

2023 Sustainability Report



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Word from the Chairman

You are welcome to read the 2023 Sustainability Report of Allied Supreme Corporation (hereinafter referred to as "ASC", the "Company"). ASC is committed to corporate social responsibility and sustainable management as its mission. The Company is dedicated to innovation, growth, and excellence, striving to become the global benchmark in the processing, manufacturing, development, and application of fluoropolymer resins. We aim to meet customer satisfaction, protect shareholders interests, maintain harmonious labor relations, and foster cooperative, trustworthy, and mutually beneficial partnerships with suppliers. The vision is to contribute our expertise in fluoropolymer R&D to our partners and the scientific community.

With the end of the global pandemic in 2023, the economy has rebounded and returned to normal. This year has been one of reorganization and preparation for future growth. In response to the global trend towards 5G, AI, and electric vehicles, there has been a strong demand in the semiconductor-related industries. This has led to an increase in orders and production capacity for the Company's wafer foundry and electronic industry.

In recent years, climate change has become a pressing and unavoidable global issue. The economic, social, and environmental problems caused by global warming present challenges that all of humanity must address. To align with the government's initiatives, ASC actively promotes renewable energy projects under the main themes of "energy creation, storage, conservation, and system integration". At the Changbin Plant, solar panels have been installed to strengthen the local solar photovoltaic industry. In 2023, the Company assessed the feasibility of a self-use solar power system, which is expected to be completed in 2024 with a generating capacity of 252 kW. In terms of products, ASC collaborates with fluoropolymer raw material suppliers to improve existing materials and develop more advanced new materials. Additionally, the Company actively works on reusing recycled fluoropolymer materials to reduce environmental damage, striving to build an eco-friendly corporate image.

ASC actively cultivates an image as an enterprise that promotes employee well-being. The Company adheres to the principles of "respecting life, protecting the environment, and prioritizing safety and health" to ensure that employees can work with peace of mind. This year, ASC had no serious occupational safety incidents within or outside the plant, nor did it have any negative impact on the environment or local communities. Annual regular health checkups are provided to employees, offering health consultation, guidance, follow-up management, and work assignment suggestions to ensure the health and well-being of all staff.

Technology is the primary productivity driver, and technological prowess represents the industry's spokesperson. Since its establishment, ASC has continuously strengthened its technical capabilities and innovated in product development, consistently leading the industry forefront. Adhere to the development and cultivation of talent, emphasizing robust development of human resources, enhancing the knowledge structure of high-level professional and technical talent, and promoting comprehensive enterprise development within the industry's technical framework. Drawing on four decades of quality accumulation and leveraging deep-rooted brand management resources accumulated over the years, we swiftly integrate development resources to shape excellent quality in the industry, ensuring our products surpass the quality standards of our peers. We also pledge to fulfill our commitments to corporate governance, environment, workplace, and society, striving wholeheartedly for sustainable operation and becoming a socially responsible enterprise.



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Annual ESG Performance

E Environmental Aspect

In 2023, there were no major environmental-related non-compliance incidents.

In 2023, the "SCADA ultra-pure water discharge recycling system" saved 27,300 tons of water consumption, with an average monthly recovery of 2,275 tons of water, reducing emissions.

In 2023, no significant harmful gases such as ozone-depleting substances (ODS), nitrogen oxides (NOx), sulfur oxides (SOx), persistent organic pollutants (POP), volatile organic compounds (VOC), hazardous air pollutants (HAP), or particulate matter (PM) were emitted.

There were also no leakage incidents in the Company in 2023.

S Social Aspect

There were no major economic, social, or human rights violations in 2023.

In 2023, the overall average customer satisfaction rating was 4.5 points, accounting for 90.4% of the full score.

In 2023, there were no complaints related to privacy violations, nor incidents of information leakage, theft, or loss of customer data.

In 2023, there were no violations of product and service safety information labeling or marketing regulations.

In 2023, no incident of child labor occurred between the Company and its suppliers.

In 2023, ASC participated in public welfare activities with a total amount of NTD 472,075.

G Corporate Governance Aspect

In 2023, the Company achieved a net operating income of NTD 5,692,353 thousand, compared to NTD 6,138,088 thousand in 2022. Despite a slight decline in market demand, we maintained profitability and have reserved resources for a strong push next year.

The Company's net profit after tax in 2023 was NTD 1,683,253 thousand, and the EPS was NTD 21.22. The target earnings distribution for 2023 was 56.55%, an increase of 3.31% compared to 2022.

The overall score for the performance evaluation of the Board of Directors remained above 94 points, indicating that the evaluation result was good.

In 2023, ASC achieved the "Supplier Social Responsibility Commitment" with a signing rate of 78.3% in 2023, and a total of 169 suppliers have signed.

Won the National Industrial Innovation Award and the Taiwan Mittelstand Award

Allied Supreme Corporation: A leader in the field of fluoropolymer resins, consistently acclaimed for excellence.

Since its establishment, ASC has been dedicated to pursuing excellence and innovation in the field of fluoropolymer resins. As a leading brand in the processing and manufacturing of fluoropolymer resins, ASC is recognized as the world's sole equipment manufacturer offering a wide range of advanced fluoropolymer lining materials and composite panels to customers. Continuously innovation, ASC pioneers new frontiers in fluoropolymer applications and services.

Through continuous effort and outstanding performance, ASC has earned high recognition within the industry. Honored with the "8th Ministry of Economic Affairs National Industry Innovation Award" and the "7th Taiwan Mittelstand Award", highlighting its significant position and achievements in industry development.

The 8th Ministry of Economic Affairs National Industrial Innovation Award:

ASC's relentless R&D efforts and technological innovation have earned us the 8th Ministry of Economic Affairs National Industrial Innovation Award. Among 303 participants, ASC stood out in intense competition and was one of eight general enterprise category winners.

Leveraging accumulated core technological R&D achievements in product manufacturing processes, ASC has obtained numerous patents across multiple countries, totaling tens of patents. This enables us to deliver high-quality and high-value-added end products to customers. Focusing on the R&D of core technologies, ASC not only continuously provides customers with better manufacturing and service quality in the chemical industry but also meets the high-end demands of industries such as specialty chemicals and semiconductors. At the same time, ASC values green circular economy practices, assisting customers in reducing potential pollution during processes and striving to help them recycle and reuse chemical waste. For the construction of next-generation fluorine processing capabilities, we are progressing steadily and meticulously, setting a benchmark that companies both domestically and internationally aspire to emulate.

What's worth mentioning that ASC not only achieves breakthroughs in customer product offerings but also responds to CSR by donating funds to various charitable organizations. This includes supporting rural schools participating in nationally representative competitions, enabling the angelic voices of Taiwan's mountainous regions to resonate internationally, making Taiwan heard around the world.

The 7th Taiwan Mittelstand Award:

ASC won the 7th Taiwan Mittelstand Award again, which once again highlighted its outstanding performance and leadership in the field of fluoropolymer resins. A total of 145 enterprises applied, and after initial review, secondary review, and final selection processes, 10 were chosen. ASC demonstrated outstanding business performance in its specific market sector, and it is honored to have been selected among them. This award signifies a recognition of ASC's business growth and performance within its industry sector.

The Taiwan Mittelstand Award embodies the spirit of "focusing on core business, deepening technical expertise, and global deployment". ASC stands out as a leader among mid-sized enterprises through innovative products, high-quality services, and robust business strategies.



Chairperson Chiao-Sheng Ho expressed that this achievement is the result of the collective efforts of all employees, thanking each partner within the Company who has contributed to this goal. ASC will continue to dedicate itself to product innovation, technological upgrades, and corporate social responsibility, aiming

to earn more honors for Taiwanese enterprises in international competition. ASC's achievements not only affirms its own efforts but also inspire and lead the entire industry. The Company invested heavily in R&D, as well as in integrating high-level talent, to provide customized end-to-end services. In the current high-end fluorine materials application market, ASC leads both in production capacity and global market share. The Company implements corporate ESG management and considers its employees as family, aspiring to become sustainable enterprise for a hundred years.



Happiness Enterprise

ASC has long been committed to enhancing employee welfare and creating a high-quality workplace environment. In 2023, the Company participated for the first time in the "2023 Happy Enterprise" event organized by 1111 Job Bank. After online voting, secret customer evaluations, and evaluation by a professional team composed of experts invited by the organizer, the Company stood out among nearly 3,200 registered enterprises. The Company was selected as one of the 439 gold award brands across 11 categories, specifically earning the "Manufacturing Industry" category gold award.

The award is divided into 11 categories, including "Trade and Distribution", "Construction and Architecture", "Manufacturing Industry", "Biotechnology and Medical Care", "Science and Technology R&D", "Financial Management", "Media, Education, and Social Welfare", "Hotel and Lodging", "Food and Beverage Services", "Leisure and Entertainment Services", and "General Life Services". Apart from evaluating basic welfare indicators of companies, starting from June 2023, the selection process involves online voting and secret customer evaluations to award gold medals to companies scoring in the top 15% to 20% within their respective industry categories.

ASC is committed to creating a friendly work environment and has a comprehensive employee bonus and welfare system in line with UN SDG Indicator 3. The Company prioritizes safety in the workplace, conducting environmental monitoring every six months and safety-related training every month to ensure a safe working environment for all employees. Through annual health checkups that exceed legal requirements, ASC cares for the physical and mental health of employees. We track the health status of colleagues and arranges regular consultations and care by plant nurses and doctors. Additionally, the Company organizes and subsidizes employee travel each year to help alleviate work-related stress effectively. ASC has established high-quality lactation rooms and equipped its pantry with facilities such as refrigerators, coffee machines, microwaves, and dish dryers (sterilizers). Additionally, the Company has set up an exclusive restaurant for employees, providing each person with dedicated utensils and sterilization equipment for them. The Company subsidizes nutritious lunches daily and provides dinner, ensuring that employees working late have good working efficiency.

Under the leadership of Chairperson Chiao-Sheng Ho, at the year-end banquet in 2021, the Company set mutual growth as its operational goal for 2022. We promised additional bonuses as a commitment to growth, with the 2022 dividends to be distributed in mid-2023, reflecting an overall increase of 1.13%. This initiative aims to boost employee morale, emphasizing the Company's philosophy of treating employees well. This includes increased accommodation subsidies for new employees in remote areas and considerations for commuting fatigue by encouraging nearby accommodations, ensuring employees get adequate rest. At the same time, plans are underway to introduce retention bonuses to encourage new employees, ensuring their



stability and peace of mind in their roles within the Company.

In addition to creating a workplace environment that partners can feel comfortable and secure in, the Company will continue to focus on sustainability initiatives. In 2023, the Company organized a blood donation drive with 79 participants contributing. Furthermore, over 105 employees and their families joined a beach cleanup event, enhancing their sense of belonging to the Company. Embracing a philosophy of giving back to society, the Company collaborates with underprivileged groups by regularly subscribing to charitable food supplies every two weeks, aiming to provide stable economic support in incremental ways. At the same time, in daily operations, we promote energy conservation and carbon reduction measures in office spaces, actively develop various electronic systems to enhance environmental protection awareness.



About This Report

Scope and sources

The scope of this report covers the policies and performance results of ASC from January 1 to December 31, 2023, focusing on the economic, environmental, and social dimensions. Subsidiaries are not included in the scope of data disclosure, except for financial data which includes consolidated financial information of subsidiaries. Other disclosures mainly pertain to parent company only, with coverage including the Changbin production plant and warehouse in Taiwan, as well as operational offices in Taipei, Hsinchu, and Tainan. The scope of data and information disclosed in this report are consistent with the annual report (January 1 to December 31, 2023).

During the reporting period, there were no significant restatements of information. The adjustments made were based on the updated GRI to identify stakeholders and material topics, as detailed in sections “1.2 Stakeholders Communication” and “1.3 Identification of Material Topics”.

Editorial principles and external assurance

This report complies with the latest GRI Standards (2021 version) issued by the Global Reporting Initiative (GRI) as its framework for sustainability disclosures. Additionally, it utilizes the Task Force on Climate-related Financial Disclosures (TCFD) framework, the FSC’s Sustainability Indicators (chemical industry), and the Sustainability Accounting Standards Board (SASB) standards. These frameworks are employed to encompass significant issues of concern to stakeholders and to provide information on environmental, governance, and social aspects.

The Company has incorporated the preparation and verification of the assurance of the report into the Company’s internal control system. External assurance for this report has been entrusted to Grant Thornton. Financial accounting-related information has been audited and certified by Deloitte Taiwan. Grant Thornton, based on the guidelines set forth by the Accounting Research And Development Foundation, issued Assurance Standard Bulletin No. 3000, “Assurance Engagements other than Audits or Reviews of Historical Financial Information”. Under these standards, ASC conducted a limited assurance engagement on the seven disclosure indicators in the chemical industry disclosed in its 2023 Sustainability Report, as outlined in “Appendix 1-2 of Article 4 of the Operating Procedures for Preparation and Submission of Sustainability



Reports by Listed Companies”. For details on the specific assurance items and scope, please refer to Appendix V: “CPAs’ Limited Assurance Report” in this report.

Report publication date

The financial reporting period is from January 1 to December 31, 2023, and it is issued on the same annual frequency as the Sustainability Report. The Company issues the Sustainability Report on a regular basis every year, and this is the third issuance by ASC.

Current issued version: Issued in August 2024

Scheduled publication date of the next report: August 2025

Contact Information

If you have any questions or suggestions about the content or activities of this report, you are welcome to contact us.

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I. Sustainable development management framework

1.1 Sustainable development strategy

The Company’s ESG Sustainability Committee is chaired by the Chairman, who collaborates with senior executives from various fields to review the Company’s core operational capabilities and establish mid- to long-term sustainability development plans.

The Company has established “human rights policy” to protect the human rights of all employees (present employees, contract staff and temporary workers, interns, etc.). The human rights policy is announced to all employees and disclosed on the Company's website. New employees are also briefed on the policy upon joining, and regular announcements are made occasionally to reinforce awareness. In the “Sustainable Development Best-Practice Principles”, ASC explicitly mentions that, to uphold social welfare, the Company strives to comply with relevant labor laws and international human rights conventions, protecting universally recognized basic rights and values such as gender equality, labor rights, and non-discrimination, etc.

To further uphold CSR, the Company established an ESG Sustainability Committee in 2022, following approval by the Board of Directors. Additionally, we formed a GHG inventory team within the same year, involving participation from various departments in our ESG sustainability efforts. Our goal is to achieve sustainability by emphasizing risk management, ethical corporate management, and dedication to energy conservation and carbon reduction. We focus on water resources, waste management, social welfare, and talent cultivation. Embracing the concept of a global village, we have established management policies addressing climate change and environmental considerations. These include policies on energy conservation and carbon reduction, GHG management, water conservation, and green procurement, etc. We have also formulated short-, mid-, and long-term reduction targets, requiring suppliers to commit to the implementation of corporate sustainability.

The ESG Sustainability Committee reports its operations to the Board of Directors on a regular basis every year. During the reporting period, the Committee presented its report on March 8, 2023. The Company’s ESG Sustainability Committee is chaired by the Chairman, who collaborates with various departments to promote ESG-related issues and policies. The ESG reports issued by the Company are integrated and published after being reviewed by the heads of various departments. The material matters in the report, which include issues such as risk management, ethical corporate management, and social welfare, are reported annually to the Board of Directors. Issues regarding GHG emissions are reported to the Board of Directors on a quarterly basis.

The following is a summary of key material events communicated to the Board of Directors by each unit:

Characteristics	Communication method and frequency	Communication results
Environmental aspect	<ol style="list-style-type: none"> 1. Board of Directors meeting (quarterly) 2. The usage of water resources, the amount of industrial waste generated, and the emissions of GHG. 	<ol style="list-style-type: none"> 1. The ESG Sustainability Committee reports to the Board of Directors on a quarterly basis. Report contents include: <ol style="list-style-type: none"> (1) The usage of purchased electricity and the resulting carbon emissions are presented to the Board of Directors, which provides guidance for improvement. (2) Water resources are managed in accordance with the discharge standards set by the Changhua County Government for the Changbin Industrial Park. Our high-quality discharge meets these standards and has shown no abnormalities this year. We will continue to maintain compliance with the government-regulated standards. (3) Integrate the recycling area of the Changbin Plant to discuss improvements in managing the waste generated from production processes. The waste area is planned to be divided into more than ten categories, each handled by qualified processors to minimize environmental impact. (4) The usage of diesel and liquefied petroleum gas in the production process is controlled through a material requisition system. 2. Adopt a continuous and stable reduction approach to achieve energy-saving and carbon reduction goals. 3. In line with international environmental trends, we align with government initiatives to develop as a core focus of our current industry efforts. Strengthen ASC's production management, process improvements, pollution prevention, environmental design, and resource recycling to enhance environmental quality and green competitiveness. 4. If suppliers have significant violations of environmental regulations, ASC's Procurement Section will promptly contact them by phone to express concern and provide assistance with relevant information.
Economic Aspect	<ol style="list-style-type: none"> 1. Board of Directors meeting (quarterly) 	<ol style="list-style-type: none"> 1. Due to energy shortages impacting the production economy and facing economic impacts from rising energy costs, the Company is intensifying efforts to promote energy conservation and evaluate plans for self-generated green energy to mitigate increased costs associated with energy production. 2. Evaluate the cost expenditures associated with solar power from a sustainable energy perspective. 3. Report the new product development plan, results and progress to the Board of Directors, and provide the basis for decision-making on the Company's product direction and budget allocation. 4. The Audit Committee regularly reviews the financial statements for evaluation of operational performance during Board of Directors meetings.

SUSTAINABLE DEVELOPMENT	ETHICAL GOVERNANCE	HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
Social Aspect	<ol style="list-style-type: none"> 1. Board of Directors meeting (annually) 2. Communication meetings between independent directors, head of audit, and CPAs. 	<ol style="list-style-type: none"> 1. The internal evaluation for 2023 has been completed, and the scores of the Board of Directors, individual board members and functional committees all remain above 94, and the performance has been evaluated as good with no necessity for improvement. 2. In 2023, a total of 9 meetings of the Board of Directors, 3 meetings of the Remuneration Committee, and 7 meetings of the Audit Committee were held. 3. Held a total of 5 meetings between independent directors and the head of audit. 4. Held a total of 2 meetings between independent directors and CPAs. 5. The Board of Directors provides guidance and recommendations for annual risk management and ethical corporate management promotion reports. 6. In addition to promoting national competitive industries, ASC also actively cooperates with the central, county and city governments in promoting green energy (solar energy) development, as well as implementing national energy policies to reduce the energy impact on society. In 2023, evaluations were conducted for the construction of self-generated solar energy systems, which are currently under construction. 7. Caring for underprivileged families and low-income households by donating supplies. Assisting national seedlings and disadvantaged students with various materials. Donating funds to support vulnerable communities and providing assistance through community volunteer services. 8. If suppliers have significant violations of major labor laws and regulations or has impact on society, ASC's Procurement Section will promptly contact them by phone to express concern and provide assistance with relevant information. 				

1.2 Communication with stakeholders

Regarding stakeholders, the Company utilizes external experts to rank stakeholders based on the sum of scores for actual negative impacts, potential negative impacts, actual positive influences, and potential positive influences. Stakeholders scoring above 10 points are considered important stakeholders for ASC in 2023, after discussion with senior managers.

The Company has identified seven types of stakeholders, namely, "employees," "suppliers," "shareholders," "banking institutions," "social welfare organizations," "customers," and "government organizations."





Stakeholders are very important to the Company, and ASC is committed to fulfilling its obligations. We value their concerns and incorporate their feedback and expectations into our sustainability decisions. At the same time, we have established various communication channels and platforms to actively keep stakeholders informed about the Company's current status and future directions. We encourage stakeholders to provide feedback, suggestions, and needs, fostering effective communication for mutual understanding and trust.

Stake holders	Stakeholders' significance to the Company	Communication channel	Frequency	Communication effectiveness
Employee	Employees are the backbone of the Company's sustainability and the driving force behind our continuous growth.	1. Internal website	Occasionally	1. Held annual health checkups. 2. Established the Employee Welfare Committee.
		2. Provide internal and external education and training	Annually	
		3. Diverse employee feedback channels, such as the employee feedback email	Occasionally	
Suppliers	Suppliers, who provide the necessary raw materials for our production, rely on stable support from numerous suppliers and are indispensable stakeholders.	1. Supplier business review meeting	Occasionally	1. Held a total of 17 supplier quality meetings. 2. Promotion of the Supplier Code of Conduct.
		2. Promotion of the Supplier Code of Conduct	Occasionally	
		3. Supplier follow-up audit	Occasionally	
Shareholders	Shareholders provide the capital necessary for the long-term development of the Company, serving as a critical foundation for sustainability. They are concerned with the Company's growth strategies and future development. ASC strives for steady growth and profitability to reward its shareholders.	1. Annual shareholders meeting	Once/year	1. AGM was held on May 26, 2023. 2. In 2023, a total of seven investor conferences were attended to help investors understand the operational overview of the Company. 3. The English versions of the Company's shareholders' meeting agenda handbook, the annual report and the meeting minutes are for investors' reference.
		2. Issuance of the Company's annual report	Once/year	
		3. Communication meetings and investor conferences	1 investor conference/quarter	
			Financial report once/quarter	
		4. Release material information on the MOPS or announce company news on the Company's website	Quarterly	
Banking institutions	Banks serve as another main source of operational funding alongside capital markets for raising funds. Through close communication and interaction with banks, companies can secure stable and competitive sources of operational funding.	*Investor contact hotline 1. Contact: Yen-Chih Liu 2. Email: ir@alliedsupreme.com 3. Tel: 04-7582827	Permanent	1. Visit arrangement. 2. Online meeting.
		1. Meetings, phone calls, emails	Occasionally	
		2. Official correspondence	Occasionally	
		*Bank or other creditors contact hotlines 1. Contact: Ya-Fang Yin 2. Email: cathy@alliedsupreme.com 3. Tel: 04-7582827	Permanent	

Stakeholders	Stakeholders' significance to the Company	Communication channel	Frequency	1. Communication effectiveness
Social welfare organizations	As a significant neighbor in the local community, we aspire to contribute to underprivileged groups through the effectiveness of our business operations, aiming to create a better future for these groups.	1. Long-term subscription to support local underprivileged groups their homemade products.	Every two weeks	2.The company's group meals use homemade ingredients from underprivileged groups. 3.Occasionally make donations to underprivileged groups. 4.Beach cleanup event
		2. Donations to disadvantaged groups	Occasionally	
		3. Participation in community activities	Occasionally	
Customers	To provide comprehensive service, ASC regards customers perspectives and feedback as crucial references for continuous improvement and growth. Collaborating with customers fosters mutual growth and sustainability.	1. Customer satisfaction survey	Annually	1. Complete the annual customer satisfaction survey. 2. Cooperate with customers in various types of annual audits. 3. Continuous improvement according to customer requirements. 4. After-sales service for finished products. 5. Communicate and coordinate based on the needs of both parties. 6. Complete various questionnaires requested by customers. 7. In 2023, the average customer satisfaction score was above 4.5, accounting for 90.4% of the full score. All performance indicators exceeded the "satisfied" benchmark.
		2. Customer audit	Occasionally	
		3. Customer technical seminars and briefings	Occasionally	
		4. Online service systems and platforms	Occasionally	
		5. Communication meeting	Occasionally	
		6. Questionnaire response	Annually	
Government organizations	Our products, services, and related marketing practices are all subject to scrutiny and oversight by regulatory authorities. In addition to complying with the relevant regulations of government agencies, we actively cooperate with policy implementation, aiming to gain trust support, and cooperation through transparent two-way communication.	1. Official correspondence	Occasionally	1. Monitor and respond to official plans. 2. Cooperate with the implementation of government policies. 3. Comply with the laws and regulations formulated by the government.
		2. Participation in meetings (awareness meetings, briefings, seminars)	Occasionally	
		*Government organization contact hotline 1. Contact: Yu-Hung Chen 2. Email: ivan@alliedupreme.com 3. Tel: 04-7582827	Permanent	

1.3 Identification of material topics

The Company identifies material topics through a rigorous process to analyze issues that have a significant impact on our operations, business relationships, and sustainable development. We have identified the material topics for 2023. In the GRI 3 Material Topic Management, the concerns of various stakeholders will be effectively addressed. To ensure that the information disclosed in the Sustainability Report meets the needs of stakeholders, we follow 4 key steps of “understanding organizational context”, “identifying actual and potential impacts of sustainability issues”, “assessing impact significance”, and “reporting on sustainability issues disclosure”. These steps help us determine the material sustainability topics.

The Company has identified 11 material topics, namely “occupational health and safety”, “energy”, “economic performance”, “water and effluents”, “supplier social assessment”, “supplier environmental assessment”, “innovation in pros and technologies”, “waste”, “local communities”, “environmental and social regulatory management”, “customer service management”, and “emissions”. “Emissions” is a newly added material topic compared to the previous version last year.

2023 Material Topic Identification Procedure of ASC

Item	Description	
STEP 1 Understanding organizational context	To understand organizational context and identify sustainability issues, ASC refers to various frameworks and guidelines, including the Global Reporting Initiative (GRI) Standards, the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB), and the FSC’s sustainability indicators (chemical industry). Altogether, we have compiled 35 sustainability issues covering aspects of corporate governance, economic, environmental, and social across these 4 sustainability dimensions.	4 major sustainability aspects 35 sustainability issues
STEP 2 Identifying actual and potential impacts of sustainability issues	External experts evaluate the actual potential negative impacts and positive influences of the Company’s sustainability issues on economic, environmental, and social (people and human rights) aspects. They score each topic based on these impacts and influences, and then rank them by summing the scores of actual negative impacts, potential negative impacts, actual positive influences, and potential positive influences across economic, environmental, and social (people and human rights) aspects. Topics scoring above 30 points are considered material topics for ASC, with priority given to topics listed by SASB.	12 material sustainability topics Consolidated into 11 material topics
STEP 3 Assessing impact significance	The scoring results, verified by external experts and discussed in internal meetings, were finalized. Drawing on past operational experience, the significant impact and likelihood of the issues were analyzed to identify and confirm ASC’s 12 material sustainability issues.	
STEP 4 Reporting on sustainability issues disclosure	The analysis of material sustainability issues resulted in external experts conducting comprehensive evaluations in collaboration with various departments within the Company, based on the nature of each issue. Ultimately, the 12 material sustainability issues were consolidated into 11 material topics management areas. These will be communicated and responded to stakeholders through the sustainability report.	

Identification of material topics

NO	Level of impact of ASC's material topics	Environmental aspect	Economic Aspect	Social Aspect	Total score
1	Occupational health and Safety	16	14	19	49
2	Energy	14	18	14	46
3	Emissions	13	19	12	44
4	Economic performance	16	10	15	41
5	Water and effluents	11	15	15	41
6	Supplier environmental assessment	11	15	15	41
7	Supplier social assessment	11	15	15	41
8	Innovative products and technology	16	9	16	41
9	Waste	8	17	11	36
10	Local Communities	8	16	12	36
11	Environmental and social regulatory management	11	6	18	35
12	Procurement practices	11	6	18	35
13	Customer health and safety	11	6	18	35
14	Customer service management (customer privacy)	11	6	18	35
15	Market position	16	4	12	32
16	Materials	12	12	8	32
17	Employment relations	16	4	12	32
18	Training and education	12	12	8	32
19	Forced and compulsory labor	12	12	8	32
20	Product design with high resource efficiency	12	12	8	32
21	Chemical safety and environmental management	16	4	12	32
22	Labor/management relations	8	8	12	28
23	Genetically modified organisms	8	8	12	28
24	Indirect economic impacts	12	8	4	24
25	Anti-corruption	12	4	4	20
26	Employee diversity and equal opportunities	7	4	8	19
27	Non-discrimination	4	4	8	16
28	Marketing and labeling	6	4	4	14
29	Anti-competitive behavior	4	4	4	12
30	Taxation	4	4	4	12
31	Biodiversity	4	4	4	12
32	Child labor	4	4	4	12
33	Security practices	4	4	4	12
34	Rights of indigenous people	4	4	4	12
35	Public policy	4	4	4	12
36	Freedom of association and collective bargaining	4	4	4	12

Ranking of ASC's material topics

1 Occupational health and safety	2 Energy	3 Economic performance	4 Water and effluents	5 Supplier social assessment and supplier environmental assessment	6 Innovative products and technology
7 Waste	8 Local communities	9 Environmental and social regulatory management	10 Customer service management	11 Emissions	-



Ranking of ASC's secondary topics				
12 Procurement practices	13 Customer health and safety	14 Market position	15 Materials	16 Employment relations
17 Training and education	18 Forced and compulsory labor	19 Product design with high resource efficiency	20 Chemical safety and environmental management	21 Labor/management relations
22 Genetically modified organisms	23 Indirect economic impacts	24 Anti-corruption	25 Employee diversity and equal opportunities	26 Non-discrimination
27 Marketing and labeling	28 Anti-competitive behavior	29 Taxation	30 Biodiversity	31 Child Labor
32 Security practices	33 Rights of indigenous peoples	34 Public policy	35 Freedom of association and collective bargaining	

List of Material Topics

List of Material Topics	Descriptions of organizational material topics related to policies or commitments	Describe the impact	Actual/Potential Positive/Negative	Organizations primarily affected	Corresponding chapter
Occupational health and Safety	Occupational health and safety is crucially important to the Company. We place significant emphasis on safety and health in our production and occupational activities. This is a cornerstone of our commitment to sustainability and integral to our pursuit of long-term viability. If occupational health and safety management is not implemented, the risk of occupational disasters and diseases for employees would significantly increase. If the Company faces shutdown due to occupational accidents, it would incur substantial losses and suffer a significant blow to its corporate image.	<ol style="list-style-type: none"> 1.Environmental aspect: Implementing environmental safety to reduce the occurrence of occupational disasters and diseases, minimizing the negative impact of the environment on our operational colleagues. 2.Economic aspect: Relevant units or colleagues may suffer financial, physical, and psychological damage due to occupational accidents, and such accidents could potentially lead to legal ramification. 3.Human rights aspect: Prioritizing occupational health and safety enhances corporate social image, promoting human rights, and reducing inequality and discrimination. 	<p>Positive: Establishing occupational safety management systems and providing education and training enable employees to effectively respond to workplace accidents and reduce occupational disasters, thereby enhancing the Company's image.</p> <p>Negative: If the Company fails to implement comprehensive occupational health and safety management will expose employees to potential risks, leading to increased turnover rate and eroding trust among employees and other stakeholders.</p>	The Company (results in) Suppliers (directly related) Employees (directly related) Government organizations (directly related) Social welfare organizations (directly related) Customers (facilitation)	5.4 Occupational safety and health
Energy	"The 2050 net zero carbon emissions" has become a global consensus, severely impacting corporate profitability amid the spread of pandemics, energy crisis, and rapid climate change. As an island nation, Taiwan has been striving in recent years to enhance energy independence and diversification, making this aspect of the issue even more critical. ASC has been actively collaborating with the government to develop renewable energy projects. At the Changbin Plant, we have installed solar panels with the goal of reducing carbon emissions,	<ol style="list-style-type: none"> 1.Environmental aspect: Biodiversity is closely linked to climate change and poses a significant threat to global supply chains. Damage to ecosystems will weaken nature's ability to regulate GHG emissions, thereby accelerating rapid climate deterioration. 2.Economic aspect: Ongoing global conflicts, such as Russia-Ukraine war, the Red Sea crisis arising from the Israel-Palestine conflict, and escalating tensions on the Korean Peninsula and in the Taiwan Strait, have led to rising and volatile global energy prices. This underscores the critical importance of developing autonomous 	<p>Positive: Implementing energy management strategies and actively carrying out energy-saving and carbon reduction actions helps to mitigate environmental and social impacts.</p> <p>Negative: If energy is not properly managed, it can easily lead to energy waste, indirectly affecting the corporate image and reputation.</p>	The Company (results in) Suppliers (directly related) Social welfare organizations (directly related) Government organization (facilitation) Banking institutions	4.3 Energy control



List of Material Topics	Descriptions of organizational material topics related to policies or commitments	Describe the impact	Actual/Potential Positive/Negative	Organizations primarily affected	Corresponding chapter
	aligning with government energy-saving policies.	energy sources. 3. Human rights aspect: Fostering energy literacy among the general public can help combat extreme climate impacts.		(facilitation)	
Economic performance	Corporate sustainability is rooted in robust financial performance. ASC adopts a long-term, steady profitability approach as its operational policy, allocating resources reasonably to ensure employees receive optimal care and fostering mutually beneficial relationships with partners. This positive cycle helps to protect shareholders' maximum interests.	1. Economic aspect: If the Company's revenue falls short of targets and incur losses, it could lead to cash flow issues, making it impossible to pay salaries to employees.	Positive: Consistent and stable profitability is crucial for ensuring operations and maintaining market influences. This also helps in protecting and enhancing the rights and interests of shareholders and other investors. Negative: If the Company fails to effectively deliver operational results and meet targets, it will lose the trust of shareholders, other investors, and banking institutions, along with other relevant stakeholders.	The Company (results in) Suppliers (directly related) Employees (directly related) Banking institutions (facilitation) Customers (facilitation)	2.2 Current operational status
Water and effluents	Due to the nature of the industry, ASC is constrained by its reliance stable water resources, making both water source and quantity crucial factors for its ongoing operations. The office area utilizes domestic water, while in our manufacturing processes, a significant amount of secondary water is monitored and recycled through a monitoring system to increase water resource efficiency. We continue to cooperate with government regulations to create a sustainable and pollution-free environment.	1. Environmental aspect: In line with the government's monitoring of the industrial parks, all water discharged meets the government's standards. 2. Economic aspect: The shortage of water used in manufacturing processes will cause a severe decline in the industrial chain. 3. Human rights aspect: Continue to promote water resources education, implement the concept of water conservation, and strengthen the recycling of secondary water sources for effective use.	Positive: ASC is implementing water efficiency improvements and water resource recycling and reuse management measures from two main directions, namely "production processes" and "equipment". These are for executing water conservation plans to effectively manage water resources. Negative: If water resource management is not effectively implemented, it could impact the Company's processes and operations, leading to poor business results.	The Company (results in) Suppliers (directly related) Social welfare organizations (directly related) Government organization (facilitation)	4.5 Water resource utilization
Supplier social assessment and supplier	Assessing the environmental and social impacts of the supply chain has become increasingly important both to the	1. Environmental aspect: Encourage suppliers to reduce energy consumption and GHG emissions, and urge them to comply with	Positive: Ensuring stable operations from suppliers depends on mutual cooperation between employees and	The Company (results in) Suppliers	3.3 Sustainable supply chain



List of Material Topics	Descriptions of organizational material topics related to policies or commitments	Describe the impact	Actual/Potential Positive/Negative	Organizations primarily affected	Corresponding chapter
environmental assessment	public and regulators. To strengthen and implement sustainable supply chain management, it is crucial to establish a comprehensive and effective management mechanism. Therefore, gradually requiring and implementing supply chain social responsibility is also aimed at enhancing the Company's sustainability competitiveness and establishing a win-win situation for the supply chain.	<p>local environmental regulations.</p> <p>2. Economic aspect: Promote and advocate for suppliers to respond to the reuse of renewable resources, aiming to enhance economic efficiency and reduce invested costs.</p> <p>3. Human rights aspect: Require suppliers to establish a friendly workplace and treat employees in accordance with local labor regulations.</p>	<p>the environment. Good employee coordination reduces communication costs, while proactive environmental hazard prevention contributes to sustainable industry development.</p> <p>Negative: If neglected to monitor suppliers' operations concerning environmental protection and social responsibility, any negative incidents that arise could indirectly impact the Company's operations and image.</p>	(directly related)	
Innovative products and technology	<p>Developing new products is necessary for every enterprise's survival and growth. When strategies and directions are correct, it can help the Company maintain a competitive advantage, enhance the quality of products and services, expand market share, and improve employee benefits and morale. And in line with national policies, it can also enhance the Company's reputation with the government and in society. Achieving long-term success and sustainable development.</p> <p>1. Enhancing competitiveness: Innovative products and technologies can differentiate us in the market from competitors, attracting more customers and investors.</p> <p>2. Expanding market share: The introduction of new products and technologies will help the Company enter new markets, expand market share, and thereby increase revenue</p>	<p>1. Environmental aspect: Aligning with government policies to implement environmental sustainability and net-zero carbon policies. There is an opportunity to reduce negative environmental impacts through eco-friendly products and renewable energy technologies, which can help decrease carbon emissions and resource consumption, thereby achieving environmental benefits.</p> <p>2. Economic aspect: Promoting economic development, creating job opportunities, increasing company profits, and driving growth in related industries.</p> <p>3. Human rights aspect: Improving people's quality of life and standards (such as education, medical care, and employment opportunities) to meet people's needs.</p>	<p>Positive: Developing and innovating product technologies helps to enhance market competitiveness and market share, thereby fostering business growth, creating more economic value, and establishing industry advantages.</p> <p>Negative: The development of innovative products and technologies may indeed lead to new resource consumption and potentially adverse impacts on the environment and society.</p>	The Company (results in) Suppliers (directly related) Customers (facilitation)	3.2 Customer management and product quality



List of Material Topics	Descriptions of organizational material topics related to policies or commitments	Describe the impact	Actual/Potential Positive/Negative	Organizations primarily affected	Corresponding chapter
	<p>and profit.</p> <p>3.Improving product and service quality: Innovation enable the Company to meet more customer needs, thereby enhancing customer satisfaction and loyalty.</p> <p>4. Improving efficiency and productivity: Innovative technologies provide opportunities for the Company to improve production efficiency, reduce costs, enhance productivity, and thereby increase competitiveness and profitability.</p> <p>5. Creating value: Bringing more opportunities and profits to the Company helps ensure long-term and stable development.</p>				
Waste	<p>Nowadays, environmental pollution is becoming increasingly severe, leading to significant impacts on the environment such as waste management, which has always been an important issue that businesses need to address in terms of environmental management. Due to potential regulatory penalties in the future, the Company may face challenges that could affect our sustainability efforts. Therefore, effective waste management can help reduce overall operational costs. For packaging materials and other waste, actively promoting recycling and aiming for year-on-year reduction demonstrates our commitment to</p>	<p>1.Environmental aspect: Reducing waste from packaging materials can decrease the volume of incinerated garbage, improving community air quality and enhancing residents' health.</p> <p>2.Economic aspect: Handling waste typically requires investment in manpower, resources, and equipment. Facing annually increasing waste costs can have a significant impact on corporate profitability.</p> <p>3.Human rights aspect: Waste is closely linked to human health. Reducing waste at the source can indirectly improve the health of residents in neighboring communities and reduce conflicts.</p>	<p>Positive: ASC commissions qualified processor every year to record, monitor and retain relevant data for monitoring purposes. Without causing social pollution. Through recycling and reuse methods, we reduce waste generation, and all materials sourced from suppliers are environmentally friendly, effectively decomposing without causing environmental pollution.</p> <p>Negative: If the Company does not prioritize effective waste management, it will cause disturbances in the local community and even lead to penalties from competent authorities.</p>	<p>The Company (results in) Suppliers (directly related) Social welfare organizations (directly related) Government organization (facilitation)</p>	4.6 Waste management



