	4. Safety Advancement	61	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4. Safety Advancement	61	
	403-5	Worker training on occupational health and safety	4. Safety Advancement	61	
	403-6	Promotion of worker health	4. Safety Advancement	61	

	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	4. Safety Advancement	61	
	403-9	Work-related injuries	4. Safety Advancement	61	
	403-10	Work-related ill health	4. Safety Advancement	61	
★ Training and Education					
GRI 103 : Management Approach 2016	103-1	Explanation of material topic and its Boundary	0.4 Stakeholder Engagement and Material Topic Identification	04	
	103-2	The management approach and its components	5.3 Experience and Heritage	75	
	103-3	Evaluation of the management approach	5.3 Experience and Heritage	75	
GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	5.3 Experience and Heritage	75	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.2 Listening and Caring	75	
Non-discrimination					
GRI 406 : Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	5.2 Listening and Caring	75	No incident of discrimination in 2021
Local Communities					
GRI 413 : Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	3.2 Environmental Management	56	
			6.1 Public Welfare and Being a Good Neighbor	78	
★ Customer Service					
GRI 103 : Management Approach 2016	103-1	Explanation of material topic and its Boundary	0.4 Stakeholder Engagement and Material Topic Identification	04	
	103-2	The management approach and its components	2.4 Enthusiastic Service and Customer Satisfaction Management	49	
	103-3	Evaluation of the management approach	2.4 Enthusiastic Service and Customer Satisfaction Management	49	
GRI 417 : Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	2.4 Enthusiastic Service and Customer Satisfaction Management	49	No incident of non-compliance concerning product and service information and labeling in 2021
Customer Privacy					
GRI 418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4 Enthusiastic Service and Customer Satisfaction Management	49	No incident of substantiated complaints concerning breaches of customer privacy and losses of customer data in 2021
Socioeconomic Compliance					
GRI 419 : Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	1.3 Ethical Management	28	No incident of non-compliance with laws and regulations in 2021
			2.4 Enthusiastic Service and Customer Satisfaction Management	49	

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	Human Rights and Anti-discrimination
	Principle 2: make sure that they are not complicit in human rights abuses.	
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Human Rights and Anti-discrimination
	Principle 4: the elimination of all forms of forced and compulsory labour;	Human Rights and Anti-discrimination
	Principle 5: the effective abolition of child labour; and	Human Rights and Anti-discrimination
	Principle 6: the elimination of discrimination in respect of employment and occupation.	Employee Profile Human Rights and Anti-discrimination
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	Climate Governance and Action
	Principle 8: undertake initiatives to promote greater environmental responsibility; and	Environmental Management
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Innovative R&D and Forward Thinking
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Ethical Management

ISO 26000 Social Responsibility Standards Comparison Table

	Material Aspect	Chapter
Organizational Governance	Decision-making processes and structures	Governance
Human Rights	Due diligence Human right risk situations Avoidance of complicity Resolving grievances Discrimination and vulnerable groups Civil and political rights Economic, social and cultural rights Fundamental principles and rights at work	Listening and Caring Listening and Caring Listening and Caring Listening and Caring Listening and Caring Listening and Caring Listening and Caring
Labour Practices	Employment and employment relationships Conditions of work and social protection Social dialogue Health and safety at work Human development and training in the workplace	Employee Profile Listening and Caring Listening and Caring Listening and Caring Safety Advancement Experience and Heritage
Environment	Prevention of pollution Sustainable resource use Climate change mitigation and adaptation	Environmental Management Total Risk Management Climate Governance and Action
Fair Operating Practices	Anti-corruption Fair competition Promoting social responsibility in the value chain Respect for property rights	Ethical Management Ethical Management Corum's Sustainable Development Strategy Vertical Integration and Supply Chain Management Innovative R&D and Forward Thinking
Consumer Issues	Protecting consumers' health and safety Sustainable consumption Consumer service, support, and complaint and dispute resolution Consumer data protection and privacy Access to essential services Education and awareness	Rigorous Execution and Quality Management Innovative R&D and Forward Thinking Enthusiastic Service and Customer Satisfaction Management Enthusiastic Service and Customer Satisfaction Management Enthusiastic Service and Customer Satisfaction Management Enthusiastic Service and Customer Satisfaction Management
Community Involvement and Development	Community involvement Education and culture Employment creation and skills development Wealth and income creation Health Social investment	Public Welfare and Being a Good Neighbor Corum Art Promotion Award Employee Profile Corum's Sustainable Development Strategy Public Welfare and Being a Good Neighbor Public Welfare and Being a Good Neighbor

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	Energy Resource Management	Partial Disclosure
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CH-130a.1	Energy Resource Management	Partial Disclosure
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CH-140a.1	Water Consumption Management	Partial Disclosure
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	Water Consumption Management	
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	Water Consumption Management	
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	Environmental Management	Partial Disclosure
Workforce Health and Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	Occupational Safety and Health Accomplishments	Partial Disclosure
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	Safety Advancement	
Safety and Environmental Stewardship of Chemicals	Discussion of strategy to develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	Innovative R&D and Forward Thinking	
Genetically Modifier Organism	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	Biodiversity management	
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	Ethical Management	
Operational Safety, Emergency Preparedness and Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	Occupational Safety and Health Accomplishments	
	Number of transport incidents	RT-CH-540a.2	Occupational Safety and Health Accomplishments	



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