List of Material Topics	Descriptions of organizational material topics related to policies or commitments	Describe the impact	Actual/Potential Positive/Negative	Organizations primarily affected	Corresponding chapter
	corporate social responsibility.				
Local Communities	As a local enterprise, we are actively assisting in enhancing the operational capabilities of underprivileged groups within the community, thereby creating social impact. By integrating the Company's resources with the needs of underprivileged groups, we establish long-term cooperation mechanisms that are mutually beneficial. This approach allows us to share the Company's operational successes with the local community, benefiting more underprivileged groups and collectively creating a better future.	<p>1.Environmental aspect: Organizing public welfare activities, inviting colleagues and their families to participate in maintaining the surrounding environment, thereby promoting the concept of environmental sustainability.</p> <p>2.Human rights: Prioritizing corporate social responsibility by fostering mutualistic relationships with the local communities through reciprocal assistance.</p>	<p>Positive: Effectively implementing corporate social responsibility initiatives can enhance the Company's operational image and efficiency.</p> <p>Negative: Violating relevant labor and environmental regulations can potentially affect local residents' rights to fair housing and safety.</p>	The Company (results in) Social welfare organizations (directly related) Government organization (facilitation)	6.1 Participation in social welfare
Environment and society Regulatory management	<p>1. ASC is committed to complying with international standards related to social responsibility and local regulations, continuously enhancing employee rights and welfare. We strive to establish an environment of integrity, health, and safety in our operations, fulfilling our social responsibilities.</p> <p>2. Protecting customer privacy and legal compliance are the basic principles of the Company's business. Violations of</p>	1.Environmental aspect: In response to global climate change, reducing GHG emissions in cooperation with governments has become a shared priority. Fulfilling our responsibility to protect the Earth's environment collectively ensures sustainable national development. Currently actively cooperating with government organizations such as the Ministry of Environment, Ministry of Economic Affairs, and Taipower to disclose information and review the	<p>Positive: Continuously adhering to environmental and social management regulations effectively enhances corporate image and reputation. This demonstrates our commitment and obligation to corporate social responsibility to all stakeholders.</p> <p>Negative: If the Company fails to comply with environmental and social management regulations and fulfills its responsibilities as a good corporate</p>	The Company (results in) Shareholders (facilitation) Employees (directly related) Suppliers (directly related) Government organizations	2.6 Strict compliance with laws and regulations

List of Material Topics	Descriptions of organizational material topics related to policies or commitments	Describe the impact	Actual/Potential Positive/Negative	Organizations primarily affected	Corresponding chapter
	<p>relevant laws and regulations may lead to reputational and financial losses, potentially impacting the Company's operations severely. Complying to domestic and international regulatory requirements as well as those of our customers, helps reduce legal risks for the Company and enhances the Company's image.</p> <p>3. The environmental and societal impacts of product development processes typically require careful assessment and planning. Surrounding production environments must comply with environmental regulations and labor safety laws to avoid risks associated with mechanical operations and the generation of wastewater, exhaust, and waste materials, which could endanger human safety and the surrounding environment.</p>	<p>implementation of GHG reduction policies.</p> <p>2. Economic aspect: In recent years, there has been increasing societal emphasis on information security and occupational health and safety. The Taiwanese government has also amended and added multiple regulations to guide listed companies in enhancing and improving their information security and occupational health and safety measures. If unable to comply, aside from legal fines, it could also affect stakeholders' assessment of the Company's operational capabilities.</p> <p>3. Human rights aspect: Customer data is collected within a legal and specific purpose, in a manner that is necessary and appropriate. Collected customer data is securely stored in the Company's database in accordance with relevant legal requirements and specific purposes. In addition to ensuring the security and accuracy of customer data, we also make updates as necessary in accordance to regulations. We have implemented policies for managing customer data and personal information to ensure the protection of customer data.</p>	<p>organization, it could jeopardize the rights of stakeholders and even face the risks of close-down.</p>	<p>(directly related)</p> <p>Social welfare organization (directly related)</p> <p>Banking institution (facilitation)</p> <p>Customers (facilitation)</p>	
Customer service management	<p>ASC values maintaining open communication channels with customers. Through annual customer satisfaction surveys and regular/occasional communication meetings, we continuously improve based on customer feedback, striving to provide better service quality and</p>	<p>1. Economic aspect: Good customer service management can help improve customer loyalty and satisfaction, Leading to stable growth of the Company's operational performance.</p> <p>2. Environmental aspect: Effective customer service management can help the Company improve operational efficiency, reduce</p>	<p>Positive: Establishing effective customer service management can effectively protect customer rights and generate more customer sources, thereby enhancing the Company's operational performance.</p> <p>Negative: If customer service</p>	<p>The Company (results in)</p> <p>Suppliers (directly related)</p> <p>Customers (directly related)</p>	3.1 Customer service management



List of Material Topics	Descriptions of organizational material topics related to policies or commitments	Describe the impact	Actual/Potential Positive/Negative	Organizations primarily affected	Corresponding chapter
	products, and creating a win-win situation with our customers.	resource waste, and minimize negative environmental impacts, aligning with the requirements of sustainable development. 3. Human rights aspect: Improve customer services and meet customer needs to protect the rights and interests of customers and stakeholders.	management is improper, it may lead to rights of customers or employees being compromised. For example, ignoring product safety issues or providing insufficient safety training for personnel can result in potential legal risks and negative public perception.		
Emissions	Due to the rapid climate change and global warming, ASC actively cooperates with the government to control the emission of GHG and other pollutants. By conducting GHG inventory and updating relevant equipment, we can reduce the Company's environmental impact.	1. Environmental aspect: Emissions from the chemical industry may lead to environmental pollution, and subsequent costs of environmental restoration can be very costly. ASC actively conducts GHG inventory and works to reduce GHG emissions. 2. Economic aspect: Adopt green, environmentally friendly practices and promote recycling and regeneration to create added value. 3. Human rights aspect: Factory material emissions can potentially cause direct or indirect health hazards to employees or residents.	Positive: Whether the Company complies with regulations will attract attention and investment from stakeholders. Adhering to current regulations can demonstrate positive outcomes externally, increasing investment opportunities in ASC. Negative: 1. Continuing high energy usage without implementing energy-saving measures could potentially impact the Company in the future as regulations become stricter. This could lead to regulatory constraints or fines. 2. Customers are mainly from the petrochemical, semiconductor, and technology industries. Due to regulatory requirements, they may expect the Company to collaborate in compliance efforts, potentially affecting our cost improvement initiatives.	The Company (results in) Suppliers (directly related) Social welfare organizations (directly related) Government organizations (directly related) Banking institutions (facilitation)	4.3 Carbon reduction management

II. Ethical governance

2.1 About ASC

ASC was founded in 1981 by Mr. Shih-Lu Chen and Mr. Sheng-Kuo Hsieh. ASC has evolved from specializing in early-stage Teflon coatings, spraying OEM, and processed products to diversifying fluoropolymer resin products. We cater to customized demands, enhancing production process technology. From fluoropolymer resin materials to diversified material application technologies and integrated equipment engineering methods, we provide comprehensive services in Taiwan. These are applied across chemical, pharmaceutical, panel, and semiconductor industry chains. Through the relentless efforts of its founders in innovation, R&D of fluoropolymer resin product characteristics, patent applications, and development of new engineering methods, ASC's products have earned customer appreciation, recognition, and recommendations. Whether in domestic or international markets, the Company enjoys a strong reputation for quality and technology.

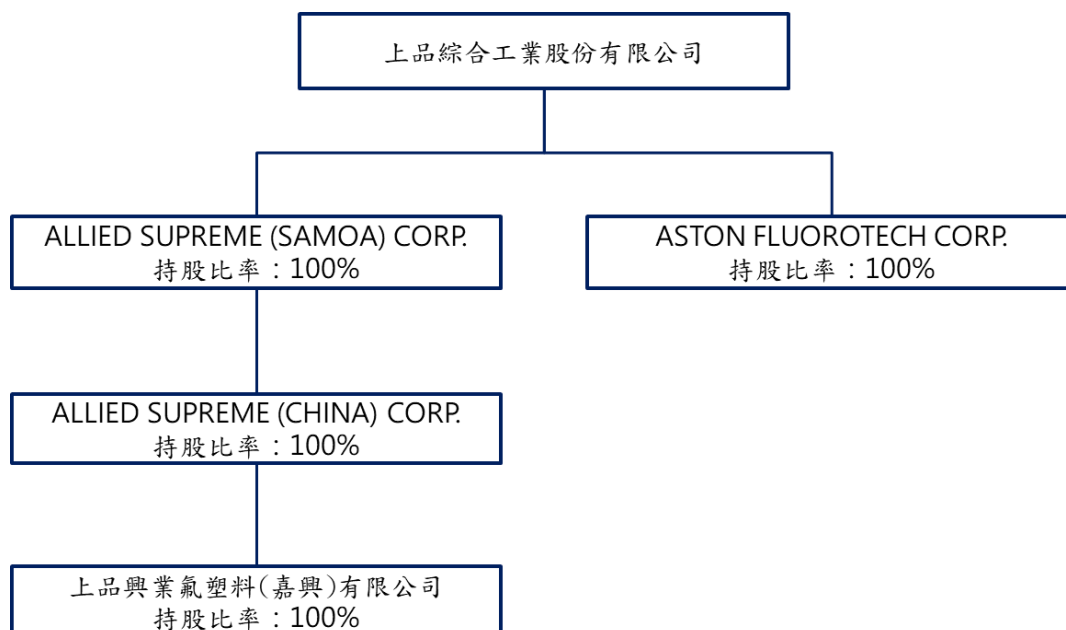
ASC's products are not only supplied to industries in Taiwan and Mainland China but are also gradually expanding into international markets such as the United States, Japan, and South Korea. The Company established the Semiconductor Industry Division in 2000, providing Taiwan's semiconductor chemical industry chain, which traditionally relied heavily on high-purity semiconductor chemicals, production, storage, and transportation equipment from Japan, with local and fully integrated supply service option. This also contributed to significant expansion in ASC's operations, laying the foundation for its indispensable position in the global fluoropolymer processing industry. Capable of using new fluoropolymer raw material consistently and attaining the advantage of production autonomy, ASC is able to supply the latest fluoropolymer application products and full-fledged services to its global customers.

After years of development, ASC has established a number of sales locations and manufacturing centers in Taiwan and Mainland China to provide customers worldwide with high-quality products and services and to pursue long-term harmonious development between enterprise and society.

Company Overview	
Company name	Allied Supreme Corporation
Date of establishment	October 19, 1981
Industry category	Chemical industry
Market category	Listed
Location of corporate headquarters	Headquarters/Taipei Office Address: (10461) 4F., No. 12, Minzu E. Rd., Taipei City
Other operational sites of the Company	<ol style="list-style-type: none"> Allied Supreme Corporation (Changhua Factory) Address: (50741) No. 20, Xiangong S. 2nd Rd., Xianxi Township, Changhua County Allied Supreme Corporation (Tainan Office) Address: (74442) No. 184, Zhongshan Rd., Xinshi Dist., Tainan City Allied Supreme Corporation (Hsinchu Office) Address: (302052) No. 30, Jiafeng 8th St., Zhubei City, Hsinchu County Allied Supreme Corporation (Jiaxing Factory) Address: (314001) No. 197, Tiandaiqiao Rd., Chennan St., Jiaxing E&Zone, Zhejiang Prov., China ASTON FLUOROTECH CORP. (United States Office) Address: 19013 S 211th Place, Queen Creek, AZ 85142

Company Overview	
Company appearance	<div>Allied Supreme Corporation (Changhua Factory)</div> 
	<div>Allied Supreme Corporation (Jiaxing Factory)</div> 
	<div>ASTON FLUOROTECH CORP. (United States Office)</div> 

Affiliated enterprise organizational chart



Allied Supreme Corporation Shareholding ratio: 100%

Company Name	Date of establishment	Address	Paid-in capital	Main business or products
Allied Supreme(Somoa) Corp.	2006/6/14	Samoa	373,284	Overseas investment holding
Allied Supreme(China) Corp.	2006/6/14	Samoa	373,284	Overseas investment holding
Allied Supreme Corporation (Jiaxing Factory)	2007/1/31	Zhejiang Province, China Jiaxing City	604,005	Manufacturing and sales of special functional composite materials and products
Aston Fluorotech Corp.	2019/1/7	U.S.A.	18,537	Trading of special functional composite materials and products

Shareholding structure

Shareholder structure		
Closing date: April 1, 2024		
Shareholders	Number of shares held (shares)	Shareholding percentage%
Financial institution	2,580,000	3.23
Other juridical persons	32,449,529	40.58
Individual	34,846,465	43.57
Foreign institution and foreigner	9,017,006	11.27
Government authorities	1,083,000	1.35

External association participation

The Company actively participates in major associations, unions, and other industry organizations. Apart from leveraging these platforms for exchanging operational experiences and networking with peers, we engage in various seminars and international conferences. This enables us to exchange the latest market trends, supply and demand changes, and technical information with the industry, aiming to grasp market dynamics and contribute to the overall industry. Below are the qualifications and memberships that ASC acquired in 2023:

Name of public association	Association characteristics
The Allied Association for Science Park Industries	Serving as a bridge for the government policy dissemination and communication of industry opinions, facilitating integration of industry perspectives.
Taiwan External Trade Development Council	Facilitates the expansion of foreign trade for various industries.
SEMI International Semiconductor Industry Association	The Global Semiconductor Industry Association assists the Company in expanding market operations and addressing industry challenges.
Taiwan Investor Relations Institute	TIRI is an association that promotes the investor relations practices in Taiwan and facilitates integration into the international market.
The Institute of Internal Auditors-Chinese Taiwan	Promotes the development of internal control and audit professional field through professional consulting and knowledge exchange.
Computer Audit Association	Assist in academic R&D in enterprise computer audit and system control security, as well as related technology exchanges.
Changhua County Changbin Industrial Park Factories Association	Thriving industrial zones, proactive innovation coordination, and collaboration with various manufacturers towards new emerging developments.

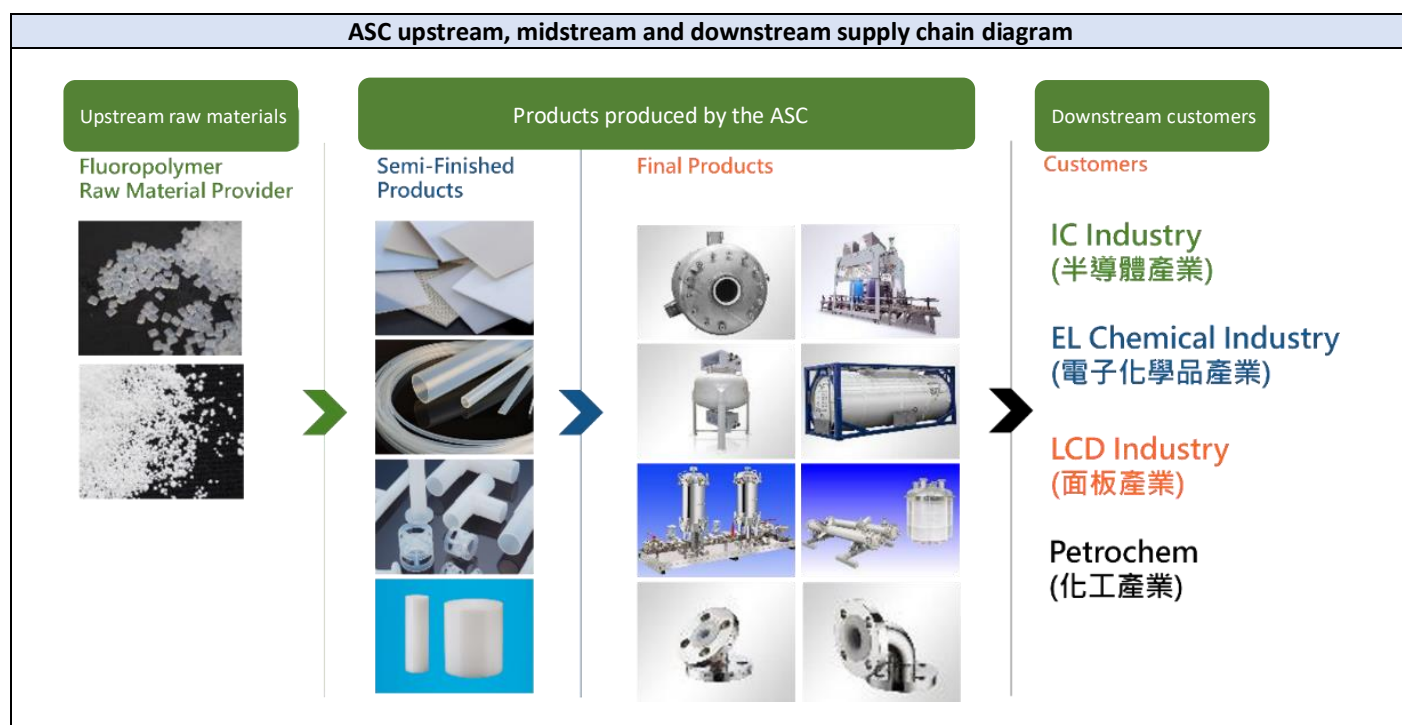
Main products and services

ASC operates in the chemical industry, specializing in the manufacturing, processing, and trading of fluoropolymer resin application materials, fluoropolymer resin lining equipment, as well as the design and manufacturing of various chemical storage tanks, transportation pipelines, and conveying equipment for system engineering. Our main products are fluoropolymer resin materials, fluoropolymer resin coating, and fluoropolymer resin linings. These products are widely used in semiconductor equipment, biochemical technology, and precision chemistry industries that require high purity and high quality. The Company's customers include manufacturers in fluoropolymer resin processing applications across industries such as semiconductor, pharmaceuticals, electronic chemicals, panels, biochemicals, petrochemicals, and traditional chemical industries.

ASC formulates sales strategies and focuses on key products on global market demands. In regions like Northeast Asia, Japan, and South Korea, the main sales items are fluorine materials (plates, pipes). Meanwhile, in China, the United States, Southeast Asia, and other regions, fluorine equipment and engineering projects are the primary focus of sales.

Products/Services				
Products or services	Sales region	Customer type	Sales volume	Sales volume unit
Fluorine lining equipment	Taiwan, China, USA, Europe, Southeast Asia	Electronics and petrochemical industries	3,708,680	NTD thousand
Fluorine lining pipe fittings	Taiwan, China, USA, Europe, Southeast Asia	Electronics and petrochemical industries	470,427	NTD thousand
Fluorine application materials	Taiwan, South Korea, USA, Europe	Electronics, petrochemicals, material industry	1,259,336	NTD thousand
Fluorine engineering revenue	Taiwan, China, USA, Europe, Southeast Asia	Electronics and petrochemical industries	253,910	NTD thousand

ASC operates in the midstream of the industry chain. Our main supplier categories include raw materials, barrels (iron barrels), iron materials, auxiliary materials (plastic, fiber cloth, pipe fittings, valves, fasteners, solvents, industrial machinery, packaging equipment), consumables (gases, metal hardware, mechanical components, hardware products, metal tools, electrical equipment), fixed assets (molds and fixtures, repair services), system engineering, and general expenses (labor insurance and office supplies, other expenses). The main raw materials most directly related to the production and manufacturing of ASC's products are PTFE and iron materials. Iron materials include barrels, flanges and pipe fittings. Due to origin and technical issues, bulk raw materials are difficult to obtain domestically and are mostly supplied from abroad. Secondary raw materials (auxiliaries) include plastics, valves, and fittings, with suppliers located both domestically and internationally.



2.2 Current operational status

Material Topic: Economic Performance	
Material reasons for the topic	Corporate sustainability is rooted in robust financial performance. ASC adopts a long-term and steady profitability approach as its operational policy, allocating resources reasonably to ensure employees receive optimal care and fostering mutually beneficial relationships with partners. This positive cycle helps to protect shareholders' maximum interests.
Influence and impact	<p>【Economic aspect】</p> <ul style="list-style-type: none"> ● Positive affect: Consistent and stable profitability is crucial for ensuring operations and maintaining market influences. This also helps in protecting and enhancing the rights and interests of shareholders and other investors. ● Negative impact: If the Company fails to effectively deliver operational results and meet targets, it will lose the trust of shareholders, other investors, and banking institutions, along with other relevant stakeholders.
Policy/Strategy	Review the Company's overall operational status to ensure alignment with our goals, making timely adjustments and improvements for continuous progress. We actively seek to acquire new domestic and international customers while strengthening relationships with existing ones to boost performance. In addition, the Finance and Accounting Department regularly reviews various financial indicators to achieve the goal of stable growth.
Goals and targets	<ul style="list-style-type: none"> ● Short-term goals: Monthly management meetings are held to track and discuss the operational status, allowing us to promptly understand the economic environment. We closely coordinate production and sales for integrated operations. ● Mid-term goals: 1. Prudent and steady capital expenditure investments are made to gradually enhance the ROE. 2. Enhance global operational capabilities, strengthen strategic partnerships, and gradually expand overseas markets. ● Long-term goals: 1. Continuously develop and apply new fluorine products to maintain market competitiveness and drive future growth. 2. Integrate the Group's resource allocation, continuously review investments in subsidiary businesses, and leverage the synergies of group operations.
Management evaluation mechanism	<ol style="list-style-type: none"> 1. Hold monthly management meetings, quality meetings, and production and sales meetings. 2. The Audit Committee of the Company regularly reviews the financial statements for evaluation of operational performance during Board of Directors meetings. 3. Regularly hold board meetings to report operational performance to directors. 4. Track the operational performance of reinvested companies.
Performance and adjustment	The Company's net profit after tax in 2023 was NTD 1,683,253 thousand, and the EPS was NTD 21.22. In 2023, the earnings distribution ratio was 56.55%. We will continue to adopt a stable dividend policy in the future and create long-term investment value for shareholders.
Preventive or remedial measures	<p>The Company holds monthly senior management meetings to review the overall operational status from the perspectives of finance, sales, production, quality, procurement, and R&D. We assess alignment with our goals and make timely adjustments to set and improve targets, aiming for continuous progress.</p> <p>Grievance system: We value shareholders' opinions, and adhere to our corporate governance practices by implementing a spokesperson system and maintaining a contact person for investor relations. This ensures the protection of investor rights. Stakeholders can give feedback via phone, email, the Company's website, or the grievance channels. The Company has set up a contact channel for the spokesperson: CFO Yen-Chih Liu (04) 758-2827 or the stakeholder email: IR@alliedsupreme.com.</p>

Performance

As we enter the post-pandemic era amidst economic recovery. ASC maintains a steady and cautious approach, balancing profitability with a commitment to sustainable development. In 2023, the Company's operating net revenue was NTD 5,692,353 thousand, which represents a slight decrease compared to the previous year's of NTD 6,138,088 thousand. This decline can be attributed to unfavorable factors such as

inventory destocking in global consumer electronics, reduced capital expenditure in semiconductor equipment, and delays in factory construction progress. Overall, demand in the semiconductor industry was relatively subdued compared to the previous year.

Item/Year	2021	2022	2023
Operating revenue (NTD thousand)	3,833,732	6,138,088	5,692,353
Gross profit (NTD thousand)	1,656,869	2,765,339	2,643,996
Operating profit/loss (NTD thousand)	1,194,198	2,132,205	2,002,947
Non-operating income and expenses (NTD thousand)	(6,168)	49,511	78,177
Net income before tax (NTD thousand)	1,188,030	2,181,716	2,081,124
Net profit after tax of the current period (NTD thousand)	966,297	1,776,017	1,683,253
Total comprehensive income for the current period (NTD thousand)	950,533	1,799,422	1,635,260
EPS (NTD)	13.94	22.54	21.22
Amount of employee benefits (NTD thousand)	584,015	820,733	830,055
Dividends (NTD thousand)	628,360	948,444	959,712
Payments to the government (NTD thousand)	218,755	451,103	295,937
Community investment (NTD thousand)	29	60	160

Note:

1. Payments to the government refer to all taxes (including business tax, income tax, and property tax) and fines.
2. "Employee welfare expenses" refer to the total amount allocated by the Company for salaries, labor and health insurance, retirement pensions, meal allowances, training expenses, and employment stabilization funds. This category also includes funds allocated to welfare committees for employee benefits, used for purposes such as cultural purchases, employee trips, birthday celebrations, holiday bonuses, etc., encompassing the total cost of benefits provided to employees.
3. Community investment refers to donations of funds or supplies.
4. The currency is NTD.

Government financial subsidies

In 2023, ASC adhered to government-established subsidy conditions and secured 5 subsidies from various sources including the Workforce Development Agency, Ministry of Labor, Taichung-Changhua-Nantou Regional Branch, Bureau of Labor Insurance, Ministry of Labor, Industrial Technology Research Institute, Workforce Development Agency, Ministry of Labor, and Importers and Exporters Association of Taipei. These subsidies were used to enhance employee welfare and improve corporate operations.

Item	Subsidized unit	Amount of subsidy (NTD)
Youth Employment Ultimate Program subsidy	Workforce Development Agency, Ministry of Labor, Taichung- Changhua-Nantou Regional Branch	911,287
Human resources improvement plan subsidy	Workforce Development Agency, Ministry of Labor	55,950
Pay subsidy for maternity examinations and paternity leave	Bureau of Labor Insurance, Ministry of Labor	32,722
Subsidies for power and utility equipment	ITRI	48,400
Appropriation of subsidies by the International Trade Administration, Ministry of Economic Affairs	Importers and Exporters Association of Taipei	30,000
Total		1,078,359

A sound democratic society not only provides people with the right to freely express their opinions but also encourages active participation in politics. The Company adopts a proactive stance on this matter. In 2023, we did not engage in any political contributions. Should we choose to do so in the future, we will strictly adhere to legal requirements and ensure transparency. All actions regarding political contributions will be conducted openly and transparently.

Tax policy

In recent years, both domestically and internationally, there has been increasing focus on corporate tax transparency and disclosure. The Company has established a “tax policy” that outlines the formulation and implementation of tax decisions, assessment of related risks, and adoption of appropriate strategies. This policy reflects our commitment to integrity and prudence, core principles that guide our business expansion strategies. This also aligns with our vision of practicing corporate social responsibility through responsible tax practices, aiming for mutual prosperity with society. We adhere to international policies to fulfill our tax responsibilities, effectively manage tax risks, and create long-term value for the Company.

ASC adheres to local tax regulations and legislative principles, ensuring accurate calculations of tax liabilities and timely filing and payment within statutory deadlines. Conduct comprehensive assessments of both local and international tax regulations changes, evaluating their impact and swiftly formulate corresponding decisions. The Company regularly discloses tax information to stakeholders through public channels such as financial statements and annual reports, ensuring information transparency. We maintain open and honest communication with national tax collection authorities, providing industry insights and perspectives to assist in improving the tax environment and systems. The Company adopts a legal and transparent tax incentive policies internally, ensuring compliance with legal principles and eligibility for tax reductions legitimately. The corporate structure and transactions are both designed in accordance with commercial substance, and not solely or primarily for the purpose of reducing tax liabilities.

The Company's Finance and Accounting Department is responsible for the overall taxation of the Company. For information regarding ASC's revenue report, AGM report, and corporate governance information, please refer to the “Investor Section” on the ASC website: <https://www.alliedsupreme.com/tw/investor-8>.

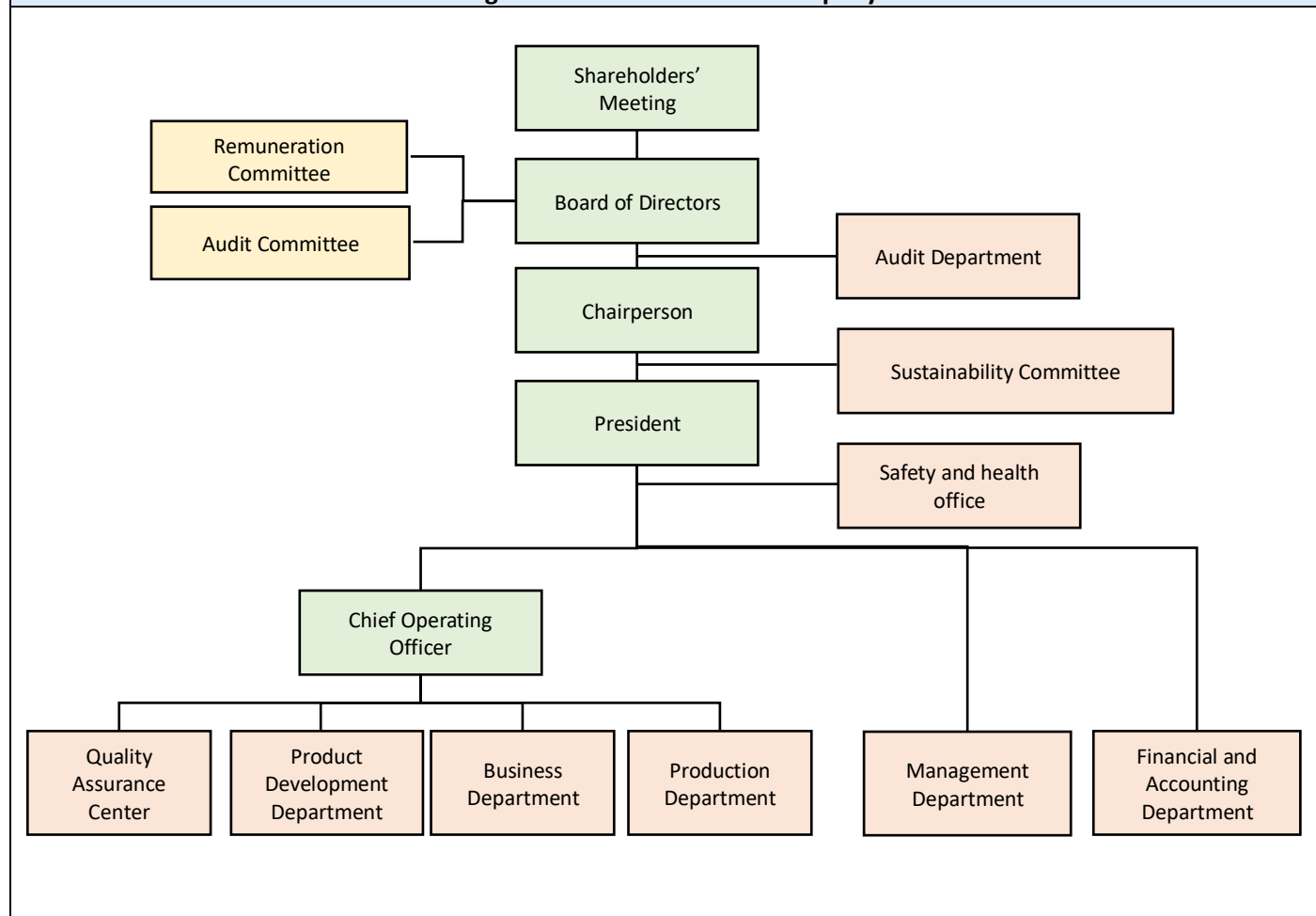


2.3 Focus on governance

Corporate structure

ASC has formulated the "Corporate Governance Best Practice Principles" with reference to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and by considering the practical operations of the Company, and has disclosed a variety of information in accordance with the relevant laws and regulations to protect the rights and interests of investors, stakeholders and employees. To establish a sound corporate governance system, the Company has set up functional committees under the Board of Directors, including the Remuneration Committee and the Audit Committee. In addition, within the Company, we have established committees such as the Sustainability Committee, the Employee Welfare Committee, and the Occupational Safety and Health Committee to oversee operations.

Organizational chart of the Company



Functional Committees	Operational status of the committees
Remuneration Committee	<p>The Company's Remuneration Committee consists of a total of 3 members, all of whom are independent directors. The term of the current committee is from May 31, 2022 to May 30, 2025. The Remuneration Committee held 3 meeting in 2023. The Company has established Remuneration Committee. The number of committee members shall not be lower than three persons, and more than half of the members shall be assumed by independent directors. The Remuneration Committee comprises all three independent directors and shall at least convene a meeting twice a year. When necessary, the committee may also convene a meeting. The purpose of the committee is to assist the Board of Directors in assessing the connection between the remuneration standard of directors and managers, and the business performance of the Company. By fulfilling the following duties, the committee submits its proposal to the Board for discussion:</p> <ol style="list-style-type: none"> 1. Regularly review and propose amendments to the "Remuneration Committee Charter". 2. Establish and regularly review the performance evaluation standards, annual and long-term

	performance targets, and policies, systems, standards and structures for remuneration of directors and managers of the Company.
Functional Committees	Operational status of the committees
Remuneration Committee	3. Regularly evaluate the achievement of the performance targets of the Company's directors and managers, and determine the contents and amount of their individual remuneration based on the evaluation results by the performance evaluation standards.
Audit Committee	<p>The Company elected one additional independent director at the AGM held on May 26, 2023. The Audit Committee currently has a total of 4 members, all of which are independent directors. The term of the current committee is from May 31, 2022 to May 30, 2025. The Audit Committee held 7 meeting in 2023.</p> <p>The Company has established an Audit Committee composed exclusively of independent directors as required by regulations. The committee convenes at least once per quarter and may be convened as needed. The Audit Committee is responsible for overseeing the fair representation of the Company's financial statements, the appointment (termination) of CPAs and their performance, effective implementation of internal control, legal compliance and the control of existing or potential risks. Apart from submitting audit reports to independent directors for review every month by the Internal Audit Department, the Head of Internal Audit shall also report any major findings pertaining to internal control to the committee members and directors during Audit Committee and Board meetings. Furthermore, each quarter, independent directors shall hold at least one communication session with the Head of Internal Audit discussing major findings regarding internal control, as well as with the CPAs discussing the audit of consolidated financial statements (annual reports, including parent company only financial statements) or review of governance issues. The communication, including the method, issues and results shall be disclosed on the Company website under "Communications between independent directors and internal auditors and CPAs".</p>

In addition to the functional committees, the Company has established other internal operational committees:

Other committees within the Company	Participation status
Sustainability Committee	<p>The Company has established the Social Responsibility Committee in 2021. To align with government regulatory requirements for ESG sustainable management of listed companies, we renamed the committee to "Sustainability Committee" in 2022. Additionally, the "Corporate Social Responsibility Practices" we were renamed to "Sustainable Development Best Practice Principles". This committee reports directly to the office of the Chairperson, with the Chairperson concurrently serves as the Chairperson of the Committee. The Committee includes senior executives from various fields to collectively assess the Company's core operational capabilities, lead departments towards sustainable development, and present an annual report to the Board of Directors.</p> <ol style="list-style-type: none"> 1. The Committee is a continuation of the functions of the former CSR Team, established under the Office of the Chairperson on March 14, 2022. The Board of Directors authorized the Chairperson to concurrently serve as the Chairperson of the Committee, with the head of the Management Department as the secretary-general to manage and promote its activities. 2. The Promotion Team is composed of various functional groups, and their operations and implementation for the year. 3. The Chairman or secretary-general of the Committee reports to the Board of Directors once a year.
Occupational Safety and Health Committee	<p>In accordance with Article 10 of the Regulations of Occupational Safety and Health Management, the Company established an Occupational Safety and Health Committee. The committee is composed of members according to Article 11 of the Regulations of Occupational Safety and Health Management. The committee meets every three months to execute the following matters:</p> <ol style="list-style-type: none"> 1. Make recommendations for the occupational safety and health policies to be formulated by the employer. 2. Occupational safety and health management plan. 3. Safety and health education and training implementation plan. 4. Operational environment monitoring plan, monitoring results, and measures taken. 5. Health management, occupational disease prevention, and health promotion matters. 6. Business unit self-inspection and safety and health audit matters. 7. Review the investigation reports of occupational hazards. 8. Undertake safety and health management matters. 9. Other matters related to occupational safety and health management.

Board members and diversity

ASC's highest governing body is the Board of Directors, responsible for the overall operation of the Company. They convene regular meetings to oversee the implementation of policies by management. The Board of Directors shall consist of 10 seats (including four independent directors). Members of the Board of Directors are generally required to possess the necessary knowledge, skills, qualities, and represent diversity within the Board. There is also consideration for gender diversity among members, with the inclusion of at least one director from a different gender to achieve gender diversity goals in accordance with regulatory policies. Members of the Board of Directors are appointed for a term of three years. The current term of office is from May 31, 2022 to May 30, 2025. A total of 9 board meetings were held in 2023, with an average attendance rate of all directors reaching 100%.

The independent operation and transparency of the Board of Directors should be emphasized, and directors and independent directors are all independent individuals who exercise their respective duties and responsibilities independently. ASC has established a performance evaluation system of the Board of Directors to enhance the efficiency of the operations of the Board of Directors and to improve the functions of the Board of Directors. Board members and their competencies are as follows:

competences are as follows:

Information on board members														
Job title	Name	Gender	Age (years)	Date of initial election to office	Key work and academic experience	Currently holding concurrent positions in the Company and other companies	Industry experience					Professional competence		
							Chemical	Machinery	Marketing	Purchasing	Treasury and	Information	Legal affairs	Accounting
Chairperson	Chiao-Sheng Ho	Male	61 to 70 years old	1994.11.30	Department of Mechanical Engineering, National Taipei Institute of Technology President of ASC	Chairperson of Allied Supreme Corporation (Jiaxing), legal representative of Allied Supreme (Samoa) Corp., legal representative of Allied Supreme (China) Corp. Director of Yung Ching Investment Co., Ltd.	●	●	●	●	○			●
Director	Sheng-Kuo Hsieh	Male	Above 71 years old	1994.11.30	Department of Chemistry, Tamkang University Vice President of ASC Supervisor of Allied Supreme Corporation (Jiaxing) Limited	Allied Supreme Corporation (Jiaxing Factory)	●	●	●	●				●
Director	Representative of Shang He Investment Co., Ltd.: Shih-Ling	Female	61 to 70 years old	2016.11.28	Bei-men Senior High School Chairperson of Shang He Investment Co., Ltd.	Chairperson of Shang He Investment Co., Ltd. Chairperson of Lu He Investment Co., Ltd.			●	●	○			○

Information on board members														
Job title	Name	Gender	Age (years)	Date of initial election to office	Key work and academic experience	Currently holding concurrent positions in the Company and other companies	Industry experience					Professional competence		
							Chemical	Machinery	Marketing	Purchasing	Treasury and Information	Legal affairs	Accounting	Risk
	Chen					Chairperson of Lu Cheng Investment Co., Ltd.								
Director	Representative of Ying Sheng Investment Co., Ltd.: Ming-Sheng Su	Male	61 to 70 years old	2020.5.22	M.B.A., University of California, U.S.A. Chairperson of Ying Sheng Investment Co., Ltd.	Chairperson of Ying Sheng Investment Co., Ltd. Chairperson of Xing Ying Investment Co., Ltd. Chairperson of Heng Yao Investment Co., Ltd.			●	●	●		●	○
Director	Ming-Yuan Wu	Male	Above 71 years old	2009.9.15	Department of Electrical Engineering, Tamkang University Supervisor of ASC	Nil		●				○		○
Director	Yuan-Chung Lee	Male	51 to 60 years old	2015.8.28	Department of Chemical Engineering, National Cheng Kung University Vice President of ASC	COO of ASC President of Allied Supreme Corporation (Jiaxing), legal representative and President of Aston FluoroTech Corp.	●	●	●	●	○		○	●
Independent Director	Chien-Rong Lu	Male	Above 71 years old	2020.9.2	Department of Industrial Chemistry, National Tsing Hua University Vice President of Formosa Plastics Corporation (Mai Liao subsidiary) President of San Jia Development Construction Co., Ltd. President of Management Department, SanDi Group Legal representative, director of Chiayi Bus Company, Ltd. Supervisor of Gao Shih Golf Co., Ltd.	Supervisor of Industrial Safety and Health Association of the R.O.C. Florine chemical technical consultant of GFCL EV Products Limited	●	●	●	●	○	○	○	●

Information on board members																
Job title	Name	Gender	Age (years)	Date of initial election to office	Key work and academic experience	Currently holding concurrent positions in the Company and other companies	Industry experience					Professional competence				
							Chemical	Machinery	Marketing	Purchasing	Treasury and Information	Legal affairs	Accounting	Risk		
Independent Director	Kuei-Ching Wang	Male	61 to 70 years old	2020.9.2	Michigan State University M.B.A. Bachelor of Economics, National Taiwan University CFO of Ting Hsin (Cayman Island) Holding Corp. CFO of Ho Tung Chemical Corp. Partner of Baring Private Equity Asia Group Independent director/audit committee member of HSBC Bank (Taiwan) Limited Independent director of Cheer Time Enterprise Co., Ltd.	Independent Director of Handa Pharmaceuticals Inc. Director of Artintel Investment Corp. Supervisor of Shanghai Luer Information Technology Co., Ltd.			●	●	●	○	○	●	●	
Independent Director	Yu-Kuo Chien	Male	51 to 60 years old	2020.9.2	Bachelor of Law, National Taiwan University Legal consultant of Unitech Printed Circuit Board Corp. Legal consultant of Abocom Co., Ltd. Legal consultant of Yi Hsin Construction Co., Ltd.	President and presiding attorney of ForeFront Intl Law Office.					○		●		○	
Independent Director	Yun-Zhang Chen	Male	61 to 70 years old	2023.5.26	Bachelor of Chemical Engineering, National Cheng Kung University Chairperson of The Chemours (Taiwan) Company Limited Director/President, Titanium Technology, China Region, Chemours Chemical (Shanghai)	Nil	●	●	●	●	○	○	○		●	

Note 1: ● means capable, ○ means partially capable.

Note 2: Two members of the Board of Directors are aged 51 to 60, five members are aged 61 to 70, and three members are above 71 years old.

Board independence and recusal of conflict of interest

The Company established the "Procedures for Election of Directors" stipulating that the election of directors and independent directors shall be based on a cumulative voting system and a candidate nomination system, whereby shareholders holding above a certain number of shares may propose a list of candidates. with fair and transparent accepting process to enhance the opportunities for small shareholders to participate and protect the interests of investors, while avoiding monopoly of nomination rights or excessive floating. In addition, a by-election procedure for director vacancies is added to prevent the partial or total dismissal of directors and independent directors from affecting the execution and supervision of the Company's business.

Chairperson Chiao-Sheng Hou concurrently serves as the Company's President. Together with CEO Yuan-Chung Lee and the Board of Directors, they lead the operation and development of ASC. The Company's Chairperson of the Board of Directors concurrently serves as the President to enhance operational efficiency and decision-making execution. However, to strengthen the independence of the Board of Directors, the Chairperson closely communicates with all directors regarding the Company's current operations and planning strategies to ensure effective corporate governance. And on May 26, 2023, at the AGM, an additional independent director was appointed to enhance the functions of the Board of Directors and strengthen its supervisory function.

Directors should uphold a high degree of self-discipline. For any motion listed by the Board of Directors in which a director of the legal entity they represent has an interest, the director should explain the significant content of the interest at the meeting. If there is a risks of harm to the Company's interests, the director should not participate in the discussions and voting, should recuse themselves from the discussions and voting, and should not proxy for others in exercising their voting rights. Directors should also practice self-discipline and avoid mutual support. If a director's spouse, second degree relative by blood, or a company controlled by or subordinate to the director has an interest in a matter on the meeting agenda, it is considered that the director has a personal interest in that matter. If a director violates the recusal provisions and participates in the vote, their voting rights are invalid. The resolutions of the Board of Directors shall not include the voting rights of directors who are not allowed to exercise their voting rights in the count of the votes of attending directors.

Items recused by ASC for 2023 are as follows:

Motion content	Name of Director	Reason for recusal of conflict of interest	Voting participation status
2022 Motion of the insider remuneration distribution	Chiao-Sheng Ho and Yuan-Chung Lee	Managers of the Company	Except for 2 directors who recused themselves from the voting in accordance with the law, the motion was approved as proposed by the acting Chairperson after consulting the other 7 directors present.
Motion of the remuneration of newly elected independent directors	Kuei-Ching Wang and Chien-Rong Lu Yu-Kuo Chien, Yun-Zhang Chen	Independent directors of the Company	Except for 4 independent directors who recused themselves from the discussion and voting in accordance with the law, the motion was approved as proposed by the Chairperson after consulting the other 6 directors present.
Motion to adjust the salary of the managers of the Company and the Company's subsidiary, Allied Supreme Corporation (Jiaxing) for 2024	Chiao-Sheng Ho and Yuan-Chung Lee Sheng-Kuo Hsieh	Managers of the Company and its subsidiaries	Except for 3 directors who recused themselves from the discussion and voting in accordance with the law, the motion was approved as proposed by the acting Chairperson after consulting the other 7 directors present.

Functional Committees

Audit Committee

To strengthen corporate governance and supervisory management mechanisms, ASC, in accordance with “Article 14-4 of the Securities Exchange Act”, established the “Audit Committee”. Pursuant to the “Regulations Governing the Exercise of Powers by Audit Committee of Public Companies”, the Board of Directors approved the Company’s “Audit Committee Organizational Charter” on September 2, 2020. The committee is responsible for the following duties:

1. Establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Evaluation of the effectiveness of the internal control system.
3. Establish or amend the procedures for handling significant financial transactions involving the acquisition or disposal of assets, derivative transactions, lending of funds to others, or endorsement or guarantee for others in accordance with Article 36-1 of the Securities and Exchange Act.
4. Matters involving directors' own interests.
5. Significant asset or derivative transactions.
6. Significant lending of funds, endorsements or guarantees
7. The raising, issuance or private placement of marketable securities of an equity nature.
8. The appointment, dismissal or compensation of attesting CPAs
9. Appointment or removal of heads of finance, accounting or internal audit.
10. Annual financial reports signed or sealed by the Chairperson, managers, and head of accounting, as well as financial reports of Q2 that require CPA audit and certification.
11. Other significant matters stipulated by the Company or the competent authorities.

Table of Audit Committee members	
Title	Name
Convener	Kuei-Ching Wang
Committee member	Chien-Rong Lu, Yu-Kuo Chien, Yun-Zhang Chen

In 2023, a total of 7 Audit Committee meetings were held.

Meetings status of members of the Audit Committee					
Title	Name	Attendance in person	Number of attendance by proxy	Actual attendance rate (%)	Note
Independent Director	Kuei-Ching Wang	7	0	100	-
Independent Director	Yu-Kuo Chien	7	0	100	-
Independent Director	Chien-Rong Lu	7	0	100	-
Independent Director	Yun-Zhang Chen	4	0	100	Co-election on May 26, 2023

Remuneration Committee

To improve the Company’s director and manager remuneration system, ASC, in accordance with the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange of the Taipei Exchange”, passed the establishment of the “Remuneration Committee Organizational Charter” at the Board of Directors meeting on March 29, 2019, and formally established the “Remuneration Committee” on September 2, 2020.

The Company's Remuneration Committee faithfully performed the following duties and submitted its recommendations to the Board of Directors for discussion:

1. Regularly review the charters and propose amendments.
2. Establish and regularly review the performance evaluation standards, annual and long-term

performance targets, and policies, systems, standards and structures for remuneration of directors and managers of the Company, and disclose the content of the performance evaluation standards in the annual report.

3. Regularly evaluate the achievement of the performance targets of the Company's directors and managers, and determine the contents and amount of their individual remuneration based on the evaluation results by the performance evaluation standards. In the annual report, individual performance evaluation results of directors and managers should be disclosed, along with details of individual remuneration, including the relationship and reasonableness of the amounts with respect to performance evaluation results, which should be included in the shareholders meeting report.

Table of Remuneration Committee members	
Title	Name
Convener	Yu-Kuo Chien
Committee member	Chien-Rong Lu and Kuei-Ching Wang

In 2023, a total of 3 Remuneration Committee meetings were held.

Meetings status of members of the Remuneration Committee				
Title	Name	Attendance in person	Number of attendance by proxy	Actual attendance rate (%)
Independent Director	Kuei-Ching Wang	3	0	100
Independent Director	Yu-Kuo Chien	3	0	100
Independent Director	Chien-Rong Lu	3	0	100

The following are the resolution matters of ASC's Remuneration Committee in 2023:

Date	Resolution matters	Resolution result
2023/3/8	Motion of the distribution of employee and director remuneration for 2022 of the Company.	The motion was approved following the Chairperson's consultation and unanimous consent of all attending committee members.
2023/4/10	2022 Motion of the insider remuneration distribution.	The motion was approved following the Chairperson's consultation and unanimous consent of all attending committee members.
2023/12/27	Motion to adjust the salary of the managers of the Company and the Company's subsidiary, Allied Supreme Corporation (Jiaxing) for 2024.	The motion was approved following the Chairperson's consultation and unanimous consent of all attending committee members.

Remuneration policy and review process

The remuneration of the Company's directors and other key management personnel is determined by the Remuneration Committee based on individual performance and market trends. The Company's remuneration policy for directors is based on the Company Act and the Company's Articles of Incorporation. The Company may pay director remuneration for the current year within a limit not exceeding 3% of the annual profit.

In accordance with the Company's "Procedures for the Setup of Remuneration and Retirement Management for Directors, Supervisors and Managers", remuneration for directors is proposed considering factors such as the Company's strategic direction, profitability, future development, industry environment, and individual directors' contributions to the Company's operations (such as serving on functional committees or attending important business meetings upon invitation). Recommendations for reasonable remuneration are put forward and implemented after approval by the Board of Directors.

To ensure a close connection between managers' performance and company strategies, and to maintain competitive overall remuneration, the Company has established the "Procedures for the Setup of Remuneration and Retirement Management for Directors, Supervisors and Managers". Managers' remuneration includes salary and bonuses. Salaries are determined based on company strategy, profitability, and considerations of the managers' professional capabilities, job responsibilities, and market competitiveness. Bonuses are contingent upon individual performance, and the reasonable connection to



future risks. However, in the event of material risks matters affecting the Company’s reputation, internal mismanagement, misconduct, or other such risks, bonuses may be reduced or withheld.

To ensure a close connection between managers’ performance and company strategies, and to maintain competitive overall remuneration, the Company has established the “Procedures for the Setup of Remuneration and Retirement Management for Directors, Supervisors and Managers”. This framework serves as the basis for assessing manager performance and determining remuneration, including policies, systems, standards, and structures for performance evaluation and remuneration of managers. These provisions are reviewed by the Remuneration Committee and approved by the Board of Directors.

Head of Corporate Governance

To implement and strengthen corporate governance, at the Board of Directors meeting on July 10, 2022, it was approved to appoint CFO Yen-Chih Liu as the Head of Corporate Governance. He will be responsible for overseeing corporate governance matters, under the supervision if the Chairperson of the Board of Directors. The CFO, Yen-Chih Liu serves as the Head of Accounting of the Company. He has work experience serving as the Head of Financial Accounting or Audit in a public listed company for over three years, satisfying the position as Head of Corporate Governance of the Company. The main duties and business execution status are as follows:

1	Provided information for the directors to perform their duties and arranged the directors' continuing education.
2	Provided information concerning the latest regulation development for the directors to perform their duties, so as to assist them in legal compliance matters.
3	Planned for the appropriate corporate systems and organizational structure to promote the independence, transparency, and legal compliance of the Board of Directors.
4	The Board of Directors first consulted with its members pertaining to the planning before preparing the agenda. All Board members were notified at least seven days before the Board meeting. Furthermore, sufficient information of the meeting and a description of each motion was provided to facilitate the directors' understanding regarding the motions. The minutes were completed 20 days after the Board meeting.
5	Each year, the date of the AGM shall be registered within the time period required by law. The meeting notice, meeting handbook and meeting agenda shall be prepared and applied for before the time period. After amendments made to Articles of Incorporation or the Board of Directors are re-elected, a change of registration shall be submitted.
6	In accordance with the performance indicators of the corporate governance evaluation system, the information on corporate governance was improved.
7	Paid attention to information transparency and symmetry to ensure shareholders' interest.

Continuing education of corporate governance personnel

In 2023, the Head of Corporate Governance completed a total of 21 hours of continuing education courses. The contents of the courses are as follows:

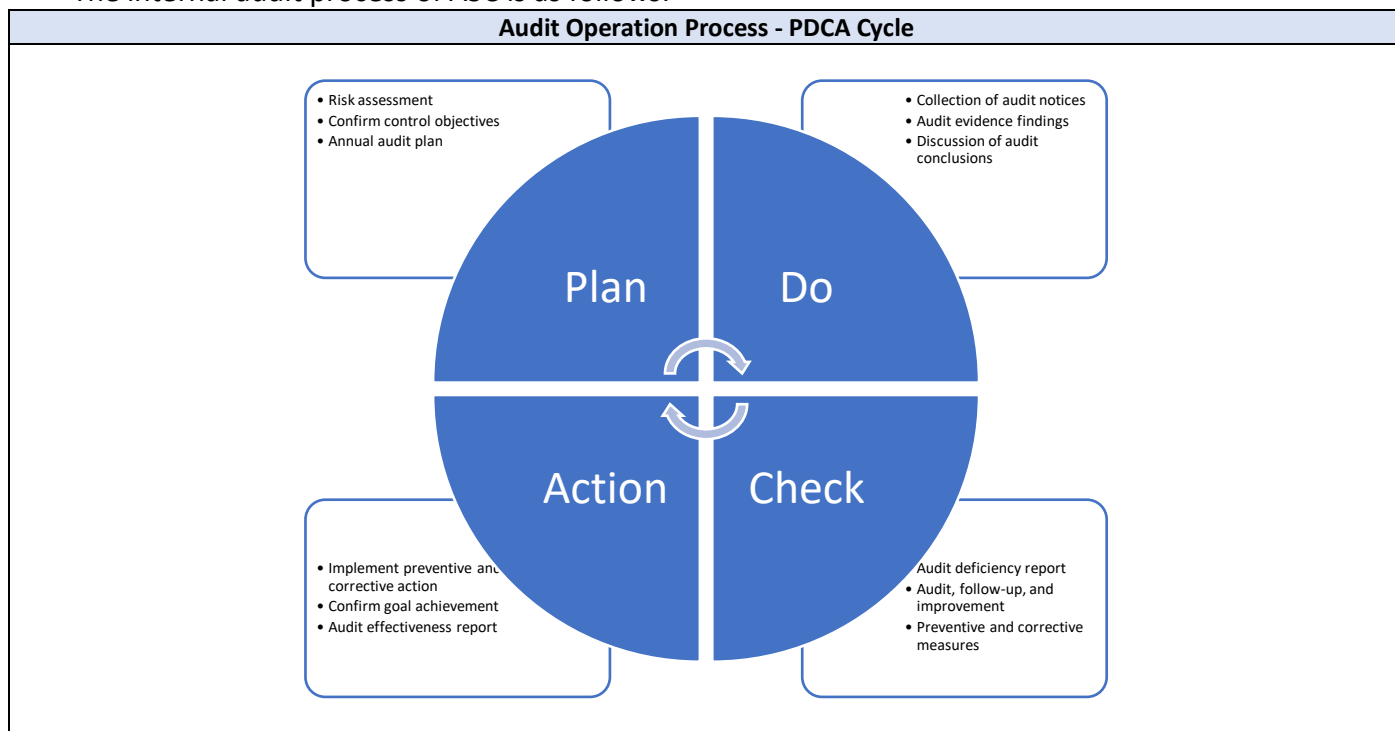
NO	Date	Organizer	Course Name	Training Hours
1	2023/5/23	Taiwan Stock Exchange	Promotion conference on action plans for sustainable development for TWSE/TPEX listed companies	3 hours
2	2023/6/30	Taiwan Investor Relations Institute	Strategies for corporate management and news crisis management	3 hours
3	2023/9/22 to 2023/9/23	Taiwan Corporate Governance Association	Net zero sustainable talent cultivation class of carbon offsets, carbon rights and carbon trading	9 hours
4	2023/10/4	Securities and Futures Institute	How directors should supervise the Company's effective corporate risk management and crisis handling International carbon border adjustment mechanism and domestic carbon pricing risk response	6 hours

Organization and operation status of internal audit

The Audit Department is an independent unit under the Board of Directors. The appointment and dismissal of the Head of Internal Audit must be approved by the Board of Directors. The appointment, dismissal, evaluation, and remuneration of internal auditors shall be signed by the Head of Audit and reported to the Chairperson for approval. The Company currently have qualified and dedicated internal auditors in place, along with designated proxy to act in their absence. We regularly submit reports in accordance with regulatory requirements to the competent authorities for record-keeping. Furthermore, the Company's internal audit personnel meet the statutory qualification requirements, and they continuously enhance their professional knowledge and skills through continuous education and training.

The purpose of the audit is to assist the Board of Directors and managers in inspecting and reviewing the deficiencies of the internal control system, measuring the effectiveness and efficiency of operations, and providing improvement suggestions in a timely manner to ensure the continuous and effective implementation of the internal control system. The Head of Audit regularly reports on audit operations to the Audit Committee and attends the Board of Directors meetings to provide reports. Internal auditors shall report all audit tasks to the competent authorities before the statutory deadline.

The internal audit process of ASC is as follows:



Board of Directors performance evaluation

The "Procedures for the Board of Directors and Functional Committees Performance Evaluation" formulated by the ASC was implemented after the approval of the Board of Directors on December 22, 2020. The Company conducts an internal self-evaluation of the Board of Directors and Board members once a year, and commissions an external professional independent institution or a team of external experts to conduct an external performance evaluation every three years. The evaluation results will be used as an important consideration when selecting or nominating directors. The performance evaluation results of individual directors will also be the reference for determining their individual remuneration.

Board of Directors performance evaluation results

Board of Directors performance evaluation includes separate completion of the "Board of Directors performance self-evaluation questionnaire" by board members and functional committee members, as well as the "Functional Committee performance self-evaluation questionnaire". This internal performance evaluation measures information related to the evaluation standards for board members internal evaluation.

Performance unit	Performance evaluation items
Board of Directors	1. Participation in the Company's operations 2. Enhancement of the decision-making quality of the Board of Directors 3. Composition and structure of the Board of Directors 4. Selection and continuing education of directors 5. Internal control
Individual board member	1. Alignment of the Company's objectives and missions 2. Directors' awareness of their duties

SUSTAINABLE DEVELOPMENT	ETHICAL GOVERNANCE	HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
Performance unit		Performance evaluation items				
Individual board member		3.Participation in the Company’s operations 4.Management of internal relationship and communication 5.The director's professionalism and continuing education				
Functional Committees (Audit Committee, Remuneration Committee)		1.Internal control 2.Participation in the Company’s operations 3.Awareness of the duties of the functional committee 4.Enhancement of decision-making quality of the functional committee 5.Composition of functional committees and members selection 6.Internal control				

After the directors and functional committees have completed the questionnaires, the executive unit of the Board of Directors will collect and tally the scores. The internal evaluation for 2023 has been completed, and the scores of the Board of Directors, individual board members and functional committees are all above 94, and the performance has been evaluated as good with no necessity for improvement. The evaluation results were reported to the Board of Directors on March 8, 2024.

Continuing education for directors

The composition of the Company's Board of Directors is diverse, with each director and independent director possessing comprehensive and rich academic and professional backgrounds. This diversity meets the development needs of the Company, enabling the Board of Directors to exercise effective management decision-making and oversight capabilities. The Company requires that each board member accumulate 6 hours of coursework annually. In 2023, all members of the board and the Head of Corporate Governance adhered to this requirement.

Title	Name	Date of education	Continuing education course organizer	Training course	Training Hours	Total number of training hours
Chairperson	Chiao-Sheng Ho	2023/10/4	Securities and Futures Institute	How to should supervise the Company's effective corporate risk management and crisis handling. International carbon border adjustment mechanism and domestic carbon pricing risk response	6	6
Director	Yuan-Chung Lee	2023/10/4	Securities and Futures Institute	How to should supervise the Company's effective corporate risk management and crisis handling. International carbon border adjustment mechanism and domestic carbon pricing risk response	6	6
Director	Sheng-Kuo Hsieh	2023/10/4	Securities and Futures Institute	How to should supervise the Company's effective corporate risk management and crisis handling. International carbon border adjustment mechanism and domestic carbon pricing risk response	6	6
Director	Ming-Sheng Su	2023/10/4	Securities and Futures Institute	How to should supervise the Company's effective corporate risk management and crisis handling. International carbon border adjustment mechanism and domestic carbon pricing risk response	6	6
Director	Shih-Ling Chen	2023/10/4	Securities and Futures Institute	How to should supervise the Company's effective corporate risk management and crisis handling. International carbon border adjustment mechanism and domestic carbon pricing risk response	6	6
Director	Ming-Yuan Wu	2023/10/4	Securities and Futures Institute	How to should supervise the Company's effective corporate risk management and crisis handling. International carbon border adjustment mechanism and domestic carbon pricing risk response	6	6
Independent Director	Chien-Rong Lu	2023/10/4	Securities and Futures Institute	How to should supervise the Company's effective corporate risk management and crisis handling. International carbon border adjustment mechanism and domestic carbon pricing risk response	6	6
Independent Director	Kuei-Ching Wang	2023/10/4	Securities and Futures Institute	How to should supervise the Company's effective corporate risk management and crisis handling. International carbon border adjustment mechanism and domestic carbon pricing risk response	6	6
Independent Director	Yu-Kuo Chien	2023/10/4	Securities and Futures Institute	How to should supervise the Company's effective corporate risk management and crisis handling. International carbon border adjustment mechanism and domestic carbon	6	6

SUSTAINABLE DEVELOPMENT	ETHICAL GOVERNANCE	HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
Title	Name	Date of education	Continuing education course organizer	Training course	Training Hours	Total number of training hours
				pricing risk response		
Independent Director	Yun-Zhang Chen	2023/10/4	Securities and Futures Institute	How to should supervise the Company's effective corporate risk management and crisis handling. International carbon border adjustment mechanism and domestic carbon pricing risk response	6	12
		2023/11/1	Taiwan Academy of Banking and Finance	Corporate governance and sustainable management workshop	3	
		2023/11/22	Securities and Futures Institute	2023 Legal compliance promotion conference for insider stock options transactions	3	

2.4 Honesty and ethics

Human rights due diligence

The Company supports and abides by international basic human rights principles such as the "United Nations Universal Declaration of Human Rights", the "International Covenants of Human Rights", the "United Nations Global Compact", and the International Labor Organization's "Declaration of Fundamental Principles and Rights at Work". We have established a "Human Rights Policy" to protect the human rights and interests of all employees and to ensure that all our operational sites comply with legal regulations.

The Company announced the human rights policy to all employees and disclosed on the Company's website. New employees are also briefed on the policy upon joining, and regular announcements are made occasionally to reinforce awareness. Regarding external vendors, in the first half of 2023, the Company adopted the Responsible Business Alliance (RBA) Code of Conduct as the basis for providing our partners with a "Supplier Code of Conduct" manual. The Procurement Department requires suppliers to commit to and implement these standards. Using the "Supplier Social Responsibility Assessment Form", we evaluated 32 participating companies, focusing on labor rights, labor regulations, and current business operations to better understand the progress of suppliers' environmental management and pollution control measures. Feedback showed that over 90% of the suppliers met the qualifying standards.



To establish a supply chain that protects the environment, human rights, safety, health, and sustainability, the Company adheres to the "Supplier Code of Conduct" and the "Supplier Selection Management Procedures". We investigate and understand the supply chain situation, and manage suppliers to prevent, address, remedy, or control potential and adverse sustainability impacts.

We carefully select suppliers that meet the quality standards in accordance with the "Supplier Code of Conduct" and the "Supplier Evaluation Form", and only cooperate with suppliers who comply with local laws and regulations and have signed the "Supplier Social Responsibility Commitment". The Commitment clearly states that suppliers pledge to conduct transactions in an open and transparent manner based on the principles of ethical corporate management. While pursuing corporate profits and sustainable operations, suppliers are expected to fulfill their corporate social responsibilities, which include complying with relevant laws and regulations on labor rights, human rights, environmental protection, and ethical corporate management. Additionally, suppliers should proactively address issues related to environmental protection, safety, and health to promote a balanced and sustainable development of the economy, society, and environmental ecosystems.

The Company hereby declares to duly fulfill corporate social responsibility with its best efforts. If there is any violation of the abovementioned laws and regulations, it will cooperate with the requirements of the competent authority or other relevant companies affecting the Company, and make improvements within the prescribed period. We will also regularly provide updates on the improvement measures to facilitate

tracking and review until the issues are resolved.

In terms of environmental protection, in response to the increasingly severe impact of climate change on the environment, the Company implemented the ISO 14064-1: 2018 GHG inventory standard in 2023 to identify the sources of our GHG emissions. While addressing these emission sources, we aim to improve the efficiency of our machinery and production processes, thereby reducing the use of energy and raw materials. Additionally, we are enhancing employee education and training to improve their professional skills and the efficiency of raw material use, reducing the generation of general industrial waste. These efforts align with global goals for energy conservation and carbon reduction.

In terms of human rights, the Company has formulated a human rights policy to protect current employees (including contract and temporary personnel, interns, etc.) We also expect our suppliers and contractors to adhere diligently to the following principles to uphold human rights:

1. Comply with local labor and environmental regulations at operational sites to ensure employees have reasonable working conditions and a safe, healthy working environment.
2. We are committed to creating a working environment that promotes equal employment opportunities and is free from discrimination and harassment based on race, nationality, age, gender, marital status, political stance, religion, etc.
3. No forced labor and child labor.
4. Respect for privacy and the right of employees to freedom of association.
5. Establishing effective channels for labor-management communication and providing grievance mechanisms. In cases involving human rights violations, initiating investigation procedures and implementing remedial and improvement measures promptly.
6. Regularly review and evaluate relevant human rights systems and practices.

Employees who encounter issues related to their rights at work can utilize the Company's "Employee Feedback and Complaint Management Procedures" for resolution. Official website: <https://www.alliedsupreme.com/tw/csr-29>



In ASC's "Sustainable Development Best Practice Principles", it explicitly states that the Company strives to uphold social welfare by adhering to relevant labor regulations and international human rights conventions, including principles of gender equality, labor rights, and non-discrimination. According to the Company's "Procedures of Recruitment and Employment Management", it is clearly stipulated that recruitment processes and decisions are not influenced by any reasons such as race, religion, beliefs, gender, marital or parental status, age, political background, nationality, disability, zodiac sign, or blood type, etc.

The Company has also formulated the "Attendance Management Method" and "Work Rules", which clearly outline work hours and overtime limits, in compliance with relevant local government laws such as Labor Standards Act, Gender Equality in Employment Act, Employment Service Act, Occupational Safety and Health Act, Labor Occupational Accident Insurance and Protection Act, Employment Insurance Act, Act for Worker Protection of Mass Redundancy, and Labor Inspection Act. Furthermore, we strictly prohibit any form of slavery or coercion, ensuring that employees do not engage in involuntary labor. In 2023, there was no occurrence of any discrimination incidents.

Ethical corporate management and anti-corruption prevention

Aligned with principles of fairness, honesty, trustworthiness, and transparency in our business operations. ASC is committed to ethical corporate management in its business practices. To uphold this commitment, we have established the “Ethical Corporate Management Operating Procedures and Code of Conduct”, which provides clear guidelines for all personnel on conducting business activities with integrity and preventing unethical behavior.

The Company requires directors and senior management to issue statements adhering to the ethical corporate management policy. Employment conditions mandate adherence to this policy by all employees, with ethical corporate management integrated into performance evaluations and human resources policies. We have established clear and effective systems for rewards, penalties, and appeals. Additionally, our ethical corporate management is disclosed in internal regulations, annual reports, on the Company website, and in other promotional materials. We also articulate our commitment to ethical corporate management at events such as product launches and investor conferences, ensuring that suppliers, customers, and other relevant entities clearly understand our principles and standards of ethical corporate management in business operations.

The Company has implemented the "Illegal and Unethical Behavior Reporting Procedures for Internal and External Personnel" to encourage internal and external personnel to report unethical or inappropriate behavior. Upon investigation and verification of reported incidents, appropriate legal actions will be pursued against those found responsible. Every year, the Audit Department formulates the audit plan based on the results of the ethical corporate management risk assessment, checks the compliance with the prevention plan accordingly, and prepares the audit report for submission to the Board of Directors. In 2023, the Company was not involved in any ethical corporate management violation or corruption incident.

According to the Company's risk management procedures, although anti-corruption measures are not currently directly included in the assessment scope or units evaluated, we have established an “Code of Ethics” to guide the behavior of our directors and managers (including the President and equivalent levels, Vice Presidents, managers and equivalent levels, department heads of fi and accounting, and others who manage company affairs and have signing authority) to ensure they adhere to ethical standards. This initiative aims to enhance stakeholders’ understanding of our ethical standards and to ensure that the conduct of all ASC’s personnel aligns with these standards, thereby promoting the Company’s legitimate interests. The Code of Ethics stipulated by ASC includes the following eight items:

Prevention of conflicts of interest	Protection and appropriate use of company assets
Opportunities to avoid seeking personal gain	Compliance with laws and regulations
Confidentiality obligation	Encouragement to report any behaviors that are illegal or in violation to the Code of Ethical Conduct
Fair trade	Disciplinary Measures

In addition, the Company provides new employees with education and training related to ethical behavior and anti-corruption. In 2023, a total of 150 individuals received training, accumulating a total of 75 hours of training. In the same year, efforts were made to promote and advocate the signing of the “Probity Commitment”, with a total of 486 individuals completing and signing the commitment, achieving a signing rate of 100%.

If misconduct related to ethical corporate management, ethical behavior, corruption, or other significant violations is discovered within the Company, or if there is a risk of significant damage to the Company, it

should be promptly reported. A written report should be prepared and communicated to the independent directors. This report should include details of the incident, how it was handled, and proposed follow-up measures for review and improvement, to be presented in a report to the Board of Directors.

ASC's whistleblowing channel	
Acceptance Unit	Management Department, Human Resources Section
Mailing address	No. 20, Xiangong S. 2nd Rd., Xianxi Township, Changhua County
Reporting hotline	04-7582827 ext. 2201, 2001
Reporting Mailbox	accusation@alliedsupreme.com

2.5 Risk control and management

Comprehensive risk management is a key focus for sustainable business operations at ASC. Therefore, we have established a dedicated "Risk Management Organization" and formulated the "Risk Management Procedures". The Board of Directors serves as the highest governing body in risk management oversight. The internal audits are conducted by the Audit Department. The President Office oversees operational decision-making risk assessments and the execution of response strategies, while the President acts as the convener, coordinating the implementation and operation of the risk management plan. Department managers and staff are actively involved in executing and promoting these initiatives. Since 2020, the Company has been actively implementing a risk management framework. Each department conducts annual assessments on hazard risks, operational risks, financial risks, strategic risks, contract risks, information security risks, etc. Regular reports on these operations are submitted to the Board of Directors.

The Company and its subsidiaries' risk management policy is defined according to the company's overall operational guidelines. We have established a management mechanism for early identification, accurate measurement, effective supervision, and strict control of various risks to prevent potential losses within acceptable limits. Furthermore, we continuously adjust and improve based on internal and external environmental changes to protect the interests of employees, shareholders, partners, and customers, thereby achieving optimal resource allocation for the Company.

Duties of the Risk Management Organization	
Department	Duties and responsibilities
Board of Directors	The Board of Directors of the Company is the highest governing body for risk management, aiming to comply with laws, promote and implement overall risk management goals. They clearly understand the risks faced by the Company's operations to ensure the effectiveness of risk management, and bear ultimate responsibility for risk management.
Audit Department	The Company's Audit Department is an independent department under the Board of Directors, responsible for conducting internal audits. The role of the Audit Department is to assist the Board of Directors and managers in inspecting and reviewing deficiencies in internal control systems, assessing operational effectiveness and efficiency, and providing timely improvement recommendations. This ensures the continuous and effective implementation of internal control systems and serves as the basis for reviewing and revising internal control systems.
President Office	The President's Office of the Company is responsible for assessing risks in operational decision-making and implementing response strategies.
CEO's Office	Media public relations and external liaison matters.
Management Department	Allocation and response of human resources.
Financial and Accounting Department	The Finance and Accounting Department of the Company is responsible for assessing financial risks.
Departments and Units	The heads of all departments and units should conduct risk assessments and controls in the daily management operations, emphasizing comprehensive risk control by all employees, and regular implementation of layer-by-layer prevention to ensure effective risk management.

The risk management process of ASC is as follows:

The risk management process of ASE is as follows:

Risk Management Process		
I. Risk identification	Overall, the risks faced by the Company are divided into seven major categories, as follows:	
	Risk type	Risk details
	Hazards risk	Safety protection and emergency response refer to the probability of occurrence of major hazardous events and the risk of loss.
	Operational risk	Risk related to concentration of sales and procurement, intellectual property protection, legal compliance, talent recruitment and retention, and the shaping and maintenance of corporate image.
	Financial risk	Market risk, credit risk, liquidity risk, and operational risk.
	Strategic risk	Including over-concentration in a single region, customer concentration/impact of major customers, concentration of agency lines/impact of major product lines, industry concentration, and mergers and acquisitions.
	Contractual risk	Possible losses caused by failure to comply with the relevant laws and regulations of competent authorities. Contractual risk refers to potential losses caused by the lack of legal effect of the contract itself, acts beyond authority, clause omissions, inadequate regulations, or other issues that render the contract invalid.
	Information security	An enterprise's information assets may be exposed to intolerable risks, leading to the inability to ensure the confidentiality, integrity, and availability of information. This includes unauthorized access to information, failure to ensure the accuracy and completeness of information content and processing methods, and the inability of authorized users to access and use relevant assets in a timely manner when needed, resulting in potential losses.
	Other risks	1. Risks related to environmental, social, and corporate governance issues relevant to the Company's operations according to the principle of materiality. 2. In addition to the aforementioned risks, any other risks should be managed by establishing appropriate risk control and handling procedures based on the nature and extent of the risk.
II. Risk assessment	After identifying the types of risks they may face, each functional unit of the Company should establish appropriate measurement methods to serve as the basis for risk management. 1. Risk measurement includes risk analysis and evaluation of risks by assessing the likelihood of risk events occurring and analyzing the potential negative impacts if they occur. This evaluation assesses the impact of risks on the Company, serving as a basis for prioritizing risk management and selecting response measures. 2. For quantifiable risks, rigorous statistical analysis methods and techniques should be adopted for analysis and management. 3. Other risks that are currently more difficult to quantify are measured in a qualitative way. Qualitative risk assessment refers to describing the likelihood of risk occurrence and the extent of its impact through textual description.	
III. Risk monitoring	Each functional department should monitor the risks associated with its business. When the exposure exceeds its risk tolerance threshold, the relevant department should propose response strategies and report the risks and response measures to senior management.	
IV. Risk reporting and disclosure	In order to fully document the risk management process and their implementation results, the Company regularly reports the risk status to the Board of Directors for management reference.	
V. Risk response	After assessing and summarizing the risks, each functional department should take appropriate response measures to address the identified risks.	

In 2023, the Company proposed the risk that Level 3 of the risk management hierarchy for 2024 is considered material, and the response measures are as follows:

Risk type	Proposed by	Countermeasures	Description
Operational risk (Tied 2nd and 3rd level)	Business Department	Talent cultivation and development With the Company's growth, there is a need to increase investment in sustainable operations and focus on overseas markets. The transfer of talent and experience in Taiwan's advanced semiconductor and chemical manufacturing is also crucial for the Company's continuous development.	<ol style="list-style-type: none"> 1. Bonus system 2. Comprehensive welfare, education and training system 3. Open and transparent promotion channel
Operational risk (Tied 2nd and 3rd level)	Business Department	Excessive reliance on fluoroplastics products from a single region or industry Extensively applied, the allocation of limited manpower and resources focuses on optimizing the Company's future development in key regions and industries. Resources and development directions are adjusted promptly based on market developments.	<ol style="list-style-type: none"> 1. Gathering and mastering market information 2. Select target customers and markets, and formulate marketing and pricing strategies 3. Attention should be paid to other industries.
Operational risk	Production Department	Fluorine raw material supply control Product manufacturing cost control Production project tracking, execution, and promotion	<ol style="list-style-type: none"> 1. In accordance with orders, update/track raw material supply status monthly and maintain inventory control at 1.5 to 2 months' safety stock. 2. All product costs must be controlled through cost centers, and order status tracked accordingly. 3. Hold a weekly fixed meeting to review and track the progress of project implementation.
Risk items	Countermeasures		
Interest rate, exchange rate fluctuation, inflation	<ol style="list-style-type: none"> 1. Interest rate: The interest expenses of the Company and its subsidiaries' are mainly for loans with banks for short-term operational funds, and the Company continues to maintain a close and friendly relationship with banks to obtain more favorable interest rates in order to reduce interest expenses. 2. Exchange rate fluctuations: In order to effectively respond to exchange rate fluctuations, the Company and its subsidiaries use real-time foreign exchange market information provided by banks to immediately control and predict future trends, as well as to provide a basis for quotations to customers and raw material purchases, and to reduce foreign currency holdings in order to effectively control the effect of changes in exchange rates on revenue and profitability. 3. Inflation: The Company and its subsidiaries pay attention to the fluctuation of market prices at all times and maintain good interaction with suppliers in order to reduce the impact of cost changes on the Company's profit or loss. The Company also implements a budgeting system and internal control to effectively control operating costs and expenses. 		
Policies, profits or losses on high-risk, high-leverage investments, loans to others,	<ol style="list-style-type: none"> 1. The Company and its subsidiaries have not engaged in high-risk, high-leverage investments for the most recent year up to the publication of the annual report, based on prudent and conservative principles. 2. The Company and subsidiaries have established "Procedures for Lending Funds to Others" as the basis for lending funds to others, and the procedures for lending funds to others are in accordance with the provisions of each company's "Procedures for Lending Funds to Others." 3. The Company and its subsidiaries have established the "Procedures for Endorsements and Guarantees" as the basis for handling external endorsements and guarantees, and the procedures for endorsements 		

Risk items	Countermeasures
endorsements and guarantees, and derivatives transactions	<p>and guarantees are in accordance with the provisions of each company's "Procedures for Endorsements and Guarantees."</p> <p>4. The Company and its subsidiaries have established the "Procedures for Acquisition or Disposal of Assets" as the basis for engaging in derivative transactions, and the procedures for derivative transactions are in accordance with the provisions of each company's "Procedures for Acquisition or Disposal of Assets."</p>
Future R&D plans and estimated R&D expenses	<p>1. Development of microporous membrane (tube) materials: Continuously strengthen the formulation development of PTFE microporous membranes, and integrate them with subsequent market applications to capture more business opportunities. Including filtration, membrane distillation, and composite membrane applications to achieve related product quality and performance records.</p> <p>2. Specialized module products: Investing in the development of specialized modules using fluorine materials, conducting experimental verification aligned with market demands. Successively obtained several patents and developed modules of different specifications. These are being tested in real-world scenarios with customers to meet future environmental maintenance needs, aiming to provide excellent products that meet market demands.</p> <p>3. Microfine powder development: Currently, we have acquired crucial technologies for producing microfine powders and have developed microfine powder products of various specifications. Next steps involve market verification to expedite market entry and expansion efforts.</p> <p>4. Development of composite materials: Conducting a series of molding process experiments and mastering the production technology of PTFE composite materials. Based on customer demands and international standards, we are developing and verifying various composite materials to meet the diverse needs of both new and existing markets.</p> <p>5. Estimated R&D expenditures: In 2024, the Company will continue to invest in R&D, with a long-term goal of spending 2% to 5% of the Company's revenue on R&D. The Company will continue to invest in R&D in the direction of smart manufacturing, environmental protection, green energy and new market applications, continue to innovate to meet customer needs, pursue process integration and internal process reengineering, and reduce production costs to enhance its competitive advantage in the market.</p>
Changes in important policies and laws domestically and internationally	<p>The Company and its subsidiaries continue to pay close attention to the changes in the important domestic and foreign policies and laws, and adjust the Company's business strategies in accordance with the collection of market conditions in order to effectively manage the impact on the Company's finance and business.</p>
Industrial and technological changes (including cybersecurity risks)	<p>1. Industry changes: The Company keeps an eye on the technological changes and developments in its industry, and keeps abreast of the industry trends. In addition, the Company continuously enhances its R&D capabilities, applies for patent protection for various innovative concepts and designs, and actively expands the market applications in the future.</p> <p>2. Technological changes (including cybersecurity risks): To strengthen and allocate continuous resources protection, preservation, and prevention of improper or unlawful handling of customer data. In recent years, with the frequent occurrence of cyberattacks and ransomware incidents, we emphasize information security risk control and protection. We have implemented a layered defense information security network and strict control measures to protect against such threats.</p>
Change of corporate image	<p>Since its establishment, the Company has been striving to achieve sustainable business operations, complying with the relevant laws and regulations, actively strengthening internal management, and maintaining harmonious labor relations in order to maintain a good corporate image.</p>
Plant expansion	<p>The Company and its subsidiaries will continue to expand our plants, add equipment and improve manufacturing processes in response to customer demands. If the Company is unable to increase its revenue, it will have a negative impact on the Company's financial statements. The Company will continue to level off its production capacity planning to reduce risks.</p>
Purchase or concentration of sales	<p>1. Concentration of purchases: In order to diversify the risk of purchase concentration, we maintain the flexibility of price bargaining and ensure the stability of the source of supply. The Company maintains at least two or more suppliers for the purchase of major raw materials and maintains good cooperative relationships with them. If there is any shortage of supply or material, there are other qualified suppliers to replace them.</p> <p>2. Concentration of sales: The Company has conducted credit evaluation of customers when accepting their orders, and we constantly monitor their business operations and market information to protect the Company's interests.</p>

Intellectual property management plan

ASC places a strong emphasis on the protection of intellectual property rights. The Company's fundamental policy is to manage and protect our own information, intellectual property, and assets while respecting the intellectual property rights of third parties, including customers and suppliers, to prevent and infringement.

Management and protection of intellectual property rights

1. In order to improve the quality and added value of products to create higher profitability, ASC actively engages in R&D of various technologies and products to strategically plan patent deployment.
2. Engaging in professional patent law firm to assist in conducting searches for relevant technology patents, mitigating infringement risks, reviewing and preparing intellectual property application documents aims to enhance the approval rate from the Intellectual Property Office.
3. Employees of ASC all signed an "Employment Contract" that clearly defines the management and protection of intellectual property rights and trade secrets.
4. To encourage employees to actively innovate, ASC has established the "Patent Reward Management Procedures". Through a comprehensive reward system and clear channels for innovative proposals, coupled with the strategic use of company intellectual property, we aim to create highly valuable intellectual assets for the Company.

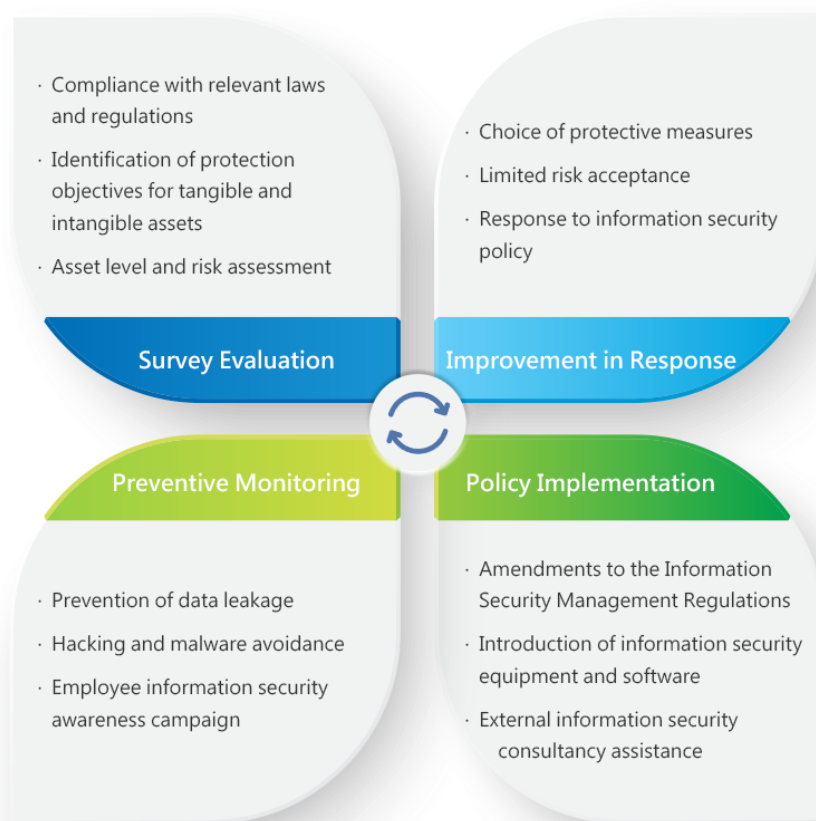
Connection between operational goals and intellectual property rights

Motivation	To provide higher-quality products and respond to forward-looking product needs in the market, actively invest in R&D activities.
Management and protection	Engaging in professional patent law firm to assist in conducting searches for relevant technology patents, mitigating infringement risks, reviewing and preparing intellectual property application documents aims to enhance the approval rate from the Intellectual Property Office.
Utilize	R&D products → commercialization → mass production to generate revenue for the Company to achieve operational goals.
Investment	The Company makes profits and allocates funds to support R&D activities, forming a sustainable development cycle.



Information security risk management

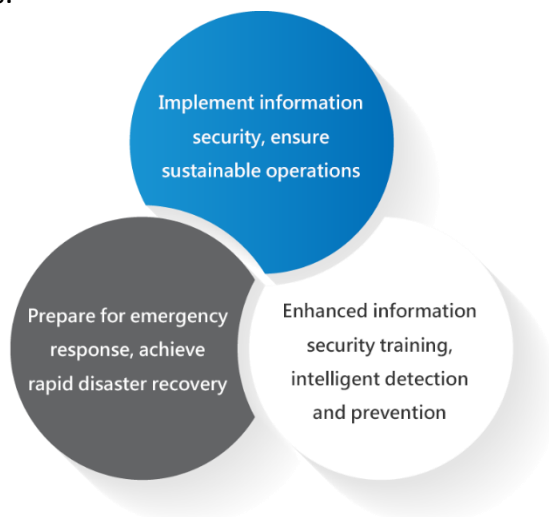
To ensure the security of the Company's and customer partners' information assets, in view of information security risk assessment, and to protect the rights and interests of the Company and its stakeholders, the Information Security Department is designated as the authority for the information security at ASC. This department is responsible for planning, implementing, and promoting information security management measures, as well as raising information security awareness. The Company's Audit Department serves as the auditing unit for information security. If any deficiencies are identified during audits, the audited unit is promptly required to propose relevant improvement plans and regular follow-ups on the effectiveness of these improvements are conducted to reduce internal information security risks. The results of relevant information risk assessments should be submitted to the responsible authorities for review and approval.



Information security policy

The Company is committed to the corporate mission and philosophy of integrity and sustainable development, and hereby promulgates this information security management policy. Ensuring the effective operations of the Company's internal information systems, maintaining confidentiality, integrity, and availability.

This policy aims to provide clear guidelines for employees in their daily work. All employees are obliged to actively participate and cooperate in promoting the information security management policy to ensure the secure operation of the Company's personnel, data, information systems, equipment, and networks. All employees are expected to understand, implement, and maintain these guidelines to achieve the goal of continuous information operations.



- Enhanced computer access management
- Account privilege inventory
- Off-site data backup
- High availability master system architecture
- Regular information security audit mechanism
- Implementing recovery drills
- DRM file protection software

- Introduction of endpoint protection
- Behavior track record
- Regular enhancement of employee information security awareness
- Intelligent intrusion detection and prevention
- Data transmission traffic monitoring
- Cross-border off-site data backup
- Social software restrictions and monitoring

Results of the promotion of the Company's information security management measures

The biggest risk to information services in recent years has been the rise of cryptocurrencies, fueling a surge in ransomware attacks. To address such attacks, the Company's response policies involve both endpoint user devices and backend servers. For endpoint user devices, general users are required to install antivirus and firewall software for protection. It is also mandated that crucial operational information be stored in system-controlled secure storage areas to mitigate single-point storage risks. In terms of personnel practices, the Company invests in web filtering, email filtering services, and equipment, while also enhancing staff awareness of information security. Additionally, the Company plans social engineering drills and conducts information security incident awareness campaigns. For the backend, the 321 backup rule is used to maintain controlled storage areas and ensure quick recovery capabilities of virtual machines.

**With over 1000 emails**

Conducting phishing drills with over a thousand simulated emails at regular intervals to enhance staff recognition and alertness.

**100% completion of establishment.**

Established in compliance with regulations, including the appointment of one dedicated security manager and one dedicated security personnel.

**Three types**

Conducting three annual drills, each targeting different methods and varying levels of disaster recovery scenarios.

**Six cybersecurity awareness campaigns.**

Conducting information security awareness campaigns addressing various current events and cases, repeatedly reminding colleagues and reinforcing.

**Enforced mandatory update within 7 days.**

Endpoint computer updates: Implementing scheduled security updates for endpoints at fixed intervals to mitigate zero-day vulnerabilities and enhance.

**250 person-times**

Conducted internal social engineering and cybersecurity awareness online exams, with participation exceeding 250 individuals.

**The 3-2-1 backup rule.**

Implementing the 3-2-1 backup rule to enhance data security and ensure the reliability of disaster recovery.

2.6 Strict compliance with laws and regulations

Material topic: Environmental and social regulatory management	
Material reasons for the topic	<ol style="list-style-type: none"> 1.ASC is committed to complying with international standards related to social responsibility and local regulations, continuously enhancing employee rights and welfare. We strive to establish an environment of integrity, health, and safety in our operations, fulfilling our social responsibilities. 2.Protecting customer privacy and legal compliance are the basic principles of the Company's business. Violations of relevant laws and regulations may lead to reputational and financial losses, potentially impacting the Company's operations severely. Complying to domestic and international regulatory requirements as well as those of our customers, helps reduce legal risks for the Company and enhances the Company's image. 3.The environmental and societal impacts of product development processes typically require careful assessment and planning. Surrounding production environments must comply with environmental regulations and labor safety laws to avoid risks associated with mechanical operations and the generation of wastewater, exhaust, and waste materials, which could endanger human safety and the surrounding environment.
Influence and impact	<p>【Environmental aspect】</p> <ul style="list-style-type: none"> • Positive impact: This approach can regulate corporate behavior, promote environmental protection and sustainable resource utilization, address globally recognized environmental change issues, and also contribute to maintaining ecological balance. In addition to prioritizing energy-saving measures, we select materials, supplies, and appliances with certifications such as low pollution, FSC, and water-saving labels. This approach aims to prioritize products that minimize environmental damage, with the goal of reducing our operational impact of the environment. • Negative impact: Failure to actively comply with national environmental regulations and establish corporate environmental protection standards may inadvertently lead to environmental degradation and pollution during operations. <p>【Economic aspect】</p> <ul style="list-style-type: none"> • Positive impact: Actively implementing environmental and social regulatory management, along with developing multiple management policies, helps enhance corporate market image and competitiveness. • Negative impact: Failure to comply with environmental and social regulatory management not only subjects to the Company to legal fines but may also affect stakeholders' evaluation of the Company's operational capabilities. In recent years, society as a whole has increasingly emphasized information security protection. The domestic government has also amended and revised multiple regulations to guide and mandate listed companies to enhance and improve their information security measures. If unable to comply, aside from legal fines, it could also affect stakeholders' assessment of the Company's operational capabilities. <p>【Human rights aspect】</p> <ul style="list-style-type: none"> • Positive impact: To ensure compliance with environmental and social regulations, it is crucial to thoroughly collect relevant regulatory information and regularly monitor updates. This approach aims to ensure that the Company's operational activities and policies align with the latest regulatory requirements, thereby protecting the interests of all stakeholders. • Negative impact: Failure to timely ensure that operational activities and policies comply with the latest environmental and social regulatory requirements may jeopardize the interests of stakeholders. This could lead to questioning and criticism from stakeholders regarding compliance issues.
Policy/Strategy	To enhance ASC's "green competitiveness" across "environmental ecology", "economic", and "regulations" aspects, focus areas include "production management", "process improvement", "pollution prevention", "environmental design", and "environmental quality". This involves crafting clear missions and visions, cascading operational goals across departments, and adhering to regulatory compliance as a guiding principle.
Goals and targets	<p>In order to achieve environmental protection and sustainable development, proactive management goals are set to continuously improve the use of energy resources, and pollution prevention measures. Striving for a balance between economic and environmental conservation, fulfilling corporate social responsibility. ASC actively promotes multiple energy-saving initiatives in its production plants and offices, setting goals for phased internal audits and third-party verification to achieve a "zero non-compliance incident" status for ASC.</p> <ul style="list-style-type: none"> • Short-term goals: <ol style="list-style-type: none"> 1.Gradually reduce GHG emissions within five years. 2.Comply with basic human rights principles such as the "United Nations Universal Declaration of

Material topic: Environmental and social regulatory management	
Goals and targets	<p>Human Rights”, “International Covenants of Human Rights”, “United Nations Global Compact”, and the International Labour Organization’s “Declaration of Fundamental Principles and Rights at Work”, as well as local laws and regulations in all global operational sites. This ensures that all employees of the Company work in a legally compliant and secure environment respecting human rights.</p> <p>3. Integrate existing product supply chain connections, accumulate industry exchanges, and leverage technological capabilities to integrate products and technologies into various industrial applications. Committed to advancing technology that is safer, more reliable, higher in quality, and more user-friendly.</p> <p>4. Implement the generational upgrades of antivirus and anti-hacking products to enhance protection capabilities.</p> <ul style="list-style-type: none"> Mid-term goals: <ol style="list-style-type: none"> 1. Reduce GHG emissions by 25% by 2030. 2. Actively cooperate with the government in green energy development, solar energy deployment, and reduction of carbon emissions to implement environmental sustainability policies. 3. Establish a Security Information and Event Management (SIEM) system to enhance visibility and management capabilities of all security incidents. 4. Regularly review international development trends and adjust company management systems and regulations in accordance with relevant human rights issues and their developments. Long-term goals: <ol style="list-style-type: none"> 1. To enhance the quality of life for company employees and elevate corporate social responsibility as a core competitive advantage. Strengthen the working hour management system to actively manage working hours, and proactively care for employees to promote work-life balance effectiveness. <ul style="list-style-type: none"> Continuously invest in the information security capabilities of technical personnel to enhance autonomous information security capabilities.
Management evaluation mechanism	<ul style="list-style-type: none"> In addition to conducting annual corporate governance evaluations and in accordance with the government's ESG sustainable development goals, the Company constantly updates information on environmental and social regulations, and plans management and evaluation mechanisms based on actual conditions to ensure compliance with regulations. Internally, the Company's "Ethical Corporate Management Best-Practice Principles" and "Work Rules" are regulated for the Company's internal personnel to enhance promotion and standardize the Company's compliance with ethical behavior.
Performance and adjustment	<ol style="list-style-type: none"> 1. In 2023, there were no major violations of any social and economic-related regulations, and there were no major environmental leakage incidents. 2. In 2023, the Company ranked in the 36% to 50% range in the corporate governance evaluation for listed companies.
Preventive or remedial measures	<ol style="list-style-type: none"> 1. ASC ensures that all its products are free from harmful substances and complies with government regulations and customer specifications. 2. According to regulations and other requirements, audit management practices are regularly assessed to ensure compliance with applicable laws and regulations. 3. Relevant units are responsible for proposing and implementing CSR policies, systems, relevant management guidelines, and specific promotion plans. They also report regularly to the Board of Directors. Through appropriate communication methods and stakeholder engagement, we understand the reasonable expectations and needs of stakeholders, and appropriately respond to their concerns. 4. In accordance with the information security policy and information cycle, information risk assessment, prevention, and improvement measures are carried out annually. Track improvements for each risk identified in the annual information status report. 5. Complaint cases are reviewed and discussed in the weekly production meetings based on their relevance. The relevant units collaborate to propose improvement actions within the specified deadlines to ensure effective review and implementation.

Legal compliance

ASC strictly abide by laws and regulations and value workplace ethics. We hope that every member and partner of the Company will uphold the same beliefs and create an ethical and good work atmosphere. The Company regards a single incident as a major violation when the cumulative fine amounts to over NTD 1 million. In 2023, the Company did not incur any major violations of social and economic regulations, however, there was one incident involving a non-penal fine event. We prudently understood the detailed reasons, promptly implemented improvements and enhanced subsequent management. We aim to prevent similar situations in the future to uphold the critical importance of integrity in corporate social order and maintain a positive image.

Corporate governance related laws and regulations	Labor rights-related laws and regulations	Compliance with environmental protection laws and regulations	Product-related laws and regulations
1. No violation of Company Act 2. No violation of commercial laws 3. No violation of securities and financial regulations 4. No corruption involvement incidents 5. No legal proceedings arising from anti-competitive behavior, anti-trust, or monopoly practices	1. No violation of gender equality laws or any discrimination-related laws and regulations occurred. 2. No forced labor 3. No use of child labor 4. No violation of indigenous human rights	1. No violation of the Waste Disposal Act 2. No violation of the Air Pollution Control Act 3. No violation of the Water Pollution Control Act 4. No serious leakage incidents	1. No prohibited or controversial products 2. No violations of marketing-related laws and regulations and the Voluntary Code of Conduct 3. No huge fine due to provision or use of products and services in violation of laws and regulations 4. No complaints of violation of customer privacy or loss of customer data

Non-imposition of fines and corrective measures

Disposition type	Type	Disposition content	Description of violation	Improvement measures
Non-fine-imposed incidents	Occupational health and Safety	Deadline for improvement	Violation of Article 12-2, Paragraph 1, Subparagraph 1 of the Regulations of Occupational Safety and Health Management and Article 23, Paragraph 2 of the Occupational Safety and Health Act.	Establish the ISO 45001 Occupational Safety and Health Management System in accordance with the law.
Total	Total number of incidents: 1.			

III. High quality

3.1 Customer service management

Material topic: Customer service management	
Material reasons for the topic	ASC values maintaining open communication channels with customers. Through annual customer satisfaction surveys and regular/occasional communication meetings, we continuously improve based on customer feedback, providing better service quality and products, and creating a win-win situation with our customers.
Influence and impact	<p>【Economic aspect】</p> <ul style="list-style-type: none"> • Positive impact: Good customer service can help improve customer loyalty and satisfaction, Leading to stable growth of the Company's operational performance. • Negative impact: Poor customer service management may lead to customer churn and decreased market competitiveness, affecting the Company's revenue and profitability. <p>【Economic aspect】</p> <ul style="list-style-type: none"> • Positive impact: Effective customer service management can help the Company improve operational efficiency, reduce resource waste, and minimize negative environmental impacts, aligning with the requirements of sustainable development. • Negative impacts: Inadequate customer service management may lead to product returns, increased energy consumption, and exacerbation of environmental pressures. <p>【Human rights aspect】</p> <ul style="list-style-type: none"> • Positive impact: Good customer service management typically accompanies a corporate culture that respects human rights, protects the rights of customers and employees, and promotes a diverse and inclusive work environment. • Negative impact: If customer service management is improper, it may lead to rights of customers or employees being compromised. For example, ignoring product safety issues or providing insufficient safety training for personnel can result in potential legal risks and negative public perception.
Policy/Strategy	Improve customer service to meet customer needs.
Goals and targets	<ul style="list-style-type: none"> • Short-term goals: <ol style="list-style-type: none"> 1. By using customer feedback, gradually improving areas of deficiencies, ensuring product quality meets customer expectations, and assisting in enhancing customer satisfaction rates, products can meet market demand in the shortest possible time. 2. In 2023, the average customer satisfaction score was above 4.5, and all performance indicators exceeded the "satisfied" benchmark. • Mid-term goal: From the customers' perspective, optimize the design to ensure that products meet or even exceed customer expectations upon leaving the plant, and provide complete localized fluorine equipment and engineering services. • Long-term goal: Accompany the growth of customers with innovation, growth, and outstanding fluorine products and services, form strategic partnerships with key customers, providing critical technologies and products, aiming for mutual success.
Management evaluation mechanism	Conduct and evaluate customer satisfaction in accordance with the Company's "Customer Satisfaction Management Procedures".
Performance and adjustment	Business units should conduct regular review annually to confirm the implementation and closure of corrective measures for dissatisfaction items identified in the "Customer Satisfaction Survey". Additionally, they should set annual "customer satisfaction" targets based on current conditions. According to the results of the customer satisfaction survey in 2023, the overall average satisfaction rate remained above 4.5 points, accounting for 90.4% of the full score. The performance of all items was higher than the "satisfactory" benchmark.
Preventive or remedial measures	ASC continues to enhance customer service from the first point of contact. All customer inquiries, ideas, and suggestions are compiled and recorded for continuous tracking and feedback. Regular customer satisfaction surveys are conducted through questionnaires and in-depth interactions with customers, serving as references for the Company's strategic planning and ongoing improvements. At the same time, we also investigate various unsatisfactory responses and urge the responsible units to propose corrective and preventive measures. After that, we will also strive to improve various satisfaction levels in order to better meet customer needs. In the future, we will continue to make efforts in technology, manufacturing, and service to establish a win-win partnership.

Customer Satisfaction Survey

The Company's sales department is responsible for communicating and coordinating with customers from time to time to provide good services and solve customers' problems in response to customer needs, and the sales department conducts customer satisfaction surveys from time to time to provide customers with various channels for two-way communication.

Statistical analysis and comparison of satisfaction in 2022 and 2023:

Business category	Year	Product quality	Product packaging	Accurate delivery	Quotation time limit	Information feedback	Information delivery	Information provision	Handling of complaints	Personnel attitude	Delivery information provision	Sum and average	Standard deviation
Overall Satisfaction Level	2022	4.5	4.5	4.3	4.4	4.6	4.5	4.5	4.5	4.7	4.5	4.50	0.12
	2023	4.5	4.5	4.4	4.5	4.6	4.6	4.5	4.5	4.7	4.5	4.5	0.1
Electronics	2022	4.4	4.5	4.3	4.3	4.6	4.5	4.5	4.4	4.8	4.5	4.48	0.16
	2023	4.5	4.5	4.4	4.4	4.5	4.5	4.5	4.5	4.7	4.5	4.5	0.09
Petrochemicals	2022	4.8	4.8	4.7	4.8	4.9	4.8	4.8	4.8	5.0	4.8	4.83	0.07
	2023	4.7	4.6	4.6	4.6	4.8	4.7	4.7	4.8	4.9	4.7	4.7	0.11
Materials	2022	4.2	4.2	4.0	4.0	4.3	4.2	4.2	4.2	4.4	4.3	4.20	0.12
	2023	4.4	4.5	4.2	4.4	4.5	4.5	4.3	4.1	4.3	4.3	4.4	0.14

Statistical analysis and comparison of projects in 2022 and 2023:

Number of copies Ratio	Year	Product quality	Product packaging	Accurate delivery	Quotation time limit	Information feedback	Information delivery	Information provision	Handling of complaints	Personnel attitude	Delivery information provision
Highly Satisfied (5)	2022	46	49	42	41	56	54	49	51	68	57
		53%	56%	48%	47%	64%	62%	56%	60%	78%	66%
	2023	55	54	56	57	64	58	58	61	77	59
		57%	56%	58%	59%	67%	60%	60%	64%	80%	61%
Satisfied (4)	2022	33	33	33	37	27	26	31	29	17	23
		38%	38%	38%	43%	31%	30%	36%	34%	20%	26%
	2023	40	37	28	32	27	36	34	30	16	29
		42%	39%	29%	33%	28%	38%	35%	31%	17%	30%
Ordinary (3)	2022	8	4	11	8	3	6	6	5	1	6
		9%	5%	13%	9%	3%	7%	7%	6%	1%	7%
	2023	1	5	12	5	5	2	4	5	3	8
		1%	5%	13%	5%	5%	2%	4%	5%	3%	8%
Dissatisfied (2)	2022	0	1	1	1	1	1	1	0	1	1
		0%	1%	1%	1%	1%	1%	1%	0%	1%	1%
	2023	0	0	0	2	0	0	0	0	0	0
		0%	0%	0%	2%	0%	0%	0%	0%	0%	0%
Highly Dissatisfied (1)	2022	0	0	0	0	0	0	0	0	0	0
		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

SUSTAINABLE DEVELOPMENT		ETHICAL GOVERNANCE		HIGH QUALITY		SUSTAINABLE ENVIRONMENT		FRIENDLY WORKPLACE		SOCIAL PROSPERITY		TABLE
	2023	0	0	0	0	0	0	0	0	0	0	0
		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total number of questionnaires	2022	87	87	87	87	87	87	87	85	87	87	87
	2023	96	96	96	96	96	96	96	96	96	96	96

Customer privacy

The Company has established the “Personal Data Protection Management Procedures” in accordance with the Personal Data Protection Act and other relevant regulations. These measures are implemented to manage, maintain, and enforce the protection of personal data, ensuring the rights of customers are not infringed upon. All departments of the Company shall collect, process, and utilize personal data in accordance with the principles of honesty and good faith, without exceeding the necessary scope for specific purposes. The purposes of collection should also be reasonably related to legitimate reasons.

The actual process requires the involved party to first complete the “Consent Form for Personal Data Use”, and clearly inform them on the provisions stipulated in the “Personal Data Protection Management Procedures”. This includes the purposes of data collection, the period of data utilization, and other relevant details. In addition, confidentiality agreements must be signed with important customers and for significant cases. Internally, the Company also requires colleagues involved to sign confidentiality commitments. Documents are transmitted in encrypted form, and decryption requires approval from supervisors.

The Company conducts annual personal data inventory using “Personal Data Inventory Form” to establish a “Personal Data File Inventory”, assess personal data risks, and implement risk management processes. To prevent the theft, alteration, damage, loss, or leakage of personal data, each department of the Company shall adhere to provisions of the “Personal Data Protection Management Procedures” and relevant regulations. This includes implementing personal data file security maintenance management covering data security, personal equipment, and related matters. In 2023, ASC received no complaints about invasion of privacy, and there were no confirmed incidents of information leakage, theft, or loss of customer data.

3.2 Customer management and product quality

Material topic: Innovative products and technologies	
Material reasons for the topic	<p>Developing new products is necessary for every enterprise's survival and growth. When strategies and directions are correct, it can help the Company maintain a competitive advantage, enhance the quality of products and services, expand market share, and also improve employee benefits and morale. And in line with national policies, it can also enhance the Company's reputation with the government and in society. Achieving long-term success and sustainable development.</p> <ol style="list-style-type: none"> 1. Enhancing competitiveness: Innovative products and technologies can differentiate us in the market from competitors, attracting more customers and investors. 2. Expanding market share: The introduction of new products and technologies will help the Company enter new markets, expand market share, and thereby increase revenue and profit. 3. Improving product and service quality: Innovation enable the Company to meet more customer needs, thereby enhancing customer satisfaction and loyalty. 4. Improving efficiency and productivity: Innovative technologies provide opportunities for the Company to improve production efficiency, reduce costs, enhance productivity, and thereby increase competitiveness and profitability. 5. Creating value: Bringing more opportunities and profits to the Company helps ensure long-term and stable development.
Influence and impact	<p>【Economic aspect】</p> <ul style="list-style-type: none"> • Positive impact: Promoting economic development, creating job opportunities, increasing company profits, and driving growth in related industries. • Negative impact: The development of innovative products and technologies may indeed lead to new resource consumption, incurring costs and potentially adverse impacts on the environment and society. <p>【Environmental aspect】</p> <ul style="list-style-type: none"> • Positive impact: Aligning with government policies to implement environmental sustainability and net-zero carbon policies. There is an opportunity to reduce negative environmental impacts through eco-friendly products and renewable energy technologies, which can help decrease carbon emissions and resource consumption. • Negative impact: Under certain circumstances, this could lead to increased energy and resource consumption, imposing a burden on the environment. <p>【Human rights aspect】</p> <ul style="list-style-type: none"> • Positive impact: Improving people's quality of life and standards (such as education, medical care, and employment opportunities) to meet people's needs for the environment. • Negative impact: Under certain circumstances, such as technological advancements replacing human labor, it can indeed result in reduced employment opportunities in specific sectors, affecting fair competition opportunities in society.
Policy/Strategy	<p>Confirmed the Company's goals. In line with the development of Taiwan's industries, it is often necessary to use a large amount of chemicals and water. Therefore, the Company intends to innovate in wastewater treatment and recycling technologies, integrating them into its environmental policies and CSR programs. To proceed effectively, assess and analyze the technical requirements and application scope are necessary, and then strategically deploy appropriate technologies and equipment. Finally, collaborate with relevant institutions (such as businesses/schools/social organizations) to promote technology application and dissemination of the technologies. In addition, for the Taiwan semiconductor industry, the Company has a good understanding of the demand, types and specifications of fluorine products in the industry. We also continuously invest significant funds into R&D resources to develop high-quality, high-purity fluorine products that meet the demands of the semiconductor industry. This includes ongoing innovation in new products and technologies to enhance product performance and competitiveness. Furthermore, we have established long-standing partnerships with semiconductor manufacturers and related suppliers, maintaining a robust supply chain. This ensures stable and coordinated supply over the long term.</p> <p>The Company will pay close attention to the industries and directions supported by the government, as well as the dynamics and trends of Taiwan's semiconductor industry. We will adjust our product strategies and deployment accordingly to respond effectively to market changes.</p>
Goals and targets	<ul style="list-style-type: none"> • Short-term goal: Upon completing the market planning specifications for new product development, we will initiate market validation to ensure alignment with customer needs. Simultaneously, we will begin preparations for product trial production and optimization to enhance product quality. We

SUSTAINABLE DEVELOPMENT	ETHICAL GOVERNANCE	HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
Material topic: Innovative products and technologies						
Goals and targets	<p>also focus on expanding our customer base and cultivating strong customer relationships.</p> <ul style="list-style-type: none"> • Mid-term goal: Expanding customer base for product demand and establishing complete production scale and quality objectives are also priorities. Enhancing competitive advantages for our new products is a key focus. Additionally, we are actively exploring new markets and gradually expanding the Company's market share in the industry with our new products, aiming to establish a strong reputation. • Long-term goal: After expanding the customer base and increasing product usage in the market, we aim to enhance external evaluations of our innovative products and technologies. We strive to become a leading symbol in the industry, expanding international market opportunities, and achieving our goal of sustainable development for the Company. 					
Management evaluation mechanism	The development of new products follows the Company's R&D cycle and product development management procedures. This involves planning new product development projects based on project proposals, technical evaluations, and market assessments. Progress is then tracked using engineering progress control sheets, design review sheets, and cost management sheets to ensure effective evaluation criteria are met.					
Performance and adjustment	In 2023, following the R&D cycle and product development management procedures, performance evaluations were conducted based on established assessment criteria. Evaluations relied on confirmation reports, engineering progress control sheets, inspection records, and other relevant documents for management purposes. Depending on the achievement of final management objectives, evaluations for necessary adjustments are conducted. Project change requests can be initiated to propose adjustments after providing a rationale, which will then undergo review and approval processes.					
Preventive or remedial measures	<p>The new product development unit adheres to a management evaluation mechanism where internal reviews of key items are conducted monthly. These reviews focus on identifying potential issues or delays in execution, proposing corresponding measures, and ensuring swift response to prevent escalation once issues are identified. Strengthen internal communication and collaboration skills to jointly solve problems and find the best solution. At the end of each year, a comprehensive review of the annual strengths and weaknesses will be conducted, and reports will be submitted to the Company for review and subsequent planning.</p> <p>External market research is thoroughly assessed to ensure that new products or technologies align with market demands, thereby minimizing market risks. We also work closely with the industry to review the differences between products and actual applications, so as to make adjustments and optimizations at any time to meet the needs of the industry.</p>					

Product certification and declaration

ASC aims to meet customer demands by employing comprehensive product design concepts for development and production. We specialize in offering various customized fluoropolymer resin products and services to cater diverse customer needs, thus establishing competitiveness in the market. In addition, the Company is constantly innovating technologies and improving existing products, striving to become a top-notch company with distinctive features and an excellent reputation.

The Company ensures product quality and user responsibility by obtaining certifications and providing safety information labeling. Coupled with a formal and integrity-driven marketing process, these efforts are aimed at enhancing customer trust and loyalty towards both our products and the Company itself. In 2023, the Company did not face any penalties for violations of product and service information labeling, nor did we incur penalties for violations of marketing and promotional regulations.

Product safety certification item statistics		
Name of product or service item	Safety regulation certification	Proportion of products or services that have been evaluated by customers
PTFE - Pipe fittings	SVHC/ROSH	100
PFA - Tanker products	SVHC/ROSH	100
M-PTFE - Barrel tank products	ROSH	100
Note: Percentage = (Total amount of evaluated products or services provided to customers/Total amount of products or services provided to customers)*100.		

Product certification photos



Product labeling

All products provided by the Company undergo regulatory assessments, ensuring compliance with information labeling requirements. Various chemical containers such as fixed storage tanks and transportation tanks made from PTFE materials require compliance with pressure vessel regulations in the exporting countries. This includes obtaining certifications such as CNS 9788, ASME Section VIII, JIS B8265, etc. For transportation purposes, adherence to regional regulations for portable transportation tanks, such as BV or LR maritime transport certifications, are also necessary.

Products must meet requirements including basic dimensions, strength, materials, and performance (steam, air pressure, water pressure, pinhole testing, cleanliness, assembly of accessories, sealing), supported by test reports. Additionally, they should include design drawings, user manuals, warranty certificates, or other specific customer-specified requirements.

3.3 Sustainable supply chain

Material topics: Supplier social assessment, supplier environmental assessment	
Material reasons for the topic	Assessing the environmental and social impacts of the supply chain has become increasingly important both to the public and regulators. To strengthen and implement sustainable supply chain management, it is crucial to establish a comprehensive and effective management mechanism. Therefore, gradually requiring and implementing supply chain social responsibility is also aimed at enhancing the Company’s sustainability competitiveness and establishing a win-win situation for the supply chain.
Influence and impact	<p>【Environmental aspect】</p> <ul style="list-style-type: none"> Positive impact: By requesting suppliers to adhere to specific standards, ASC can clearly communicate its commitment to achieving social and environmental goals. Suppliers will have guidelines to follow in alignment with these goals. Negative impact: Failure to clearly specify requirements in relevant areas may lead suppliers to overlook essential norms, potentially resulting in greater damage if accidents occur in the future. <p>【Human rights aspect】</p> <ul style="list-style-type: none"> Positive impact: Ensuring stable operations from suppliers depends on mutual cooperation between employees and the environment. Good employee coordination reduces communication costs, while proactive environmental hazard prevention contributes to sustainable industry development. Negative impact: If ASC fails to clearly communicate its key priorities to suppliers, they may overlook human capital management. This oversight could lead to disputes or conflicts between the supplier’s operational staff and the supplier itself, potentially disrupting normal operations.

Material topics: Supplier social assessment, supplier environmental assessment

Policy/Strategy	<p>To strengthen and implement sustainable supply chain management, it is crucial to establish a comprehensive and effective management mechanism. The Company's Supplier Code of Conduct encourages and expects suppliers to:</p> <ol style="list-style-type: none"> 1. Obtain environmental permits and reports. 2. Prevent pollution and conserve resources. 3. Identify hazardous substances and solid waste. 4. Emissions and material control. 5. Issues such as water resources and GHG emission management. <p>At the same time, suppliers are required to comply with relevant environmental laws and regulations formulated by the government, labor laws, and the Company's Sustainable Development Best Practice Principles.</p>
Goals and targets	<ul style="list-style-type: none"> • Short-term goal: Promulgate the "ASC Supplier Code of Conduct" to encourage suppliers to adhere to these guidelines. In our interactions with suppliers, we conduct annual reviews to assess their positive and negative environmental impacts. In 2023, ASC promoted the Supplier Code of Conduct to 200 suppliers. • Mid-term goal: Constantly communicate our corporate development commitments to suppliers, focusing on improvements in quality management, occupational safety and health, environmental protection, and labor rights. Major raw material suppliers who do not meet these standards receive guidance and support for improvement. In 2024, ASC promoted the Supplier Code of Conduct to a total of 300 suppliers. • Long-term goal: All major material suppliers are required to meet ASC's social and environmental governance evaluation standards. In 2025, ASC promoted the Supplier Code of Conduct to a total of 400 suppliers.
Management evaluation mechanism	<p>The Company adheres to the "Supplier Code of Conduct" and has established the "Supplier Selection Management Procedures". These procedures involve evaluating new suppliers before transactions and conducting annual assessments of existing suppliers after transactions. Suppliers that do not meet evaluation standards and have significant environmental or social impact during the evaluation year will be classified as non-cooperative suppliers after assessment. Suppliers are required to comply with relevant environmental laws and regulations formulated by the government, labor laws, and the Company's Sustainable Development Best Practice Principles. Suppliers are also required to sign the "Supplier Social Responsibility Commitment", which mandates that their commitments be based on principles of ethical corporate management and transparent transactions. While striving for corporate profitability and sustainable development, suppliers must also fulfill their corporate social responsibilities.</p>
Performance and adjustment	<p>For the suppliers that provide services, supply relationships, and business dealings, the Company has formulated the following Supplier Social Responsibility Commitment: Suppliers should commit to conducting ethical corporate management, and engage in transparent transactions. While pursuing corporate sustainability and profitability, they must also fulfill corporate social responsibilities by adhering to labor rights and human rights, environmental protection, and ethical corporate management standards as stipulated by relevant laws and regulations.</p> <p>From 2021 to 2023, the suppliers' signing status of the "Supplier Social Responsibility Commitment" are as follows:</p> <ul style="list-style-type: none"> • In 2021, 52 companies signed the contract. • In 2022, 80 companies signed the contract. • In 2023, 37 new companies signed, totaling 169 signed companies.
Preventive or remedial measures	<p>ASC upholds its commitments to social responsibility. The procurement department continuously monitors government public information for any significant incidents involving suppliers and maintains regular contact to ensure balanced social interactions. This proactive approach aims to prevent issues before they arise. Additionally, the Company has established a reporting system based on the "Internal and External Personnel Reporting Procedures for Illegal or Unethical Behavior". Suppliers and related personnel can report any illegal or unethical conduct by sending an email to the independent reporting mailbox: accusation@alliedsupreme.com. These reports will be handled by a dedicated department according to established procedures.</p>

Procurement overview

Since its establishment in 1981, ASC has always aimed to become a century-old enterprise. The Company has consistently been at the forefront of deploying new materials and production technologies during critical development periods across various global industries. This proactive approach has positioned ASC as a key local supplier of equipment, materials, and systems in the chemical, medical, panel, and semiconductor industry chains.

ASC operates midstream in the industry chain, providing fluoropolymer resin materials, fluoropolymer resin linings, fluoropolymer resin coatings, customized products, and solutions. Our products are supplied not only to industries in Taiwan and China but also to international markets including the United States, Japan, and South Korea. Leveraging the advantages of new fluorine materials and fully independent production, we continuously offer the latest fluorine processing applications and comprehensive services to our global customers.

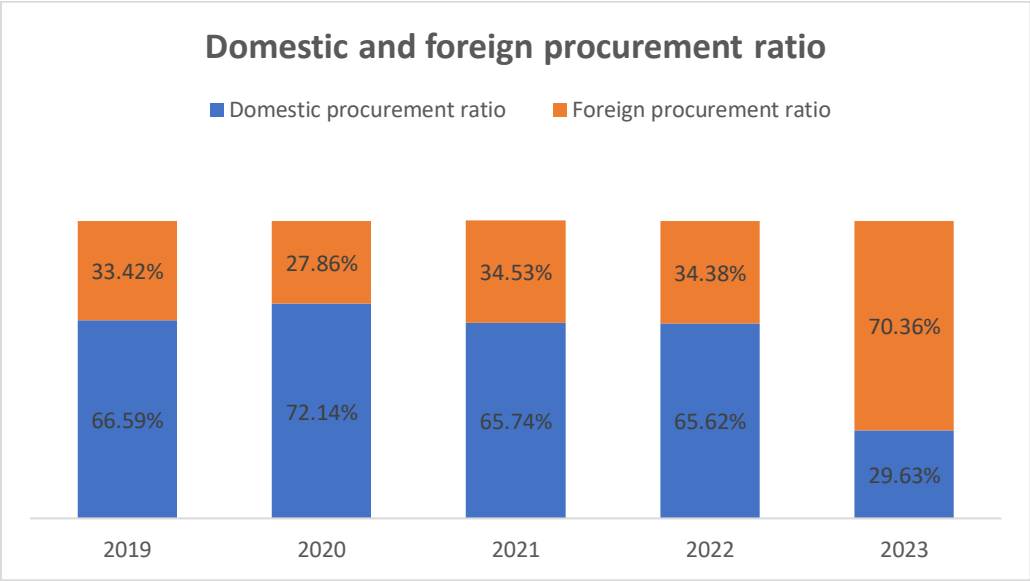
ASC's main supplier categories include raw materials, barrels (iron barrels), iron materials, auxiliary materials (plastic, fiber cloth, pipe fittings, valves, fasteners, solvents, industrial machinery, packaging equipment), consumables (gases, metal hardware, mechanical components, hardware products, metal tools, electrical equipment), fixed assets (molds and fixtures, repair services), system engineering, and general expenses (labor insurance and office supplies, other expenses). The main raw materials most directly related to the production and manufacturing of ASC's products are PTFE and iron materials. Iron materials include barrels, flanges and pipe fittings. Due to origin and technical issues, bulk raw materials are difficult to obtain domestically and are mostly supplied from abroad. Secondary raw materials (auxiliaries) include plastics, valves, and fittings, with suppliers located both domestically and internationally.

Overview of ASC's procurement in the past three years

Contract Type	Procurement Region	2021		2022		2023	
		Number of suppliers	Proportion of such procurement amount to total procurement amount (%)	Number of suppliers	Proportion of such procurement amount to total procurement amount (%)	Number of suppliers	Proportion of such procurement amount to total procurement amount (%)
Raw materials	Domestic	113	47.61	106	49.6	103	25.0
	Overseas	12	32.71	9	32.2	13	68.4
Auxiliaries	Domestic	117	17.86	133	16.02	147	4.60
	Overseas	14	1.82	11	2.18	10	2.00
Total		256	100	259	100	273	100

Description:

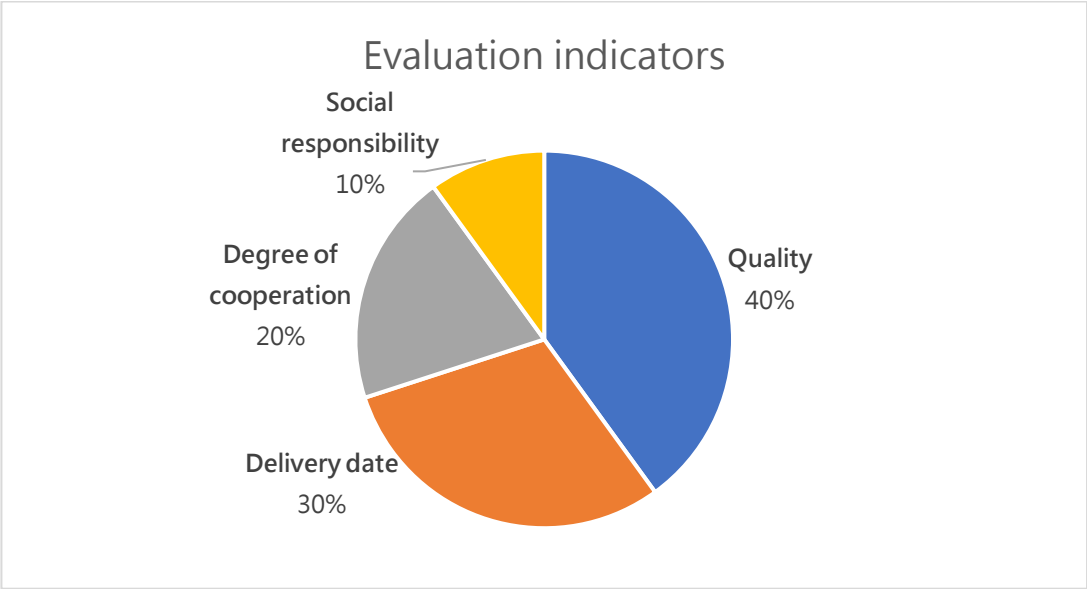
1. Domestic refers to Taiwan, while foreign refers to regions other than Taiwan (such as the U.S., Vietnam, etc.).
2. Supplier procurement categories are mainly divided into raw materials and auxiliaries.



Supplier evaluation

The Company conducts annual evaluations of our collaborating suppliers to ensure they fulfill their responsibilities by providing the necessary materials or services timely and in appropriate quantities. Through these regular assessments, we also review suppliers’ ongoing self-improvement capabilities in aspects such as quality and delivery times. The assessment criteria cover stable quality management, accurate delivery schedules, and effective cooperation on after-sales service and other relevant issues. Specifically, they are categorized into four main indicators, namely “quality”, “delivery schedule”, “coordination”, and “social responsibilities”.

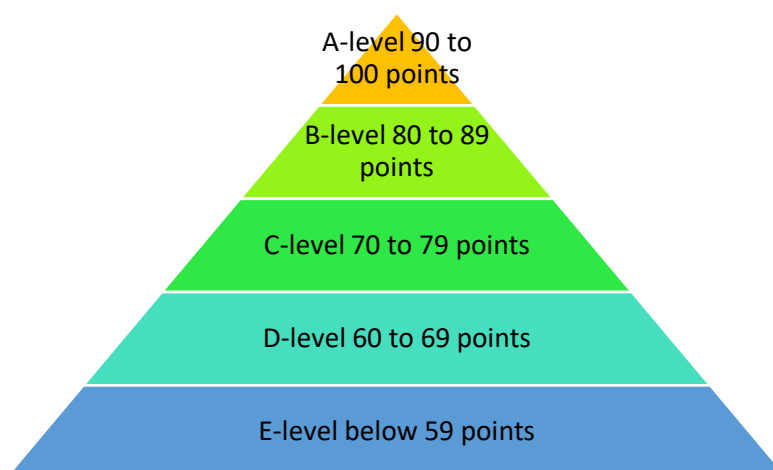
Supplier evaluation indicators and allocation ratio



Evaluation indicators and description

Evaluation indicators	Description
Quality	According to the system IGC pass rate, scoring is based on a maximum of 40 points multiplied by the pass rate.
Delivery date	According to the system warehouse management, calculating the delivery achievement based on receipt date and requisition demand date, the scoring is out of a maximum of 30 points multiplied by the achievement rate.
Degree of cooperation	After-sales service, quotation speed, price negotiation, situation handling, etc., are evaluated by the procurement department.
Social responsibility	Comply with labor rights and human rights, ethical corporate management, environmental, and safety and health activities.

Suppliers of major materials of ASC are divided into four levels after the total annual evaluation scores:



Rating score	Level	Level description
90 to 100 Points	A	Very good
80 to 89 points	B	Good
70 to 79 points	C	Moderate
60 to 69 points	D	Suspended
Below 59 points	E	Unqualified

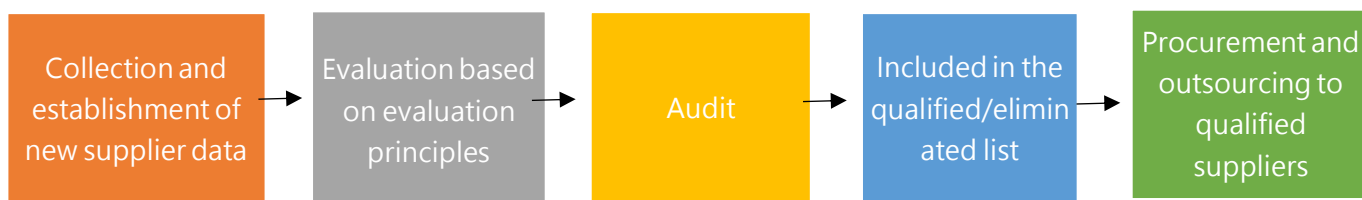
We will take different follow-up actions for suppliers based on the ratings:

Level	Follow-up measures
A, B, C	In the future, suppliers deemed qualified but fail to meet delivery performance standards will be required to submit corrective measures and improve within a specified timeframe or receive guidance to maintain stable quality systems.
D	For assessment items that do not meet the requirements, the following measures are taken: 1. Measure I: Re-evaluate and audit 2. Measure II: Suspend contract issuance for three months. Suppliers should provide feedback on missing items in statistical reports of abnormal raw material quality based on procurement. Following written review and evaluation by relevant authorities, authorized supervisors can evaluate them to suppliers compliant with transaction standards. During the suspension of contract issuance, special needs will be recognized for collaboration based on decisions made by the authorized supervisors of the requesting units.
E	Withdrawal of qualified supplier qualification. For those with poor annual evaluations, as necessary, the Company will dispatch relevant technical units to provide guidance and training, aiming to enhance the suppliers' quality management system and ensure stable product offerings.

In 2023, a total of 480 suppliers received ASC's annual assessment, and 0 suppliers received D or E level this time. During the reporting period, there were no unqualified suppliers that needed to be improved after evaluation, nor were there any supplier whose relationships were terminated after evaluation.

New supplier screening

Although the Company has not yet adopted environmental guidelines (GRI 300 series or ISO 14001 Environmental Management System) as mandatory criteria for screening new suppliers, in terms of audit clearance, the procurement department has established the "Supplier Management Procedures" to evaluate new prospective suppliers. The process is as follows:



During the evaluation phase according to the evaluation principles, the scope of evaluation includes supply capacity, supply quality, and environmental systems. We will provide the "New Supplier Evaluation Form" for suppliers to self-evaluate at first. Subsequently, our internal departments at ASC will conduct evaluations focusing on their respective management areas. The Procurement Department is responsible for assessing the "business management" capabilities, the design and requisitioning units are responsible for assessing the "product technology" capabilities, and the Quality Assurance Department is responsible for assessing the "material quality" capabilities.

The Company's "New Supplier Evaluation Form" communicates its standards and expectations for the Supplier Code of Conduct. The evaluation form is divided into four major parts:

Assessment items	Assessment content
Supplier management planning capability	Evaluate whether the supplier addresses employee rights and whether their corporate system and operations are sound.
Manufacturing capacity or technical work execution	Evaluate whether the supplier has the capability to fulfill order requirements and resolve issues, and whether the Company is competitive in the market.
Quality management system	Evaluate whether the supplier holds the ISO 9001 certification and whether they can effectively manage production processes and shipment quality.
Corporate social responsibility and corporate governance	Evaluate whether the supplier prioritizes environmental development and occupational safety, and whether they have the capability to sustain operations for sustainable development.

Each department has assessment items and scoring mechanisms in the "New Supplier Evaluation Form". Suppliers are required to self-assess first, after which the form is submitted to corresponding departments within ASC for further evaluation.

Item	Assessed department	Number of questions and assignment
Evaluation of business plans	Procurement Unit	Total of 5 questions worth 4 points each, totaling 20 points.
Manufacturing capability evaluation	Requisition Unit	Total of 8 questions worth 4 points each, totaling 32 points.
Quality management evaluation	Quality Assurance Unit	Total of 8 questions worth 4 points each, totaling 32 points.
Social responsibility assessment	Procurement Unit	Total of 4 questions worth 4 points each, totaling 16 points.
There are a total of 4 evaluation indicators, which are jointly scored by all relevant units.		Total 100 points

The supplier evaluation results are scored by the evaluation units and corresponding to four levels of A, B, C, and D. After the evaluation score is calculated, a supplier with a level of B or higher can be registered in

the qualified supplier list. Level C and D indicate that the supplier has not yet met the requirements. After improvement, the supplier can be submitted to the procurement unit for a second evaluation review. Subsequent procurement operations are all selected from qualified suppliers and proceed with the procurement process. In 2023, a total of 253 new suppliers were added. According to regulations, 52 of these suppliers participated in the evaluation of new suppliers, which accounts for 20%.

Comparison of new supplier evaluation scores	
A	Above 86 points
B	85 to 70 points
C	69 to 60 points
D	Below 59 points

Sustainable management of suppliers

The Company has established the “Procedures for the Selection of Suppliers” under its internal control system; for procurement management, the appropriate material suppliers and engineering contractors shall complete the “Suppliers’ Basic Data;” then, the Company requests suppliers to use the “Supplier Evaluation Form” for self-evaluation in terms of environmental protection, occupational safety and health and other items. The Company's CSR policy is reinforced through various means in the course of transactions between the Company and its suppliers.

In the new supplier evaluation and supplier’s annual evaluation established, the Company carries out inventory step by step to grasp the overall conditions of suppliers and jointly achieve the objective of sustainable development with companies working together with Allied Supreme.

To duly fulfill corporate social responsibility, commit to assist suppliers in focusing on issues of environmental protection, safety, health and other issues for the facilitation of the implementation of the sustainable development of a balanced economy, society and environmental ecology, the supplier’s social responsibility commitment established between the Company and suppliers that provide services, supply relationship and business dealings are as follows: The supplier promises to carry out transactions via open and transparent methods based on the Ethical Corporate Management Best Practice Principles and fulfill the implementation of corporate social responsibility while seeking sustainable corporate operations and profits, complying with labor interests and human rights, environmental protection, ethical corporate management, code of ethics and other relevant laws and regulations to facilitate the balance of economy, society, environmental ecology and the sustainable development. The supplier hereby declares to duly fulfill corporate social responsibility with its best efforts. If there is any violation of the abovementioned laws and regulations, it will cooperate with the requirements of the competent authority or the Company to make improvements within the prescribed period and regularly provide the improvement status to the Company for follow-up review until the condition is improved.

Signing status of the execution of joint amendment by suppliers in 2023:

Category	Number of committed suppliers	Percentage of contracts signed
Raw materials	0	0%
Plastic materials	5	13.5%
Connectors	1	2.7%
System engineering	9	24.3%
Others	22	59.5%
Total	37	100%

Note: Most suppliers of raw materials, barrels and tanks, and iron parts have completed the signing. Therefore, there were no new signatories in these categories this year.

* "Supplier Code of Conduct" of ASC, available at:



Implementation status of supplier code of conduct

In the first half of 2023, ASC introduced the Responsible Business Alliance (RBA) Code of Conduct as a Supplier Code of Conduct to provide cooperative partners with guidelines. This is aimed at ensuring a safe working environment, respecting employees with dignity, promoting environmental conservation in business operations, and adhering to ethical standards for ASC's collaborating suppliers. Since July 2023, ASC has announced the Supplier Code of Conduct on the Company's official website and notified all suppliers via email. Supplier education includes the following content: A) labor, B) health and safety, C) environmental standards, D) business ethics, and E) elements related to this Code. ASC expects suppliers to collaborate in enhancing the Company's framework. In 2023, ASC also implemented contractor education and training to educate suppliers on various aspects, ensuring the rights of on-site construction personnel, providing a safe working environment, encouraging suppliers to establish comprehensive worker insurance systems, and conducting training for entering suppliers.

To effectively monitor suppliers' implementation of corporate social responsibility standards, ASC has developed a "Supplier Corporate Social Responsibility Assessment Form", and it conducted assessments on 32 suppliers of critical materials, focusing on labor rights, regulations, and business operations. The assessments also aimed to understand suppliers' progress in environmental management and pollution control. Feedback indicated that over 90% of suppliers met the qualification standards. Subsequently, random inspections were conducted on the existing 32 suppliers, with a sampling rate of 30%, totaling 9 suppliers subjected to on-site audits.

Verification mechanism

According to the Ministry of Labor's "inquiry system for public institutions (employers) that violate labor laws", in 2023, a total of 259 suppliers were found to have no violations of regulations, accounting for 94.2%. Among them, 16 suppliers were found to have violated the Labor Standards Act, the Occupational Safety and Health Act, and the Labor Occupational Accident Insurance and Protection Act. However, each company is actively involved in relevant improvements. ASC will continue to monitor or provide assistance accordingly.

Improvement method

Follow up on subsequent improvements through phone communication, email, or other means, expecting suppliers to fulfill corporate social responsibility promotion, and jointly protect labor, health and safety, and other human rights interests. Suppliers and all stakeholders can visit the Company's official website for details: <https://www.alliedsupreme.com/tw/csr-33>.

Suspension of fines for violations	Communication channels and response methods	Number of suppliers
Below NTD 30,000	Phone communication, email	16
NTD 30,001 to NTD 100,000	Email (written improvement report)	0
NTD 100,001 to NTD 1,000,000	Correction documents, on-site understanding	0
Above NTD 1,000,001	On-site understanding and assessment of the termination of cooperation	0

IV. Sustainable environment

4.1 Climate change risks and management

In recent years, global climate change has become an increasingly serious problem, which has brought a far-reaching impact on the risks and opportunities of enterprises. As society's emphasis on sustainable development continues to grow, ASC is addressing the potential risks, opportunities, and countermeasures associated with global climate change. The analysis of these aspects and their implementation effectiveness are as follows:

Governance Unit	<ol style="list-style-type: none"> 1. To achieve sustainability development goals, ASC established the Social Responsibility Committee in 2021, which was renamed the "Sustainability Committee" in 2022. The committee reports annually to the Board of Directors on ESD operations. The Board of Directors directly supervises the implementation and tracks the outcomes of issues such as climate change, ESG, and operational risks to ensure the Company's stable operation. 2. The "Sustainability Committee" is under the Chairman's Office, with the Chairman serving as the Chief and authorizing the Secretary-General to oversee ESG execution. Together with senior executives from various fields, the committee reviews the Company's core operational capabilities, formulates mid- and long-term sustainable development plans, and regularly reviews the implementation of annual sustainable development-related work plans. In 2024, the risk assessment mainly included strategic risks and operational risks, covering various aspects of risks evaluation. The highest risk areas identified included talent development and cultivation, the fluoroplastic products industry, product manufacturing cost control, and project management. These areas are directly supervised and guided by the Board of Directors. Climate-related risk issues have not become a major impact this year.
Risk category	<ol style="list-style-type: none"> 1. The GHG emission reporting operation may cause risks that the Company cannot address. <ol style="list-style-type: none"> (1) Short-term: The collection of GHG data will increase the need for manpower and procedures. (2) Mid-term: If products are subject to the CBAM, they will directly face carbon taxes and reporting requirements. For customized products, there may be a risk of needing immediate verification, leading to increased operational time and costs. (3) Long-term: Annual carbon inventory and verification, along with periodic reporting and calculating carbon tax costs, will significantly increase inventory and verification expenses. 2. In order to move towards the energy-saving goals, the increased of related raw materials/parts and design/verification will raise the overall production costs of the Company. <ol style="list-style-type: none"> (1) Short-term: All suppliers are conducting inventory checks and searching feasible energy-saving solutions, and their costs will not increase significantly in the short term. (2) Mid-term: The establishment of inventory checks and energy-saving solutions by suppliers will result in relevant costs being reflected in the prices of supplier products, leading to an increase in the Company's raw material costs. (3) Long-term: The costs related to carbon taxes, carbon fees, energy-saving equipment, and measures incurred by the Company and each supplier will further increase the Company's costs. 3. Climate change could lead to supply chain disruptions, reduced or halted production capacity, loss of life and property, and reconstruction costs. <ol style="list-style-type: none"> (1) Short-term: Climate change intensifies the speed and severity of weather patterns. Areas that traditionally do not experience droughts may see a gradual decrease in rainfall, leading to a reduction in available water or electricity year by year. (2) Mid-term: Climate change can lead to unprepared suppliers facing bankruptcy. The Company will need to find suppliers and rebuild new supply chains, which will significantly increase production and delivery times, resulting in higher time costs. (3) Long-term: The extreme weather caused by climate change can lead to power and water shortages, resulting in situations where there is no electricity or water available. Under the forces of nature, this can lead to potential loss of life and property for the Company's factories and personnel.
Opportunity category	<ol style="list-style-type: none"> 1. In response to the energy tax or carbon tax regulations of different countries, the market demand for renewable energies shall increase in the future, providing companies the opportunities to develop or invest in renewable energies. <ol style="list-style-type: none"> (1) Short-term: The establishment of energy taxes, carbon taxes, and carbon fees accelerates the Company's search for alternative or renewable energy sources. (2) Mid-term: Invest more money to improve various processes and equipment, aiming to increase energy efficiency and reduce energy consumption.

	<p>(3) Long-term: By reducing carbon emissions, we also reduce expenses of energy tax, carbon tax, and carbon fees, thereby lowering related costs and contributing to improving the Earth’s environment.</p> <p>2. Change in rainfall pattern, causing companies to realize the importance of water resource management.</p> <p>(1) Short-term: The changes in rainfall patterns show minor fluctuations in the short term, but accumulate over the years to impact the natural environment. This necessitates the Company to implement strategies to improve water resource management and usage practices in response.</p> <p>(2) Mid-term: The change in rainfall patterns will gradually become clear, and it will be possible to see how effective the Company's water resources management changes are and whether the Company's water resources management policies need to be revised or adjusted.</p> <p>(3) Long-term: The effectiveness of changes in water resource management can help ensure that the Company has access to water resources even under the impact of extreme weather conditions, preventing disruptions in product supply, and can also contribute to environmental improvement.</p> <p>3. If companies are able to implement energy conservation and carbon reduction, their corporate image may be enhanced.</p> <p>(1) Short-term: Reducing carbon emissions can get positive reports from the news media, which is helpful for developing new customers.</p> <p>(2) Mid-term: Effective energy saving and carbon reduction can significantly reduce various taxes or fees related to carbon, lowering company costs and increasing product price competitiveness.</p> <p>(3) Long-term: Achieving net zero emissions ahead of schedule can slow down or prevent climate change. The Company’s corporate image will be widely recognized among customers, and in the future era of net zero emissions, it will significantly assist in attracting customer orders.</p>								
Strategy	<p>1. At present, ASC is not bound by the Ministry of Economic Affairs’ regulations for large electricity consumers, but in line with green energy development and sustainability trends, ASC is proactively conducting green energy assessments. This includes early understanding of climate-related regulatory trends and international standards. In the short term, they are undertaking from initial deployment to prepare for the future.</p> <p>2. Gradually improve all areas of the carbon inventory to clearly calculate carbon emissions and make emissions and emission reduction data more effective.</p> <p>3. Search for other supply sources of components to avoid disruption in product delivery.</p> <p>4. Undertake energy conservation and carbon reduction campaigns, water resource management, and increase the awareness of risk management.</p>								
Risk Management	<p>1. ASC categorizes risks into seven major categories, including hazard risks, operational risks, financial risks, strategic risks, contract risks, information security risks, and other risks such as corporate governance and climate risks. TO ensure clear monitoring of risk management, each department conducts annual risk assessments according to risks management procedures. They assess risks levels, differentiate severity, responsibilities, and response measures. The management department consolidates these assessments and reports them to the Board of Directors, while the Audit Department supervises the risks operations of each unit.</p> <p>2. Risk information is disclosed on the Company's annual report and external official website every year.</p> <p>3. ASC takes a proactive approach in addressing climate risks by conducting internal carbon inventory. Established jointly by various units, the GHG inventory team operates with clear division of tasks. It has set up ISO14064-1 procedures and an internal auditing system to ensure checks and balances. Quarterly reports on GHG operations are submitted to the Board of Directors. In compliance with regulations from the FSC, categories 1 and 2 of GHG inventory for 2022 were initiated in 2023, and the results were reported to the Board of Directors.</p>								
Indicators and targets	<p>To address the operational risks caused by climate change and strengthen climate governance, ASC identifies potential climate change risks and opportunities. Through inventory, identification, and transformation measures, we establish risk management strategies for major risks as the core of our climate change response actions. For managing risks associated with climate change, we adjust relevant policies or principles, estimate management costs and financial impacts, systematically assess financial implications, and reduce risks while seizing opportunities.</p> <table><tr><th>Item</th><th>Target setting</th><th>Specific actions and performance</th></tr><tr><td>Energy management</td><td>We comply with the Energy Administration’s requirements for regularly reporting to the government to reduce electricity consumption by more than 1% every year, and we have set the following targets:<ul style="list-style-type: none">Short-term target: Enhance energy</td><td>In 2023, the Company achieved reductions in energy usage across most energy projects compared to 2022. This was mainly achieved through lifestyle energy conservation and operational</td></tr></table>			Item	Target setting	Specific actions and performance	Energy management	We comply with the Energy Administration’s requirements for regularly reporting to the government to reduce electricity consumption by more than 1% every year, and we have set the following targets: <ul style="list-style-type: none">Short-term target: Enhance energy	In 2023, the Company achieved reductions in energy usage across most energy projects compared to 2022. This was mainly achieved through lifestyle energy conservation and operational
Item	Target setting	Specific actions and performance							
Energy management	We comply with the Energy Administration’s requirements for regularly reporting to the government to reduce electricity consumption by more than 1% every year, and we have set the following targets: <ul style="list-style-type: none">Short-term target: Enhance energy	In 2023, the Company achieved reductions in energy usage across most energy projects compared to 2022. This was mainly achieved through lifestyle energy conservation and operational							

		<p>conservation awareness among employees and enhance process safety improvements, also improve processes to reduce high energy consumption.</p> <ul style="list-style-type: none">• Mid-term target: Regularly participate in energy and green energy awareness courses, and strengthen process safety to meet legal requirements.• Long-term target: Cooperate with the government to develop renewable energy (solar energy) to reduce energy consumption. Adjust production line schedules to align with government energy-saving hours, aiming to minimize the societal electricity burden.	<p>efficiency improvements, resulting in direct decreases in the usage of various energy resources compared to the previous year.</p>										
	GHG management	<ul style="list-style-type: none">• Short-term target: Install additional equipment to effectively monitor emission levels to comply with regulatory standards.• Mid-term target: Set the annual emission reduction value, invest in advanced technology to reduce process emissions, and adjust emission measures through regular monitoring to meet the government standards.• Long-term goal: Through government carbon neutrality goals, we aim to reduce, offset, or mitigate environmental impacts, thereby enhancing both competitiveness and sustainable development capabilities of the Company. <p>In addition, the Company has defined three stages of carbon reduction as follows: Stage 1 (2022 to 2030): 25% reduction in emissions. Stage 2 (2031 to 2040): 35% reduction in emissions, cumulative emission reduction of 60%. Final stage (2041 to 2050): 40% reduction in emissions, achieving the goal of net-zero carbon emissions by 2050, and the cumulative reduction of emissions will be 100%.</p>	<p>In 2023, we introduced the ISO 14064-1: 2018 GHG inventory regulations and conducted GHG inventory operations. Quarterly reports on GHG operations were submitted to the Board of Directors. The GHG emissions for 2023 are as follows (in metric tons of CO2e):</p> <table><tr><th>Scope</th><th>Metric tons CO2e</th></tr><tr><td>Scope 1</td><td>646.4194</td></tr><tr><td>Scope 2</td><td>7,180.9010</td></tr><tr><td>Scope 3</td><td>1,772.8418</td></tr><tr><td>Total</td><td>9,600.162</td></tr></table>	Scope	Metric tons CO2e	Scope 1	646.4194	Scope 2	7,180.9010	Scope 3	1,772.8418	Total	9,600.162
	Scope	Metric tons CO2e											
	Scope 1	646.4194											
Scope 2	7,180.9010												
Scope 3	1,772.8418												
Total	9,600.162												
Water resource management	<ul style="list-style-type: none">• Short-term target: Continue to promote water conservation education and promote domestic water recycling. Divert the recycled water from the manufacturing process to secondary water sources and build a rainwater collection system to improve water efficiency and water use.• Mid-term target: Promptly detect abnormal water leakage through and online SCADA monitoring system, effectively reducing water resource waste.• Long-term target: To comply with the water discharge standards of the Industrial Zone Administration Bureau, comply with laws and regulations, reduce emissions, and create a pollution-free environment.	<p>In 2023, the Company continued to utilize the SCADA system to recycle and reuse water resources, recycling a total of 27,300 metric tons of water.</p>											
Waste management	<ul style="list-style-type: none">• Short-term target: Encouraging employees to fully implement environmental practices such as using personal eco-friendly cups and utensils, recycling paper in the office, reducing	<p>ASC actively promotes the recycling and reuse of packaging materials and other waste, aiming to reduce waste generation. The amount of waste</p>											

SUSTAINABLE DEVELOPMENT	ETHICAL GOVERNANCE	HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
		waste, sorting and recycling waste, and planting greenery in the park, striving to do our part for the Earth. <ul style="list-style-type: none">• Mid-term target: To properly manage and grasp the use and waste status of various resources, and systematically manage recyclable items, non-recyclable waste and their processing procedures, to improve the efficiency of resource use.• Long-term goals:<ol style="list-style-type: none">1. Regularly cooperate with excellent environmental protection companies to actively implement recycling, decomposition, and reuse to prevent secondary pollution.2. In the future, the Company will continue to make efforts on waste reduction and resource conservation in our processes, aiming to minimize waste generation. We will promote material recycling and reuse to reduce environmental impact, striving towards goals of waste reduction and resource recycling. We are committed to continuously optimizing our standards towards achieving a “zero pollution” enterprise.		generated annually is gradually decreasing. Compared with 2022, an increase of 9.94 tons of waste wood was reused and recycled. 90% of the PFA in the process raw materials is recyclable.		
	Renewable energy Usage status	The effective use of energy is key to sustainable development of the enterprise. Electricity consumption is a main source of GHG emissions for the Company. Apart from energy conservation as a primary means of reducing carbon emissions, we also promote various energy-saving initiatives. The Changbin Plant is currently installing solar power panels and expects to start generating electricity in 2024 to enhance green energy usage and reduce the use of non-renewable energy.		Currently, there is no use of renewable energy, and is expected to complete the construction in 2024 to generate solar power for self-use.		
Financial impact	In 2023, the government amended the law from "Greenhouse Gas Reduction and Management Act" to "Climate Change Response Act", which will levy carbon fees on category 1 projects, resulting in increased operational costs. <ol style="list-style-type: none">1. Income: Utilizing the government’s carbon pricing mechanism and carbon fee resources, we will apply for relevant subsidies. This will allow the Company to receive subsidies when constructing carbon reduction equipment or mechanisms.2. Expenditures: The cost increase in supplier products due to climate change will affect the Company’s operational expenditures, as well as potentially increase costs in fixed and long-term assets. This situation may also require higher maintenance and operational costs.					
Carbon pricing status	In terms of carbon pricing, ASC has not yet established an internal carbon pricing policy. In the future, we will incorporate carbon pricing and carbon fee standards into business decisions in accordance with relevant policies and regulations in order to adjust the operational strategy and possible future changes.					
GHG inventory plan and assurance status	According to the “Sustainable Development Roadmap for Listed Companies” established by the FSC, the Company completed the parent company only GHG inventory plan in 2023. We plan to complete the parent company only assurance by 2026. Regarding the GHG inventory and assurance for subsidiaries under the consolidated financial statements, we anticipate completing the GHG inventory for the consolidated subsidiaries by 2027 and the GHG assurance for the consolidated subsidiaries by 2029.					

4.2 Materials management

Due to product characteristics and other limitations, the Company mainly uses non-renewable raw materials and does not have policies related to the recycling of products and their packaging materials. ASC aims to conserve resources and follow sustainable environmental principles by implementing methods to optimize resource utilization. This includes improving process efficiency and recycling raw materials to minimize unnecessary consumption of energy and water resources. Although the PFA raw materials used by the Company are non-renewable materials, they can be recycled and reused, with a recycling rate is 90%.

Name of raw material	Unit	Whether it is renewable	2021	2022	2023
PFA raw material	Tons	Non-renewable	204.53	236.41	203.91
PTFE and M-PTFE raw materials	Tons	Non-renewable	572.65	747.75	513.26
FEP raw material	Tons	Non-renewable	0	3	0
Glass fiber cloth	Tons	Non-renewable	65.09	67.4	47.03
PE film	Tons	Non-renewable	8.11	7.49	5.95
Flange	Tons	Non-renewable	100	160.71	96.77
Steel pipes	Tons	Non-renewable	162	93.4	149.27
SHPTP HOSE materials	m	Non-renewable	9,750	11,098.69	19,751.80
PP sealing plate	Tons	Non-renewable	1.1	2.59	3.42
Wooden floorboard	Tons	Renewable	37.87	26.87	48
EPE	Roll	Non-renewable	80	348	353
PE black and white film	Roll	Non-renewable	330	845	480
Continuous PE bag	kg	Non-renewable	1,495	2,862.3	2,306.20
PE stretch film	Roll	Non-renewable	486	1,184	2,884.00
Yellow double-sided tape (cotton) DS17	Roll	Non-renewable	2,232	7,554	3,780
Masking tape	Roll	Non-renewable	120	1,128	900
PVC duct tape	Roll	Non-renewable	480	1,200	576
Heat-resistant tin spraying tape	Roll	Non-renewable	840	2,840	1,180
OPP tape	Roll	Non-renewable	120	930	480
Green waterproof tape	Roll	Non-renewable	312	544	520
Heat-resistant PI tape	Roll	Non-renewable	0	0	2,460

Note:

1. The types of materials include: Natural resources such as minerals, iron, and plastic pellets. Lubricating oil used in machinery, semi-finished components or parts, and packaging materials.
2. Non-renewable refers to resources that cannot be replenished in the short term, such as coal, natural gas, metals, minerals, and petroleum. Renewable refers to resources that will grow back after harvesting.

4.3 Energy control

Material topic: Energy	
Material reasons for the topic	Net zero transformation is no longer an environmental issue, it has become an economic issue crucial to the international competitiveness of national industries. The ongoing Russia-Ukraine war, coupled with export fluctuations leading to rising energy prices, has sparked a global crisis, posing threats to economic growth and national security. "Carbon reduction" has become a common issue that all domestic and foreign companies must face.
Influence and impact	<p>【Economic aspect】</p> <p>Ongoing global conflicts, such as Russia-Ukraine war, the Red Sea crisis arising from the Israel-Palestine conflict, and escalating tensions on the Korean Peninsula and in the Taiwan Strait, have led to continuous rising and volatile global energy prices. This underscores the critical importance of developing autonomous energy sources.</p> <ul style="list-style-type: none"> • Positive impact: ASC is committed to conserving energy and increasing the ratio of solar and renewable energy. We also support the adoption of environmentally friendly technologies to reduce emissions of pollutants. Through green products, we carefully select raw materials and suppliers to ensure compliance with bans on prohibited substances and materials. • Negative impacts: Facing high electricity demand for production and without the development of

SUSTAINABLE DEVELOPMENT	ETHICAL GOVERNANCE	HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
	<p>energy-saving equipment, the impending carbon tax imposition and adjustments to electricity consumption thresholds for large users will likely impact profitability. With the arrival of inflation, it not only has a significant impact on the socio-economic environment but also affects ASC by causing an increase in production and operational costs across various aspects.</p> <p>【Environmental aspect】 Biological mutations are closely linked to climate change and poses a significant threat to global supply chains. Damage to ecosystems will weaken nature's ability to regulate GHG emissions, thereby accelerating rapid climate deterioration.</p> <ul style="list-style-type: none"> • Positive impact: Reducing carbon emissions will directly benefit the vast environmental ecosystem, ensuring sustainable and stable global food supply without causing material shortages and price spikes due to environmental impacts, thus enabling climate restoration to sustainably return to normal. • Negative impact: ASC's manufacturing processes require a significant amount of electricity, which directly impacts climate abnormal temperature rises, leading to electricity shortages and posing challenges to business operations. The cost of electricity will increase significantly. Restrictions on electricity supply and consumption by Taipower will severely affect production operations. <p>【Human rights aspect】 The citizens of rich countries enjoy resources and continue to embrace high-consumption, high-carbon lifestyles, while demanding that low-income countries cut investments related to basic infrastructure such as access to electricity and healthcare, which is extremely unfair. Many of these countries facing climate impacts bear little responsibility for GHG emissions. However, they severely lack the funds and resources needed to protect themselves against the climate crisis. Therefore, rich countries must acknowledge the unequal impacts of climate change on the most vulnerable regions and populations.</p> <ul style="list-style-type: none"> • Positive impact: Reduce high-carbon energy to mitigate worsening climate change offers significant benefits to employees by reducing the direct impact of environmental hazards on public health, also stabilizing raw material prices for low-income supplier countries. That is why we must do everything in our power to prevent the global average temperatures from rising by more than 1.5°C. Achieve net-zero GHG emissions by no later than 2050. • Negative impacts: The human rights that are most affected now or in the future by energy-induced climate change. <ol style="list-style-type: none"> 1. Right to life (suffering from heatwave). 2. Right to health (increase the risk of injury, illness and death). 3. Right to housing (extreme weather events like floods and wildfires have destroyed countless people's homes). 					
Policy/Strategy	"Social responsibility, sustainable development, going global, and compliance with government regulations"					
Goals and targets	<ul style="list-style-type: none"> • Short-term goals: <ol style="list-style-type: none"> 1. Start by prioritizing the installation of smart meters on high-power, high-energy-consuming equipment, followed by office area installations, and monitor the electricity usage of each device spatially through data digitization and evaluate implementation using an energy management system. 2. Start by promoting and enforcing energy-saving measures in daily life. Then, combining data driven improvements to reduce high-energy consumption in operations. • Mid-term goal: Effectively use the functionalities of the energy management system. Through system tools, regularly monitor equipment and energy consumption to promptly detect anomalies and prevent inefficient energy use. • Long-term target: Cooperate with the government to develop renewable energy (e.g. solar energy) to reduce energy consumption. Adjust production line schedules according to Taipower's peak electricity consumption times to align with government energy-saving hours, aiming to minimize the societal electricity burden. 					
Management evaluation mechanism	Comply with the standards of the Energy Administration that are regularly reported by the government to the annual target of reducing electricity consumption by more than 1%. All inspections and tests over the years have met the statutory government standards.					
Performance and adjustment	The Company expects to complete the construction of self-generated solar power systems in 2024, and is actively investing in the assessment of solar power construction areas.					
Preventive or	The Company reviews the overall carbon reduction effectiveness annually and continues to construct					

SUSTAINABLE DEVELOPMENT	ETHICAL GOVERNANCE	HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
remedial measures	<p>green buildings that meet green building certification standards. If the reduction results are not as expected, we will actively increase the ratio of solar renewable energy and support the adoption of environmentally friendly technologies to reduce pollutant emissions. Carefully select raw materials and suppliers through green products to ensure that prohibited substances and materials are not used, and also seeking communication and collaboration with relevant organizations.</p> <p>ASC advocates for energy conservation and the appreciation of resources by posting various slogans in daily life as reminders. We also occasionally issue notices to promote practices such as turning off lights when not in use and valuing resources, expecting employees to develop good habits.</p> <p>If repeated failures to turn off lights or causing energy leaks are discovered, we will evaluate the use of smart or sensor-based methods to control power switches.</p>					

Energy use

The use of energy in corporate operations and factory production is unavoidable. In response, ASC actively devises and implements energy-saving measures to achieve the goal of sustainable energy. In 2023, the Company achieved reductions in energy usage across most energy projects compared to 2022. This was achieved through lifestyle energy conservation and operational efficiency improvements, resulting in direct decreases in the usage of various energy resources compared to the previous year.

ASC's energy consumption status in the recent three years				
Quantitative indicators	Unit	2021	2022	2023
Electricity consumption	kWh/year	12,061,488	16,383,173.11	14,536,236.84
	GJ	43,421.36	58,979.42	52,330.45
Liquefied Petroleum Gas (LPG)	KG/year	8,600	16,425	15,456
	GJ	426.33	829.51	780.05
Diesel consumption	L/year	51,779	68,255	56,912
	GJ	1,819.80	2,398.86	2,000.21
Natural gas (LNG) consumption	m ³	63,451	26,575	77,443
	GJ	2,123.83	889.52	2,592.16
Gasoline consumption	L/year	-	-	14,400.58
	GJ	-	-	469.97
Total energy consumption	GJ	47,799.03	63,096.76	58,172.84
Organization-specific metrics	Operating revenue (NTD million)	3,833.73	6,138.088	5,692.35
Energy intensity	GJ/operating revenue (NTD million)	12.47	10.28	10.22

Description:

1. The conversion factor comes from the calculation of the calorific value of the fuel based on the EPA's Emission Factor Management Table Version 6.0.4, and the calorific value of the electricity is converted to 1kWh=0.0036GJ.
2. Electricity (J) = kWh of electricity consumed in the year * 3,600KJ/kWh.
3. Liquefied petroleum gas (J) = Annual consumption (kg) * 6,635 (heating value) * 1.818 (unit conversion) * 4,184J.
4. Gasoline (J) = Annual consumption (L) * 7,800 (calorific value) * 4,184J
5. Diesel fuel (J) = Annual consumption (L) * 8,400 (calorific value) * 4,184J.
6. Natural gas (LNG) (J) = Annual consumption (m³) * 8,000 (calorific value) * 4,184J
7. Energy intensity (GJ) = Energy consumption (GJ) / organization-specific metric (NTD millions).
8. Organization-specific metric is operating revenue (NTD millions).
9. The gasoline used by the Company's official vehicles is reimbursed by the Company, but it is difficult to distinguish between the receipts for official vehicles and private vehicles, leading to the inability to differentiate fuel usage between private and official vehicles. In Q4 of 2022, we introduced the CPC Fleet Card mechanism, enabling complete and accurate data to be recorded in 2023.
10. Scope of coverage: A1, A2, A3 of Changbin Plant, as well as Taipei Office, Hsinchu Office, Tainan Office, leased land under control and company cars.

Energy saving achievements

To implement the concept of sustainability, ASC has formulated energy-saving strategies and action plans within the Company. We aim for full participation in energy-saving and carbon reduction actions, fostering an awareness of energy conservation, and collectively contributing to the sustainability of the Earth. The main setting items are as follows:

ASC's energy saving and carbon reduction strategy		
Item	Response strategies	Specific actions and results in 2023
Reduce electricity consumption	<ol style="list-style-type: none"> 1. Increase the ratio of self-generated solar renewable energy. 2. Install circulation fans to improve the efficiency of air circulation in cooling systems. 3. Replace old and energy-intensive equipment. 4. Equipment maintenance and upkeep to reduce energy consumption, such as cleaning the copper tubes of chillers. 5. Optimize each piece of equipment using smart methods and systematically control operations. 	Reduced electricity consumption by 1,846,936.27 kWh in 2023 compared to 2022. Using the electricity carbon emission factor of 0.494 announced by the Energy Administration, Ministry of Economic Affairs, this equates to a reduction of approximately 912.3865 metric tons of CO ₂ equivalent emissions.
Reduce fuel consumption	<ol style="list-style-type: none"> 1. Encourage employees to drive electric vehicles and take carpools to commute. 2. Implement public transportation during business trips. 3. Videoconferencing to reduce energy consumption during business trips. 4. Assess the replacement of outdated equipment with low-energy consuming equipment. 5. Eliminate diesel forklifts and replace them with electric forklifts. 	<ol style="list-style-type: none"> 1. Advocate to avoid equipment ineffective standby. 2. Evaluate alternatives solutions.
Reduce water consumption	<ol style="list-style-type: none"> 1. SCADA monitoring, recycling, and reuse. 2. Install flow restrictors on water-saving equipment. 	In 2023, the Company continued to utilize the SCADA system to recycle and reuse water resources, recycling a total of 27,300 metric tons of water. And invest in smart meters integrated with SCADA systems for control, visualizing the electricity consumption of high-energy production equipment, to provide reference for subsequent energy-saving measures.
Waste reduction	<ol style="list-style-type: none"> 1. Promote electronic forms to reduce paper consumption. 2. Implementation of green procurement, such as FSC certification, energy saving, environmental protection labels. 3. Provide reusable tableware to reduce disposable tableware usage. 4. Implement garbage sorting to reduce waste and increase recycling and reuse. 	In 2023, we reduced paper consumption by 584 packs of paper compared to 2022. According to the Ministry of Environment's product carbon footprint of 3.60 kgCO ₂ e, approximately equivalent to 2.102 metric tons of carbon dioxide emissions.

4.4 Emission mitigation

Material topic: Emissions	
Material reasons for the topic	Due to rapid climate change and global warming, ASC actively cooperates with the government to control the emission of GHG and other pollutants. Through the reporting of GHG/carbon footprint and the update of related equipment at the same time, the Company can reduce its environmental impact.
Influence and impact	<p>【Economic aspect】</p> <ul style="list-style-type: none"> Positive impact: Adopt green, environmentally friendly, and recycling-oriented supply chain cycle to create added value. Negative impact: Increased emissions will directly impact the cost of carbon tax, posing a challenge to the survival of enterprises. <p>【Environmental aspect】</p> <ul style="list-style-type: none"> Positive impact: Reduce environmental burdens and promote ecological restoration sustainably will be crucial tax-saving strategies for export businesses. Negative impact: Emissions from the chemical industry may lead to environmental pollution, and subsequent costs of environmental restoration can be very costly. Since 2023, ASC has been conducting GHG inventory, reporting carbon footprints, and reducing GHG emissions. <p>【Human rights aspect】</p> <ul style="list-style-type: none"> Positive impact: Reducing emissions by enterprises helps protect our right to a secure livelihood. Negative impact: Factory material emissions can potentially cause direct or indirect health hazards to employees or residents.
Policy/Strategy	ASC's emission policies comply with the government's monitoring thresholds for emissions. Actively install solar panels at each plant, ASC collaborates with government economic measures to enhance green energy efficiency. Simultaneously, the Company reports on air pollution and process water recycling to reduce emissions.
Goals and targets	<ul style="list-style-type: none"> Short-term target: Install additional equipment to effectively monitor emission levels to comply with regulatory standards. Mid-term target: Set the annual emission reduction value, invest in advanced technology to reduce process emissions, and adjust emission measures through regular monitoring to meet the government standards. Long-term goal: Through government carbon neutrality goals, we aim to reduce, offset, or mitigate environmental impacts, thereby enhancing both competitiveness and sustainable development capabilities of the Company. <p>In addition, the Company has defined three stages of carbon reduction as follows: Stage 1 (2022 to 2030): 25% reduction in emissions. Stage 2 (2031 to 2040): 35% reduction in emissions, cumulative emission reduction of 60%. Final stage (2041 to 2050): 40% reduction in emissions, achieving the goal of net-zero carbon emissions by 2050 (cumulative reduction of emissions will be 100%).</p>
Management evaluation mechanism	<ol style="list-style-type: none"> Setting up SCADA systems to monitor water recycling helps reduce emissions. After 2023, evaluations were conducted, and in 2024, the initiative to implement self-use energy began. Monthly electricity bills from solar generation will be used to assess the effectiveness of solar energy at each facility, aiming to reduce carbon emissions. Through monthly random inspections by the "Changbin Industrial Zone Administration Bureau", all emissions are compliant with regulatory standards.
Performance and adjustment	<p>Since 2023, ASC has implemented carbon inventory operations to ensure that emissions meet go standards. If there are any abnormalities, monitoring will be conducted promptly, and appropriate adjustment measures will be taken.</p> <p>In 2023, ASC emitted 9,600.162 metric tons of carbon dioxide equivalent in GHGs. This includes emissions from employee commuting, upstream transportation and distribution, solid and liquid waste disposal, and fuel and energy-related activities (excluding categories 1 and 2). Therefore, direct comparison with the previous year is not possible due to expanded scope and categories. However, when comparing Scope 1 and 2 emissions using consistent criteria, there was a reduction of approximately 10% compared to 2022.</p>
Preventive or remedial measures	Through our in-house SCADA system monitoring and random inspections by industrial zone authorities, we proactively prevent emissions exceeding standards. If any exceedance occurs, immediate corrective actions are initiated to ensure minimal environmental impact from emissions.

GHG emissions status

In 2023, the Company implemented the ISO 14064-1: 2018 GHG inventory regulations and conducted GHG inventory operations. We regularly report the GHG operations to the Board of Directors quarterly. The inventory covers ASC (A1 Plant), ASC (A2 Plant), ASC (A3 Plant), Taipei Office, Hsinchu Office, and Tainan Office, totaling 6 operational sites. This includes direct GHG emissions, indirect GHG emissions, and other indirect GHG emissions, using operational control boundaries set by the organization. The total emissions in 2023 were 9,600.162 metric tons of CO₂e, with Scope 1 emissions at 646.4194 metric tons of CO₂e, Scope 2 emissions at 7,180.9010 metric tons of CO₂e, and Scope 3 emissions at 1,772.8418 metric tons of CO₂e.

The GHG emission status of ASC are as follows:

Item	2021	2022	2023
Scope 1 : Direct GHG emissions (metric tons of CO ₂ e)	282.1776	280.8582	646.4194
Scope 2 : Indirect GHG emissions (metric tons of CO ₂ e)	6,139.2974	8,339.0351	7,180.9010
Scope 3 : Other indirect GHG emissions (metric tons of CO ₂ e)	-	-	1,772.8418
Total emissions = Scope 1 + Scope 2 + Scope 3 emissions (metric tons of CO ₂ e)	6,421.4750	8,619.8933	9,600.162
GHG emission intensity (metric tons of CO ₂ e/revenue (NTD millions))	1.67	1.40	1.69

Note:

1. Scope 1 emissions refer to direct emissions from sources owned or controlled by the Company. This includes emissions from stationary combustion sources, process emissions, mobile combustion sources related to transportation, and fugitive emissions. Emission factors are calculated based on the latest data from the Energy Administration, Ministry of Economic Affairs, version 6.0.4 (IPCC sixth assessment report).
2. Scope 2 refers to emissions between energy sources, such as purchased electricity.
3. GHG emission types: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O).
4. Purchased electricity is calculated using the electricity emission coefficient announced by the Energy Administration, Ministry of Economic Affairs, which was 0.495 kg CO₂e/kWh in 2022 and 0.494 kg CO₂e/kWh in 2023.
5. Organization-specific metric is operating revenue (NTD millions).

Emission reduction management

The Company references the principles of GHG emission offsetting outlined by the Ministry of Environment when implementing our GHG offset measures. We have planned to install solar panels on the roofs of our Changbin Plant areas. We are also evaluating and implementing measures such as replacing boilers, fuels, air conditioning, lighting, promoting the replacement of old motorcycles for employees, and carbon capture. All our existing plants will undergo related carbon reduction and green energy measures (installation of rooftop solar panels) based on the GHG offsetting principles.

The principles for reviewing GHG emissions offsetting related to development activities by the Ministry of Environment, Executive Yuan, are as follows:

1. The reduction in emissions by converting coal or fuel oil equipment to use natural gas or biogas as fuel.
2. The reduction in emissions achieved retrofitting or replacing existing boilers.
3. The reduction in emissions achieved by replacing lighting fixtures with high-efficiency lighting, replacing air conditioning units with high-efficiency models, and replacing old motorcycles with electric ones.
4. Other approved reduction actions.

4.5 Water resource utilization

Material topic: Water and effluents	
Material reasons for the topic	<ol style="list-style-type: none"> 1. ASC relies on stable water resources to ensure high product quality, conducting relevant tests. Therefore, water source and quantity are critical factors for ASC's continuous operation. 2. In the Company's manufacturing processes, a significant amount of secondary water is monitored and recycled through a monitoring system to increase water resource efficiency. Compliance with and continuous cooperation with government regulations are maintained to preserve a pollution-free environment. 3. In office areas, domestic water is supplied, and RO water dispensers are provided in various operational spaces. 4. The discharges from water resource usage are monitored and undergo water quality testing conducted by the Industrial Zone Administration Bureau, with wastewater treatment fees paid accordingly.
Influence and impact	<p>【Environmental aspect】</p> <ul style="list-style-type: none"> • Positive impact: The Company will continue to promote water conservation efforts and implement a recycling monitoring system internally to effectively manage water resource utilization and adhere to discharge standards, thus preventing community pollution. • Negative impact: ASC mainly relies on government reservoirs for water supply. During periods of drought when reservoir levels decrease, it significantly impacts the Company's operations.
Policy/Strategy	"Social responsibility, sustainable development, going global, and compliance with government regulations"
Goals and targets	<ul style="list-style-type: none"> • Short-term target: Continue to promote water conservation education and promote domestic water recycling. Divert the recycled water from the manufacturing process to secondary water sources and build a rainwater collection system to improve water efficiency and water use. • Mid-term goal: Through our online SCADA monitoring system, we can promptly detect leaks or equipment water source interruptions, effectively reducing water waste and preventing equipment malfunctions. • Long-term goal: To comply with the government's water quality monitoring and discharge standards, we adhere to regulations, reduce carbon emissions, and strive to create a pollution-free environment.
Management evaluation mechanism	ASC undergoes annual water quality testing for industrial discharge in accordance with the Ministry of Economic Affairs' regulations. The management authority conducts regular and random inspections with appointed personnel.
Performance and adjustment	In 2023, the Company's water consumption and discharge both met the wastewater discharge standard values of the Changbin Industrial Park. In 2023, we expanded our SCADA process water recycling system at the Changbin Plant, increasing the scope of water resource recovery. This enhancement has resulted in an additional 156,000 tons of recycled water compared to 2022. The recycled water used for cooling and evaporative heat dissipation systems for air conditioning, as well as for irrigation of plants within the facilities.
Preventive or remedial measures	<ol style="list-style-type: none"> 1. Preventive measures: Continuously innovating within our processes, we persistently promote water conservation policies, enhance manufacturing processes, and increase the efficiency of water resource recycling. A recycling monitoring system has been installed in the Plant to effectively manage water resource utilization and discharge standards, thereby increasing the recycling rate. 2. Remedial measures: Community residents who notice any issues related to wastewater discharge can contact the Company's management department through phone, email, or other channels to file complaints. Our discharge standards comply with government regulations to prevent community pollution.

Water use management

ASC uses the World Resources Institute's "Water Risk Assessment Tool" to assess water resource risks at our operational sites. The overall risks assessment indicates a "low-medium risk (1 to 2)", suggesting that our water resource usage does not significantly impact the locations where we operate. The Company's tap water comes from Shigang Dam, Hushan Reservoir, and Jiji Weir, and no groundwater is used. While currently secure in our water usage, we continue to adhere to water conservation principles and uphold sustainability spirit.

Water consumption of ASC in the past three years			
Year	2021	2022	2023
Water intake (million liters)	43.67	50.22	44.535
Water discharge (million liters)	22.07	30.05	21.287
Water consumption (million liters)	21.6	20.17	23.248
In-house recycled water consumption (million liters)	0	11.70	27.30
Water recycling and reuse rate (%)	0	19	38.01
Organization-specific metrics (units)	Operating revenue (NTD millions)	Operating revenue (NTD millions)	Operating revenue (NTD millions)
Organization-specific metrics	3,833.73	6,138.088	5,692.353
Water Unit Intensity	0.011	0.008	0.008
Note: 1. Water consumption = water intake - water discharge. 2. Water recycling rate = In-house water consumption / (water intake + in-house recycled water consumption) * 100%. 3. Water Unit Intensity is calculated as: Water intake (million liters)/organization-specific metrics. 4. Organization-specific metric is operating revenue (NTD millions). 5. The monitoring system has been collecting recycling data since its completion in 2022.			

In water resource management, the Company utilizes an online SCADA remote monitoring system to manage and monitor water usage at our facilities, providing alerts for abnormalities to minimize water wastage. The Company regularly pays for testing conducted by Changbin Industrial Zone's Sewage Treatment Plant. In 2023, the total wastewater discharged was 21,287 m³, a decrease compared to 30,053 m³ in the previous year. In 2023, we expanded our SCADA process water recycling system at the Changbin Plant, increasing the scope of water resource recovery within the plant. This expansion has led to a significant increase in water recycling, approximately 156,000 tons compared to 2022. The recycled water is used for cooling and evaporative heat dissipation systems for air conditioning, as well as for irrigation of plants within the plant, contributing to the reduction in wastewater discharge. The authority also occasionally dispatches personnel to take samples for testing. The testing status is disclosed in the table below. Our follow-up management measures are as follows:

1. Cooperate with SCADA monitoring to reduce the occurrence of water waste.
2. The Changbin Plant is the main employee base, and the toilets are equipped with two water-saving flushers to further effectively improve the efficiency of water resources use.

Test item	2021		2022		2023	
	Emission standard (ppm)	Annual average monitoring value (ppm)	Emission standard (ppm)	Annual average monitoring value (ppm)	Emission standard (ppm)	Annual average monitoring value (ppm)
C.O.D (mg/L)	640	181.1	640	284.7	640	109.8
S.S (mg/L)	400	48.6	400	56	400	31.5
pH value	9	8.3	9	7.9	9	7.7

4.6 Waste management

Material topic: Waste	
Material reasons for the topic	Nowadays, environmental pollution is becoming increasingly severe, leading to significant impacts on the environment such as waste management, which has always been an important issue that businesses need to address in terms of environmental management. Due to potential regulatory penalties in the future, the Company may face challenges that could affect our sustainability efforts. Therefore, effective waste management can help reduce overall operational costs. For packaging materials and other waste, actively promoting recycling and aiming for year-on-year reduction demonstrates our commitment to corporate social responsibility.
Influence and impact	<p>【Economic aspect】</p> <ul style="list-style-type: none"> Positive impact: Occasionally conduct inspections of waste collection and disposal processes, emphasizing waste reduction at the source and promoting waste sorting, recycling, and reuse. This ongoing monitoring of waste management and recycling mechanisms helps reduce operational costs. Negative impact: Handling waste typically requires investment in manpower, resources, and equipment. Facing annually increasing waste costs can have a significant impact on corporate profitability. <p>【Environmental aspect】</p> <ul style="list-style-type: none"> Positive impact: Through recycling and reuse methods, we reduce waste generation, and all materials sourced from suppliers are environmentally friendly, effectively decomposing without causing environmental pollution. Negative impact: The increase in waste causes a negative impact on the environment. <p>【Human rights aspect】</p> <ul style="list-style-type: none"> Positive impact: Waste is closely linked to human health. Reducing waste at the source can indirectly improve the health of residents in neighboring communities. Negative impact: The increase in waste may lead to a negative impact on the health of personnel.
Policy/Strategy	"Social responsibility, sustainable development, going global, and compliance with government regulations"
Goals and targets	<ul style="list-style-type: none"> Short-term goal: ASC provides employees with reusable tableware and encourages them to use personal eco-friendly cups and utensils, recycling paper in the office, reducing waste, sorting and recycling waste, and planting greenery in the park, striving to do our part for the Earth. Mid-term target: To properly manage and grasp the use and waste status of various resources, and systematically manage recyclable items, non-recyclable waste and their processing procedures, to improve the efficiency of resource use. Long-term goals: <ol style="list-style-type: none"> Regularly cooperate with excellent environmental protection companies to actively implement recycling, decomposition, and reuse to prevent secondary pollution. In the future, the Company will continue to make efforts on waste reduction and resource conservation in our processes, aiming to minimize waste generation. We will promote material recycling and reuse to reduce environmental impact, striving towards goals of waste reduction and resource recycling. We are committed to continuously optimizing our standards towards achieving a "zero pollution" enterprise.
Management evaluation mechanism	In compliance with the laws and regulations, ASC collaborates with government-approved professional environmental companies for the removal and recycling of related waste. These environmental vendors assist in reporting waste disposal and transportation.
Performance and adjustment	ASC entrusted government-approved environmental companies with waste disposal. We actively recycle and reuse packaging materials and other waste to reduce waste generation. Our annual goal is to gradually decrease the amount of waste produced. The Company's waste is currently priced per vehicle due to the use of a moving wheelie bins, without a weighing mechanism for the them. This prevents complete calculation of the actual waste produced. Therefore, we disclose information based on the incineration amounts recorded by the incinerators. Starting in June 2024, the Company has improved waste statistics by implementing a weighing control system for the moving wheelie bins to accurately measure waste quantities. This will gradually enhance our waste management operations.

SUSTAINABLE DEVELOPMENT	ETHICAL GOVERNANCE	HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
Preventive or remedial measures	1. Continuous innovation in our processes and design helps reduce waste generation, including minimizing and reusing packaging materials. This approach lowers the Company's impact on waste reduction standards.					
	2. Strengthen the recycling and reuse of waste, such as handing over waste to units that can use it for recycling and reuse. Reduce waste at the source and actively promote waste sorting, recycling, and reuse.					
	3. Installed a monitoring system to prevent and ensure proper implementation of waste sorting at landfill sites. Additionally, we occasionally conduct inspections of waste collection and disposal processes.					
	4. Plan waste disposal processes to ensure efficient handling of waste generated at the source and collected at the endpoint, as well as the proper placement of recycled materials.					

Waste disposal status

ASC is committed to improving production processes and enhancing production efficiency to reduce waste generation and avoid significant environmental impact. In the Company's product manufacturing process, the main waste generated comes from lining operations and the heat curing stage of materials. Our waste consists mainly of production scrap and general household waste, none of which are hazardous. To effectively manage waste and prioritize sustainable development and ecological conservation, the Company adheres strictly to government regulations. All waste is entrusted to qualified waste disposal companies for proper disposal, ensuring compliance with handling standards. In 2023, there were no major environmental leakage incidents.

Waste statistics table		
Non-hazardous waste		
Waste composition items	Waste generation (tons)	Disposal method
D-1801 General waste generated from business activities	10.76	Incineration (including energy recovery)
H-0002 Domestic waste generated by business employees	10.25	Incineration (including energy recovery)
D-0701 Wood waste pallets	32.65	Other recycling operations
Description:		
1. The Company's currently uses a vehicle-based pricing method for waste disposal due to lack of a weighing mechanism for the moving wheelie bins. As a result, the actual output cannot be accurately calculated. Therefore, our incineration disclosure is based on the incineration volume recorded by the incinerators. Starting June 2024, we will implement a weighing system for moving wheelie bins to better manage and control waste quantities.		

V. Friendly workplace

5.1 Employee overview

ASC employs a robust and effective manpower planning system based on the manpower needs of each department, ensuring the selection of talented individuals. Talent selection at ASC is based on factors such as knowledge, skills, work experience, and suitability for the position. These criteria are used to evaluate candidates. After hiring, employees undergo comprehensive education and training programs to continuously strengthen their competencies. In 2023, ASC had a total of 458 employees. In terms of gender, there were 287 males (62.66%) and 171 females (37.34%). In addition, there were 11 non-employees including security personnel, outsourced cleaning personnel, and outsourced group catering personnel. The table below shows the status of employees and non-employees in 2023.

Number of employees of ASC in 2023				
Region/Type		Female	Male	Total number
Taiwan	Number of employees	171	287	458
	Number of full-time employees	183	287	458
	Number of temporary employees	0	0	0

Note:

1. The employee data shown in the table are as of December 31, 2023.
2. The Company has no employees of other gender, non-disclosure of gender, and non-guaranteed hours.
3. Employees: Individuals who enter into an employment relationship with the organization do so in accordance with national laws or applicable regulatory requirements.
4. Full time: Individuals who sign indefinite contracts.
5. Temporary: Individuals who sign fixed-term contracts.
6. This table uses the number of people/full-time equivalent method.

2023 Non-employee worker statistics		
Worker type	Contractual relationship with the Company	Total number of workers
Security	Contract for services	4
Cleaning	Contract for services	4
Group catering	Contract for services	3

Note:

1. The non-employee worker data in the table are as of December 31, 2023.

ASC emphasize local operations and connections to establish a harmonious relationship between the Company and the community, ensuring stable employment for our employees. When hiring, we prioritize recruiting from Taiwan, particularly residents of the counties and cities where our facilities are located. With competitive benefits, we aim to attract talent nationwide, achieving a total ratio of 100% for employing local residents in manager level positions and above. The table below shows the distribution of employees by job category:

Year			2021	2022	2023
Item/Gender		Age	Number of persons	Number of persons	Number of persons
Senior managers	Female	Below 30 years old	0	1	1
		30 to 50 years old	9	14	15
		Over 51 years old	1	1	1
	Male	Below 30 years old	0	3	2
		30 to 50 years old	51	57	55
		Over 51 years old	7	10	14
Total number of managers			68	86	88
Year			2021	2022	2023
Item/Gender		Age	Number of persons	Number of persons	Number of persons
Non-key management	Female	Below 30 years old	51	79	56

SUSTAINABLE DEVELOPMENT		ETHICAL GOVERNANCE		HIGH QUALITY		SUSTAINABLE ENVIRONMENT		FRIENDLY WORKPLACE		SOCIAL PROSPERITY		TABLE	
personnel	Male	30 to 50 years old		79		84		93					
		Over 51 years old		3		4		5					
		Below 30 years old		54		84		65					
		30 to 50 years old		138		129		142					
		Over 51 years old		3		4		9					
Total number of non-key management personnel				328		384		370					
Total number of full-time employees				396		470		458					
Note: Personnel in charge at or above the manager level are defined as managers of the Company.													

Turnover status of employees

Based on seniority and performance, the Company implements a robust salary increment system to enhance employee remuneration, thereby increasing their sense of value and belonging to the Company. This approach aims to reduce turnover by continually providing and improving relevant benefits and training, with the goal of attracting more talent to join.

In 2023, ASC recruited a total of 41 new employees, compared to 150 the previous year. The significant decrease over the two years was mainly due to adjustments made to align with changes in production capacity. Additionally, the total number of employees who left the Company in 2023 was 53, which is lower than the 78 who left the previous year. We will continue to refine our performance review, reward distribution, and other systems to provide employees with a more robust and satisfying working environment and experience. This approach aims to retain talent and preserve valuable expertise over the long term.

New employee status

Statistics on the new employee recruitment rate in the past three years												
Year	2021				2022				2023			
Gender	Female		Male		Female		Male		Female		Male	
Age\Item	Number of persons	New recruitment rate (%)	Number of persons	New recruitment rate (%)	Number of persons	New recruitment rate (%)	Number of persons	New recruitment rate (%)	Number of persons	New recruitment rate (%)	Number of persons	New recruitment rate (%)
Below 30 years old	36	9.09	42	10.61	42	8.94	57	12.13	4	0.87	15	3.28
30 to 50 years old	28	7.07	44	11.11	16	3.40	34	7.23	5	1.09	15	3.28
Over 51 years old	0	-	1	0.25	1	0.21	0	-	0	-	2	0.44
Total number of new employees	151				150				41			
Total number of employees	396				470				458			
Total new recruitment rate (%)	38.13				31.91				8.95			

Note:

1. The number of new employees does not deduct those who leave midway.
2. New recruitment rate of female (male) employees in a specific age group = number of new female (male) employees in a specific age group in the year / total number of employees at the operational sites at the end of the year.
3. Total new employee hiring rate = number of new employees in the current year / total number of employees at the operational sites at the end of the year.

Employee resignation status

Table of employee turnover rate in the last three years												
Year	2021				2022				2023			
Gender	Female		Male		Female		Male		Female		Male	
Age\Item	Number of persons	Turnover rate (%)	Number of persons	Turnover rate (%)	Number of persons	Turnover rate (%)	Number of persons	Turnover rate (%)	Number of persons	Turnover rate (%)	Number of persons	Turnover rate (%)
Below 30 years old	11	2.78	15	3.79	12	2.55	21	4.47	8	1.75	11	2.4
30 to 50 years old	20	5.05	24	6.06	8	1.7	37	7.87	12	2.62	19	4.15
Over 51 years old	2	0.51	2	0.51	0	-	0	-	1	0.22	2	0.44
Total number of employees resigned	74				78				53			
Total number of employees	396				470				458			
Total turnover rate (%)	18.69				16.60				11.57			

Note:

1. Classification of company departures for employees: 48 resigned, 4 dismissed, and 1 retired.
2. Turnover rate of female (male) employees in a specific age group = number of resigned female (male) employees in a specific age group in the year / total number of female (male) employees in a specific age group at the end of the year.
3. Total number of departed employees = number of people who left in the year/total number of people at operational sites at the end of the year.

Workplace diversity

The Company does not forget the social responsibilities it bears, and we are open to hiring underprivileged groups. In recent years, we have continued to assist underprivileged populations in obtaining livelihoods, hoping to mitigate inequalities. For all employees, regardless of their group affiliation, we treat everyone equally, value their rights equally, and strictly prohibit any discriminatory behavior or differential treatment. ASC's employment of a diverse workforce in 2023 is shown in the following table:

Year		2021	2022	2023	
Item/Gender		Number of persons	Number of persons	Number of persons	
Minority or underprivileged groups	Female	Below 30 years old	38	57	44
		30 to 50 years old	19	23	27
		Over 51 years old	0	0	0
	Male	Below 30 years old	26	40	29
		30 to 50 years old	25	18	26
		Over 51 years old	0	1	1

Note: Minority or underprivileged groups: Groups with certain conditions or characteristics (e.g., economic, physical, political, and social) may be more negatively impacted by organizational activities than general population.

Human rights protection

ASC has never been involved in any incidents of violating the rights of indigenous employees. To ensure the rights of indigenous employees and other staffs are upheld, ASC explicitly states in its "Sustainable Development Best Practice Principles" that the Company strives to uphold social welfare by adhering to relevant labor regulations and international human rights conventions, including principles of gender equality, labor rights, and non-discrimination. In addition, according to the Company's "Procedures of Recruitment



and Employment Management”, it is clearly stipulated that recruitment processes and decisions are not influenced by any reasons such as race, religion, beliefs, gender, marital or parental status, age, political background, nationality, disability, zodiac sign, or blood type, etc. At the same time, the Company has also formulated the “Attendance Management Method” and “Work Rules”, which clearly outline work hours and overtime limits, which is also in compliance with relevant local government laws such as the Labor Standards Act, Gender Equality in Employment Act, Employment Service Act, Occupational Safety and Health Act, Labor Occupational Accident Insurance and Protection Act, Employment Insurance Act, Act for Worker Protection of Mass Redundancy, and Labor Inspection Act. Furthermore, we strictly prohibit any form of slavery or coercion, ensuring that employees do not engage in involuntary labor.

To strengthen the implementation of human rights issues, ASC conducts human rights-related training during new employee orientation. This includes courses on gender equality, labor laws, and the Labor Standards Act. In 2023, a total of 41 employees received human rights training, totaling 20.5 hours. During the reporting period, the Company did not experience any incidents of discrimination, violations of the rights of indigenous employees, employment of child labor, or engagement of underage workers in hazardous work.

The Company has formulated a “Supplier Social Responsibility Commitment”, where suppliers should commit to conducting ethical corporate management, and engage in transparent transactions. While pursuing corporate sustainability and profitability, they must fulfill corporate social responsibilities by adhering to labor rights and human rights, environmental protection, and ethical corporate management standards as stipulated by relevant laws and regulations. We are committed to helping suppliers pay attention to environmental protection, safety, and health issues to promote a balanced and sustainable development of economy, society, and environment. The supplier hereby declares to duly fulfill corporate social responsibility with its best efforts. If there is any violation of the abovementioned laws and regulations, it will cooperate with the requirements of the competent authority or the Company to make improvements within the prescribed period and regularly provide the improvement status to the Company for follow-up review. In 2023, there were instances of our suppliers forcing their employees to work overtime. Based on statistics, a total of 4 suppliers were punished by the local government for violating the Labor Standards Act. The procurement personnel in charge contacted them to understand the situation, and the suppliers responded regarding the follow-up actions. After intervention and coordination by the Bureau of Labor Affairs, the suppliers have compensated employees according to legal standards with special leave and back payment of overtime wages. As a preventive measure, the suppliers have revised their internal employee policies and implemented them in accordance with government regulations under the Labor Standards Act.

For more information on the implementation of human rights by ASC, please refer to the Company's official website: <https://www.alliedsupreme.com/tw/csr-29>.



Education and training on security management and human rights

According to Article 10-2 of the security industry regulations, “when a security company hires security guards, it shall offer them pre-service professional training of one week or above. For serving security guards, it shall provide them with in-service training at least four hours for every month”. ASC’s security company, Yi-Kong Security Co., Ltd., not only conducts legal training including knowledge of laws, duty skills, human rights advocacy, etiquette, etc., totaling 4 hours per month, but also regularly conducts emergency response drills

at various sentry posts and administrative buildings throughout the year to maintain access control security. In 2023, the training percentage for the Company's security acceptance procedures was 100%.

Employee rights and communication status

To ensure compliance with the International Labour Organization Convention and the domestic Labor Union Act during operations, ASC has established a "Employee Welfare Committee". This committee serves as a communication channel between labor and management, promoting and implementing various employee welfare policies to create a harmonious working environment and enrich employees' lives. To protect employee welfare, association, and negotiation rights. The Company has not established or joined a labor union, thus no collective bargaining agreement is required. However, to continuously protect and respect employees' rights and listen to their feedback, we regularly hold labor-management meetings and provide confidential grievance channels. This helps establish a good communication channel between labor and management, allowing employees to express their opinions and suggestions.

In 2023, the Company convened 4 labor-management meetings. The operational status are as follows:

Year	Participation status
2023	<ol style="list-style-type: none"> 4 labor-management meetings were held this year, on January 6, April 6, July 6, and October 12. Issues of the meeting include: <ol style="list-style-type: none"> (1) Company calendar, compensatory work and leave arrangements, and recognition of workdays. (2) Post-pandemic employee life enhancement and pandemic prevention discussions. (3) Promotion on workplace sexual harassment awareness. (4) Discussion on policies for separation of pedestrians and vehicle paths to ensure safety. (5) Heat stroke prevention and education.

Minimum announcement period for operational changes

ASC ensures the protection of employee rights and compliance with the Labor Standards Act and relevant regulations. In the event of significant operational changes or the termination of employment relationships, the Company adheres to statutory regulations regarding the termination of labor contracts. The notice period for termination shall be as specified in the following clauses:

In accordance with Article 16 of the Labor Standards Act, the Company's work rules clearly stipulate the minimum notice period for changes in labor services. Both employees and management shall comply with the following standards:

- Each person who has worked continuously for more than 3 months but less than 1 year is to be given a notice 10 days in advance.
- Each person who has worked continuously for more than 1 year but less than 3 year is to be given a notice 20 days in advance.
- Those who have worked for more than 3 years are to be given notice 30 days in advance.

5.2 Care for employees

Remuneration system

ASC is committed to building a robust remuneration system, aiming to work together with employees for the Company's success. To effectively retain outstanding talent, maintain company competitiveness, and achieve mutual success, ASC rigorously reviews the reasonableness between employee capabilities and salaries. We continuously monitor and adjust, conduct regular performance evaluations, establish smooth communication channels and promotion pathways, and assist colleagues in their professional growth. The Company references industry standards and market demands to offer remuneration that exceeds the legal minimum wage by 1.2 times (based on a basic salary of NTD 26,400 in 2023). We do not differentiate remuneration based on gender, establishing an equal workplace.

Country/Region	Ratio of standard male entry-level salary to local minimum salary	Ratio of standard female entry-level salary to local minimum salary
Taiwan	1.20	1.20

Country/Region	The ratio of the annual total remuneration of the highest paid individual to the median annual total remuneration of the employees (excluding the highest paid individual)	The ratio of increase in the Company's annual total remuneration of the highest paid individual to the annual total remuneration of employees (excluding the highest paid individual)
Taiwan	19.82	0.09

Note:

1. The formula for calculating the annual median salary ratio: The annual salary of the individual with the highest annual salary in the year/the salary of the individual with the median annual salary.
2. The formula for calculating annual salary increase ratio: Percentage increase in annual salary of the individual with the highest annual salary/percentage increase in the annual salary of the individual with the median annual salary.

The gender pay gap for each position in the Company is as shown in the table below. Due to higher proportion of males in management levels, there is a higher gender pay gap among indirect personnel.

Remuneration percentage by job category	Number of persons		Remuneration ratio	
	Female	Male	Female	Male
Management level	17	71	1	1.49
Non-management level	154	216	1	1.09
Direct personnel	98	194	1	1.31
Indirect personnel	73	93	1	1.87

Note: The female-to-male remuneration ratio (annual remuneration ratio) is calculated as: "Average annual remuneration of females in a specific category/average annual remuneration of males in a specific category".

Remuneration percentage by job category	Number of persons		Salary ratio	
	Female	Male	Female	Male
Management level	17	70	1	0.97
Non-management level	154	217	1	1.04
Direct personnel	98	194	1	1
Indirect personnel	73	93	1	1.10

Note: Based on the minimum monthly salaries of women and men for comparison.

Employee welfare and retirement system

In addition to providing a robust personnel system, ASC is committed to offering employees diverse and comprehensive benefits. We also enhance employee interaction and camaraderie through various activities, creating a happy and harmonious workplace. The Company values the labor-management relations and has established an "Employee Welfare Committee" to provide comprehensive welfare measures and related

employee incentives, aiming to increase employee satisfaction and cohesion. The benefits provided to full-time employees by ASC are as follows:

Employee benefits	
Dividend distribution/share dividend	Employee dividends
Subsidies and bonuses	Year-end bonus, Dragon Boat Festival/Mid-Autumn Festival bonus, retention bonus, Spring Festival incentive, proposal bonus, long-term service bonus, wedding gift, maternity allowance, employee education subsidies, children's education scholarships, travel subsidies, hospitalization condolences
Insurance	Labor/National Health Insurance, pension contribution under the new scheme, employee group insurance
Leave of absence	Weekends off, special leave (annual leave), paternity leave, family care leave, menstrual leave, maternity leave
Health Care	Regular visits by specialists and professional nurses for medical consultations and annual employee health checkups.
Travel and gatherings	Domestic and foreign tourism, club activities
Others	Group meals for employees, breastfeeding room, coffee machine, employee uniforms, work shoes, and discounts at authorized stores.

Retirement system and implementation status

In addition to providing a sound employee welfare system, ASC has established a labor retirement plan and set up a Labor Retirement Reserve Supervisory Committee to ensure a stable post-retirement life for employees. Each month, the Company regularly contributes 15% of the total remuneration to the "Labor Retirement Reserve" account at the Bank of Taiwan. Starting from June 2021, following an actuarial review, the contribution rate for the old scheme retirement reserve was adjusted to 2%. Annually, the Company and the actuaries jointly review the adequacy of the old scheme retirement reserve to ensure the protection of employee rights. Since July 1, 2005, the Company adopted the government's new pension scheme alongside the old one. Monthly contributions amounting to 6% of the total insured labor wages will be made to employees' individual pension accounts. For employees who voluntarily contribute to their pension, additional amounts will be withheld from their monthly salaries according to their voluntary contribution rates and deposited into their individual pension accounts at the Bureau of Labor Insurance. The Company's applicable regulations under the Labor Pension Act are as follows:

Voluntary retirement	<p>A worker may apply for voluntary retirement under any of the following circumstances: (For those opting to apply the Labor Pension Act, retirement will processed according to the provisions of the same Act)</p> <ol style="list-style-type: none"> Those who have worked for the Company for over 15 years and are at least 55 years old. Those who have worked for the Company for more than 25 years. Those who have worked for the Company for over 10 years and are at least 60 years old.
Mandatory retirement	<p>The Company shall not force an employee to retire unless one of the following applies:</p> <ol style="list-style-type: none"> At least 65 years old. Mentally or physically incapacitated for work. <p>For the age specified in subparagraph 1 of the preceding paragraph, employees engaged in work with dangerous or physically demanding characteristics may have the age adjusted upon approval by the central competent authority, as requested by the Company. But not less than 55 years old.</p>
Pension payment standard	<ol style="list-style-type: none"> The calculation of seniority before and after the application of the Labor Standards Act and the choice to continue applying the retirement provisions of "Labor Standards Act" or retain seniority under the Labor Pension Act shall be governed by Article 84-2 and Article 55 of the Labor Standards Act. Employees with the seniority mentioned in the preceding paragraph who are mandatorily retired under the provisions of Article 35, Paragraph 1, Subparagraph 2, and whose mental or physical

SUSTAINABLE DEVELOPMENT	ETHICAL GOVERNANCE	HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
	<p>disability is due to the performance of duties, shall receive an additional 20% allowance in accordance with Article 55, Paragraph 1, Subparagraph 2 of the Labor Standards Act.</p> <p>3. For employees covered by the Labor Pension Act retirement provisions, the Company contributes monthly an amount equal to 6% of their insured labor wages to their individual pension accounts.</p>					
Pension payment	Pensions shall be paid to employees within 30 days from the date of retirement.					

Implementation status of parental leave

According to regulations such as the “Labor Standards Act” and the “Gender Equality in Employment Act”, ASC implements a parental leave system with unpaid leave for eligible employees. We hope to enable our employees to take care of their families without worries, while balancing family and career for a fulfilling life. After the completion of the unpaid leave period, the Company will assist in arranging for colleagues to return to their original units and positions, actively supporting their reintegration into the workplace.

Year	2021			2022			2023		
Gender/total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees eligible for parental leave A	3	13	16	3	5	8	7	10	17
Number of employees who actually applied for unpaid parental leave in the current year B	1	1	2	3	2	5	5	1	6
Number of employees required to be reinstated from parental leave in the current year C	2	0	2	3	1	4	2	1	3
Number of employees actually reinstated from parental leave in the current year D	2	0	2	3	1	4	2	1	3
Number of employees returning to work from parental leave in the previous year E	1	0	1	2	0	2	3	1	4
Number of employees who continued working for one year after reinstatement from parental leave in the previous year F	1	0	1	2	0	2	3	1	4
Parental leave and reinstatement rate in the current year% (D/C)	100	-	100	100	100	100	100	100	100
Parental leave retention rate in the current year % (F/E)	100	-	100	100	-	100	100	100	100

Calculation method:

1. Number of employees to be reinstated = number of employees expected to be reinstated after parental leave in the current year.
2. Number of retained employees in 2023 = number of employees who were actually reinstated in 2022 and were still in service as of December 31, 2023.
3. Unpaid parental leave reinstatement rate % = number of employees actually reinstated from unpaid parental leave in the current year / number of employees expected to be reinstated from unpaid parental leave in the current year (D/C).
4. The retention rate of unpaid parental leave in the current year % = number of employees who have worked continuously for one year after reinstatement from parental leave in the previous year / number of employees actually reinstated from unpaid parental leave in the previous year (F/E).

5.3 Talent training

The Company regularly provides internal and external education and training, planning training courses based on job responsibilities and actual needs. This strengthens employees' professional knowledge, skills, and expertise, thereby enhancing their job performance. Training courses covers various units such as quality assurance, business, production, and R&D. The average training hours differ between female and male employees in the Company, mainly due to a higher proportion of male employees and a greater representation of males in supervisors.

Overview of education and training status in 2023

Item/Category		Management level		Non-management level		Direct personnel		Indirect personnel	
		Female	Male	Female	Male	Female	Male	Female	Male
Total number of people	Person	16	70	154	218	99	198	71	90
Total training hours	Hours	204	832.72	883.86	2,134.48	341.86	1,755.20	746	1,212
Average training hours	Hour/person	12.75	11.9	5.74	9.79	3.45	8.86	10.51	13.47
Training expenses	NTD	15,700	269,210	34,900	237,880	1,500	157,650	49,100	349,440

Implementation status of education and training in 2023



Required management skills for supervisors



Cross-departmental communication skills



Liner pressurization modeling above 14 and inspection



Painting training



Operation and our-furnace procedures for billet sintering equipment

Fair performance management system

The Company conducts performance evaluations for all employees annually to fully assess the overall production efficiency and operational capabilities of the Company. Furthermore, through specific measures, we acknowledge the value contributed by employees. Based on the performance evaluation results, we provide corresponding rewards to employees, solidifying cooperation and trust between labor and management.

Item	Management level	Non-management level	Direct personnel	Indirect personnel
Percentage of male employees accepted for evaluation	100	100	100	100
Percentage of female employees accepted for evaluation	100	100	100	100

5.4 Occupational safety and health

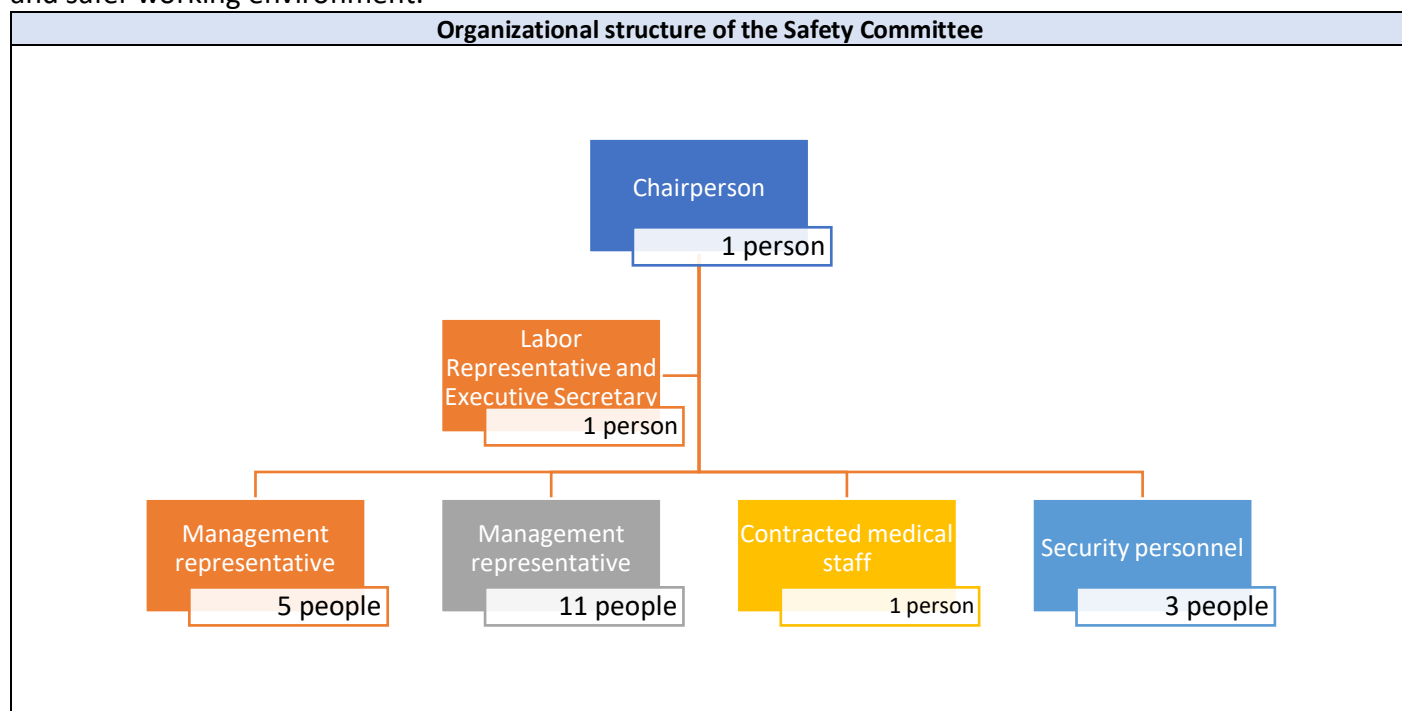
Material topic: Occupational safety and health	
Material reasons for the topic	Occupational health and safety is crucially important to the Company. We place significant emphasis on safety and health in our production and occupational activities. This is a cornerstone of our commitment to sustainability and integral to our pursuit of long-term viability. If occupational health and safety management is not implemented, the risk of occupational disasters and diseases for employees would significantly increase. If the Company faces shutdown due to occupational accidents, it would incur substantial losses and suffer a significant blow to its corporate image.
Influence and impact	<p>【Economic aspect】</p> <ul style="list-style-type: none"> Positive impact: <ol style="list-style-type: none"> A safe working environment not only allows employees to work with peace of mind, dedication, and focus but also indirectly enhances the Company's corporate image. This assurance also extends to employees' families, who are more willing to support ASC. A safe working environment not only enables the Company to conduct production operations smoothly but also reduces the risk of work stoppages due to occupational accidents or other safety hazards, ensuring smooth operation of deliveries and supply chains. Negative impact: <ol style="list-style-type: none"> Relevant units or colleagues that suffer financial, physical, and psychological damage due to occupational accidents, and such accidents could potentially lead to legal ramification. Fines, injuries and fatalities resulting from occupational accidents. <p>【Environmental aspect】</p> <ul style="list-style-type: none"> Positive impact: Implementing workplace environmental safety to reduce the occurrence of occupational disasters and diseases, minimizing the negative impact of the environment on our operational colleagues. Negative impact: In the event of a workplace safety incident such as fire or explosion, surrounding areas of the Plant could be polluted due to combustion, significantly impacting company operations. Apart from severe damage to corporate image, there would be costs associated with rebuilding, potential casualties, and concerns about legal violations, all contributing to a serious disasters risk. <p>【Human rights aspect】</p> <ul style="list-style-type: none"> Positive impact: Prioritizing occupational health and safety enhances corporate social image, promoting human rights, and reducing inequality and discrimination. Negative impact: ASC values not only the physical safety of its employees at work but also their emotional well-being. As employees progress annually, there is a tendency for group dynamics to develop, potentially leading to bullying situations. To prevent this, on-site nurses provide enhanced care and support to foster a respectful workplace environment.
Policy/Strategy	ASC is committed to sustainable business operations and development, aligning with international occupational health and safety trends. To this end, we have formulated an Occupational Health and Safety Management Policy. All employees are expected to enhance occupational health and safety management performance in accordance with this policy. Through the PDCA cycle of planning, implementation, evaluation, and improvement, we ensure the appropriateness and effectiveness of our overall operations. Based on these principles, the following provisions constitute our established Occupational Health and Safety Management Policy, which all colleagues are required to adhere to unanimously.

SUSTAINABLE DEVELOPMENT	ETHICAL GOVERNANCE	HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
Goals and targets	<ul style="list-style-type: none"> Short-term goal: Enhance employee safety awareness promotion and enhance process safety improvement. Starting in 2024, the ISO 45001 Occupational Health and Safety Management Systems was established to further improve and implement the system. Mid-term goal: Regularly conduct education and training sessions and enhancing process safety. Also implementing PDCA in accordance with the ISO 45001 Occupational Health and Safety Management System to gradually improve operational and environmental safety. Long-term goal: To enhance employee safety awareness and reduce the incidence of occupational accidents, and in accordance with the principles of ISO 45001 Occupational Health and Safety Management System, we aim to provide a safe working environment for our employees. This effort not only enhances our corporate image but also expands our customer base, improves customer ratings, and increases order volumes. Furthermore, we are upgrading our process safety facilities to exceed regulatory requirements. 					
Management evaluation mechanism	For the monthly data statistics on missing inspections items and quantities, submit to the Occupational Safety and Health Committee for review.					
Performance and adjustment	<p>In 2023, there were no significant occupational safety incidents occurring inside or outside the plant premises or during transportation, nor were there any negative impacts on the environment. In 2023, the occupational safety education and training courses organized by ASC are as follows:</p> <p>March 24, 2023 Q1 in-service employee education and training June 16, 2023 Q2 in-service employee education and training September 22, 2023 Q3 in-service employee education and training December 22, 2023 Q4 in-service employee education and training July 14, 2023 respiratory protection education and training July 14, 2023 hearing protection education and training October 27, 2023 hearing protection education and training May 26, 2023 held fire drill training for the first half of the year November 24, 2023 held fire drill training for the second half of the year October 27, 2023 education and training on emergency trauma handling</p>					
Preventive or remedial measures	<p>Preventive measure: Implement the annual safety and health (including emergency response drill) related work plan, and conduct relevant training and drills according to the plan. The specific actions are as follows:</p> <ol style="list-style-type: none"> 1. Occasionally organize new employee orientation education and training. 2. Held monthly safety deficiencies education and training. 3. Occasionally promote various occupational injury cases and providing improvement suggestions for related cases. 4. Regularly convene the Occupational Safety and Health Management Committee to review the implementation results, the deficiencies that have occurred, and the effectiveness of improvement, and to formulate future implementation goals. <p>Remedial measures: In the event of an accident, in addition to activating the emergency medical procedures, the relevant reporting procedures must be carried out in accordance with the law. Remedial measures for the affected employees will be taken in compliance with legal and company regulations, and subsequent improvement actions will be implemented according to the accident reporting and handling process.</p> <p>Grievance mechanism: The Company has set up grievance mailboxes at the entrances and exits of the plant.</p>					

Occupational safety and health management

ASC has not yet implemented an occupational safety and management system. To effectively manage and enforce the Occupational Safety and Health Act, the Company has established the "Safety Committee" and formulated the "Occupational Safety and Health Work Code" based on the "Regulations of Occupational Safety and Health Management". The scope of the Code includes all employees, non-employee workers, and contractors at ASC's Changbin Plant, Plant II, and Plant III. No specific workers are excluded, and all personnel are protected under the safety management system. In addition, the Company expects to establish and implement the ISO 45001 Occupational Health and Safety Management System in 2024.

The "Safety Committee" is composed of 11 labor representatives and 5 management representatives to assist in supervising and providing recommendations on occupational health and safety planning. In addition, the committee convenes regular quarterly meetings to discuss, review, coordinate, and recommend occupational safety and health promotion matters to provide employees with a friendlier, more comfortable, and safer working environment.



Procedures for hazard identification, risk assessment, incident notification, and investigation

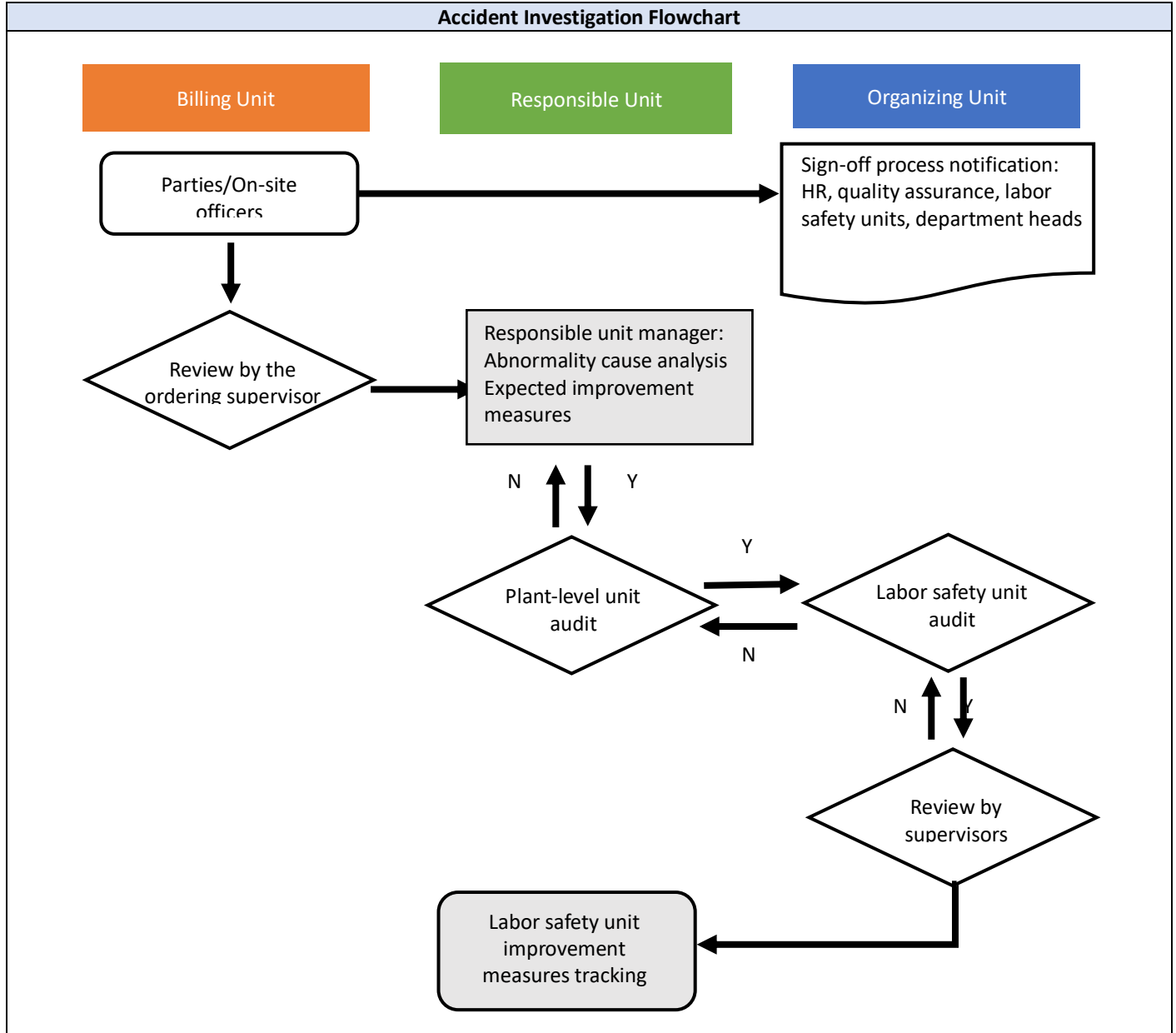
Considering the characteristics of the chemical industry, ASC, according to its internally established "Occupational Safety and Health Work Code", will conduct hazard identification and risk assessment for hazardous machinery within the plant. The assessment results will be reported to the supervisor in charge of the mechanical equipment, and the dedicated unit will be requested to assist with improvements. A residual risk assessment will be conducted upon completion of the improvements. The Company carefully identifies, assesses, and monitors potential risks in the production process, promotes safety awareness among production line personnel, and provides comprehensive education and training. Additionally, it assists personnel in preparing proactive measures to ensure the elimination of accidents or negative impacts.

If employees encounter immediate hazards while performing production line operations, they may stop or leave the work area on their own. If they have concerns about work safety and health, they can report or file a complaint through the channels listed in the table below. However, after personnel report incidents, the Company handles them according to its dedicated procedures for reporting illegal or unethical behavior by internal and external individuals. ASC pledges to protect whistleblowers from any improper treatment.

resulting from their reports.

Whistleblowing channels	
Acceptance Unit	Management Department
Mailing address	No. 20, Xiangong S. 2nd Rd., Xianxi Township, Changhua County
Reporting hotline	04-7582827 ext. 2201, 2001
Email	accusation@alliedsupreme.com

The accident investigation process of ASC is as follows:



Step process	
STEP 1. Billing Unit	<ol style="list-style-type: none"> 1.The "Employee Accident Notification and Handling Tracking Form" is billed by the party concerned or on-site officers to describe the occurrence of an accident. 2.Notify the HR, labor safety unit, and department head of the approval process.
STEP 2. Responsible Unit	<ol style="list-style-type: none"> 1.Abnormality cause analysis and expected improvement measures. 2.The responsible unit evaluates whether to issue an "Administrative Reward or Punishment Form" based on the cause of the accident. 3.The receipt should be completed within two working days. If there are delays, the labor safety unit will issue an anomaly report according to the Quality Abnormality Management Procedure.
STEP 3. Management review and supplementation	<ol style="list-style-type: none"> 1.The labor safety unit evaluates the cause analysis and supplements the improvement measures. 2.Plant managers evaluate the reasonableness of the "Estimated Improvement Date".

STEP 4. Labor safety unit

The improvement results are tracked according to the "Estimated Improvement Measures and Date" in the form.

Health service and promotion activities

The Company ensures a safe and healthy working environment for employees by overseeing improvements based on the characteristics of each operational site. Specifically, for hazardous work areas such as dust and noise zones, employees are instructed and required to use personal protective equipment. This effort aims to minimize exposure to acceptable levels of risk while providing a safe and comfortable working environment. ASC implements health checks and management for employees. Those who have been with the Company for more than a year are entitled to an annual health check as a welfare benefit. For employees found to have abnormal health check results, we provide health consultation, guidance, ongoing monitoring, and recommend appropriate work adjustments.

Summary of ASC's employee health check statistics and expenses for 2023

General health check	
Inspection item	The health check items are based on the labor health check items, with additional abdominal ultrasound and electrocardiogram included.
Number of people inspected (person)	327
Inspection fee	NTD 594,540
Special health check	
Inspection item	Noise and dust lung function.
Number of people inspected (person)	122
Inspection fee	NTD 52,600

ASC's employee health check status of 2023



Daily questionnaire survey



Height, weight, waist measurement



Special inspection



Health check questionnaire



Specimen recall



X-ray examination

Furthermore, the Company promotes employees' physical and mental health by leading stress management activities, encouraging employees to engage in sports and enjoy physical activities independently. Additionally, health education emails have been sent to promote various health issues, thereby supporting employees' overall well-being. The internal health education information and physical health education and training are as follows.

Internal promotion of health education information	Physical health education and training
Celebrate the Dragon Boat Festival with joy, but don't indulge in rice dumplings	Respiratory protection education and training (content includes: respiratory protection fit testing and plant physicians respiratory protection physiological evaluation)
Dengue fever prevention - Health News	Hearing protection education and training
Dengue fever prevention and treatment	Education and training on emergency trauma handling (content includes: emergency treatment of trauma)
Mycoplasma pneumoniae	-
Mycoplasma pneumoniae Q&A	-
Hypertensive Heart Disease - Health News	-

2023 health promotion photos of ASC		
 <p>AED use education and training</p>	 <p>Education and training on emergency trauma handling</p>	 <p>Respiratory protective equipment fit testing</p>
 <p>Respiratory protection education and training</p>	 <p>Gender equality promotion</p>	 <p>Sexual harassment prevention promotion</p>
 <p>Physiological assessment of respiratory protection by plant physician</p>	 <p>Instructions for purchase and placement of drugs</p>	 <p>Hearing protection education and training</p>

Occupational safety education and training

Since most accidents are related to human error, training employees to develop hazard prevention awareness and avoid negligence work habits has become the focus of safety education and training. The Company has an annual training plan that is regularly implemented, and we reinforce employee proficiency and professionalism through retraining. Additionally, we conduct training courses based on assessment results or specific processes and equipment to ensure a safe and productive working environment from the basics.

Occupational safety and health training items statistics table		
Name of training item	Number of trainees	Training fee (NTD)
Safety and health education and training for new employees	28	0
2023 Q3 safety and health education and training	43	0
2023 Q4 safety and health education and training	55	0
Fire safety workshop in the first half of 2023	72	0
2023 Q2 safety and health education and training	60	0
2023 Q1 safety and health education and training	124	0
2023 respiratory protection education and training	18	0
2023 hearing protection education and training	15	0
2023 education and training on emergency trauma handling	15	0
Fire safety workshop in the second half of 2023	45	0
General safety and health in-service training (retraining) [Construction Industries]	8	3,650
Six hours of general safety and health training	4	3,290
Small boiler operator training course	1	5,000
Bridge crane retraining	23	18,300
Bridge crane beginner training	14	93,400
Retraining for hazardous operation managers (including organic, specialized, dust, hypoxia, lead)	13	12,600
Fire protection manager resume training course	3	4,800
Security supervisor orientation training and retraining courses	1	2,700
First aid personnel retraining	5	3,100
Operator of aerial work vehicle	1	8,500
Special safety and health education and training for operators of aerial work vehicles	1	7,650
Forklift retraining	17	8,200
Forklift beginner training	7	28,300
General safety and health education and training organized by the Park Association (Central Taiwan Science Park) in 2023	2	1,660
Creation of in-service education and training for safety operation managers	1	1,200
Occupational safety and health operations managers (including type A, B, and C safety and health managers) and occupational safety and health personnel (including occupational safety administrators, safety engineers, and hygienists)	4	4,400
Retraining of occupational safety and health operations managers (including type A, B, and C safety and health managers) and occupational safety and health personnel (including occupational safety administrators, safety engineers, and hygienists)	3	2,800
Occupational safety and health in-service education and training for occupational safety and health managers and occupational safety and health management personnel	1	1,000

Occupational accidents

ASC's management mechanism for preventing occupational diseases complies with relevant regulations. This includes plans for respiratory protection, maternity protection, ergonomics, prevention of unlawful acts, and hearing protection, all of which are implemented according to their respective plans. The Company conducts operational environment monitoring every six months, providing suitable safety protective

equipment for special hazard work areas and general work areas. Additionally, annual health checks and specific health examinations are conducted for employees. In 2023, there were no incidents of occupational diseases reported among employees or non-employee workers at ASC.

To effectively prevent occupational accidents, ASC conducts regular daily inspections of work sites according to the regulations outlined in the “Procedures of Occupational Safety and Health”. These inspections include checking the use of personal protective equipment, implementing engineering controls (such as installing guards and purchasing personnel lifts), and enforcing administrative controls (such as prohibiting operation of forklifts and bridge cranes without wearing safety helmets). The occupational injuries suffered by the Company's employees in 2023 are disclosed in the table below. Out of the 9 employees who suffered occupational injuries, 4 were due to COVID-19, 3 of them were male and 1 was female. The remaining 5 employees were injured in the workplace, 3 were male and 2 were female.

Occupational injury status among employees of ASC in the past three years				
Category	Item	2021	2022	2023
Total working hours	Total working hour experienced by women	333,680.5	432,752	371,139.5
	Total working hour experienced by men	545,800	645,694.5	614,147.5
	Total working hour experienced	879,480.5	1,078,446.5	985,287
Number of fatalities due to occupational injuries	Female fatalities	0	0	0
	Male fatalities	0	0	0
	Total number of fatalities	0	0	0
Number of serious occupational injuries (excluding fatalities)	Total number of female employees with serious occupational injuries (times)	0	0	0
	Total number of male employees with serious occupational injuries (times)	0	0	0
	Total number of employees with serious occupational injuries (times)	0	0	0
Number of recordable occupational injuries (including fatalities and serious occupational injuries)	Total number of female employees with occupational injuries (times)	2	48	3
	Total number of male employees with occupational injuries (times)	1	44	6
	Total number of employees with occupational injuries (times)	3	92	9
Occupational injury fatality rate %		0	0	0
Severe occupational injury rate %		0	0	0
Recordable occupational injury rate %		3.41	85.31	9.13

Note:

1. Fatality rate due to occupational injuries = (number of fatalities due to occupational injuries/working hours) * 1,000,000.
2. Severe occupational injury rate = [number of serious occupational injuries (excluding fatalities)/working hours] * 1,000,000.
3. Recordable occupational injury rate = [number of recordable occupational injuries (including fatalities and serious occupational injuries)/working hours] * 1,000,000.
4. Severe occupational injuries refer to occupational injuries that result in the inability to recover health within 6 months.
5. Recordable occupational injuries do not include occupational injuries during commuting to and from work.
6. The Occupational Safety and Health Administration has issued a press release announcing that infection of COVID-19 at the workplace is an occupational injury.
7. The categories of occupational injuries included 3 cases of falls, 1 of crushing, and 1 of laceration.

Occupational safety management for suppliers and contractors

In order to comply with the occupational safety and health regulations, maintain the safety of the workers and equipment of the contractors, and reduce the occurrence of occupational disasters, ASC has formulated a series of regulations. These guidelines govern the procedures and methods related to operational safety and health for contractors working within the Company's premises. This ensures the

protection of both contractors' and the Company's interests. During the construction or operation periods, contractors are required to adhere not only to the terms of the engineering contract but also to comply with the Occupational Safety and Health Act and related laws. ASC consistently prioritizes safety as the highest standard of operations.

To ensure the accurate communication of construction-related operational regulations, ASC conducts safety education and holds safety meetings every time a contractor enters the site of construction. Both parties are fully informed about the construction details before proceeding with operations, thereby protecting the interests of both parties. We evaluate contractors annually according to our procurement management procedures.

Regulations and documents related to the safety and health management of contractors' construction	
Related documents	Description of requirements
Regulations governing contractors	The contractor's safety and health violation and the detailed list of deductions.
Daily onsite hazard notification	Read and sign confirmation of the daily onsite hazard notice before entering the plant each day.
Contractor's construction application form	Required to be completed when contracting with ASC.
Work safety meeting attendance sheet	The personnel of the contractor who attend the education and training with the contractor.
Hazard notification form	During the hazard notification education and training, contractors are required to read the information in detail and sign to confirm that they have thoroughly understood the operational hazards.
Contractor's safety and health work compliance agreement	Contractors are requested to make a commitment to comply with safety and health work.
Contractor entry information form	Contractors are required to fill out and provide information related to the contracted project.
Entry, delivery, and unloading hazard notification of contractors	Before entering the plant premises for delivery or unloading, contractors or delivery personnel must read the hazard notice and sign to confirm they have understood the relevant hazards.
Application forms for various high-risk operations	For tasks such as hot work, hoisting work, high-altitude operation, organic solvent operation, confined space operation, gas pipeline and equipment opening operation, etc., prior approval must be obtained from the Safety and Health Office before commencing work.

In addition to clearly defining regulations for execution, ASC has planned corresponding responsibilities and authorities, implementing a hierarchical management system. This allows for continuous monitoring to ensure that suppliers adhere to safety regulations during their operations.

Position	Duties and authorities
Procurement personnel	<ol style="list-style-type: none"> 1. Establish contractor selection criteria and exit procedures. 2. Provide regulatory requirements, general safety and health matters of engineering contracts, relevant application documents for construction in plants, and hazard notification information. 3. Before contractors begin on-site work, a hazard notification meeting of the contractor agreement organization should be held. Relevant personnel must be notified to attend, and meeting minutes should be recorded and preserved.
ASC Construction Organizing Unit Person in charge of construction	<ol style="list-style-type: none"> 1. Responsible for assisting contractors in various construction applications and the data collection of construction personnel. 2. Participate in the hazard notification meeting before construction and assist procurement personnel in arranging for contractors' workers to receive hazard awareness training. Clearly inform them of the possible hazards in the construction area and coordinate the construction process, schedule, and placement of materials. 3. Responsible for supervising and managing contractors' construction safety, environment, and construction quality, and the responsibility for inspecting and correcting work at any time. 4. After the completion of the construction, the Company will work with the procurement department to handle the acceptance.
Labor Safety and Health Unit	<ol style="list-style-type: none"> 1. Responsible for reviewing the completeness of the occupational safety information prepared by the applicant unit.

Position	Duties and authorities
Labor Safety and Health Unit	2. The contractor is informed of the possible hazards at the construction site and the safety, health, and environmental protection instructions that must be followed before the construction begins. 3. Audits are carried out occasionally during construction and recorded. 4. Implement the reporting of penalties and deductions for contractor violations according to the "contractor's safety and health violation and the detailed list of deductions". A "notice of contractor violation of occupational safety and health regulations" will be issued and may be co-signed by the procurement unit.
Contractor	1. Cooperate with the construction contractor to provide the construction application documents. 2. Cooperating with the construction contractor to attend the work safety meeting before the construction. 3. Arrange for qualified construction personnel to receive hazard notification and awareness in the plant area, and keep records on the "Hazard Notification Form". 4. Contractors are required to legally appoint qualified labor safety and health management personnel (supervisors).

VI. Social Prosperity

6.1 Participation in social welfare

Material Topic: Local Communities	
Material reasons for the topic	As a local enterprise, we are actively assisting in enhancing the operational capabilities of underprivileged groups within the community, thereby creating social impact. By integrating the Company's resources with the needs of underprivileged groups, we establish long-term cooperation mechanisms that are mutually beneficial. This approach allows us to share the Company's operational successes with the local community, benefiting more underprivileged groups and collectively creating a better future.
Influence and impact	<p>【Economic aspect】</p> <ul style="list-style-type: none"> Positive impact: The Company has established operational sites in Taipei, Hsinchu, Changhua, and Tainan. Due to business needs, we have increased vacancies in various professional fields, providing job opportunities for local residents and contributing to the local community's economic activity. Furthermore, there have been no instances of unpaid leave in the past decade, ensuring economic stability for our employees. In addition to regularly planning donations to support the underprivileged groups, we also engage in long-term partnerships with relevant organizations to purchase ingredients. This not only provides delicious meals for our employees but also helps these groups secure a stable source of income. Negative impacts: Changbin Industrial Park is one of the Company's key production areas and has not directly caused economic losses to the surrounding residents. Participation in social welfare activities is a positive feedback activity, and there is no negative impact. <p>【Environmental aspect】</p> <ul style="list-style-type: none"> Positive impact: The Company has various monitoring systems in place to ensure we prevent leaks or environmental hazards. In our commitment to the community, we actively participate in initiatives like beach cleanups to help reduce pollution from waste. We invite colleagues and their families to join, achieving not only tangible benefits for environmental cleanliness but also fostering educational experience for children. This teaches them about the dangers of environmental pollution, conveying the principles of social and environmental sustainability. Negative impact: ASC relies on its factory for product manufacturing, which is located in the Changbin Industrial Park. Currently, there are no direct impacts on the lives and environment of local residents. However, failure to comply with regulations could potentially affect local community residents in terms of environmental pollution and housing justice. <p>【Human rights aspect】</p> <ul style="list-style-type: none"> Positive impact: As a local enterprise, we actively assist in enhancing the operational capabilities of local underprivileged groups to create social impact. We uphold the principle of respecting each employee's individual differences, and therefore, the Company has never experienced any discrimination events. In recent years, there have been no cases of gender equality complaints, and we will continue to maintain and enhance the implementation of human rights-related measures. Negative impact: The majority of employees of the Company are located at Changbin Plant in Xianxi township. Due to the nature of the industry, most employees are male, resulting in an imbalanced gender ratio. However, we prioritize the establishment of maternity protection facilities, such as providing well-maintained and fully equipped breastfeeding rooms. Participation in social welfare activities is a positive feedback activity, and should not have any negative impact.
Policy/Strategy	By "implementing corporate governance, developing a sustainable environment, maintaining social welfare, and enhancing corporate social responsibility disclosure", we aim to create mutual connections with the local communities in a way that fosters mutual benefits and coexistence.
Goals and targets	<ul style="list-style-type: none"> Short-term goal: To raise the awareness among employees of the Company about philanthropy and to understand the operational status and needs of underprivileged groups in the community, the Company initiate public welfare activities such as donations, charity sales, blood donations, etc. These activities gradually involve our participation in local community welfare activities, increasing employees' identification with and support for public welfare initiatives. Mid-term goal: Establish cooperative relationships with local underprivileged groups to create long-term and stable partnerships. This approach enables these groups to produce public welfare-oriented products that align with the operational needs of the Company.

Material Topic: Local Communities	
Goals and targets	<ul style="list-style-type: none"> Long-term goal: After long-term collaboration with local underprivileged groups, we create job opportunities tailored to the populations they serve, establishing a friendly connection with these communities. This approach guides the relevant underprivileged groups towards opportunities for independent livelihood.
Management evaluation mechanism	Through the corporate governance evaluation system, we assess the importance given to community and public welfare activities during the year.
Performance and adjustment	In 2023, ASC participated in public welfare activities with a total amount of NTD 472,075. (Including donations and purchases of public welfare goods)
Preventive or remedial measures	<p>In Q4 of each year, we plan the public welfare activities for the following year, including donations, blood drives, and community service, to ensure the continued integrity of our CSR image. We also make adjustments based on the results of the corporate governance evaluation.</p> <p>The Company has established a grievance mailbox at the plant entrance. Upon receiving a complaint, we will investigate and evaluate the case according to the complaint process and develop a relevant review and improvement plan.</p>

Giving back to the community

ASC's Changbin Plant is located within the Changbin Industrial Park, which conducted environmental and community risk assessments during its initial development. Therefore, our operations have not caused any actual or potential negative impacts on the local community. However, the Company upholds the corporate spirit of taking from and contributing to society, giving back to society through various forms and actively participating in community activities. The Chairperson led all department heads and all employees in initiating public welfare and donation activities. The Company also provides financial assistance to various organizations, offering numerous donations and support.

Public welfare activities ASC participated in 2023		
Name of public welfare activity	Amount (NTD)	Description
Donation for performance by school children in rural areas	NTD 100,000	Provided sponsorship for choir performances at elementary schools in rural areas. This enabled the pure and resonant voices of Atayal children to be heard in world-class performance halls, becoming a source of pride for Taiwan.
Donation to The Garden of Hope Foundation	NTD 20,000	Promoting human rights policies and workplace diversity, expanding from internal diversity and equality to society, with the hope of providing more support for women and children.
Donation to the Eden Social Welfare Foundation	NTD 20,000	Through the Eden Social Welfare Foundation, we gained a deeper understanding of current social issues, engaged with the world of children with special needs, and provided donations and actual assistance. Through one-day volunteer activities, we assisted children with special needs in participating in school learning activities. We hope our colleagues maintain kindness and empathy, consistently helping others with a compassionate heart.
Greenbox Fruit for Baby	NTD 20,000	Due to family changes and social issues, many children in need of care have limited social resources. The main reason is that most of the funding received by orphanages is specifically allocated for "education and medical care". Therefore, we have committed to providing nutritious fruits and vegetables to ensure these children receive adequate nutrition and grow up healthily.
Joyce and Love Dumplings	NTD 312,075	Joyce Meredith McMillan established a sheltered workshop in the local community of Erlin Township, producing and selling handmade dumplings, creating numerous employment opportunities for residents. ASC supports this initiative by regularly purchasing the dumplings for use as evening snacks in the employee cafeteria. In 2023, a total of 2,205 pack of dumplings were purchased.
Enthusiasm and boundless love	-	A total of 79 people participated in the blood donation activity within the Company. Encouraging colleagues to roll up their sleeves and donate blood, we promote the benefits of blood donation and the concept of helping others. We hope that everyone can contribute a little to help many.

Public welfare activities ASC participated in 2023

Name of public welfare activity	Amount (NTD)	Description
"Lucky to Have You" Beach Cleanup Activity	-	Gazing at the coastline, dotted with rocky terrain and littered with countless pieces of trash, we realized how close the polluted oceans is to our daily lives. We decided to choose a holiday and invite our families to join us. Together, we collected trash, shared knowledge about marine education and waste sorting, and restored the coastline to a cleaner state. A total of 105 people participated in this event.

List of public welfare activities



Visiting records from various foundations



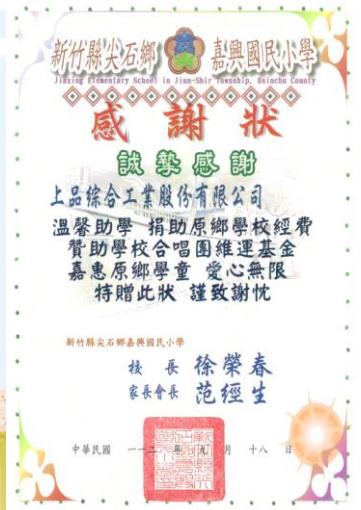
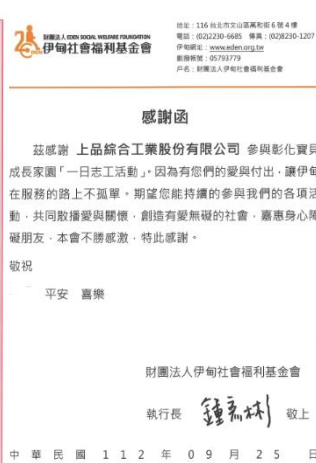
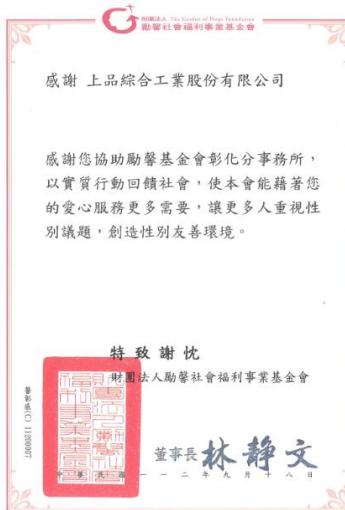
Enthusiasm and boundless love



One-day volunteer for children with special needs



"Lucky to Have You" Beach Cleanup Activity



Appreciation letter and proof of donation

Appendix

Appendix 1: GRI Standards (GRI Standards) Reference Table

Statement of Use	Allied Supreme Corporation has reported the information quoted in the GRI content index for the period January 1, 2023 to December 31, 2023 with reference to the GRI Standards.
GRI 1 in use	GRI 1: Basic 2021
Applicability of GRI Standards	N/A

GRI Standards Category/Topic	Serial No.	Disclosures under the GRI Standards	Corresponding chapter	Page	Omit/Note
1. Organization and reporting practices					
GRI 2 General Disclosure 2021	2-1	Organizational details	2.1 About ASC	25	
	2-2	Entities included in the organization's sustainability reporting	About This Report	7	
	2-3	Reporting period, frequency, and contact point	About This Report	7	
	2-4	Restatements of information	About This Report	7	
	2-5	External assurance	About This Report	7	
2. Activities and workers					
GRI 2 General Disclosure 2021	2-6	Activities, value chain and other business relationships	2.1 About ASC	25	
	2-7	Employees	5.1 Employee overview	89	
	2-8	Workers who are not employees	5.1 Employee overview	89	
3. Governance					
GRI 2 General Disclosure 2021	2-9	Governance structure and composition	2.3 Focus on governance	33	
	2-10	Nomination and selection of the highest governance body	2.3 Focus on governance	33	
	2-11	Chair of the highest governance body	2.3 Focus on governance	33	
	2-12	Role of highest governance body in overseeing management of impacts	1.1 Sustainable development strategy	9	
	2-13	Delegation of responsibility for managing impact	1.1 Sustainable development strategy	9	
	2-14	Role of the highest governance body in sustainability reporting	1.1 Sustainable development strategy	9	
	2-15	Conflicts of Interest	2.3 Focus on governance 2.4 Honesty and ethics	33 47	
	2-16	Communication of critical concerns	1.1 Sustainable development strategy	9	
	2-17	Collective knowledge of the highest governance body	2.3 Focus on governance	33	
	2-18	Evaluation of the performance of the highest governance body	2.3 Focus on governance	33	
	2-19	Remuneration policies	2.3 Focus on governance	33	
	2-20	Process to determine remuneration	2.3 Focus on governance	33	
2-21	Annual total compensation ratio	5.2 Care for employees	94		
4. Strategies, policies and practices					
GRI 2 General Disclosure 2021	2-22	Statement on sustainable development strategy	Word from the Chairman	3	
	2-23	Policy commitments	2.4 Honesty and ethics	47	
	2-24	Embedding policy commitments	2.4 Honesty and ethics	47	
	2-25	Processes to remediate negative impacts	2.4 Honesty and ethics	47	
	2-26	Mechanisms for seeking advice and raising concerns	2.4 Honesty and ethics	47	
	2-27	Compliance with laws and regulations	2.6 Strict compliance with laws and regulations	58	
	2-28	Membership associations	2.1 About ASC	25	
5. Stakeholder engagement					
GRI 2 General Disclosure 2021	2-29	Approach to stakeholder engagement	1.2 Communication with stakeholders	12	
	2-30	Collective bargaining agreements	5.1 Employee overview	89	
Topic-specific Guidelines: 200 Series (Economic topics)					
Market position					
GRI 202 Market Presence Topic Disclosure 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.2 Care for employees	94	
	202-2	Proportion of senior management hired from the local community	5.1 Employee overview	89	
Indirect economic impacts					
GRI 203 Indirect Economic Impacts Topic Disclosure 2016	203-1	Infrastructure investment and services supported	6.1 Participation in social welfare	108	
	203-2	Significant indirect economic impacts	6.1 Participation in social welfare	108	
Procurement practices					
GRI 204	204-1	Proportion of spending on local suppliers	3.3 Sustainable supply	61	

GRI Standards Category/Topic	Serial No.	Disclosures under the GRI Standards	Corresponding chapter	Page	Omit/Note
Procurement Practice Topic Disclosure 2016			chain		
Anti-corruption					
GRI 205 Anti-corruption Topic Disclosure 2016	205-1	Operations assessed for risks related to corruption	2.4 Honesty and ethics	47	
	205-2	Communication and training on anti-corruption policies and procedures	2.4 Honesty and ethics	47	
	205-3	Corruption incidents confirmed and actions taken	2.4 Honesty and ethics	47	
Anti-competitive behavior					
GRI 206 Anti-competitive Behavior Topic Disclosure 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.6 Strict compliance with laws and regulations	58	
Taxation					
GRI 207 Tax Topic Management Disclosure 2019	207-1	Tax Policy	2.2 Current operational status	58	
	207-2	Tax governance, control and risk management	2.2 Current operational status	30	
	207-3	Stakeholder communication and management of tax-related issues	2.2 Current operational status	30	
GRI 207 Tax Topic Disclosure 2019	207-4	Country-by-country reporting	-		No country-by-country reporting required
Topic-specific Guidelines: 300 Series (Environmental topics)					
Materials					
GRI 301 Materials Topic Disclosure 2016	301-1	Materials used by weight or volume	4.2 Materials management	79	
	301-2	Recycled input materials used	4.2 Materials management	79	
	301-3	Reclaimed products and their packaging materials	4.2 Materials management	79	
Topic-specific Guidelines: 400 Series (Social topics)					
Employment relations					
GRI 401 Employment Topic Disclosure 2016	401-1	New employee hires and employee turnover	5.1 Employee overview	89	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Care for employees	94	
	401-3	Parental leave	5.2 Care for employees	94	
Labor/management relations					
GRI 402 Labor/Management Relations Topic Disclosure 2016	402-1	Minimum notice periods regarding operational changes	5.1 Employee overview	89	
Training and education					
GRI 404 Training and Education Topic Disclosure 2016	404-1	Average hours of training per year per employee	5.3 Talent training	97	
	404-2	Programs for upgrading employee skills and transition assistance programs	5.3 Talent training	97	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.3 Talent training	97	
Employee diversity and equal opportunities					
GRI 405 Diversity and Equal Opportunity Topic Disclosure 2016	405-1	Diversity of governance bodies and employees	2.3 Focus on governance 5.1 Employee overview	33 89	
	405-2	Ratio of basic salary and remuneration of women to men	5.2 Care for employees	94	
Non-discrimination					
GRI 406 Non-discrimination Topic Disclosure 2016	406-1	Incidents of discrimination and corrective actions taken	2.3 Focus on governance 2.4 Honesty and ethics 5.1 Employee overview	33 47 89	
Freedom of association and collective bargaining					
GRI 407 Freedom of Association and Collective Bargaining Topic Disclosure 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.1 Employee overview	89	
Child labor					
GRI 408 Child Labor Topic Disclosure 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	2.3 Focus on governance 5.1 Employee overview	33 89	
Forced or compulsory labor					
GRI 409	409-1	Operations and suppliers at significant risk for incidents of forced	2.3 Focus on governance	33	

SUSTAINABLE DEVELOPMENT	ETHICAL GOVERNANCE	HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
GRI Standards Category/Topic	Serial No.	Disclosures under the GRI Standards	Corresponding chapter	Page	Omit/Note	
Forced or Compulsory Labor Topic Disclosure 2016		or compulsory labor	5.1 Employee overview	89		
Security practices						
GRI 410 Security Practices Topic Disclosure 2016	410-1	Security Personnel trained in human rights policies or procedures	5.1 Employee overview	89		
Rights of indigenous people						
GRI 411 Rights of Indigenous Peoples Topic Disclosure 2016	411-1	Incidents of violations involving rights of indigenous peoples	2.3 Focus on governance 5.1 Employee overview	33 89		
Public policy						
GRI 415 Public Policy Topic Disclosure 2016	415-1	Political contributions	2.2 Current operational status	25		
Customer health and safety						
GRI 416 Customer Health and Safety Topic Disclosure 2016	416-1	Assessment of the health and safety impacts of product and service categories	3.2 Customer management and product quality	64		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.3 Focus on governance 3.2 Customer management and product quality	33 64		
Marketing and labeling						
GRI 417 Marketing and Labeling Topic Disclosure 2016	417-1	Requirements for product and service information and labeling	3.2 Customer management and product quality	64		
	417-2	Incidents of non-compliance concerning product and service information and labeling	2.3 Focus on governance 3.2 Customer management and product quality	33 64		
	417-3	Incidents of non-compliance concerning marketing communications	2.3 Focus on governance 3.2 Customer management and product quality	33 64		
Customer privacy						
GRI 418 Customer Privacy Topic Disclosure 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.3 Focus on governance 3.1 Customer service management	33 61		

Material Topic Disclosure

GRI No.	Issue	Industry Code No.	Serial No.	Disclosures under the GRI Standards	Corresponding chapter	Page	Omit/Note
GRI 3: Material Topics 2021	Management approach	-	3-1	Process to determine material topics	1.3 Identification of material topics	15	
GRI 3: Material Topics 2021	Management approach	-	3-2	List of material topics	1.3 Identification of material topics	15	
Material Topic: Economic Performance (GRI 201)							
GRI 3: Material Topics 2021	Economic performance management policy	-	3-3	Management of material topics	2.2 Current operational status	30	
GRI 201	Economic Performance Topic Disclosure 2016	-	201-1	Direct economic value generated and distributed	2.2 Current operational status	30	
		-	201-2	Financial implications and other risks and opportunities due to climate change	4.1 Risks and opportunities of climate change and countermeasures	75	
		-	201-3	Defined benefit plan obligations and other retirement plans	5.2 Care for employees	94	
		-	201-4	Financial assistance received from government	2.2 Current operational status	30	
Material Topic: Energy (GRI 302)							
GRI 3: Material Topics 2021	Management approach	-	3-3	Management of material topics	4.3 Energy control	79	
GRI 302	Energy Topic Disclosure 2016	-	302-1	Energy consumption within the organization	4.3 Energy control	79	
		-	302-2	Energy consumption outside of the organization	Data not available -	-	
		-	302-3	Energy intensity	4.3 Energy control	79	

SUSTAINABLE DEVELOPMENT		ETHICAL GOVERNANCE		HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
		-	302-4	Reduction of energy consumption		4.3 Energy control	79	
		-	302-5	Reductions in energy requirements of products and services		4.3 Energy control	79	
Material Topic: Emissions (GRI 305)								
GRI 3: Material Topics 2021	Management approach	-	3-3	Management of material topics		4.3 Energy control	79	
GRI 305	Emissions Topic Disclosure 2016	-	305-1	Direct (Scope 1) GHG emissions		4.4 Emission mitigation	83	
		-	305-2	Energy indirect (Scope 2) GHG emissions		4.4 Emission mitigation	83	
		-	305-3	Other indirect (Scope 3) GHG emissions		4.4 Emission mitigation	83	
		-	305-4	GHG emissions intensity		4.4 Emission mitigation	83	
		-	305-5	Reduction of GHG emissions		4.3 Energy control 4.4 Emission mitigation	79 83	
			305-6	Emissions of ozone-depleting substances (ODS)		-	-	In 2023, the Company did not produce any emissions of ozone-depleting substances (ODS).
			305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		-	-	In 2023, the Company did not produce any emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions.
Material Topic: Water and Effluents (GRI 303)								
GRI 3: Material Topics 2021	Management approach	-	3-3	Management of material topics		4.5 Water resource utilization	85	
GRI 303	Water and Effluents Topic Management Disclosure 2018	-	303-1	Interactions with water as a shared resource		4.5 Water resource utilization	85	
		-	303-2	Management of water discharge-related impacts		4.5 Water resource utilization	85	
	Water and Effluents Topic Disclosure 2018	-	303-3	Water withdrawal		4.5 Water resource utilization	85	
		-	303-4	Water discharge		4.5 Water resource utilization	85	
		-	303-5	Water consumption		4.5 Water resource utilization	85	
Material Topic: Waste (GRI 306)								
GRI 3: Material Topics 2021	Management approach	-	3-3	Management of material topics		4.6 Waste management	87	
GRI 306	Waste Topic Management Disclosure 2020	-	306-1	Waste generation and significant waste-related impacts		4.6 Waste management	87	
		-	306-2	Management of significant waste-related impacts		4.6 Waste management	87	
	Waste Topic Disclosure 2020	-	306-3	Waste generated		4.6 Waste management	87	
		-	306-4	Waste diverted from disposal		4.6 Waste management	87	
		-	306-5	Waste directed to disposal		4.6 Waste management	87	
	Wastewater and Waste Topic Disclosure 2016	-	306-3	Major spill		4.6 Waste management	87	

Material Topic: Supplier Environmental Assessment, Supplier Social Assessment (GRI 308, GRI 414)							
GRI 3: Material Topics 2021	Management approach	-	3-3	Management of material topics	3.3 Sustainable supply chain	66	
GRI 308	Supplier Environmental Assessment Topic Disclosure 2016	-	308-1	New suppliers that were screened using environmental criteria	3.3 Sustainable supply chain	66	
		-	308-2	Negative environmental impacts in the supply chain and actions taken	3.3 Sustainable supply chain	66	
GRI 414	Supplier Social Assessment Topic Disclosure 2016	-	414-1	New suppliers that were screened using social criteria	3.3 Sustainable supply chain	66	
		-	414-2	Negative social impacts in the supply chain and actions taken	3.3 Sustainable supply chain	66	
Major Topic: Occupational Safety and Health (GRI 403)							
GRI 3: Material Topics 2021	Occupational safety and health management policy	-	3-3	Management of material topics	5.4 Occupational safety and health	98	
GRI 403	Occupational Safety and Health Topic Management Disclosure 2018	-	403-1	Occupational health and safety management system	5.4 Occupational safety and health	98	
		-	403-2	Hazard identification, risk assessment and incident investigation	5.4 Occupational safety and health	98	
		-	403-3	Occupational health service	5.4 Occupational safety and health	98	
		-	403-4	Worker participation, consultation, and communication on occupational health and safety	5.4 Occupational safety and health	98	
		-	403-5	Worker training on occupational health and safety	5.4 Occupational safety and health	98	
		-	403-6	Promotion of worker health	5.4 Occupational safety and health	98	
		-	403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	5.4 Occupational safety and health	98	
	Occupational Safety and Health Topic Disclosure 2018	-	403-8	Workers covered by an occupational health and safety management system	5.4 Occupational safety and health	98	
		-	403-9	Work-related injuries	5.4 Occupational safety and health	98	
		-	403-10	Worked-related ill health	5.4 Occupational safety and health	98	
Material Topic: Local Communities (GRI 413)							
GRI 3: Material Topics 2021	Management approach	-	3-3	Management of material topics	6.1 Participation in social welfare	108	
GRI 413	Local Communities Topic Disclosure 2016	-	413-1	Operations with local community engagement, impact assessments, and development programs	6.1 Participation in social welfare	108	
		-	413-2	Operations with significant actual or potential negative impacts on local communities	6.1 Participation in social welfare	108	

* Custom topic	Serial No.	Disclosures under the GRI Standards	Corresponding chapter	Page	Omit/Note
*Innovative products and technology					
GRI 3 Innovative product and technology management policy	3-3	Management of material topics	3.2 Customer management and product quality	64	
*Customer service management					
GRI 3 Customer service management policy	3-3	Management of material topics	3.1 Customer service management	61	
*Environmental and social regulations management					
GRI 3 Environmental and social regulations management policy	3-3	Management of material topics	2.6 Strict compliance with laws and regulations	58	

Appendix 2: Sustainability Accounting Standards Board (SASB) Reference Table

Industry: Resource conversion_chemicals					
Disclosure topic	Indicator No.	Disclosure indicators	Disclosure status in 2023	Comparison of report contents and chapters	Page
GHG	RT-CH-110a.1	1. Scope 1 GHG emissions (metric tons of CO ₂ e) 2. Percentage (%) of Scope 1 GHG emissions subject to emission control regulations	1. Scope 1: 646.4194 metric tons of CO ₂ e. 2. There are currently no restrictions on emissions.	4.4 Emission mitigation	83
	RT-CH-110a.2	Management strategies or plans for Scope 1 GHG emissions	1. Conduct ISO 14064-1 inventory and introduce 2. Short-, mid- and long-term planning: (1) Short-term: Adopt a progressive approach to conduct Scope 1, 2 and 3 inventory checks. (2) Mid-term: Based on the base year's carbon emissions, conduct a breakdown of carbon emissions for each piece of equipment to manage and assess the implementation of carbon reduction tools. (3) Long-term: Implement long-term carbon reduction measures.	4.4 Emission mitigation	83
Air Quality	RT-CH-120a.1	1. Nitrogen oxides emissions 2. Sulfur oxides emissions 3. Volatile organic compounds 4. Emissions of hazardous air pollutants (HAPs)	ASC did not produce any hazardous emissions such as nitrogen oxides (NOx), sulfur oxides (SOx), persistent organic pollutants (POP), volatile organic compounds (VOC), hazardous air pollutants (HAP), or particulate matter (PM).	4.4 Emission mitigation	83
Energy management	RT-CH-130a.1	1. Total energy consumption (GJ) 2. Percentage of grid electricity consumption (%) 3. Percentage of renewable energy usage (%) 4. Self-generated energy (GJ)	1. Total energy consumption (unit): 56,938.79 (GJ). 2. Purchased electricity: 100%. 3. Renewable energy usage rate: 0% 4. Self-generated energy: 0 (GJ)	4.3 Energy control	79

SUSTAINABLE DEVELOPMENT	ETHICAL GOVERNANCE	HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
Water Management	RT-CH-140a.1	1. Total water intake 2. Total water consumption 3. Proportion of operational sites in areas of “highly” or “extremely high” water scarcity, and their share of total water intake and consumption.	1. Total water intake was 44.535 million liters. 2. Total water consumption was 21.287 million liters. 3. The Company does not harvest water resources that are used in "highly" or "extremely high" water scarcity areas.	4.5 Water resource utilization	85	
Industry: Resource conversion_chemicals						
Disclosure topic	Indicator No.	Disclosure indicators	Disclosure status in 2023	Comparison of report contents and chapters	Page	
Water Management	RT-CH-140a.2	Number of violations of water quality-related discharge permits, standards, and regulations	In 2023, the Company's water consumption and discharge standards meet the wastewater discharge standards of the Changbin Industrial Park Management Center.	4.5 Water resource utilization	85	
	RT-CH-140a.3	Description of water resource management risks and strategies, and practices to mitigate them	In water resource management, the Company utilizes an online SCADA remote monitoring system to manage and monitor water usage at our facilities, providing alerts for abnormalities to minimize water wastage. The Company regularly pays for testing conducted by the Management Bureau. In 2023, the total wastewater discharged was 21,287 m ³ , a decrease compared to 30,053 m ³ in the previous year. In 2023, we expanded our SCADA process water recycling system at the Changbin Plant, increasing the scope of water resource recovery within the plant. This expansion has led to a significant increase in water recycling, approximately 156,000 tons compared to 2022. The recycled water is used for cooling and evaporative heat dissipation systems for air conditioning, as well as for irrigation of plants within the plant, contributing to the reduction in wastewater discharge.	4.5 Water resource utilization	85	
Hazardous waste management	RT-CH-150a.1	Total amount of hazardous waste generated by the Company and the recycling percentage	ASC has not generated hazardous waste, so the recycling percentage of hazardous waste is 0%.	4.6 Waste management	87	

SUSTAINABLE DEVELOPMENT	ETHICAL GOVERNANCE	HIGH QUALITY	SUSTAINABLE ENVIRONMENT	FRIENDLY WORKPLACE	SOCIAL PROSPERITY	TABLE
Community relations	RT-CH-210a.1	The process of discussing and participating in the management of risks and opportunities related to community interests.	<p>The Company's operational sites, the production factory, is located within the Changbin Industrial Park, which has a well-planned area and can provide stable employment opportunities, working together to meet the local socio-economic needs.</p> <p>Due to the industrial park's location being far from residential communities, the impact on residents' lives and pollution is significantly reduced. However, failure to comply with regulations could affect local community residents in terms of environmental pollution and housing justice.</p>		6.1 Participation in social welfare	108

Industry: Resource conversion_chemicals					
Disclosure topic	Indicator No.	Disclosure indicators	Disclosure status in 2023	Comparison of report contents and chapters	Page
Occupational health and safety	RT-CH-320a.1	1. Accident Rate (TRIR) 2. Mortality rate a. Full-time employees b. Contract employees	1. Accident rate: 9.13%. 2. In 2023, there were no incidents of deaths due to occupational accidents or occupational diseases for employees and non-employees of ASC.	5.4 Occupational safety and health	98
	RT-CH-320a.2	Description of the assessment and monitoring of health risks to employees and non-employees (to reduce long-term/chronic exposure)	The Company ensures a safe and healthy working environment for employees by overseeing improvements based on the characteristics of each operational site. Specifically, for hazardous work areas such as dust and noise zones, employees are instructed and required to use personal protective equipment. This effort aims to minimize exposure to acceptable levels of risk while providing a safe and comfortable working environment. ASC implements health checks and management for employees. Those who have been with the Company for more than a year are entitled to an annual health check as a welfare benefit. Furthermore, the Company promotes employees' physical and mental health by leading stress management activities, encouraging employees to engage in sports and enjoy physical activities independently. Additionally, health education emails have been sent to promote various health issues, thereby supporting employees' overall well-being.	5.4 Occupational safety and health	98

Appendix 3: Sustainability Disclosure Indicators - Chemical Industry

Serial No.	Indicator	Indicator type	Unit	Disclosure status in 2023	Report content Chapter comparison	Page
I	Total energy consumption, percentage of purchased electricity, renewable energy usage rate, and total self-generated and self-use energy (Note 1)	Quantification	GJ Percentage (%)	1. Total energy consumption (unit): 58,172.84 (GJ) 2. Purchased electricity: 100%. 3. Renewable energy usage rate: 0% 4. All self-generated and self-use energy: 0 (GJ).	4.3 Energy management	79
II	Total water intake, total water consumption, and waste (sewage) water discharge required by regulations or voluntarily disclosed.	Quantification	Thousand cubic meters (m³) Percentage (%)	Total water consumption in 2023: 1. Total water intake: 44.535 thousand cubic meters. 2. Total water consumption: 23.248 thousand cubic meters. 3. Total displacement: 21.287 thousand cubic meters.	4.5 Water resource utilization	85
III	The total amount of hazardous waste generated during the product manufacturing process, as required by regulations or voluntarily disclosed, and the recycling percentage.	Quantification	Metric tons (t) Rate (%)	Total amount of hazardous waste generated during production 0 metric tons and the recycling percentage of hazardous waste generated during the manufacturing process was 0%.	4.6 Waste management	87
IV	Description of the number and rate of occupational accidents	Quantification	Quantity Rate (%)	1. In 2023, out of the 9 employees who suffered occupational injuries, 4 were due to COVID-19, while the remaining 5 were injured in the workplace. 2. Fatalities due to occupational injuries: 0% 3. Severe occupational injury rate: 0% 4. Recordable occupational injury rate: 9.13% *According to the press release of the Occupational Safety and Health Administration, infection with COVID-19 at work is recognized as an occupational injury. *Excluding commuting traffic accidents.	5.4 Occupational safety and health	89
V	Operational activities with significant actual or potential negative impacts on local communities	Qualitative description	Not applicable	The Company's operational sites, the production factory, is located within the Changbin Industrial Park, which has a well-planned area and can provide stable employment opportunities, working together to meet the local socio-economic needs. However, due to the industrial park's independent environment, although it is far from residential communities, the impact on residents' lives and pollution is significantly reduced. If regulations are not followed, it could affect the local community residents in terms of environmental pollution and housing justice. Neglecting effective management of waste and sewage discharge could cause issues for the local community and may result in penalties from the authorities. The Company is committed to beach cleanups and related community welfare activities to promote the dissemination of correct	6.1 Participation in social welfare	108

Se ria I N O.	Indicator	Indic ator type	Unit	Disclosure status in 2023	Report content Chapter compariso n	Pag e
				concepts. In addition, due to the nature of the industry, most employees are male, resulting in an unbalanced gender ratio. However, the Company still prioritizes the establishment of maternity protection facilities, aiming to create a good working environment.		
VI	Specific and effective mechanisms and actions adopted by the enterprise and its suppliers to reduce negative environmental or social impacts.	Quali tativ e descr iptio n	Not applicable	<p>In 2023, ASC's Procurement Department introduced the Responsible Business Alliance (RBA) Code of Conduct as a Supplier Code of Conduct to provide cooperative partners with guidelines. This is aimed at ensuring a safe working environment, respecting employees with dignity, promoting environmental conservation in business operations, and adhering to ethical standards for ASC's collaborating suppliers. ASC requires its suppliers to comply with these guidelines, as well as the laws and regulations of the countries and regions where they operate. Suppliers are also encouraged to require their downstream suppliers, contractors, and service providers to acknowledge and adopt these guidelines.</p> <p>Since July 2023, the Company has announced the "Supplier Code of Conduct" on the Company's official website and notified all suppliers via email. Supplier education includes the following content: A) labor, B) health and safety, C) environmental standards, D) business ethics, and E) elements related to this Code. ASC expects suppliers to collaborate in enhancing the Company's framework.</p> <p>In 2023, ASC also implemented contractor education and training to educate suppliers on various aspects, ensuring the rights of on-site construction personnel, providing a safe working environment, encouraging suppliers to establish comprehensive worker insurance systems, and conducting training for entering suppliers. ASC requires its suppliers to comply with these guidelines, as well as the laws and regulations of the countries and regions where they operate. Suppliers are also encouraged to require their downstream suppliers, contractors, and</p>	3.3 Sustainable supply chain	66

Se ria l N o.	Indicator	Indic ator type	Unit	Disclosure status in 2023	Report content Chapter compariso n	Pag e
				<p>service providers to acknowledge and adopt these guidelines.</p> <p>To effectively monitor suppliers' implementation of corporate social responsibility standards, ASC has developed a "Supplier Corporate Social Responsibility Assessment Form", and it conducted assessments on 32 suppliers of critical materials, focusing on labor rights, regulations, and business operations. The assessments also aimed to understand suppliers' progress in environmental management and pollution control. Feedback indicated that over 90% of suppliers met the qualification standards. Subsequently, random inspections were conducted on the existing 32 suppliers, with a sampling rate of 30%, totaling 9 suppliers subjected to on-site audits.</p> <p>In 2023, a total of 37 suppliers signed the Supplier Social Responsibility Commitment, bringing the total to 169 suppliers.</p> <p>According to the Ministry of Labor's "inquiry system for public institutions (employers) that violate labor laws", in 2023, a total of 259 suppliers were found to have no violations of regulations, accounting for 94.2%. Among them, 16 suppliers were found to have violated the Labor Standards Act, the Occupational Safety and Health Act, and the Labor Occupational Accident Insurance and Protection Act. However, each company is actively involved in relevant improvements. ASC will continue to monitor or provide assistance accordingly.</p>		
VII	Product output by category	Quan tifica tion	Varies by product type	We have many kinds of products and specifications, and they are made according to the specifications of customer requirements with their own uniqueness, so it is impossible to add up the production volume.	-	-

Note 1: Total self-generated and self-use energy is as defined according to the "Renewable Energy Development Act", "Implementation Regulations Governing Renewable Energy Certificates", or related subordinate regulations.

Appendix 4: Climate-related Information of TWSE/TPEX Listed Companies

Item	Corresponding chapter
1. Describe the Board of Directors' and management's supervision and governance of climate-related risks and opportunities.	4.1 Risks and opportunities of climate change and countermeasures
2. Describe how the identified climate risks and opportunities will affect the Company's businesses, strategies, and finances (short-, mid-, and long-term).	4.1 Risks and opportunities of climate change and countermeasures
3. Describe the financial impact of extreme climate events and transitional actions.	4.1 Risks and opportunities of climate change and countermeasures
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4.1 Risks and opportunities of climate change and countermeasures
5. If a scenario analysis is used to assess resilience against climate change risks, please describe the scenarios, parameters, assumptions, analysis factors, and main financial impacts used.	-
6. If there are transition plans to manage climate change-related risks, please describe the content of the plan, as well as the indicators and targets used to identify and manage physical risks and transition risks.	-
7. If internal carbon pricing is used as a planning tool, please describe the basis for setting the price.	-
8. If climate-related targets have been set, please describe the activities covered, the scope of GHG emissions, the planning timeline, and the progress made each year. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, please describe the sources and quantities of the offset carbon reductions or the number of RECs.	-
9. The status of GHG inventory and assurance, along with reduction targets, strategies, and specific action plans (to be filled in sections 1-1 and 1-2).	4.1 Risks and opportunities of climate change and countermeasures

● 1-1 GHG inventory and assurance status

Basic information of the Company	According the regulations for the Sustainable Development Roadmap for Listed Companies, the following should at least be disclosed
<input type="checkbox"/> Companies with a capital of more than NTD 10 billion, as well as those in the steel and cement industries <input type="checkbox"/> Companies with a capital of more than NTD 5 billion but less than NTD 10 billion <input checked="" type="checkbox"/> Companies with a capital of less than NTD 5 billion	<input checked="" type="checkbox"/> Inventory of the parent company <input type="checkbox"/> Inventory of the subsidiaries' consolidated financial statements <input type="checkbox"/> Assurance of the parent company <input type="checkbox"/> Assurance of the consolidated financial statements of subsidiaries

1-1-1 GHG inventory information

Total GHG emissions in 2022		
Reporting period: January 1, 2022 to December 31, 2022		
Scope	Total emissions(Metric tons of CO ₂ e)	Intensity(Metric tons of CO ₂ e/NTD millions)
Scope 1	244.6025	0.0398
Scope 2	8,339.0351	1.3585
Scope 3	-	-
Total	8,583.6376	1.3985
Note 1: Direct emissions (Scope 1, emissions from owned or controlled sources by the Company), energy indirect emissions (Scope 2, indirect GHG emissions from purchased electricity, heat, or steam), and other indirect emissions (Scope 3 emissions generated from corporate activities that are not indirect emissions from energy sources but originate from sources owned or controlled by other companies). Note 2: The scope of data on direct emissions and energy indirect emissions should be handled according to the schedule specified in Article 4-1, Paragraph 2 of the Taiwan Stock Exchange's "Operating Procedures for Preparation and Submission of Sustainability Reports by Listed Companies" (hereinafter referred to as the Operating Procedures). Information on other indirect emissions may be disclosed voluntarily.		

Note 3: GHG inventory standard: ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: The intensity of GHG emissions is calculated based on revenue (NTD millions).

Total GHG emissions in 2023

Reporting period: January 1, 2023 to December 31, 2023

Scope	Total emissions (Metric tons of CO ₂ e)	Intensity (Metric tons of CO ₂ e/NTD millions)
Scope 1	646.4194	0.1136
Scope 2	7,180.9010	1.2615
Scope 3	1,772.8418	0.3114
Total	9,600.162	1.6865

Note 1: Direct emissions (Scope 1, emissions from owned or controlled sources by the Company), energy indirect emissions (Scope 2, indirect GHG emissions from purchased electricity, heat, or steam), and other indirect emissions (Scope 3 emissions generated from corporate activities that are not indirect emissions from energy sources but originate from sources owned or controlled by other companies).

Note 2: The scope of data on direct emissions and energy indirect emissions should be handled according to the schedule specified in Article 4-1, Paragraph 2 of the Taiwan Stock Exchange's "Operating Procedures for Preparation and Submission of Sustainability Reports by Listed Companies" (hereinafter referred to as the Operating Procedures). Information on other indirect emissions may be disclosed voluntarily.

Note 3: GHG inventory standard: ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: The intensity of GHG emissions is calculated based on revenue (NTD thousands).

1-1-2 GHG assurance information

According to the "Sustainable Development Roadmap for Listed Companies" announced by the FSC, the Company has not arranged to conduct assurance operations for this year.

1-2 Goals, strategies and specific action plans for GHG reduction

Target setting			
Item	Short-term goals	Mid-term goals	Long-term goals
Energy GHG emissions (carbon management)	2022 to 2030 25% carbon emissions	2031 to 2040 Cumulatively reduced carbon emissions by 60%	2041 to 2050 Cumulatively reduced carbon emissions by 100%
	<ul style="list-style-type: none"> Specific actions and performance: The Company uses 2023 as the base year and follows the ISO 14064-1: 2018 GHG Inventory Standard. The report covers a total of 6 operational sites, namely ASC (Plant A1, A2, and A3), Taipei Office, Hsinchu Office, and Tainan Office. The 2023 GHG emission data are as follows: Scope 1: 646.4194 (metric tons CO₂e). Scope 2: 7,180.9010 (metric tons of CO₂e). Scope 3: 1,772.8418 (metric tons of CO₂e). Total emissions = Scope 1 + 2 + 3 emissions: 9,600.162 (metric tons of CO₂e). 		
Renewable energy	In 2023, we assessed the construction of a 252 kW solar power system, which is currently under construction and is expected to be completed in 2024. This is projected to generate 333,887 kWh of electricity annually. Solar power generation will directly reduce ASC's electricity costs and fulfill the responsibility for using green energy.		

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